

Pathfinder Inspection Report

September 2004

Paragon Housing Association



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1. Introduction

The role of Communities Scotland

- 1.1 Communities Scotland is the executive agency for regeneration and housing, directly responsible to Ministers. Our aim is to work with others to improve the quality of life for people in Scotland.
- 1.2 The Housing (Scotland) Act 2001 gives Communities Scotland the role of regulating Registered Social Landlords (RSLs) and the landlord, homelessness and factoring services of local authorities. Our purpose as a regulator is to promote quality, continuous improvement and good practice in these services, for the benefit of current and future tenants, and other service users. One way we do this is through the inspection of RSLs and local authorities. Inspections provide an in-depth assessment of an organisation, its service quality and its ability to improve. Our *Guide to Inspection* describes how we carry out inspections.

The standards we use

- 1.3 We have published *Performance Standards* with the Convention of Scottish Local Authorities (CoSLA) and the Scottish Federation of Housing Associations (SFHA). These standards set out our joint expectations for the performance of all social landlords and homelessness functions. The inspection process is built around an assessment of how well these standards are being met. We tailor our inspections to take account of the RSL's role, the local context in which it operates and the standards the RSL and local authority has agreed with its own tenants and service users.
- 1.4 The Guide to Inspection and Performance Standards are available on our website at <http://www.inspection.communitiesscotland.gov.uk>.

How we assessed performance

- 1.5 Our inspectors asked three key questions about this RSL:
 - How good are the services we have inspected?
 - How well are the RSL and its services being managed?
 - Are the services and the RSL likely to improve?
- 1.6 In order to answer these questions inspectors:
 - spoke to tenants and staff at Paragon and to members of Paragon's governing body;

- asked other organisations that work closely with Paragon for their views;
- visited homes that it owns and manages;
- saw and tested first hand how well services were being delivered and how well Paragon responds to its service users by doing things like shadowing and observing staff and sampling cases;
- checked key policies, publications and information for service users; and
- took account of Paragon’s self-assessment submission.

1.7 You will find more details about who we spoke to, what kind of checks we carried out and what documents we reviewed in Appendix 1. Aspects of Paragon’s performance that we consider to represent particularly positive practice are highlighted in Appendix 2.

1.8 Following our assessment, we awarded grades for:

- the overall performance of the RSL;
- governance and financial management;
- housing management services; and
- property management services.

1.9 Although Paragon is also involved in property development, this area of its activity is at an early stage, and on a small scale. We have not, therefore, awarded a grade for property development. However, progress to date in property development has been included in our assessment of Paragon’s overall performance.

1.10 This is what our grades mean:

A	Excellent	Major strengths
B	Good	Many strengths and some areas where improvement is needed
C	Fair	Some strengths, but with significant areas where improvement is required
D	Poor	Major areas where improvement is needed

1.11 We also assess the RSLs likelihood to improve and describe this overall, and in each service as:

- Excellent
- Promising
- Uncertain, or
- Poor

The inspection of Paragon Housing Association Ltd

- 1.12 The inspection team for Paragon was led by David Love (Inspector) and was supported by Janet Buchanan (Inspector), Iain Fitheridge (Inspection Officer) and Murray Smith (Financial Analyst). We were on site at Paragon between 4 May and 24 May 2004. We would like to thank everyone involved in the inspection, particularly the Committee, staff and tenants for their time and co-operation.
- 1.13 This report presents our findings and recommendations. It is published, together with a summary, on our website at <http://www.communitiesscotland.gov.uk>. Paragon must make the summary available to anyone that wants it, report our findings to tenants and other stakeholders and implement an improvement plan to respond to our recommendations and the issues raised in this report.

2. Context

Paragon Housing Association Ltd

- 2.1 Established in 1997, Paragon was registered with Scottish Homes as a Registered Social Landlord in February that year. Paragon is a General Industrial & Provident Society, with its office located in Grangemouth. Paragon mainly provides general needs housing, along with a small number of supported houses within the Forth Valley area. Paragon was formed to take over ownership of houses from Communities Scotland's predecessor, Scottish Homes, and through a series of voluntary stock transfers owns and manages housing in three local authority areas.
- 2.2 Paragon is governed by a Management Committee drawn from its membership. The Committee includes tenant, general and partner local authority representatives, providing a range of skills and experience.
- 2.3 Paragon has 1464 houses for rent, and the Association also currently provides factoring and management services to 88 owner-occupiers within its area. Paragon's housing area spreads across Clackmannan, Grangemouth, Falkirk and Stirling.

Key statistics

- 2.4 Paragon owns a range of types of dwellings, detailed in the table below. Around two-thirds are houses, the remainder are flats. Almost all the dwellings were built after 1945.

Paragon Property Types

	All Types	House	Tenement	4 in a Block	Other flat/ Maisonette
Pre 1919	6	0	6	0	0
19-19 – 1944	0	0	0	0	0
1945 – 1964	949	622	237	52	38
1965 – 1982	516	314	140	0	62
Post 1982	20	14	0	0	6
TOTAL	1,491	950	383	52	106

Source: 2002/03 Annual Performance and Statistical Return

- 2.5 The table below presents summary contextual information for Paragon, showing trends over the last three financial years.

Key Statistics

	2000-2001	2001-2002	2002-2003
Number of properties owned	1037	1382	1491
Number of properties factored	86	90	90
Number of members	166	380	476
Number of board members	10	14	16
Number of tenant board members	7	9	9
Number of employees	15.8	19	21
Annual turnover	£1,932,000	£2,925,000	£3,452,000
Total possible rental income	£1,929,510	£2,914,547	£3,226,693
Rental income from housing benefit (%)	N/A	52	51.8
Average weekly rent	£37.95	£39.93	£40.95
Average rent increase (%)	3.2	4.1	2.4
Number of relets	102	163	139
Number of responsive repairs	3259	5106	4735
Number of Right To Buy Sales	17	24	47

Source: Annual Performance and Statistical Returns / annual accounts

3. Overall Performance

- 3.1 Paragon has a good understanding of its strengths and weaknesses, and is proactive in developing plans and measures to improve performance. It provides good repairs and housing management services, and takes a very good approach to ensuring tenants can participate in and influence delivery of services and priority setting. In our assessment of its overall performance we have found that Paragon provides good quality services and is well managed, and is performing well for an organisation of its relatively young age.
- 3.2 Its performance against key performance indicators in areas such as rent arrears and void properties is below its peer group averages, but performance trends are improving. It is developing its approach to property development in a measured way, and is taking positive steps as a participant in wider action activities as part of its strategic objectives.
- 3.3 The main areas where it needs to improve relate to the absence of medium term planning, and limitations in its ability to demonstrate it meets equalities requirements. There are also improvements needed in its assessment and documentation of risk and its procurement decisions. In terms of individual services, it needs to improve its management of its housing waiting list, void properties and gas safety services.
- 3.4 The overall grade takes account of Paragon's performance in governance and financial management, performance in each service area, its organisational effectiveness, its commitment to social inclusion, and its likelihood of improvement.

B	Paragon is a good performer with many strengths and some areas where improvement is needed. The prospects for improvement overall are promising.
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- 3.5 These are the inspection grades achieved by Paragon for its main areas of service delivery:

Governance and Financial Management	B	<p>Paragon is a good performer in governance and financial management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in governance and financial management are promising.</p>
Housing Management	B	<p>Paragon is a good performer in housing management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in housing management are excellent.</p>
Property Management	B	<p>Paragon is a good performer in property management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in property management are promising.</p>

Key findings on overall performance

3.6 Overall, these areas are working well in Paragon:

- ✓ Paragon's services are accessible to tenants and other service users.
- ✓ Paragon has developed a good approach to Tenant Participation and is working with tenants to strengthen its approach further.
- ✓ It provides a good level of information to tenants and service users on its services and performance.
- ✓ It has a good self-awareness of its strengths and areas where improvement is needed, and has plans in place to address them.
- ✓ Paragon has developed a detailed and comprehensive Internal Management Plan with the involvement of staff, Committee and tenants, that feeds into targeted Activity Plans for each service area.
- ✓ Paragon has a good awareness of its resource needs, and shows a commitment to directly incorporating service and staff priorities in developing strategies and plans.

3.7 Overall, these areas could be working better:

- The policy framework for directing its approach to equal opportunities is in need of review.
- Whilst short and long-term plans are detailed, there is a lack of medium term planning.
- Complaints monitoring does not include recording and assessment of informal complaints.

3.8 These are our key recommendations. They are broadly in order of significance:

- ❖ Paragon should develop a comprehensive framework to promote equal opportunities, so that it can demonstrate it is meeting its legal requirements.
- ❖ A framework for medium-term organisational planning should be established.
- ❖ Complaints monitoring should be developed to include complaints that are received informally by Paragon.

How good are the services overall?

3.9 This section assesses how good the services are overall that people get from Paragon. We have considered services against the five broad criteria of accessibility; participation and responsiveness; accountability; equalities; and sustainability. Some issues outlined here are dealt with in more detail in later parts of the report. We have not, therefore, repeated all the recommendations about service improvements in this section.

Accessibility

3.10 Paragon provides good access to its services. For example, tenants and owners have a range of options for reporting repairs and paying rent or charges. Paragon has carried out surveys, both on specific services, and wider satisfaction surveys such as its Winter Survey in 2003, and the results show tenants are satisfied with the range and accessibility of options open to them.

3.11 Paragon's office is situated on the main street in Grangemouth, with good public transport and road links to its housing in the town, and to its stock in the Falkirk, Stirling and Clackmannan areas. The office reception is currently on the first floor of the building, and a stairlift is provided to enable those with mobility problems to visit the office. Paragon has recognised the limits to accessibility of the current office location, particularly in respect of disabled visitors. Plans to move and expand the office were at an advanced stage at the time of our inspection, with the

reception moving to the ground floor. Paragon took a good approach to developing its plans with accessibility issues given priority. It involved consultants with a specific role in ensuring the new office will meet legal and good practice requirements around disability. The planned new office will also aim to make Paragon's location more prominent through improved signage. This work was scheduled to commence in late May 2004.

