

Short Notice

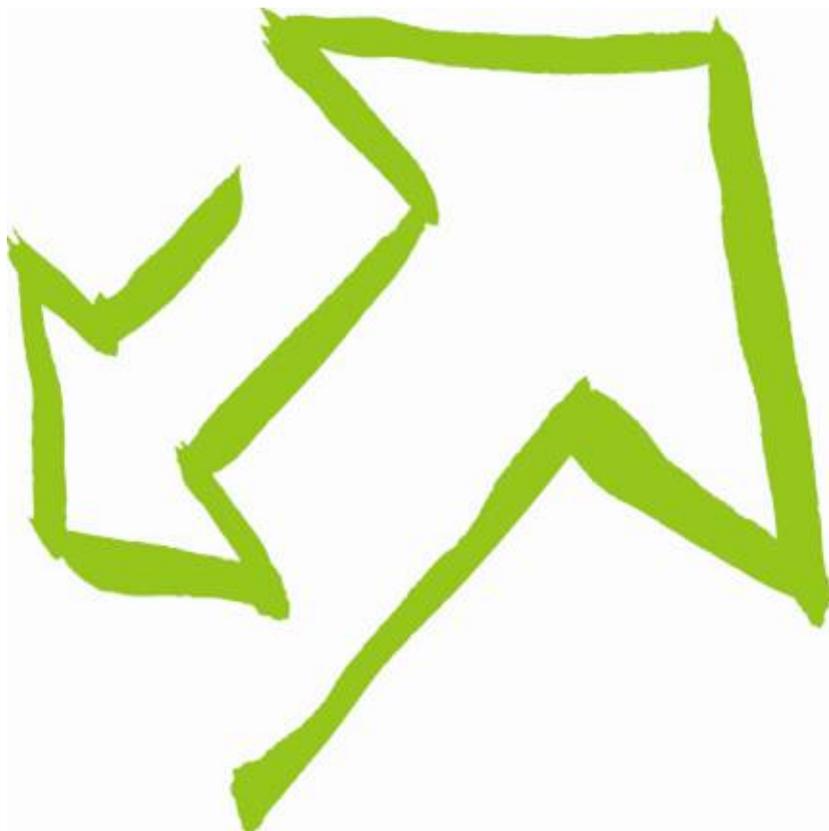
Inspection -

Interim Report

Responsive repairs, gas servicing and resident involvement

Kensington Housing Trust

March 2010



Contents

Housing Association Inspections	3
Summary of our findings	5
How good is the service?	6
Recommendations	15

Housing Association Inspections

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

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

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

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

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

The Association

- 1 Kensington Housing Trust (KHT) is a subsidiary of the Catalyst Housing Group Limited (CHG) which also contains Catalyst Communities Housing Association and Fortunegate Community Housing. Overall the group owns and/or manages around 15,000 homes. CHG provides a range of 'central' services for the group including asset management, finance, information technology and human resources. The Chairs of each of the member companies sit on the Group Board along with independent directors and a nominee of the Group Residents' Federation.

- 2 KHT's Board has eight independent representatives, four resident representatives and two co-optees. KHT also has a Customer Services Committee which consists of Board members (both independent and resident) and other resident volunteers to scrutinise performance and recommend policy and service changes. KHT currently owns and manages 3,237 dwellings¹ (of which 2,300 are 'general needs') which are located in the boroughs of Kensington and Chelsea, Hammersmith and Fulham and Westminster with a small number falling into the London Borough of Brent. There is an increasing proportion of elderly tenants (currently 26 per cent are aged between 45-84) and just over half are either 'White British' or 'Other White'. Almost half the households have at least one member with a disability.

The scope of the inspection

- 3 The scope of this inspection focused on the following areas, which have been identified in consultation with the Tenants Services Authority.
 - Responsive Repairs.
 - Gas Servicing.
 - Resident Involvement.
- 4 The inspection also included an assessment of how Kensington Housing Trust is addressing three cross-cutting themes: access and customer care, diversity and value for money within the services included in the inspection's scope.
- 5 We would like to thank the staff of Kensington Housing Trust who made us welcome and met our requests efficiently and courteously.

