

Hammersmith and Fulham Homes

London Borough of Hammersmith and Fulham
September 2009



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Arm's Length Management Organisation (ALMO) Inspections

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

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

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of the Council/ALMO;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

This service was inspected as part of the Government's arms length housing management initiative, which encourages councils to set up ALMOs to manage, maintain and improve their housing stock. The Government decided that councils pursuing this option can secure additional capital funding if the new arm's length body has received at least a 'good' rating from the Audit Commission's Housing Inspectorate.

An ALMO is a company set up by a local authority to manage and improve all or part of its housing stock. The local authority remains the landlord and tenants remain secure tenants of the authority. An ALMO does not trade for profit, and is managed by a board of directors comprising Council nominees, elected tenants/leaseholders and independents.

The Housing Inspectorate has published additional guidance for ALMO inspections.

- 'ALMO Inspections and the delivery of excellent housing management services' (March 2003).
- 'Learning from the first housing ALMOs' (May 2003).

Summary

- 1 Hammersmith and Fulham Homes is providing a two-star service which has excellent prospects for improvement.
- 2 The service has a number of strengths. Residents have access to good written information and a comprehensive range of well-consulted service standards which are available along with a satisfactory range of services through the website. H&F Homes has well written diversity strategies and effective training for staff and has taken many useful initiatives to improve the approach to diversity.
- 3 The Decent Homes programme is on track and residents are consulted well on, and informed about, it and it is improving many homes beyond the Government's standard. Asbestos management is effective and the cyclical decorations and maintenance programme is well planned and delivered. Repairs are easy to report with most performance indicators above average and improving. Performance on gas servicing within timescale is high, with effective gas safety procedures.
- 4 Rent collection rates are high, help with finances and work opportunities is effective and joint working with Housing Benefit and the courts is strong. The resident involvement strategy is comprehensive, well resourced, and offers a wide selection of ways for residents to be involved. Involvement and mystery shopping by residents are effective in developing and improving the service. New systems are improving the response to anti-social behaviour where performance is now strong. Support, referral and partnership arrangements and diversionary activity for dealing with anti-social behaviour are effective and H&F Homes uses an appropriate variety of enforcement measures. Resident satisfaction with neighbourhoods is high and the new systems for managing and monitoring the caretaking process are improving it.
- 5 Leaseholders benefit from a strong drive to improve services and have effective opportunities to influence the service. H&F Homes consults leaseholders well on major works and offers reasonable help and choice with major works payments. Housing applicants are given appropriate support to participate in choice-based letting and H&F Homes is freeing up under-occupied properties and reducing overcrowding successfully.
- 6 Sheltered schemes are well run with a responsive service that satisfies tenants and provides them with effective and tailored support. H&F Homes has a clear focus on value for money issues with a robust invest-to-save strategy and a good understanding of the costs of the service and how they compare. Financial management is strong and supported by clear reporting systems. A sound approach to procurement is in place.

Summary

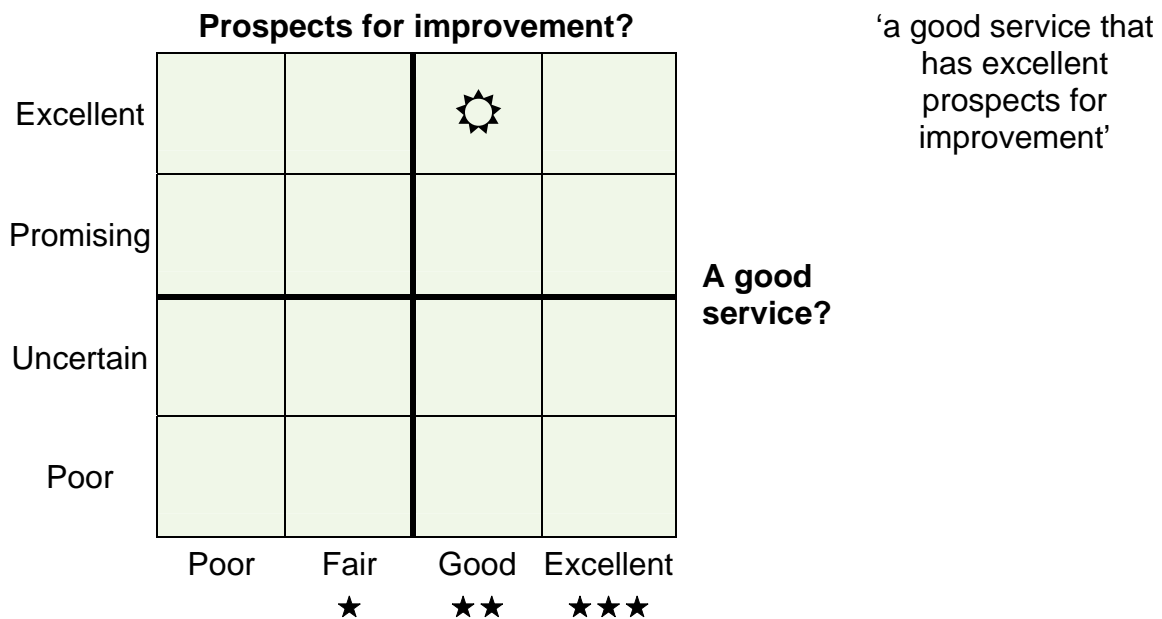
- 7 However, there are also areas where improvements are needed. H&F Homes is not sufficiently outcome focused in its work on diversity and profiles on residents are incomplete. The servicing of mechanical and electrical systems is not adequately monitored through the new service level agreement and reported satisfaction with the Decent Homes work is relatively low. Repair appointment systems are limited, the performance in dealing with communal repairs has not been consistent. Void re-let time is worse than average and the properties do not consistently meet the published standard. Tenant satisfaction with voids is not high.
- 8 Arrears and eviction levels are high, and insufficient attention is paid to credits in rent accounts. Resident involvement is not sufficiently assessed and monitoring and opportunities for young people to be involved are not yet developed. The approach to leaseholder service charge administration is mixed and elements of the leaseholder service remain unsatisfactory. The presentation and calculation of management charges are not as accurate as they could be or as clear as leaseholders would like. H&F Homes is not participating successfully in the CORE data recording scheme. Most service areas are high cost, and few of the planned savings have yet been delivered.
- 9 Prospects for improvement are excellent. Services have improved in areas that residents will notice and resident satisfaction is up. Communication and involvement with residents is better and many performance indicators show improvement. Progress against the Audit Commission's previous recommendations is positive. H&F Homes has a clear vision with a comprehensive, robust and well integrated set of strategies and SMART¹ action plans that benefit from resident input and address the main weaknesses. The culture is open with positive attitudes and values. Leadership is strong with the ability to successfully prioritise and the organisation learns effectively from staff and residents. Employee development and training is robust, the Human Resources function is delivering results and staff morale is relatively good. The capacity of the computer systems is improving. H&F Homes makes effective use of consultants, has a strong relationship with the Council, plays a useful role for residents in borough regeneration schemes and is successful at bringing in extra funds to the organisation.
- 10 However, there are some areas that need to be strengthened to support improvement. Improvements in diversity are mixed, H&F Homes lacks a strategic approach to green issues and existing computer systems need improving. H&F Homes has not finished implementing the necessary cultural change, levels of disciplinary are high and the organisation uses a high number of temporary staff.

¹ specific, measurable, agreed, realistic and time-bound

Scoring the service

- 11 We have assessed Hammersmith and Fulham Homes as providing a 'good' two-star service that has excellent prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 12 We found the service to be good because it has a range of strengths including:
- residents have access to good written information and a comprehensive range of well consulted service standards which are available along with a satisfactory range of services through the website;
 - H&F Homes has well written diversity strategies and effective training for staff and has taken many useful initiatives to improve the approach to diversity;
 - the Decent Homes programme is on track and residents are well consulted on and informed about it and it is improving many homes beyond the Government's standard. Asbestos management is effective and the decorations and maintenance programme is well planned;
 - repairs are easy to report with most performance indicators above average and improving;

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

Scoring the service

- performance on gas servicing within timescale is high, effective gas safety procedures are in place and followed;
- rent collection rates are high, help with finances and work opportunities is effective and joint working with Housing Benefit and the courts is strong;
- the resident involvement strategy is comprehensive, well resourced, and offers a wide selection of ways for residents to be involved. Involvement and mystery shopping by residents are effective in developing and improving the service;
- new systems are improving the response to anti-social behaviour where performance is now strong. Support, referral and partnership arrangements and diversionary activity for dealing with anti-social behaviour are effective and H&F Homes uses an appropriate variety of enforcement measures;
- resident satisfaction with neighbourhoods is high and the new systems for managing and monitoring the caretaking process are improving it;
- leaseholders benefit from a strong drive to improve services and have effective opportunities to influence the service. H&F Homes consults leaseholders well on major works and offers reasonable help and choice with major works payments;
- housing applicants are given appropriate support to participate in choice-based letting and H&F Homes is freeing up under-occupied properties and reducing overcrowding successfully;
- sheltered schemes are well run with a responsive service that satisfies tenants and provides them with effective and tailored support; and
- H&F Homes has a clear focus on value for money issues with a robust invest-to-save strategy and a good understanding of the costs of the service and how they compare. Financial management is strong and supported by clear reporting systems. A sound approach to procurement is in place.

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

- H&F Homes is not sufficiently outcome focused in its work on diversity and profiles on residents are incomplete;
- the servicing of mechanical and electrical systems is not adequately monitored through the new service level agreement and reported satisfaction with the Decent Homes work is relatively low;
- repair appointment systems are limited, the performance in dealing with communal repairs has not been consistent;
- void relet time is worse than average and the properties do not consistently meet the published standard. Tenant satisfaction with voids is not high;
- arrears and eviction levels are high, and insufficient attention is paid to credits in rent accounts;
- resident involvement is not sufficiently assessed and monitoring and opportunities for young people to be involved are not yet developed;

- the approach to leaseholder service charge administration is mixed and elements of the leaseholder service remain unsatisfactory. The presentation and calculation of management charges are not as accurate as they could be or as clear as leaseholders would like;
- H&F Homes is not participating successfully in the CORE data recording scheme; and
- most service areas are high cost, and few of the planned savings have yet been delivered.

14 The service has excellent prospects for improvement because:

- services have improved in areas that are high risk and identified by residents as important. Communication with and involvement with residents is better and many performance indicators show improvement. The capacity of the computer system is improving. Progress against the Audit Commission's previous recommendations is positive;
- H&F Homes has a clear vision with a comprehensive, robust and well integrated set of strategies and SMART action plans that benefit from resident input and address the main weaknesses. The culture is open with positive attitude and values. Leadership is strong with the ability to successfully prioritise and the organisation learns effectively from staff and residents; and
- employee development and training is robust, the Human Resources function is delivering results and staff morale is relatively good. The capacity of the computer systems is improving. H&F Homes has a strong relationship with the Council, plays a useful role for residents in borough regeneration schemes and is successful at bringing in extra funds to the organisation.

15 However, there are a number of barriers to improvement. These include:

- improvements in diversity are mixed, H&F Homes lacks a strategic approach to green issues and existing computer systems need improving. H&F Homes has not finished implementing the necessary cultural change, levels of disciplinary are high and the organisation uses a high number of temporary staff.

Recommendations

16 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 costs¹ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with the ALMO Board, the local authority and customers; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Improve services to vulnerable and diverse residents by:

- focusing more on outcomes that residents will notice as being of benefit to them;
- collecting, collating and using the information on vulnerable tenants;
- improving the profile of relevant information held on residents; and
- ensuring relevant staff have easy access to information on vulnerable residents.

The expected benefits of this recommendation are:

- staff will be more outcome driven and less process driven;
- more services will be tailored to meet the needs of vulnerable tenants;
- more residents will get the service they need without always asking for it; and
- H&F Homes will have a better understanding of its customers.

The implementation of this recommendation will have medium impact with low costs. This should be implemented within six months of the inspection being published.

¹ 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 Improve customer service by:

- reviewing appointment times with residents with a view to making them more flexible; and
- investigating and resolving rent accounts that are in credit.

The expected benefits of this recommendation are:

- working tenants will find it easier to arrange to have repairs done to their homes;
- tenants who are owed money from their rent accounts will have this money paid back to them; and
- errors with Housing Benefit will get resolved quicker.

The implementation of this recommendation will have medium impact with low costs. This should be implemented within one year of the inspection being published.

Recommendation

R3 Improve resident involvement by the following.

- Exploring with uninvolved residents:
 - what would encourage them to be involved; and
 - what would give them confidence that the service was positively influenced by other residents;
- Informing residents better what the options for involvement are.
- Improving the monitoring, assessment and reporting on resident involvement activities.
- Develop more opportunities for young people to be involved.

The expected benefits of this recommendation are:

- more residents choosing to be involved;
- a more diverse group of residents being involved;
- service improvement from greater involvement;
- greater confidence in opportunities and outcomes from involvement; and
- more resources targeted on the areas of involvement that are most effective.

The implementation of this recommendation will have medium impact with low costs. This should be implemented within one year of the inspection being published.

Recommendations

Recommendation

- R4** Improve the approach to environmental sustainability by:
- developing a strategy to address environmental issues, including clear commitments and targets;
 - getting advice and help from relevant agencies to inform the strategic approach;
 - investigating systems to demonstrate sustainability; and
 - publishing progress and results.

The expected benefits of this recommendation are:

- enhanced reputation and respect from residents, staff and stakeholders;
- more efficient use of resources; and
- a greater contribution to the long term sustainability of the environment.

The implementation of this recommendation will have medium impact with low costs. This should be implemented within one year of the publication of this inspection.

- 17** We would like to thank the staff of Hammersmith and Fulham Homes and the Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 15 to 25 June 2009

Report

Context

The locality

- 18** Hammersmith and Fulham is an inner city borough in west London. It is strategically located for transport routes from the city to Heathrow and the M4 corridor. It is the fourth smallest borough in London both geographically and in terms of population. However, it has a population density that is the fourth highest in the country. A large proportion of the population of 172,900 are mobile, young and living alone. Nearly half of the population (45 per cent) is between the ages of 19 and 40 years old. Seventy-one per cent of dwellings in the borough are flats or maisonettes (London comparison 49 per cent). Eighty-eight per cent of the Council's stock is flats or maisonettes.
- 19** The percentage of the population from ethnic minority communities is 17 per cent (the London average is nearly 27 per cent), though this figure rises to 47 per cent for children at the Council's schools. Of the ethnic minority communities, 11 per cent is black and 5 per cent Asian. A further 5 per cent is Irish.
- 20** The average household income is £665 per week¹, above the London and England average. However, incomes in the borough are polarised. It has pockets of deprivation, mainly in wards where the Council accommodation is concentrated and the borough is ranked 38th in the Index of Multiple Deprivation 2007.
- 21** Residential property in the borough is expensive. It has the fourth highest house prices nationally, with an average house costing £495,000 (Land Registry October to December 2008). Consequently, the proportion of people owning their own home is low at 42 per cent, compared with the national average of 67 per cent although, since 1979, over 6,000 council properties have been sold under the Right to Buy. There are now 4,428 council leaseholders.

The Council

- 22** The Council comprises 46 councillors. In May 2006 the Conservative Party took control from Labour, with 33 of the seats. Labour holds the remaining 13 seats. The business of the Council is governed by a Leader of the Council and cabinet. Hammersmith and Fulham was the first council to adopt such a system.

¹ ONS annual survey of hours and earnings (median wage) - resident analysis

Report

- 23 The Council has a Local Area Agreement (LAA) which runs from April 2008 to March 2011. It is managed by the Local Public Service Board, composed of the Council and its public, voluntary and community sector partners. The Agreement is structured around four blocks in which it pools resources to improve key outcomes to residents:
- Children and Young People;
 - Safer Stronger Communities;
 - Healthier Communities and Older People; and
 - Economic Development and Opportunity.
- 24 In its 2008 Comprehensive Performance Assessment, the Audit Commission rated the Council as a four star council which was improving strongly.

