



Cadwyn Service Improvement Team (CSIT) Report
Review of Service Charges

December 2018

Cadwyn Service Improvement Team

Review of Service Charges Report 2018

Introduction and Context

The review of service charges at Cadwyn started in April 2018. This topic was initially suggested by Cadwyn's CEO at a meeting with the tenant Cadwyn Service Improvement Team (CSIT). Following discussion, it was agreed that it was an area of interest and concern to tenants and one that had not been reviewed in some time. The topic's importance is reflected in a Community Housing Cymru¹ report on value for money (VFM), which highlights that Welsh tenants' views of value for money focus on:

- Tenants expecting good value for the rents and service charges they pay.
- The relationship between service costs and service standards.
- Transparency so that tenants can 'follow the money' and understand whether VFM is achieved.

Objectives

- To assess the clarity, transparency and completeness of Cadwyn's information about service charges
- To understand how clear tenants are about what they are paying for through service charges
- To identify the value for money and quality of service that tenants receive through service charges
- To identify good practice from elsewhere

Intended Outcomes (longer term)

- More tenants understand service charges and what they apply to/ do not apply to
- More tenants understand how to raise issues or concerns about communal services and about service charges
- Increased satisfaction with services provided to communal areas
- Increased awareness within Cadwyn of any shortcomings in communal services

Cadwyn Improvement Service Team (CSIT) Members and contributors to this review

- Audrey Chapman, Tenant Scrutineer
- Neil Hinton, Tenant Scrutineer
- Rhys Humphreys, Tenant Scrutineer
- Sam Hinton, Tenant Scrutineer (left June 2018)

¹ A practical guide for Welsh Housing Associations on how to define, deliver and demonstrate Value for Money 2016 https://chcymru.org.uk/uploads/events_attachments/HouseMark_ENG-WEB_2.pdf

- Rhiannon Roberts, Tenant Participation Officer (left June 2018)
- Sarah Evans, Assistant Head of Housing Services (from June 2018)
- Margaret McLaughlin, Consultant with Promo-Cymru (from October 2018)

CSIT would like to thank the staff members who contributed to this review. The Team would also like to give special thanks to those tenants who took time to complete the questionnaire and to speak to us during the community walkabouts. It has only been possible to undertake this review thanks to their valuable input.

Methodology

The review was overseen by tenants of the CSIT, which met 11 times between April and November 2018.

Here is a summary of the review methodology.

Approach	Purpose	Further detail
Scoping	To prioritise and focus the review	
Promotion	To make people aware of the review and its objectives	
Service Charges Questionnaire	To give as many tenants as possible the chance to provide input	Appendix 1
Additional communication	To provide alternative communication channels for tenants	
Complaints analysis	To identify relevant issues through the Complaints Process	
Community walkabouts	To focus on targeted properties to gain more in-depth feedback and understanding	
Staff interviews/ discussion	To gain understanding of the issues from key personnel and of their perspectives	
Research	To assess the information Cadwyn provides and compare with others	
3-Yearly Cadwyn Tenant Survey (2018)	To cross-reference service charge review findings with the relevant results of the most recent tenant survey	Appendix 2
Thematic analysis	To identify the key themes from the review findings	

Scoping

The research started with a scoping exercise to ascertain the priorities and focus of the review. It was agreed to focus on:

- How clear tenants are about what they do and do not receive as part of their service charge; and who to contact about them

- How clearly Cadwyn communicates information about service charges. This includes to people who have communication difficulties or for whom English may not be a first language
- Whether the service charge represent value for money
- Whether tenants are satisfied with the services received
- Understanding the concepts of pooling and de-pooling service charges and the pros and cons of each approach

Although the CSIT was aware of the potential relationship between the introduction of Universal Credit and service charge payment, it was thought that this topic was outside the scope of this review.

Promotion

Making tenants and staff aware of the review took a number of forms including promotion on social media and through the Cadwyn website and e-news. Publicity leaflets were produced and circulated including ones to promote walkabout visits to targeted areas.

Service Charges Questionnaire

A Service Charges Questionnaire was produced by CSIT resulting in 15 returned online and 18 off line. (see Appendix 1).