Dates of inspection: 12 to 14 January 2010

¹ As at 31st March 2009.

Summary of our findings

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

Table 1 **Assessment**

How good is the service?	Assessment
• Access and customer care ¹	Balance of strengths and weaknesses
• Diversity	Strengths outweigh weaknesses
• Value for money	Balance of strengths and weaknesses
• Responsive Repairs	Strengths outweigh weaknesses
• Gas Servicing	Strengths outweigh weaknesses
• Resident Involvement	Balance of strengths and weaknesses

- 7 We have asked Kensington Housing Trust to consult with its tenants on the findings of this report and on the preparation of an action plan to implement our recommendations. We will publish Kensington Housing Trust's response together with our assessment of the Association's prospects for improvement within three months.

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

How good is the service?

Access and customer care in the service areas inspected

- 8 We found that there is a balance of strengths and weaknesses in this area.
- 9 There are a number of strengths.
- Customers have easy access for face-to-face contact with staff through the main office which provides a modern, largely 'local' and functional environment and through surgeries in the two furthest boroughs. This supports those customers who prefer to meet with staff directly.
 - A strong range of well presented information leaflets is provided including performance reports, repairs handbooks, newsletters and service standards. This assists customers in making informed decisions about the services they receive.
 - The website supports this by providing customers with easy access to a good range of information that is clearly presented and allows them to conduct a reasonable amount of activity on-line. This helps customers identify and use services.
 - Service standards have been agreed with customers across many service areas and they are well publicised with performance being effectively monitored and reported. This helps both customers and service managers to assess service quality.
 - KHT is now responding well to complaints. From a weak level of performance between 2007-09, it is now responding to complaints within its satisfactory target time, has better systems in place for analysing complaints and can demonstrate learning that leads to improved services. This helps resolve the concerns of customers and prevent future service failures.
 - KHT is consulting with its customers across a wide range of issues and surveys and can demonstrate that it is responding to that feedback. This helps to ensure that they get the services they wish to receive.
- 10 There are a number of weaknesses.
- Customer satisfaction levels with KHT are yet to reflect an organisation which is highly regarded by most of its customers. Recent STATUS (2009) survey outcomes indicate that at least one quarter are not satisfied with key areas such as finding staff helpful, keeping customers informed and getting hold of the right person. Customer perception can have a critical effect in key areas such as resident involvement and staff morale.
 - While the Access and Customer Care Strategy is helping to shape current and future arrangements, it does not provide a strong strategic approach because consultation with tenants has been limited, the action plan lacks outcome targets and does not address some key areas for action. This means that KHT lack strong direction or assurance that proposals are meeting all customer requirements.

How good is the service?

- Customer care training has not been mandatory for all staff. This training has been mandatory for all front line staff and has been offered to every staff member. By limiting compulsion to 'front line' staff only, KHT has not addressed the risk that policies and practice may not be consistently customer focused.
- Telephone access is not customer focused. Customers do not have a 'freephone' or low cost facility for reporting repairs. The service standard is not challenging, calls are only monitored in some areas of the organisation, performance against the standard has been poor until the current year and the out-of-hours facility is not consistently meeting customer expectations. This will present a barrier to customers whose preferred access to services is by telephone.
- Performance reporting to tenants does not include comprehensive comparisons with other organisations. Customers do not therefore have a robust context to help them assess the quality of services.
- KHT has not been effectively monitoring its response to letters and emails (although it has recently taken steps to address this). This can be a frustration for customers who are awaiting information.
- Service standards have been agreed with a relatively small proportion of service users and they are not consistently challenging. They may not therefore reflect the aspirations of a significant number of customers.

