

# Short Notice Inspection

Moat Homes Limited

February 2010



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# Housing Association Inspections

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

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

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

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

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

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## The Association

- 1 Moat Homes Limited (Moat) provides homes throughout Kent, Sussex, Essex, Hertfordshire and South London. The association provides mostly general needs housing but has a number of sheltered housing schemes for older people. Moat also provides supported housing, shared ownership properties, and is the Government's zone agent for HomeBuy in Kent, Sussex, and Essex.
- 2 The association is governed by a Board of 12 members, two of which are tenant board members. Moat employs approximately 450 staff.
- 3 The association's values are 'managing resources to best effect, outstanding customer service, always striving for improvement, and treating everyone fairly'.

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## The scope of the inspection

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

Dates of inspection: 24 August - 27 August 2009

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# Summary of our findings

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

**Table 1 Assessment**

How good is the service?	Assessment
<ul style="list-style-type: none"> <li>Access and customer care</li> </ul>	Strengths outweigh weaknesses
<ul style="list-style-type: none"> <li>Diversity</li> </ul>	Strengths and weaknesses are in balance
<ul style="list-style-type: none"> <li>Value for Money</li> </ul>	Strengths outweigh weaknesses
<ul style="list-style-type: none"> <li>Responsive Repairs</li> </ul>	Strengths outweigh weaknesses
<ul style="list-style-type: none"> <li>Empty Properties</li> </ul>	Strengths and weaknesses are in balance
<ul style="list-style-type: none"> <li>Gas Servicing</li> </ul>	Weaknesses outweigh strengths <sup>1</sup>

- 8 We asked Moat to consult with its customers on the findings of our original report on the strengths and weaknesses of the service areas we inspected; and on the preparation of an action plan to implement our recommendations. Following receipt of that action plan this final report has been published to include our assessment of the association's prospects for improvement.
- 9 We have assessed Moat as having 'excellent prospects for improvement' for the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and the short notice inspection action plan agreed with customers. These are summarised below.

**Table 2 Assessment of prospects for improvement**

Prospects for Improvement <sup>2</sup>	Assessment
Track record of improvement	Strengths outweigh weaknesses
How well is performance managed	Strengths outweigh weaknesses
Is there capacity to improve	Strengths considerably outweigh weaknesses

<sup>1</sup> Gas Servicing was originally scored as strengths considerably outweigh weaknesses; however, this was changed when errors in the gas servicing database were discovered. Following a recalculation of the association's performance, their score has been downgraded to weaknesses outweigh strengths.

<sup>2</sup> In relation to the service areas inspected

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# How good is the service?

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## Access and Customer Care in the service areas inspected

10 Strengths outweigh weaknesses in this area.

11 There are a number of strengths.

- Frontline staff are professional and knowledgeable. Moat has made a significant investment in customer care training, which is delivering a strong focus on customer care.
- There is a range of ways for customers to access services, including in person, via the telephone, and through the website. This means that customers can easily access services in a way that is convenient to them.
- Telephony and the call centre offers a positive customer experience, with 91.9 per cent of calls currently being answered within the 20 second target time and only 1 per cent of calls being abandoned.
- Good quality written information is available to customers, which includes comprehensive information on the inspected services and an informative quarterly newsletter to all customers with relevant articles, such as promoting access for the gas servicing programme.
- Service standards have been agreed with customers and are published in a leaflet and on the website.
- Customers help shape and improve services through a range of involvement opportunities. For example, improvements in how repairs are reported online came about as a result of feedback from customers' mystery shopping the service.
- Complaints are dealt with effectively (99 per cent are responded to within target time) and Moat can demonstrate learning from them. For example, properties now receive an additional check by Neighbourhood Officers before accompanied viewings to ensure they meet the lettable standard.

12 There are a few weaknesses.

- There is an inconsistent customer experience at public offices, with some locations being inaccessible offices where staff are based rather than high quality public reception areas.
- Services standards do not comprehensively cover all inspected services. Performance against the standards is not displayed for customers so they are unlikely to know how Moat performs against expectations.

## How good is the service?

### Diversity in the service areas inspected

13 We found that strengths and weaknesses are in balance in this area.

14 There are a number of strengths.

- Moat is committed to equality and diversity and this is supported by a strategic approach.
- Information is available in a variety of formats and staff from Moat and its contractors can immediately access translation services to ensure they can communicate with residents whose first language is not English.
- There is a focus on identifying and meeting the needs of vulnerable customers. Services are monitored by the six diversity strands and this information informs staff and contractors on the specific needs of individual customers and allows them to tailor the services they deliver accordingly.
- There is a representative workforce that reflects the communities in which Moat operates.

15 There are a number of weaknesses.

- Moat has no record of undertaking a self assessment against the Human Rights and Equality Commission's (HR&EC) code of practice in rented housing, which represents a missed opportunity to check services adhere to guidance.
- Moat does not hold comprehensive information on its customers, with only 60 per cent of customer profiles known. It is now focused on obtaining this information from its customers, but there are currently few examples of it being used to inform decision-making and tailoring services to meet diverse needs.
- All key policies and procedures have been initially screened for their equalities impact but a programme of full equality impact assessments has not yet begun, so Moat cannot demonstrate that potential barriers to customers accessing services have been identified and addressed.
- Some of Moat's public offices are not fully accessible by people with disabilities.