- 3.12 As well as its main office, Paragon also makes services more locally accessible through weekly contact points, using local community facilities in its estates in Sauchie and Alloa.

Participation and responsiveness

- 3.13 Paragon demonstrates an excellent approach to tenant participation, and shows a commitment to developing its approach further with direct input from tenants. It supports a number of Registered Tenant Organisations and representative groups to promote involvement, and we saw good examples of how tenants' involvement has influenced service delivery. Details of these can be found in Appendix 2 of this report.
- 3.14 Paragon has developed a good Tenant Participation Strategy in an innovative way, by jointly agreeing a Core Strategy with its partners Clackmannanshire Council and Ochil View Housing Association. More detail on this positive approach is in Appendix 2 of this report.
- 3.15 Paragon's Tenant Participation Action Plan was developed with input from tenant groups and individuals, and was approved in March 2003, meeting tenant participation funding requirements. It clearly sets out Paragon's objectives, and identifies how these are to be achieved and how progress will be monitored. It is reviewed annually, and most recently Paragon collected tenants views on the issues and ways they would like to be consulted through the 2003 Winter Survey. The results were positive and were fed into the annual review in March this year. The Action Plan could be improved further by including specific target timescales for each action point.

Recommendation 1:

Paragon should include target timescales for individual objectives in its Tenant Participation Action Plan where appropriate.

- 3.16 Paragon met its legal obligations under the Housing (Scotland) Act 2001 to consult with tenants over its annual rent increase. However the level of

detail provided to tenants could be improved, and this issue is discussed in more detail in Section 5 of this report.

- 3.17 Paragon shows a commitment to using service user feedback in developing its services as well as its future plans. It asks tenants for views on its responsive and planned repairs services, and adaptations, and the results show that tenants are very satisfied with the quality of work carried out, and the quality of the services. At the time of inspection Paragon was carrying out a survey of satisfaction with its housing allocations and lettings service and a wide-ranging tenant satisfaction survey is planned for later this year. It has also recently established a tenants' and residents' Focus Group, to enable it to develop specific service or policy measures with direct input from its stakeholders.
- 3.18 It provides tenants and service users with a range of good quality information on services, including a housing applicant's guide, service leaflets and a quarterly newsletter for tenants. The Tenant Handbook is comprehensive, although it does require some updating to reflect changes in legislation, including the 2001 Act. Paragon has recognised it needs to improve the level of information provided to new tenants. At the time of inspection a review of the Tenant Handbook was underway, and it was developing a checklist for staff to ensure a range of pertinent issues are covered from the accompanied viewing stage to sign-up.

Recommendation 2:

Paragon should complete its review of the Tenant Handbook to ensure references to legislation and services are up to date, for example relating to its Right to Repair scheme. It should ensure that new tenants are given useful information in a consistent way.

- 3.19 Paragon communicates well with service users. Staff from across the organisation deal responsively and effectively with enquiries and requests for information. This is reflected in the positive feedback on service quality that Paragon has collected from users.

Accountability to service users

- 3.20 Paragon provides good quality information on its performance to service users. Information on key performance indicators is publicised through its Annual Report and newsletters. It provides monthly updates on performance in areas such as repairs, rent arrears and voids on its office noticeboards, and these are also available on its website. It is aware of the need to ensure tenants and service users are provided with relevant and useful information, and a key part of the 2003 Winter Survey sought

views on which services users were keen to receive performance information about, and the best ways to provide that information. It plans to develop its approach further by consulting the Focus Group over the coming months on the range of performance information it provides.

3.21 Paragon's complaints policy is clear and comprehensive, and is publicised through a leaflet, the Tenant Handbook, notices in its office reception and on its website. The Scottish Public Services Ombudsman confirmed it has not received any complaints about Paragon since its last Performance Audit in 1999. The Ombudsman suggested that in carrying out its current review of the policy, Paragon should:

- reduce the three stages of formal appeal to two;
- indicate the procedure for making a complaint against the Director;
- include details of its approach to whistleblowing; and
- provide details of time limits for complainants to bring their complaint to the Ombudsman.

3.22 Complaints are handled responsively and in line with policy. Complaints are monitored by the Finance and Operations Manager and reported to Committee on a quarterly basis. Paragon could improve the usefulness of its complaints information by systematically analysing those it receives informally, for example when staff visit tenants as part of their routine duties. This would help Paragon to fully assess the quality of services it provides.

Recommendation 3:

Paragon should address the Ombudsman's recommendations as part of its planned review of the Complaints Policy. It should also establish systems to monitor any informal complaints it receives.

3.23 Paragon has a Comments and Suggestions scheme in place, with a collection box located in the office reception. It has acknowledged that there has been a limited response to the scheme in the first year of operation, and it plans to review its promotion of the scheme within its new office reception.

Promoting equality and embracing diversity

3.24 We spoke to staff from across the organisation about their approach to equality and diversity issues, and found good levels of awareness about how to deal with the different needs of service users. Paragon was aware that it could improve the level and detail of information it had about its tenants particular needs and circumstances, and made good use of the

opportunity presented by its Scottish Secure Tenancy sign-up programme to collect comprehensive tenant information.

3.25 However, Paragon cannot clearly show that it is meeting its legal obligations relating to equal opportunities. Specifically it is required to promote equality and diversity throughout its operations and services. It acknowledges that its overall approach and strategy towards equalities needs to be reviewed. Its Equal Opportunities and Racial Harassment policies are overdue for review, having been approved by Committee in March 1998. It included these policy reviews as an objective within its Internal Management Plan (IMP) in 2001, along with a review of its overall equalities strategy and monitoring arrangements. However, these objectives were not achieved due to competing priorities. The equalities policy review was rescheduled within the current IMP, and was due to be completed shortly after our inspection. Paragon is taking a good approach to the review, for example by incorporating consultation with tenants and stakeholder organisations in developing its policy. This will be followed by prioritised training for all staff and Committee members. It is important that Paragon completes this review as planned, to ensure that its policy meets legislative requirements.

3.26 Paragon's monitoring arrangements relating to equalities are limited. For example it collects race and disabilities information from its housing applicants, but does not regularly monitor or report on this information; similar information along with gender details is collected from individuals applying for employment, but again this is not regularly reported on. It needs to ensure it develops a more structured system of equalities monitoring to enable it to demonstrate it is meeting its legal obligations.

Recommendation 4:

Paragon should develop a comprehensive framework to address equality and diversity throughout its activities. It should:

- make sure it meets its legal obligations relating to equal opportunities and review equalities performance on an ongoing basis;
- complete its review of its equal opportunities policies, and implement them as a priority;
- carry out its planned equalities training for staff and Committee in line with its target timescales; and
- regularly monitor and report on equal opportunities across services and activities.

3.27 Some good arrangements are in place to make service user information available in a variety of formats, but Paragon's approach to this could be

more comprehensive. For example the Association's SST and Tenant Handbook are available in tape, large print and Braille formats. However its housing application form is not currently available in similar formats. Paragon does not currently retain documents in community languages, however interpretation services can be made available, and staff showed a good awareness of how to access such services. A portable hearing induction loop is also available in its office.

Sustainability

- 3.28 Paragon is developing a positive approach to sustainability, and has established a Sustainability Policy, outlining the Association's objectives which in turn are to be pursued through an action plan. Sustainability objectives are also an integral part of the IMP.
- 3.29 It has taken positive measures towards meeting its objectives, for example by installing an innovative, environmentally friendly heating and ventilation system in its sheltered housing complex in Stirlingshire. Its ongoing heating replacement programme promotes use of energy-saving boilers, and it plans to carry out a sustainability option appraisal of alternatives to electric storage heating in its houses, as part of the IMP.
- 3.30 Whilst the policy was approved in September 2002, Paragon has not yet established an action plan as intended. The policy is scheduled for review in July 2004, and the Association should ensure that an updated action plan is put into operation quickly following this review. This will enable it to pursue its sustainability objectives in a planned way, and enable improved monitoring of performance.

Recommendation 5:

In reviewing its sustainability policy as planned this year, Paragon should ensure that the resulting Action Plan details how it will meet its objectives, and includes targets for this. It should ensure the Action Plan is put quickly into practice and monitor progress on an ongoing basis.

How well is Paragon managed overall?

Planning and performance management

- 3.31 Paragon's approach to planning and performance management is good. Its use of key planning tools – its 30-year Business Plan, its IMP, and its Strategy and Development Funding Plan (SDFP) – is coordinated and

ensures a well planned approach to meeting its strategic and service objectives.

- 3.32 The IMP comprehensively details the Association's overall objectives, how they will be achieved, and who within the organisation will take responsibility for pursuing them. It also details timescales for when objectives should be achieved, although these are not always detailed consistently throughout the plan. Overall strategic objectives are translated into specific objectives and targets for each service area through Service Activity Plans. Progress against these is monitored and reported to the relevant Sub-Committee. Paragon's SDFP provides a comprehensive framework for its development activity, and details how its development objectives fit in with the organisation's overall strategic aims.
- 3.33 Staff and Committee Members show a good understanding of strategic and individual objectives. IMP objectives are determined through input from staff, Committee and tenants, for example through the Winter Survey which asked tenants about the issues that were important to them. The results of the survey were fed back to Committee as an integral part of the priority and objective setting process, leading up to approval of the IMP in April 2004.
- 3.34 Paragon operates a good formal staff appraisal system, and we looked at a sample of recent appraisals from across staff levels and departments. We found that there were good clear links between individual work and training objectives, service objectives and Paragon's overall objectives. Staff clearly understand the roles they play in taking organisational objectives and priorities forward.
- 3.35 The Association has acknowledged the lack of medium term planning as a weakness. The impact of this is also highlighted in sections 4 and 6 of this report, relating to Paragon's financial planning and maintenance planning respectively. Paragon aims to develop a three to five-year plan during the current financial year, and this objective is included in its current IMP. The absence of medium term plans was highlighted in our Performance Audit in 1999, and Paragon had planned to include this within the IMP later that year. However this was not done, and the focus on long-term planning for its further stock transfers took priority. It is appreciated that Paragon has been expanding and developing its stock and scale of operations at some pace since it was created in 1998, and that it has focussed on developing its 30-year business plan as a result.