Diversity in the service areas inspected

11 We found that strengths outweigh weaknesses in this area.

12 There are a number of strengths.

- Equality and diversity are core values for KHT and there are appropriate overarching strategies which cascade into service plans to support this. These are explained in key customer documents setting a clear direction in this area.
- A clear programme of Equality Impact Assessments (EIAs) is in place and assessments carried out in the service areas which are covered by this inspection are strong. This decreases the risk that services will not meet the needs of all diverse groups.
- Progress on diversity action plans, outcomes from EIAs and contractor performance are effectively monitored and reported and indicate satisfactory progress. This is removing many of the barriers to services facing some customers.
- Comprehensive equality and diversity training is mandatory for staff, Board members and contractors and competency testing of staff and contractors is in place. This helps to instil equality and diversity values throughout the organisation to ensure customer needs are met.
- People with diverse needs are helped to access services through translation facilities, compliance with DDA requirements in offices and accessibility enablement functions on the website. Again, this has removed the barriers to access experienced by some customers.

- KHT has made successful efforts to engage and involve 'hard-to-reach' groups in its consultative processes, helping to ensure that services address the needs of all customers.
- Through its 'Pathways to Progress' project, KHT is helping to provide young people with the skills they will need to increase their life chances. This helps many vulnerable people take charge of their lives and supports sustainable communities and tenancies.
- KHT is making good progress in collecting tenant profile information^I through 'one-off' projects and ongoing customer surveys. This has led to the tailoring and improvement of services for customers in the services we inspected.
- Customer satisfaction and service take-up in most of the service areas we inspected is being cross-referenced across all six diversity strands. The information has been used to target under-represented groups helping KHT to better target services through an understanding of why some groups are less satisfied with services or are not using them as frequently as others.

13 There are a number of weaknesses.

- KHT and its key governance and management structures are not consistently representative of the local community and the customer-base they serve and effective alternative initiatives have not always been put in place to address this. This increases the risk that KHT will not have a full understanding of the range of issue that diverse groups face.
- The full and overarching Diversity Strategy and Action Plan was not made available to residents (although this was corrected during the inspection following our initial briefing). Until now they have therefore not been able to fully understand if the approach will meet their needs.
- While the approach to customer profiling information is progressing, the proactive provision of information in a way which most meets residents' needs is yet to be fully structured or comprehensive. Until this information is implemented, some residents may therefore face barriers to services.

Value for money in the service areas inspected^{II}

14 We found a balance of strengths and weaknesses in this area.

15 There are a number of strengths.

- The Group Value for Money Strategy sets out a clear direction which links KHT's 'systems thinking' approach to its prioritised programme of service reviews. This will help it to analyse services and provide better value for money.

^I Currently, 100 per cent gender, 80 per cent ethnicity, 69 per cent age, 66 per cent faith, 49 per cent disability and 34 per cent sexuality.

^{II} In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

How good is the service?

- KHT has access to and has benefited from specialist value for money advice within CHG. Its specialist procurement function and advice from the Central Business Improvement Team on the 'lean systems' project has helped deliver better services at lower costs.
- KHT has commissioned specialist and independent advice to assess value for money and fraud in the maintenance areas we inspected and these have generally produced positive outcomes. It can therefore provide independent assurance to customers that it is robustly addressing these issues.
- KHT and CHG can demonstrate that reviews of its internal structures and operational methods and procurement activity have resulted in cashable savings and/or better services for customers. A well managed approach and shared support costs across the group's companies means that customers are receiving better value for the services they are paying for.
- Better fixed-price contractual and working arrangements with contractors, based on partnering, has produced efficiency savings which have been reinvested in services and has led to improved gas servicing and repairs services for customers at no extra cost to them or KHT.
- Productive working relationships are in place between all contractors through a 'Strategic Alliance Agreement' which ensures that expertise and learning is shared and that opportunities for added value are developed. Effective monitoring, review and liaison arrangements on an individual contractor basis also helps to ensure that contracts offer value for money.
- Budgetary management arrangements and monitoring, forecasting and reporting activity are satisfactory. This ensures that agreed budget profiles are maintained or variations appropriately addressed and incorporated in business plans.