The service

- 25 Hammersmith and Fulham Homes (H&F Homes) is the new name of Hammersmith and Fulham Housing Management Service (HMS), the ALMO which commenced operations on 1 June 2004. The organisation was set up after an option appraisal process that identified the establishment of an ALMO as the best way to obtain the funding required to bring all homes up to the Government's Decent Homes Standard.
- 26 The Council set up the ALMO to undertake the landlord functions of its housing service for its stock which now comprises 12,989 tenants, and 4,428 leaseholders. The initial agreement with the ALMO is for six years, with an option to renew for further four-year periods.
- 27 The functions delegated to the ALMO can be summarised as:
- stock investment and repairs ordering;
 - rent collection, dealing with arrears and debt counselling;
 - estate management, caretaking and tenancy support services including sheltered housing;
 - managing lettings, voids and under-occupation;
 - enforcement of tenancy conditions;
 - leaseholder services; and
 - tenant participation, information and consultation.
- 28 The functions retained by the Council include:
- housing strategy and enabling;
 - homelessness, housing advice and money advice;
 - financing Hammersmith and Fulham federation of tenants' and residents' associations (HAFFTRA) and managing the tenant participation compact; and
 - administration of the housing register.

- 29 The ALMO is managed by a voluntary unpaid board, which is made up of nine tenants and leaseholders, five Council nominees and five independents. The day to day running of the ALMO is delegated to an executive management team called the Management Board, headed by a Chief Executive. The ALMO employs approximately 370 staff to deliver the service. Services are delivered from four local area offices, with central services being located at Riverview House.
- 30 H&F Homes receives a management fee for operating expenditure in accordance with the Management Agreement. The full-year figure for 2008/09 amounted to £20,316,000. In addition to managing the Council's capital programme, H&F Homes also manages revenue budgets of £4.8 million on behalf of the Council and a repairs budget of £16.1 million and a capital programme of £70.1 million. H&F Homes does not have any capital debt and has no reserves.
- 31 We first inspected the ALMO in February 2005 and assessed it to be providing a good, two-star service with excellent prospects for improvement. That rating allowed the Council to draw down Supplementary Borrowing to help it deliver decent homes. However, we re-inspected the service and reported in June 2008 that we found the standard had slipped to a fair, one-star service, with promising prospects for improvement. As a result the Council and H&F Homes put in place a recovery action plan to improve services. This inspection is to assess whether this plan has delivered the required improvement.

How good is the service?

What has the service aimed to achieve?

32 Hammersmith & Fulham's Sustainable Community Strategy has the aim to tackle social polarisation by creating a 'Borough of Opportunity' for all local residents. The seven key priorities outlined in the Community Strategy and reflected in the Local Area Agreement¹ are:

- tackling crime and anti-social behaviour;
- promoting home ownership and housing opportunities;
- a cleaner, greener borough;
- a top quality education for all;
- delivering high-quality, value for money public services;
- setting the framework for a healthy borough; and
- regenerating the most deprived parts of the borough.

33 The ALMO's vision is to deliver:

Strong Communities, Excellent Services, Decent Homes

34 The strategic objectives² of H&F Homes are to:

- to put residents first;
- to give Decent Homes;
- to have pride in our estates;
- to provide quality housing services;
- to give value for money;
- to promote diversity and financial inclusion; and
- to develop safe and sustainable communities.

¹ a three-year performance plan for 2008-2011 agreed by the Council and its partners

² Business Plan 2009 -2014

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

Access and customer care

- 35** In 2008, we found a balance of strengths and weaknesses in access and customer care. An emphasis was placed on customer care with a positive approach taken to seeking customers' views and dealing with complaints. It was easy for tenants to report repairs. But the quality of access to area offices was mixed with some not having appropriate facilities for disabled people. Service standards were not comprehensive and many were measurable.
- 36** In this inspection, we found that strengths outweigh weaknesses. Corporate focus on customer care is strong, area offices are easy to access and telephone answering is reasonable. Residents have access to a good standard of written information and a comprehensive range of well consulted service standards which are all available along with a range of services through the website. Satisfaction rates are above average but although responses to complaints are reasonable, they are sometimes slow and have spelling and punctuation errors.
- 37** Corporate focus on customer care is strong. The central approach to improving services is the 'transformation programme'¹ which includes training for both staff and residents. The value for money and communication strategies which form part of this include a strong focus on the customer and quality of services. Staff understand the importance of customer care better when there is a strong corporate lead.
- 38** Face-to-face service is easy to access. Housing offices are relatively local with four across the borough receiving 3 to 4,000 visits a month. None of those who turn up have to wait over five minutes. They offer a full range of landlord services including access to telephones and computers and help with accessing choice-based lettings and mutual exchanges over the telephone. However, hours are limited to 9:00 to 5:00. A rehousing surgery is held once a month from 5:00 to 7:00 in each office.
- 39** All offices are appropriately compliant with the Disability Discrimination Act. Work has been done to upgrade the offices and this has been independently checked by Hammersmith and Fulham Action on Disability. Disabled residents can access services at the offices.
- 40** Telephone answering is mixed. H&F Homes have two repair ordering centres with lines open from 8:45 until 7:00 on weekdays. The target is to answer all calls within 17 seconds (seven rings) 99 per cent of the time. The service has been inconsistent between these two centres over the past year. One has consistently met the target over 90 per cent of the time, while the other has improved from an average of 71 per cent in target in 2008/09 to 86 per cent in March and 90 per cent in April 2009. The centres are due to be merged from July 2009. For other service areas calls are answered before 5:00PM. These services are not monitored fully but are subject to mystery shopping. In 2009, 44 such tests took place and 91 per cent were answered in 17 seconds with 7 per cent engaged. Residents can expect the speed of response to phone calls to be adequate.

¹ The transformation programme is a plan to overhaul key areas of the service to deliver substantial improvements

How good is the service?

- 41 Residents can access a satisfactory range of services through the website. They can find information about the decent homes programme, estate inspection programmes, estate services and they can access rent accounts using a personal identification number. Browse Aloud is available and residents can download transfer applications. However although residents can make complaints and report repairs and anti-social behaviour through the website this does not aid the process and is no more efficient than an email. Many of these services are new and have not been well used yet. Only 11 tenants have used the online facility to report repairs, three have reported anti-social behaviour and four have accessed their rent accounts. Forty six residents have used the website to register for being more involved in the service.
- 42 Written information is of a good standard, widely accessible and influenced by residents. The Tenants' Handbook is detailed, comprehensive and accessible. The residents' newsletter comes out every six months, moving to three a year and production is overseen by a readers' panel. At the time of the inspection four estates benefited from estate bulletins with plans for every estate to have one; various more estate bulletins have been issued since the inspection. All information including the newsletter is available in flexible formats such as audio and large print versions on request. A DVD has been developed to explain the tenancy agreement and another to explain the Decent Homes programme, and both are translated into 12 community languages. A Braille service is also available upon request. In the 2009 survey 91 per cent of tenants said they were well informed.
- 43 A comprehensive range of well consulted service standards is available. They cover 14 different service areas and customers were involved in developing them. A monitoring framework is in place for all service standards using different methods including mystery shopping and satisfaction surveys. Residents chose the top ten at the annual conference in March 2009 and performance on these will be published on the internet. Half of these are monitored monthly and performance on these five was available on the website at the time of the inspection. Performance information on the other five is pending mystery shopping exercises. Customers know what standards to expect.
- 44 Staff are customer-focused. They are friendly and demonstrate a desire to be accessible and make a positive difference for residents. Residents reported that staff at the repairs ordering centre are all very polite, well mannered and sound as if they want to help. The mystery shopping exercise finds 93 per cent courteous and 79 per cent quick and efficient. The 2009 telephone survey found that 73 per cent of tenants are satisfied with staff. Residents can rely on a satisfactory service from most staff.
- 45 Satisfaction with the service is improving and now above average. The 2009 survey showed that 71 per cent of residents are satisfied with the service which is above the 69 per cent London local authority average for 2007/08. Satisfaction about how queries are dealt is running at 69 per cent and satisfaction with staff at 73 per cent. These ratings have all risen over the past year¹ demonstrating that leadership on customer care is having an effect.

¹ H&F Homes held the usual STATUS survey in 2008. In 2009 a telephone survey of 688 tenants provided more up-to-date information

46 Complaints handling is satisfactory but there are various weaknesses. It is well monitored and when H&F Homes has been at fault, officers go to lengths to acknowledge this and apologise, they write detailed responses, ring residents to explain what has been done and offer compensation where appropriate. An officer has been doing quality checks on letters and requiring some letters to be rewritten. H&F Homes has been encouraging officers to contact complainants by phone for additional information so the whole complaint can be dealt with in one go. Staff have access to logs of lessons learned and a small summary is available to residents online. Weaknesses in complaints handling include the following.

- In 2008/09 only 78 per cent of complaints were responded to in the advertised target of two weeks, against the 95 per cent target. This is down from 93 per cent the previous year.
- The report on complaints for the 2008/09 year is not comprehensive. It does not say how many complaints there were in the year or what the satisfaction rate was.
- Letters replying to complaints have spelling and punctuation errors in them.

Residents can rely on a thorough if not always prompt response to complaints.

Diversity

47 In 2008, we found a balance of strengths and weaknesses in diversity. There was a clear framework to support the delivery of diverse and equitable services, with a range of Equality Impact Assessments. However, access to services had not been assessed against the revised CRE code¹. There was no comprehensive understanding of the profile of customers and available information was not being used to inform the approach to service delivery.

48 In this inspection, we found that strengths outweigh weaknesses. The corporate lead on diversity is strong, with comprehensive strategies and assessments. The Board is representative, the Equalities Champions' Group is useful and innovative diversity training is effective. H&F Homes has taken many useful initiatives to improve the approach to diversity, and equality impact assessments have produced useful outcomes. However, while helping victims of hate crime is mainly positive there are weaknesses in this area. H&F Homes is not sufficiently outcome focused in its work whether in action plans or using information on vulnerability. Profiles on residents are incomplete and not all relevant staff can easily access information on vulnerability.

49 The corporate leadership on diversity is strong although not outcome focused. This has led to a number of well written strategies and effective training for staff as outlined below. However the leadership does not have a sufficient focus on outcomes around diversity. The organisation has been collecting diversity profile information for residents without channelling resources towards ensuring that the information is put to appropriate use. This is set out in more detail below. Diversity is given an appropriate priority but energy is not always being spent where it would have the most benefit.

¹ (Former) Commission for Racial Equality - revised code of practice for racial equality in housing

How good is the service?

50 The organisation benefits from comprehensive strategies and assessments. The diversity and equality strategy is well written, setting out a clear framework of objectives and actions with links with other strategies. The equality and diversity action plan is comprehensive and highlights links to other plans. The strategy has been introduced in talks to staff. H&F Homes has plans and strategies that include the following.

- A single equality scheme.
- The local government equality standard.
- An assessment against the CRE code of practice on racial equality in housing.
- An anti-social behaviour strategy.
- A strategy for supporting vulnerable people.
- Equality Impact Assessments.
- A positive engagement strategy.
- An equality audit of contractors.

The strategic approach is wide-ranging and well thought through, helping to ensure that actions are appropriate and coordinated.

51 While the action plan arising from the strategy is comprehensive and SMART it could be more outcome focused. It benefits from clear measurable outcomes. However the focus of actions is on backroom processes like training staff and monitoring rather than outcomes that residents will notice. The number of actions that residents might notice, like the open day for black and minority ethnic elders, are few. The plan aims to maintain and ensure quality more than introduce improvements; for example ensuring a translation and interpretation service is available. The plan will strengthen the service but lead to few outcomes that residents will notice.

52 The Board is representative and in touch on diversity issues. H&F Homes has successfully improved the ethnic and disability representation on the Board. The proportion of black and minority ethnic members has increased from 5 per cent in 2008 to 20 per cent. The proportion of disabled board members has increased from 11 per cent in 2007/08 to 37 per cent. The Board is kept in contact with diversity activities and plans through the diversity champion on the board who maintains regular phone contact with the Equalities and Diversity Manager. The Board is able to lead well on diversity issues.

53 The Equalities Champions' Group is useful and innovative. The group has been running for three years, meets every two months and is well attended with 10 to 12 people attending mainly from specialist organisations. The group provides useful feedback and suggestions on policies and strategies, for example how to ensure the domestic violence strategy is advertised to the Muslim community. The group improves policies and access to services for hard to reach groups.

- 54 Diversity training is effective. Staff speak positively about the online diversity training. It was compulsory, interactive, informative and popular. It involved a test at the end. Staff could discuss the scenarios which they enjoyed doing. Staff who did not pass the test benefited from further face to face training. The training has improved staff understanding of diversity issues.
- 55 H&F Homes has taken many useful initiatives to improve the approach to diversity. For example:
- the needs of vulnerable people were explored through a focus group of disabled people who had complained of anti-social behaviour;
 - disabled residents benefit from two in-house Occupational Therapists and an effective aids and adaptations referral system to the council. The needs of disabled people are well catered for as part of the Decent Homes programme;
 - H&F Homes offers a free discretionary decoration service scheme to vulnerable residents. In 2009/10 the annual value of this scheme is £244,400;
 - the ALMO advertises free English courses for tenants at a local college;
 - some of the interpreters from the organisation used by H&F Homes have been trained in domestic violence policies. They act as outreach workers to residents advertising the service and signposting hard-to-reach residents to the service;
 - the meet the community day in November 2008 had some useful outcomes. One hundred residents and 43 voluntary organisations attended;
 - a benefit take-up campaign aimed at the over 60s, under 25s and African and Caribbean households increasing benefit take-up by £100,000 for these groups;
 - monthly sessions with translators for Somali residents, held in the community centre, helped this community access services. Between 7 and 15 residents attended each session. They reported back on what was learnt to others in the community, so amplifying the benefit; and
 - communications are available in different formats including DVD and many leaflets have straplines in other languages explaining what the leaflet is about. Staff responded to 118 requests for translations in 2008/09. Staff are trained in the use of a text relay service (Type Talk) for people with a hearing impairment and residents can benefit from the service of a Palantypist¹.
- 56 Staff have carried out equality impact assessments appropriately on all policies and this has strengthened the service. Outcomes from the assessments include:
- the decision to keep two offices open to serve residents when all the staff functions are moved out;
 - the benefit take-up campaign for African Caribbean residents and over 60s; and
 - domestic violence training at a local mosque and greater prominence to male victims of domestic violence.

¹ A Palantypist converts typed words to speech and can be wired to a hearing aid.

How good is the service?

- 57 A project for excluded young people has been successful. The Young People's Development Project has £60,000 a year funding from the Council. In 2008, 32 young people were engaged in the project with 14 (most of whom are residents of H&F Homes) attending mentoring sessions. Participants won four out of five of the prizes available in the borough for positive steps forward taken by young people. The prizes are a trip to Malaysian Borneo on a youth mentoring training programme. Young people who were likely to cause problems on estates have a more positive future.
- 58 The efforts to improve services to vulnerable residents have produced results. H&F Homes has many examples of how it has reacted well to the individual needs of vulnerable tenants. Systems identify vulnerable tenants effectively and arrangements with the Council provide support for tenants who need help to sustain their tenancy. In 2008 and 2009, the survey asked customers how satisfied they were with support to vulnerable tenants. While most did not answer the question, 60 per cent are satisfied in 2009 compared to 40 per cent in 2008. Services to vulnerable tenants are improving.
- 59 Success at helping victims of hate crime is mainly but not wholly positive. H&F Homes is part of the Council's Safer Communities Partnership and jointly developed anti-social behaviour, racial harassment and hate crime procedures with the Council. The domestic violence policy is well publicised and residents have access to a sanctuary scheme. Third party reporting of hate crimes works well in White City with the Somali community making use of this. However our mystery shopping exercise found that staff in two offices struggled to provide information or advice in response to concerns about a possible case of domestic violence within a gay relationship; this when H&F Homes says it has given more prominence to male victims. Residents suffering from hate crime can rely on being helped in most circumstances.
- 60 H&F Homes has not reached an advanced stage in addressing equality. The ALMO has assessed itself against the Local Government Equalities Standard launched in 2009, putting itself at the 'Developing' level, the lowest of the three scores. The ALMO aims to reach the second level by December 2010. The position at the lowest level reflects the fact that it is still gathering information needed to improve services.
- 61 When looking at diversity H&F Homes has too much focus on processes rather than people. It is at the stage of identifying problems not solutions. Once a tenant has been identified as vulnerable, no effort is made to ensure computer records are consistent and useful. No plan is in place to find out from the resident how services need to be tailored to meet their needs. Some staff expressed commitment to diversity in terms of collecting data rather than helping people. When we checked records of vulnerable tenants 12 out of 12 potentially vulnerable tenancies tried all had incomplete and inadequate information recorded against them. For example they required translation but the records did not say which language or they had visual impairment but no indication on how to communicate with them. As a result vulnerable residents are not getting services effectively tailored to meet their needs.

