

Inspection Report

Tower Hamlets Community Housing Limited

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

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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Housing Association Inspections

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

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

For housing Associations, our inspection role and remit is set out in sections 41(A) and 41(B) of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003) and is in line with the Audit Commission's strategic regulation principles. In broad terms these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of the Association;
- 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.

We are committed to working in partnership with other regulators, and the Audit Commission and the Housing Corporation are working together to improve the performance and efficiency of housing Associations. Our shared objectives are to ensure that Associations provide services for the diverse range of customers in their areas of operation, high standards of customer services and access, and value for money for both customers and the taxpayer.

The Housing Corporation is the statutory body which regulates housing Associations to ensure that they are well governed, well-managed and financially viable, as set out in its regulatory code. Its lead regulation staff work with housing inspectors to ensure that there is adequate information provided for the inspection and that the inspected body implements recommendations in the inspection report. The overall findings of the inspection are also used to inform the Housing Corporation Assessment (HCA) which determines eligibility for further public investment and may influence the Housing Association's future business prospects.

Summary

- 1 Tower Hamlets Community Housing Limited (THCH) is a registered charity and a registered housing Association and operates in the London Borough of Tower Hamlets in the wards of Bethnal Green, Shadwell and Wapping and Spitalfields.
- 2 The Association's stock is entirely in the London Borough of Tower Hamlets (LBTH) and consists of 1,273 general needs homes and 568 leasehold flats most of which were acquired by residents on a 'Right to Buy' basis. Most of the homes were transferred from the LBTH after a resident's ballot.
- 3 The Association has a Board of Management consisting of 18 members six of which are residents (one is the chair and another is a leaseholder), six councillors from the London Borough of Tower Hamlets and six independent members. THCH has a senior management team of five led by the Chief Executive in charge of four directorates - Housing Services, Finance, Technical Services and Housing Choice. The organisation employs the equivalent of 56 full-time permanent employees.
- 4 The Association had a financial turnover of £5,684,555, operating costs of £3,951,315 and a surplus of £1,955,623 for the year 2003/04.
- 5 THCH was formed in 1999 to improve the standard of accommodation and housing services while maintaining a sense of community for all its residents. The Association met all its promises made at the time of the transfer from LBTH. TCHC now intends to increase the size of its stock to approximately 4500 homes through the LBTH Housing Choice transfer programme in order to improve standards of service and value for money to residents although there is no immediate intention to provide homes outside of the LBTH.

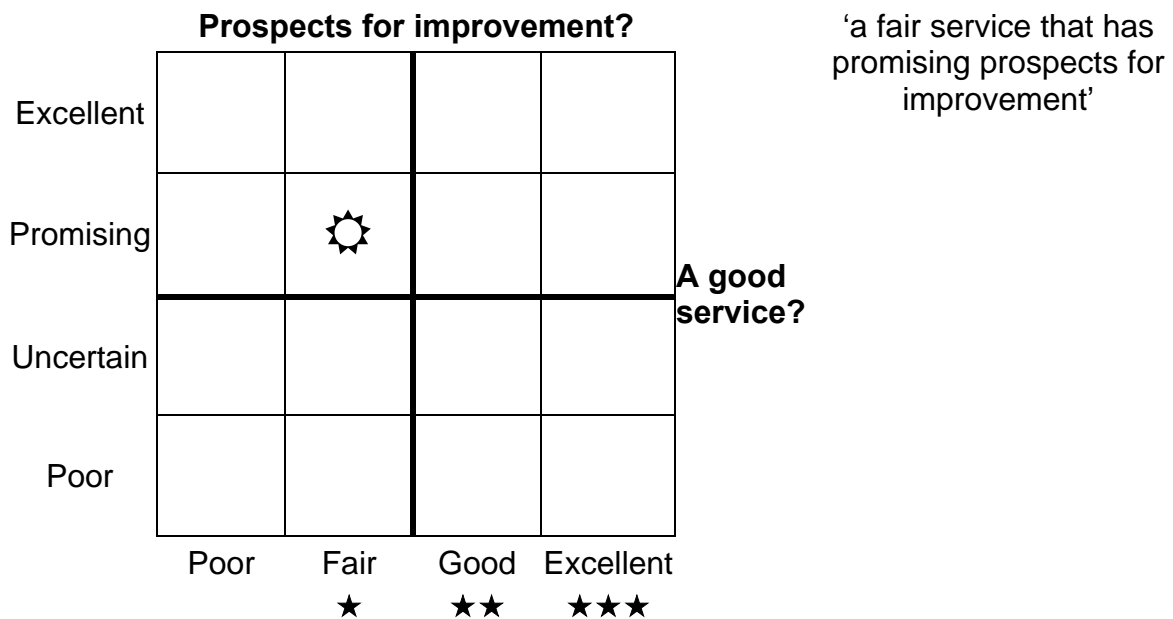
Scope of the inspection

- 6 The inspection covered general needs and leasehold housing. There were no specific concerns with the service areas of allocations and lettings or estate management and they were therefore excluded from the inspection.
- 7 When assessing how good the existing service is we looked at:
 - access and customer care;
 - diversity;
 - stock investment and asset management;
 - housing income management;
 - resident involvement;
 - estate management (focusing on dealing with anti-social behaviour);
 - leasehold management; and
 - value for money.

Scoring the service

- 8 We have assessed Tower Hamlets Community Housing as providing a fair one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart



Source: Audit Commission

- 9 The service is fair due to the following strengths.
- There is a corporate customer-focused culture provided by a localised generic service with staff being polite and efficient. Resident satisfaction is high.
 - There is an annual tenants' survey that allows comments and complaints to be investigated and the complaints system is well advertised and meeting service standard targets.
 - Range of informative, jargon free leaflets, newsletter and documents for residents.
 - Monitoring of diversity for staff, Board members and contactors is well embedded and the staff profile meets the profile of the communities they serve.
 - There are a number of staff who speak the community languages, information is available in a wide range of formats and there is access to translation services.

- The Association's stock profile is in excess of the DHS standards and with a high energy efficiency rating.
 - The responsive repairs service works well and void properties are handled quickly and let to a high standard.
 - Performance on gas servicing and safety certificates is very high.
 - Performance on collection of rent, arrears and rechargeable repairs is high and the Association works well with the LBTH on housing benefit (HB).
 - Residents have influenced and been involved with some service changes and developments.
 - Estates are generally clean and tidy with landscaped areas well maintained.
 - The Association works well with external agencies on antisocial behaviour and there is a responsive on site local staff presence together with a warden patrol system.
 - High standard of information for residents on dealing with anti-social behaviour.
 - There are a number of diversionary schemes provided by the Community Development Team (CDT), a wide range of security measures and estates are designed to meet Secure by Design criteria.
 - The processing of Right to Buy applications shows a high level of performance.
 - There is extensive use of modern procurement techniques including partnering and Egan initiatives.
 - A number of efficiency savings have been achieved.
- 10** The following weaknesses in service delivery exist.
- Customer service standards for tenants and leaseholders are not monitored or recently reviewed and there are weaknesses in the complaints system including the monitoring of complainant satisfaction with the service and a lack of trend analysis.
 - Office opening hours are restricted due to the transfer promise to maintain three local offices.
 - The web site is not fully up-to-date in respect of community development.
 - Offices are not fully DDA compliant, monitoring of diversity and ethnicity is not carried out for complaints and anti-social behaviour and knowledge of the residents' profile is only on a statistical basis.
 - Residents have not been fully consulted on how they would like to receive information from the Association and some resident representatives and frontline staff were unaware of community initiatives and how they could be involved.
 - The approach to addressing lower BME satisfaction levels in focus groups is weak.

8 Inspection Report | Scoring the service

- There is a lack of written information and recording of outstanding repairs on void properties and there is a lack of service standards and monitoring of satisfaction of residents for the aids and adaptations service.
- There is insufficient focus on collecting former tenant arrears, collecting and monitoring service charges and there is limited debt advice.
- Resident involvement and especially for leaseholders is declining and there has been only limited attempts to reach uninvolved residents.
- Some resident representatives are not fully aware of their roles and responsibilities.
- Residents see antisocial behaviour as their biggest concern particularly drug taking and dealing but in some cases there are extended delays in actions being taken and there is no testing of victim satisfaction with the service.
- There is no overall procurement strategy and the Association is unable to identify detailed costs for its services.

11 The prospects for improvement are promising because:

- plan for major works and promises to residents at registration completed three years ahead of schedule and best value and other plans are generally completed on target;
- other estates in LBTH choosing THCH as their preferred landlord under Housing Choice Programme;
- there is a mixed performance on performance indicators but they are all generally at a high level and tenant satisfaction is high;
- there is evidence of improvements arising out of resident involvement and through partnerships with other organisations;
- there is evidence of internal learning through surveys, complaints and staff meetings and external learning through visits and contact with other organisations;
- existing plans and reviews, including recently commenced programme of BV reviews, are generally well planned, well resourced, SMART and make consistent use of the four 'Cs';
- the plans for Housing Choice have been noted by LBTH as good practice;
- THCH has a clear vision, strong and effective governance arrangements and a strong, stable and able senior management team;
- staff are well-motivated and morale is high with a low turnover and sickness rate;
- there are effective systems in place for prioritising plans and reviews; and
- the existing IT system is effective and has the capacity to absorb growth.

12 The following barriers to improvement exist.

- Learning internally is limited in some areas such as complaints and anti-social behaviour due to a lack of resident satisfaction surveys with these specific services and low levels of resident involvement.
- Learning from external sources is also limited as in the case of benchmarking which is LBTH focused and sometimes inconsistent as in the case of the mock inspection where identified failings in customer services were not acted upon.
- THCH has been slow to embark on a best value system of reviews and there are some instances of lack of clear targets and milestones in some reviews.
- The formal appraisal system is not yet fully in place to set and monitor staff on detailed annual targets and there is limited use of specific individual staff targets.

Recommendations

- 13 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 Ensure all offices and premises used by residents are fully DDA compliant. (To be implemented within six months.)</i>
<i>R2 Investigate and implement further measures to ensure residents not at present involved in the residents involvement structure and community development schemes are consulted and can influence services. (To be implemented within 12 months.)</i>
<i>R3 Monitor on a consistent basis the diversity of residents using services and attending resident meetings in order to ensure services provided are framed around the diverse needs of residents. (To be implemented within six months.)</i>
<i>R4 Consult with residents and introduce levels of service standards they wish to receive including office opening hours, service standards in service guarantee and how they wish to receive information. (To be implemented within 12 months.)</i>
<i>R5 Monitor key service standards set out in the service guarantee on a continuous basis and analyse trends in performance in order to plan for future service improvements. (To be implemented within 12 months.)</i>
<i>R6 Monitor customer satisfaction provided and analyse trends for the complaints, anti-social behaviour and aids and adaptations services in order to plan for future service improvements. (To be implemented within three months.)</i>
<i>R7 Ensure residents and staff have adequate information on community development schemes run by the Association and ensure there are means for involvement. (To be implemented within six months.)</i>

- 14 We would like to thank the staff of Tower Hamlets Community Housing Limited who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 1 and 6 June - 10 June 2005

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Report

Context

The locality

- 15 Tower Hamlets Community Housing Limited (THCH) is a registered charity and a registered housing Association and operates in the London Borough of Tower Hamlets in the wards of Bethnal Green, Shadwell and Wapping and Spitalfields.
- 16 The homes of the Association are in some of the most diverse communities in the country. In Tower Hamlets, 51 per cent of the population is white; the third lowest in the country, and 33 per cent is Bangladeshi. There is also a wide diversity of faiths in the areas in which the Association works with 36 per cent of the population of Tower Hamlets being of the Muslim faith.
- 17 The area in which THCH works also has a dense population that is expanding at a higher rate than other areas of the UK, have a high number of young people and have a higher than average proportion of lone parent families. For instance, based on the 2001 Census, Tower Hamlets, with 99 people per hectare, is the fifth most densely populated place in England and Wales compared to an average of 34 people and has grown by almost 18 per cent since 1991.
- 18 Unemployment is also a problem in the Association's area of operations with Tower Hamlets having average unemployment of 6.6 per cent.

