



THE SCOTTISH HOUSING REGULATOR

Bridgewater Housing Association Inspection Report  
June 2009

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## 1. Introduction

### About this inspection

- 1.1 This inspection was carried out by the Scottish Housing Regulator under section 69 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of *Performance Standards*.

### Why we decided to inspect

- 1.2 Our published Regulation Plans outline our view of the risks that individual Registered Social Landlords (RSLs) pose to our regulatory purpose. We use these plans to help us determine which organisations we will inspect. Bridgewater's Regulation Plan can be seen at [www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk).

### How we assessed performance

- 1.3 Our inspectors asked two key questions:
- How good are the services we have inspected?
  - How well are these services being managed for improvement?
- 1.4 In order to answer these questions inspectors:
- spoke to tenants, service users, staff and governing body members;
  - asked other partner organisations for their views;
  - visited homes and local areas;
  - saw and tested first hand how well services were being delivered;
  - examined key policies, publications, information and the organisation's self-assessment submitted for this inspection; and
  - analysed published performance and financial information.
- 1.5 We have awarded a grade for the overall performance of the organisation. The grade and our judgements are based on evidence. The grade summarises performance in the following ways:

- Grade A = Excellent
- Grade B = Good
- Grade C = Fair
- Grade D = Poor

1.6 When we provide a summarised assessment and award a grade, we take various factors into account. These factors are:

- outcomes for service users;
- how far the service or organisation meets Performance Standards;
- performance against key indicators in comparison with others;
- compliance with legislation;
- how good the leadership and accountability are;
- how far good practice is followed;
- the organisation's level of self-awareness;
- how well value for money is being achieved;
- local context and legitimate local priorities; and
- commitment to, and track record of, improvement.

### The inspection team

1.7 The inspection team was led by Jonathan Grant (Inspection Manager) and included Janet Buchanan and Donna Matthewson (Inspectors), Susan Chalmers (Financial Analyst), Mark McKeown (Team Administrator) and Clare Newton (Tenant Assessor). We were on site between 16 February 2009 and 27 February 2009. We would like to thank everyone involved in the inspection, particularly the governing body members, staff, service users and tenants for their time and co-operation.

### Responding to this inspection

1.8 We expect all inspected bodies to make the inspection grades and overview section of this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report.

## 2. Inspection grade and overview

In this section we set out our overall assessment of Bridgewater's performance, including inspection grades and we summarise our inspection findings.

### Grade

- 2.1 The inspection of Bridgewater Housing Association took place between 16 February and 27 February 2009. We awarded the following grade:

Bridgewater has achieved a **B** grade overall. This is a **good** performance.

- 2.2 Overall, our assessment is that Bridgewater has many strengths and some weaknesses. The Association delivers accessible and good quality services, reports consistently high levels of tenant satisfaction and works with its customers to improve its services. It has a good awareness of where it needs to improve, is making progress on developing its new corporate strategy and was very responsive to our feedback during the inspection. However, it has not always been sufficiently focussed on strategic planning and it has not yet produced a costed action plan to show how it will achieve its new objectives. Bridgewater's lack of progress on making its business more efficient means that it cannot demonstrate that its services are value for money.

### How well is Bridgewater delivering?

- 2.3 We found that Bridgewater has many strengths in how well it delivers its services:
- it has high levels of tenant satisfaction with its services;
  - it promotes access to its housing list and provides a good range of information to applicants;
  - it meets housing need when allocating its housing and it is achieving its target to provide housing to homeless households;
  - it works well to sustain tenancies and prevent homelessness;
  - it responds quickly to antisocial behaviour complaints (ASB) and its estates are in excellent condition;
  - it maximises income by dealing effectively with rent arrears;
  - it has worked well with owners to deliver its investment programmes;

- it manages gas safety well and is making good progress on developing its approach to managing asbestos;
- its repairs service is accessible and it completes repairs quickly; and
- it provides good information to tenants on the Right to Repair.

We found that Bridgewater has some weaknesses in how it delivers its services:

- it has risks in its approach to the planning and delivery of the Scottish Housing Quality Standard (SHQS);
- it does not involve its tenants in its asset management planning;
- its reported performance for emergency repairs is not reliable;
- its use of age in allocating some of its housing is restrictive; and
- it has limited performance and customer satisfaction information for its ASB service.

### Is Bridgewater managed for improvement?

- 2.4 The Association has a good performance management and public reporting framework. We saw that it has a generally good awareness of where it can improve but was less aware around some aspects of its planning and performance to achieve the SHQS. Bridgewater has a good approach to identifying risks and has acted quickly to tackle significant new risks. Its committee closely monitors performance and has an effective working relationship with staff. Bridgewater has a positive approach to equality and diversity and works well with its customers to make service improvements and to develop new services.
- 2.5 Bridgewater is improving its strategic planning but it has not yet produced a costed action plan to show how it will deliver its objectives. It has not always completed scheduled reviews of its progress against its objectives and has not delivered some important planned actions. The Association has not focussed on reducing its high management costs, it has relatively high rents and it cannot yet fully demonstrate that its customers receive value for money services.

## Key recommendations

- 2.6 Our inspection report covers a wide range of issues. Bridgewater must respond effectively to them. These are our most important recommendations.
- it should ensure that it completes its corporate strategy review and quickly develops a costed action plan;
  - it should ensure that it regularly reviews its progress against all of its strategic and operational objectives;
  - it should improve its efficiency and ensure that it can clearly demonstrate that it is providing value for money services to its tenants;
  - it should ensure that it completes the necessary improvements to its asset management and SHQS plans;
  - it should review its approach to using age in its allocation of some of its stock; and
  - it should closely monitor the risks associated with its development plans.

## Bridgewater's Regulation Plan

- 2.7 Our engagement with Bridgewater will remain at **Medium**. While the Association's services are good, it does have risks in its strategic planning, its development programme and with its high management costs. We will publish a revised Regulation Plan shortly.

### 3. Context

In this section we look at Bridgewater as an organisation and the context in which it operates.

#### About the organisation.

- 3.1 Bridgewater Housing Association was registered in June 1997 following a ballot of tenants agreeing to transfer from Scottish Homes. It is an Industrial and Provident Society and a Registered Charity. The Association's office and all of its properties are located in Erskine, Renfrewshire.
- 3.2 The Annual Performance and Statistical Return allocates Registered Social Landlords (RSLs) to a peer group which best describes their organisation. Bridgewater is in the group described as Stock Transfer of less than 1000 units. This is the group we used to compare Bridgewater's performance.
- 3.3 The Association is governed by a voluntary management committee. A third of Committee members are elected annually by its members for a term of no longer than three years. At the time of our inspection, the Association had 15 members on its management committee, 5 of whom were tenants of the Association and 1 nominated from Renfrewshire Council.
- 3.4 The Association provides direct property services to 194 factored owners who have purchased their homes through the Right to Buy. It also has a financial relationship with 2,500 other owners who have an obligation to contribute to the maintenance of open spaces. Bridgewater also manages Renfrewshire's Care and Repair service from its office.

#### About its current and future tenants

- 3.5 67% of Bridgewater's tenants are on full or partial housing benefit, compared to the national median of 57%. The Association let and re-let 85 houses in 2007/08 and has 1599 applicants on its housing list. Its turnover in 2007/08 was 6.8% which is lower than the national median of 8.9%. Less than 2% of its tenants describe themselves as having a non-white ethnic background.

Bridgewater provides housing for general needs as well as a range of adapted housing for older people and people with support needs. The Association's 2008 satisfaction survey findings noted that nearly 50% of respondents are older than 60 and 59% were retired.

### About its housing stock

- 3.6 Bridgewater's stock was built between 1971 and 1982 as a collaboration between the then Scottish Special Housing Association, Renfrew Burgh Council and Glasgow Corporation. The stock includes a variety of flats, houses and bungalows in three main areas of Erskine - North Barr, Park Mains and Bargarran. Bridgewater reports that none of its properties are in low demand but has identified reducing demand for some of its first floor sheltered properties.
- 3.7 Bridgewater has completed two developments totalling 55 new units over the last 12 months, including 2 Extra Care facilities. It has also purchased 51 properties through the Rental off the Shelf (ROTS) and Mortgage to Rent (MTR) schemes since 2002. The Association was planning to build 92 more houses over the next 3 years but is now reviewing its options.
- 3.8 The table below presents a summary of key information for Bridgewater Housing Association showing the trends over the last three financial years.