- 62** The ability of staff at the repairs order centre to meet the needs of vulnerable residents is mixed. Staff have difficulty accessing the limited information available on vulnerability making it harder for them to tailor services to meet needs. However staff ask appropriate questions and have been able to help residents and adapt services in an appropriate way some of the time. Many vulnerable tenants get an enhanced repairs service but they cannot rely on it.
- 63** H&F Homes has insufficient information about the profile of residents.
- For ethnicity 23 per cent is unknown, and for the other three diversity strands of disability, sexuality and faith the unknown figure is over 64 per cent.
 - The forms for the collection of profile information from leaseholders are inadequate. They only collect information on disability, age and ethnicity. They do not collect gender, sexuality or religion. Information on ethnicity is restricted to 15 per cent of leaseholders.
 - H&F Homes knows that it has 55 wheelchair units but it has only collected information on eight wheelchair users.
 - Details on sheltered tenants are not collated so cannot be used effectively. The information is used well to help support plans but cannot be used for more general customer services.
 - For involved residents, H&F Homes does not know how representative its involved residents are. It has 588 involved residents on the database but only knows the ethnicity of 55 per cent of them.

Stock investment and asset management

Capital improvement, planned and cyclical maintenance, major repair works

- 64** In 2008, we found that weaknesses outweighed strengths in relation to major works. Residents had been effectively engaged in capital works programmes and indications were that the first decent homes works to be completed had been to a high quality with an enhanced standard placing emphasis on security and mobility issues. There had been significant delays in starting the decent homes programme and the lack of an asbestos management plan meant that H&F Homes was not fully compliant with regulations.
- 65** In this inspection, we found that strengths outweigh weaknesses. The asset management strategy is robust and H&F Homes consults residents well about the Decent Homes programme, keeping them informed and supported through the process. The programme is on track and improving many homes beyond the Government's standard. Environmental sustainability is adequately addressed, performance management arrangements are strong, asbestos management is effective and the decorations and maintenance programme is well planned. However, uncertainties exist about the long-term future of some homes, satisfaction with the Decent Homes work is relatively low and contractors have had limited success employing local people.

How good is the service?

- 66 The asset management strategy is up-to-date, long-term and based on sufficient information to plan and deliver investment. The recent stock condition survey sampled 10 per cent of properties chosen to ensure a representative mix of properties based on different property types and locations. Further work has been undertaken to validate this sample looking at some of the initial anomalies that arose. The survey assessed against the Government's Decent Homes Standard and the statutory Housing Health and Safety Rating System. The March 2009 strategy looks ahead to beyond the current decent homes programme to maintain a decent standard for 30 years. Investment is based on sound information.
- 67 Residents are well consulted about the decent homes programme. They are involved in the appointment of contractors and the development of the specification for decent homes work. Residents helped to decide the range of materials available for tenants' choice and other aspects of the programme. Individual tenants are given a choice of four or five different colours, materials and tiles for their kitchens and bathrooms. However the full choice was not available to all residents. The service is responsive to residents' views.
- 68 H&F Homes keeps residents informed about the programme and supported during its delivery. A freephone telephone number is available; the programme is available on the website and information is updated monthly. Meetings are held on estates leading up to and during works, coordinated by the residents' federation. In sheltered schemes, coffee mornings are set up so that presentations can be made to all residents. During the progress of works, Resident Liaison Officers maintain close contact with residents and any family or support workers. Contractors take account of personal circumstances, and good respite facilities are conveniently located. Tenants benefit from an in-house Occupational Therapist who ensures that individual new kitchens and bathrooms have the aids and adaptations necessary to meet the needs of vulnerable households. Residents are informed and supported during decent homes work.
- 69 The speed of bringing homes up to the Decent Homes standard has significantly improved over the past year. The work is on track to be completed by the December 2010 deadline. The programme is delivered through seven framework agreements. At April 2009 there were 2,207 homes that were not decent which equates to 17 per cent of the stock; the target is to reduce that to 7.9 per cent by the end of the current financial year. Spend has increased from £6 million in 2007/08 to £53.8m in 2008/09 and the target for 2008/09 was exceeded by 101 properties.
- 70 The decent homes specification goes beyond the requirements of the basic standard. Bathrooms include over bath showers, lever taps are used which are easier for people as they get older, and wet floor showers are being installed in sheltered schemes. Roofs, doors and windows have also been replaced and rewiring and insulation has been brought up to modern standards, where required. Controlled door entry systems are being installed. Residents benefit from improved homes.
- 71 Environmental sustainability is adequately addressed through contractual requirements. Environmental impact is a partnership performance indicator which is actively monitored. The indicator takes into account waste management, air/noise pollution and use of the Considerate Contractor scheme. Site visits showed that all contractors had a waste management plan and contractors are achieving recycling rates, often in excess of 90 per cent.

- 72** Performance management arrangements are strong. H&F Homes is working in partnership with specialist consultants and has robust performance management systems. A decent homes steering committee meets weekly to monitor outcomes around numbers of decent homes being delivered and a range of key indicators in areas such as value for money and satisfaction. This approach is supported by a decent homes tracker system which is effectively monitoring the delivery of the programme against targets on timescale and costs. As part of the approach to managing performance the service has worked with residents to design the satisfaction survey form which is measuring contractors' performance. The same survey is used across all seven contract areas. Delays and drops in the quality of the service are picked up and dealt with promptly.
- 73** Asbestos management is effective. The service has information on asbestos for around 80 per cent of tenants' homes and 100 per cent for communal areas. Relevant information from surveys is transferred on to the property database. Asbestos awareness training is provided for most staff and specialist training for relevant staff, including contractors. Routine six-monthly reviews of the asbestos plan are carried out and an external review carried out by the Health and Safety Executive has provided external validation of asbestos management arrangements. Residents are informed about the general risks of asbestos. However they are not informed about specific asbestos risks in their homes. Risk from asbestos is minimised.
- 74** The cyclical decorations and maintenance programme is well planned and maintaining properties satisfactorily. The programme will spend £17 million over a five-year period from 2006/07 to 2010/11, maintaining and improving over 3,000 homes that are not in the Decent Homes Programme. Works include external fabric repairs to brickwork, asphalt and rainwater goods and internal repairs to include stairwell re-rendering, new floor coatings, timber and metalwork repairs and the application of anti-graffiti coatings to stairwell walls. In addition the programme has also installed or upgraded systems such as digital television aerials, lightning protection systems and fitting new energy efficient lamps. Properties are being maintained and improved.
- 75** H&F Homes regularly services mechanical, electrical and other appliances to successfully comply with statutory requirements. Regular and thorough checks and servicing are carried out on communal systems such as water tanks, gas appliances, lifts electrical equipment and fire alarms. This minimises health and safety risks.
- 76** Despite close working with the Council on regeneration work, there are weaknesses in the asset management strategy. The ALMO is working closely with the Council on its regeneration strategies and its asset management strategy has clear links to the wider council regeneration strategy. The Local Development Framework that set out the Council's broad redevelopment plans for the future was published at the time of the inspection. The Council has identified key development sites across the borough that include ALMO estates. The Council and H&F Homes are working in partnership to ensure that residents' views are reflected in emerging plans. The Council's pending older persons' strategy has not been finished. These events are outside the ALMO's control but limit the clarity of the asset management strategy in the longer-term view. Some residents are concerned that they will not be rehoused locally in suitable alternative accommodation if their neighbourhood is rebuilt. Despite doing all that it can in this area there is still uncertainty for some residents.

How good is the service?

- 77** Customer satisfaction with the decent homes programme is relatively low and inconsistent. Overall satisfaction is low with 84 per cent satisfaction with quality of work and 86 per cent satisfaction with finished product. It varies from 98 per cent in sheltered stock through to levels as low as 60 per cent. Various tenants that we spoke to were not happy with the works due to short notice of the start date, lack of choice of colours, and inability to keep existing baths or flooring. Satisfaction levels are lowest where residents have returned the least forms with a response rate of 15 - 20 per cent, which suggests that these results are less reliable. No incentives are in place to encourage residents to give feedback and there are no follow up telephone calls to help improve data collection. However plans to improve return rates on satisfaction forms are starting to show results which should make the data more robust. Tenants cannot rely on consistent high quality decent homes work.
- 78** Systems for recording property details are not efficient. H&F Homes has two separate software systems that do not communicate well. This means that staff are not able to automatically update information from asset management data bases in to the stock condition data base. The information has to be transferred manually at regular intervals. This is not efficient and increases the risk of human error.
- 79** Contractors have had some success employing local people. They employ 12 apprentices and 59 or 7 per cent of their operatives are based locally. However, this does not meet the organisations own ambitious targets of 25 apprentices and 20 per cent local labour. Contractors report difficulty trying to access young people through educational services across the borough. The Decent Homes programme is not providing as much local employment as it could do.

Responsive repairs

- 80** In 2008, we found a balance of strengths and weaknesses in responsive repairs. New contractual arrangements for responsive repairs were beginning to bring benefits with positive customer feedback. There were inefficiencies in the repairs systems with too many jobs being ordered as emergency and urgent priorities and a high proportion of jobs being ordered outside office hours. H&F Homes was taking too long to complete urgent repairs.
- 81** In this inspection, we found a balance of strengths and weaknesses. Repairs are easy to report, most performance indicators are above average and improving and satisfaction with the repair service is reasonable. However appointment systems are limited, performance in dealing with communal repairs has not been consistent and the repairs service is high cost and elements of it are not efficient.
- 82** Access to the repairs service is easy for residents. The repairs handbook is user-friendly and based on the diagnostic tool to help identify and describe repairs. All residents we contacted who had reported a repair said that it was easy to get through. Repairs can be reported online. Calls to order repairs are free and lines have been extended from 8:45 in the morning to 7:00 in the evening. This has resulted in the proportion of follow-up phone calls reducing from 27 per cent to 13 per cent during 2008, falling further in April 2009 to 7 per cent. The out-of-hours system works well with a Duty Officer who has been trained and has access to the repairs ordering system to review history and access arrangements. Easy access is helping to reduce inconvenience to residents and improve how effectively repairs are diagnosed.

- 83** Most performance indicators are above average and improving. Compared to a benchmark of London landlords in 2008/09.
- Ninety eight per cent of emergency repairs are finished on time which is better than average and up from 91 per cent the previous year.
 - Ninety seven per cent of urgent repairs are finished on time which is better than average and an improvement from 86 per cent in 2007/08 and 80 per cent in 2006/07.
 - Ninety seven per cent of urgent repairs were completed within government time limits which is slightly below average.
 - It took ten days to complete non urgent repairs which is below average for London.
 - Eighty eight per cent of repairs are being completed right first time which is a strong performance and exceeds the 80 per cent target.
 - Nine out of ten of the tenants we contacted said that operatives usually come at the time they said they will.

Residents can be confident that repairs will be completed on time.

- 84** Satisfaction with the repair service is mixed but showing signs of improvement. Ongoing surveys for individual repairs show a high and improving level of satisfaction with the repairs service, increasing from 85 per cent in May 2008 to 91 per cent in April 2009. However there are no comparisons available for this survey. The general tenants' survey for 2009 shows satisfaction with repairs and maintenance at 69 per cent, similar to the previous two years. Compared to 20 London landlords for 2008/09, this is above the 68 per cent average but compared to 340 housing associations in 2008 this performance is just equivalent to the level of the worst 25 per cent of satisfaction levels nationally.
- 85** Appointment systems are limited. Residents are offered three appointment slots each weekday but there are no published evening or weekend appointments available. In 2008/09, 94 per cent of appointments were made and kept which is below the 96.2 per cent average for 17 London boroughs in 2008/09. Appointments are meeting the needs of most but not all residents.
- 86** Performance in dealing with communal repairs has not been consistent. When residents follow up a repair, the repair centre can issue a new reference number which is confusing. Residents complain that there is no feedback to say if the job has been done. If a roof is leaking, they have to wait for rain to see if it has been fixed. Caretakers have difficulties in reporting repairs and repairs can take too long to fix. A weakness in the repairs system allows for the same communal repair to be ordered twice or more by different people, with contractors sent out twice and leaseholders charged twice if this is not spotted. H&F Homes is aware of the problems and has taken steps to address them. Figures show that outstanding communal repairs have reduced by 60 per cent to June 2009. Failure to maintain communal areas can lead to resident dissatisfaction, health and safety risks and deterioration in the appearance of estates.

How good is the service?

87 The repairs service is high cost and elements of it are not efficient. The cost per property was £115 in 2007/08 which was the fourth highest of ten London ALMOs.

- In 2008/09 30 per cent of repairs were carried out as emergencies which is high and not cost effective, even where the contractor does not charge extra. This raises concerns about the effectiveness of diagnosis and prioritisation of work.
- The percentage of planned expenditure to responsive repairs is low at 14:86 in 2008/09. Projections for 2009/10 are for 20:80 with a target to reach a 60:40 split over the next three years which will be more cost effective.
- A high proportion of orders are varied, variations have increased from 20 per cent of orders in 2006/07 to 26 per cent in 2008/09. This is not efficient and may again reflect on the diagnosis of work. H&F is renegotiating the variation process with contractors which should help to produce improved performance.
- The proportion of pre-inspections is high but reducing. In 2006/07 15.5 per cent of repairs were pre-inspected; this fell to 10.8 per cent in 2008/09 and 10 per cent since. The target is to reach 5 per cent by the end of 2009.
- H&F Homes lacks an effective system to recharge tenants for repairs that are their responsibility. These repairs are not being identified and recharged to the relevant tenant.

Empty (void) property repairs

88 In 2008, we found that strengths outweighed weaknesses in empty property management. Properties were re-let promptly and generally in a good condition. There was strong coordination between the contractor, technical and rehousing staff. Safety checks were carried out. However, the lettable standard was not comprehensive and there was a lack of control over decoration allowances.

89 In this inspection, we found strengths and weaknesses in balance. A satisfactory standard is set and prospective tenants receive appropriate information about their properties. However void re-let time is worse than average and the properties do not consistently meet the published standard. Tenant satisfaction with voids is not high and the cost of voids work is high but reducing.

90 H&F Homes undertakes to bring empty properties up to a satisfactory condition before letting them. A reasonable published lettable standard is in place that has been agreed with residents. The standard includes new toilet seats and a sure stop electrical switch which turns off the water supply easily. Voids due to have decent homes work completed in the near future are brought up the Decent Homes Standard before letting. Standards are agreed by tenants.

91 Prospective tenants receive appropriate information about their properties. Staff give the lettable standard to prospective tenants before they view their new home. They also supply copies of gas and electric safety certificates and a list of repairs that have been carried out as part of voids works. Prospective tenants can judge whether the property is up to the promised standard.