Survey findings included:

- 30% thought more information should be provided
- 45% have had problems with services provided
- 60% were happy overall with the services received
- 55% reported receiving value for money
- Specific examples of problems with cleaning, window cleaning and garden maintenance
- Some confusion about who to contact for repairs, services, service charges etc.

Additional communication

The review resulted in communication with some tenants in person and via e-mail and in Cadwyn staff taking immediate follow-up action in response to tenants' comments. For example, one tenant had their service charge reduced as a result of window cleaning being cancelled.

Complaints Analysis (2 complaints)

There is a complaint from March 2018 about an increase in service charge. A detailed response from Cadwyn includes a proposal to reduce service charges for the specific property. Another complaint from June 2018 regards a lack of window cleaning and other service charge related issues. Cadwyn's reply includes an offer to repay the window cleaning element of the service charge.

Community Walkabouts

CSIT undertook three walk-about visits, during which they spoke to a cross section of tenants, including some disabled tenants and one tenant for whom English is not a first language. Visits took place at:

- Princes Court, 13.6.18
- Cwrt Alba, 4.7.18
- Richmond Road, 30.8.18

A questionnaire was devised to assist with the visits and focus the discussion with tenants. Findings included:

- Unhappiness about the frequency and/or standard of window cleaning and internal cleaning and painting of communal areas
- Queries about the need for window cleaning (especially in ground floor flats)
- The delay in repairing a lift at one property
- Wide variation in attitudes to gardens depending on the tenant, which floor they lived on, their interest in gardening etc. One tenant was deeply unhappy about the state of the garden (a “wilderness”) and was willing to pay more to have it improved
- Concerns being raised about bins and parking (though they are not included in the service charge)

Staff interviews/ discussion

The Scrutiny Group met with staff including Louise Kelly from finance who administers service charges; Mark Howells, Assistant Head of Housing; handy persons who provide the service; and a Neighbourhood Officer. Key issues raised included:

Housing Department:

- Communal cleaning services have been brought in-house with a view to reducing costs and complaints. Subsequently ground maintenance and window cleaning have also been brought in-house
- Cadwyn is aiming for a gold standard in fire safety and one of the requirements is weekly fire alarm testing
- Communal area door entry systems and TV aerials are included in service charges
- It would be good if tenants could go online and get a breakdown of their individual service charges

Finance Department:

- A Service charge questionnaire was issued by the Finance Department in 2017. It was only fed into this review towards the end. Key findings (see Appendix 3) give a more nuanced understanding of tenants’ views of service charges and services received. Satisfaction was highest with fire services, specialist equipment and community alarms and least satisfied with in-house cleaning, window cleaning and grounds maintenance.

- Tenants should only pay for what they use; there should be an individual charge per property.
- It was not clear from the discussion if there is a service charge statement in the tenant move-in pack.

Other staff feedback:

- Not enough time is allocated per property to undertake cleaning and/or gardening properly
- Tenants are not always clear what the service charge covers
- New tenants are given a breakdown of any services included within the rent when they sign for the property (and also are told about them when they view the property)
- Details of service charges are available for each property as part of the annual rent statement and several examples were seen
- Some tenants do not take in or retain easily information about service charges
- The Handyperson Service (that provides these services) sits within the Housing Department. Any complaints around service charges should be made to Housing Services.

Desk Research

Website

Cadwyn's service charge website page can be found easily

<https://www.cadwyn.co.uk/our-tenants/maintaining-your-home/what-are-service-charges/>

It states that:

“Services Charges are paid with your rent, but not every home has an additional service charge. They are calculated separately from the rent and cover actual costs of services on each property”

The above statement is not correct since charges are currently pooled across all communal properties. The statement “not every home” should be replaced by a positive statement.

It is not clear whether the use of i.e. is correct since it is not clear if the given list represents the whole list of services that can be charged (in which case i.e. is correct) for or only examples (in which case e.g. should be used). Given there is no mention of TV aerials, perhaps this list is of examples rather than intended to be a comprehensive list.

The statement “If you have any requests for further services you can contact us at any time with your suggestion.” would be helped by providing an example or case study of someone doing this.