<b>Key facts</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09*</b>
Houses owned	705	746	767
No. of applicants on housing list as at 31 March	1380	1457	1599
Employees	29	32	34
Annual turnover (£,000)	3422	3616	4171
Total possible rental income (£000)	2382.4	2563.3	2980.5
% of rental income from Housing Benefit (HB)	61.9%	57.5%	55.8%
Average weekly rent	60.15	63.04	66.16
Average rent increase	3.2%	5.4%	5.0%
Houses re-let	54	51	36
Response repairs carried out	3159	3103	829
Right To Buy sales	10	10	1

Sources: BHA's inspection submission and Annual Performance and Statistical Returns  
\* year to 30 Sept 08.

## 4 How well is Bridgewater delivering?

In this section we set out our assessment of Bridgewater's performance in delivering its housing services for tenants.

### Tenant satisfaction

4.1 Bridgewater carried out a comprehensive resident satisfaction survey in 2008.

The main results from tenants that responded were:

- 93% were satisfied or very satisfied with the quality of services;
- 95% were satisfied or very satisfied with the Association as a landlord;
- 96% were satisfied or very satisfied with their neighbourhood as a place to live; and
- 96% were satisfied or very satisfied with how well the Association kept them informed.

### Access to housing

4.2 Bridgewater provides a range of information on how to apply for its houses on its website, at the Association's offices and through a leaflet jointly produced with local partner RSLs. It also promotes access to its sheltered housing through newspaper adverts. Applicants can request a housing application pack by telephone, in writing, by e-mail and in person. It gives young applicants aged between 16 and 21 a "Young Tenant Information Pack" which provides a very useful step by step guide to setting up a home.

4.3 The Association makes housing information easy to access for applicants whose first language is not English or who have other communication needs. It can translate its application form on request and can provide this in a range of alternative formats. It runs helpful allocations surgeries in the Association's offices allowing applicants to discuss their application and housing options in detail. It also provides good quality information on housing availability in its application form and also in letters to applicants after it has finished its assessment.

4.4 The Association had been a partner with Renfrewshire Council in introducing a common housing register, however the Council withdrew from this in June 2007 due to ICT issues. Bridgewater is continuing to work with Renfrewshire Council

- on developing a housing options guide and is currently working with RSL partners on harmonising their allocations policies. The Association does not have a nomination agreement with the Council, but has a target to let 40% of its empty houses to homeless people referred by the Council under Section 5.
- 4.5 The Association's housing list is open to anyone aged 16 or over. At March 2008, Bridgewater had 1,475 applicants on its housing list and this increased by 8% to 1,599 by September 2008. It has a target of 5 working days to add applicants to its housing list. By September 2008, its performance against this target was 10 working days; this is also above the peer and national median figures. However, the Association is re-calculating this figure for 2008/09 following the amendment of its ICT system to improve the level of accuracy in recording the time taken to process applications.
- 4.6 The Association has a good approach to communicating with people applying for a house. It adds applicants to its housing list while it is waiting for evidence to support the application. It monitors these pending cases weekly and issues reminder letters regularly to applicants. It ensures that assessed applications are checked by two members of staff and sends applicants a letter with a full breakdown of their points, areas requested and priority group. It also sends a separate sheet with advice on the likelihood of being re-housed and where additional housing and independent advice can be accessed.
- 4.7 Bridgewater suspends low numbers of applicants from receiving offers: at September 2008 it had suspended only two. We saw that the main reasons for suspending applicants on its list were for tenancy related debt. We found that the Association advises people of the reason for the suspension and its timescale, but not always about the right to appeal this decision. In response to our feedback, the Association took immediate steps to address this.
- 4.8 The Association is good at giving applicants choice. It provides mainstream applicants with choice on letting areas, house type and floor level they wish to live on. It does not restrict the number of offers to applicants.
- 4.9 The Association is currently doing a full review of its housing list and then plans to complete annual reviews on the anniversary of each application. It told us that

- it expects to reduce its housing list significantly because many applicants did not respond to the review. It cancels few applications and does so in line with legislation except it does not always ask applicants who have bought their house or who have been re-housed if they wish to remain on its housing list. Bridgewater collects information about applicants' ethnicity and disabilities. It reports this to its committee and through its lettings plan and uses this to improve its customer focus, for example in the development of its "Housing for All" leaflet.
- 4.10 In summary, the Association promotes access to its housing in a range of ways and provides a good range of information to people applying for a house. It gives them a good level of choice and it does not suspend many. It has a challenging target of five days to add applicants to its housing list and it is currently reviewing its performance against this. It cancels few applications.

## Lettings

- 4.11 Bridgewater's allocation policy is firmly based on the statutory categories of housing need as outlined in the Housing (Scotland) Act 1987. Through its allocations policy, the Association seeks to allocate its homes to applicants in greatest need and all of the allocations we reviewed were to applicants with one or more of these housing and support needs.
- 4.12 The Association categorises its mainstream applicants into five priority groups: new applicants, accessibility, transfer, section 5 and supported living. It sets a target annually for lets to each of these groups and closely monitors performance against these. Bridgewater does not give its staff clear guidance on selecting between each of the lettings groups and does not clearly record why one group is prioritised over another. However, it has developed a way to monitor this which it plans to introduce in April 2009. It does keep good audit trails for its decisions on individual applications, including reasons for bypassing. It then verifies applicant's details prior to making an offer of housing and a second officer confirms all offers.
- 4.13 The Association monitors the outcomes of its allocations on a monthly basis and reports this to committee quarterly and publicly through its annual lettings plan. Bridgewater has set a target of 40% of its lets to Section 5 referrals and by

- September 2008 it achieved 43%. This is a positive outcome for homeless households.
- 4.14 Bridgewater operates a local lettings initiative (LLI) for mainstream properties above its sheltered housing. The Association aims to allocate these houses to applicants with a support need and requires applicants to complete a “lifestyle” questionnaire to determine their suitability. This questionnaire may act as a deterrent to some applicants, although Bridgewater told us that it does not use the questionnaire when it makes allocation decisions. The Association has not recently reviewed or monitored the impact of its LLI, although it plans to report this to committee in April 2009.
- 4.15 The Association has designated 11% of its houses as sheltered housing which it has adapted to some extent. These are mainly ground and first floor flats in properties originally built for general needs; it allocates some of the second floor flats in these blocks through the LLI. It aims to allocate the designated houses to applicants aged 60 and over. It is appropriate for Bridgewater to aim to make best use of its stock, but we found it restricts access to these houses for people under 60 years old with needs that would be addressed by this housing. In addition, the Association has recently had difficulty allocating some of these houses and has identified this as an area of risk to the Association in the future.
- 4.16 In summary, Bridgewater is achieving its target to provide housing to homeless people and it monitors and reports on the outcomes of its lettings. It does not clearly record how it determines which allocations group it will use before it makes a decision to let a house. Its use of a lifestyle questionnaire in its LLI and its use of age may be barriers to access to its houses.

### Tenancies and neighbourhood management

- 4.17 The provision of good information and access to support are important ways in which landlords can help sustain tenancies. Bridgewater has a good sign up process for new tenants which covers all their key responsibilities and establishes how a tenant will pay their rent. It also provides information and advice on applying for housing benefit. The Association’s new tenant pack and tenant handbook gives tenants a good range of information, although the

- handbook requires updating. In addition, our Tenant Assessor found the handbook to have a small print format and a lack of information about other agencies. The Association knows it needs to improve and update the handbook and pack and has included our feedback in its review process and initial tenant consultation.
- 4.18 Bridgewater keeps its tenants informed on an ongoing basis through a newsletter and letters from its Director, but it does not have a regular publishing schedule. The Association's website also contains some useful information for its tenants but we found that some of the information on it was out of date.
- 4.19 The Association aims to visit all new tenants six weeks after their tenancy starts. We found that Bridgewater is completing only around 27% of these settling in visits within its six week target. The Association has taken action to improve its performance by completing new training for staff, looking at new ways of working and it also plans to introduce a new indicator from April 2009 to help it monitor its performance.
- 4.20 In 2007/08, 6.8% of the Association's tenancies became empty, which is considerably lower than the national median of 8.9% and the peer group figure of 8.8%. During 2008/09, the turnover of its houses fell further to 4.7%. The Association monitors the reasons for tenants giving up their tenancies and uses this to identify areas of risk. Bridgewater also has a low level of abandonments: during 2007/08 only 3 of its tenants (equivalent to 0.4% of its total stock) abandoned their houses, significantly lower than its peer figure of 0.9% and the national figure of 0.7%.
- 4.21 The Association works with partners in two wider action projects to promote tenancy sustainment through the provision of welfare rights advice and a tenancy involvement officer. The project evaluation information up to December 2008 highlights the key areas of involvement of both officers and the effectiveness of the services in helping tenants sustain their tenancies. In addition, Bridgewater is working with Renfrewshire Council to finalise a protocol based on good practice to help it meet its new duties under Section 11 of the Homelessness etc. (Scotland) Act 2003.

