

# Short Notice

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# Inspection

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Short notice inspection of services responsive repairs, gas servicing, and resident involvement

A2Dominion South

April 2010



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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.

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

For housing associations our current inspection role and remit is set out in sections 41A and 41B of the Audit Commission Act 1998 (as amended by section 109 of the Local Government Act 2003). Provisions contained in the Housing and Regeneration Act 2008 will amend our role and remit in due course, but are not yet in force. Our role is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact.

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

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

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## The Association

- 1 A2Dominion South (A2DS) is a registered charitable subsidiary of A2Dominion Housing Group. A2DS provides services to around 14,000 homes across Surrey, Kent, Hampshire, Sussex and Wiltshire. Its services are concentrated on general needs, sheltered and supported housing as well as homes for key workers and shared ownership.
- 2 A2Dominion Housing Group was formed in October 2008 following the merger of Dominion Housing Group and A2 Housing Group. Each of these were themselves the result of several mergers between 2004 and 2006. A2Dominion Housing Group the non asset holding parent also comprises of A2Dominion London and A2Dominion North. The Group manages over 33,000 homes across London and the South East and provides central corporate functions to group members including strategic leadership. Eight hundred and fifty staff are employed across the group.

- 3 Airways, a subsidiary of the original A2 Housing Group, was inspected by the Audit Commission in 2003.<sup>1</sup>

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### The scope of the inspection

- 4 The scope of this inspection focused on the following areas, which have been identified in consultation with the Tenant Services Authority:
  - responsive repairs;
  - gas servicing; and
  - resident involvement.
- 5 The inspection also included an assessment of how A2Dominion South is addressing three cross-cutting themes: access and customer care, diversity and value for money within the services included in the inspection's scope.
- 6 We would like to thank the staff of A2Dominion South who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 10 to 12 November 2009

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<sup>1</sup> The inspection was conducted prior to the current methodology for housing associations which follows a star rating system. The association was assessed as showing scope for improvement with weaknesses in process and performance.

# Summary of our findings

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

**Table 1**      **Assessment**

<b>How good is the service?</b>	<b>Assessment</b>
• Access and customer care <sup>1</sup>	Strengths and weaknesses are in balance
• Diversity	Strengths and weaknesses are in balance
• Value for money	Strengths outweigh weaknesses
• Responsive repairs	Weaknesses outweigh strengths
• Gas servicing	Strengths outweigh weaknesses
• Resident involvement	Strengths outweigh weaknesses

- 8 We asked A2Dominion South to consult with its customers on the findings of our original report on the strengths and weaknesses of the service areas we inspected; and on the preparation of an action plan to implement our recommendations. Following receipt of that action plan this final report has been published to include our assessment of the Association's prospects for improvement.

<sup>1</sup> Access and customer care, diversity and value for money are assessed in relation to the service areas inspected only.

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# How good is the service?

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## Access and customer care in the service areas inspected

- 9 We found strengths and weaknesses are in balance in this area.
- 10 There are a number of strengths.
- Tenants can easily access services by telephone, through the website or in person and the main reception for visitors to the offices is of a good standard.
  - Telephone calls are answered quickly. The service is exceeding its target to answer 80 per cent of calls within 20 seconds.
  - The website is accessible, easy to navigate and informative. The inclusion of self service features enables customers to access services at times most convenient for them.
  - Written information for tenants is of good quality, informative and readily available.
  - Tenants' views are shaping the service and informing improvements.
- 11 There are a number of weaknesses.
- Complaints handling is not consistent and tenants' satisfaction with the outcome is very low.
  - Service standards for responsive repairs and tenant involvement are not fully developed or consistently challenging.
  - Our mystery shop calls to the call centre were not answered promptly and revealed potential problems for customers with hearing impairment.

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## Diversity in the service areas inspected

- 12 We found strengths and weaknesses are in balance.
- 13 There are a number of strengths.
- A2DS benefits from the group's corporate diversity framework. A2DS is represented at a senior level on the Group's diversity champion's forum which oversees delivery of the equality and diversity strategy and action plan which is delivering outcomes.
  - Staff have received diversity training. At the point of merger in 2008 all staff had received training and this has been refreshed for 80 per cent of staff in the past year.