16 There are a number of weaknesses.

- While some local comparative information is available, KHT has limited awareness of how its costs and services compare because it has undertaken limited recent benchmarking on a national basis. This means that key decision makers and customers cannot make informed judgements about the services they receive and it provides limited guidance for focussing improvements.
- The business environment in which KHT operates means that the majority of savings are returned to the Group to improve operating margins. Consequently, while customers have been involved in some procurement decisions, there are more limited examples of their involvement in other areas of value for money such as how savings are to be re-invested. They are therefore not always able to make informed judgements and KHT cannot have full assurance that decisions meet its customer's priorities.
- While reviews of the repairs and gas servicing areas were carried out prior to the new contractual arrangements, full service reviews have yet to be completed on the areas inspected and the approach to value for money is not yet fully embedded. This increases the risk that KHT will not focus on areas which should have the highest priority.

- KHT is not yet able to demonstrate that its investment in resident involvement activity offers value for money as it has not taken steps to analyse this (this work is in progress). Consequently, it is unable to draw any relationship or conclusion between service cost, outcomes and customer satisfaction.
- KHT is not effectively managing rechargeable repairs and was unable to provide key performance information on this area. There is therefore a strong possibility that the majority of tenants are bearing the cost of wilful damage caused by a minority of tenants.
- Less than six out of every ten residents currently feel that their rent represents value for money. Poor perception of value for money from rent payments can result in poor engagement with residents and can affect income streams.

Responsive repairs

17 We found that strengths outweigh weaknesses in this area.

18 There are a number of strengths.

- All repairs are now being completed quickly, usually at the first visit and well within adopted service standards.
- KHT understands its customer's views on service quality by undertaking (with the contractor) comprehensive 'exit' surveys which confirm that customer satisfaction with the service is high at 98 per cent in the current year. This helps KHT resolve problems quickly and plan service developments which meets customer aspirations.
- Performance monitoring practices, quality assurance arrangements and joint working with the contractor are both effective and productive. This has meant that the service has been continuously improving, often at no extra cost to the customer.
- It is easy for customers to access the service. Repairs are reported directly to the contractor, the service is well publicised and customers are offered a range of reporting options (including on line). This ensures that delays and costs are minimised.
- Tenants are provided with a choice of appointment 'slots' (which are nearly always kept) at their first point of contact. This reduces service costs and ensures that services are delivered at the convenience of tenants.
- The repairs service is customer focused. This supports customers by ensuring that they are helped to identify how to diagnose the repair, who is responsible for it, what repairs are to be completed, when the contractor will call, what standards they will work to and how they can comment on its delivery. This helps customers to access services and make informed judgments about their quality.
- Repairs and planned works are appropriately coordinated. This means that, because planned programmes are shown on the repairs system, staff can make value for money decisions about sequencing works.

How good is the service?

- KHT is using repairs information to inform strategic investments. Consequently, repairs information has supported planned investment programmes by identifying the best maintenance solution for a property, minimising disruption to the tenant, informing the choice of materials and increasing value for money.

19 There are a number of weaknesses.

- Current targets, agreed with customers are not always challenging or, where a pre-inspection is involved, accurately reflected in monitoring. Weak targets compromise the ability of decision makers and customers to effectively assess service quality.
- The out of hours service for reporting repairs has not been meeting customers' expectations. Customers may therefore have not been able to obtain a satisfactory response to what may be an emergency situation.
- Other than exit surveys, tenants are not currently involved in any quality assurance processes such as mystery shopping. This can reduce KHT's ability to assess if services are meeting their needs and make service improvements that meet customer aspirations.

Gas servicing

20 We found that strengths outweigh weaknesses in this area.

21 There are a number of strengths.

- The vast majority of properties (99.4 per cent) have now had a gas safety check and service within the legislatively required cyclical timeframe or KHT has instigated appropriate formal action to gain access. This has reduced the risk to the health and safety of tenants.
- KHT now has a longer period and better information to respond to access problems. An earlier start in the servicing cycle to service programming and better performance monitoring and IT systems is helping to ensure that current performance is sustainable (at no extra cost to KHT or its tenants).
- KHT takes formal action where this is appropriate and always seeks to recover costs. This passes a strong message to tenants who prevent access that such behaviour will not be tolerated or overlooked.
- Action taken by the contractor helps to achieve access. This action, over and above the minimum contractual requirements after access has been denied, increases the chance of access where resistance has been met.
- KHT last reconciled the gas servicing database against its property database records in October 2009. This provides assurance that all properties with a gas installation are being regularly serviced and that KHT is meeting its legal requirements.
- The importance of gas servicing has been satisfactorily promoted. This increases the chances for compliance across the servicing register and reduces the risk to health and safety of residents.