- 4.22 Bridgewater uses Notices of Proceedings (NOPs) appropriately and issued 47 in 2007/08, 29 less than the previous year. By September 2008, it had issued 34. In 2007/08, it was granted orders for recovery of possession for two of its houses and recovered vacant possession for two houses. This equates to 0.3% of its stock, the same as its peer group figure and better than the national figure of 0.4%. In the year to September 2008, the Association was granted two orders for recovery of possession and had carried out one eviction. The Association writes to Renfrewshire Council's homelessness team and social work services at all the key stages of the court action.
- 4.23 The Association is dealing with a low and decreasing number of antisocial behaviour complaints. It received 13 in 2007/08 and 33 in 2006/07. The Association told us that this trend reflects the historic low levels of nuisance occurring in Erskine. The Association is in the process of revising its ASB procedures, in consultation with tenants, and we found that these largely reflect good practice. It classifies complaints into five categories, depending on seriousness, and each has a challenging response timescale. Whilst we saw that the Association responded quickly to the majority of the ASB complaints, it does not keep good records to show that it keeps complainants fully informed on progress of the case.
- 4.24 It uses a number of different methods to help resolve complaints, including:
- referrals to Renfrewshire Council's mediation service;
  - warning interviews / letters;
  - referrals to the Renfrewshire Council's ASIST team;
  - multi-agency working with the police, Environmental Services and Social Work; and
  - case conferences.
- 4.25 The Association has not used antisocial behaviour orders (ASBOs) in the last three years and it told us that this reflects the low levels of serious ASB cases received.

- 4.26 Bridgewater reports its performance on ASB to its committee on a quarterly basis. It has recognised that there are some gaps in how it monitors ASB performance and that it could further develop this to include reports on the outcomes of its actions, trends and tools it uses to successfully resolve cases and the time to respond and resolve the case. It has recently revised its procedures to include a formal case closure process where no further complaints are received, but it does not routinely collect satisfaction information from complainers.
- 4.27 We saw that Bridgewater's neighbourhoods are in excellent condition and that common areas are well maintained. It supports these outcomes by a range of approaches which include monthly inspections of closes, gardens and common areas, environmental improvement projects, a stair cleaning service in its sheltered housing and joint estate management inspections with housing officers and tenant representatives. The latter are a positive example of joint working with the local community. The Association is also currently developing estate management service standards, in consultation with its residents' forum.
- 4.28 In summary, Bridgewater has a good approach to tenancy and neighbourhood management. It provides good information to new tenants, its wider action projects provide good tenancy sustainment support and it is working to minimise evictions. The Association responds quickly to ASB, its estates are in excellent condition, but it has limited performance and customer satisfaction outcome information for its ASB service.

## Income maximisation

4.29 Bridgewater provides its tenants with a wide variety of ways to pay their rent.

The table below summarises the Association's reported performance in collecting rent.

	2005/06	2006/07	At March 2008		
	Landlord	Landlord	Landlord	Peer group	National median
Total arrears as % of total gross rental income	3.0%	2.7%	2.2%	4.7%	4.7%
Total current arrears as % of total gross rental income	2.1%	2.0%	1.8%	3.0%	3.8%
Current arrears (non technical) as % of total gross rental income	1.6%	1.6%	1.5%	2.6%	2.6%
% of current tenants in serious arrears	2.9%	4.1%	2.9%	5.0%	3.5%
Total former tenant arrears as % of total gross rental income	0.9%	0.7%	0.4%	1.7%	0.9%
Rent arrears written off (£,000)	1.1	13.4	12.5	15.4	11.6

Source: Annual Performance and Statistical Returns

4.30 The Association's arrears show a consistent trend of good and improving performance in all categories over the last three years. At March 2008 Bridgewater's figure for current arrears (non technical) of 1.5% is significantly below the peer and national figures of 2.6%. This good performance is continuing in the current year, although at September 2008 the figure slightly increased to 1.6%. The number of Bridgewater tenants in serious arrears stands at 2.9%, again, significantly better than both its peer group figure and the national median.

4.31 Bridgewater has a good approach to the management of arrears. Some key strengths are its:

- early and sustained contact with tenants when they get into arrears;
- financial assessments being done with realistic arrangements being agreed and followed up in writing;
- good monitoring and follow up if arrangements are not maintained;
- appropriate escalation and approval of court action;
- active case management between officers and manager;

- good referral processes to the wider role services of the welfare rights and tenancy involvement officers; and
- a good relationship with Renfrewshire Council’s housing benefit section and housing advice services.

4.32 We also found that Bridgewater is updating its arrears procedures to take account of its recent internal audit and in response to our comments on its standard arrears letters. It also plans to develop a protocol with Renfrewshire Council’s housing advice service to outline roles and responsibilities and to provide feedback on any referrals made.

4.33 Bridgewater’s performance in managing former tenant arrears also has a consistent trend of good and improving performance that is significantly below peer and national figures. The Association makes initial attempts to recover former tenant arrears. Where it is unsuccessful it uses a debt recovery company and when there is little or no prospect of recovery it has clear write-off procedures.

4.34 The table below summarises the Association’s reported performance in letting houses that have become empty.

	2005/06	2006/07	At March 2008		
	Landlord	Landlord	Landlord	Peer Group	National Median
Rental income lost due to empty houses (£,000)	4.6	14.0	20.3		
As % of total rental income	0.2%	0.6%	0.8%	0.8%	0.7%
Total no. of re-lets	37	54	51		
% re-let in <2 weeks	62.2%	42.6%	33.3%	27.8%	41.6%
% re-let in 2 - 4 weeks	27.0%	33.3%	39.2%	31.0%	26.8%
% re-let in >4 weeks	10.8%	24.1%	27.5%	41.2%	31.6%
Average time to re-let (days)	14	24	31	34	22

Source: Annual Performance and Statistical Returns

4.35 In 2007/08, the Association lost 0.8% of its total rental income because of empty houses. This is level with its peer group and slightly above the national median although its performance has improved to 0.5% at September 2008. Its performance for the average time to let was 31 days for 2007/08, less than its

- peer group figure and above the national median, but its performance has improved to 28 days at September 2008. The Association re-let 72.5% of its empty houses within 4 weeks in 2007/08. This performance is better than the peer group figure of 58.8% and the national median of 68.4%.
- 4.36 Bridgewater is aware of and monitors the reasons for its variable re-let performance. It told us that it has had difficulties in quickly letting houses it designates as sheltered due to a drop in demand, and for properties it has purchased on the open market due to the extent of necessary repair work. Bridgewater's policy of using age to restrict access to its sheltered properties may contribute to its difficulty in improving its re-let performance for these houses.
- 4.37 Bridgewater has developed challenging re-let targets for 2008/09. Its empty house procedures are comprehensive and include:
- pre-termination inspections;
  - pre-allocation of properties as soon as termination notice is received;
  - accompanied viewings;
  - empty house inspections within 2 days of keys being received;
  - challenging repairs targets for empty houses; and
  - arranging the tenancy sign up on the same day as the viewing.
- 4.38 The Association plans to develop a re-let standard during 2009/10 after consultation with its tenants and the FLAIR group, a partnership of local RSLs. We saw that the standard of Bridgewater's empty houses is good. The Association also monitors the reasons for houses being refused and it told us that none of these related to the condition of the property.
- 4.39 In summary, Bridgewater has a good and improving approach to maximising its rental income. It works well to support its tenants in arrears, has good performance monitoring and is focussed on further improvements. Its performance in how quickly it re-lets its houses is variable. We saw that the condition of its empty houses is good and it is developing a re-let standard to ensure it has a consistent approach.