- 92 Void re-let time is worse than average. In 2007/08 voids were re-let in 31 days which is worse than the 27.5 day average for all London councils. Performance improved to 28.3 days in 2008/09 which is within the organisation's 30-day target but still worse than average.
- 93 Voids we saw during the inspection were not consistently meeting the published standard. Some were not cleaned to an acceptable standard. We found a few other small negative features including removing the seal from the new toilet seats. However some were fine and the gardens had been trimmed back. The 'welcome bag' for new tenants is of limited value and inconsistent between the properties we saw. New tenants cannot rely on a consistent and high standard.
- 94 Tenant satisfaction with voids is not high. New tenants are invited to complete a satisfaction survey three months after their tenancy commences. The survey includes views on the condition of the property and satisfaction improved from 54 per cent in 2007/08 to 79 per cent in 2008/09. However from January to March 2009 the score was lower with only 75 per cent satisfied and 28 per cent said that the repairs had not been completed.
- 95 The cost of voids work is high but reducing. The cost per property for voids was £66¹ in 2007/08 which was fourth highest out of 11 comparative organisations. However the average cost of voids is reducing. The cost of bringing an empty property, not requiring decent homes work, up to the letting standard was £5,320 in 2007/08 which reduced to £2,230 in 2008/09. Former tenants are not recharged properly if they do not leave the property in reasonable condition and there is no incentive for them to do so. H&F Homes is consulting on a new policy for recharging at present. Value for money is not being maximised.

Gas servicing

- 96 In 2008, we found that although there were strengths in gas servicing, such as a clear policy and efficient administrative arrangements, at the time of the inspection too many properties were without valid gas servicing certificates. Therefore weaknesses outweighed the strengths.
- 97 In this inspection, we found that strengths outweigh weaknesses. Performance on gas servicing within timescale is strong, and there are effective gas safety procedures. Quality assurance processes are satisfactory and a service is offered to leaseholders. However, not all procedures are as strong as they could be.
- 98 Performance on gas servicing within timescale is high at present but performance has not been consistent all year. Current gas servicing performance figures for June 16 shows that 99.4 per cent of homes have had a service in the last 12 months. Of the 67 homes that have not, three of them are over six months overdue and are being prepared for legal action which is later than the policy would indicate. Performance has not been consistently strong over the past year with compliance below 98 per cent before September. Since November, 99 per cent compliance has been maintained. Residents are safer due to regular gas servicing.

¹ This is the cost for all void work divided by all tenancies in management

How good is the service?

- 99** Effective gas safety procedures are now in place and followed. A review of two of the longest outstanding CP12 cases showed that procedures were generally being following within timescales. Notices and over-lock stickers are used appropriately when appointments are missed. Flags are used on the HMS to prompt staff to make an appointment if the customer makes contact on another issue. Gas engineers visually check all gas appliances in the home regardless of who owns them. Effective procedures help ensure standards are maintained.
- 100** Quality assurance processes are satisfactory. A routine 10 per cent check is being completed and an independent audit has been undertaken in the last 12 months which reported no serious areas of concern. Staff have undertaken a validation exercise checking hard copy of gas safety certificates against the system-recorded copies. They found a compliance rate of 99.8 per cent.
- 101** H&F Homes encourages leaseholders to service their gas boilers in an appropriate way. The ALMO offers them access to the service given to tenants which is at a competitive rate. It costs £49 and has been used by 56 leaseholders.
- 102** Not all procedures are as strong as they could be. The ALMO does not strengthen the process where households have not cooperated in previous years. Final letters are delivered by ordinary post and straplines are not used on these letters. This increases the risk that tenants may not receive or understand correspondence and where there is a history of no access the service is failing to shape the service appropriately in the future.

Aids and adaptations

- 103** Aids and adaptations were not covered in previous inspections. All adaptations for tenants living in homes that are not part of the Decent Homes programme are carried out by the Council and performance is reasonable. The needs of disabled people are well catered for as part of the Decent Homes programme as outlined above.

Housing income management

- 104** In 2008, we found a balance of strengths and weaknesses in housing income management. There was improving performance in arrears reduction and rent collection. There was an emphasis on rent arrears prevention and a wide range of payment methods were available. There were close working relationships with Housing Benefit and advice agencies. However, significant levels of current tenant arrears were being written off and, without this, rent arrears would still be increasing. Opportunities to promote the take-up of benefits were not being maximised and rent statements were not easy to understand. Service charges had not been introduced for tenants.
- 105** In this inspection, we found strengths outweighed weaknesses. Appropriate payment methods are well promoted, rent collection rates are high, help with finances and work opportunities is effective, resident involvement useful and joint working with Housing Benefit and the courts is strong. However, arrears and eviction levels are high, work on debt advice is not measured and insufficient attention is paid to credits in rent accounts.

- 106** A wide range of rent payment methods are offered to customers and the more cost effective methods are well promoted. Payments can be made by direct debit, standing order, online, by automated phone system, phone, post, post office, pay point outlets, and at the Council's cashier office. H&F Homes gives appropriate focus to both the costs of different payment methods and the suitability for different tenants. Direct debit is well promoted with publicity and incentives, resulting in such payment from tenants increasing from 10.6 per cent to 13.1 per cent between March and June 2009. Tenants benefit from flexible options while costs are being reduced for the landlord.
- 107** Information on rent advice is strong and improving. The 2008 survey showed that only 40 per cent were satisfied with advice on rents, while in 2009 this had increased to 60 per cent. Tenants can access the information that they need.
- 108** H&F Homes collects rent well and rent arrears are reducing but not all indicators are positive. In 2008/09 the ALMO collected 99.4 per cent of the rent charged for the year which is in line with the performance of the best 25 per cent of a benchmark of 19 London landlords. This reduced current arrears by £160,000 to £2,200,000, although performance has dipped in the past two months. This represents 3.6 per cent of the rent roll which is average. However 7.8 per cent of tenants had over seven weeks arrears at March 2009 which is worse than the 7.1 per cent average. Notices of seeking possession were served on 27 per cent of tenants in 2008/09 which is above the average of 21.8 per cent for 2007/08. High collection rates enable more money to be spent on services.
- 109** However eviction levels are high. In 2007/08 H&F Homes evicted 0.30 per cent of tenants for arrears which was better than the London borough average of 0.36 per cent. However for 2008/09 the ALMO evicted 0.41 per cent which is worse than average. The ALMO is not meeting its target in this area and fewer tenancies are being sustained.
- 110** The collection of former tenant arrears is strong. In 2008/09 H&F Homes collected £158,000 which represents 26 per cent of the £600,000 owed at March 2008. This is second best performance compared to 14 social landlords in 2007/08. However write-offs of £240,000 were also high representing 40 per cent equivalent to the fourth worst of the same group of 14. Tracing works well with a 74 per cent success rate. Collecting these debts increases income and helps current tenants understand their payment responsibilities.
- 111** H&F Homes has a robust approach to financial inclusion. It has participated in the London Development Agency Area Programme for the White City area resulting in 359 people (not all ALMO residents) gaining employment, while others gained educational skills. It has updated its financial inclusion strategy and against the five main objectives has achieved various outcomes such as where the organisation has:
- recruited two in-house Welfare Benefit Advisors who, in two months, increased the annualised income for some residents by £245,000 including £145,000 through a campaign aimed at the Edward Woods Estate;
 - given appointments for new tenants to see the Welfare Benefits Officers where relevant;

How good is the service?

- launched one campaign aimed at the over 60s and another aimed at African and Caribbean tenants which resulted in a combined annual sum of £100,000 in increased annual benefits;
- trained rents and income staff in financial inclusion issues;
- provided a range of information for tenants on the subject and conducted surveys to help deliver further services in this area;
- participated in various schemes across the borough that benefit residents but which have not yet been evaluated; and
- publicised and supported the local credit union and paid for membership for over 200 residents who wanted to join it.

- 112** The rent and arrears computer system is effective. It helps staff progress to the next stage of action and enables managers to monitor progress. It accounts separately for different elements like Housing Benefit, garage rents, carried forward former tenant arrears and court costs. Tenants can see their statements online and standard letters are well laid out and make it clear what the next steps would be if further action needs to be taken. All parties can easily see what is happening.
- 113** Tenant involvement has helped improve the service. A focus group in 2008 discussed and amended the format of rent statements. Two tenant focus groups in early 2009 looked at the arrears escalation policy, the customer charter around dealing with tenants in arrears and the revised financial inclusion policy. Tenants at these groups asked H&F Homes to pay for residents who wanted to join the Credit Union and this is now in place. The income collection service is responsive to the needs of residents.
- 114** Joint working with the Council's Housing Benefit service is strong, leading to faster processing of new claims and response to queries around existing claims. An interface facility with the Housing Benefit office allows H&F Homes staff to update their system and see progress with Housing Benefit actions. H&F Homes' staff have authority to verify claims and have started scanning Housing Benefit applications and supporting documents both of which speed up claims. A service level agreement requires the Council to respond to enquiries from H&F Homes within five days. Tenants' wait for Housing Benefit claims is minimised.
- 115** H&F Homes' staff work well with the local court. They are involved with the local court user group and now use online applications for court cases which saves about £50 per case in court costs. They have participated in a promising pilot of block bookings for court dates. Effective working with the court is saving time and money.
- 116** The work on debt advice is not measured. The work on financial inclusion outlined above helps tenants who have debts. Staff refer tenants with debt problems to the Citizens Advice Bureau or Shepherd's Bush Advice Centre with whom there is a referral arrangement. There are no figures collected on how effective this arrangement is or what quantity or quality of advice residents are getting once they are referred. While this approach might be effective, this is not known. Residents might not be getting the debt help they need.

117 The approach to credits in rent accounts is weak particularly with reference to vulnerable tenants. We found a tenancy that had around £900 credit for six months. The tenants were vulnerable and no attempt has been made to enquire about or resolve this issue in this time. In general H&F Homes does not give rent credits any priority which is not good customer care, particularly where tenants are vulnerable. Any errors leading to credits are harder to sort out if they are left too long and tenants could be losing out on money they are entitled to.

Resident involvement

- 118** In 2008, we found a balance of strengths and weaknesses. There was a strong culture of resident involvement which ensured that residents had an influence over local management decisions. A strategic approach had been developed to support engagement with hard to reach groups. Engagement went beyond formal structures. However, resident involvement had not evolved sufficiently since the previous inspection. The resident involvement strategy was not robust and tenants were not sufficiently satisfied with opportunities to participate.
- 119** In this inspection, we found that strengths outweigh weaknesses. The resident involvement strategy is comprehensive, well resourced, and offers a wide selection of ways for residents to be involved. Residents feel it is good value for money. Training for residents is positive, and resident involvement and mystery shopping by residents are effective in developing and improving the service. However customer satisfaction is mixed, assessment and monitoring is insufficient and opportunities for young people to be involved are not yet developed.
- 120** The resident involvement strategy is comprehensive. The 2009 - 2012 strategy sets out the objectives for involvement which are service improvement, accountability and stronger communities. The accountability structure is headed by the Hammersmith and Fulham Federation of Tenants' and Residents' Associations (HAFFTRA) which has three employees. It is backed by the annually reviewed compact. The strategy was well consulted on, following a review led by a steering group of residents who commissioned a report containing recommendations by two national consultancies. The strategy is backed up by a 60-point action plan and 25 measurable targets. Residents benefit from a clear framework for involvement.
- 121** Resident involvement is well resourced. The budget for 2008/09 was £237,000 and 60 per cent of this goes to HAFFTRA to fund its employees and to support and fund individual tenants and residents' associations. H&F Homes spends part of the budget on employing specific resident involvement officers and running training programmes. Residents have control of a £270,000 minor estates improvements budget and residents' associations can bid for some of this money. In addition, a tenant-led Housing Improvement Panel can access a budget for larger environmental improvements. The resources are available and involve residents effectively.
- 122** Residents feel that the involvement structure is good value for money. Residents that we asked who were involved felt they were getting value for money. Some were particularly positive about the value of HAFFTRA which costs tenants 23p a week.

How good is the service?

- 123** H&F Homes offers a wide selection of ways for residents to be involved. The website lists 15 different approaches to involvement including mystery shopping, estate inspections, focus groups, forums, housing improvement teams and the e-panel consultation group. H&F Homes recognises and supports 40 tenant and resident associations. An association has been set up to represent residents who do not live on an estate and it has 25 members. An active sheltered housing forum has representation from 75 per cent of schemes in addition to the Decent Homes Forum for sheltered housing. Residents can get involved in ways that suit them.
- 124** The website is a useful source of information on involvement. It lists all the ways of being involved and it provides the agenda for all future Board and subcommittee meetings with minutes and papers for meetings that have passed. Three of the four local areas have Local Housing Forums where H&F Homes and the Tenant and Residents Associations discuss performance and other local issues. The minutes but not the papers from these are available on the website. However, for those who do not have access to the internet, the opportunities are not well set out. Residents with internet access have access to good quality information on involvement.
- 125** Training for residents has been effective in the past three months but only adequate before that. Residents have been actively involved in setting up a recent tailored training programme for all residents. The programme has run since March 2009 offering 11 different and useful resident involvement courses. Half-way through the programme 63 residents have attended the courses and 100 per cent of the feedback indicated that residents agree strongly that they have been satisfied with their courses. However, before that the training was not so well structured or well attended. Even so what had been on offer had helped residents become Board members or be more involved in their residents association. Residents are developing the skills to make their involvement more effective.
- 126** Mystery shopping by residents is improving the service. H&F Homes has established and trained a residents' mystery shopping working group with a framework and a 12-month programme. The programme measures compliance with customer service standards. It began in February 2009 and has had some early outcomes including raising awareness of service standards among staff and residents and led to a new resident involvement service standard.
- 127** Residents are effectively involved in developing and improving the service. Examples include the new estate inspection procedure, the caretaking pilot, the resident involvement strategy, finalising customer care service standards and revising income management procedures and rent statements. Residents have:
- helped to design-out open bins by directing the improvement budgets;
 - helped to design the 'New Deal' for leaseholders which is delivering improvements;
 - directed the role of Sheltered Scheme Managers to maintain consistency in sheltered housing;
 - improved the use of community halls through their involvement; and
 - helped to develop the Decent Homes programme by sitting on project partner teams in each contract area to help keep the programme customer focused.

- 128** Customer satisfaction with involvement is above average. The proportion of tenants who are satisfied with being kept informed is high at 81 per cent which is an improvement from 68 per cent in 2008¹ and in the best 25 per cent of a group of 20 London landlords. However only 58 per cent of tenants are satisfied that their views are being taken into account, this is marginally less than in 2008 but above average compared to the same group. Although this is above average a large minority of residents are either unaware of, or unimpressed with, efforts to involve residents in service improvements.
- 129** H&F Homes has not been successful in communicating the options for resident involvement to all residents. It has put regular articles in newsletters but some tenants we spoke to have no knowledge of initiatives and were unimpressed by the approach to involvement. They felt that they were not kept well informed and that the system for delivering newsletters was not always effective. They hadn't heard of the Resident Involvement Strategy and most didn't know about HAFFTRA. Residents who might have wanted more involvement have not participated due to lack of awareness of the options.
- 130** Assessment and monitoring of the impact and effectiveness of resident involvement initiatives is insufficient. HAFFTRA received £140,000 in 2008/09. A partnership agreement is in place which sets out aims and activities for HAFFTRA to carry out. However it does not include measures or volumes of activity that would allow H&F Homes to assess whether resources are well spent. Assessment has now begun, using activity logs. In the meantime the ALMO does not know how effective activities are in both involving residents and delivering improvements to services as a result of that involvement.
- 131** Opportunities for young people to be involved are not yet developed. Out of 590 involved residents, only 6 per cent are under 35 years old and 2 per cent under 25. The mentoring project for young people might lead some to become involved in the landlord service. There are also diversionary activities to keep young people busy but these are not aimed at involving them in the service. Some residents commented on this lack of opportunity for younger people. The resident involvement strategy does aim to develop activities to attract younger residents to involvement. At present young people are not well represented or consulted on how to improve the service.

Tenancy and estate management

Tenancy management and tackling anti-social behaviour

- 132** In 2008, we found a balance of strengths and weaknesses. Tenants were well informed of their rights and responsibilities. Steps are taken to visit new tenants, reduce illegal occupation, and prevent breaches of tenancy conditions, and the ALMO worked closely with the Council's ASB unit to take enforcement action. However, there were insufficient timescales and targets for responding to reports of anti-social behaviour and there were no mechanisms to keep tenants informed of progress.