Recommendation 6:

Paragon should ensure it meets its own objective to develop medium term business planning as part of its overall planning framework.

- 3.36 Paragon monitors performance across key areas, and reports on progress monthly to Committee, along with assessment of progress against individual Service Activity Plans on a quarterly basis. It has acknowledged that performance reporting to Committee could be more accessible and, in response, is developing the format of reports to include summaries of key performance indicators in different service areas, as well as increased use of tools such as graphs and tables to better illustrate performance trends. It does not currently benchmark its performance against peer RSLs, however, its involvement in forums such as the Forth Valley Housing Network provides opportunities for development in this area. Paragon aims to have set up a benchmarking club with other RSLs in the area by September 2004.

Policies and procedures

- 3.37 Paragon has a good framework in place for development and review of policies and procedures. Policies are stored centrally on its ICT system for access by staff, and it has established links to relevant procedures to guide staff activities and decisions. It is aware that some policies are out of date, and has established a policy review schedule with the IMP to prioritise reviews. It has involved tenants in reviews of policies, such as its Allocations policy and Rent Setting policy, and is developing the Focus Group to play a role in service and policy reviews in the future.

Managing its resources

- 3.38 Paragon has an open approach to staff recruitment and provides new staff with an induction programme. Its comprehensive staff appraisal system is supported well by annual training needs assessments for each staff member. It makes good use of appraisals, and the format of the appraisal form allows detailed assessments of progress made against organisational and individual objectives. Areas where development or training is required are then translated into an organisational training programme, which is included in the budget setting process.
- 3.39 Paragon has recognised the importance of including staff in developing future plans and potential changes to the organisation's structure. With this in mind it recently carried out a Staff Attitude Survey, covering areas such as staff views of the organisation and working conditions, levels of job satisfaction, and quality of communication. Responses have been

collected but have not yet been analysed, and it is aware that this should be done quickly to ensure the accuracy and usefulness of results is maximised.

Procurement

- 3.40 Paragon is developing a value for money approach to procuring goods and services, and is currently pursuing procurement of a new ICT system, based on clear criteria with input from Committee members and staff across the organisation and seeking to balance quality and price.
- 3.41 It has demonstrated openness to using innovative methods of procurement. For example its major kitchen replacement programme features a partnering arrangement between the Association, a kitchen unit supplier and a separate contractor which fits the kitchens. This approach has enabled Paragon to meet its tenants desire for choice, and to provide good quality fittings, whilst balancing cost and quality. Feedback from tenants has been very positive, with around 92% of tenants expressing satisfaction with the work done in their homes. The positive outcomes of this project have led Paragon to consider similar approaches to future projects, for example its forthcoming planned painterwork projects.
- 3.42 Paragon has also demonstrated a commitment to involving tenants in its procurement decisions. Its positive approach is detailed in Appendix 2 of this report.
- 3.43 It has also recognised that there are areas where improvement is required. Clearer recording of procurement decisions would enable it to maintain better audit trails of its decisions. It uses external consultants for most of its contractor selection activities, to ensure an open and balanced approach. However, it is important that the Association can openly demonstrate how such decisions are made. Our filechecks confirmed that some recent procurement decisions are more clearly recorded, but Paragon should ensure it maintains clear and consistent records of all procurement decisions. We also found that whilst it regularly reviews its contractors performance, it does not regularly review consultant performance in a similar way.

Recommendation 7:

Paragon should improve its approach to recording its procurement decisions, so that it can clearly demonstrate openness and accountability. It should regularly review performance of its consultants as well as contractors, to ensure it receives cost-effective services.

How likely is Paragon to improve?

3.44 Paragon's overall likelihood to improve is **promising** because:

- The Association has a good understanding of its strengths and weaknesses, as demonstrated by the good quality of its Inspection Submission.
- It demonstrates a commitment to improvement through clear plans to address performance weaknesses.
- It adopts an inclusive approach to setting its objectives within the IMP and service activity plans, involving staff, Committee and tenants in setting priorities.
- It takes a positive approach to self-assessment, and incorporates service user feedback into service planning and improvement plans.
- There is evidence that its self-awareness and commitment to improvement has resulted in improved performance in key service areas.

4. Governance and Financial Management

Overall Assessment of Governance and Financial Management

B	<p>Paragon is a good performer in governance and financial management with many strengths and some areas where improvement is needed.</p> <p>The prospects for improvement in governance and financial management are promising.</p>
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4.1 These are the areas that are working well:

- ✓ The Committee has a wide range of relevant skills and a good awareness of where further skills or training is required.
- ✓ Paragon provides good support to new and existing Committee Members.
- ✓ All Committee places are filled, and membership levels are good and increasing.
- ✓ There is a good approach to assessing and managing strategic risks to the Association.
- ✓ Paragon takes a good approach to internal audit, and responds positively to address areas of weakness.
- ✓ 30-year cash flow projections are in place that are reviewed and updated annually and currently indicate long-term viability.
- ✓ The financial management framework is good.

4.2 These are the areas that could work better:

- The assessment and documentation of risk for individual projects is not always complete.
- There is some inconsistency in the recording of Committee decisions relating to Schedule 7 of the 2001 Act, and arrangements for managing Committee Members' interests is not applied to staff.
- Detailed medium-term financial projections are not currently prepared, although this was acknowledged at the time of inspection.

4.3 These are our key recommendations. They are broadly in order of significance:

- ❖ Paragon should ensure detailed risk assessments are carried out for individual projects, and are reported to Committee to ensure there is a sound basis for decisions.

- ❖ It should establish and maintain a register of staff members' interests, and manage any conflicts of interest that arise.
- ❖ It should record its decisions and actions relating to Schedule 7 in a clear and consistent way.

Context for Governance and Financial Management

- 4.4 Paragon's governing body is elected from its membership. There were 16 people on the governing body at the time of our inspection: nine tenants, five general members and two local authority representatives. Additionally a further co-opted place for a representative from Stirling Council has been created, and the Association intends to establish this as a permanent place on Committee through a planned rule change later this year.
- 4.5 Following the initial set up of Paragon through the first stock transfer, additional units were acquired through two further transfers in 2001 and 2002 resulting in rapid growth over a relatively short period of time. This has led Paragon to increase the skills and resources in the Finance Team with an additional member of staff.
- 4.6 The Finance Team comprises a Manager, Finance Co-ordinator, and two Finance Administrators.

How Good are Governance and Financial Management?

Membership

- 4.7 Paragon has an open and accessible approach to membership. Membership is open to all tenants, owner-occupiers living in estates owned by the Association, and individuals with an interest in housing.
- 4.8 At the time of our inspection Paragon had 532 members, which is a good level for an RSL of its size. Of the total 457 are tenants, 79 are general members, and 2 are local authority members. Paragon promotes membership through its newsletters, and through the tenancy sign-up process. Membership has increased steadily over the last three years as shown in Section 2.5 of this report.

Governing body

- 4.9 The Management Committee controls the organisation and its activities well overall. The main Committee is supported by four Sub-Committees. These are the Finance & General Purposes Committee; the Housing & Property Management Committee; the Audit Committee; and the Health & Safety Committee. Committee members possess a range of relevant

- skills and experience, and members show a good understanding of Paragon's business. A strong staff team supports the Committee. Written reports to Committee are detailed and provide a sound basis for decision-making.
- 4.10 Committee Members receive good support to enable them to perform their role. Paragon carries out an annual Training Needs Assessment of Committee Members' skills and areas for development, as well as encouraging Members to identify their own training needs on an ongoing basis. Each Member is encouraged to attend relevant courses, seminars and other training opportunities. Paragon also conducts an annual tour of its housing stock to enable Committee Members to see properties and meet tenants and other stakeholders. New Members receive an induction pack to build awareness of the business, and this includes useful material.
- 4.11 There is a good framework in place to guide decision-making. Clear remits and delegated authorities are in place, along with clear Standing Orders to provide a framework for Committee activity. Paragon has also recognised a need to review its governance structure. As the Association has developed and expanded, agendas for Management Committee meetings have become fuller, and there is now an imbalance between the scale and spread of business it deals with, compared with its Sub-Committees. In response, Paragon has scheduled a review of its governance structure for later in 2004, to coincide with a wider organisational review and conversion to Charitable Status. This is a sensible approach that will enable Paragon to adapt its governance framework to meet the needs of the developing organisation.
- 4.12 Paragon is performing well in ensuring maximum take-up of Committee places. Despite some resignations over the last year it has been able to maintain a full complement of members through continuing promotion of membership of the Committee, for example through its newsletters and tenants groups. The majority of the Committee Members are tenants, which reflects Paragon's overall aims and culture, and its current membership profile.

Risk management

- 4.13 Paragon assesses and manages risk well overall, and through its self-assessment has identified areas where it needs to improve, for example in its management of risk for individual projects. A Risk Management Strategy is in place, and Paragon carries out an annual risk assessment on an organisation-wide level. It has developed an organisational Contingency Plan (the "Blue Book"), and a similar plan to manage incidences affecting its housing stock (the "Red Book"), which are updated following completion of the annual risk assessment. This approach shows

Paragon is aware of the importance of risk and actively works to address it.

- 4.14 Paragon has identified weaknesses in its approach to assessing risk for its individual projects. For example, risk assessments are not being fully documented and the risk assessment carried out for Paragon's first housing development project was confined to financial risk. Whilst Paragon took this course of action largely due to short timescales attached to the project, and the small scale of the development, it recognises that a more comprehensive and systematic approach is required in the future. In response it has developed a standard reporting template to ensure a consistent risk assessment approach, and to assist in providing relevant information to Committee. It has also scheduled an internal audit of its risk management activity for later this year.
- 4.15 Paragon makes good use of internal audit and has a three-year internal audit plan in place to prioritise areas for assessment. Audit findings are reported to the Audit Sub-Committee, which also approves Paragon's responses to audit recommendations through development of service Activity Plans as part of the Internal Management Plan. In this way weaknesses are identified in a prioritised way and plans put in place to address them.