## Asset management strategy and planning

- 4.40 Bridgewater does not have an asset management strategy or SMART action plan that outlines its objectives and targets for how it will manage its property assets. Instead, it has set objectives within its Internal Management Plan (IMP), Standard Delivery Plan (SDP) and annual spending targets in its Sale and Purchase Agreement with the Scottish Government. Its approach has been effective in targeting replacement investment works based on stock condition, but it has not been as effective in maximising improvement works to achieve the Scottish Housing Quality Standard (SHQS) and in reflecting customer demands and aspirations. Bridgewater is aware that its current approach could be improved and told us that it plans to develop an asset management strategy in 2009/2010 after it has completed a new stock condition survey.
- 4.41 Bridgewater has carried out some analysis of current and future needs and demands for its houses but it recognises that its information is limited. However, it has a high level of gross demand, very few low demand houses and no houses of problematic non-traditional construction. Given this, its housing stock appears to be sustainable. While it is aware that it has a high and increasing demand from older people for adaptations and 50% of responses to its tenants' survey were from people aged over 60, it has not analysed whether it can increase its resource for this service.
- 4.42 The Association has asked its tenants about their investment priorities through its 2008 satisfaction survey, but it knows that it has a weak approach to involving its customers in setting asset management objectives, setting a quality standard for its houses and influencing investment planning. Bridgewater plans to improve its approach by asking tenants for their views as part of its planned 2009 stock condition survey.
- 4.43 Bridgewater has information on compliance with the SHQS for 20% of its stock it gathered through a house condition survey and regular updates from its surveys of empty houses. Its recent surveys of around 5% of its houses have shown no significant variation from the information it had cloned across its houses using its sample house condition survey findings. Bridgewater has also updated its house condition database with information about all its completed major works to its

- houses. It has also been updating costs within its stock database drawn from recent works contracts. Bridgewater plans to complete a 100% internal and external SHQS compliant stock condition survey by December 2009 to improve its data quality.
- 4.44 Bridgewater sets out a five year major works programme which it reviews annually. This includes component replacement, SHQS works, environmental works and cyclical maintenance. It updated its life cycle costs in 2008. The Association's positive approach means that it is well placed to identify opportunities for efficient procurement of its works programmes.
- 4.45 Scottish Ministers have set a target that all social landlords' houses should meet the SHQS by 2015. Bridgewater's SDP has been accepted by the Scottish Government and it has demonstrated that it has the financial resources to fund the necessary works. It also has a number of other positive features including:
- an effective SHQS database;
  - a medium term SHQS investment programme; and
  - it has achieved excellent results in how it has worked with owners to complete works to properties in common ownership even where its tenants are in a minority in the building.
- 4.46 Bridgewater has a relatively low number of houses that already achieve the SHQS and it has not achieved any of the milestones or targets that it set in its SDP and in its performance management framework. It is also planning to bring over 60% of its houses up to the SHQS in the two years prior to the 2015 target. These, along with its current lack of a strategic approach to asset management, represent risks to it achieving the SHQS by 2015. It may also require a small number of exemptions for tenement properties where it cannot achieve the SHQS energy efficiency standards.

4.47 The table below summarises details of Bridgewater's actual and projected progress in bringing its houses up to the SHQS.

	Actual							
	2008	2009	2010	2011	2012	2013	2014	2015
Total stock	746	761	756	754	752	747	742	738
No. of dwellings meeting SHQS	234	184	205	277	282	297	742	738
% stock meeting SHQS	31.4	24.2	27.1	36.7	37.5	39.8	100	100
No. dwellings planned to bring up to SHQS	60	0	21	72	5	15	445	0
Actual No. dwellings brought up to SHQS	31							

Source: Inspection Submission/ APSR

4.48 In response to our feedback Bridgewater immediately agreed to complete a range of improvements to its planning for the SHQS:

- improve its strategic focus by setting and monitoring SHQS objectives and targets in its business plan and planned asset management strategy;
- update its committee with a full assessment and report on its progress and plans to complete the SHQS;
- review its SDP assumptions in 2009 and its business plan cash flows after it completes its planned 100% stock condition survey; and
- adjust its SHQS programme to reduce the risk of non-compliance by bringing forward non-roofing works planned to be completed in 2014 and use some of its projected high cash balance to fund this.

4.49 In summary, Bridgewater's strategic approach to managing its assets is generally effective in targeting its capital investment appropriately, but is underdeveloped in its reflection of its customers' views and on its focus to achieve the SHQS. The Association does not face significant problems of low demand or challenges in dealing with problematic non-traditional houses. It sets out 5 year investment plans, it will improve its house condition information in 2009 and it has committed

to a range of improvements over how it plans to deal with potential risks to the achievement of the SHQS.

## New homes

- 4.50 Bridgewater plans to build 92 houses over the next three years on a site it has purchased from Renfrewshire Council. This is an important development for Bridgewater as it will improve the viability of its business in the long term by lowering its unit management costs as well as meeting housing need. Bridgewater had anticipated a site start in October 2009 but it has decided to review this timescale and has not included the development within its most recent business plan cashflows. It told us that it no longer thinks the development can proceed as planned due to an increase in the cost of private finance. It is now looking at other options including whether it can increase its HAG allocation or whether it can split the development into smaller phases. In addition, Renfrewshire Council has required that all new residential developments comply with environmental standards which are more expensive than those in Bridgewater's plans and the Association's view is that this will make the development unaffordable. Bridgewater told us that it is negotiating with Renfrewshire Council on alternative ways of improving the environmental performance of its new houses and is reasonably confident of a solution being reached. It has also been very active in liaising with its lender to ensure that any changes to its plans do not affect its current lending facility.
- 4.51 Bridgewater has built 55 new homes since 2007, all of which are designed for frail or elderly tenants and wheelchair users. The Association has identified high and increasing demand from these groups. It designs all of its houses to achieve Secure by Design accreditation, to be energy efficient (its latest development has a Standard Assessment Procedure (SAP) rating of 120) and to meet the requirements of housing for varying needs. Its designs also incorporate features intended to meet the needs of tenants with dementia and sight impairments.
- 4.52 Bridgewater has begun working with other local RSLs in response to the Scottish Government's proposed changes to the allocation of development funding. It is considering being a partner within a consortium whose aim will be to achieve lead developer status. The consortium has made progress in agreeing joint

technical and design specification. However, the consortium face challenges around certainty over future land releases for new homes and the impacts of this on providing certainty to contractors around work volumes and timings to realise cost savings. Bridgewater procures its new houses on a design and build basis at present.

- 4.53 In summary, Bridgewater has delivered good quality housing targeted at identified housing needs in its community. It is working with other local RSLs to design more efficient procurement methods for new housing. While it is working to manage risk, its current development is at a critical stage where its viability cannot be guaranteed.

### Investment & home safety

- 4.54 Bridgewater spent £3,990,000 from an approved budget of £3,996,000 over the last 5 years on its investment programme. It completed its planned works, although it did not complete a small number of SHQS energy efficiency works. In some years it did carry over a small number of projects into the following year, these were due to delays in the upgrading of gas infrastructure, timing of the availability of grants for owners and Bridgewater's rationalisation of the cyclical maintenance programme into a longer term contract.
- 4.55 Bridgewater has a good approach to ensuring its investment programmes achieve the quality standards it sets out in its contracts. It completes pre-start meetings, requires pilot projects with joint client and contractor inspections and has regular snagging visits and checks before it signs off works for payment. It also has a good approach to providing information to its tenants on the major works programme with 97% reporting that the information was good on recent contracts. The Association visits every tenant before the contract to provide information and to identify any particular needs. It also provides a limited tailored design service for new kitchens and offers some choices in fittings and materials. The Association's satisfaction survey reported 91% of tenants were satisfied with works completed to their home.
- 4.56 Bridgewater's approach to performance management of its investment contracts involves regular meetings with contractors, post completion reviews and regular

reports to committee on progress. While Bridgewater has a set of good contract KPIs in its procurement policy, it has not yet used them to measure its contractors' performance, set improvement targets or to inform its committee.

- 4.57 By law, Bridgewater must make safety checks every 12 months on all gas appliances and flues that it provides for its tenants. The table below summarises the Association's performance in carrying out gas safety checks.