## How good is the service?

- Tenant members of the Disabled People's Forum have influenced the way in which A2DS consults with vulnerable tenants with the introduction of teleconferencing and email panels dispensing with the need for office meetings. It has also had input in the development of the disability newsletter.
- An equality impact assessment has been completed for resident involvement services (to which tenants contributed) and this is delivering outcomes for tenants. These include better engagement with young people and enhanced responsive repair times for disabled tenants.

There are a number of weaknesses.

- The service only has information about the needs of 65 per cent of tenants. Consequently the services inspected do not know if they are meeting the requirements of all vulnerable tenants.
- Diversity training is not compulsory for Board members and not all members have received training.
- The service does not consistently monitor information across all six nationally recognised diversity strands.
- An equality impact assessment has not been completed for the responsive repairs service (this is planned for 2010).

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## Responsive repairs

**14** We found weaknesses outweigh strengths in this area.

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

- Repairs are not completed quickly and are not meeting targets in any of the categories. Tenants have to wait longer for work to be completed.
- Repairs complaints account for 30 per cent of all complaints and largely relate to repair delays, missed appointments and quality of work. This finding was further supported by tenants we spoke to. This does not reflect the reported results of tenant satisfaction surveys.
- There is limited understanding of future major improvement schemes and there are no annual property checks. This means that it is difficult for the contractor to take decisions on whether to repair or replace failing components and may increase the need for expensive emergency works and inconvenience for tenants.
- Feedback from customer satisfaction forms is not consistently used to identify areas for improvement.
- Post inspection arrangements are not robust. They are not all effectively recorded and tenants are not involved in the process.

16 There are a number of strengths.

- More repairs jobs are being completed in a single visit. Performance has increased from 71.8 per cent in April to 85 per cent in October 2009.
- There is some flexibility over repairs appointment times although not all options are advertised.
- Systems to deal with out of hours repairs calls are effective.
- Tenant satisfaction with completed repairs is reported at 90.4 per cent.

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### Gas servicing

17 We found strengths outweigh weaknesses in this area.

18 There are a number of strengths.

- Annual gas servicing is prompt. At the time of our inspection there was 100 per cent reported compliance with all properties having a valid gas safety certificate.
- Access arrangements are effective and are supported by clear policies and procedures and strong liaison between all responsible parties.
- Record keeping is effective. A sample check found all had valid gas safety certificates on file. Certificates are produced electronically with a mini printed copy left with the tenant.
- Effective processes are in place to check the quality of gas servicing work, including independent third party checks.
- Some additional safety checks on tenants own appliances are undertaken at the same time as servicing boilers.
- The importance of gas safety is well publicised to tenants.
- Management of the gas service contract is effective. Initial contract problems have been resolved and liaison between A2DS and the contractor has improved through job swaps which have resulted in better appreciation of respective roles.

19 There are a number of weaknesses.

- The measurement of tenant satisfaction with gas servicing is not robust with low returns and where there is information this is not being used.
- Compensation is payable for missed gas servicing appointments but this is not included in service standards publicised to tenants.
- There is a confusing list of four numbers on the website for reporting emergency gas repairs.
- Gas servicing is not currently offered to leaseholders.

## How good is the service?

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### Resident involvement

20 We found strengths outweigh weaknesses.

21 There are a number of strengths.

- There is a corporate commitment to working with tenants and the group funds specialist staff to support tenants in a range of community development and tenant involvement activities.
- Tenant training is helping to strengthen resident involvement and enable tenants to play an active role.
- Tenants are influencing services at a strategic level. The customer services committee, a key strategic decision making forum is led by tenants and is influencing how services are resourced and business objectives met.
- Tenants are influencing the way services are delivered through service improvement groups. Outcomes include improvements to the website, the introduction of trained tenant inspectors who are helping to monitor telephone calls and improve contract specifications for the repairs service at less cost.
- Resident involvement is effectively promoted to new tenants, improving opportunities for new tenants to become involved early in their tenancy.