Ethical Standards

- 4.16 Paragon has appropriate arrangements in place to ensure that its affairs are conducted openly and honestly. For example it maintains a register of grants and benefits received by staff and Committee Members, and a register of interests of Committee Members. However it does not currently place a similar requirement regarding the recording of interests on its staff.

Recommendation 8:

Paragon should introduce and maintain a register of interests for staff and put in place arrangements to manage any conflicts that may arise.

- 4.17 Staff and Committee are aware of their responsibilities under Schedule 7 of the 2001 Act, and control of benefits and payments is a standing item at Committee meetings. We saw some variances in the format of reporting of Schedule 7 issues to Committee, and recording of subsequent Committee decisions within the minutes. For example, some decisions to grant benefits to relevant individuals were recorded fully, showing clearly that any conflicts of interest had been managed properly. But other meeting minutes did not demonstrate this in a similarly clear way.

Recommendation 9:

Paragon should consistently report and record decisions and actions relating to the granting of benefits and payments, so that it can clearly demonstrate its compliance with Schedule 7.

Financial viability

4.18 In assessing Paragon's financial viability, we are satisfied with the current position.

4.19 These features have a positive impact on viability:

- There are 30 year cash flows in place that indicate long-term viability and continued compliance with lenders covenants.
- There is a stable demand for houses and current void levels are lower than originally anticipated.

4.20 These are the features that may have a negative impact on viability:

- The withdrawal of grant available for reimbursement of tax, although Paragon is planning to take steps to manage the impact of this issue.
- Higher than anticipated Right to Buy (RTB) sales in some areas, and a high number of tenants with the RTB means a continuing risk of reduced income from housing stock depletion.

4.21 However, Paragon has reached a period where it can consolidate on its growth to date. Significant investment activity continues as it delivers on promises made to tenants as a result of the three transfers of stock.

Financial management

4.22 The established framework for financial management covers budgeting, long-term forecasting, reporting and performance monitoring and is underpinned by clear and regularly reviewed financial policies and procedures. Paragon has acknowledged the absence of medium term financial projections from this framework. This issue was highlighted to the Association during its last Performance Audit in 1999, but has not yet been addressed. Paragon should now ensure that it introduces medium term forecasting to its financial framework this year as planned.

4.23 The budget process works well and links with annual rent setting. This is led by the Finance and Operations Manager, with contributions from budget holders. Paragon's Committee receives detailed budget information, which enables it to make sound financial decisions.

- 4.24 The monthly management accounts provide comprehensive information including ratio analysis. The income and expenditure account incorporates a breakdown of management expenses and variance analysis against budget, and a balance sheet is included with commentary.
- 4.25 However, the absence of a projected balance sheet and key performance indicators from the budget limits Paragon's ability to comprehensively review its performance against budget.

Recommendation 10:

Paragon's management accounts provide a good level of detail, however it should expand its budget report to allow performance against targets and expectations in all areas to be reported in the management accounts.

- 4.26 Paragon has a good approach to cash management. It makes daily and periodic transfers to higher interest and fixed term accounts to maximise the interest received on cash held.

How Likely are Governance and Financial Management to Improve?

- 4.27 Paragon is performing well in Governance & Financial Management, and we believe the prospects for improvement are **promising** because:
- The Committee and staff have good awareness of areas where improvement is required, and plans in place to address these areas.
 - Training needs of Committee members are regularly reviewed and addressed.
 - Continuing consolidation following stock transfer, and the restructuring of the finance section has given Paragon a solid basis for future improvement.

5. Housing Management

Overall assessment of housing management

- 5.1 Paragon provides a good housing management service. The Association has a proactive and effective relationship with tenants, residents, local Councils and other agencies. Paragon has a good awareness of its performance in housing management services and responds effectively to improve services and deals with areas of declining performance.
- 5.2 Our grading takes account of the areas of good performance and the weaker areas. A key influencing factor in the grading is our confidence in the likelihood of further improvement.

B	Paragon delivers a good housing management service with many strengths. The prospects for improvement in housing management are excellent.
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- 5.3 These are the areas that are working well:
- ✓ Paragon's approach to tenant and resident involvement in Housing Management is proactive and inclusive.
 - ✓ Paragon's allocations policy gives relevant priority to applicants in greatest housing need.
 - ✓ Paragon has made excellent progress in signing up tenants to its Scottish Secure Tenancy and completing a tenant profile survey.
 - ✓ Paragon recognised a decline in rent arrears performance and took action by implementing a comprehensive and effective strategy.
 - ✓ Paragon's estates are well maintained and managed.
 - ✓ Paragon has established effective working partnerships with local Councils, agencies and groups.
 - ✓ Paragon recognises weaknesses in its performance and takes action to address them.
- 5.4 These are the areas that could work better:
- A waiting list review has not been undertaken since December 2002.
 - Suspended and bypassed applicants are not regularly reviewed.
 - Performance against void property turnover timescales is poor. An improvement project has been implemented but is yet to have an impact on performance results.

- 5.5 These are our key recommendations. They are broadly in order of significance:
- ❖ Paragon should carry out a regular review of and contact applicants suspended or bypassed on the waiting list.
 - ❖ Paragon should carry out a regular review of its waiting list.
 - ❖ Paragon should improve guidance and include the set timescales for the allocations functions in the void process.

Context for housing management

- 5.6 Paragon was formed in 1998 to take on a voluntary transfer of Scottish Homes stock during the period 1998-2002.
- 5.7 In addition to Paragon's office base in Grangemouth weekly surgeries are held in Sauchie and Alloa and a local rate telephone number is available primarily for repair enquiries.
- 5.8 The Housing Management Service is provided by a Housing Manager, four Housing Officers, a Housing Services Officer and a Housing Benefit Liaison Officer. The role and responsibilities of the four housing officers has been adapted over the last 18 months in response to a recognised problem with arrears performance. External consultants are scheduled to undertake a review of this approach and the staffing structure of the team in general.
- 5.9 Paragon's housing stock is a mixture of sizes and house types, located in both rural and urban locations and is well maintained. However, in its 2003/4 APSR return the Association identified 27.3% of its stock as low demand housing. The local Councils experience similar demand issues with comparable properties in the same areas.
- 5.10 Paragon has identified the need to upgrade its ICT systems. The new ICT system is being developed from a specification that has included staff consultation.

How good is the service?

Access to houses

- 5.11 Paragon promotes access to its housing list to all applicants aged 16 or over at any time. This is well publicised through a variety of sources including its web site, local Council access points and the local press.
- 5.12 The short allocations policy guide and housing application form allow applicants to make informed decisions due to the detailed information they

- contain, and the advice on how to apply, what happens once an application is received and on applicant choices.
- 5.13 Paragon could further improve the short guide by including information on the number or type of offers applicants will receive and how to apply to the local Councils, Homes and Homeswap schemes. The information available does not give an indication of how long an applicant might need to wait, but applicants who contact Paragon are given advice relating to both their current and possible choices and prospects.
 - 5.14 Applicants with access to the website can download a version of the application form in large print. Staff can print these off for others and are also available to assist applicants complete an application or medical form and are aware that an interpreter is available if required.
 - 5.15 Medical assessments obtained for applications to any of the local Councils will be accepted by Paragon, as the same Community Medicine Specialist assesses all the applications. This partnership approach avoids the need for applicants to obtain different information for different housing providers.
 - 5.16 It is intended to improve access and information further by the implementation of Common Housing Registers (CHR) and the other service developments currently ongoing. Paragon is making a positive contribution to the local project teams' development of the CHRs and is working towards HomePoint accreditation. Paragon has also recently started an applicant satisfaction survey asking for comment on topics such as access and application information and intends to take action on any issues highlighted.

Lettings

- 5.17 Paragon's allocation policy and procedure meets the statutory requirement to give reasonable preference to those applicants assessed as in the greatest housing need. This has been confirmed by research undertaken by Paragon as part of its interim allocations policy review.
- 5.18 The interim allocations review updated the allocations policy in March 2002 to comply with the 2001 Housing Scotland Act. Following the Winter Survey in 2003 the allocations policy has been scheduled for a full review later this year to ensure it meets legal and good practice requirements. This will allow Paragon to consider and address both current issues and subjects identified in 2002 but not included in the policy amendment.
- 5.19 The reports submitted on a regular basis to the Management Committee about the outcomes of the allocation process detail statutory and non-statutory homeless applicants and household composition, but not the

other categories of housing need such as medical or overcrowding. The information collated for the interim allocations review provided a comprehensive analysis as to how the allocation policy is fulfilling its objectives and how housing need was being met between 1998 and 2001. If this good approach to collating and analysing information was carried out on a regular basis, it would clearly show who Paragon was housing, where and what categories of need were being addressed.

Recommendation 11:

Paragon should carry out a regular analysis of its lettings to ensure that it continues to meet its statutory duty to give reasonable preference to people in housing need.

- 5.20 Although Paragon has open access to its waiting list we found practice that is preventing some applicants being actively considered for housing. Using one area waiting list as an example, 191 of the 421 applicants are suspended or are being bypassed for reasons such as awaiting references or waiting on further information. Other waiting lists checked showed a similar pattern. Whilst applications are suspended on appropriate grounds and in line with its policy, some applications have been suspended or bypassed since 1999 and Paragon is not actively following up these cases.

Recommendation 12:

Paragon should regularly review and contact applicants suspended or bypassed.

- 5.21 Paragon has not reviewed its waiting list since December 2002 to update applicants' circumstances and confirm their ongoing interest in housing. This, along with the growing list of suspensions and bypassed applicants, is affecting the accuracy of information on housing need and demand.

Recommendation 13:

Paragon should regularly review its waiting list to ensure it is an accurate and up to date indicator of need and demand.

- 5.22 Although section 5 protocols, which provide a formal framework for RSLs to assist local authorities in housing homeless people, have still to be finalised this has not prevented Paragon accepting nominations from local Councils. Paragon is currently working well with all three local Councils'

statutory and non-statutory homeless priority applicants and nominations are being accepted for housing. The Association is continuing to work with other RSLs and its partner Councils to establish section 5 protocols.