	February 2009	
	Number of houses	%
Houses with gas appliances	692	-
Houses with current gas safety certificates	690	99.7%
Houses where safety check was carried out within 12 months of previous check	659	95.5%
Houses where safety check was up to 1 month late	20	2.8%
Houses where safety check was between 1 and 3 months late	13	1.7%
Houses where safety check was more than 3 months late	0	0%

Source: Inspection Submission

- 4.58 The Association is meeting its statutory responsibility on gas safety for all but a small number of its houses. By February 2009 it had completed gas safety checks for 99.7% of its properties and had completed 95.5% within the required 12 months of the previous inspection. The Association's procedures to deal with gas maintenance are robust and we saw from the gas safety case reviews that it maintains excellent records on its gas safety checks. The Association arranges for an independent contractor to carry out a sample quality check on its gas safety annually. By February 2009, the contractor had post inspected 7.2% of checks.
- 4.59 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties, and to produce an asbestos management plan. The Association only recently approved an Asbestos Management Plan and Action Plan, but it has had an Asbestos register since 2006 which contains detailed information on location, type and condition of Asbestos Containing Materials (ACMs) in the common areas of its stock. It also makes this information available to contractors. Bridgewater has completed an ACM risk assessment, completed removal and containment works and

undertaken the labelling of asbestos in its stock. It is also currently developing a leaflet on asbestos information for tenants and residents.

- 4.60 From January 2009 social landlords must have a valid Energy Performance Certificate (EPC) for every house they let and provide the new tenant with a copy. We saw that Bridgewater has a good approach to meeting these regulations. It uses a suitably qualified external contractor to produce EPCs, provides a copy to new tenants and it also displays a copy within the house.
- 4.61 In summary, Bridgewater has performed well in the delivery of its investment programmes over the last five years, although it did not complete a small number of planned SHQS works. While it monitors and reports contractor performance it has not used the KPIs outlined in its procurement policy. It meets its statutory responsibility on gas safety for all but a small number of its houses, is improving its management of Asbestos and provides EPCs to new tenants.

### Response repairs

- 4.62 Bridgewater's repairs service is accessible. Tenants can report repairs in a range of ways including by telephone, e-mail, fax, in person, through a member of staff and via the website. The Association is aware that the majority of tenants report repairs by telephone (71%) and at the office (24%). Tenants who telephone the office out of hours receive a pre-recorded message providing the telephone numbers for the main and gas contractors. The Association does not, however, display the out of hours contact number at its office when it is closed. The 2008 resident satisfaction survey shows that 99% of tenants find it easy to report a repair.
- 4.63 The Association makes good information available to its tenants about its responsive repairs service through its newsletter, website, tenants handbook and on its repairs receipts.
- 4.64 The Association does not operate a formal appointments system, although it does take access details and any special requirements and provides this information to its contractors. It has recently appointed a new response repairs

contractor and has plans to enhance this service by considering the introduction of a formal repairs appointment system.

4.65 The table below details reported performance against target response times.

Repair category	2005/06	2006/07	At March 2008		
	Landlord	Landlord	Landlord	Peer Group	National Median
Emergency 2 hours (%)	99.7%	99.2%	99.6%	98.5%	99%
Urgent (%) 3 working days	96.4%	94.4%	96.5%	94.8%	96.4%
Routine (%) 5 & 20 working days	97.0%	95.5%	95.7%	94.9%	95.7%

Source: Annual Performance and Statistical Returns

4.66 The Association's target timescales for completing emergency and 5 day routine repairs are more challenging than the national median. Its timescale for completing urgent repairs is the same as the national median whilst the target for 20 day routine repairs is less challenging than the national median. The Association told us that these routine repairs are completed within an average time of 14 working days and it has plans to review this timescale following an evaluation of the new contractor's performance.

4.67 The Association's reported performance in completing response repairs in its target timescales across all categories is good, and in 2007/08 performance was better than the national median for emergency and urgent repairs and equal to this for routine repairs. However, the Association's reported performance on emergency repairs is unreliable as it does not record the completion time on the ICT system. This is a weakness, although the Association has plans to begin recording this with its new repairs contractor and its gas contractor.

4.68 The Association provides good information to tenants about the Right to Repair (RtR) scheme and it advises tenants at the point of contact that the repair has been categorised as RtR. Bridgewater also provides RtR information on the repairs receipt, on its website and in the Tenants Handbook and newsletters. The Association has paid compensation for failure to complete repairs within the statutory timescales.

- 4.69 Pre and post inspections are important ways of ensuring that repairs are carried out to a high standard. The Association has appropriate guidance for carrying out pre and post inspections and it has set a target to pre and post inspect 10% of response repairs and 100% of empty house repairs. It monitors the percentage of repairs completed on a monthly basis and is currently undertaking 19% post inspections to monitor the quality of repairs carried out by the new contractor, but it does not monitor the percentage of these inspections completed on time. It has plans to begin monitoring this and currently reports the results of the inspection outcomes to Committee quarterly.
- 4.70 In summary, Bridgewater has a good approach to dealing with response repairs. Its repairs service is accessible, it has challenging response targets and is completing repairs quickly. While its performance information on completed emergency repairs is not reliable, it plans to change how it records this with its new contractor. It provides good information to tenants on the RtR and it is making effective use of post inspections to monitor the quality of repairs.

## 5. Is Bridgewater managed for improvement?

### Leadership and strategic planning

- 5.1 Bridgewater is aware that it needs to improve its approach to the strategic management of its business. It is currently reviewing its plans, and its draft corporate strategy for 2009-2012 incorporates the Association's vision and objectives and, crucially, focuses on key risks to Bridgewater's business as a result of changes in the cost and availability of private finance. We saw that it has used feedback from tenants and other stakeholders when reviewing the strategy. The Association told us that it aims to review its plan quarterly to take account of uncertainties. However, its strategy has only limited detail on its investment priorities and limited customer demand analysis. It has yet to produce an action plan to organise and deliver its services to achieve its new objectives. This is a weakness.
- 5.2 Until recently, Bridgewater did not effectively link its strategic plans to longer term financial plans. It did not have a long term financial business model and instead used a relatively simple long term cashflow document. It did only limited scenario planning and stress testing of its plans. It has now prepared a good position statement for its financial plans based on its objectives outlined in the draft corporate strategy. It has updated its 30 year cashflows and has scenario tested these against key business risks. This is positive, but its cashflows are based on its business as it is now and do not fully reflect its planned growth. Bridgewater has also costed a range of options on how it will deliver its services, but has not finalised its plans to take this forward. These are weaknesses given the potential risk associated with the Association's new build programme.
- 5.3 Bridgewater currently uses annual improvement plans to translate the strategic objectives it set in its internal management plan (IMP) into operational objectives for its staff. It did not fully review its progress against its IMP until 2008, although we saw that it has made progress against a range of its improvement plan targets and it has improved its services overall during the period of the plans. It has had slippage in delivering some of its planned actions, including its review of rent levels and it has not completed scheduled reviews of progress.

- 5.4 The Association's Committee, staff and tenants have a good level of involvement in developing its new corporate strategy. It has used away days, special Committee meetings, its AGM and provided regular reports on progress with its plans. We saw good levels of challenge by the Committee during the development of the new corporate strategy and also saw staff spending significant time explaining complex and important financial and strategic issues to the Committee. This is positive.
- 5.5 In summary, Bridgewater is starting to put in place a framework to help it more effectively and strategically manage its business. It is making progress on a new corporate strategy and it is developing financial plans that take account of key business risks, but it does not yet have a costed action plan to show how it will achieve its objectives. The Association's Committee has a good level of involvement in developing its strategy.

### Governing body

- 5.6 Bridgewater has four sub committees that support its committee of management covering operations, development & administration, audit and housing support services. Committee members and staff told us that the existing structure allows them to balance the volume of work and to deal with the Association's business effectively. The committee meets more or less monthly, with the sub committees meeting quarterly. Bridgewater recognises that it needs to improve its approach to succession planning for committee members and key office bearers and has identified this in its draft corporate strategy.
- 5.7 The 15 members of the management committee include 5 tenants as well as factored owners and people with a keen interest in their community. In 2006/07, the average attendance at its management committee meetings was 67%, lower than both the national median and peer group figures, but improved slightly in 2007/08 to 68%. All its committee meetings have been quorate in the last three years.
- 5.8 Staff and committee members have an effective and positive working relationship. The committee is made up of members with a range of skills and experience, although a member who brings financial and banking expertise to the

- Association is currently on leave of absence. We found that members have a good understanding of their role in leading the Association and appropriately question both written reports and verbal briefings from staff at its meetings.
- 5.9 Bridgewater has completed a skills audit which it plans to use to promote a more structured approach to training its committee members. This programme will focus on finance and development and it will complement the availability of external courses, conferences and the local FLAIR group training programme. Bridgewater's draft corporate strategy outlines a commitment to complete an annual assessment of committee skills, but it does not include an assessment on the effectiveness of the previous training programme or a record of attendance at training events.
- 5.10 We found that Bridgewater provides potential and new committee members with good information. It gives potential committee members a comprehensive briefing on the background of the Association and on the role and responsibilities of a committee member. It gives new committee members an induction pack which includes a good range of information on the organisation in general, their role and conduct, governance documents and policies and procedures. The Association also operates a "buddy" for new members for their initial period.
- 5.11 In response to findings in its 2008 resident satisfaction survey, Bridgewater wrote to all its tenants to explain how the Association is controlled and governed. It displays in its office the names of all Committee members, Sub Committee members and a schedule of all the Committee and Sub Committee meetings. It also displays abridged versions of committee minutes and sends these to the local library and community centre.
- 5.12 In summary, Bridgewater has a number of strengths in this area and has identified improvement actions in its draft corporate strategy. It has an appropriate committee structure that effectively deals with the Association's business and it works well to integrate new committee members. The Association's committee members attend relevant training courses and have now undertaken a formal skills audit. Its attendance levels at committee meetings could be improved.