The Association

- 19 THCH was registered with the Housing Corporation in March 2000 after a residents' ballot and transfer of 1,552 homes from the London Borough of Tower Hamlets.
- 20 Following the transfer of properties, THCH embarked on a £56 million programme of estate regeneration funded partly by loans and £21 million from Estate Renewal Challenge Funding.
- 21 The THCH key objective is 'to be an efficient medium-sized housing Association working in Tower Hamlets to provide safe, high-quality, affordable homes, as part of the social and economic regeneration of the local community'.
- 22 The Association is heavily involved in the London Borough of Tower Hamlet's Housing Choice programme and indications are that 1,500 to 2,000 homes may be transferred to THCH within the next 12 months. Most recently, the Tarling East Estate consisting of 241 homes was transferred to the Association in December 2004.

- 23 The Association has a Board of Management consisting of 18 members six of which are residents (one is the chair and another is a leaseholder), six councillors from the London Borough of Tower Hamlets and six independent members. THCH has a senior management team of five led by the Chief Executive who are in charge of four directorates, Housing Services, Finance, Technical Services and Housing Choice. The organisation employs the equivalent of 56 full-time permanent employees.

The service

- 24 The Association's stock is entirely in the London Borough of Tower Hamlets and consists of 1,273 general needs homes and 568 leasehold flats, most of which were acquired by residents on a 'Right to Buy' basis.
- 25 The head office is at 16, Deancross Street, London E1 2QA and services are provided locally at area housing offices in Bethnal Green, Shadwell and Spitalfields.
- 26 Direct services to residents are provided by the area housing offices where housing officers, estate cleaners and handypersons are based. Corporate and financial functions are carried out mainly at the head office.
- 27 Based on its 2004 Status Tenant Satisfaction survey, the general needs profile of the Association's households is as follows.
- Ethnicity – 33 per cent White British, 9 per cent Other White, 10 per cent Black Caribbean/African/British, 41 per cent Asian/Indian/Pakistani/Bengali/British and 7 per cent Other.
 - Thirty-eight per cent of tenants are from the Bangladeshi community.
 - Twenty-nine per cent of tenants are in full or part-time employment, 13 per cent are unemployed, 20 per cent are retired, 15 per cent are permanently sick or disabled and 18 per cent look after the home.
 - Fifty-nine per cent of tenants rely on state pensions/benefits.
 - Fifty-five per cent of homes have a woman as head of household.
 - Sixteen per cent of households are one parent families.

How good is the service?

Access and customer care

- 28 There are a number of strengths in this area, although they are balanced by some significant weaknesses. The Association is customer-focused and resident satisfaction with services is high. There is a wide range of information for residents in a range of formats, an annual satisfaction survey and complaints are dealt with satisfactorily. However, customer service standards are not monitored and there were weaknesses in the complaints system including lack of satisfaction testing of complainants and lack of trend analysis.
- 29 THCH head office is at Winterton House, Deancross Street although residents are directed for services to three community housing offices in Bethnal Green, Shadwell and Spitalfields. The area offices have restricted opening times on Monday to Friday from 10.00am to 1.00pm and 2.00pm to 4.00pm hours except Wednesday when the counter is closed at 1.00pm, although all three offices provide a telephone service on Monday to Friday from 9.00am to 5.00pm.
- 30 The reception areas of the offices are generally functional and provide a wide range of useful and informative literature and leaflets. All the offices have private interviewing facilities and there is adequate security and signage. Staff are polite, welcoming and efficient which reflects the corporate culture of the organisation. To assist customers Language Line is clearly advertised and a loop system is available at the head office with a portable system which can be utilised at area offices. Permanent loop systems are to be installed at the three area offices.
- 31 The THCH website is basic but easy to navigate and gives jargon free information. There is information on the Association structure and senior staff, on all the service areas including contact details and copies of all leaflets and the newsletter.
- 32 The enquiry form on the website by which residents can report repairs, complaints or anti-social behaviour is difficult to find and is not advertised in literature or leaflets. We also found that some information especially on community development issues is not up-to-date and not particularly useful for residents.
- 33 A service guarantee setting out service standards for residents was introduced at the time of registration with the Housing Corporation and these were agreed with residents. The service standards are largely industry standard, although some are more challenging such as answering the telephone within ten seconds for 90 per cent of the time. The standards are not monitored and it is five years since the standards were reviewed by residents.

- 34 Residents were generally very satisfied with the services provided by the Association and thought staff were polite and efficient. This was confirmed by our observations and the 2004 Status Tenant Satisfaction Survey which showed 75 per cent of tenants satisfied with services overall and only 11 per cent dissatisfied which was the highest level of satisfaction for similar sized London Associations. A 2004 Status Leaseholder Satisfaction Survey showed a lower overall satisfaction of 52 per cent with 21 per cent dissatisfied. In the surveys 77 per cent of tenants and 58 per cent of leaseholders found THCH staff polite and helpful.
- 35 The Association checks overall tenant satisfaction on a more frequent basis than most other organisations by carrying out an annual satisfaction survey. The latest 2005 survey obtained responses for 24 per cent of tenants and although results have yet to be fully analysed overall tenant satisfaction was shown to be at 76 per cent. In addition, the Chief Executive guarantees to examine all comments or complaints and this exercise is now taking place.
- 36 The quality of written information for residents is high and most has recently been reviewed in consultation with residents. All information is jargon free and easily readable and this includes not only the residents' leaflets, information in sign-up packs and newsletters but also most standard letters. Our file reviews found there were some poorly written non-standard letters.
- 37 THCH produces a monthly Update newsletter which is informative, edited by staff and residents and contains articles from individual residents, resident groups and staff.
- 38 There is no standard list of information and leaflets displayed in the various offices for tenants to be able to check for availability and ensure that the full range of information is on display.
- 39 The Association carries out an annual survey of residents' satisfaction including overall satisfaction, major works, lettings and repairs. These surveys enable the Association to monitor and track trends based on up-to-date statistical information and allow changes and improvements that reflect current situations.
- 40 However, in some areas such as complaints, anti-social behaviour and provision of aids and adaptations there is no testing of resident satisfaction and therefore less opportunity to monitor trends and to act promptly to rectify problems.
- 41 Frontline staff generally deal with complaints and reports of anti-social behaviour promptly but some are not formally recorded.
- 42 The complaints system generally works well, is well advertised in a range of appropriate languages, complaints are acknowledged swiftly and most are dealt with within target timescales.
- 43 The three-stage procedure adequately sets out the levels of responsibility at each stage and there are clear service standards with stage 3 heard by the sub-committee on a monthly basis. Of the 71 complaints recorded in 2004/05 only nine reached this stage. Responses to complaints are well written in plain language and respond to the issues raised. Complaints are recorded and monitored by service area using a computer database and reported regularly.

- 44 There has been a reduction in the level of complaints made in the last two years from 80 (2003/04) to 71 (2004/05). The highest level of complaints received was for major works. In the last two years, seven complaints have proceeded to the Independent Housing Ombudsman for investigation. One is in process, and four out of the six already determined had some minor degree of service failure found in the determinations.
- 45 However, there are a number of weaknesses in the complaints system including the following.
- Compensation for residents not fully publicised and with information in the leaflet restrictive and not mentioning a range of areas including loss of amenities and right to repair. This may prevent residents from accessing the level of compensation that they are entitled to.
 - Although stages 2 and 3 are responded to on time, stage 1 has not met the 100 per cent target over the last two years with the response time for 2004/05 being 95.6 per cent.
 - Diversity of complainants is not consistently captured which prevents the Association from identifying any service disparities across its residents' profile or the barriers which may be preventing access to them.
 - There is no formal quality monitoring of responses to complaints and there have been instances where board members at the stage 3 hearing have commented that the stage 1 response could have been improved. This restricts the Association from learning on how to effectively respond to complaints such as the identification of training needs and improvement in responding to complaints.
- 46 THCH does not differentiate between tenant and leaseholder complaints and although there has been no overall analysis of who complains the most, anecdotally THCH considers that a higher level of complaints come from leaseholders. In particular, major works, service charges and environmental issues.

Diversity

- 47 There are a number of strengths in this area although there are some significant weaknesses. Monitoring on diversity for staff, Board members and contractors is well embedded, the staff diversity profile meets the profile of the communities they serve, there is effective diversity training for staff, information to residents is in a range of formats and there is an effective provision of aids and adaptations for residents. A victim centred approach is taken to domestic violence and harassment. Efforts are being made to provide work opportunities for local people. Staff are knowledgeable about the vulnerability and special needs of residents, but this information has not been effectively analysed or used to inform service development. Offices are not fully DDA compliant, monitoring of ethnicity was not carried out for all services, knowledge of its residents profile is only on a statistical basis, residents have not been fully consulted on how they would like to receive information from the Association and some resident representatives and frontline staff were unaware of community development initiatives and how they could be involved.
- 48 The Association has an Equal Opportunities Policy, a Diversity Action Plan and a BME Strategy all of which are reviewed annually. The Association is moving away from just focusing on BME issues and looking at diversity issues more holistically.
- 49 The offices were not fully DDA (Disabled Discrimination Act) compliant and did not have low counters or automatically opening doors for wheelchair users and one office did not have access to a disabled toilet because of the lack of the provision of a lift. The offices did not have minicom or loop systems, except the head office which had a minicom system and there was a portable loop system that could be used at other offices.
- 50 The Status Tenants' and Leaseholders' surveys in 2004 gathered statistical information on the tenant profile which has allowed THCH to compare this against the profile of the community as a whole. This showed that 55 per cent of households had a woman as the head, 57 per cent of residents were from BME communities, 38 per cent of residents are from the Bangladeshi community, only 29 per cent of residents were in full employment, 20 per cent are retired and that 15 per cent of residents were disabled or suffered long-term illnesses.
- 51 The Status surveys revealed that satisfaction among BME residents was less than for White residents. The overall satisfaction of BME residents with THCH services is 73 per cent compared to the satisfaction of White residents of 77 per cent. Levels of satisfaction in all areas were generally lower for BME residents. The Status report points out that this is not unusual and lower BME satisfaction is the norm for most Associations. THCH is in the process of trying to address the lower satisfaction of BME residents by consulting present resident groups and via a BME resident focus group set up with support of a Housing Corporation grant.