22 There are a number of weaknesses.

- A2DS can not be certain if involved tenants reflect the general tenant population or if opportunities for involvement suit the needs of all tenants as information held is not comprehensive.
- The volume of strategies and action plans presented to tenants at the key strategic decision making group could prove a barrier to effective involvement in complex issues.

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### Value for money in the service areas inspected<sup>1</sup>

23 We found strengths outweigh weaknesses in this area.

24 There are a number of strengths.

- The Group provides clear strategic direction in the approach to value for money which is embedded and delivering significant savings and efficiencies. For example the responsive repairs contract is savings £450,000 per year group wide.
- There is a basic understanding of the costs of the services inspected with some benchmarking. Both the responsive repairs and gas contracts have been subject to recent competitive tendering.
- Tenants are involved at all stages of the procurement process and are able to make informed choices based on cost and quality.

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

- Service reviews have focused on high cost areas and identified savings are being reinvested in priorities such as the gas service and the extension in customer service opening hours which are delivering benefits to tenants.
- Performance reporting links cost and quality measures with some customer satisfaction indicators as well as other indicators relating to efficiency.

### 25 There are a number of weaknesses.

- The benchmarking of the repairs services is still developing and analysis of comparisons is not completed within the new Group structure.
- Information on the costs of tenant involvement is not fully developed or reported back to tenants.
- The approach to recovering rechargeable repairs costs is inconsistent and lacks a clear procedure that has been agreed with tenants.
- There are some examples of inefficient working practices, such as the low proportion of repairs operatives that are multi-skilled and separate arrangements to test the safety of appliances in tenants' homes.

# Recommendations

26 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs<sup>1</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with tenants and board members; and takes action to address all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

### Recommendation

**R1** Improve outcomes for tenants in the services inspected by:

- improving the management and performance of complaints handling;
- advertise to tenants arrangements for compensation procedures for service failure and flexible repair appointment slots;
- developing comprehensive measurable service standards with tenants for all service areas;
- strengthen the approach to asset management and links into the responsive repairs service;
- increase multi-skilling within the repair contractor's workforce;
- ensuring the approach to post inspections is robust and that outcomes are effectively informing contract management and tenant feedback; and
- ensure satisfaction survey information feeds into service improvement.

The expected benefits of this recommendation are:

- more repairs completed in a single visit;
- repairs completed more quickly for tenants;
- reduction in the work that is carried out on an emergency basis;
- further improve value for money in the repairs service;
- tenants will be clearer on what they can expect from the service; and
- better resolution for tenants in the event of a service failure.

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

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

### Recommendation

- R2** Strengthen the approach to equality and diversity in the services inspected by:
- developing a comprehensive understanding of the tenant profile and use information to ensure services are accessible and meeting need;
  - ensure that the profile of involved tenants reflects the views and needs of all tenants; and
  - monitor and report against the six diversity strands and address the findings.

The expected benefits of this recommendation are:

- services reflect the needs of customers and are accessible to all tenants; and
- services which do not inadvertently discriminate and which can demonstrate they are equitable.

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

### Recommendation

- R3** Strengthen the approach to value for money by:
- extend the approach to benchmarking and its use in the assessment of value for money;
  - agree with tenants a procedure for the recovery of rechargeable repairs costs; and
  - ensuring the approach to value for money is fully embedded in resident involvement and outcomes reported back to tenants.

The expected benefits of this recommendation are:

- better understanding of how costs at a service level compare to other organisations providing similar services;
- increased understanding of value for money for tenants;
- a transparent approach to recover rechargeable repair costs that has been agreed with tenants.

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

# Prospects for improvement

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## Summary of our findings

**27** We have assessed A2Dominion South (A2DS) as having promising prospects for improvement for the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and are outlined below. We will also be taking into account the resident consultation and the resulting action plan.