## Ethical standards and clear values

- 5.13 The Association is fully aware of the need to operate to the highest of ethical standards. Bridgewater shows good practice as each committee member signs the terms of their appointment, which includes a code of conduct following each AGM. Its meeting agendas also include a standing item at the beginning of every meeting to request that Committee members declare any conflicts of interest.
- 5.14 We found that Bridgewater uses registers of committee members and staff interests. However, it only updates the staff register annually, with committee members only required to update their entry when any changes occur. We also found that the gifts and hospitality register did not record information on gifts or hospitality either offered or rejected by the Association.
- 5.15 Bridgewater uses a Regulatory Framework to set how it governs the organisation. While this does not directly reflect the Regulatory Code of Governance, the framework includes guidance and appropriate policies and procedures for the majority of areas outlined in the Code. However, the Association's approach to committee review of its own performance, succession planning, regularly assessing the skills mix on the Committee and its development is less effective. It has included a number of these areas for improvement in its draft corporate strategy.
- 5.16 In 2008, the Association allocated three houses to relevant persons, as defined by Schedule 7 of the Housing (Scotland) Act 2001. The individuals were all entitled to the tenancy under the Association's policy, although it granted one tenancy before it received Committee approval and did not get this until six months later. The Association acknowledged this weakness in its approach and plans to introduce a new procedure to ensure it does not happen again.
- 5.17 In summary, Bridgewater is aware of the need to maintain high ethical standards and work within the requirements of Schedule 7, although we saw some weaknesses in its recording and reporting in this area.

**Financial performance and management**

5.18 Bridgewater’s plans show that it is financially viable over the medium term. It sets and manages its budgets to ensure that it remains profitable over the short to medium term. The Association’s balance sheet is strengthening and it has healthy cash balances (nearly £5m at March 2009), although it may have to set some of this against the requirement to repay the Scottish Government for receipts from house sales through the right to buy. As we report below, Bridgewater has relatively high unit management costs and does not have clear plans to reduce these.

	LSVT <1000 units Sector median 2006/07	Bridgewater 2006/07	Bridgewater 2007/08
Interest cover	59.5%	100.4%	167.3%
Gearing	100.2%	76.3%	60.4%

Source: RSL accounts annual analysis

5.19 The Association’s key financial performance indicators (its interest cover ratios and gearing levels) show that it has the financial capacity and available security to secure further private lending. This is important because the Association plans to build new houses and it must deliver a planned maintenance programme to achieve the SHQS and the commitments it made at the time of its transfer. In response to emerging risks in its development programme, Bridgewater has now done some scenario planning to ensure that it can time its maintenance programmes to when it has the resources to deliver these. It plans to complete further scenario testing for its new house building programme.

5.20 Bridgewater has a good, prudent approach to treasury management for its private lending arrangements. It has:

- taken independent specialist banking advice;
- used lower risk financial products;
- regular treasury management reports for its committee;
- kept cash deposits on a medium term fixed rate deal; and
- worked with its bankers to clarify financial performance indicators and to agree reasonable interest rates for its cash on deposit.

5.21 The Association is developing a good financial monitoring and governance framework. We saw that detailed financial reports are regularly provided to the appropriate committees and that budget planning and review is effective. Also, we saw good levels of scrutiny and discussion by the committee before it made important decisions on key issues such as investment and development. Bridgewater has recently improved its longer term financial planning model and we refer to this at 5.2.

### Management of risk

5.22 Bridgewater has a good awareness of the importance of identifying and managing risks to its business. Its IMP outlines the key strategic risks to the achievement of Bridgewater's objectives. It has updated these risks in the Association's draft corporate strategy and this also includes risks related to restrictions in the availability and competitiveness of credit.

5.23 The Association's comprehensive risk management policy is clearly outlined in its governance framework and accompanying risk action plan. It manages the action plan through a continuous monitoring and review programme and outlines:

- specific strategic and operational risks;
- a traffic light system highlighting the level of risk to the organisation;
- what steps are being taken to minimise risks;
- the timescale for improvements or tasks; and
- which manager is responsible.

5.24 We saw that Bridgewater has taken effective action to manage important risks in its relationship with its lender and to its development programme. For example, it has been active in liaising with its lender to ensure it does not breach its loan covenants and is reviewing its plans for new house building following its review of its corporate strategy. It has been less effective in managing risks from its high management costs.

5.25 We saw that the Association includes in all its committee papers a section on risk and that the committee has a keen awareness of the key risks to the organisation. Through its quarterly and annual review of the action plan it adds

and prioritises new risks in addition to reviewing identified risks and their priority status.

- 5.26 We found the Association has a positive response to internal audits as it completes action plans and reports progress to its audit committee. Bridgewater also plans to link its internal audit process more closely with identified risks and value for money efficiencies. Part of this approach is to consider alternative ways in delivering the internal audit scrutiny to maximise the best outcome for the Association.
- 5.27 In summary, the Association has a good awareness of risk and has acted to manage new risks in its development programme. Its risk management systems are good, but it has been less effective in managing risks from its high management costs. It is aware that it can improve the links between its internal audit programme and its risk management action plan.

### Performance management and planning

- 5.28 Bridgewater has established and continues to develop a good operational performance management framework. It has a range of key performance indicators (KPIs) and targets across its services which it uses effectively to monitor its performance and direct improvements. This is a strength, but its measurement and reporting on value for money and progress toward the achievement of the SHQS is less effective. This in part reflects gaps in Bridgewater's strategic focus on these areas.
- 5.29 The Association provides good quality performance reports to its committees across the range of its services and by exception for significant events. Through these it highlights issues of concern and cross-refers to its risk management action plan. It also produces a good quality KPI summary and publishes performance results in a leaflet for its customers and in its tenants newsletter.
- 5.30 Bridgewater benchmarks with other local RSLs and has recently joined another benchmarking group comprising RSLs formed from stock transferred from other organisations. The Association does not fully use its comprehensive range of

- benchmarking information to include regular trend and comparator information in its committee reports.
- 5.31 Bridgewater has a comprehensive range of policy and procedures to support its delivery of services. It regularly reviews these in line with its timetable.
- 5.32 In summary, Bridgewater has a good performance management framework which it is continuing to develop.

### Customer focus and influence

- 5.33 Bridgewater has a Tenants' Charter and ten customer commitments. These outline a range of standards that Bridgewater aims to achieve in how it delivers its services to its customers. However, within this it does not have a set of customer service standards that it monitors or reports as part of its performance management framework.
- 5.34 The Association collects information on its customers from its three-yearly satisfaction survey. These show that 60% are retired and 27% are economically inactive. In addition, 55% of respondents were over 60 and 49% have a disability. Bridgewater is aware that while this provides useful information, it needs to gather more particularly on projected future changes to enable it to better understand how it can change its services to better respond to the needs of its customers.
- 5.35 Bridgewater's office is accessible to disabled people via a recently upgraded lift which includes audio and visual aids. All its public areas include induction loop equipment and the front door is automatic with an accessible panel. But information on opening hours and the emergency telephone number are obscured when the Association closes its external shutter nor does it provide sensory signage. The Association completed a disability audit in 2004. It has completed the majority of the recommended changes and plans to complete the remainder by 2010.
- 5.36 Bridgewater's office opening hours are not customer focussed. The Association closes its office to the public for an hour at lunchtime and at 4pm. Customers must use a telephone or e-mail to contact the Association during these periods.