¹ H&F Homes held the usual STATUS survey in 2008. In 2009 a telephone survey of 688 tenants provided more up-to-date information

How good is the service?

- 133** In this inspection, we found that strengths outweigh weaknesses. H&F Homes starts off tenancies well, plans tenancy audit work properly and monitors its response to anti-social behaviour effectively. New systems are improving performance which is now strong. Support, referral and partnership arrangements are effective, diversionary activity is successful and H&F Homes uses an appropriate variety of enforcement measures. However the tenancy agreement is not as comprehensive and clear as it could be and residents are not well informed about whom their Tenancy Management Officer is.
- 134** H&F Homes starts off tenancies well. As part of the tenancy sign-up, staff give to tenants a DVD which includes information on rent payment and other key issues and which they play at the tenancy sign-up. This is followed by a settling-in visit which nearly all new tenants benefit from. Tenant satisfaction with the sign-up is positive with 94 per cent finding officers helpful and knowledgeable. Over 90 per cent are satisfied with information on tenancy terms and how to pay the rent and between 80 and 90 per cent are satisfied with information on rent arrears, Housing Benefit and how to report a repair. Tenants start their tenancy with appropriate information.
- 135** Tenancy audit work is properly planned, although its uses are not being maximised. A three year rolling programme aims to audit all tenancies between April 2007 and March 2010. This programme is on track. It started with higher risk tenancies and in 2008/09 the audit found 23 cases of irregular occupation leading to 16 evictions for unauthorised occupation; it found two where the right to buy was denied, two where succession was denied and three where assignment was denied or housing applications refused/withdrawn. However, the audit does not take a note of who is living in the household and therefore does not help record overcrowding and under-occupation. Better use is made of the stock if it is reserved for the appropriate people.
- 136** H&F Homes monitors its response to anti-social behaviour well. A case management system was introduced in February 2009; it makes reporting easier, records actions taken, identifies problem hotspots and helps with workflow management. A monthly scorecard records performance against set targets and it links to the main housing management database so preventing the need to type in tenancy details. Staff can see deadlines for the different actions due and standard letters are easy to send out. Unfortunately the system cannot deal with domestic violence cases which are recorded manually. It helps to ensure that cases are dealt within timescales and makes it easy for managers to monitor and help improve performance.
- 137** New systems are improving performance which is now strong. In 2008/09 68 per cent of cases were resolved when they were closed, this improved to 92 per cent in April and May against a target of 85 per cent. Performance for interviewing within timescale improved from 97 per cent to 99 per cent. Staff informed residents about their cases within three weeks 70 per cent of the time in 2008/09 and exactly met the 90 per cent target in April and May 2009. Residents can expect published standards to be met.

- 138** Customers benefit from effective support and referral arrangements. In 2008/09 staff referred 72 cases for mediation half of which were helped by the process. They referred 25 cases to social services, 23 to the Community Mental Health Team, 5 to the Youth Offending Team, 3 to the Drug and Alcohol Action Team and the Noise Pollution Team and 78 to other agencies. As the paragraph above shows, the success rate is high, so the referrals are helpful and appropriate.
- 139** H&F Homes uses an appropriate variety of enforcement measures to deal with ASB and publicises them well. Acceptable behaviour agreements are used in flexible ways to encourage positive changes in behaviour. These have been used successfully for graffiti offenders who were sent on art courses to channel their abilities in more positive directions. In 2008/09, the ALMO used 72 acceptable behaviour agreements, 4 Anti-Social Behaviour Orders (ASBOs), 63 possession notices, 11 evictions, 15 crack house closures and 14 injunctions. Publicity is helping to increase awareness of actions against perpetrators.
- 140** Partnership working is effective. At a strategic level staff participate in an Outcomes Partnership group which includes a wide range of partners and determines what wider actions are needed, for example where hot spots are identified. Staff are involved in a 'Ward Safe' initiative in four parts of the borough, where agencies have been effective in tackling crack houses. They participate in a multi-agency panel that meets every six weeks to look at issues around priority and prolific offenders. Other multi-agency groups that H&F Homes participates in are the Race and Hate Incidents Panel, the Hammersmith and Fulham Crime and Disorder Reduction Partnership (CDRP) and 'Standing Together' that addresses domestic violence. These partnerships have reduced problems for residents of H&F Homes.
- 141** The Respect standard has been used appropriately to focus activities. H&F Homes signed up to the standard in January 2007 and has thorough plans for each of the six commitments in the standard. Assessments against the standard include satisfaction surveys every three months which identify areas of concern for residents. Work is focusing on areas of concern to residents.
- 142** The ALMO has a successful programme to involve young people in diversionary activity. A community development worker provides activities for young residents at Fulham Town Hall. Teenage pregnancy projects are available on various estates, play activities are available for children during school holidays and a local church runs a diversionary project for young people called 'Kiss the streets' and runs gardening voluntary work. A local football team runs football courses and games and the section on diversity above outlines the success of the Pathways to Progress Young Peoples' Development Project. Diversionary activity is successful in keeping young people out of trouble.

How good is the service?

- 143** Tenant satisfaction with the ALMO's response to anti-social behaviour is mixed. Surveys show positive levels of satisfaction with the outcome of ASB complaints; this has increased from 53 per cent in 2007/08 to 64 per cent in December 2008. The proportion of customers who say they would report a problem again increased from 86 per cent in March 2008 to 90 per cent in December 2008. However, some residents we spoke to do not believe the service is fast or effective enough in resolving problems and is not value for money. Standards are inconsistent with some officers responding more positively to problems like noise and dog-fouling. The expectations of a number of residents are not being met.
- 144** The tenancy agreement is not as comprehensive and clear as it could be. The language used is not consistent and does not make use of the simplest writing styles available. The agreement does not mention legal rights like succession. Tenants will not be as clear about their rights and responsibilities as they could be.
- 145** Residents are not well informed about whom their Tenancy Management Officer is and what their role is. Some of the tenants we spoke to said it was very difficult to see their Tenancy Management Officer who they felt kept a low profile. For residents who live on an estate with an estate newsletter they are told periodically who their housing officer is. However, for others there is nothing on the website and H&F Homes does not send residents letters when their Tenancy Management Officer changes.

Estate management

- 146** In 2008, we found that strengths outweighed weaknesses. Estates were well maintained and the high quality caretaking service had been extended to 'gap' estates. Estate inspections were carried out regularly. However, residents were not fully informed of the level of caretaking provision or the outcome of estate inspections.
- 147** In this inspection, we found that strengths outweigh weaknesses. Resident satisfaction with neighbourhoods is high and the new systems for managing and monitoring the caretaking process are improving it. The quality of cleaning and grounds maintenance is reasonable but not consistent. However the cost of caretaking services is high and tenants have limited choice over services.
- 148** Resident satisfaction with neighbourhoods is high. In 2007 and 2008 surveys showed that 71 per cent of tenants were satisfied with their neighbourhoods as a place to live. In 2009 satisfaction went up to 78 per cent which is in line with the best 20 per cent of a benchmark group of landlords in 2008/09. Satisfaction with neighbourhoods where residents of H&F Homes live is improving and is now higher than for most other social housing residents in London.
- 149** The caretaking service is improving. A pilot of a new approach to caretaking is showing benefits in some areas. In the areas of the pilot, estates have received an extensive deep clean to start the pilot off well. The pilot centralises caretaking staff and provides a schedule of services that will become a menu of options for residents. The caretakers are responding positively to the changes and value their training. Residents are beginning to see the benefit of the new approach.

- 150** New systems for monitoring the caretaking service are leading to improvements but have not bedded in yet. The new approach to quarterly estate inspections started in April and so not all areas had been inspected using the new system at the time of the Audit Commission inspection in June. Residents are invited and so far over a third of inspections have involved residents. The estates are graded and weak results lead to a follow up visit six weeks later. Residents can read the results of the inspections on the notice boards, which residents like, but not all notice boards have adequate information about the inspections on them. However the process does not monitor whether actions have been completed and the results are recent and so cannot show comparisons over time, or between estates and neighbourhoods. The inspections are leading to clearer standards and better information for residents.
- 151** The approach to checking the quality of estate inspections has improved and is now robust. Managers regularly go out with estate inspection teams to check performance and they also check who is attending inspections. Estate inspection results are more likely to be consistent if they are checked leading to more consistent standards.
- 152** The quality of cleaning and grounds maintenance is reasonable but not consistent. Residents confirmed that racist graffiti is removed quickly. Grass and hedges are well maintained but there were weeds in the gardens of some supported housing schemes and under hedges elsewhere and we saw ivy growing over pathways. Most areas we saw were litter free but three estates had a noticeable amount of litter in flower beds and on grassed areas and pavements. Residents cannot rely on living in a well cared for environment.
- 153** The cost of the caretaking service is high as shown below under value for money. This is a driver for the restructuring of the caretaker service.
- 154** Residents have limited choice over services. Service charges are pooled so a block or estate cannot make choices based on the costs they have to pay for those choices.

Leasehold management and Right to Buy

- 155** In 2008, we found a balance of strengths and weaknesses in leasehold management. Rights and responsibilities were explained through a plain English guide to the lease. Service charges were calculated accurately and estimates and bills are sent out in accordance with the lease. Leaseholders were offered a broad range of methods for paying service charges. There were positive engagement arrangements with leaseholders. However, H&F Homes had only recently carried out its first comprehensive leaseholder's satisfaction survey. Service charge bills did not breakdown expenditure into sufficient detail to meet leaseholders' requirements. Service charge statements are not sent to leaseholders and service charge arrears are relatively high and increasing.

How good is the service?

- 156** In this inspection, we found a balance of strengths and weaknesses. Leaseholders benefit from a strong drive to improve services and have effective opportunities to influence the service. Management charges are reducing but from a high base. H&F Homes consults leaseholders well on major works and offers reasonable help and choice with major works payments. However the approach to service charge administration is mixed and elements of the service remain unsatisfactory. The presentation and calculation of management charges are not as accurate as they could be or as clear as leaseholders would like.
- 157** Leaseholders benefit from a strong drive to improve services. H&F Homes is prioritising the improvement of leasehold services and has agreed a set of improvements under the banner or 'The New Deal'. Outcomes of this are listed below and in subsequent paragraphs.
- Satisfaction with the service is up from 31 per cent in 2008 to 37 per cent in 2009.
 - We spoke to leaseholders who had significant praise for the diligence and professionalism of certain staff members and said customer care had improved.
 - The standard for replying to correspondence was four weeks for the busiest two months of the year. Since 2009 the target for all months has been two weeks and compliance with target is at 96.3 per cent for January to May 2009 compared to 94 -95 per cent in 2008.
 - Leaseholders can access the gas servicing contract. It costs £49 and has been used by 56 leaseholders.
 - A Councillor is acting as an active caseworker bringing issues to the attention of the ALMO.
- 158** Leaseholders have effective opportunities to influence the service. H&F Homes holds four forums every three months, one forum for each part of the borough. These forums elect representatives onto a leaseholder panel that also meets every three months and is chaired by the cabinet member for housing. An annual conference for leaseholders is well attended by 200 leaseholders of whom 94 per cent thought it was worth attending and 88 per cent found it informative. However the forums and panel were not consulted about the standards for leaseholders and the leaseholder involvement arrangements have not yet matured. H&F Homes has not yet won the trust of some active leaseholders nor managed their expectations successfully. Leaseholder involvement is improving the service.
- 159** Management charges are reducing but from a high base. A comparison of estimated costs for 2009/10 show that H&F Homes is charging an average of £155. This is more than the £135 average of a selection of 22 benchmarked landlords. However H&F Homes is successfully reducing these costs. The 2009/10 estimate was 11.9 per cent less than the 2008/09 estimate which was itself 4.5 per cent less than the 2007/08 actual cost. Other charges have also been reduced so that overall estimated charges including insurance went down 5.3 per cent in 2009/10. Leaseholders are still paying high costs but efforts to reduce costs have had some success.

- 160** H&F Homes consults leaseholders well on major works. It has improved the consultation on the Section 20¹ process. Staff hold a meeting before they serve Section 20 documents to explain issues to residents and get feedback. The Section 20 information is clearly laid out and central coordination of the process provides consistency and accountability. Policies have improved with new doors now being offered as a choice rather than a requirement. However staff were not able to come up with many examples to demonstrate that leaseholders' reasonable concerns are being addressed. Leaseholders can have a say in major works.
- 161** Help and choice with major works payments are reasonable but could be better. Leaseholders can pay interest-free over two years. They can ask for a discretionary loan for up to ten years for large bills with interest charged at 0.25 per cent above the average council lending rate and a charge on the property. However schemes that other authorities offer such as House-Proud or discounts for fast payment are not available. A review will lead to improved options from July 2009. Leaseholders have some flexibility for paying large bills.
- 162** The approach to service charge administration is mixed. Strong elements include:
- the approach to calculating estimated charges is thorough with each charge heading calculated separately;
 - the lay out for estimate and actual service charge bills is clear and easy to follow;
 - for some blocks, the actual charges are sent out in advance so that leaseholder representatives or associations can check them before all leaseholders get them;
 - service charge arrears have reduced from £2,403,594 in November 2007 to £1,645,000 at March 2009; and
 - in 2008/09 the amount collected was 99.9 per cent, which compares to an average collection rate of 94.2 per cent for 27 London boroughs in 2007/08.
- 163** However service charge administration has the following weaknesses.
- Arrears although reducing are high; £1,645,000 at March 2009 represents 43 per cent of the estimated charge for 2008/09.
 - We asked H&F Homes to check 20 randomly picked service charge bills; five of them had charging errors in favour of the leaseholders. H&F Homes addressed the issues that lead to these errors in December 2008 and a new checking and reconciliation system is in place for the 2008/09 bills due to go out in September 2009.
 - The statements showing charges and payments are not fit for purpose as they do not show the balance after each transaction. This makes the figures harder to check and understand. New much improved quarterly statements will be available from July 2009.

¹ Section 20 notices are served on leaseholders to consult them about the costs of works. Incorrect or non-service of these notices means that the landlord cannot recover all costs of the works.

How good is the service?

- Leaseholders can only obtain detailed information on the repair bills that contribute to their charges six months after the end of the financial year in which the repair took place. High performing landlords provide this information more regularly. H&F Homes will start to do this from March 2010.
- When leaseholders receive the invoice on actual service charge costs for the previous year, H&F Homes cannot adjust their direct debit accordingly.

164 Elements of the service remain unsatisfactory. Despite the improvements over the past year, many leaseholders remain unsatisfied; the leasehold service has not yet won the confidence of most of its customers.

- Satisfaction with the service, while improving from 31 per cent in 2008, is still only at 37 per cent.
- Most leaseholders at the focus group found the service inconsistent with some high quality and some substandard elements. They spoke of phone calls not being returned and gave examples of poor customer care over the past 12 months.
- Staff reported that leaseholders still occasionally have problems with the repair ordering centre where call handlers do not realise that leaseholders can log communal repairs.
- H&F Homes has a way to go win the trust of leaseholders; 10 per cent of those at the annual conference are not convinced that H&F Homes is committed to delivering value for money and only 45 per cent are convinced of this commitment.
- The performance of telephone answering for the leasehold service is not monitored in an effective way.
- The service standards for leaseholders are not challenging and H&F Homes did not consult leaseholder panel or forums on the standards (although tenant and resident associations were consulted on all 14 standards).
- Leaseholder satisfaction with repairs is low at 29 per cent.

165 The presentation and calculation of management charges are not as accurate as they could be or as clear as leaseholders would like. H&F Homes will be bringing in a new and more accurate way of apportioning costs. In the meantime the estimates for 2009/10 and the actual accounts for 2008/09 that will go out in September 2009 undercharge leaseholders by around £4.00 or 2 per cent of the management charge. Leaseholders find it hard to understand how these charges are arrived at, or what they pay for. The explanation in the service charge booklet is reasonable, but does not provide the clarity leaseholders are looking for. Leaseholders resent making payments for charges they do not understand.