Tenancies

- 5.23 Good progress has been made signing tenants up to the Scottish Secure Tenancy (SST) agreement. At the time of our inspection 93% of tenants had been signed up. Paragon took this opportunity to survey all tenants and collate information on gender, age, disability, ethnicity and income. This information, once analysed, will give an accurate profile of Paragon's tenant group and allow the Management Team and Committee to make more informed decisions on a range of issues such as rent setting and service provision.
- 5.24 Paragon's SST and Short Scottish Secure Tenancy (SSST) agreements follow the model agreements but include minor variations that reflect local circumstances in response to its consultation process with tenants. Although Paragon has not used the SSST agreement, policies and procedures are in place to provide guidance as to when and how it should be used.
- 5.25 Paragon uses sign up interviews effectively to give new tenants a broad range of advice and assistance, and uses the opportunity to promote membership of the Association. Key messages are given along with the Tenant Handbook and the other information. The information provided is available in a range of formats and other languages on request. New tenants we spoke to confirmed that the sign up interview is thorough and informative.
- 5.26 Paragon continues to reinforce landlord and tenant obligations and responsibilities during the settling in visits carried out by the Housing Officers, approximately four weeks into a new tenancy. Advice and assistance is given but the interview is also used to emphasise the importance of returning information to housing benefit officers, paying their rent and gathering information on a next of kin or an alternative emergency contact. The alternative contact information has been effectively used in emergency situations for incidents such as water leaks and minimises the need for Paragon to force entry.

Supporting tenants

- 5.27 Although Paragon does not provide housing support directly it is working well with a range of care providers who deliver specialist support in a small number of its properties. Agreements are in place with service providers but Paragon is aware that when these agreements are renewed

the content must be reviewed to reflect changes in legislation, such as Supporting People requirements and best practice. All residents of these properties have signed SST tenancy agreements and there is regular contact between Paragon and the support providers to discuss any relevant issues.

- 5.28 At present Paragon has one sheltered housing complex. The only support service its sheltered tenants have is a Mobile Emergency Care (MECS) pull cord alarm system. This service is provided and paid for by the local Council. Paragon has undertaken a review of its sheltered housing provision which includes good consultation techniques and raising the awareness of the possible financial impact to tenants of service enhancements. Work on this review is ongoing but the draft option appraisal paper shows a clear understanding of possible service improvements, such as the introduction of a warden service, the implications for service users and the importance of tenant input. The paper does not include the implication that the introduction of additional support services such as a resident warden, would require the complex to be registered with the Care Commission. This would have financial implications for both the Association and tenants.

Empty houses

- 5.29 Paragon recognises its performance in reletting properties has deteriorated. In 2001/02 the average relet time for general tenancies was 45 days. In 2002/3 this had risen to 65 days in a period when the national average is 34 days¹. Paragon's performance figures for 2003/4 show that this had increased again to an average of 98 days.
- 5.30 Paragon responded proactively to this poor performance by setting up a Void Improvement Project (VIP). The project group involves staff from all relevant departments, conducting a detailed analysis of void turnover and agreeing an action plan with short, medium and long term objectives. Good progress has been made in a number of areas including:
- New void monitoring sheets with specified target dates for maintenance functions have been introduced.
 - Maintenance staff receive early notification of property termination dates.
 - Target timescales for the contractor are being reviewed.
 - A comprehensive checklist for accompanied viewings giving prospective tenants a broad range of good quality information has been drafted but is still to be implemented.

¹ Data source: Annual Performance and Statistical Return and Communities Scotland's Scottish RSL Statistics

- An exit survey has been introduced to analyse why tenants have moved on.

5.31 These improvements are complemented by:

- good information to tenants on terminating their tenancies;
- a quick notification to the local Council of a nomination or the direct selection of a new tenant;
- abandonment procedures which follow good practice and incorporate an informative and helpful checklist; and
- a good empty house standard which incorporates all the necessary safety checks including asbestos and a detailed inspection of all fixtures and fittings.

5.32 However, the VIP does not at present distinguish between properties requiring differing levels of repair work. All properties have the same target timescales. The lettings activities are regularly monitored, but could be improved by incorporating the target timescales and guidance on the assessment of difficult to let properties into the allocations functions of the void procedures.

Recommendation 14:

Paragon should develop and implement guidance for the allocation activities of the void process.

5.33 The VIP changes are fairly recent and have not yet had an impact in the overall void performance for 2003/4. Of the 169 voids 7 were relet in less than 10 days, 35 within 30 days and 126 in over 30 days². However we saw evidence that void times for some individual cases were reducing.

5.34 Paragon has high turnover and low demand in some areas especially for flats. Paragon is aware of the problem and is making an effort to improve demand including advertising properties in local Council offices, creating a joint application form to improve accessibility to its waiting list for low demand housing in Alloa, higher decoration allowances and allowing people to have bigger properties. This is also having an impact on the overall relet performance timescales. Local projects have been identified to tackle particular problems but there are two blocks of flats in one area that have been void since 1999. Possible relet and different use projects have been identified and looked into but have not been implemented for a variety of reasons. Paragon could improve its approach with better guidance for staff. For example it could consider developing a low

² Data source: Paragon Housing APSR return

demand strategy that includes a set of “triggers” which would promote early identification and intervention in problem areas but consider solutions that would reflect local circumstances. The current monthly and quarterly management reports detail the void performance of individual properties and are discussed at length by the Management Committee. This discussion could be assisted by a comparison of overall void performance (i.e. average number of days it is taking to process a void property) with and without the identified long term voids. This approach could demonstrate the effectiveness of the VIP and the impact the long term voids have on overall relet performance timescales.

Rents

- 5.35 Paragon’s rent increase for 2004/5 was set at either 3.5% or 3.9% depending on the voluntary stock transfer (LSVT) contract. The Management Committee is able to make an informed decision on the rent increase as it is provided with good background information and the outcome of the tenant consultation exercise. The information included:
- affordability standards;
 - housing benefit take up and population profiles;
 - comparative information from the local Councils and other housing providers; and
 - detailed budget breakdown of service provision and improvements in the forthcoming year.
- 5.36 An integral part of the stock transfer process to Paragon was detailed discussions with tenants on future rent increases. However, to ensure compliance with the 2001 Act Paragon tenants were further consulted during the Winter Survey and tenants’ groups were asked for their feedback. The background information could be improved by providing a brief summary on how the rent money was spent last year or signposting tenants to information in the annual report. But overall Paragon is continuing its proactive approach to rent consultation.
- 5.37 Paragon recognises that its current rent policy does not take account of all good practice principles, such as including factors like the size, type, location and desirability of its different houses. This was identified for review in the Winter Survey and has been included in the IMP for review in 2005/2006.

Arrears

- 5.38 Table 1 shows that Paragon’s arrears level is higher than the peer group average in all 4 areas.

Table 1: Arrears Performance

Performance Indicator	Peer Group average 2002/03	Paragon 2002/03	Paragon 2001/02
Total non-technical arrears as % of rental income	4.7%	5.67%	5.19%
Current tenants' non-technical arrears as % of rental income	3.23%	3.41%	4.02%
Former tenants' non-technical arrears as % of rental income	1.47%	2.26%	1.17%
% of tenants in serious arrears	3.88%	7.6%	7.5%

Data source: Annual Performance and Statistical Return and Communities Scotland's Scottish RSL Statistics

- 5.39 Paragon has recognised this situation and responded in a positive and proactive manner. A good arrears strategy has been developed involving all relevant staff. It includes SMART targets and follows good practice guidelines. Performance in tackling current non technical arrears has continued to improve and is demonstrated in the comparative monthly figures in the arrears strategy progress report to the Management Committee. The figure has decreased from £134,549 to £113,328 between March 2003 and March 2004³. However, over the same period former tenant arrears have increased from £60,297 to £74,925. Paragon recognises a weakness in the performance of the debt collection agency used to follow up former tenants' arrears. A specification following good practice guidelines has been sent to qualified organisations asking for expressions of interest to take over this service.
- 5.40 Good prevention techniques are integrated into Paragon's effective arrears strategy, with procedures that are straightforward and easy to follow, and advice referrals and information protocols. File checks and observation also demonstrated good links to local Councils' housing and welfare benefits staff and local independent advice agencies such as Citizens Advice Bureaux. The positive impact of early intervention, close and regular personal contact, good advice and liaison with the local Council housing and welfare benefits services, is demonstrated by the fall in the number of cases with less than £500 arrears from 913 in quarter 1 of 2003/4 to 474 in quarter 4⁴. The decrease in the over £500 cases from 75 to 70 is also very positive but not so dramatic.
- 5.41 Paragon is currently developing a better, more integrated advice and information protocol with local Councils and voluntary organisations. If implemented this could improve further the service for Paragon tenants and all public and private tenants in the area. Although at an early stage

³ Data source: Paragon Arrears Strategy Update Reports

⁴ Data source: Paragon Housing Management Quarterly Reports for 2003/4

the discussions have already improved liaison, communication and understanding between the different organisations.

- 5.42 The number of evictions increased following the introduction of the arrears strategy from 5 in 2002/3 to 11 in 2003/4. However, we saw clear evidence Paragon is working hard to help people to deal with and prevent arrears and only uses eviction as a last resort. Paragon has in place appropriate links and referrals to local homeless persons and social work services so that homelessness can be prevented where possible.

Anti-social behaviour

- 5.43 Paragon had 13 anti-social complaints reported in 2003/4. Of these nine were classified as nuisance (breaches of tenancy conditions), two serious and two extreme. Paragon has a good awareness and response to neighbour nuisance, anti-social behaviour and racial harassment issues in its areas. This includes good timescales for responding to the different categories of complaint, helpful guidance for staff on the legal remedies available and good links and referrals systems with partner organisations. However, Paragon does not always advise people who raise complaints about how to take the matter forward if they are not happy with the response they receive.

Recommendation 15:

Paragon should include information on the complaint and appeals procedure in all responses to nuisance and anti-social behaviour complaints.