- During the inspection we saw customers attempting to access the office to pay rent when it was closed, particularly at lunchtime. Customers and Board members that we spoke to also expressed the view that the opening hours were restrictive. Bridgewater's customer satisfaction survey reported high levels of satisfaction with the opening hours. However, customers in full time work who are restricted in when they can visit the office were under represented on the survey.
- 5.37 The Association makes a range of information available to its customers mainly through its tenant's handbook, tenant's diary, leaflets and its web-site. Ninety two percent of tenants who responded to Bridgewater's most recent survey found the publications easy to read and 96% are satisfied with how well the Association keeps them informed. However, we found that the quality of information it provides is mixed; for example, the tenant's handbook is out of date with some gaps in coverage. We saw the Association making progress in tackling this, for example with its new asbestos information leaflet. Bridgewater provides some information in different languages and advertises that it will arrange to provide any required information in a suitable format or language or a translation services. The Association also provides and advertises the availability of the hearing loop system in the office.
- 5.38 We found that Bridgewater has a good approach to gathering the views of its customers on how it is performing. It uses a good range of techniques to gauge customer satisfaction and collect feedback on its performance including:
- large scale tenants satisfaction survey;
  - service specific satisfaction surveys;
  - new tenant surveys;
  - tenant-led mystery shopping exercises; and
  - an annual tenants' conference.
- 5.39 The Housing (Scotland) Act 2001 requires the Association to publish a tenant participation strategy. The Act also requires landlords to inform and consult tenants about changes to its services and take tenants' views into account when making decisions that will affect them. Bridgewater has a tenant participation strategy and works with its tenants and residents forum to consult on service

- changes and reviews. It has also developed new services, for example its “Streetlinks” project and its new cyclical painter work contract, to respond directly to feedback received from tenants. While this is good, Bridgewater is not working effectively with its customers in setting standards for the quality of its houses or in its investment plans.
- 5.40 The 2001 Act requires landlords to consult tenants before increasing rent and to involve them in policy review. Bridgewater uses its tenants’ conference to highlight available options for its rent increase and to explain how the rent is used to fund its services. All tenants are invited to attend through adverts in its newsletter and by individual letter. The Association writes to all of its tenants to get feedback on its policy reviews, but generally gets a low response. That said, 89% of its tenants that responded to its most recent survey stated they were not interested in getting more involved with any aspect of the Association, and tenants confirmed this view was confirmed during our meetings with them.
- 5.41 Bridgewater provides an accessible complaints process with good monitoring and responsive, regular updates to customers who have made a complaint. All of the complaints we reviewed were managed well and we saw examples where the Association had used complaints to help it make service improvements.
- 5.42 In summary, Bridgewater has a good approach to getting feedback on how it is performing and it works well with its customers to develop services. Its complaint process is accessible and responsive but its customer information is of a mixed quality. The Association is aware that it needs to improve its understanding of its changing customers and further develop its approach to customer care standards.

### Equalities and diversity

- 5.43 Bridgewater is committed to mainstream equalities and diversity. Its review of the Association’s Equalities and Diversity policy in April 2008 outlines both individual and corporate responsibilities and a follow up improvement plan. The plan includes:
- a review of recruitment policy and guidance;
  - a leaflet on the key commitments and points of the policy;

- staff training on equalities and diversity issues; and
- general information for staff on disability issues, achieving “Positive about Disabled” accreditation.

Bridgewater also reported the outcomes of its equalities action plan review to its committee and this included a good summary and evaluation of progress made.

- 5.44 Bridgewater gathers ethnicity and equalities information from people who apply to it for housing, for employment or to join the committee. However, the Association acknowledges it needs to improve the profile information of its membership and community in general. It is therefore working with partners and supporting a research project to determine the housing needs of black and minority ethnic communities in the Renfrewshire area. This project will provide Bridgewater with an area specific profile and help to inform its shaping of the delivery of services and future policy development.
- 5.45 In summary, Bridgewater is committed to mainstream its good approach to equalities and diversity issues and has made good progress through its action plan and improvement plan. It shows good awareness on the need to improve its information base.

### Efficiency and value for money

- 5.46 In 2008/09 Bridgewater charged its tenants an average rent of £66.16 per week. Its rent has been higher than its peer and national averages for the last 3 years and £4.14 per week above peer average in 2007/08. Bridgewater’s rents include an element of cost for landscape maintenance and its rent increase of 1.9% for 2009/10 is lower than in previous years. The Association told us that it has limited information on the affordability of its rents and did not complete its planned review of rents in 2008/09. It now plans to complete this review, along with an affordability study, in 2009/10.
- 5.47 Bridgewater’s unit management costs are high in relation to its peer and national figures and have increased by 15% in real terms over the last five years. Bridgewater incurs some additional costs from its work managing common ground and buildings for 2,500 owners and is efficient at collecting rent. However, it has not taken effective action over the last three years to achieve its

- strategic objective to reduce its costs and become a more efficient organisation. Bridgewater told us that it plans to complete a business efficiencies review in 2009 using external experts. It has also set a target to achieve a 2% efficiencies saving for 2009/10 through procurement efficiencies and reduced overheads and staffing costs.
- 5.48 Bridgewater's relatively high management costs and rents are set against its reported high levels of tenant satisfaction and generally good service outcomes. The Association has not, however, analysed whether it could deliver the same or better quality of services for less cost and so it is not yet able to demonstrate that it provides fully value for money services.
- 5.49 Bridgewater's procurement policy outlines a range of options for how it will purchase construction goods and services. The Association uses a good range of procurement routes including partnering, negotiated, traditional tendering and price/quality, although its usual approach is traditional methods. Its policy includes a set of contract monitoring KPIs, but it does not use these to manage its contracts. The Association does not have a procurement strategy that outlines its procurement objectives and targets.
- 5.50 Bridgewater has a strong awareness of European Union and other procurement rules. We saw that it uses the Official Journal of the European Union and associated regulations. It further encourages competition by advertising all of its contracts rather than using an approved list of contractors. Bridgewater has not involved its tenants or residents in developing its procurement plans and options or in selecting individual contractors.
- 5.51 Bridgewater has recently ended a four year partnering contract for its responsive repairs service. It based this agreement on good practice with an open book approach, shared pain/gain, KPIs, fixed unit cost and an agreed disputes resolution method. Through this approach, Bridgewater achieved cost savings and a good quality of service in the first two years. However, its working relationship with its contractor deteriorated after a change in ownership of the contractor and Bridgewater terminated the contract in 2008. Bridgewater

- recently competitively tendered a new four year contract based on Schedule of Rates (SOR) in the first year and partnering thereafter.
- 5.52 The Association uses traditional tendering for its capital works. It told us that this is due to the timing and the relatively small amounts of works in its programmes. It does plan to gain economies of scale by completing all of its roofing contracts in a single year, and it has a four year cyclical painting programme. Bridgewater has also tried to encourage interest in a capital works consortium with other local RSLs, but this has not yet been developed.
- 5.53 Bridgewater has had some success in getting efficiencies and savings through its procurement, but it does not have a performance management system that measures and reports procurement efficiencies and other gains that it has made.
- 5.54 Since ending its responsive repairs partnering contract, the Association has started to get variations in ordered repairs and costs. It is also having to commit more of its staff resources to checking repair invoices. However, subject to performance it will bring in a new fixed cost partnering arrangement for next year, so this is likely to be only a temporary issue. Bridgewater cancels a low number of repairs, but it completes 30% of its repairs as more costly emergencies.