It is not clear that the communication needs of people whose first language is not English or others with specific needs have been considered when putting together this information on service charges.

Good practice examples from elsewhere:

Sovereign Housing Association and Sanctuary Housing have Frequently Asked Questions (FAQs) on their websites <https://residents.sovereign.org.uk/paying-your-rent/service-charges/> and <https://www.sanctuary-housing.co.uk/rent-and-service-charge-update>

Genesis Housing Association has a more detailed account of how service charges are calculated <https://www.genesisha.org.uk/my-home/my-rent-and-service-charge/service-charges#section-466>

One Housing has produced a Service Charge Guide <https://www.onehousing.co.uk/sites/default/files/onehousing-social-housing-your-rent-and-fixed-service-charges-social-housing.pdf>

Tower Hamlets Homes one-page pictorial guide to *What Does Your Service Charge Cover*, including how charges are calculated http://www.towerhamletshomes.org.uk/Documents/For_Leaseholders/THH_YourBill_Explained_Spring17_WEB.pdf

Wales and West Housing Association's website offers accessibility options (e.g. for people with sight impairment or dyslexia) <https://www.wwha.co.uk/en>

Review of Cadwyn's 3-Yearly Tenant Survey (2018)

The survey (with 411 tenants taking part in the survey, representing a 32% response rate) highlights that 66% of tenants are satisfied with the value for money for the service charge. Satisfaction had gone down since the last survey (it was 75% in 2015). Satisfaction with service charges is lowest in Penylan (53%) and Gabalfa (55%) and highest in Whitchurch (100%) and Roath (90%). Given the timing of the survey, it was not possible for this review to follow up the disparity in findings across different management areas.

Review findings themes

Based on the combined evidence provided during the review, the key themes to emerge are as follows:

1. **The majority of tenants consider service charges to be value for money.** However, the level of satisfaction varies considerably including across different management areas (see Appendix 2); and across different services (see Appendix 3). **Some tenants are very dissatisfied** either because they think the service is not needed or because they think the service is poor.
2. **There is some confusion** about service charges and what they are for and what they are not for, e.g., some tenants raised issues relating to bins and parking. There is also some **confusion** about who to contact about repairs, services and service charges. For some people the confusion is compounded by language and/or communication issues.
3. Some tenants wish only to pay for **actual service costs** incurred per property (i.e. de-pooled).

4. **Cadwyn provides adequate information** about individual service charges before (verbally), at the start of (via the tenancy agreement) and during (via the annual rent statement) tenancies. However, it is not wholly transparent how individual property service charges are calculated.
5. **The publicly available information could be clearer** e.g. on the website and offered in a wider range of formats. Social media could be used to remind people of the purpose of service charges, (e.g. weekly fire alarm testing). Public information in individual communal areas could be improved.
6. There are **some thorny issues to resolve**, especially relating to the maintenance of shared gardens.
7. **Cadwyn seems to be responsive** to individual concerns raised about service charges

Recommendations

Information

1. All departments should review all of their service charges information (including the tenancy agreement, annual rent statement, website, app. and newsletter) to ensure it is **clear, accurate and comprehensive**. They should also identify how information about how service charges are calculated can be made more **transparent**, e.g. see Tower Hamlet Homes' one-page guide to *What Does Your Service Charge Cover* (see above).
2. Review publicly available information and identify ways of making it more **accessible** (including with reference to practice elsewhere), e.g. by having easy read information (e.g. plain language and pictures), using FAQs, case studies or a one-page guide and/or producing a *Cadwyn Services Responsibility Table* along the lines of the current *Cadwyn Repair Responsibility Table*. Information should be clearer about how to request additional communal services.
3. Undertake an **Accessibility Audit** of Cadwyn's app and website to ensure they are not excluding anyone and people are not clicking away due to inaccessibility. Wales and West Housing Association's website accessibility options could be used as a point of reference (see above).
4. Make it clear across all relevant information **who to contact** about repairs (Can Do), services and service charges (Cadwyn)
5. Explore and identify how tenants might access information regarding their **individual service charges** including via the Cadwyn App or by ringing Cadwyn
6. **Maintain a conversation** with tenants about aspects of services – such as fire alarm testing and why it is important – e.g. through social media.
7. Have a **service charge notice** in all shared areas making it clear what will be cleaned and how often; and include a contact name and number.
8. Have a **service charge chart** in all shared areas to record when the area was last cleaned.
9. Plan a **comprehensive communication programme** prior to any changes regarding the de-pooling of service charges.