- 5.44 Paragon tries to prevent anti-social behaviour occurring by ensuring tenants know their responsibilities from the start of their tenancy. The SST provides clear details of tenants' responsibilities. This is supported by advice on how to be a good neighbour during the sign up interview, the settling in visit and leaflets available on neighbour problems. Paragon is also working with tenant and resident groups and communities to identify problems and solutions.
- 5.45 Paragon is aware of the complex issues that arise in dealing with anti-social behaviour cases and the benefits of adopting a multi agency approach. Paragon has good links with Central Scotland Police to share information where the Police have been involved. Service Level agreements with Clackmannan and Falkirk Councils will enable Paragon to access their specialist investigation and mediation teams. Discussion is also ongoing to establish liaison with the new community wardens. This will enhance service advice, information and provision to tenants. We also

saw evidence of Paragon's effective liaison and intervention with social work services in the review of one of the more serious cases. Paragon has recently contacted community and youth education services in the Falkirk Council area with a view to joint working and liaison to respond to resident concerns regarding the behaviour of youths in the area.

Estate management

- 5.46 Paragon's housing estates are well kept with some recognised problem areas. Regular estate inspections are carried out and action points followed up. Although there is no specific guidance or procedures on individual areas such as gardens or closes, a general estate management policy with supporting guidance is in place. The SST, Tenant Handbook and newsletters provide good information and advice for tenants on a range of estate management issues and services. Paragon also has agreements in place with the relevant local authorities to maintain open spaces and footpaths.
- 5.47 Paragon is proactive and has excellent liaison with its communities and other agencies to improve estate management services, identify priorities and tackle problems areas. The success of the Mar Estate projects was confirmed in the tenant feedback studies. Further information on these projects is available in Section 9. The techniques used such as involving tenant groups to maximise participation in the consultation survey has been replicated, or will be for projects in Hallglen, Denny and Grangemouth.

How well is the service managed?

- 5.48 Paragon's housing management service is managed very effectively. For example:
- Paragon has a good suite of policies and procedures used and applied consistently by staff.
 - There is excellent and effective two-way communication between tenants, staff, managers and the Management Committee on both day-to-day and strategic housing management issues.
 - It has good records and audit trails are in place.
- 5.49 The management functions are complemented by the detailed, comprehensive, easy to use and access reporting systems outlined below:
- a comprehensive range of good housing management reports prepared on a monthly and quarterly basis;
 - reports are used to monitor service performance, highlight areas of concern and to target possible areas for development;

- good awareness and practice is shown by the inclusion of a separate report on racial incidents; and
- key performance reports are available on Paragon's web site, in the annual report and on display in the office reception area.

5.50 Paragon demonstrated in the inspection submission and during the onsite interviews excellent self-awareness of:

- how to identify areas where improvement is required;
- how to integrate consultation with tenants, service users and partner organisations into service and policy development;
- how to effectively manage the review and development of services and policies; and
- how to engage, maintain and maximise effective communication with tenants, service users and partner organisations.

How likely is the service to improve?

5.51 We consider the prospects of improvement in the housing management service to improve are **excellent** because:

- Paragon has demonstrated a commitment to improving services and promotes a culture of continuous improvement.
- The Management Committee and staff are knowledgeable, committed, open and adaptable to change and improvement.
- Paragon has a good awareness of its service; its strengths, weakness and gaps.
- Paragon has a good service review and improvement strategy of, consultation; identify priorities, action plan, implementation and review.
- Paragon has taken effective action to improve services and performance.
- Consultation with tenants, service users and partner agencies is an integral part of its approach to housing management.

6. Property Management

Overall Assessment of Property Management

B	Paragon is a good performer in property management with many strengths and some areas where improvement is required. The prospects for improvement in property management are promising.
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6.1 These are the areas that are working well:

- ✓ There are good arrangements in place for tenants to report repairs.
- ✓ Paragon completes a high proportion of its responsive repairs on time, and the trend in performance is generally one of improvement.
- ✓ Paragon's surveys show a good level of tenant satisfaction with the repairs service.
- ✓ Paragon has comprehensive information on the condition of its housing stock, and has just completed an updated survey of all its stock.
- ✓ Tenants are directly involved in setting Paragon's planned maintenance priorities.
- ✓ Feedback from service users is used to influence service delivery in all aspects of the property maintenance service.
- ✓ Paragon is responsive in meeting requests for adaptations to meet tenants' changing needs.

6.2 These are the areas that could work better:

- Paragon is not effective in ensuring that tenants' gas heating systems are checked annually in line with legal requirements.
- The monitoring and analysis of pre- and post-inspected repairs does not include assessment of the quality of repairs.
- There is an absence of medium-term maintenance plans.

6.3 These are our key recommendations. They are broadly in order of significance:

- ❖ Paragon must ensure its procedures are designed to achieve the servicing of all properties within the 12-month period required by the gas safety legislation.
- ❖ Paragon should develop medium-term maintenance plans as an integral part of its wider business planning framework.

- ❖ Paragon should develop clear guidelines for selecting repairs for pre-inspection, and improve monitoring and analysis of results of pre- and post-inspections.

Context for Property Management

- 6.4 Paragon's property management services are delivered by a staff of six, led by a Property Services Manager. A Contracts Liaison Officer is on secondment from the Housing Management team, to provide a link between the Association and its tenants in delivering planned maintenance projects. Paragon's maintenance priorities are largely defined by the contracts agreed when it took ownership of housing stock transferred from Scottish Homes.
- 6.5 Property and maintenance issues are controlled by the Housing & Property Sub-Committee which receives monthly performance reports, and the Management Committee, which considers reports on a quarterly basis.

How Good is the Service?

Responsive repairs

- 6.6 Paragon provides a good repairs service, and the general trend in performance is improving. Its targets for Emergency, Urgent and Routine repairs are challenging. Performance in Emergency and Urgent categories has been consistently better than its peers over the last three years, and poorer performance in Routine repairs has improved since 2002, and is now also better than the peer group average.
- 6.7 The table below shows how Paragon is performing in each of these repairs categories:

Responsive Repairs Performance

Year	Target Completion Time	Target Completion Rate	Completion Rates	Peer Group Averages
2000/01	Emergency (2 hours)	97%	99.2%	96.7%
	Urgent (3 working days)	90%	94.5%	85.8%
	Routine (10 working days)	90%	85.0%	91%
2001/02	Emergency (2 hours)	97%	99.3%	97.7%
	Urgent (3 working days)	90%	93.3%	92.9%
	Routine (10 working days)	90%	84.5%	90.1%
2002/03	Emergency (2 hours)	97%	99.4%	98.2%
	Urgent (3 working days)	90%	97.2%	93.9%
	Routine (10 working days)	90%	95.8%	93.2%

Source: Annual Performance and Statistical Returns, Communities Scotland

- 6.8 The accessibility of the repairs service is good. Tenants can report repairs by telephone, in writing or in person. Appointments for either a morning or afternoon call are arranged as preferred, and Paragon performs well in keeping them. Good quality information on the repairs service and the Association's performance is available to tenants. Newsletters, the Tenant Handbook and leaflets provide useful information on repairs responsibility and services provided, and good information is also available on Paragon's website. Some updating of the Handbook is required, in order to clarify Paragon's statutory responsibilities under the Right to Repair.
- 6.9 Tenants are very satisfied with Paragon's repairs service. The Association surveys between 10 and 15% of tenants who have used the service each month, obtaining feedback on the quality and accessibility of the service, quality of work and conduct of the contractor. Results are reported to the Committee and included in newsletters and the Annual Report. They consistently show a high level of satisfaction, although Paragon recognises that the response rate is low. As a result, it is increasing the sample size surveyed, and plans to discuss ways to improve the response with tenants through the Focus Group this summer.

- 6.10 Monitoring and reporting is also good. Reports on repairs are made to Committee on a monthly basis. At end of February 2004, it had pre-inspected 30% of repairs during the year to date, which is a relatively high proportion. Paragon's Repairs & Maintenance policy does not give specific details on the types of repairs that should normally be pre-inspected, and it does not set targets for numbers of pre-inspections. Paragon is in the early stage of developing a repairs guide for staff to assist in identifying and ordering repairs.
- 6.11 The Association aims to post-inspect a target of 15% of all responsive repairs. In addition the majority of void repairs are also post-inspected. Repairs to be post-inspected are selected at random. As with pre-inspections, activity is monitored and reported to Committee each month. At the end of February 2004, 17% of repairs had been post-inspected in the year to date, slightly above target. Paragon could improve its analysis and reporting to Committee, for example to show the number of repairs not completed satisfactorily or requiring further work, which in turn would confirm if the current target is appropriate.

Recommendation 16:

Paragon should establish specific guidelines for staff to identify repairs requiring pre-inspection, and set targets to assist in performance monitoring of this activity. It should develop its monitoring of pre and post-inspections to enable fuller analysis of repairs performance and activity, and to inform the targets it sets.

- 6.12 Paragon has developed good systems to deliver the Right to Repair scheme. In response to feedback from tenants that a significant proportion were not clear about the length of time repairs would take to be completed, it recently introduced a notification postcard. This details the repair ordered, the main contractor responsible, the target date and time by which the repair should be commenced, and what the tenant can do if this target is not met. The scheme is publicised and explained in the Tenant Handbook, although this needs to be updated to clarify that the operation of the scheme is a statutory responsibility.

Gas Maintenance

- 6.13 Gas safety regulations require that landlords carry out safety checks to all their gas appliances every 12 months. We found that Paragon is not achieving continuity between safety certificates for a significant proportion of its stock, and there are weaknesses in the programming of checks. We checked a sample of property files for evidence that valid gas safety certificates were continuously in place, and we also looked at Paragon's

own gas servicing monitoring information, which showed that during 2003/4, 61% of its properties were checked by the anniversary date, increasing to 76% within 3 months and 82% within 6 months. The absence of a formal clear procedure for its gas servicing activity has been a significant factor in this poor performance.