## 6. Next Steps

- 6.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments to submit an improvement plan to us within eight weeks of the publication of this report.
- 6.2 Bridgewater does not need to submit an improvement plan to us. Our engagement with Bridgewater will remain at **Medium**. While the Associations services are good, it does have risks in its strategic planning, development programme and with its high management costs. We will publish a revised Regulation Plan shortly.
- 6.3 If you would like to see the Bridgewater's improvement plan you should contact the RSL by:
- **Telephone:** 0141 812 2237
  - **Website:** [www.bridgewaterha.org.uk](http://www.bridgewaterha.org.uk)

## Sources of evidence

### Groups and third parties consulted

- Bridgewater tenant and residents forum
- Renfrewshire Council
- Care Commission
- Citizens Advice Bureaux
- Scottish Public Sector Ombudsman (SPSO)

### Interviews / meetings

- Interviews with members of Bridgewater's committee
- Director
- Bridgewater's staff team members
- Tenants and residents

### Reality checks

- Observation of meetings of the governing body and committee meetings
- Review of complaints
- Review of gas-safety management
- Review of asbestos management
- Review of performance reports and improvement plans
- Review of responsive repairs
- Review of tenant-information leaflets
- Shadowing of reception areas
- Validation of performance measures and reporting mechanisms
- Shadowing of allocations
- Shadowing of repair pre- and post-inspections
- Shadowing of void repairs visits
- Review of housing list applications and allocations
- Review of information for applicants and tenants
- Review of complaints
- Review of antisocial behaviour cases
- Review of arrears cases
- Review of legal actions against tenants
- Review of reported repairs
- Review of planned maintenance and improvement projects
- Empty property visits
- Estate visits

### Key documents reviewed

- Bridgewater's Inspection Submission
- Housing management performance reports
- Repairs and maintenance performance reports
- Relevant policy and procedures
- Minutes of meetings and associated reports
- Tenants' newsletters and other publicity material
- Bridgewater's Website
- Outcome reports for housing management and property maintenance
- Protocols with other agencies

## Appendix 1

- Scottish Housing Quality Standard Delivery Plan
- Draft corporate strategy
- Business plan

## Glossary

<b>Annual Performance and Statistical Return (APSR)</b>	A statutory return required by the Scottish Housing Regulator and completed by all RSLs each year. It is used to gather annual information about RSLs, and to track their performance.
<b>Asset management</b>	Ensuring that current and future assets (houses, land, etc) fully support the organisation's objectives – working towards having the right assets, of the right quality, in the right place at the right time.
<b>Banking sensitivities</b>	A series of financial tests that lenders apply when assessing the ability of RSLs to manage lending risk and repay debt.
<b>Benchmarking</b>	A process used by organisations to systematically compare service processes and performance with others to identify best practice.
<b>Care Commission</b>	The organisation that regulates the provision of care in Scotland. This includes housing support.
<b>Choice-based letting (CBL)</b>	A lettings scheme that allows people to apply for advertised vacant houses. The successful applicant is the person with the highest priority for the property they have bid for.
<b>Cyclical maintenance</b>	Planned programme of work to deal with predictable deterioration of building components, for example regular maintenance of window frames.
<b>Focus group</b>	A group of people brought together for a structured discussion on a specific subject(s).
<b>Group structure</b>	Several organisations linked legally through parent and subsidiary relationships.
<b>Happy to Translate</b>	An initiative to improve the quality of life of people in Scotland who speak or read little or no English or who use a non-verbal language. Member organisations display a logo to indicate that they will provide language assistance in the form of confidential translation and interpretation.
<b>Housing Association Grant</b>	A grant that the Scottish Government or a local authority awards a RSL to acquire land or buildings and to build, convert or improve housing for rent or low-cost home-ownership.
<b>ICT</b>	Information and communication technology systems.

<b>Industrial and Provident Society</b>	An organisation registered under the Industrial and Provident Societies Act 1965.
<b>Inspection submission</b>	Documents the landlord submits at the start of the inspection to provide information on its performance, context and structure.
<b>Intranet</b>	A restricted web-based network of information within an organisation.
<b>Key performance indicator</b>	A measure of how an organisation is achieving its objectives or performing in particular activities. Performance indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
<b>National median</b>	In a series of performance values for all Scottish RSLs, the value in central position.
<b>Partnering</b>	In contract-management, a structured approach to improving efficiency and quality of work. It aims to reduce confrontation between the RSL and its consultants and contractors. Partnering requires formal objectives, agreed methods for solving problems and searching for continued, measurable improvements.
<b>Paypoint</b>	The facility to pay bills, including rent, in local shops with the appropriate terminal. There are over 20,000 outlets in the UK.
<b>Peer group</b>	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSR.
<b>Performance Standards</b>	The nationally-agreed standards RSLs and local authorities are expected to meet in providing housing services and in managing their organisations.
<b>Post-inspection</b>	Inspection to check on quality of work for completed repairs.
<b>Pre-inspection</b>	Inspection to check what work is needed before ordering a repair.
<b>Registered charity</b>	An organisation with charitable purposes, registered with the Office of the Scottish Charity Regulator.
<b>Registered social landlord (RSL)</b>	A landlord providing or managing social rented housing that is registered and regulated by the Scottish Housing Regulator.
<b>Registered Tenant Organisation (RTO)</b>	A tenant-representative group meeting certain conditions set down in the Housing (Scotland) Act 2001 and registered

with a social landlord.

<b>Re-lets</b>	Lets made to the second or subsequent tenants. Distinguished from new lets – made when the property is first built or modernised.
<b>Response repairs</b>	Day-to-day repairs done in response to request from tenants, as opposed to planned, capital or cyclical maintenance.
<b>Right to Buy</b>	The right of many Scottish tenants to buy their property at a discounted price, depending on length of tenancy.
<b>Right to Repair</b>	Statutory scheme which sets out timescales for some repairs, and what can be done by a tenant if a landlord does not do the repair within the timescales.
<b>Schedule 7 of the Housing (Scotland) Act 2001</b>	Part 1 of Schedule 7 of the Housing (Scotland) Act 2001 restricts the types of payments and benefits that RSLs can make to employees, governing-body members and the families of employees and governing-body members.
<b>Schedule of rates</b>	A costed list of all or most of the day-to-day repairs that a client is likely to instruct a contractor to do.
<b>Scottish Housing Quality Standard (SHQS)</b>	A minimum quality standard for all of Scotland's social homes. Landlords should achieve the standard by 2015.
<b>Scottish Public Services Ombudsman (SPSO)</b>	The independent body appointed to investigate individual complaints against public-service bodies, including Registered Social Landlords (RSL).
<b>Section 5 referral</b>	Where, under Section 5 of the Housing (Scotland) Act 2001, a local authority can request a registered social landlord that has accommodation in its area to provide accommodation to homeless people.
<b>Secure by design</b>	A UK-wide accreditation scheme under which building designs and specifications are endorsed as including crime-prevention measures to help reduce the opportunity for crime and the fear of crime.
<b>Serious arrears</b>	Where a tenant owes more than 13 weeks' rent payments and this is more than £250.
<b>Shadowing</b>	An inspection technique that involves accompanying and observing staff while they carry out their day-to-day tasks.
<b>Stakeholder</b>	Any person or organisation using a landlord's service, affected by the landlord's actions or having an interest in the landlord's activities – an interested party.

<b>Technical arrears</b>	Rental charges owed to a landlord as a result of outstanding Housing Benefit claims or delayed payments.
<b>Tenant assessor</b>	Trained tenants (not of the landlord being inspected) who are part of the inspection team. They are involved in preparing for the inspection, reading landlord materials and on-site visits as well as talking to tenants.
<b>Treasury management policy</b>	A policy governing the way an organisation manages borrowing and investments.
<b>Turnover (empty houses)</b>	The number of houses that are vacated in a year, expressed as a percentage of the landlord's lettable housing stock.
<b>Wider action</b>	Actions that a landlord takes outside of its normal landlord role to promote social inclusion in the communities it serves.

## About the Scottish Housing Regulator

The Scottish Housing Regulator (SHR) is an executive agency of the Scottish Government. We exercise independently the regulatory powers of Scottish Ministers in the Housing (Scotland) Act 2001. We register and regulate independent social landlords. These are usually housing associations, but they can also be housing co-operatives or companies limited by guarantee. We also inspect the housing and homeless services provided by local authorities.

We operate independently and impartially, while remaining accountable to Scottish Ministers for the standard of our work and for inspecting and reporting within the overall context of Scottish Ministers' strategic objectives for the social housing sector and tackling homelessness. A code of practice sets out what Ministers expect from us in delegating their regulatory powers to us. Our independence is further safeguarded by a Regulation Board that supports the Chief Executive to manage and direct the organisation.

Our purpose is to:

- protect the interests of current and future tenants and other service users;
- ensure the continuing provision of good quality social housing in terms of decent homes, good services, value for money, and financial viability; and
- maintain the confidence of funders.

Our work supports the principles of public service reform by promoting good services that are organised around the needs of the people who use them. We encourage registered social landlords (RSLs) and local authorities to be open, accountable, efficient and well governed. And we expect them to provide equal opportunity and open access to their services.

[www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk)

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## Availability in other formats

This document can be translated, on request, into your community language. Please phone 0141 271 3810 or email [shr@scottishhousingregulator.gsi.gov.uk](mailto:shr@scottishhousingregulator.gsi.gov.uk).

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