- Quality control systems are strong. Independent servicing checks provide KHT and customers with assurance that servicing is robust and offers value for money.
- The service is customer focused. Tenants are provided with appointments and these are available outside traditional office hours, seven days a week. Activity such phoning ahead before service and a flexible approach to address diversity issues is helping to reduce costs, raise compliance and minimise inconvenience to tenants.
- The benchmarking exercise 2009 shows that KHT servicing costs were below the average for all participating organisations. This effectively increases the funding available for other services.

22 There are a number of weaknesses.

- There is not an adopted comprehensive, clear and well publicised strategic approach to the service. This increases the risk of inconsistency in the approach and its omission means that legal actions may have a weaker platform.
- The current process for gaining access is too long and KHT are not using a wide range of options for gaining access to carry out servicing. This could have the effect of prolonging the process before a service is completed or increasing costs.
- Tenants have not been consulted on the decision that gas appliances belonging to tenants are serviced and occasionally replaced at KHT (and tenants) cost. This could mean that, for many, this service is not one which they are prepared to pay for.
- KHT does not currently know if the service is meeting its customers aspirations. It does not routinely collect customer satisfaction data on gas servicing (although this has been identified as an action in the recent EIA and is to be actioned in 2010/11). The available information it does have is showing mixed levels of customer satisfaction.
- KHT does not currently offer a service in leaseholder properties. There is therefore a high risk that appliances (gas fired boilers and gas fires) in those properties have not been serviced for a number of years which may compromise the health and safety of residents.
- Gas servicing appointment availability is not widely promoted. This could lead to inconvenience for tenants, increase costs through episodes of 'no access' or reduce compliance rates.

Resident involvement

23 We found a balance of strengths and weaknesses in this area.

24 There are a number of strengths.

- KHT has put in place measures to help embed resident involvement throughout the company. This will help to put engagement at the heart of its thinking when planning or delivering services.

How good is the service?

- An increasing range of opportunities for resident involvement, developed with tenants, are promoted and supported through a range of funding streams and capacity building initiatives. This helps to increase the number of residents that KHT engages with on service development issues.
- KHT is listening to its customers. Residents have been involved in key decisions and this has helped to shape priorities, policies, service reviews and procurement decisions. This ensures that the experience and ambitions of tenants informs service developments.
- There are clear links between resident involvement and community development and work to involve hard-to-reach groups has been successful in a number of areas. Consequently, this has reduced social exclusion, helped KHT to understand their needs and ambitions, and had a positive impact on services and issues affecting residents such as anti-social behaviour.
- A programme of estate inspections with feedback through localised bulletins is in place. This not only encourages resident attendance and involvement in local issues but also demonstrates that involvement can make a difference.
- Community Development at KHT has been used to build relationships with communities. These relationships have opened doors to engage with residents and involve them in shaping services.

25 There are a number of weaknesses.

- Although the resident involvement vision and ambitions are clearly set out in CHG and KHT high level plans, we found a mixed level of understanding of the approach amongst KHT staff. This increases the risk that an engagement culture is not embedded, that it will not deliver on KHT promises and that service development process will be weakened.
- There is not a transparent and open process for tenants to be involved in some areas of the resident involvement structure. This can reduce the potential for fresh ideas being brought to a committee or panel and can act as a discouragement to engage.
- KHT is not aware how satisfied its customers are with current resident involvement arrangements but less than half who responded to the STATUS survey felt that their views are taken into account.
- KHT has not assessed the impact of all resident involvement and the degree to which it is meeting its ambitions. This means that key decision makers are unable to draw any conclusions about value for money or other benefits to customers
- There has not been extensive involvement of customers in assessing the quality of services through exercises such as mystery shopping. Performance monitoring will therefore not always be informed by the qualitative opinions of service users.
- There has not consistently been effective reporting on or promotion of incidents where resident involvement has resulted in changes. KHT has therefore missed an opportunity to increase the level of engagement with customers.