### Responsive repairs

16 We found strengths outweigh weaknesses in this area.

17 There are a number of strengths.

- Emergency and urgent repairs are completed quickly and performance is above target.
- 89.78 per cent of customers who recently had a responsive repair completed were satisfied with the service they received, as were all the customers we spoke to.
- The standard of completed repairs that we saw was high.

- There are a range of ways for customers to report a repair and repairs calls are dealt with by dedicated repairs staff in the Moat call centre.
- The repairs service is customer-focused with a range of ways for customers to report a repair; appointments are provided to all customers when they call to report a repair; a user-friendly diagnostic tool is available on the website to help customers to accurately report repair needs; and 78 per cent of repairs are completed right first time.

### 18 There are some weaknesses.

- 95.35 per cent of routine repairs are completed within 30 days, which is below the 96 per cent target.
- Customers experienced a variable performance in achieving routine repairs on time that led to backlogs building up and increased numbers of complaints.
- Target times for completion of repairs are not challenging at 24 hours to complete an emergency repair, seven calendar days to complete an urgent repair, and 30 calendar days to complete a routine repair.

## Empty properties

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

### 20 There are a number of strengths.

- Empty homes are well maintained. Ready to let homes are handed over to customers in a good condition and 96.6 per cent of customers are satisfied with the condition of their new home.
- Moat is customer-focused in its approach to reletting properties, such as undertaking accompanied viewings with new customers, providing a welcome pack, and offering choice for new customers to retain existing fixtures and fittings.
- There is a focus on reducing the relet time, which means that new customers homes are getting their homes quicker, although not yet quick enough.

### 21 There are some weaknesses.

- Moat is too slow in reletting properties. It currently takes an average of 42.96 days to relet its properties, which is significantly in excess of its target of 25 days, this does not compare well against others.
- The current lettable standard is too detailed to provide customers with a good idea of what standard of property they can expect and it is given to them at sign-up and not at the accompanied viewing. A revised lettable standard is currently being devised with customers.
- There is a lack of transparency about decoration allowances and the value of allowances that customers will receive.

## How good is the service?

### Gas servicing

22 We found weaknesses outweigh strengths in this area<sup>3</sup>.

23 There are a number of weaknesses.

- The database used to record gas servicing has not been properly maintained in the last few years which means several hundred homes have not been serviced on a regular basis.
- Performance in August 2009 (when the inspectors were on site) fell from 99.9 per cent to only 94.6 per cent, following the discovery of errors in the gas database.
- The gas servicing programme is not currently offered to leaseholders or shared owners, which make up a significant proportion of Moat's properties. However, publicity has been prepared and this service will shortly be available.

24 There are a number of strengths.

- Customer satisfaction with gas servicing is high at 98.2 per cent and above the 85 per cent target.
- The gas safety programme is customer-focused, with flexible appointment times offered and written information available for customers in offices and on the website.
- There are clear processes in place to ensure Moat manages the gas safety programme and contractor, with payment made when checks are completed. This helps to ensure the programme is delivered effectively to customers.
- Independent third party checks provide assurance on the quality of gas safety programme.
- Moat takes the opportunity to undertake additional safety checks at the time of the gas service, such as solid fuel systems, smoke alarms, and visual checks of residents' own gas appliances.

### Value for money in the service areas inspected<sup>4</sup>

25 We found strengths outweigh weaknesses in this area.

26 There are a number of strengths.

- There is a culture of seeking value for money throughout the association, supported by a clear strategy linked to delivery of improvement actions.
- Moat has a good understanding of costs, performance, and how these compare. It makes use of this information to implement more efficient ways of working, addressing higher cost services, reducing costs to the association, and challenging contractors.

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<sup>3</sup> 3 Gas Servicing was originally scored as strengths considerably outweigh weaknesses; however, this was changed when errors in the gas servicing database were discovered. Following a recalculation of the association's performance, their score has been downgraded to weaknesses outweigh strengths.

<sup>4</sup> In assessing value for money we are looking at two questions: 'How do costs compare?' and 'How is value for money managed?'

- Moat uses external expertise to appraise the procurement options available in order to maximise the value for money secured on a range of goods and services being procured.
- Significant efficiency savings have been delivered while gaining greater quality of services. For example, Moat achieved a 9.5 per cent saving on the cost of the current gas contract while securing additional safety checks and top quartile performance.

### 27 There are some weaknesses.

- The current contract for responsive repairs and repairing empty properties does not offer value for money in terms cost and quality.
- The slow relet time means rent is lost to the association that could have been spent on providing services to its customers.

# Recommendations

28 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs<sup>5</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the organisation shares the findings of this report with tenants and board members; and takes action to address all weaknesses identified in the report. Associations forming part of a group structure should share the lessons and findings of the report amongst the wider group. The inspection team makes the following recommendations.