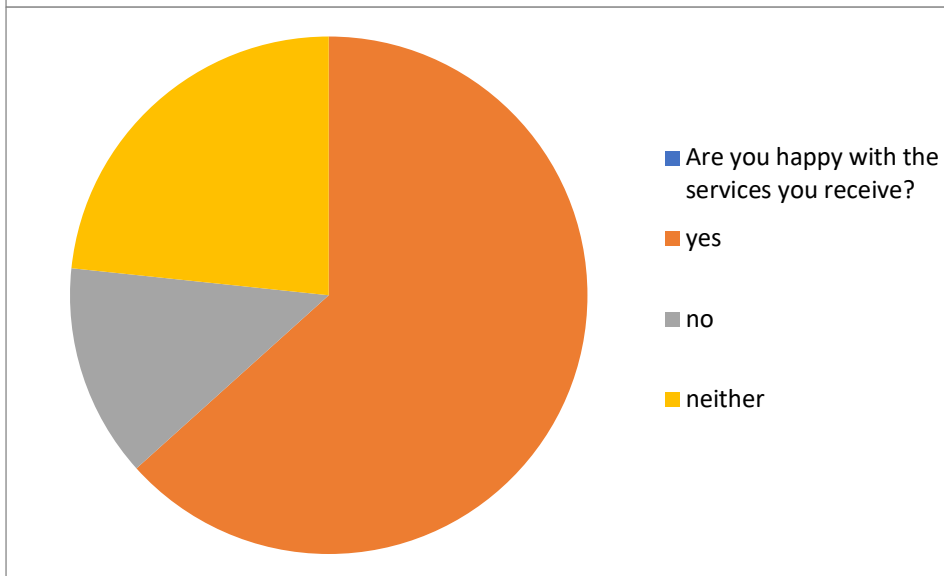
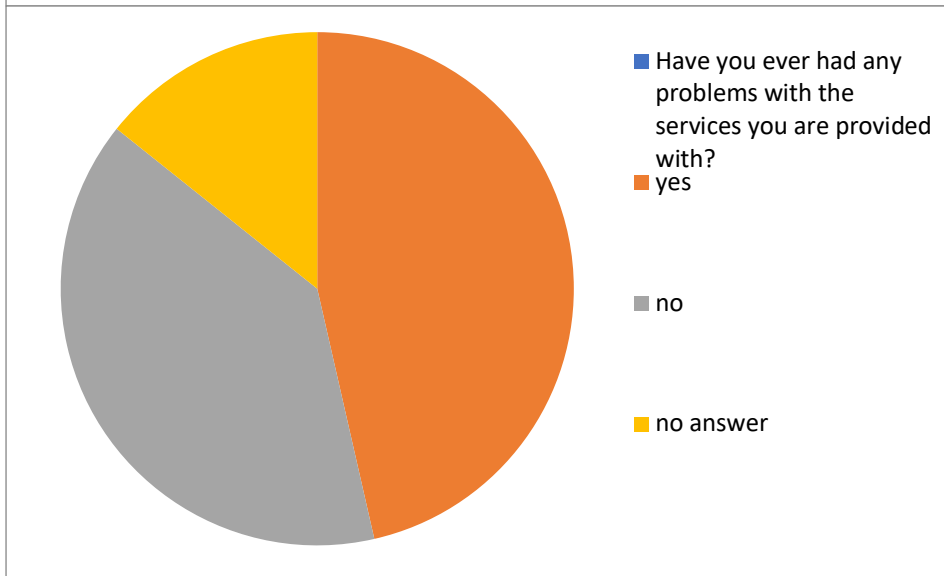
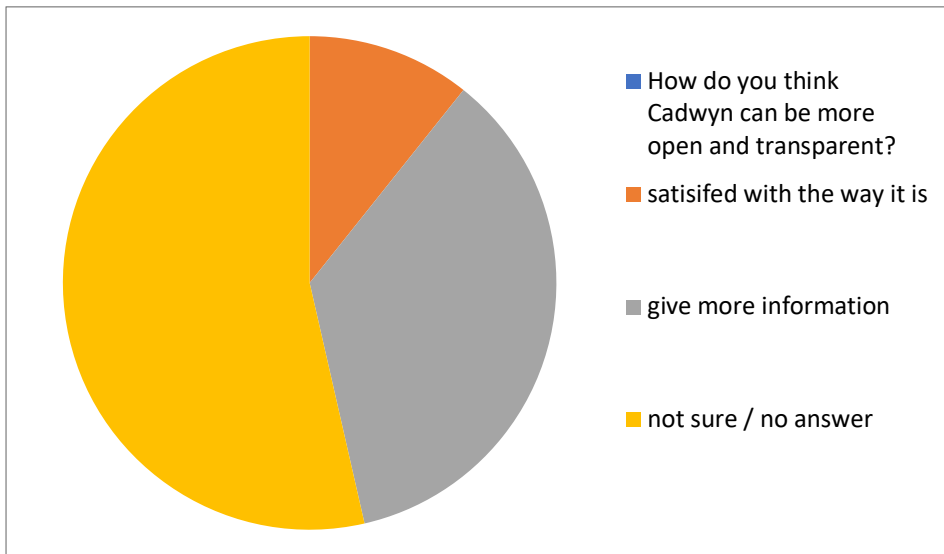
Quality of services