- 52 Although the Association was engaged in trying to address lower BME satisfaction, the quality of approach was weak. For example, the BME focus group apart from one member was entirely made up of residents from one block of flats and unrepresentative of the views of BME residents generally.
- 53 Monitoring on ethnicity was embedded for most services. However, monitoring on diversity was less advanced (ie complaints, anti-social behaviour, repairs and attendance at tenant representative meetings) and the influence of groups other than BME groups had had less influence on services.
- 54 The Association sets ethnicity and gender targets for Board membership and staff and its record of meeting them is generally good.
- 55 THCH has set targets for contractors and consultants for the ethnicity of their workforces to match the profile of local communities and these are generally being met. All contractors and consultants are required to have a diversity policy.
- 56 Working in building trades as a means of employment by some residents is often not considered and some of the contractors working for the Association have agreed to employ local residents as Resident Liaison Officers which has also improved their contact with residents.
- 57 The Association is also positively trying to attract staff from the local communities and has worked with Skills Match to identify people from BME communities with appropriate skills. The Technical Services employs two residents as trainees and is training them in the management of maintenance services. THCH also employs mentoring of BME staff in order to increase their work skills.
- 58 The Association collects detailed information on the vulnerability and special needs of residents and details are stored on the computer system. The provision of services delivered locally means that staff are very knowledgeable about the vulnerability and special needs of residents and many were known on a first name basis. Staff were also aware of local support agencies and were able to direct residents to them where required.
- 59 Although as part of the Diversity Action Plan, the Association has plans to analyse the details of vulnerability and special needs kept on its computer system, this has been delayed.
- 60 Diversity training is compulsory for all staff and included as part of induction training. Ten members of staff have also received LanguageLine training in the last two years. We found that diversity training of staff was leading to increased awareness of issues. Staff were fully aware of religious and cultural events and issues and arranged meetings and interviews to suit residents requirements.
- 61 The Association has translated its most popular factsheets and publications from English into the two most used languages of residents. Leaflets and other information can be translated into all the languages used by residents by an arrangement with Language Line. The policy of employing staff from the local community means that it has staff that speak the community languages (although Somali speaking staff is limited to two at present) and there is rarely the need to use external translation services.

- 62 All THCH factsheets are shown on its website in English and other community languages.
- 63 Although there was a great deal of information for residents in various languages and formats, the Association has not fully consulted with residents on how they would like to receive information. For instance, THCH has not analysed how many residents have access or use the website and what facilities they would like to be available.
- 64 The Association's policies and procedures for racial harassment (RH) and domestic violence (DV) have recently been reviewed to take into account latest good practice. They are comprehensive and take a victim centred approach. It includes practical support for victims as well as legal remedies and training issues for staff to deal with these situations. It also includes challenging targets, detailed procedures for investigating incidents, involving relevant agencies and for case management including agreement of action taken with the victims. Victims of racial or other harassment and DV are given priority for re-housing.
- 65 THCH is monitoring its response to complaints of RH and DV and reporting this regularly. Monitoring information includes basic case details, action taken and outcomes. This information shows that a variety of approaches are taken and that issues are being dealt with appropriately. Three cases of racial harassment and two cases of DV were reported in 2004/05 none of which are outstanding.
- 66 The number of reported cases to actual cases is probably small and in order to improve this, the Association is reporting cases by articles in newsletters and factsheets and to new residents as information in sign-up packs.
- 67 Residents are able to report cases of RH and DV to the area offices and to the out-of-hours call centre or the Estate Wardens in emergencies. The Association works with other agencies and victims can be referred to the Tower Hamlets Domestic Violence Information Line, the local authority Community Safety Unit, the local authority Tenancy Management Support Unit and Victim Support to help resolve these issues and can report directly to these organisations.
- 68 The THCH Community Development Team (CDT) is engaged in a large number of local projects in support of diversity issues that affect residents including working with partner external agencies. Projects the CDT support include projects for the elderly in conjunction with Age Concern and 55 Alive, various youth projects, young mothers in partnership with Sure Start and English and Mother Tongue speaking courses. The Association also helps support disabled persons in the community by having its Update newsletter printed by a support agency employing disabled persons.
- 69 However, despite the number of projects the CDT is involved in and the advertisement of them in the Association's newsletter, we found that some residents and staff we spoke to were unaware of the extent of the work being carried out.

- 70 The maintenance service is responsive to the needs of the elderly with a decorations programme in place for elderly and vulnerable residents whereby Handypersons will decorate two rooms of their property free of charge every five years. In order to further assist elderly or vulnerable residents the Association will undertake to carry out rechargeable repairs at cost.
- 71 To assist in sustaining tenancies all new and refurbished homes are built to mobility standards with a number of new homes built to meet full wheelchair standards. In partnership with the LB Tower Hamlets the Association has built 12 new specially adapted homes for identified disabled residents and their families. During the Major Works contract the Association proactively identified all existing residents in need of aids and adaptations, by using private occupational therapists, and installed the equipment as part of the works programme.
- 72 The service to tenants who require aids and adaptations is responsive with priority being based on need and assessed by either a private or local authority occupational therapist. There is no current waiting list for aids and adaptations.

Stock investment and asset management

- 73 The Association is generally strong in this area with few weaknesses. The Association's stock profile is in excess of the decent homes standard (DHS) and with a high SAP (energy efficiency) rating; modern procurement techniques are used; the responsive repairs service works well; void properties are handled quickly and let to a high standard; performance on gas servicing and safety certificates is very high and aids and adaptations are provided to residents in a responsive manner. Weaknesses are minor and include lack of written information and recording of outstanding repairs on void properties and the lack of service standards and monitoring of satisfaction of residents on aids and adaptations.
- 74 The Association's stock condition survey shows that all its properties meet and exceed the requirements of the Government's decent homes standards (DHS) and have an average SAP rating of 88 which is high compared to most other housing Associations. (The above excludes the Tarling Estate stock which was transferred to the Association in December 2004.)
- 75 The works to the properties in the major works programme have been carried out to high standard and in excess of DHS standards. The works were carried out by three contractors operating strategic partnering contracts and assessed by a panel including residents.
- 76 Residents were involved in and consulted on planning and programming of the major works contracts and there was extensive consultation with residents on the design, layout and choice of colours and materials in connection with their individual properties and reduction of overcrowding by conversion of some properties.
- 77 The first year of a cyclical works programme commenced last year and was completed on target.

- 78 Responsive repair works are carried out by THCH Handymen and one contractor on a fixed term contract using the National Housing Federation (NHF) schedule of rates. Other smaller contractors are employed to carry out specialist works.
- 79 Internal performance monitoring figures for the repairs service for the last two years show a satisfactory level of performance on completions. The tenant satisfaction repairs survey showed a high 88 per cent of tenants satisfied.
- 80 The standard of void properties we viewed was generally high and met the Association's lettable standards. A property we viewed and due to be let on a refurbished major works scheme was finished to a very high standard and exceeded DHS standards. Residents are generally given a decoration allowance to complete decorations to their own preference.
- 81 All works to void properties to be re-let are carried out by THCH Handypersons or a contractor using a term schedule of rates contract.
- 82 Void works minimum lettable standards were reviewed in consultation with residents and these standards are used by the Technical Officer, Handypersons or contractor to specify the works. All void properties are post-inspected by the Association's Technical Officer.
- 83 Performance indicators showed that turnaround times for letting void properties improved from 3.8 weeks in 2003/04 to 2.2 weeks in 2004/05. However, internal monitoring figures show the turnaround time for the last quarter to 31 March 2005 had increased to 2.8 weeks. Performance had been adversely affected by the advertisement system operated by the choice based lettings system.
- 84 There is a lack of written information for tenants and no list of outstanding repairs to be done agreed with tenants on void properties.
- 85 The level of performance for gas servicing and safety checks on general needs properties is high with 99.99 per cent of properties having a current gas safety certificate at 31 March 2005. This performance combined with robust and timely procedures for gaining access to properties where this proves difficult is in advance of most Associations we have seen. There was only one home where a safety certificate was overdue and on this property legal action was taking place.
- 86 There are clearly written and comprehensive aids and adaptation procedures for tenants and staff to follow.
- 87 The Association's budget for aids and adaptation for the current year is £50,000 and is assessed for priority based on need by occupational therapists. In addition to the Association's budget, Disabled Facilities Grant (DFG) funding from local authorities and grants from the Housing Corporation for equipment is also available for tenants.
- 88 There are no separate service standards set for aids and adaptation works as these are included within the monitoring of repairs and there have been no complaints and there is no waiting list.

Housing income management

- 89 There are a number of strengths in this area although there are some significant weaknesses. Performance on collection of rent, arrears and rechargeable repairs is generally high, there are generally clear, comprehensive and recently reviewed rent and service charge policies and the Association works well with the LBTH on housing benefit (HB). There is insufficient focus on collecting former tenant arrears and collecting and monitoring service charges and debt advice is limited.
- 90 The Association has generally comprehensive rent and service charge policies and procedures that have all recently been reviewed and updated.
- 91 The procedure for recovering former tenant arrears (FTAs), however, is limited. Whilst it sets timescales for recovering debts, there are limited guidelines on how former tenants are located, which could prevent staff from locating former tenants who have moved out of LBTH.
- 92 Residents can pay their rent and service charges in a number of ways including swipe cards that can be used at Pay Point outlets and the Post Office free of charge, cheque, standing order and housing benefit paid direct to the Association.
- 93 The provision of direct debit payments is at present restricted to leaseholders' service charges, and whilst THCH plans to consider extending this provision to tenants for rent payments, it has not yet carried out a cost analysis. It is also in discussions with the Co-operative Bank about the extension of the swipe card payment method; however, it does not currently analyse the payment method of current tenants and leaseholders in order to assist in determining the level of demand for a particular pay method.
- 94 The Association's policy is to explain at sign-up the responsibility to pay rent and the consequences of arrears. Residents are given leaflets explaining how to pay rent, details of the rent policy and THCH rent guarantees, and what rent and service charges cover.
- 95 Performance on rent collection declined from 99.73 per cent in 2003/04 to 97.74 per cent in 2004/05 (taking into account HB and other outstanding payments from LBTH); this would place THCH below the mean for 2003/04 of 99.2 per cent in comparison with other similar Associations. Performance on rent lost through voids is impressive with only a 0.36 per cent loss against an internal target of one per cent and the mean of other similar Associations of two per cent.
- 96 Rent arrears stood at 4.07 per cent for 2003/04 and performance had declined to 4.95 per cent in 2004/05 which was still well below the mean of 7 per cent for similar Associations.
- 97 There is regular and appropriate performance reporting on rent collection and leaseholder service charges. This has enabled the Association to identify problems at early stage and introduce measures for correction.
- 98 The decline in rent collection and arrears performance was largely due to problems of collecting housing benefit (HB) related to interface problems with the local authority's IT system.