- Consultation on important policy issues or service changes has often been limited to a relatively small number of residents and is not always sought at the beginning of the process. KHT does not always know, therefore, if developments are likely to meet the approval or needs of the majority of its customers.

Recommendations

26 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate 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 tenants and board members; and takes action to address all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

Recommendation

R1 Improve the focus on services to customers by:

- improving the strategic direction through more outcome-focused and relevant action plans and ensuring that these are well promoted;
- ensuring that all performance reporting to customers sets out appropriate comparisons with other organisations;
- effectively promoting the availability of home visits;
- putting mechanisms in place to ensure that specialist advocacy groups are involved in key decisions when the current representation on governance and management structures is not representative of the local community; and
- tailoring the provision of information at the point of initial release to ensure that it meets the diverse needs of a particular tenant.

The expected benefits of this recommendation are:

- better informed customers; and
- clearer improvement plans and better services for customers.

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

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 the focus on services to customers by:

- setting and achieving a more challenging service standard for answering telephones, introducing robust systems for the analysis of response speed and quality across all lines and taking steps to establish, with customers, the viability of a freephone or low cost telephone access facility; and
- consulting on service standards with all customers and developing more challenging targets where they are currently weak and involving customers in scrutinising performance against them.

The expected benefits of this recommendation are:

- improved management information and better informed customers; and
- clearer improvement plans and better services for customers.

The implementation of this recommendation will have medium impact with low costs. The consultation should be completed by October 2010 and any new service standards introduced in accordance with Tenant Services Authority timescales.

Recommendation

R3 Improve the approach to value for money by:

- developing and implementing an effective approach to benchmarking and using the information provided to improve services and/or reduce costs;
- defining, with customers, ways in which they can be involved in evaluating and monitoring value for money from KHT services and be involved in deciding how efficiency savings can be re-invested.;
- ensuring that service reviews on all inspected service areas using lean systems techniques are clearly set out and timetabled in a programme of reviews;
- identifying and measuring ways in which the impact of resident involvement can be assessed and compare this with target outcomes to help establish value for money in this service area; and
- introducing an effective management process for rechargeable repairs.

The expected benefits of this recommendation are:

- improving value for money to enable better services; and
- better information for decision makers and customers.

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

Recommendations

Recommendation

R4 Improve the approach to responsive repairs and gas servicing by:

- ensuring that the out-of-hours repairs service is meeting KHT and customer expectations and is well publicised;
- enlisting the help of service users in assessing service quality across both services and introducing customer satisfaction 'exit' monitoring in gas servicing;
- adopting a clear and comprehensive policy for gas servicing which comprises an appropriate range of access tools and reduces reactive timescales to a minimum acceptable level; and
- offering gas servicing to leaseholders and finding ways to maximise the number of households who take up this opportunity.

The expected benefits of this recommendation are:

- easier access to the services for customers;
- better quality assurance processes and greater awareness of customer views;
- clearer service direction and greater consistency in decision making; and
- A reduced health and safety risk from less un-serviced gas appliances.

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

Recommendation

R5 Improve the approach to resident involvement by:

- agreeing and publicising detailed ambitions for engagement with residents so that staff are better able to understand them and develop activity which consistently delivers the required outcomes;
- improving transparency and democracy in the way that residents are appointed to the various involvement structures;
- establishing how satisfied residents are with current involvement arrangements and responding to this feedback;
- identifying ways of assessing the impact of resident involvement and using this to measure outcomes;
- effectively promoting outcomes from resident engagement and training opportunities to increase the level of participation; and
- widening the extent of consultation with tenants on important policies and proposed service changes.

The expected benefits of this recommendation are:

- a clearer understanding of how residents can be more effectively engaged in decision making and their views on these opportunities; and
- increased scale of resident involvement;

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

The Audit Commission

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