- 6.14 Paragon's gas servicing monitoring database details servicing records for its properties over a four year period. This information has highlighted to Paragon that there is a continuing difficulty with getting access to a significant number of properties. For example, of 41 properties where its contractor has been unable to gain access in the current year's programme, 15 have not been checked for two years or more, and there are two properties which have not been checked for at least three years. It has prepared a draft gas servicing procedure in response, which focuses mainly on how the Association will deal with property access problems. It includes target timescales for each stage of the process, including how staff are to respond when access problems arise.
- 6.15 However, it does not clearly state how Paragon will plan and prioritise checks of the properties it includes within the gas servicing programme. Monitoring information from 2003/4 shows variability in Paragon's approach to planning gas service visits, where some properties have been checked within eight or nine months of the previous visit, whilst others have not been checked for considerably longer than the required 12 months. This failure to achieve continuous safety cover in a substantial number of properties could place tenants and the Association at risk.

Recommendation 17:

Paragon must ensure its procedures are designed to achieve the servicing of all properties within the 12-month period required by the Gas Safety (Installation and Use) Regulations 1998.

Lifetime maintenance

- 6.16 Paragon performs well in providing a planned maintenance service that is based on stock information and meets tenants' needs. Its current planned maintenance activity includes a major kitchen replacement programme, a central heating replacement programme, and window and door replacements. It has comprehensive stock condition information on its properties obtained during the transfer process. However, it has recognised the importance of holding up to date information, to ensure its maintenance plans remain relevant and in preparation for the forthcoming Scottish Housing Quality Standard. Paragon has just completed a new stock condition survey. The information collected will be compared with

- existing stock information before being incorporated into its 30-year maintenance plan.
- 6.17 Stock condition information is collected on an ongoing basis through property services staff visiting properties, and ad hoc surveys have also been carried out prior to works being planned in order to check current stock condition.
- 6.18 In turn this information feeds into Paragon's business plan. Priorities are also guided by tenants' views, and Paragon has acknowledged that those views collected at the time of stock transfer need to be regularly updated. It did this by collecting feedback as part of its Winter Survey in December 2003. It also intends to carry out a more detailed survey of tenants preferences later this year.
- 6.19 We saw examples of how tenants are consulted and involved in delivering the maintenance programme, for example in choosing their own kitchen and window styles and finishes. Paragon is collecting feedback from tenants on an ongoing basis, which shows that tenants are very satisfied with the service and quality of work. Feedback has also shaped how Paragon delivers the service.
- 6.20 We highlighted in Section 3 of this report that Paragon does not currently include medium-term plans within its overall planning framework. This weakness has a direct impact on its ability to plan for and manage its lifetime maintenance priorities over the medium term, and so Recommendation 6 also applies here.

Adaptations

- 6.21 Paragon provides adaptations to its properties to meet tenants' changing needs, funded through Communities Scotland and its own funds. Tenants requiring adaptations are referred by local authority social work services, and Paragon has a formal referral agreement in place with Falkirk Council.
- 6.22 Telephone satisfaction surveys are carried out on completion of adaptations, and satisfaction levels are very high, both with the level of input service users have in planning for their needs and the quality of work. The most recent information shows tenants reported 100% satisfaction in both areas.
- 6.23 Adaptations activity is monitored and reported to Committee, including monitoring of actual spending against budget. Presently there is no formal adaptations policy, although adaptations are prioritised according to the needs of tenants, with Paragon following prioritisation recommendations from local authority social work professionals. Paragon could establish a

policy and procedures to guide its medical adaptations service. It should set targets for completion of adaptations and monitor and report on performance against them, and should establish adaptations agreements with its other partner local authorities.

How Well is the Service Managed?

- 6.24 Paragon's property services are well managed. Repairs we looked at had all been categorised and dealt with appropriately and effectively.
- 6.25 Regular performance monitoring is an integral part of the service, and staff and Committee have a good awareness of areas where improvement is required. Repairs ordering and monitoring are managed through a combination of Paragon's computerised property management system and manually-updated ICT databases. Paragon recognises that there is a degree of duplication currently in maintaining these separate records, however it has found this approach is necessary due to reporting limitations in its current ICT system. The specific ICT and reporting needs of the Property Management service are being integrated in Paragon's current procurement of a new system.
- 6.26 The quality of performance management and contract management is good. Management and staff discuss performance regularly, and reports are presented monthly to the Housing & Property Management sub-Committee, and quarterly to the full Management Committee. The quality of the reports is good.

How Likely is the Service to Improve?

- 6.27 Paragon has not fully addressed its poor performance in its gas safety service. However we consider that prospects for improvement are **promising** overall because:
- Paragon demonstrates a good awareness of strengths and weaknesses in its property management service.
 - Paragon's track record in responsive repairs completed is good and improving.
 - Where shortcomings have been highlighted in the service, Paragon has actively taken steps to address them, and plans are in place to further improve the service.

7. Property Development

Overall Assessment of Property Development

- 7.1 Paragon started its first development project shortly before our inspection, and it is still developing its approach at this stage. We have not, therefore, awarded a grade for property development. However, the current project is progressing well and the Association's approach has been appropriate to date.

Context for Property Development

- 7.2 Paragon has recently embarked on a small development project, involving the conversion of a former residential children's home previously owned by Falkirk Council, to three houses for rent.
- 7.3 Paragon's development activities are managed by its Property Management team.

Partnership working

- 7.4 Paragon aims to work with its partners to meet identified housing need. Its project to provide three family-sized houses at Orkney Place, Falkirk is designed to meet demand for housing in the locality. We asked key local and national organisations for their views on Paragon's approach so far, and the feedback we received was positive. Paragon has recognised that it could achieve closer integration of its plans with the local authorities it works with, so it is working with those partners in the development of their respective Local Housing Strategies, is an active member of the Forth Valley Housing Network, and contributes to local housing forums across its area of operations.

Tenant involvement in development

- 7.5 Paragon has taken a positive approach to involving prospective tenants in its development plans. It worked with the local authority, which had identified prospective tenants of one of the properties under development, to identify and plan for specific needs. Close working with social work staff, and liaison with the prospective tenants, has enabled Paragon to adapt the design and facilities of the property to meet the future tenant's needs.

Development Planning

- 7.6 Paragon sets out its plans for its overall approach to development activity through its Strategy and Development Funding Plan (SDFP), agreed with Communities Scotland's local Area Team. This contains good quality, detailed information on its plans over a three-year period. The SDFP reflects Paragon's objective to integrate its plans into those of its development partners, and also gives a good level of detail about its own priorities, including its Wider Action objectives which are discussed in Section 9 of this report.
- 7.7 Paragon's initial steps in property development have been taken in a measured way. Although still in the early stages, Paragon demonstrates an awareness of where it needs to improve. For example it has recognised the absence of formal development procedures reduces its ability to manage and monitor projects effectively. However, staff are also aware that the principles of good practice it has adopted in its major planned maintenance and modernisation programmes can also be used in its development activities, and it aims to develop formal development procedures to ensure this happens.

Building a Better Deal

- 7.8 Paragon has followed good practice guidance and adopted a quality and price assessment approach to appointing contractors. It has taken a rigorous approach to its recent selection decision, using external surveyors to provide objective assessments of contractors' tenders on the basis of quality and price.

8. Services for Owners

Overall Assessment of Services for Owners

- 8.1 Paragon provides a good service for tenants using their right to buy, and meets statutory targets for completing sales. It delivers good factoring services for a small number of owners, and meets statutory requirements in dealing with tenants' applications to buy their homes.

House sales

- 8.2 Paragon provides good information to tenants about their right to buy, through letters, leaflets and staff dealing with enquiries. The Tenant Handbook also contains brief information on the right to buy, although this requires to be updated in light of the Housing (Scotland) Act 2001.
- 8.3 We looked at a sample of tenants' recent applications to purchase, and found that Paragon met its statutory requirements and timescales in processing them. We also found that Paragon's departments work well together to ensure good co-ordination of issues, such as ensuring rent accounts are cleared and outstanding repairs issues are resolved.
- 8.4 Paragon has recognised the need to improve its self-assessment of performance in delivering its house sales service. It has developed a satisfaction survey form to be sent to each applying tenant, and had begun to use this it shortly before our inspection.
- 8.5 Performance reporting on sales is made to the Housing & Property Management Sub-Committee on a monthly basis, with quarterly reports going to the full Committee. Reporting includes the number of applications received, numbers of those at pre- and post- legal stages, and sales completed against stock transfer contract targets. However it does not compare performance against statutory or internal targets.

Recommendation 18:

Paragon should consider setting relevant internal timescales for its sales activity. It should extend its performance reporting of sales to include comparisons of actual performance against internal and statutory targets.

Factoring

- 8.6 Paragon's factoring service covers 88 owners, providing maintenance and building insurance cover for owners living in flats and maisonettes.
- 8.7 Owners are given good information on the management and maintenance services provided, and are also consulted and advised on proposed major works which affect them. Invoices give detailed information on the service elements that charges cover, and Paragon produces a newsletter for factored owners. However, this has not been issued regularly, the last one being produced in July 2003 specifically to consult with owners about proposed changes to buildings insurance. The Association is currently developing a more regular and detailed owners' newsletter, piloting its approach in its estates in Hallglen, Falkirk.
- 8.8 We saw some good examples of where Paragon has involved and consulted with owners in developing service improvements. For example owners were involved as part of the design group for the veranda replacement project in Grangemouth, and it consulted with affected owners over its plans for the environmental improvement project in Alloa. It has recognised the need to update its factoring policies and approach, particularly in light of new legal requirements. However, it should also develop ways to improve performance assessment, as part of its planned factoring service review within the IMP for 2004/5.

Recommendation 19:

Paragon should develop appropriate ways to assess owners' satisfaction with its factoring service and use the feedback collected to develop and improve the service.