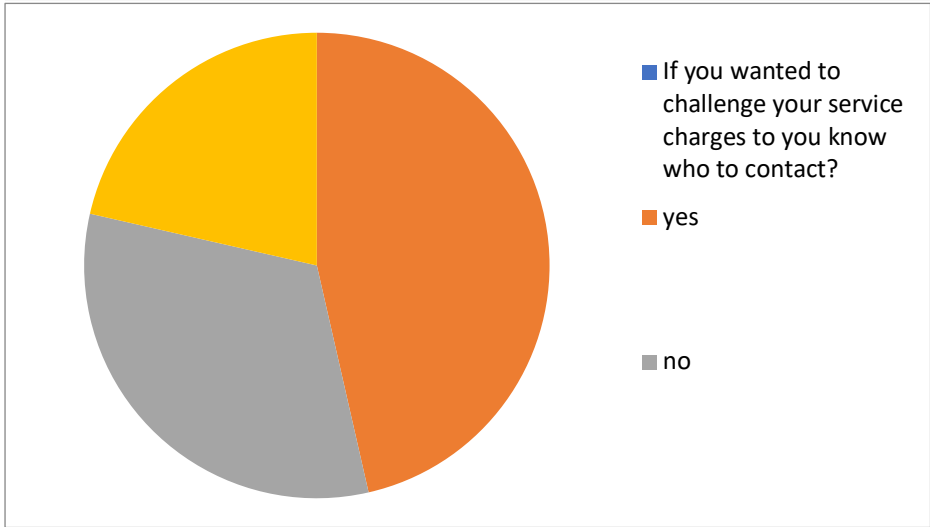
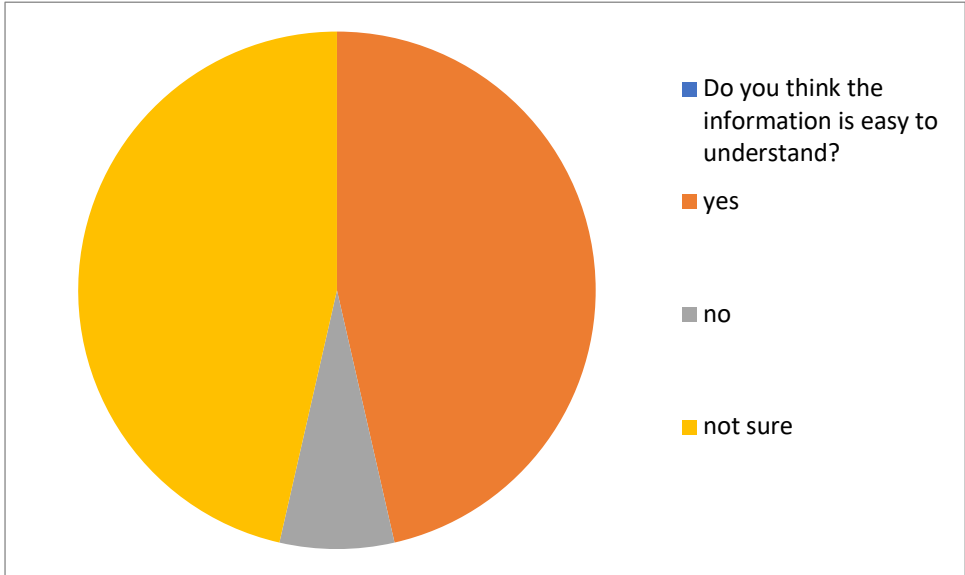
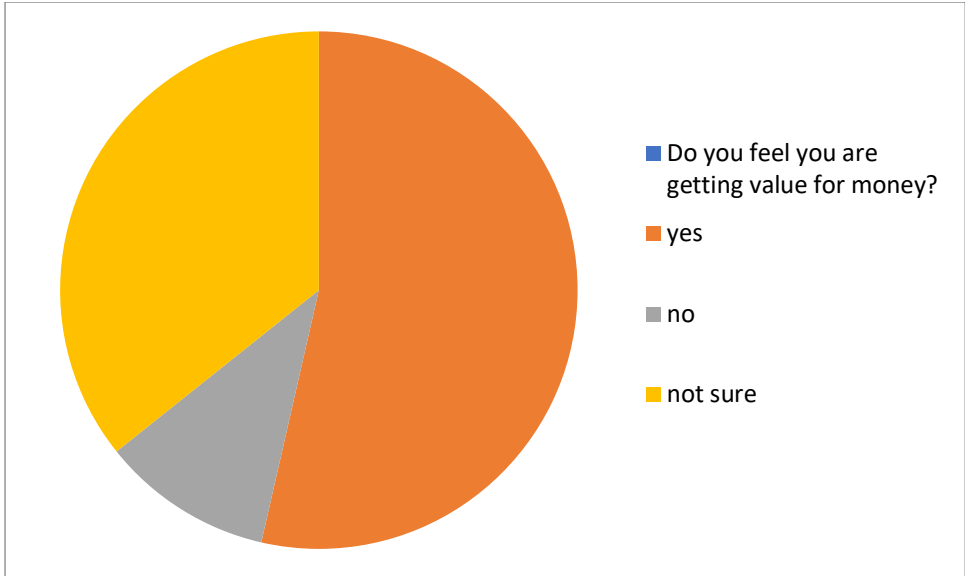
10. Cadwyn **to get on top of the quality** of services, e.g., by undertaking spot checks following service delivery; or asking for immediate tenant feedback (via the App?)
11. **Require cleaners** to use “wet floor” notices when mopping communal area floors.
12. **Review shared garden maintenance**, especially where there are problems.