166 H&F Homes does not monitor when money is lost due to errors in sending out Section 20 notices. When major works are ordered, Section 20 notices are sent out and there have been no recent challenges to these. However the responsive repairs section does sometimes order work that costs more than £250 per leaseholder without serving a notice, thereby making it impossible to collect the money. New procedures make it less likely that this will happen. However this is not monitored and so staff do not know how often it has happened in the past year. The number is thought to be under 20. Not all costs are being collected and failure is not being monitored.

167 H&F Homes has not thought through its relationship with leaseholder subtenants. An increasing number of leaseholders sublet their tenancies but there is no agreed approach to communicating with them and involving them. When problems arise they are not so easy to contact and are not informed how to make use of the services provided.

Allocations and lettings

168 In 2008, we found that strengths outweighed weaknesses. H&F Homes was supporting the Council to meet its allocations plan. Alternative rehousing options were being publicised. Tenancy offer letters were clear and concise. Applications for transfers were effectively managed. However, the transfer application register had not been reviewed since CBL was introduced in 2005 and standards for dealing with transfer applications were not consistently publicised. There were some inconsistencies in the way medical assessments for transfers were dealt with.

169 In this inspection, we found this an area of strength. The system of allocation of properties is choice-based and H&F Homes ensures that applicants are given appropriate support to participate in this system and that vulnerable applicants do not miss out. H&F Homes is freeing up under-occupied properties and reducing overcrowding successfully, promoting mutual exchanges adequately and effectively enabling disabled people to access properties that are adapted for disabled use. However the processes for ensuring that applicants viewing a sheltered property can see the scheme manager are not robust enough and H&F Homes is not participating well in the CORE data recording scheme.

170 Housing applicants benefit from an element of choice in the home they are allocated. H&F Homes participates in a choice-based lettings system whereby applicants choose which of the empty properties that might want to live in and those with the most priority are allocated the properties.

171 H&F Homes ensures that applicants are given appropriate support to participate in choice-based lettings. Tenants were critical in the past; the 2008 tenants' survey showed that 40 per cent of tenants found it difficult to find the right person when phoning about transfers or exchanges. In response H&F Homes has introduced a dedicated lettings telephone line and tenants can come in to the area offices at any time to see staff trained in the scheme. It has set up bidding clubs for the three and a half days a fortnight when applicants need to bid. This results in over 200 tenants a month coming into the offices and getting help from trained staff to bid online. A late surgery is available in each area office once a month, open until 7:00 PM; they are used by around 20 tenants a month. Information about the CBL process is available in 19 languages on DVD and in Braille, large print and Macaton. Applicants can get help to participate in the choice-based lettings process.

How good is the service?

- 172** Proper systems are in place to ensure that vulnerable applicants do not miss out from rehousing in line with their priority. Twice H&F Homes has contacted all the tenants who are not bidding. Staff followed this up by visiting those in priority bands A and B: 17 in early 2009 and 24 in April. This has helped resolve many of the issues. Staff help applicants who have difficulty and will visit them at home to help them with the bidding process where appropriate. The Council provides regular training for voluntary sector organisations on using the lettings system. Vulnerable applicants are being identified and getting the support they need.
- 173** H&F Homes is successfully freeing up under-occupied properties. The Council runs a scheme that covers the cost of moving and reconnection and a handyperson to put up curtain rails etc. For more vulnerable and older tenants, support is given during the moving process. Last year 35 households were moved this way. In addition a government pathfinder scheme has provided £150,000 a year to improve properties in line with the wishes of those freeing up two or more rooms. Up to £15,000 is available per property and 14 people moved in this way last year. The 49 under-occupied properties freed up last year is equivalent to 3.7 for each 1,000 tenancies in management which is better than the London average. The schemes are allowing better use to be made of the stock.
- 174** H&F Homes is successfully reducing overcrowding in its stock. It gives reasonable priority to meeting the housing needs of its tenants. The aim is that 30 per cent of lettings go to transfers and last year the figure was 27 per cent. The 243 tenants who got a transfer represent 1.8 per cent of tenants which is the equivalent of the highest transfer level for ordinary London boroughs in 2007/08. As a result the number of tenants on the waiting list reduced from 1,733 to 1,681.
- 175** H&F Homes promotes mutual exchanges adequately. The ALMO pays £4,000 a year to cover the costs for all tenants who want an exchange to go on the Homeswapper register and 594 have done this. Staff have facilitated three way and four way exchanges. The rate of mutual exchanges is improving. In 2007/08, 42 were completed and in 2008/09 this increased to 60 which at 4.6 per 1,000 tenancies is average for London. However, H&F Homes does not benchmark this. The stock is meeting the needs of residents better where exchanges are well promoted.
- 176** Properties that are adapted for disabled use are advertised appropriately. The in-house Occupational Therapist looks at relevant empty properties and classifies them by one of three categories. Applicants who would benefit from the adaptations get priority if they bid for these properties. A register of all the accessible social housing in the borough is being developed and will be available by the end of 2009/10. Disabled people have priority access for properties that meet their needs.
- 177** Performance monitoring is used to improve services but not as well as it could be. H&F Homes benefits from a clear list of performance indicators for the allocations and lettings process which are used in staff management and monitored overall. However performance against these indicators is not available in one place but in a series of different reports. This makes it harder for managers and the board to assess the performance of this area of work and see if performance is improving.

178 H&F Homes carries out a number of processes well that improve allocations for residents.

- The transfer list is reviewed annually.
- 98 per cent of applications are processed within the ten days target.
- The viewing system works well. Applicants have an accompanied viewing and 84 per cent of new tenants are satisfied with the overall rehousing experience.
- Systems are in place to combat fraud in the lettings process. Applicants are required to provide ID, a photo and proof of residence. The photo is used at the sign up along with provision of ID again. The photo is kept on file as a future check.
- New tenants can pay the rent using all available methods as soon as they sign the tenancy agreement.
- H&F Homes has a support arrangement with the Council to provide resettlement support to vulnerable people and customer feedback about it is positive.
- H&F Homes has a good working relationship with the Council on lettings. The Council has provided access to its electronic document storing system so that H&F Homes staff can look up details on the new tenants easily. Council staff attend the fortnightly training sessions with the ALMO rehousing staff.
- Appropriate out-of-hours arrangements are in place for service users to access emergency accommodation.

179 However the processes for ensuring that applicants viewing a sheltered property can see the scheme manager are not robust enough. This is the view of both staff and residents we spoke to. Procedures are in place to address this. Staff do not always get the information they need about the new tenants and applicants do not always get the opportunity to talk to the scheme manager which they feel is an important part of the viewing.

180 H&F Homes is not participating well in the CORE data recording scheme. The ALMO has been collecting the data for CORE for over two years but due to computer problems has been unable to submit it. It is too late to submit the data from 2007/08 so the work that went into collecting that information has been in part wasted. The ALMO is submitting the 2008/09 data in August 2009 long after the standard deadline. H&F Homes is not following good practice in this area.

Supported housing

181 In 2008, we found that strengths outweighed weaknesses in the management of sheltered housing. Services provided to sheltered housing tenants were of a high standard although the strategic approach to the management of sheltered housing was not fully developed.

How good is the service?

- 182** In this inspection, we found strengths outweighed weaknesses. Sheltered schemes are well run with a responsive service that satisfies tenants and provides them with effective and tailored support. The Decent Homes programme and the responsive repairs service work well. However the cyclical decorations cycle is not easy to follow, the strategy for the future of the stock is not clear and the 24 hour telephone alarm service does not meet the expectations of many tenants.
- 183** The individual sheltered schemes are well run and maintained. They have no signs of outstanding repairs or maintenance concerns and gardens had been recently improved. Residents like the environment. The service provides a wide range of activities to enable them to live independent and active lives including keep fit classes, bingo, arts classes, gardening, coffee afternoons, barbeques and social trips. Outside partners offer relevant support to sheltered tenants; opticians and chiropodists visit and some schemes have health visitors attending occasionally. The schemes make good use of assistive technology; for example one tenant who is diabetic had a bed alarm sensor which could activate when he had a seizure. Tenants benefit from the services and quality offered.
- 184** Tenants are satisfied with the service. The sheltered tenants' survey in 2008 showed positive results in most areas. It showed 89 per cent of tenants satisfied with the services provided, 95 per cent said they had made the right choice in moving into sheltered housing and 79 per cent of tenants satisfied that their views are taken into account.
- 185** H&F Homes takes effective measures to protect tenants from the risk of incidents of anti-social behaviour and to improve security. All schemes have intercom systems with video cameras. Most schemes have master key systems and close links with the Council's anti-social behaviour unit and community liaison officers. Residents can feel secure in their homes.
- 186** Support plans are in place and reviewed at least every six months. Those we saw were good quality and addressed all key support issues and focused on outcomes rather than just processes. Tenants are positive about the quality of support they receive and see support as responsive and appropriately tailored for those with higher care needs. A good range of partnership working with the Council is in place with productive links with social workers. Occupational Therapists visit if people come out of hospital to assess needs and they ensure that the new Decent Homes kitchens and bathrooms are suitably adapted for individual needs. Tenants with different levels of need can maintain their independence.
- 187** The service is responsive to tenants. The sheltered housing forum is active with representation from 75 per cent of schemes and the Decent Homes Forum for sheltered housing has been useful. Meetings are well attended and discuss relevant concerns, particularly around Decent Homes issues. Residents can decide on the spending of the minor estates improvement budget and have amended the approach to support planning. More flexible rota ideas for scheme managers were developed with forum input. Residents can influence the service.

- 188** The Decent Homes programme has been carried out well in sheltered schemes. Tenants are positive about most aspects of Decent Homes. The levels of consultation have been satisfactory throughout and tenants are positive about the level of choice of colours on offer. H&F Homes has a dedicated Decent Homes contract for sheltered housing, which helps it to be more responsive. The disruption of the programme was minimised for sheltered tenants.
- 189** Communication on the cyclical maintenance and decoration programme is not adequate. The Decent Homes programme has disrupted the normal cyclical programme. As a result, tenants are not clear when their schemes will next be re-decorated.
- 190** Responsive repairs systems in sheltered housing are working satisfactorily. Repairs timescales are the same as in general needs and scheme managers update residents about the progress of repairs. Repairs are routinely logged and chased up as needed and scheme managers can access progress online. Repair performance is regularly reported on to senior managers. Residents are informed about repairs and can rely on the repairs service.
- 191** The strategy for the future of the stock is not clear. H&F Homes does have a five year older person's strategy 2008-2012 which gives a strategic overview of sheltered housing provision. However, the strategy does not look at what reconfiguration or stock modernisation is required. The intention is to finalise research in September 2009 before making a decision. Informally the view is there is no big problem or big decision needed and the asset management strategy assesses the stock as fit for purpose and fit for adaptation. However, no decision on the future reconfiguration has been formally agreed unlike in many other local authorities. Tenants cannot be confident what the future holds for their homes until the plan has been finalised.
- 192** The 24 hour telephone alarm service does not meet the expectations of many tenants. Tenants we spoke to were generally negative about the quality of support offered from the 24 hour alarm service. Examples were cited of unhelpful responses to people's calls. H&F Homes sees no problems with the service; it responds to over 50 calls a month but only gets around one complaint a month. Whatever the problem is, tenants lack confidence in it and it is important that they hold in high regard a service that they rely on for their life and wellbeing.
- 193** The service lacks a steady state¹ contract with the Council for providing support. Most local authorities have carried out the necessary strategic assessments and have moved to steady state contracts. However, Hammersmith and Fulham Council is still reviewing care and support services and so is not issuing steady state contracts. This provides less certainty for residents and staff.

¹ When Supporting People funding first started paying for these services in 2003 they were put on interim, temporary contracts. All such contracts should have been reviewed and renewed with new 'steady state' contracts by 2008.

How good is the service?

194 The service does not benefit from the standard external formal monitoring system normally seen in the sector. The Council has not carried out a Supporting People review or undertaken periodic contract monitoring visits for five years. Reviews and contract monitoring reviews using the Quality Assessment Framework have helped many sheltered services improve service delivery to residents. Council resources have focused on other services in the borough that are seen as higher risk or lower quality. Opportunities to improve services are being missed.

Is the service delivering value for money?

195 In 2008, we found that this was an area where strengths and weaknesses were in balance. There was a focus on delivering service efficiencies through market testing with modern procurement methods used to secure efficiencies in maintenance services. However, a positive relationship between cost and quality of service had not been demonstrated. Regular and robust cost benchmarking comparisons had not been maintained.

196 In this inspection, we found that strengths outweighed weaknesses. H&F Homes has a clear focus on value for money issues with a robust invest-to-save strategy and a good understanding of the costs of the service and how they compare. Performance reports include key information that helps to manage value for money. Financial management is strong and supported by clear reporting systems. A sound approach to procurement is in place. However, most service areas are high cost, and few of the planned savings have yet been delivered.

How do costs compare?

197 H&F Homes back office and overhead costs are lower than average. The comparison is with the benchmarking group H&F Homes uses which involves 14 London ALMOs in 2007/08. Costs are:

- total overhead costs per property is better than average at £225; and
- back office costs as a percentage of direct housing management pay is the best of the group at 50 per cent.

Lower back office and overhead costs allows more money to be spent on frontline services.

198 Most other costs are high compared to this benchmarking group. The only cost that is better than average is the pay costs per property at £70 for staff directly involved in tenancy and estate management. In one category costs are average and in all others they are worse than average:

- total core housing management cost per property is worst 25 per cent at £580;
- the number of properties managed per employee is worst 25 per cent at 60;
- major and cyclical repairs administration is worst 25 per cent at £120 per property;
- responsive and void repairs spend per property is almost in the worst 25 per cent at £600;
- responsive repairs per property is worst 25 per cent at 2.1;

- average cost of a responsive repair is worst 25 per cent at £240; and
- responsive repairs management costs as a percentage of spend is average at 30 per cent.

199 H&F is relatively expensive when looking at the pay costs for property for staff directly involved in delivering frontline services. Taking all the main services together, the total core housing management cost per property is in the worst 25 per cent at £450. A more detailed look shows the following.

- Lettings management is worse than average at £13.
- Tenancy related housing management is worse than average at £225.
- Empty property management, is in the worst 25 per cent at £46.
- Responsive repairs is in the worst 25 per cent at £110.
- Arrears management is the worst in the group at £100.

200 Caretaking costs are expensive. A benchmarking exercise in 2006 compared the costs of H&F Homes caretaking with nine other ALMOs. It had the highest ratio of caretakers to dwellings in 2006 and the second highest in 2007, it had the second highest proportion of residential staff compared to total caretaker numbers and had the highest costs per property.

201 Costs are decreasing in some areas. These comparative costs are over a year old and H&F Homes is involved in an effective programme to improve value for money. Most of these improvements will be delivered in the future. However some have already been delivered so costs are coming down in some areas.

How is value for money managed?

202 H&F Homes has a good understanding of the costs of the service and how they compare. External benchmarking information is used to set internal targets for performance improvement, such as targets to lower the total core management costs per property, unit costs for day-to-day repairs, number of homes per employee and overall levels of tenants' satisfaction. It has also been used for specific areas such as costing the Decent Homes contract pricing arrangements and service level agreements. Performance reports include key information that assists in the management of VFM. Knowledge of comparative costs helps to drive improvements.

203 H&F Homes has a clear focus on value for money issues with a key corporate aim of improving performance and efficiency and resident involvement. Following a value for money review, each service area has efficiency targets, which link to organisational objectives and plans. The cumulative forecast for real savings identified so far is £5,444,475 up to 2010/11 with the bulk of the savings delivered in that final year.

How good is the service?