- 99 THCH has addressed the challenge of IT interface problems with the new HB system introduced by LBTH reasonably well. Since October 2004 manually crediting HB payments onto tenants' accounts due to the interface problem has increased work loads both within the finance and housing sections of the organisation. THCH has had to consider the impact of delayed HB payments in its overall financial situation and rent collection activities. Despite the problems, there have been few instances of letters wrongly being sent to tenants who had fulfilled their obligations to renew or make their housing benefit applications. Jointly with LBTH the matter is reaching resolution and four weekly automated postings should be in place by the end of June 2005.
- 100 THCH adequately provide residents with a comprehensive breakdown of how it sets its rent and service charges. An explanatory leaflet is provided with the letter of notification explaining how the charges have been set, and with 2005/06 notification THCH also provided tenants whose service charges were included within their rent charges with a breakdown of the service charge. This enables residents to be informed of the cost of services provided by THCH and the background behind their setting.
- 101 Action to recover current arrears is appropriate and generally effective.
- Cases over £1,000 discussed at the monthly PRP meetings.
 - CHOMs monitoring income management work through their one to ones with staff which take place every four to six weeks.
 - There is prompting on recovery action by the Association's IT system.
 - Home visits are used as a method for contacting tenants regarding arrears.
 - THCH is aware of tenants needs through the IT system.
 - There is awareness amongst staff of voluntary agencies that can assist tenants with debt advice and support.
 - The liaison with the LA on HB works well and prior to the interface problems there were limited issues with housing benefit assessments.
 - Informal relationships have been established with Shoreditch and Bow County courts. Staff represent the organisation at court where possession is sought. This process has focused them on always being prepared at court to demonstrate their case which has earned the organisation the respect of the Judges at the court.
- 102 The organisation does not carry out any diversity monitoring for arrears recovery. Whilst anecdotally staff were not aware of anyone from the Bangladeshi community being evicted (the Bangladeshi community is the largest), in not capturing or analysing this information the organisation is not in a position to direct its services to those who would benefit from it most.
- 103 Performance on leaseholder service charge recovery has been weak. The main post of service charge recovery was vacant between June 2004 and the end of May 2005, resulting in a lack of continuity in pursuing leaseholder service charges that has resulted in a higher number of cases of debt.

- 104 We were advised that the 2005/06 target for service charge arrears had been reduced to 35 per cent from 40 per cent. However, the 2004/05 target on reports was 15 per cent and therefore the target for 2005/06 has increased quite significantly and could not be considered challenging.
- 105 Performance monitoring and reporting on major works service charges is weak within THCH. Monitoring of collection was only to commence in June 2005. While anecdotally officers advised us that 70 per cent of leaseholders had discussed their invoices with staff, the organisation could not indicate the proportion of invoices that had been paid or where there was an agreement in place to pay (although the IT Orchard system is capable of identifying the latter).
- 106 There is a lack of priority given to chasing former tenant arrears (FTA) within the organisation. Targets are not set within the area of FTAs and there are only limited attempts by staff to trace and collect them. There is no use made of an approved debt collection service. Current arrears and the HB interface issue have been the priorities, and staff consider FTAs difficult to chase. THCH has not yet investigated how its peers recover FTAs or considered partnership working with other smaller organisations in developing this area of work. By not pursuing FTAs the Association is not attempting to maximise income in this area.
- 107 The level of FTA debt and coverage has increased. There has been an increase on both arrears and cases in the last financial year from £122,007 and 160 cases (March 2004) to £127,052 and 164 cases (March 2005).
- 108 There are appropriate approval levels within the organisation for writing off FTAs.
- 109 The payment of rechargeable repairs is generally efficiently pursued by the organisation. Staff make the decision on whether a repair is rechargeable following guidance in procedures and create the initial invoice. There have been instances where the recovery of a debt has been pursued through the small claims court. The level of recovery for rechargeable repairs at over 82 per cent is higher than we see for most housing organisations.
- 110 Limited welfare benefits information is provided by staff. Whilst staff consider the financial status of new tenants at the sign-up stage through the information provided for the CORE form, and during the stages of recovery, the training that they have received has been limited to awareness training only, and they are not in a position to provide advice on welfare benefit maximisation. This is not assisting residents in maximising their incomes and detracts from the Association's ability to maintain sustainable tenancies.
- 111 Debt advice signposting is limited to the standard rent arrears procedure letters. While the letters advise the tenant that officers can provide information on debt advice agencies, it does not provide a list of agencies or direct signposting through the letter to agencies. It relies on the tenant contacting the housing officer to obtain this information. THCH advised us that information is sent out to tenants and agreed that the letter should make clear reference to the provision of this independent information.

Resident involvement

- 112** There are a number of strengths in this area although there are some significant weaknesses. There is an established framework for resident involvement, a range of opportunities for residents to become involved and a large number of community development projects that have taken place. Residents have influenced some service changes. However, resident involvement is declining; tenant representatives are not aware of their roles and responsibilities towards other tenants; limited attempts to reach uninvolved residents; and some residents and staff are unaware of community development work carried out by the Association.
- 113** There is an established framework for resident involvement at all levels with six resident members on the Board of management, one of which is the Chair, and resident members on all the four committees. All resident Board members are elected. At the lowest level of the framework are Tenants and Residents Associations of which there are four at present but only two of which are active and represent individual estates. There are three Area Resident Boards (ARB), one for Bethnal Green, one for Shadwell and Wapping and one for Spitalfields residents. There is also a Leaseholder Steering Group (LSG) for leaseholders from all three areas to attend. The ARBs and LSG are open for all residents to attend and officers are elected by residents attending. There is a Joint Area Resident Board for which officers are elected from ARBs. The framework allows a high potential for resident involvement and consultation.
- 114** There are a number of issues and improvements have been influenced by residents including:
- residents' 'Update' newsletter and information pack for sign-up of new residents;
 - the review of all existing policies and procedures;
 - new procedures for evacuation of blocks of flats after service utility failure;
 - new service charge calculation policy;
 - overcrowding strategy;
 - programming of estate renewal schemes;
 - additional estate cleaners; and
 - advertisements of properties by LBTH of choice-based lettings properties.
- 115** Although there is an established framework for resident involvement and codes of conduct for ARB, JARB and LSG officers, we found that these officers were unaware of their roles and responsibilities particularly with regard to how they interact with other groups and the residents they represent. On one occasion we were told that an ARB voted to reverse a decision made by the tenants of a block concerning issues only relating to that block.
- 116** Board members and tenant representatives confirmed there is a comprehensive training programme available to them.

- 117 The diversity of residents attending meetings is not recorded or monitored and therefore recommendations made may not reflect the views of diverse groups.
- 118 There is a clear Resident Involvement Statement that has been agreed with residents that sets out the vision that THCH is a resident-led organisation and its intention to involve residents in all decision-making. There is also a detailed and comprehensive Community Development Strategy that sets out the priorities in eleven areas for the Community Development Team (CDT). The strategy is backed up by a detailed action plan which sets out responsibilities, milestones and targets.
- 119 The ARB, JARB and LSG officers elected as Board members retained their positions as officers of the representative group which could lead to a conflict of interest. This situation is being reviewed in a resident involvement action plan.
- 120 Some residents were concerned that they were not fully and consistently involved in the setting of representative group agendas and that issues were those put forward by the Association. A lack of involvement in agendas could mean issues discussed and consulted upon may not be those which residents would choose.
- 121 Attendances at TARAs, ARBs, JARB and LSG are poor and falling. An average of 20 residents attended the last round of ARB meetings and only five attended the last LSG. In the past, ARB meetings were attracting 60 or more residents. Reduced resident attendance may mean that recommendations made by the various resident groups may not reflect the views of residents they claim to represent.
- 122 Excluding the consultation for major works, action on the part of the Association to reach the residents that did not wish to be involved could be improved. There is an annual residents' survey, surveys are carried out for individual issues for blocks and estates and there are satisfaction surveys for repairs and lettings. There is also the BME Focus Group but at present attendance of that group is from one block only and therefore the views expressed are unlikely to be representative. There are no satisfaction surveys carried for complaints and anti-social behaviour, insufficient use of mystery shopping and focus groups and there are no telephone surveys or telephone focus groups. The Association's objective to maintain services that suit all its residents may not be met if it does not capture the views of all its residents.
- 123 There is an informative and jargon-free monthly newsletter for residents which contains articles from residents, articles on services including rent arrears, complaints and anti-social behaviour and contact details. The newsletter can be translated into five local community languages. The Association, by employing a local agency supporting disabled people to print its newsletter and using internal resources, has been able to keep the cost of each newsletter to £570.
- 124 A high proportion of the Community Development Manager's time was related to the publication of the monthly newsletter. This is a waste of a valuable community development resource. The Association has appointed a Publicity and Information Officer whose duties will include the publication of the monthly newsletter.

- 125** To ensure that THCH delivers effective resident participation and builds social cohesion in the communities where estates are located the Association set up a CDT some 18 months ago. There are two permanent members of staff in the team; a Community Development Manager and Resident Participation Officer (post vacant). There is also a BME Community Development Officer post which is funded by THCH and a Housing Corporation grant. The CDT controls a community development budget of £216,000 for 2005/06 of which £10,500 is to be spent to run resident groups. Resident groups and schemes are supported by free and subsidised use of the three community centres and three community rooms owned by the Association. There is also a facility for resident groups to make claims for grants from the CDT to support local projects and schemes.
- 126** The CDT team has focused on the priorities set out in the Resident Participation Statement and helped to set up and enable a large number of localised projects including summer diversionary schemes for children and youths such as football coaching, outings, an art project and firework displays, educational schemes such as ESOL and Mother Tongue classes and other schemes for the elderly, young mothers and the disabled. The schemes were having a localised impact and reducing anti-social behaviour on THCH estates.
- 127** However, some residents and frontline staff were unaware of many of the CDT activities and they wanted to be more informed and involved. Some of the activities supported by the CDT have been advertised in the Update newsletter and at the venues where they take place. The THCH website did not give up-to-date information about the CDT and did not advertise projects it was responsible for. The perception by some residents and staff that little community development work was taking place is clearly untrue and probably due to insufficient publicity and resident and staff recognition and involvement.
- 128** Resident satisfaction with the opportunities to participate in THCH declined to 58 per cent in the 2004 Status Tenant Satisfaction Survey from 77 per cent in the previous survey. However, the 2004/05 annual tenant survey shows that satisfaction with involvement had again risen to 68 per cent. Eighty-one per cent of tenants said they were well informed in the Status Survey and this had fallen to 78 per cent in the latest survey. Leaseholder satisfaction with opportunities to participate was much lower at 42 per cent as shown in the 2004 Leaseholder Satisfaction Survey. 58 per cent of leaseholders said they were well-informed. The Residents and residents' representatives we spoke to confirmed that they received appropriate support but were less satisfied with opportunities for involvement.
- 129** Residents were fully involved in the assessment and appointment of contractors for the major works programme. However, there was no resident involvement with the assessment of maintenance contractors.