### Recommendation

**R1** Strengthen the customer experience by:

- agreeing a planned approach with customers to continue to improve access to all services;
- ensuring that public offices offer a consistent experience to customers; and
- reviewing service standards so they are measurable and cover all services.

The expected benefits of this recommendation are:

- a consistent customer experience for all customers visiting any Moat office that is open to residents; and
- customers will know what level of service to expect.

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

### Recommendation

**R2** Strengthen the approach to equality and diversity by:

- undertaking a self assessment of Moat's services against the HR&EC code of practice in rented housing;
- increasing the proportion of customer profile data available and ensuring this is used to tailor service provision appropriately; and
- completing a programme of full equality impact assessments.

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

The expected benefits of this recommendation are:

- a better knowledge of the needs of customers; and
- an ability to demonstrate services are delivered equitably.

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

### Recommendation

**R3** Strengthen the approach to empty properties by:

- significantly reducing the time taken to relet properties to customers.

The expected benefits of this recommendation are:

- a reduction in the amount of time new customers wait for their new home; and
- more rental income available to be spent on services to customers.

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

### Recommendation

**R4** Strengthen the approach to gas servicing by:

- ensuring that there are robust procedures in place to ensure that all properties receive an annual gas safety check and that these procedures are audited for compliance on a regular basis.
- offering leaseholders and shared owners the opportunity to participate in the annual gas safety programme.

The expected benefit of this recommendation is:

- a reduced risk of death from carbon monoxide poisoning to all of Moat's residents.

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

# Prospects for improvement

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## Summary of our findings

**29** We have assessed Moat as having excellent prospects for improvement for the service areas included in the scope of the inspection. Our judgements are based on the evidence obtained during the inspection and the short notice action plan agreed with customers are outlined below.

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

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

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

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

- There have been a number of service improvements over the last eighteen months that customers would notice, such as repairs appointments, additional safety checks, and a welcome pack for new tenants.
- Moat has made good progress against the range of improvement plans in place, which are helping to meet its core objectives.
- The association has responded positively to the inspection and has already made progress in addressing the recommendations of the interim report, such as devising service standards with customers to cover all services and collecting more customer profile information in partnership with contractors.
- There is a positive track record on improving performance in 2009/10. For example, when it came to light that performance on gas servicing had been overstated, immediate action was taken to ensure that all properties have a current safety certificate. Compliance is now 99.7 per cent (mid January), with clear plans in place to reach 100 per cent compliance very shortly.
- Customer satisfaction levels have improved and are now above target.
- Moat is securing improved value for money and savings through an understanding of costs and use of a range of procurement methods, while improving performance and services to customers.

**32** There are a few weaknesses.

- Performance on overall void turnaround time still does not compare well.
- Prior to 2009/10, performance and customer satisfaction were mixed and did not always meet targets.

- Progress on equality and diversity has been slower than expected and Moat has yet to start a programme of full equality impact assessments.
- The current contract for responsive repairs and repairing empty properties has not delivered value for money in terms of cost and quality until recently, and these are significant services for customers and this is a high value contract for the association.

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

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

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

- Moat has a clear vision and a hierarchy of SMART improvement plans in place to deliver it. These have been enhanced by agreeing a comprehensive action plan with its customers to address the recommendations in the interim report.
- There is an effective performance management framework that provides the Board, staff at all levels, and customers with opportunities to monitor and scrutinise performance and improvement. This provides assurance that improvements are being delivered and an appropriate focus is given to managing weaker performance including weaknesses identified during this inspection.
- There is a strong culture of managing performance and seeking continuous improvement supported by strong and effective leadership and direction from senior managers and the Board.
- There is a focus on internal learning, using feedback from customers, from other organisations in and beyond the housing sector, and from good practice to improve services to customers.
- Moat has dealt effectively with difficult contractual issues, ensured performance to customers has improved, and has learnt from this.
- There has been effective budget management to ensure these deliver improvements to services.
- Risks are identified and actions are in place to mitigate these, which helps to ensure service continuity to customers.

**35** There are some weakness.

- Performance against some service standards have only recently been reported to customers and scrutinised through the performance management framework.
- Internal audit arrangements failed to highlight inaccuracies in the gas servicing database, which meant that many homes did not receive an annual gas safety check.

## Prospects for improvement

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

36 We found strengths significantly outweigh weaknesses in this area.

37 There are a number of strengths and no weaknesses.

- Moat is financially viable and has resources to support its plans for improving the inspected services.
- The Board and the executive team work well together and possess the experience, capacity, and skills to effectively manage the association and improve the inspected services.
- There are sound human resource management practices in place, with low staff turnover and sickness levels.
- Staff are well informed, highly motivated, effectively supported by professional and personal training and development, and morale is high.
- IT systems support staff to deliver responsive and customer-focused services, such as the use of handheld technology to allow gas safety engineers to provide customers with their gas safety certificate after the check has been completed.
- A variety of procurement methods are used to deliver value for money and more efficient ways of working through the new contracts covering all of the inspected services.
- Moat is engaged in effective partnership working with a range of organisations, which is adding capacity and helping to improve services to customers.

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# The Audit Commission

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As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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