- 204** A strong strategic approach is driving forward value for money effectively. The only weakness in this area is the value for money and procurement strategies could be clearer in demonstrating how they support business objectives and environmental and social sustainability across services. However overall the strategic approach is strong.
- H&F Homes has developed a framework and strategic approach for managing value for money which is being implemented as part of a business transformation approach. The transformation period spans from 2008-2011 and key benefits are forecast to deliver greater consistency across services, reduced costs and more efficiently managed services.
 - Clear governance arrangements involve the Board receiving monitoring reports on progress. The Finance Audit and Risk Committee has started in-depth monitoring of savings against the targets agreed by the Board. Below the Board sits a continuous improvement board and value for money steering group overseeing projects that are underway and the programme management arrangements including the financial improvement plan.
 - The focus is on higher risk and higher spending services areas that are important to service users. H&F Homes has established three main project types within the value for money programme: transformations, efficiency and short-term projects. To date transformational projects include caretaking, area housing and management, customer services, repairs and contract management, voids, collection and income and gas compliance. Efficiency projects include temporary and agency staff, customer services and repairs service. The only short-term project at present is estate inspections.
 - Consultants are helping with service reviews. They have completed five reviews covering caretaking, Human Resources, repairs, area offices and management and customer services. Each review takes in to account customer feedback, benchmarking and a review of opportunities for improvement. More reviews are scheduled. Targets are established for each service review covering finance, quality and quantitative outcomes.
- 205** The Transformation programme is beginning to deliver savings in areas of highest risk and improving outcomes for service users. The same consultants are helping to deliver the transformation programme as part of a partnership approach. They have strengthened the management of the Decent Homes programme and leasehold management. The programme aims to increase the productivity of the caretaker service by 25 per cent. The overall approach is based on an invest-to-save model, so initially costs are rising through the use of consultants and the cost of reviews. However the consultants are only paid after the efficiencies and savings have been achieved. The well designed programme will deliver savings in the future but savings so far are limited.

206 Financial management is strong. Financial management systems have improved with clear managerial lines of responsibility and accountability. The financial team provides support to key budget holders and produces monthly management accounts, headline accounts are available on the intranet for directors and this approach is currently being rolled out for managers. Zero-based budgeting started in 2009/10 for services subject to the transformation programme. Electronic invoicing has been introduced to the highest areas of expenditure and the main contractors submit invoices on a monthly basis. In 2008/09 the organisation successfully managed its budget so that overrun expenditure closely matches estimated budgets.

207 The approach to procurement is sound.

- The procurement strategy is up-to-date and covers all aspects of procurement in the organisation. It sets the short and medium-term strategic objectives, focusing on a coordinated approach and makes best use of the organisation's buying power and the purchasing expertise within each business entity. The strategy links with the value for money strategy and the Equality and Diversity strategy.
- Where procurement has been complicated H&F Homes has bought into the services of the Council's specialist procurement team to support the process.
- Delivery of the strategy is well monitored by a corporate procurement group with benchmarking data and performance indicators used to ensure that procured contracts are delivering value for money.
- Planned maintenance, the Decent Homes programme, responsive and void repairs, gas servicing and repairs, and other cyclical maintenance works have all been market tested and procured through a modern procurement framework.

Recently procured services are delivering value for money.

208 Service level agreements are being reviewed in an appropriate way. The organisation has ensured that service level agreements are in place where there had been gaps. All service level agreements are subject to robust monitoring and have gone through at least one review since the ALMO was established and many are due for a second review in the 2010/11 cycle. However the servicing of mechanical and electrical systems is not adequately monitored in the relevant service level agreement. On balance Council services are adequately checked to ensure value for money.

209 Many value for money improvements have been achieved over the past two years. Partly due to the invest-to-save model, the improvements have been in quality of service rather than reductions in cost. These include:

- the increased rate of delivering Decent Homes;
- access to dedicated Debt Advisors;
- improved leaseholder services with reductions in the management costs;
- raised standards in caretaking through the pilot; and
- a reduction in sickness absence from 14.3 days to 12.4 is worth around £128,000.

How good is the service?

- 210** More significant savings will be delivered in 2009/10. Some contracts that will deliver these savings have already been signed and restructuring has already been planned or agreed. The full year savings for 2009/10 included in the budget are set at £1.5 million on the management fee from areas such as market testing, rationalisation of estate services and area offices, procurement arrangements.
- The procurement of temporary staff is more efficient. The original 23 agencies charged an average margin of 24 per cent. This was reduced to eight agencies charging an average of 18 per cent and at the end of the inspection this reduced to two agencies charging 15 per cent. The savings over a year are equivalent to £100,000.
 - The invest-to-save strategy will deliver full year savings of £220,000 within Human Resources in 2009/10 including the savings in agency costs for temporary staff. The number of staff will reduce from a high of eight down to four. The provider of external assessment of individual sickness issues will be reduced by £36,000 per year. Performance is improving in various ways with a more robust approach to managing sickness absence and other HR processes, an improved performance management system and improved staff development systems.
- 211** However costs have not yet reduced overall. At the point of inspection, the peak of invest-to-save expenditure had just passed. Although savings have started in some areas, investments are still happening in others. Overall costs are higher than they were in the past and higher than other comparable organisations.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 212** In 2008, we found a balance of strengths and weaknesses in track record. Performance indicators showed a mixed record of improvement, in particular no sustained improvement in tenant satisfaction over the past three years. The effectiveness of actions to address weaknesses identified in the last inspection was also mixed. There had been some slippage in implementing plans. However, some visible service improvements had been made, there had been investment in the building blocks for improvement and there was a track record of delivering year on year efficiencies.
- 213** In this inspection, we found this an area of strength. Services have improved in areas that residents will notice and resident satisfaction is up. Internal systems have improved, communication with and involvement with residents have improved and many performance indicators show improvement. Progress against the Audit Commission's previous recommendations is positive but not complete, and value for money is improving. However improvements in diversity are mixed.
- 214** Services have improved in many areas that residents will notice:
- leaseholders speak about important improvements in communication and responsiveness to customers and statements are clearer;
 - work on the Decent Homes programme is progressing much faster;
 - in response to residents' views the repair ordering centre is open for two hours longer in the evenings which is making the service more efficient;
 - responsive repairs are finished faster;
 - comprehensive service standards were introduced after consultation with residents;
 - the void standard has improved and includes the popular 'sure stop' device to switch off the water mains;
 - Welfare Benefit Advisors have increased residents incomes by £100,000; and
 - vulnerable tenants are receiving support in bidding for a choice-based transfer.
- 215** Systems have improved. Gas safety checks happen more regularly and a robust system of asbestos management is in place, both of which improve the safety of residents. Less arrears are being written off and the HR function is better managed.

What are the prospects for improvement to the service?

- 216** Resident satisfaction is improving. Over the last year satisfaction ratings have improved as follows.
- Overall tenant satisfaction with services up from 67 to 71 per cent.
 - Leaseholder satisfaction up from 31 to 37 per cent.
 - Satisfaction with the condition of relet properties up from 54 to 79 per cent.
 - Satisfaction with the overall experience of rehousing up from 75 to 85 per cent.
 - Satisfaction with the neighbourhood as a place to live up from 71 to 78 per cent.
 - Satisfaction with staff up from 66 to 73 per cent.
 - Satisfaction with how queries are dealt with is up from 64 to 69 per cent.
- 217** Communication with residents has improved as have opportunities for involvement. Newsletters are more frequent, and are now directed by a readers' panel. Performance in replying to correspondence and answering the phone is improving and satisfaction with being kept informed has increased from 68 to 81 per cent. Residents have better training opportunities; however residents' satisfaction with having their views taken into account has not increased. Residents are better informed.
- 218** Many performance indicators show improvement. Of the ten indicators in appendix one, seven are improving and three are getting worse. The ones that are getting worse are more notices of seeking possession being served, more evictions for rent arrears and a slower average re-let time. H&F Homes has 34 measures that it looks at year on year. Of these, 24 are improving, four are equal and six are getting worse. Areas that have got worse include 'caretaker tasks passing independent inspection' down from 88 to 82 per cent; Stage two complaints completed on time are down from 95 to 78 per cent; and vacant properties as a percentage of stock is up from 2.4 to 2.9 per cent.
- 219** H&F Homes has shown that it can carry out effective changes and restructuring. The structure of the leadership has changed to a much smaller management board with entirely different management reporting lines. The leaseholder service was centralised. These have all been successful.
- 220** Progress against the Audit Commission's previous recommendations is positive but not complete. Full details are in Appendix 2. Of the 25 recommendations, 20 have been completed and 4 have been partially completed or partially successful. The final one is introducing service charges for tenants. Work on this has started but nothing is yet in place.
- 221** Value for money is improving. The recent strategies for value for money and procurement are robust with a stronger corporate approach and leadership. The involvement of residents in this area has been strengthened and a focus on raising the quality of services is delivering results. However, while some costs have reduced, the main cost reductions are yet to come.

What are the prospects for improvement to the service?

222 Delivering improvements of the service under diversity are mixed. Strategies and assessments have improved and produced some outcomes. However progress on collecting the profile of residents has been limited and more importantly information on vulnerable tenants is not followed up or used properly. Some vulnerable tenants are not getting the improvements in service that they could be.

How well does the service manage performance?

- 223** In 2008, we found that strengths outweighed weaknesses. H&F Homes had a clear and realistic vision, which supported the Council's wider objectives. There was a clear focus on improvement planning and performance management. Customer feedback was used to monitor and improve services. Positive use was made of learning from others. The organisation's leadership was strong. Staff were clear about their targets, objectives and performance. However, long-term plans were not clear and the organisation had been slow to develop some key strategic plans. There were some gaps in service level agreements with the Council.
- 224** In this inspection, we found this an area of strength. H&F Homes has a clear vision with a comprehensive, robust and well integrated set of strategies and SMART action plans that benefit from resident input and address the main weaknesses. The focus on performance management is strengthening and becoming effective, the culture of the ALMO is honest and open with positive attitude and values. Leadership is strong with the ability to successfully prioritise and the organisation learns effectively from staff and residents. However, H&F Homes lacks a strategic approach to green issues.
- 225** H&F Homes has a clear vision, values and objectives. Staff were involved in drawing them up. It is set out on one easy to read page, the objectives are used in the individual objectives set for staff for the year. The vision and values are an effective guide for staff.
- 226** H&F Homes has a comprehensive, robust and well integrated set of plans. The five year business plan is clear and digestible. It is backed up by a continuous improvement plan which is divided into 18 service areas. These have a further 85 key events under them and below these there are 1,500 actions in the plan. Each action has its own due date, flag for completion and reason for variance. The key events in most cases have a defined set of actions underpinning them and are monitored closely for progress. They link to a separate part of the plan which monitors progress against the business plan. There is a strong link between the continuous improvement plan and the Council's Delivery Plan. Well developed and linked plans are more likely to deliver improvements.

What are the prospects for improvement to the service?

- 227** Improvement is underpinned by a convincing series of strategies. The Caretaker project is progressing well with a pilot and restructure underway and an agreement reached to end tied residence for caretakers by April 2010. It aims for £430,000 savings for 2009/10 and over £1 million for 2010/11. A Leaseholder Strategy 2009-2011 provides a series of plans and actions to improve leaseholder services. This is an appropriate area to concentrate on as the service has a number of weaknesses. Leaseholders have had an input into the strategy and the outlines of it have been communicated to leaseholders through a document called the 'New Deal for Leaseholders'. It has already led to improved services and satisfaction. The strategies are effective at improving services.
- 228** Plans and strategies are backed up by comprehensive and SMART¹ action plans. The plans are well laid out with measurable outputs or outcomes for each action. Most of them link together well. However, some of the plans are more process-based with not enough focus on outcomes that residents would notice. The plans should lead to improvements.
- 229** The plans are appropriate in addressing the main weaknesses in the service. This report highlights a number of areas where weaker aspects of services and procedures are improving such as progress on Decent Homes, speed of responsive repairs, gas and asbestos management, quality of services to leaseholders and others. Benchmarking has shown the caretaking service to be expensive and this is being addressed. Important back office issues are being addressed too, such as weak IT systems and human resource practices. The culture of the organisation is being changed. H&F Homes is self aware and able to address the issues that matter most.
- 230** Resident input is helping to improve plans and services. Resident feedback has played an important role in setting the priorities for improvement in areas like the caretaking review. Housing Improvement Teams consisting of both staff and residents focus on particular services to identify areas for improvement. H&F Homes has involved residents in recruitment of frontline managers. Residents monitor the performance of contractors; formal groups, which include tenants and leaseholders, oversee each of the seven area contracts. Extensive consultation with residents went into the business planning process before the plan was agreed by the Board. Services reflect residents' priorities and concerns.
- 231** H&F Homes has an effective and strengthening performance management culture. It has made accurate performance measuring a higher priority. Performance indicators are now collated or checked by a central team to ensure that they are accurate and board reports are more informative as a result. Benchmarking is used in most service areas to determine standards and teams have clear performance targets. A new post, 'Head of Best Practice' will develop quality standards and check consistency. However, staff are not being assessed on adequate performance standards, although new and improved ones have been rolled out for future assessment. Some staff we spoke to are unaware of the standards and targets their teams are working to. Some were familiar with measures but not what level constituted a good performance. Staff have increasingly clear goals to work for and management and the board have the information they need to drive improvements.

¹ SMART: specific, measurable, agreed, realistic and time-bound. This usually refers to targets in improvement plans.

What are the prospects for improvement to the service?

- 232** The culture of H&F Homes is open with positive attitude and values. The new executive leadership is open to criticism and willing to admit when services are not satisfactory. It has won the trust of the Board and the Council by its openness. Most of the staff speak positively of the new management. The directors come to the offices, talk to the staff and find out what difficulties they face. The organisation has been fast and proactive in addressing weaknesses raised during the inspection. Staff, managers and the Council say that this is a significant change from the culture that existed 18 months go. However, trust is still being earned; a few staff have not yet been convinced by the change and are not confident that they have opportunities for promotion. The culture helps weaknesses to be exposed and encourages improvement.
- 233** The organisation benefits from a strong leadership with a focus and ability to prioritise. H&F Homes has achieved a lot of change in a short space of time through appropriate prioritisation and making decisions that are difficult to implement. Substandard issues and vital priorities like gas safety, asbestos and the speed of implementing the Decent Homes Standard were given high immediate priority. Improving the leasehold service, the caretaking service and creating a completely new organisational structure is taking time which is necessary. Plans are ambitious and include removing tied accommodation and significant restructuring involving redundancies which is not easy. The Board has developed increased leadership skills. It is more challenging than it was and is raising standards. It has given a lead on important issues like the executive structure, risk management and developing the business plan. It functions well as a group using combined strength and knowledge to further understanding. It sets standards and disciplines its own members. Resources are focused well due to clear priorities.
- 234** H&F Homes communicates well with staff. The ALMO runs a range of projects to keep staff informed. Examples include a value for money newsletter for staff and a regular newsletter to caretakers to keep them informed of the pilot project. The Chief Executive holds road shows where he meets staff in the different business units. A monthly executive briefing available on the intranet tells managers what they should discuss in their team meetings. Another fortnightly newsletter is aimed at staff. The unions think there has been an improvement in H&F Homes's willingness to engage with staff representatives. Staff report that communications between departments has improved. They can see each others performance indicators and procedures easily. Sheltered staff can now see rent accounts which saves time and improves the quality of the service. Staff understand what is expected of them and the context in which they work.
- 235** Financial management systems and value for money strategies are effective. The value for money strategy is robust. New contract arrangements should help to improve value for money across the responsive repair contracts. The responsive repairs improvement plan contains improvements such as mobile ICT for operatives to improve work scheduling, make the appointment system more flexible, and increase multiskilling. The voids repairs contract is moving from open book to an average cost approach with both client and contractor sharing risks. This is due to go live from July 2009. Under the renegotiated contract the average costs of voids is forecast to fall. Costs are being reduced while the quality of services is being maintained or enhanced.

What are the prospects for improvement to the service?