Estate management (focusing on anti-social behaviour)

- 130** There are a number of strengths in this area although there are also some weaknesses. Estates are generally clean and tidy with landscaped areas well-maintained; the Association works well with external agencies on ASB; there is a responsive on site local staff presence; there is a Warden Patrol system; a number of diversionary schemes are provided by the Community Development Team (CDT); there are a wide range of security measures and estates are designed to meet Secure by Design criteria. However, residents still see ASB as their biggest concern particularly drug taking and dealing. Recording of incidents of ASB is carried out manually and reasons for measures taken are not always recorded. In some cases, there are extended delays in actions taken and there is no testing of victim satisfaction with the ASB service.
- 131** THCH estates were generally clean and tidy, free from litter and with grounds maintenance carried out to a high standard. An underground rubbish collection system installed by THCH meant estates were free from wheelybins and black plastic rubbish sacks which contributed to the impression of tidiness.
- 132** Staff and residents were concerned about the dumping of bulk furniture and this was a serious problem on estates surrounding THCH properties. The only instance of this occurring on a THCH estate was noted and quickly and efficiently dealt with by estate cleaners and handypersons.
- 133** Staff and residents were also concerned about illegal parking on THCH estates although a new system of introducing poles and padlocked chains around parking spaces seemed to have relieved this problem.
- 134** The main concern for residents at THCH is anti-social behaviour. This includes noise and nuisance caused by youths and children of both residents and non-residents and neighbours' noise and nuisance. In addition there are great concerns about drug taking and dealing which mostly takes place in neighbourhoods surrounding THCH estates.
- 135** The Association has comprehensively and recently reviewed ASB, harassment and DV policies in consultation with residents. All instances of anti-social behaviour, harassment, RH and DV cases are reported to senior management and the Board.
- 136** Information for residents about how to deal with ASB is of a high standard. The Association has very clear and useful information on ASB published in its Tenants' Handbook and newsletters and there are various fact sheets which are available at reception. Information about ASB is also included in packs handed to all new tenants. The information gives advice on reporting incidents, help given by the Association and details of other agencies that may help. Tenancy agreements contain clauses to help counter ASB. Incidents can be reported by telephone, in person or email to area housing officers and Estate Wardens or to the out-of-hours call centre.
- 137** The THCH website contains reasonable information for residents on ASB. It displays factsheets on ASB which can be downloaded and details of contact numbers including the Estate Warden Service and other external agencies.

- 138** There is regular and high-quality training for staff. This has included training on legal proceedings by solicitors specialising in these areas. The training covered how to acquire injunctions, possession orders, acceptable behaviour contracts, anti-social behaviour orders (ASBOs) and anti-social behaviour law in general. The training has enabled the caseworkers to carry out do-it-yourself legal proceedings for injunctions and possession orders, although more serious cases are still referred to solicitors. As well as saving costs, this has also speeded up ASB performance and led to an enhanced service for residents.
- 139** THCH buys into the LB Tower Hamlets Estate Warden Service and a team of four wardens provide a valuable service that is not available to tenants of most housing Associations. The Wardens visit estates and properties in the afternoon and evening every day of the week. They help identify and resolve anti-social behaviour incidents and provide a visible on-site investigative presence, act as professional witnesses and give advice and support to residents. The patrols are targeted on anti-social behaviour 'hot spots' that are identified by the area office staff and the wardens themselves.
- 140** Staff thought that many incidents were dealt with at an early stage due to the locally based service provided at area offices.
- 141** Recording and monitoring of ASB cases is generally satisfactory and on a manual basis. All incidents are recorded on an ASB record sheet and details of cases are kept on resident files. The records allow reports by type and caseworker and separate out RH and DV. All cases are closed when appropriate to do so.
- 142** Record keeping on hard copy files is generally satisfactory although in the files we viewed reasons for actions were not always included and some files were not fully in date order. We found that the information being kept on separate resident files meant that it was difficult to access key information and to track cases easily; this could lead to delays when preparing a court case. We also found on some files that there had been extended delays in taking action by the Association for some reported incidents.
- 143** THCH is involved in and signed up to an information sharing partnership with the local authority. Association staff at all levels regularly attend meetings of the local authority Anti-social Behaviour Unit and work well with Police and other anti-social behaviour groups. THCH is playing a full role in these partnerships and its impact was evident.
- 144** There is an appropriate balance between the level of support and advice given to victims and perpetrators including the offer of mediation and referral to specialist agencies before legal remedies are resorted to.
- 145** The THCH CDT has instigated and been involved in a large number of diversionary schemes in connection with problems sometimes caused by youths and children. Besides schemes including football events and coaching, day trips and the Art Forum which take place in the school holidays the Association has been involved in organised firework displays and working with schools and other external groups to reduce drug abuse and other anti-social behaviour.

- 146 THCH takes an estate-wide view of problems and has consulted Police and employed Secured by Design principles to all the contracts for Major Works projects. All blocks on estates have security fencing and gates, door entry and secondary door entry systems and some have concierge services and CCTV. There are also playgrounds and sports areas designed to reduce the possibility of anti-social behaviour problems. There are a few consortia estates where the Association is trying to negotiate management agreements with the other Associations but with little success so far.
- 147 There is no testing of resident satisfaction with the ASB service.

Leasehold management

- 148 There are a number of strengths in this area although there are some significant weaknesses. THCH generally provides clear and informative literature to leaseholders, the service charge apportionment and collection is satisfactory and processing of Right to Buy applications shows a high level of performance. However, service standards are not monitored and there is a low level of leaseholder involvement and consultation which may result in less appropriate improvements to services and explain the low level of satisfaction.
- 149 The LH handbook is clear and informative. It includes information on the four lease types within THCH and the impact these have upon roles and responsibilities of the leaseholder, service charge calculations and collection and major works consultation, charges and collection.
- 150 It was unclear as to whether the latest edition of the leaseholders' handbook had been issued to leaseholders.
- 151 THCH sets service standards for leaseholders which generally reflect statutory obligations. However, the service standards for leaseholders were not monitored or analysed.
- 152 The Association has recognised the need to improve information to leaseholders and it is considering the introduction of a 'sign-up' pack for leaseholder sell-ons.
- 153 The provision of means of paying for service charges is extended for leaseholders with the availability of direct debit. Anecdotally approximately 5 to 7 per cent of leaseholders pay by this method.
- 154 There is a low level of leaseholder participation. Very few leaseholders attend the LSG and only 28 per cent of leaseholders responded to the 2004 Leaseholder Satisfaction Survey. The low level of leaseholder participation makes it difficult for the Association to design services to meet their needs and may also help to explain the low level of leaseholder satisfaction of 58 per cent.
- 155 Publicity on the outcome of the LSG meetings is limited. While minutes are sent to those leaseholders that have attended, they are not currently posted on the website nor does the Association provide a regular update to leaseholders on the matters that were discussed within the regular newsletter 'Update'. This prevents leaseholders who do not attend the LSG from being aware of the matters that have been raised and how the Association plans to address areas of concern.

- 156** Ethnicity details of new RTB applications are monitored and reported regularly.
- 157** However, THCH does not have an overall profile of its leaseholders and neither does it capture this information consistently. The 2004 Leaseholder Satisfaction Survey captured some diversity information for the 28 per cent of respondents who responded but this information has yet to be used. This prevents THCH from ensuring that it is directing its leasehold services appropriately such as leaseholder involvement and in particular low and non-representative attendance at LSG and other resident involvement meetings.
- 158** In June 2004, staff that speak the main community languages were recruited into the finance team and they deal with leaseholders. This has been since the 2004 Leaseholder Satisfaction Survey was carried out and found low levels of satisfaction from BME leaseholders in contacting the Association.
- 159** Performance on RTB section 125 applications has been exceptional within THCH with 100 per cent processed within the timescale since 2000/01. Unfortunately, the first instance of this target not being achieved was in April 2005 when one section 125 was not issued within the 12-week timescale due to the case being on the recently transferred East Tarling Estate from the LBTH.
- 160** THCH are responsive to the needs of leaseholders as demonstrated by the properties buy-back policy where under circumstances such as the redevelopment or demolition of an estate or extreme financial hardship of a leaseholder the property can be bought back. This policy not only assists leaseholders but also helps to increase affordable social housing stock and promote sustainable communities.
- 161** RTB and RTA applications have decreased over the last two years from 52 applications in 2003/04 to 44 applications in 2004/05. However, the level of completions has increased from 30 in 2003/04 to 44 in 2004/05. Completions are expected to fall in 2005/06 and will have an adverse effect upon the Association's business plan; the fall in income has been adequately provided for in the latest review of the business plan.
- 162** RTB performance monitoring is satisfactory with performance reported regularly. The only area not included within the report was the response to RTB1s, which we were advised would be completed within two to three weeks and would be included in future reports.
- 163** In recognition of the specialism of area office staff in debt recovery, the recovery of leaseholder service charges is to be transferred to the area offices during the next four to six weeks. This area has previously sat within the finance department.
- 164** Estimates and actual invoices provided to leaseholders are clear and easy to read. Two open evenings are provided for leaseholders to inspect the calculations that form the charges after the actual invoice has been issued. The procedure enables leaseholders to be informed on how the charges have been calculated, and if they wish to inspect the bills closer for further satisfaction.
- 165** No service charge calculations have been challenged by leaseholders through the court or leasehold valuation tribunal (LVT).

- 166 Leaseholders' concerns are being addressed regarding the level and clarity of detail within service charge statements. The finance department have implemented more meaningful and jargon-free descriptors on the invoices that are due to be despatched in June 2005.
- 167 THCH adequately considers the ability of leaseholders to pay their associated charges, and these are set out in the Leaseholder Handbook. It indicates that service charge arrears are to be cleared within the year if they are below £1,000 with an extension of an additional 12 months provided in cases where the amount exceeds £1,000. For major works invoices, leaseholders are provided with an interest free repayment scheme over two years.
- 168 THCH has recently completed its initial major works programmes and invoices were issued by the technical services within six months of completion. Quarterly major works statements are to commence June 2005, in order to keep leaseholders informed of their balances.
- 169 THCH has not received service charge payments from the transferred leaseholders of East Tarling Estate for the period 12 December 2004 to the end of March 2005. During this period leaseholders on the East Tarling Estate continued to pay their charges to the LBTH, who will now refund the payments to the LH. This has resulted in the service charge arrears for 2005/06 showing an increase to approximately 42 per cent. THCH will need to consider the impact of this occurring again in its future transfer options.
- 170 Staff signpost leaseholders to debt advice agencies including House Proud, Claim the Maximum and CHAS (Catholic Housing Advice Service). There has been no overall analysis of the take up of this advice; staff were aware that some leaseholders had taken up the House Proud grants.
- 171 Other than to confirm that service charges are lower than those of the LBTH, the Association is unable to demonstrate that service charges to leaseholders offer value for money. There have been no benchmarking exercises carried out in relation to the area of service charges.

Value for money

- 172 There are a number of strengths in this area although there some significant weaknesses. The strengths include extensive use of partnering and Egan initiatives and comprehensive financial regulations and standing orders. However, the Association has no overall procurement strategy and is unable to identify detailed costs for its services.
- 173 There are comprehensive financial regulations and standing orders in place governing purchase and expenditure that set out tendering instructions.
- 174 However, the regulations and standing orders focus on cost mainly and not overall value for money.
- 175 THCH is unable at the present time to identify in detail the costs of its services in some areas although plans are in place to meet requirements for the Annual Efficiency Index to be submitted by 31 July 2005.