9. Wider Action

Overall Assessment of Wider Action

- 9.1 Paragon is developing its approach to, and involvement in, wider action activities, in line with its overall strategic objectives. It is committed to improving the development and management of the areas it operates in, through community involvement, and assisting in the regeneration of the areas it serves.
- 9.2 It has been involved in wider action activities since 2001, when it obtained wider role funding from Communities Scotland to carry out a feasibility study for an Environmental Improvement and Security Project (EISP) in its estates in the Mar Policies area of Alloa. Plans for the Mar estate are to be implemented through five phases, and the Association is currently mid-way through the project. This has been the main focus of its wider role activity, and includes:
- carrying out work to improve the security and safety of the area, through blocking off open alleyways and establishing traffic calming measures;
 - installing fencing to provide improved security and privacy; and
 - upgrading and improving open areas across the estate.
- 9.3 Paragon included a Local Labour Market Agreement as part of the procurement process for a contractor to install fencing within the EISP. The aim was to offer move on employment to local residents, and through working with the successful contractor, Paragon ensured a local person was employed for the duration of phase one of the EISP and was subsequently retained by the contractor. In this way Paragon is making good use of investment funding to achieve spin-off benefits.
- 9.4 A linked project to the EISP is also being developed. The Community Orchard Project in the Mar Estate aims to develop an old walled garden which lies within the Alloa South & East Social Inclusion Partnership (SIP) area. Potential objectives outlined for the project include:
- environmental improvements;
 - providing training and employment opportunities for local people; and
 - providing a community café, promoting healthy eating and an outlet for locally grown produce.
- 9.5 Paragon surveyed residents of the estate for their views on phase one of the project in July 2003, and responses were positive. It also used the opportunity to ask residents what they thought the future priorities for

improvement of the estate should be, and has responded positively by incorporating these views into its future plans.

- 9.6 Paragon is discussing with the SIP the potential for it to be a partner in the project, by providing a procurement and construction management role.
- 9.7 Whilst Paragon is developing its approach to wider action under its overall strategic objectives, it does not currently have a specific strategy or policy framework to clarify and guide its approach. It has recognised this weakness, and has identified the development of a policy as a target within the IMP for the first quarter of 2004/5.

10. Next Steps

- 10.1 This report is not the end of the process. We have asked Paragon to produce an improvement plan within eight weeks of the publication of this report. This plan should show how it intends to respond to all our recommendations. The plan will be agreed with us.
- 10.2 If you would like to see the improvement plan you should contact:
- Paragon Housing Association Ltd
Invergrange House
Station Road
Grangemouth
FK3 8DG
- 10.3 We will re-inspect Paragon in five years' time.

APPENDIX 1 – List of Evidence Sources

Groups and third parties consulted

- Local Authorities
 - Clackmannanshire Council
 - Falkirk Council
 - Stirling Council

- Registered Social Landlords
 - Ark Housing Association
 - Forth Housing Association
 - Key Housing Association
 - Ochil View Housing Association
 - Rural Stirling Housing Association

- Tenants/Residents Groups
 - Clackmannanshire Tenants' & Residents Federation
 - Grangemouth Paragon Residents' Association
 - Marlochs Residents' Association
 - Paragon Hallglen Residents' Association

- Others
 - The Care Commission
 - Central Scotland Police
 - Community Partnership Team (Alloa South & East Neighbourhood Forum)
 - Council for the Voluntary Sector (CVS), Falkirk
 - New Approaches
 - Orchard Project
 - Scottish Association for Mental Health (SAMH)
 - Scottish Public Services Ombudsman
 - Communities Scotland Tenant Participation Development Unit
 - Tenants Information Service

Interviews / meetings

- Administrative Assistant
- Administrative Assistant Property
- Benefits Liaison Officer
- Committee Members
- Director
- Finance Administrators
- Finance Co-ordinator
- Finance & Operations Manager

- Housing Manager
- Housing Officers
- Housing Services Officer
- Maintenance Officer
- Office Administrator
- Property Services Manager
- Property Services Officer
- Senior Maintenance Officer

We also met with:

- Grangemouth Paragon Residents' Association

Reality checks

- File checks
 - Abandonment
 - Allocation
 - Anti-social Behaviour
 - Application
 - Applications awaiting references
 - Cancelled Application
 - Complaints
 - Eviction
 - Factoring
 - Gas Servicing
 - House Sales
 - Mutual exchanges
 - Rent Arrears
 - Responsive repairs
 - Section 5 referrals
 - Suspended Application
 - Tenancy
 - Void
- Shadowing staff
 - Void Property Visits
 - Potential New Tenants Viewing
 - Tenancy Sign Up & follow up interview with tenant
 - repairs visits
 - Estate Surgery Interviews, Sauchie
- Others
 - Equal Opportunities scenario testing

- Estate visits
- Observed Arrears interviews & follow up interview with tenant
- Observe meeting of Paragon’s Management Committee
- Observed telephone contacts with arrears cases
- Telephone survey of New Tenants
- Visit to Development Site

Key documents reviewed

- Inspection Submission
- Policies, Procedures & Strategies
 - Abandoned Houses
 - Access and Use of the Association’s E mail & Internet Systems
 - Allocations
 - Approved Contractors & Consultants
 - Arrears
 - Complaints
 - Confidentiality
 - Data protection
 - Declaration of Interests
 - Equal Opportunities
 - Estate Management
 - Expenses for Committee Members
 - Financial Regulations
 - Former Tenants Arrears
 - Gifts & Hospitality
 - Lodgers
 - Membership
 - Mutual Exchanges
 - Neighbour Disputes & Anti Social Behaviour
 - Nomination Agreement
 - Open Space Maintenance
 - Openness & Accountability
 - Owner Occupiers
 - Racial Harassment
 - Rechargeable Repairs
 - Refusing Nominations
 - Rent
 - Repairs & Maintenance
 - Repairs Responsibility
 - Right to Buy
 - Risk Management & Internal Audit Strategy
 - Safety

- Section 15 Payments & Benefits
 - Special Needs/Care in the Community
 - Staff Appraisal
 - Stress
 - Sub Letting
 - Successions, Transfers & Assignations
 - Sundry Charges
 - Sustainability
 - Tenant Participation
 - Tenants Allowances
 - Tenants Right to Compensation for Improvements
 - Tenants Right to Repair
 - Tendering Arrangements
 - Training
 - Treasury Management
 - Void Management
 - Whisteblowing
- Complaints Guide
 - Formal Complaints Form
 - Housing Application Form
 - Housing Applicant Satisfaction Survey
 - ‘Your Guide to Our Allocations Policy’
 - New Tenant Checklist
 - Housing Census Form
 - Ending Your Tenancy Guide
 - End of Tenancy Survey
 - Scottish Secure Tenancy Agreement
 - Minimum Repair Standard for Void Properties
 - Void Improvement Project Papers
 - Joint Working Arrangement with Councils &RSLs
 - Evaluation of Environmental Improvement & Security Project
 - Finance Handbook
 - Annual Report2002-03
 - Internal Management Plan
 - Financial Statements for the Year Ended 31 March 2003
 - Financial Regulations & Schedule of Internal Controls/Authorities
 - Contingency Plan
 - Management Committee Induction Pack
 - Statement of Terms and Conditions of Employment
 - Staff Appraisal Form
 - Tenant Newsletters
 - Internal Audit Reports
 - Staff Attitude Survey

- Repairs Satisfaction Surveys
- IT Systems Replacement Requirements
- Anti-Social Behaviour Protocol
- Tenants Handbook
- Nomination Arrangements
- Good Neighbour Agreement
- Audit Committee Papers
- Finance & General Purpose Committee Papers
- Health & Safety Committee Papers
- Management Committee Papers
- Property & Housing Management Committee Papers

APPENDIX 2 - Key Examples of Positive Practice

These are areas we would highlight as working particularly well, taking account of Paragon's operating context:

Example 1:

Paragon takes a very positive approach to Tenant Participation, as an integral element across the organisation and its services. Particular examples of this positive approach include:

- providing support to tenants and residents groups;
- creating a Focus Group to give tenants and service users the opportunity to directly influence Paragon's service development and future priorities;
- involving tenants and residents in the design and procurement process for property improvements in Grangemouth;
- consulting tenants about their preferences when procuring new fittings such as kitchens and replacement windows, and offering a range of choices and styles as a matter of course; and
- collecting tenants views through surveys about what Paragon's priorities should be, and including results in future planning.

Example 2:

The Association developed a Core Tenant Participation Strategy in conjunction with partner landlord organisations (Clackmannanshire Council and Ochil View Housing Association). This enabled it to develop a shared approach to common goals, whilst pooling efforts and resources, and provides a basis for positive joint working in the future.

This Core Strategy developed through an open day and series of working group meetings involving landlord and tenant and resident representatives leading up to February 2003, with support from the Tenants Information Service, then Paragon and the other landlords developed their own individual action plans flowing from the Core Strategy. In this way the Core Strategy has provided an overall framework for Paragon's own participation objectives, and provided a focus for neighbouring landlords.

Example 3:

Paragon has involved tenants and residents in its procurement decisions which have a direct impact on them. For example the contractor for its veranda replacement project in Grangemouth was selected with input from a design group including tenants and owners in the immediate area. This approach was viewed positively by residents and the Association plans to adopt similar approaches to future projects where appropriate.

Glossary

Annual Statistical and Performance Return (APSR)	Annual questionnaire completed by RSLs and sent to Communities Scotland. Used to keep the Register of Social Landlords up to date and to track the performance of RSLs.
Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
Common housing registers	A register of all applicants for social housing used by two or more landlords within an area.
Convention of Scottish Local Authorities (COSLA)	The membership body for local authorities in Scotland.
Focus groups	A group of people brought together to have a structured discussion on a specific subject or set of subjects, facilitated by an independent person.
Housing list	A list of applicants for housing which is used by the RSL to allocate its housing stock.
Life cycle costing	A method of calculating the cost and timing of the repairs to, and replacement of, major building components.
Ombudsman	The independent body appointed to investigate individual complaints against Registered Social Landlords (RSL).
Partnering	A structured contract management approach to improve efficiency and reduce confrontation between the RSL and its consultants and contractors. Partnering requires formalised objectives, agreed problem solving methods and an active search for continued measurable improvements.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made.

Performance indicator	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Planned maintenance	The planned renewal or maintenance of key property components.
Procurement	The way an organisation obtains services or materials from other organisations or agents.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Registered social landlord (RSL)	A landlord providing social rented housing that is registered and regulated by Communities Scotland.
Scottish secure tenancy	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Scottish Federation of Housing Associations (SFHA)	The membership body for RSLs in Scotland.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
Sustainability	Improving the economic, social and environmental circumstances of the wider communities to create and maintaining communities where people positively want to live.
Tenancy agreement	Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.
Void	A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.