236 H&F Homes benefits from a well thought out, robust and monitored risk plan. The Management Board looks at it in detail every three months, checking the mitigation actions are carried out and reassessing the risks. The Finance Audit and Risk Committee look at any changes every six weeks. The register is kept up to date with new risks like Swine Flu included. This means that the organisation will be better placed to mitigate future challenges and risks.

237 The organisation has effective processes for learning from staff and residents. Examples include the following.

- It holds a management forum every three months for those with line management responsibilities. The 80 or so people who attend discuss policies and proposals for change in groups.
- The Collaborative Inquiry is a popular initiative for learning from staff. Nine of these original workshops involved 80 staff who listed all the problems they face and their ideas for addressing them. The workshops are continuing and now they have to decide not just what the problem and solution are but who will own the solution.
- Lessons learned from complaints are logged and shared within the organisation. Various examples demonstrate how the service has amended policies and processes in response to these complaints.
- Feedback from resident involvement structures like leaseholder forums and panels, borough forums and HAFFTRA contribute to change.

238 However, H&F Homes lacks a strategic approach to green issues. It is taking a number of relevant actions. For example, good practice in recycling for some of the Decent Homes work, introducing recycling for residents on estates, planning to produce renewable energy generation on estates and a document recording system to replace paper files. However there is no overall strategy that sets out the aims and how they will be achieved. There is no overall monitoring process that shows Board members how performance is progressing, whether aims are being met and how performance compares. H&F Homes is not contributing to environmental sustainability as effectively as it can and wants to.

Does the service have the capacity to improve?

239 In 2008, we found that strengths outweighed weaknesses in capacity. H&F Homes was increasingly able to demonstrate its arm's length relationship with the Council. Staff restructuring had resulted in a better focus on service delivery. Human resource planning was effective and H&F Homes was taking proactive steps to manage high levels of sickness. Governance arrangements were effective. New posts had been created and modern procurement practices were being used to increase capacity. However, the finance department did not play a full role in budget management and low staff morale was a concern.

What are the prospects for improvement to the service?

240 In this inspection, we found that strengths outweigh weaknesses. Employee development and training is robust, the Human Resources function is starting to successfully deliver results and staff morale is relatively good. The capacity of the computer systems is improving although from a limited base. H&F Homes makes effective use of consultants, has a strong relationship with the Council, plays a useful role for residents in borough regeneration schemes and is successful at bringing in extra funds to the organisation. However it has not been completely successful in implementing the necessary cultural change, levels of disciplinary are high and the organisation uses a high number of temporary staff.

241 Employee development and training is robust. A strategy and training plan for 2009/10 are in place.

- Staff confirmed that they are receiving a range of training opportunities identified through the appraisal process and the recent skills audit. Some staff say that training has improved as it is targeted and related to work.
- Between April 2008 and June 2009 there were 23 different courses run for staff on a wide range of relevant topics. A number of different training approaches are being explored including mentoring, a secondment programme and training delivered by staff and board members.
- Twenty eight people applied for professional development related degree courses and 13 have been approved.
- Thirty nine managers, over a third, attended leadership training that had eight modules over ten days. The benefits of these courses can be seen in use in coaching and disciplinary action. More managers will attend this training next year.

The capacity of the organisation is being enhanced by the training provided.

242 However the present appraisal process is weak. It is a tick box approach giving a score and no commentary based on one standard set of behaviours for all staff and another for managers. The assessment is not based on any targets or objectives specific to the individual or team. The system to monitor how appraisals have been carried out is not robust. Managers have not been trained on producing training plans or carrying out one-to-one meetings although guidance is available. This training will be delivered in July. Not all members of staff are routinely getting one-to-one meetings. Some staff are not clear how they are being assessed for doing their jobs. Although a competency framework is being developed, it is not yet in place. A new performance management framework that will address these weaknesses has been agreed with the trade unions and the first stage of target setting has been implemented.

243 The Human Resources (HR) function is improving and starting to successfully deliver results.

- New comprehensive sickness procedures are reducing sickness absence. Effective monitoring of both processes and sickness is addressing failures to carry out return to work interviews and to carry out recommended health activities. Sickness has reduced by 13 per cent over the past 18 months. However, sickness levels are still high running at 12.4 days at present. This compares to an ALMO average of ten days and a public sector average of nine days.

What are the prospects for improvement to the service?

- The use of temporary staff has been tightened up; managers have to put a business case to the senior management team for each appointment. The use of agencies has changed producing savings that will be worth £100,000 a year.
- The approach to training has improved with more effective assessment of needs and more flexible and cost effective ways of delivering training.
- H&F Homes has a useful performance management guide. It informs how to set out effective and SMART personal objectives, how to run a performance management meeting well and how to produce a robust personal development plan with defined outcomes. It includes useful templates.
- However, the Human Resources action plan is not SMART. It lacks measures and focus on outcomes.

Staff deliver services better when supported by an effective Human Resources team.

- 244** Staff morale is relatively good. Staff face considerable uncertainty with all areas below senior management facing restructuring and many staff will have to apply for a job at H&F Homes within weeks or months of the inspection. Given this context it is impressive to see the positive attitude most staff have. They say the sense of working together is stronger and many recognise the benefits of the proposed new structures, like merging the two repairs ordering centres into one. However, staff are concerned about the impending loss of many temporary staff some of whom have worked there for years and are considered an asset to the service in terms of the knowledge that they hold.
- 245** The capacity of the computer systems is improving from a limited base. It still has various weaknesses. The HR system cannot be accessed by managers so they have to ask HR staff to run reports like sickness. It lacks a training database to show what training staff have attended. The asset management database does not link adequately to the property management database requiring manual transfer of data. H&F Homes was unable to participate in the CORE recording system for lettings for two years due to weaknesses in computer systems. The leaseholder service uses three different systems that are not smoothly compatible. However, H&F Homes has introduced a number of system improvements over the past 12 months and has plans in place to address the weaknesses found during the inspection.
- 246** H&F Homes makes effective use of consultants. The parts of the business that have been subject to transformation programmes have benefited from help from consultants. This includes the Decent Home programme, responsive repairs, caretaking, HR and leasehold services. The use of consultants is a key element of the transformation approach with consultants employed to fill gaps in capacity. This additional management support has provided a strong focus on improving delivery. It aims to ensure that the staff and managers that remain have good quality strategies, policies, procedures, systems and structures along with clear roles and responsibilities that will enable them to continue good service delivery without the consultants. Fourteen people in total are being used from the same consultancy firm on an invest-to-save basis. It is too early to see how well the organisation will function when the consultants leave. In the meantime the positive impact of this extra capacity is very evident.

What are the prospects for improvement to the service?

- 247** Relations with the Council are strong but can be time consuming. The Council and the ALMO develop strategies and priorities in a constructive and collaborative way. In general the ALMO provides the strategy for reaching agreed objectives. For example, the push for value for money led to an invest-to-save strategy that was entirely developed by the ALMO. It is a mark of the confidence the Council has in the ALMO that it was willing to temporarily increase funding by £1.8 million over two years feeling assured that the savings would be delivered. The Council monitors the performance of H&F Homes thoroughly at many different levels and meetings. Two separate councillors hold fortnightly meetings with the Chief Executive of H&F Homes to look at performance and specific problems raised by residents. One of these councillors holds separate fortnightly meetings with the leasehold team. This high level of communication has been helpful in developing trust between the two organisations from a low base. However, this does use up top-level resources. The positive and appropriate relationship will help H&F Homes develop and improve.
- 248** H&F Homes plays a useful role for residents in borough regeneration schemes. The Council is developing plans to redevelop parts of the borough where the ALMO has many properties. These plans can have a significant impact on the lives of residents as they might need to be rehoused and might benefit from brand new homes. Having the ALMO involved in developing plans will help to ensure that residents' needs are well represented. However, H&F Homes has not yet been successful in addressing the fears of some residents that they might be forced to move from the area. The Council and the ALMO are planning to issue a guarantee to residents that this will not happen. Resident concerns are more likely to be addressed in regeneration due to the involvement of H&F Homes.
- 249** Improvements in value for money will increase available resources. The plan is to reduce costs by over £3.5 million a year by 2012/13 compared to 2008/09 levels with no loss of service. This will increase available resources some of which the Council might allow it to spend on services improvements, so increasing capacity. However, government allowances are falling. The housing subsidy determination for 2009/10 has reduced the Council's entitlement by £400,000 compared to the previous year. With increasing reductions predicted, if H&F Homes cannot deliver the savings strategy then it will be faced with cutting services. Current plans will defend residents from reductions in the quality of services.
- 250** The ALMO has been successful at bringing in extra funds to the organisation.
- £82,000 for the Growing Greener Stronger Communities project for improvements like new planting, installing pergolas and community activity days.
 - £52,000 for a new 'natural play' area.
 - £79,000 for two ordinary play areas.
 - £12,000 for a food growing project.
 - £16,000 for energy saving measures.
 - £9,000 per year for football sessions and dancing.

What are the prospects for improvement to the service?

- 251** H&F Homes has not been completely successful in implementing the necessary cultural change. It has provided a clear lead and vision but it is acknowledged that an element of staff have not yet signed up to the new 'can do' approach and are not performing satisfactorily. The management systems to address this are not in place yet. No staff have been dismissed on the basis of not performing although some staff have taken early retirement and two of four recent dismissals included a performance element. H&F Homes has not been able to demonstrate that it can deal with poor performance. If poor performing staff who lack an enthusiastic approach to customer care do not improve and continue in service, the service will not improve significantly.
- 252** H&F Homes has conducted ten disciplinaries in six months which is 14 times the public sector average. This indicates that there are far more staffing problems in H&F Homes compared with other parts of the public sector. The organisation faces challenges with its staff but it is willing to face these.
- 253** H&F homes uses a high number of temporary staff. The number has been running at around 90 for over a year which means that one in four staff is temporary. The reason is that H&F Homes has not recruited permanent staff to most posts pending restructuring. Temporary staff have the same access to training, mentoring and secondment opportunities within the organisation as permanent staff. However, this is costly both in agency fees and in the investment in people who will not be staying. The high use of temporary staff uses extra resources.

Appendix 1 – Performance indicators

Table 1 Hammersmith and Fulham performance since 2005/06

Performance indicator (BVPI ref)	2005/06	2006/07	2007/08	2008/09 not validated	London top 25% 2007/08
63 Average SAP rating	62	64	66	69	72
66a Percentage rent collected	92.96	93.44	98.97	99.76	98.1
66b Percentage tenants with > 7 wks arrears (gross)	11.52	9.86	8.44	7.81	6.1
66c Percentage tenants in arrears with NoSP served	21.04	22.02	20.46	26.97	16.6
66d Percentage LA tenants evicted for rent arrears	1.25	0.37	0.3	0.41	0.2
74a Percentage tenants satisfied with overall service	70	65	69	69 ¹	74
75a Percentage tenants satisfied with TP	61	56	60	61	64
184a LA homes which were non-decent at start of year	23	34.9	32	25.6*	23.8
184b Change in proportion of non-decent homes	9.7	8.5	20.7	30.6	27.9
212 Average re-let time (days)	(50.47)	36.46	27	28.75	23.8

Source: Audit Commission

¹ Satisfaction for 2009/10 has been measured at 71 per cent

Appendix 2 – Previous inspection

Table 2 Recommendations of previous inspection

Recommendation	Progress
R1 Strengthen the approach to access and customer focus by:	
<ul style="list-style-type: none"> • further developing the range of service standards ensuring that they are measurable and address the gaps identified in this report; 	Done
<ul style="list-style-type: none"> • informing residents of the outcomes of estate inspections; and 	In progress, not 100 per cent delivered
<ul style="list-style-type: none"> • widening the performance reporting mechanisms to residents including making use of newsletters. 	Done
R2 Strengthen the focus on equality and diversity by:	
<ul style="list-style-type: none"> • assessing access to services against the CRE code of practice; 	Done
<ul style="list-style-type: none"> • ensuring that contractors provide information about how they comply with their equality policies; 	Done
<ul style="list-style-type: none"> • ensuring that information on the profile of residents is used to inform the approach to service delivery, for example setting targets; and 	mixed success
<ul style="list-style-type: none"> • taking proactive steps to broaden the diversity of the Board and senior managers. 	Done
R3 Strengthen service delivery by:	
<ul style="list-style-type: none"> • ensuring that urgent repairs are responded to within target times; 	Done
<ul style="list-style-type: none"> • updating the lettable standard to ensure that it is more detailed and makes clear what new tenants can expect in terms of decoration allowances; 	Done
<ul style="list-style-type: none"> • updating the gas policy to include a detailed description of the respective responsibilities for gaining access; 	Done
<ul style="list-style-type: none"> • reviewing the policy relating to the write off of large current tenant arrears; 	Done

Recommendation	Progress
<ul style="list-style-type: none"> undertaking regular and targeted benefit take-up campaigns; 	Done
<ul style="list-style-type: none"> producing clearer rent statements and introducing service charge statements for leaseholders; 	Mostly done, the leaseholder statement will be done by July 2009
<ul style="list-style-type: none"> introducing service charges for tenants; 	Not done
<ul style="list-style-type: none"> monitoring the effectiveness of tenant and residents' associations; and 	Some work has been done but monitoring still in progress, results not yet in
<ul style="list-style-type: none"> reviewing the transfer register. 	Done
<p>R4 Strengthen the approach to value for money by:</p>	
<ul style="list-style-type: none"> reducing the number of responsive repairs categories; 	Done
<ul style="list-style-type: none"> ensuring that there are clear policies and procedures to guide staff in the selection of repairs jobs for post inspection and which takes account of risk; 	Done
<ul style="list-style-type: none"> carrying out regular cost benchmarking working with peers to ensure information is as reliable as possible; 	Done
<ul style="list-style-type: none"> undertaking a review of the current arrangements for delivery of IT services; 	Done
<ul style="list-style-type: none"> developing service level agreements with the Council for those areas where they are currently lacking; and 	Done
<ul style="list-style-type: none"> strengthening the finance section's role in overseeing budget management throughout the organisation. 	Done
<p>R5 Strengthen the organisation's approach to strategic and improvement planning:</p>	
<ul style="list-style-type: none"> ensuring that the stock condition database is updated to take account of the requirements of the Housing Health and Safety Rating system; 	Done
<ul style="list-style-type: none"> ensuring that the asset management plan takes account of the long-term sustainability of the housing stock; 	Done

Appendix 2 – Previous inspection

Recommendation	Progress
<ul style="list-style-type: none">• setting targets for meeting the Respect standard;	Done
<ul style="list-style-type: none">• developing a comprehensive resident involvement strategy;	Done
<ul style="list-style-type: none">• developing a long term strategy for the organisation beyond 2010; and	Done A medium term business plan 2009-2014 is in place
<ul style="list-style-type: none">• demonstrating to the Audit Commission how H&F Homes and the Council will return the service to two stars within 12 months.	Done
R6 Ensure that statutory regulations are being met by developing an asbestos management plan.	Done

Source: AC inspection report 2008

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:
 - focus groups with staff, Board, tenants and contractors;
 - interviews with staff and partners;
 - viewing property improvements and repairs;
 - inspection of ready to let properties;
 - shadowing staff carrying out their activities;
 - observation at locality office receptions;
 - estate inspections;
 - talking to tenants;
 - observation of meetings;
 - various file checks and reviews of information held on computer systems;
 - a review of website, leaflets; and
 - mystery shopping of services in the area offices.

Appendix 4 – Positive practice

'The Commission will identify and promote good practice. Every inspection will look for examples of good practice and innovation, and for creative ways to overcome barriers and resistance to change or make better use of resources'. (Seeing is Believing)

Youth mentoring programme

- 1 The Young People's Development Project has £60,000 a year funding from the Council. In 2008, 32 young people were engaged in the project with 14 (most of whom are residents of H&F Homes) attending mentoring sessions. Participants won four out of five of the prizes available in the borough for positive steps forward taken by young people. The prizes are a trip to Malaysian Borneo on a youth mentoring training programme. Young people who were likely to cause problems on estates have a more positive future.

The Audit Commission

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