- 176** THCH has attained Chartered Construction Client Status and has demonstrated its commitment towards partnering and the Egan agenda by meeting its year 1 targets.
- 177** The Association has recently completed its Major Works Programme utilising Strategic Partnering with three contractors in four years against an original programme of seven years. The reduction in programme time by employing strategic partnering was at no extra cost and secured savings of £5 million on loan repayments and increased rental income that has paid for substantial additional works such as increased security of estates and extra community facilities.
- 178** The Association has recently contracted all its requirements for planned and cyclical maintenance for the next three to five years using traditional competitive tendering methods. However, all the contracts contain a commitment to work towards partnering and employing Egan initiatives.
- 179** Evidence of achieving value for money for responsive repairs is demonstrated by the ratio of emergency to other repairs which for 2004/05 was 14.86 per cent and by the proportion of emergency and urgent repairs to other repairs which was 41:59. Although these proportions are slightly higher than for the norm, they are not unexpected in that all the Association's properties have just been refurbished or newly built and routine repairs should be lower than normal.
- 180** THCH is a member of the choice-based lettings scheme run by the LBTH where costs are shared by the various members of the scheme.
- 181** During the best value review of the Handyperson Services an evaluation of value for money showed that the service would cost £20,000 per annum more if provided by an external agency. The average cost of a repair carried out by a Handyperson was £53 compared to £130 for the average cost of repairs provided by external contractors. However, this probably reflects the fact that the handypersons carry out smaller less complicated repairs that do not require specialist skills.
- 182** The Association does not have an overall procurement strategy although it has plans to develop one. THCH has been in contact with East Homes in order to seek their help in developing a strategy.
- 183** Although THCH has no overall procurement strategy at present the organisation is aware of the need to achieve cost savings and efficiencies in its every day business. The Association has achieved a number of savings and efficiencies on procurement including the following.
- The concierge service at two blocks of flats has been recently tendered with the result of a £473 per annum saving and increased quality of service which include cleaning to the lifts and lobby area.
 - Negotiations with the cleaners' uniform suppliers secured new uniforms at £240 per cleaner which is less than paid for originally.

- Supply of a photocopier was tendered and an updated machine was purchased for less than the cost of original item and the Association intends to tender for further photocopiers next year.
- New mobile phones were tendered and achieved a better quality product for a small saving.

184 The Association has also worked in partnership with a number of other organisations to achieve cost savings and efficiencies including:

- planning advice on the LBTH unitary plan needed in connection with the Home Choice programme was procured in collaboration with several other Associations at a cost of only £125 each;
- working with the same partners, consultation on special planning Guidance costing £3,000 will be shared;
- costs of a lift engineer are shared with Poplar Harca; and
- the cost of children's playground surveys required to meet National Playing Fields Association guidelines have been shared with East End Homes.

185 The Spitalfields office is currently the least cost effective area office based on a per property ratio covering only 350 homes. The Association is obliged to keep this office operating at its present level due to promises made to residents at registration. The future of the Spitalfields office is to be considered in line with the developments of the Housing Choice programme.

186 THCH has a rigorous and effective internal audit process which sets targets for improvement to services and procedures which are regularly monitored.

Summary

187 THCH provides a fair, one-star, service for the following reasons.

188 THCH has a number of strengths and a clear focus. There is a corporate culture of being customer focused by providing a localised generic service with staff being polite and efficient, resident satisfaction is high. There is an annual tenants' survey that allows comments and complaints to be investigated and the complaints system is well advertised and meeting service standard targets.

189 Monitoring of diversity for staff, Board members and contactors is well embedded and the staff profile meets the profile of the communities served, there are a number of staff who speak the community languages, information is available in a wide range of formats and there is access to translation services.

190 The Association's stock profile is in excess of the DHS standards and with a high SAP rating, the responsive repairs service works well, void properties are handled quickly and let to a high standard, performance on gas servicing and safety certificates is very high and estates are generally clean and tidy with landscaped areas well maintained.

- 191** Performance on collection of rent, arrears and rechargeable repairs is generally high, the Association works well with the LBTH on housing benefit (HB), a large number of community development projects that have taken place, the Association works well with external agencies on ASB and there is a responsive on site local staff presence together with a Warden Patrol system. There are also a number of diversionary schemes provided by the Community Development Team (CDT), a wide range of security measures and estates are designed to meet Secure by Design criteria.
- 192** THCH uses an extensive range of modern procurement techniques including partnering and Egan initiatives and the processing of Right to Buy applications show a high level of performance.
- 193** There are also a number of weaknesses that need to be addressed.
- 194** Customer service standards for tenants and leaseholders are not monitored or recently reviewed, there are weaknesses in the complaints system including the monitoring of complainant satisfaction with the service and a lack of trend analysis, offices are not fully DDA compliant and do not have minicom or loop systems, monitoring of diversity and ethnicity is not carried out for all services including complaints, anti-social behaviour, rent and rent arrears collection and resident involvement and the knowledge of the residents' profile is only on a statistical basis.
- 195** Residents have not been fully consulted on how they would like to receive information from the Association and some resident representatives and frontline staff were unaware of community initiatives and how they could be involved. There is a lack of written information and recording of outstanding repairs on void properties, no service standards and monitoring of satisfaction of residents for the aids and adaptations service and an insufficient focus on collecting former tenant arrears and collecting and monitoring service charges.
- 196** Resident involvement and especially for leaseholders is declining and there have been only limited attempts to reach uninvolved residents, some resident representatives are not fully aware of their roles and responsibilities, residents see ASB as their biggest concern particularly drug taking and dealing although in some cases there are extended delays in actions taken and there is no testing of victim satisfaction.
- 197** There is no overall procurement strategy and costs of services are not easily identified.

What are the prospects for improvement to the service?

What is the evidence of service improvement?

- 198** THCH has made a number of significant improvements over the past two years. Original promises to residents at transfer concerning levels of service and property condition have been met and a system of best value reviews has been implemented with the first review completed and two others commenced to programme. Although benchmarking has been largely focused on local organisations and learning from complaints is not consistent, there are a number of other successful ways that the Association continues to learn and improve.
- 199** The Association's self-assessment honestly reflected its actual performance. Comments and weaknesses pointed out to senior staff were acted upon while we were on site or an action plan prepared to address issues. This shows that the Association is a listening organisation with a willingness to learn.
- 200** The main Housing Corporation performance indicators (HCPIs) show an overall improvement and although performance on rent and rent arrears collection and void re-let times has declined in the last year they remain, with the exception of rent collected, at a high level compared to the 2003/04 national mean.

Table 1 Performance on HCPIs

PI	2002/03	2003/04	2004/05	2003/04 National mean
Re-let time	2.1 weeks	2.8 weeks	3.2 weeks	5.71 weeks
Emergency repairs in target	90%	95%	96%	95.7%
Urgent repairs in target	90%	96%	96%	91.7%
Routine repairs in target	91%	96%	96%	92.2%
Rent collected for GN	98.80%	99.73%	97.74%	99.20%
Rent arrears to end of year for GN	5.05%	4.07%	4.95%	7.00%

- 201** The decline in rent and arrears collection was largely due to problems with a new IT system introduced by the LBTH which led to delays in housing benefit payment for the latter part of the year. THCH has worked with the council to resolve the problems and figures for the coming year are expected to improve.
- 202** The increasing re-let time was largely due to the need to advertise homes for choice based lettings.

- 203** Other HCPIs were at very high levels including dwellings vacant and available to let at 0.8 per cent, dwellings vacant and not available to let at 0 per cent, a SAP rating for its homes of 88 and all dwellings meeting DHS.
- 204** Tenant satisfaction had fallen to 75 per cent in its latest 2004 Status survey from 81 per cent in the previous survey, although actual dissatisfaction had also fallen to less than 10 per cent. In the Association's own 2004/05 annual resident satisfaction survey, 76 per cent were satisfied overall with the services of the Association with only 12 per cent actually dissatisfied.
- 205** The Association on registration commenced a seven-year programme of meeting promises made to residents on levels of service provision and improving all properties to standards in excess of the DHS. The promises made to residents at registration were all completed in 2004, two years ahead of programme.
- 206** The Association agreed a five-year best value review strategy in 2003 to commence on completion of the major works programme. The programme commenced in 2004 with the best value review of Handyperson Services and was completed to programme. Two further best value reviews on estate services and ASB have commenced and are programmed for completion later this year. The Strategy is designed as a rolling programme with a five-year cycle.
- 207** Arising out of the only completed Best Value Review to-date, The Handyperson Review, have been improvements that affect residents including extension of the service to include other works such as minor electrical works, removal of bulk rubbish and increased training and monitoring to improve quality of workmanship.
- 208** THCH is also carrying out a programme for the review of all policies and procedures which commenced in 2004 in consultation with residents and is on target for completion later this year.
- 209** THCH carried out a mock inspection of its services in 2003 by a professional consultant and although improvements to services have been made following recommendations, a number of recommendations still remained to be actioned especially in the area of access and customer care as, for example, the issues regarding diversity analysis of complaints which we mention in this report.
- 210** The Association was awarded four green lights for governance, finance, service delivery and development in the latest Housing Corporation's annual assessment.
- 211** THCH has also successfully completed the recommendations set out in a Housing Corporation Race and Cultural Diversity Report in 2003.
- 212** There is evidence of improvements arising out of past and present plans that had been influenced by residents (See Resident involvement).
- 213** Learning and development within the area of customer services has been limited to internal learning through complaints and the annual survey. There has not been any specific customer service benchmarking or monitoring used and although standards match the industry norm some, such as for answering the telephone within ten seconds for 90 per cent of the time, are more challenging.

- 214** Although in most areas the Association is monitoring resident satisfaction including major works, responsive repairs, cyclical and planned maintenance works, individual resident block or estate issues and lettings, learning from surveys could be improved by testing and monitoring satisfaction in complaints and anti-social behaviour.
- 215** One area where the Association is strong on internal learning is by allowing all respondents to the annual survey to have comments or complaints resolved directly by the CE; the CE has dealt with or is dealing with 169 issues arising from the 2005 survey. A number of improvements to services have arisen out of this system including improving service charge statements and procedures.
- 216** The Association is not monitoring and analysing diversity in all areas. Monitoring the diversity of staff and lettings is good but diversity is not measured for complaints, anti-social behaviour, rent and arrears collection and resident involvement meetings. The limited monitoring and analysis of diversity in some areas may restrict the Association in the design of services around its diverse residents.
- 217** The Association has some examples of applying best practice internally between departments. An example is that in recognition of local service delivery the responsibility for recovering leaseholder service charge arrears is to be transferred to area housing staff within the next couple of months. Finance staff have provided training and the procedures have been re-written. The role will initially be taken on by the senior housing staff.
- 218** A barrier to learning is the low level of resident involvement in resident groups such as ARBs where attendance has been falling. The residents attending are not monitored for diversity and therefore may not give a fully representative view of residents overall. The BME focus group was set up to learn why BME satisfaction is lower than for white residents but with the majority of attendees living in one block of flats the views expressed are unlikely to be representative.
- 219** Learning from external sources is more robust and there are numerous examples of where THCH has improved services and procedures through visiting or working with other organisations. THCH is also a member of several benchmarking and best practice organisations. In particular, the London Housing Federation, Housemark, Procurement for Housing, and the Tower Hamlets Benchmarking Club. Examples of learning from external organisations include underground refuse storage to reduce litter, the proposed procurement strategy and the review of the Handypersons service.
- 220** BME staff are mentored to increase their potential for learning and internal promotion. The IT systems are well set up with all policies and procedures in an easily readable format and all staff are required to complete a week long induction session. Training for staff is generally plentiful and of a high standard and geared towards the services they provide.