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

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

**28** We found strengths and weaknesses are in balance in this area.

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

- Recommendations of the 2003 inspection of Airways<sup>1</sup> housing association have largely been met.
- Improvements have been delivered which directly benefit customers such as the extended opening hours of the call centre, improved tenant involvement opportunities and improved gas servicing performance.
- Improvements are generally delivered in response to customer feedback although we found instances, such as in the use of repairs survey information, where this could be improved.
- Improvements identified during the inspection, such as the categorising of emergency repairs, have been acted on quickly.
- The value for money of services is improving and savings are being achieved.

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

- Performance in responsive repairs, although showing recent improvement, is still weak and improved outcomes are not yet sustained.
- Satisfaction with services is mixed. Satisfaction with repairs is high but not reflective of the service delivered and satisfaction with complaints is low at only 14 per cent. The last full measure of satisfaction with tenant involvement showed it to be low against national averages at 52 per cent (2008 survey).
- Despite improvements in response times to complaints, performance resolving complaints successfully for tenants remains weak.
- Progress ensuring services are equitable and readily accessible to all has been slow.

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<sup>1</sup> Airways was a subsidiary of the original A2 Housing Group (which eventually merged with Dominion Housing Group to form A2 Dominion Housing Group in 2008).

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

31 We found strengths outweigh weaknesses in this area.

32 There are a number of strengths.

- The approach to improvement planning is clear, there are effective mechanisms in place to identify weaknesses in the service and improvement plans contain the right things to address them. Improvements are likely to be delivered.
- Tenants are effectively involved in shaping improvement. An on line tenants' survey and consultation meetings have identified those things most important to tenants for inclusion in A2DS' inspection improvement programme.
- Several of the weaknesses identified, such as ongoing work to establish best practice in rechargeable repairs, improve survey returns, improve the management of complaints and to complete equality impact assessments are already included in plans or are in progress.
- The responsive repairs service is recognised as a priority for improvement and a performance improvement project has been put in place to address current weaknesses in the responsive maintenance contract. In addition the inspection improvement plan includes measures to ensure the contractor partner is better placed to address concerns.
- Benchmarking is being used as part of performance management reports to compare services with national comparators.
- A2DS is moving to reporting all six diversity strands to tenants through the new group wide diversity panel as a means of ensuring tenant involvement in consideration of performance in this area. The association will be better placed to respond to different needs in a systematic way.
- Targets to improve services are generally challenging although some for responsive repairs could be improved. Targets set within the maintenance contract are aimed at delivering continuous improvement. Those for improving tenant profile information to 85 per cent by March 2010 are particularly challenging but should be helped through use of the customer service centre and staff targets.
- There is evidence of difficult decisions having been taken. Implementation of the single IT system was delayed until May 2009 to ensure it would best meet the needs of the business.

33 There are some weaknesses.

- Improvement plans are not fully SMART<sup>1</sup>.with clear milestones and specific targets sometimes absent or unclear. For example the inspection improvement plan confuses actions with intended targets and milestones. The intended target is not always measurable which means improvements may be less easy to identify.
- Survey methods are being revisited but low returns mean some findings are less useful and are not likely to be representative of tenants' views.

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<sup>1</sup> Specific, Measurable, Achievable, Realistic, Timed

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

34 We found strengths outweigh weaknesses in this area.

35 There are a number of strengths.

- Board members have been clearer as to their roles post merger with meetings better timed to link with those of the Group. Comments and suggestions made by the board feed into the Group board more effectively.
- Training and development opportunities are equipping staff to carry out their duties effectively and to deliver improved outcomes to tenants.
- The competency framework ensures core values such as valuing diversity and value for money are being embedded within services.
- Investment in IT is increasing capacity to meet the needs of the service. This is to be further enhanced with plans to introduce a new contract manager post in 2010.
- Partnership working is leading to service improvements in gas servicing and tenant involvement.
- The capacity to deliver improved outcomes by the repairs contractor should improve. Performance management arrangements have been strengthened and within the contract a restructure of senior management has also recently taken place.

36 There is a weakness.

- The board training programme is under review with a re-launch due in April 2010. However at present there is no formal training plan in place.

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# The Audit Commission

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