How good are the current improvement plans?

- 221** Planning processes at THCH are generally thorough and effective. The plans cascade down from a corporate plan that is reviewed annually and is linked to the Association's business plan. Best value service review processes are relatively new but appear to be well planned and comprehensive in line with a standard format.
- 222** The Corporate Plan for 2005/06 is detailed and comprehensive and sets out all the major and minor plans for the coming year and those brought forward from last year. The vision set out in the plan is for the Association to be 'an efficient medium sized Housing Association working in Tower Hamlets to provide safe, high-quality, affordable homes, as part of the social and economic regeneration of the local community'. Plans are included under three main objectives:
- providing a high-quality of life and increased prospects for residents, within a safe environment, and within clean and maintained buildings;
 - engaging with our residents and the wider community to contribute to the social wellbeing and economic regeneration of the area; and
 - being a sustainable organisation with clear leadership and an excellent employer that values and develops its staff.
- 223** The plans set out in the corporate plan all contain milestones, responsibilities and target dates for completion. The main plans for 2005/06 included continuing with the best value review programme, continuing with the Home Choice programme to acquire local authority properties in consultation with existing residents, continuing with the plan to obtain Chartermark by the summer of 2006 and implementing the fourth overcrowding strategy.
- 224** All the plans have been financially and resource risk-assessed before being included in the Association's Business Plan which is reviewed quarterly.
- 225** Plans are cascaded down to directorates, managers and staff with individual targets set for staff at one-to-one meetings.
- 226** However, although there was staff awareness of corporate aims, there was a lack of individual targets being set. For instance in income management staff were aware of the Association's aim to reduce arrears to below 5 per cent although individuals had not been set targets for specific activities or performance. This prevents recognition of various levels of performance amongst staff and identifying key areas of weakness that require address in order to contribute to the overall targets of the organisation.
- 227** The THCH strategy for best value reviews is recent but is robust with the only completed review to-date of the Handyperson Service well-planned and structured. It sets out the framework and methodology and a programme for 2005/06 stating the reasons why each review is prioritised. The strategy includes a guide to carrying out reviews to ensure there is sufficient challenge, consultation, comparison and that the service is competitive (the four Cs). There has been extensive customer feedback on the only review completed to-date and proposed reviews have been well-publicised.

- 228** The Handyperson Service was chosen as the pilot review due to its limited scope in order to vet the approach being used by the Association. The review was well-planned and structured. Best value techniques were used in a thorough and systematic way. Generally the review included residents on the review panel and adopted the four Cs. The Handyperson Review challenged whether the service was required, if it was effective and whether it was effectively managed. Comparison was made with eight other providers of a similar service in various localities and for various size of service. Consultation included face-to-face interviews, focus groups and surveys of residents. Competition was less robust due to the difficulty of finding a service that was exactly similar, however, the conclusion was that the service would be £20,000 per annum more expensive if provided externally. Recommendations of the review have been further reviewed by ARBs and the Service Delivery Committee, publicised to residents in the monthly newsletter and have been, or are in the process of being, implemented.
- 229** The Association has learned from the pilot review that the process is exhaustive of staff time and in future a professional facilitator will be used to help run reviews. The services of a facilitator for the estate services and ASB reviews have been appointed and plans for the reviews have been approved.
- 230** The plan for THCH to be involved in the LBTH's Housing Choice programme was well-advanced and was being carried out in a very robust and efficient manner. Separate individual business plans have been prepared for each block or estate that has indicated they wish to negotiate to transfer to THCH and these are then linked back to the overall THCH business plan. Each business plan is based on extensive consultation with the residents of each block or estate and takes into account the cost of preparing for the transfer, development costs based on provisionally agreed costs with contractors, loan provision, residents choices, staffing and accommodation implications. Only business plans with a positive impact on the overall business plan are included. The LBTH considers that the approach by THCH is positive practice in developing and assessing Housing Choice schemes and recommended the approach to other Associations.
- 231** The plan to obtain Chartermark for housing services is well-planned and generally on target. Most policies and procedures have been reviewed in consultation with residents and a more robust staff performance appraisal system is being implemented.
- 232** Progress on the Association's overcrowding strategy is well advanced and the fourth phase is about to commence. The first phase to re-house 178 overcrowded families began in 2000 and was completed in 2003, two years ahead of schedule. The second phase was also completed ahead of schedule and third phase is nearing completion. The plans involved identifying overcrowded tenants by use of surveys and developing new appropriately sized housing using new build or enlargements to refurbished properties based on individual residents needs.

233 Over the past five years, THCH's focus has been on refurbishment and limited benchmarking has taken place in some other areas such as Income management. The focus of benchmarking has been on services provided by Association within LBTH and THCH is a member of the LBTH Benchmarking Club which is not always effective due lack of response from members. However, recently, the Service Delivery Committee has been requesting more information on service performance and to improve monitoring of services the Association has recently agreed to join Housemark.

Will improvements be delivered?

- 234** We believe that the chances of improvements being delivered are very likely. There is a strong and ambitious leadership, with relevant management skills, leading an organisation that responds to change enthusiastically. There is high staff morale and although performance management systems are basic at present, they are being developed to suit a growing organisation.
- 235** The leadership is effective, delivering in line with clear priorities. The Board and the corporate management team both function well and have set clear priorities and targets that are generally ambitious and with many on the way to being delivered. Examples of this are growth through the Home Choice programme, review of policies and procedures to attain Chartermark status and reduction of overcrowding through the implementation of the overcrowding strategy.
- 236** The CE and senior management team have been generally stable, are the driving force for change and have been instrumental in ensuring high morale among staff that faced the change of transferring from the local authority. Staff felt generally well informed with the exception of the community development area and said that the CE and directors attended team meetings and are known to staff.
- 237** THCH demonstrated a good understanding of the local community context and has taken actions meet local requirements. This has been enabled by numerous structured and ad hoc meetings by staff at all levels to discuss issues and progress with LBTH. In addition, there is a strong link to councillors through the link of councillor Board members some of whom are in senior council positions.
- 238** Community development work is generally in line with the local community and key strategic partners with whom the Association works well. THCH focuses on social development initiatives and this is done by addressing the local needs of the residents and communities. There was a lack of evaluation of the projects funded and only a limited strategic focus.
- 239** The Association has an organised way of prioritising projects and service reviews. They are provisionally agreed by the senior management team, the PRP and the Service Delivery Committee and included in the annual review of the corporate plan and the business plan. All projects and reviews have milestones, identified responsibilities and generally smart targets. All planned projects are reviewed by relevant resident representative groups.

- 240 The prioritising of projects and reviews often arises out of comments in Status resident satisfaction surveys, annual satisfaction surveys and at resident involvement groups. For example, comments at resident meetings and in satisfaction surveys concerning litter on estates led to the employment of additional estate cleaning staff.
- 241 THCH has the capacity to continue to deliver improvements. It has the necessary leadership skills with trained and enthusiastic staff, effective ICT systems, supportive HR practices and robust financial planning systems.
- 242 A Board meeting attended during the inspection was well-attended and well-led with members challenging officer recommendations. The information given to members was appropriate and sufficient to allow them to make decisions. The Board members had a range of skills including finance, development, housing management, social and health services and management. The Housing Corporation was satisfied with the governance arrangements in their latest annual assessment.
- 243 However, although a skills audit of Board members was due to take place, no such assessment of skills had taken place, which could lead to an inappropriate balance of Board competencies in the future.
- 244 Board members were very satisfied with the performance and competency of the CE, senior management team and staff generally.
- 245 Staff were very positive about the CE and senior management team and the way the Association was working. Staff morale was very high which was evidenced by a low staff turnover of 8.2 per cent and a relatively low sickness rate of 4.6 per cent. Staff, many of whom had joined THCH under TUPE arrangements from the LBTH, were happy with the terms and conditions which matched those of the local authority and had additional benefits such as extra life assurance and crèche vouchers.
- 246 Staff felt that there was very good teamwork in the organisation and that management was generally very supportive. Communication and information was considered to be good by many although some still thought it could be improved. Staff were happy that a generic service was given to residents and thought that resident involvement and consultation was high. Staff were less happy about the recent IT problems and the lack of office space although realised that this was a temporary situation until a new head office was built. In general the Association was very supportive to staff and this was evident by the high level of morale.
- 247 There have been appropriate and high levels of training for staff especially on customer care, diversity, anti-social behaviour and use of Language Line. Training and development of staff is discussed at one-to-one meetings between staff and managers and the Association encourages mentoring for BME staff to enable them to fulfil their potential.
- 248 The Association was awarded the small employer award in the London Employer Coalition Awards 2004 to recognise the Association's contribution to the successful recruitment and development of Jobcentre Plus customers.

- 249** The ICT system at THCH is more than adequate for the needs of a growing organisation and in fact the Association showed vision in selecting a high-quality product that would meet its growth needs. At present the system is under-utilised for reporting and monitoring but enables staff at the frontline to access information in an easily understandable format and so arrange their work in a structured manner. At the time of our visit, the Association had been experiencing interface problems between the head office and some of the area offices. However, the IT system problems seemed to have been resolved before we left site. The systems were normally fast, worked well and had good quality software.
- 250** The Association also works well with other organisations to meet its priorities and objectives. THCH, Popular Harca and East End Home share information on the Home Choice Programme and other issues within the Borough on a regular basis. The three Associations hold regular meetings and exchange copies of corporate and business plans. The Association has also used the services of Victoria Park Housing Association to market a development of shared ownership properties.
- 251** Performance management is at present basic but sufficient to ensure that a small Association is capable of improving itself with managers setting targets for staff at regular one-to-one meetings.
- 252** However, THCH has realised its present system would be inadequate for a larger Association and has already begun to implement a more sophisticated performance appraisal system based on staff competencies and the setting of targets at annual and six monthly appraisals. We found that the implementation was at an advanced stage with staff job descriptions and competencies being agreed and a report ready to be submitted to the Board.
- 253** There is a clear process for target setting and targets are for the most part realistic and challenging. The process starts with recommendations from the heads of department and agreed by the PRP. Recommendations of the PRP are approved by the Service Delivery Committee and the Board and included in the annual review of the corporate plan. Some targets are not as challenging as others such as the rent arrears figure which was set at 5 per cent even though performance last year at 4.95 per cent was lower. The lack of challenging targets in some areas may lead to improvements not being driven forward year-on-year.
- 254** The generally comprehensive and well laid out reports allow members to make informed decisions. At Board and committee level where PIs are not meeting targets then questions are asked and an explanation is asked for from the relevant officer. For example, the Director of Technical Services was asked to explain a development proposal. The performance reports to the Board and committee are relatively well laid out but members thought they could be shortened.

- 255 Some departments use additional indicators to the ones that go to committee. For example in Technical Services, Housing Quality Indicators are used to monitor the quality of the major works schemes and also reported to the Housing Corporation through the British Research Establishment (BRE). The use of KPIs on the major works schemes also allows comparison of performance between the three contractors employed.
- 256 Performance management needs to be improved in some areas especially with regard to the monitoring and analysis of trends such as for the complaints procedure and anti-social behaviour.
- 257 Staff are generally managed in a way that encourages better performance. Staff said that they all had regular one-to-one meetings and team meetings. They knew that they had targets and were generally aware of what was expected of them.
- 258 Managers have been successful in recruiting positive and customer focused staff by being determined and specific in their requirements. For new staff joining the organisation, the probationary period is monitored closely and if staff do not meet the requirement of the post, the probationary period is extended. There have been very few problems with staff performance.
- 259 There is a clearer framework of policies and procedures. This follows the review of many policies and procedures and placement on the shared drive that is accessible to officers. That enables consistent decision making and application through service delivery.
- 260 Project management and risk management are both well-managed and contribute to overall performance management. Action plans are risk assessed and this helps to ensure that aims are met. Projects are generally well managed with the PRP approving and monitoring progress. This again helps to ensure that they lead to improvements.

Summary

- 261 THCH has promising prospects for improvement for the following reasons.
- 262 There are a number of strengths which demonstrate the Association's ability to improve services. The plan for major works and promises to residents at registration was completed three years ahead of schedule, best value and other plans are generally completed on target and other estates in Tower Hamlets are choosing THCH as their preferred landlord under Housing Choice Programme. There is a mixed performance on performance indicators but they are all generally at a high level and tenant satisfaction is high. There is evidence of improvements arising out of resident involvement and through partnerships with other organisations. There is also evidence of internal learning through surveys, complaints and staff meetings and external learning through visits and contact with other organisations.

- 263** Existing plans and reviews, including the recently commenced programme of BV reviews, are generally well-planned, well-resourced, SMART and make consistent use of the four 'Cs'; the plans for Housing Choice have been noted by LBTH as good practice, THCH has a clear vision, strong and effective governance arrangements and a strong, stable and able senior management team. Staff are well-motivated and morale is high with a low turnover and sickness rate. There are effective systems in place for prioritising plans and reviews and the existing IT system is effective and has the capacity to absorb growth.
- 264** There are barriers to improvement. Learning internally is limited in some areas including complaints, anti-social behaviour, rent and rent arrears collection and tenant involvement due to a lack of monitoring and analysis of resident satisfaction surveys and/or diversity. Learning is also limited due to low levels of resident involvement and limited learning from external sources as in the case of benchmarking which is LBTH focused. Learning can sometimes be inconsistent as in the case of the mock inspection where identified failings in customer services were not acted upon. THCH has also been slow to embark on a best value system of reviews and in which there are some instances of lack of clear targets and milestones. In some service areas the targets are not ambitious. There is also no formal performance appraisal system to set and monitor staff on detailed annual targets and there is limited use of specific individual staff targets.

Appendix 1 – Performance indicators

Table 2 Tower Hamlets Community Housing (L4260)

Associations included in this report

Association	GN?	SH?	SO?
Central and Cecil Housing Trust	Yes	Yes	No
Newlon Housing Trust	Yes	Yes	Yes
Horizon Housing Group Limited	Yes	Yes	Yes
Threshold Housing and Support Limited	Yes	Yes	Yes
Kensington Housing Trust	Yes	Yes	No
The Industrial Dwellings Society (1885) Limited	Yes	Yes	Yes
Wandle Housing Association Limited	Yes	Yes	Yes
Richmond-upon-Thames Churches Hsg Trust Ltd	Yes	Yes	Yes
Toynbee Housing Association Limited	Yes	Yes	No
Bethnal Green and Victoria Park Housing Association Ltd	Yes	Yes	No
Thames Housing Association Limited	Yes	Yes	Yes
Octavia Housing and Care	Yes	Yes	No
St Pancras and Humanist Housing Association	Yes	Yes	Yes
Beaver Housing Society Limited	Yes	Yes	Yes
Haig Homes	Yes	No	No
Hexagon Housing Association Limited	Yes	Yes	No
Presentation Housing Association Limited	Yes	Yes	No
Kelsey Housing Association Limited	Yes	Yes	Yes
ASRA Greater London Housing Association Ltd	Yes	Yes	No
Riversmead Housing Association Limited	Yes	No	No
L&Q Bexley Housing Association Limited	Yes	Yes	Yes
CBHA	Yes	No	No
Fortunegate Community Housing	Yes	No	No
Poplar Housing and Regeneration Community Association	Yes	No	No
Charlton Triangle Homes Limited	Yes	No	No
Old Ford Housing Association	Yes	No	Yes

Association	GN?	SH?	SO?
Hyde Southbank Homes	Yes	No	No
Tower Hamlets Community Housing	Yes	No	Yes
Gallions Housing Association	Yes	No	Yes
London Strategic Housing Limited	Yes	No	No
Shepherds Bush Housing Association Limited	Yes	Yes	No
Riverhaven Ltd	Yes	Yes	Yes
Springboard Housing Association Limited	Yes	Yes	Yes
Community Housing Association Limited	Yes	Yes	Yes
New Islington and Hackney Housing Association	Yes	Yes	Yes
Acton Housing Association Limited	Yes	Yes	Yes
Habinteg Housing Association Limited	Yes	Yes	No
Croydon Churches Housing Association Limited	Yes	Yes	No
Chichester Diocesan Housing Association Ltd	Yes	Yes	No
The Salvation Army Housing Association	Yes	Yes	No
Ujima Housing Association Limited	Yes	Yes	No
Hermitage Housing Association Limited	Yes	Yes	Yes
Ridgehill Housing Association Limited	Yes	Yes	Yes
Rother Homes Limited	Yes	No	Yes
Keystart Housing Association Limited	Yes	No	Yes

Table 3 Key statistics at 31 March 2004

	Owned	Managed
General needs rented housing	1,237	1,195
General needs sheltered housing	0	0
Total general needs housing	1,237	1,195
General needs wheelchair accessible	19	-
Supported sheltered housing	0	0
Supported rented housing	0	0
Total supported housing	0	0
Supported wheelchair accessible	-	-
Shared ownership	20	20
Total leased housing	469	420
Staff/warden accommodation	0	0
Local authorities where own dwellings	1	-

- 1 Stock owned need not be managed by this Association. Stock managed need not be owned by this Association.

Table 4 Performance indicators for the year to 31 March 2004

Performance indicator	2000/01	2001/02	2002/03	2003/04	2003/04 National mean	2003/04 National median	2003/04 Quartile position
General needs rent							
Average weekly gross rent	-	£72.04	£80.15	£82.93	£61.28	£62.46	-
Vacant dwellings and lettings							
Dwellings vacant and available to let	-	0.3%	0.4%	0.2%	1.2%	0.8%	1

Performance indicator	2000/01	2001/02	2002/03	2003/04	2003/04 National mean	2003/04 National median	2003/04 Quartile position
Dwellings vacant and not available to let	-	0.9%	0.8%	0.0%	1.4%	0.5%	1
Re-let time	-	5 days	14 days	16 days	40 days	32 days	1
Lettings to BME households (new)	-	65.6%	69.4%	65.6%	14.4%	-	-
Stock condition							
Average SAP rating	-	4	88	88	64	63	1
Failing decent homes standard	-	39.7%	0.0%	0.0%	19.7%	9.9%	1
Repairs performance							
Emergency repairs completed in target	-	77%	89.8%	95.0%	95.7%	97.1%	3
Urgent repairs completed in target	-	79%	89.6%	96.0%	91.7%	94.4%	2
Routine repairs completed in target	-	73%	91.1%	96.0%	92.2%	94.3%	2
Appointments made and kept	-	98.4%	97.8%	99.2%	94.3%	96.9%	1
Service to tenants							

Performance indicator	2000/01	2001/02	2002/03	2003/04	2003/04 National mean	2003/04 National median	2003/04 Quartile position
Tenant satisfaction overall	-	73%	81%	81%	78%	80%	2
Tenant satisfaction with participation	-	84%	77%	77%	62%	61%	1
General needs Financial Performance							
Average GN weekly operating cost	-	-	-	-	£48.09	£46.20	-
GN operating cost as a percentage of turnover	-	-	-	-	78.5%	72.9%	-
Weekly investment per GN unit	-	-	-	-	£31.91	-	-
Rent collected for GN	-	-	-	-	99.2%	99.3%	-
Rent arrears at year-end for GN	-	-	-	-	7.0%	6.7%	-
Rent lost due to GN voids	-	-	-	-	2.1%	1.4%	-

- 2 Pls above are compared to London Associations having over 1000 homes but not exceeding 2000 homes. The national figures relate to all Associations providing PI data that own and/or manage 250 or more dwellings.
- 3 It is Housing Corporation convention to number those performing at least as well as the top quartile level as being in quartile 1, and below the bottom quartile as in quartile 4.

Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - THCH self-assessment;
 - Corporate Plans 2002/03, 2003/04, 2004/05, 2005/06;
 - Business Plan including Business Plans for Individual Housing Choice Schemes;
 - various reports to the board and the sub-committees;
 - Best Value Improvement Plan 2005;
 - Internal Audit Reports 2003/04, 2004/05 and management action plans;
 - Review of the Works Procurement Arrangements;
 - Financial Regulations Policy 3 March 2005;
 - THCH Standing Orders as at 3 March 2005;
 - Annual Report 2001/02, 2002/03, 2003/04;
 - Annual Accounts 2003/04, 2004/05;
 - Copy of LSVT transfer agreement;
 - Leaseholder and Tenant Satisfaction Surveys 2004 and Report on Surveys;
 - BME Strategy and BME Strategy 2005 Review;
 - THCH Development Procedures and Appendices;
 - Diversity Action Plan;
 - Planned Maintenance Procurement;
 - Treasury Management Annual Financial Strategy 2005/06 and Treasury Management Policy 3 March 2005;
 - Resident Participation Structure and Strategy; and
 - Mock Inspection Report April 2003.

Appendix 3 – Reality checks undertaken

- 1 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:
 - tour of all estates and properties;
 - telephone survey of residents - tenants who had recently used the responsive repairs service and new tenants;
 - file reviews - tenant, complaints and anti-social behaviour;
 - focus group with tenants;
 - focus group with leaseholders;
 - focus group with tenant representatives;
 - focus group with maintenance contractors and gas consultant;
 - meeting with THCH Board members;
 - attendance at senior management team meeting;
 - attendance at THCH Board meeting;
 - survey form sent to local authority; and
 - observation of area housing offices' reception areas.