Monitoring and Evaluation

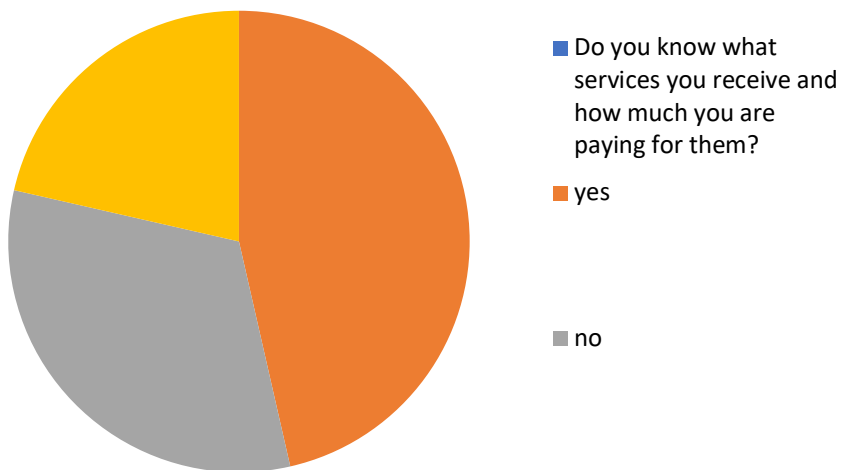
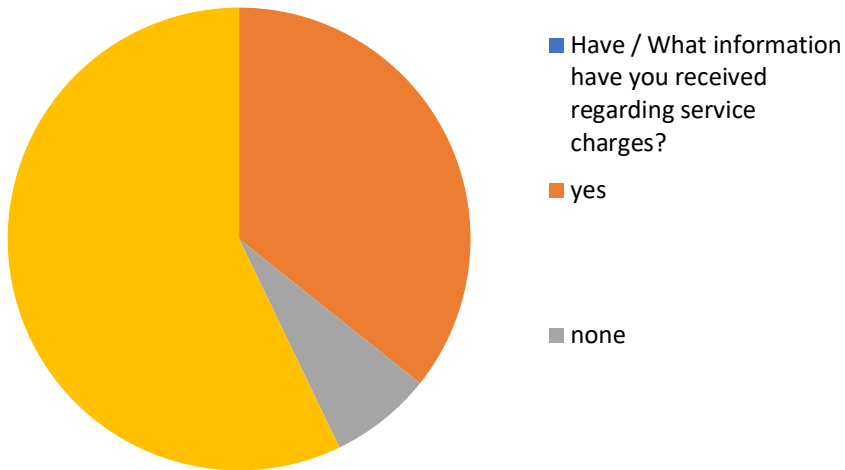
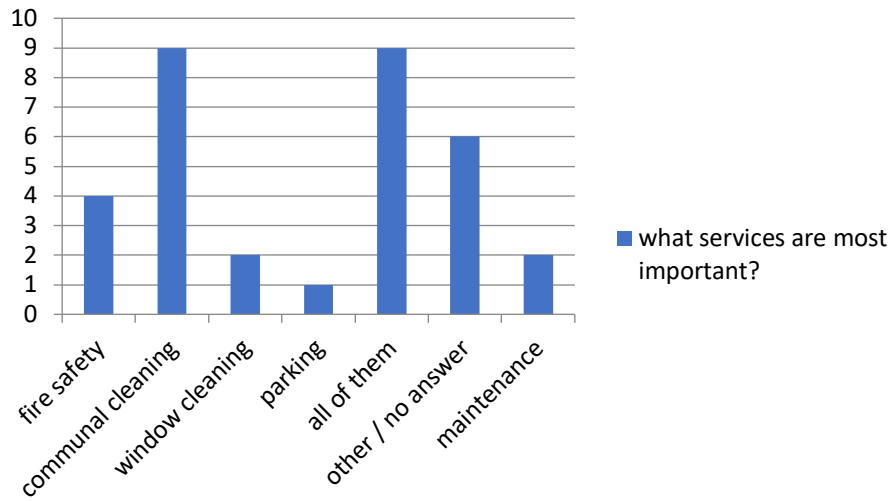
13. **Provide more detailed analysis** of the Cadwyn Tenant Survey (2018) to understand the wide discrepancy between service charges value for money in different management areas.
14. **Produce an action plan** for actions that emerge from this review and share with the CSIT. It should include **an update within 6 months** to the CSIT of the specific “thorny” issues raised by tenants during the review (including the overgrown garden).
15. **Provide updates to the CSIT** relating to spot checks and any other meaningful data relating to service charges within a reasonable timeframe, e.g., number of spot checks and the percentage that are satisfactory.
16. **Provide an update to the CSIT** of the results of the next Finance Department service charges survey (expected in 2019/2020) to assess progress against review outcomes (see above).

Appendix 1: CSIT Service Charges Questionnaire Results (from questionnaires and walkabouts)





what services are most important?



**Appendix 2:
Excerpt from the
Cadwyn Tenant
Survey (2018)**

Number of
respondents=411



5. Rent and service charges

82%

satisfied with the value
for money for rent

66%

satisfied with the value
for money for service
charge



Rent value for money was a key driver of satisfaction



Satisfaction had gone down significantly on both measures

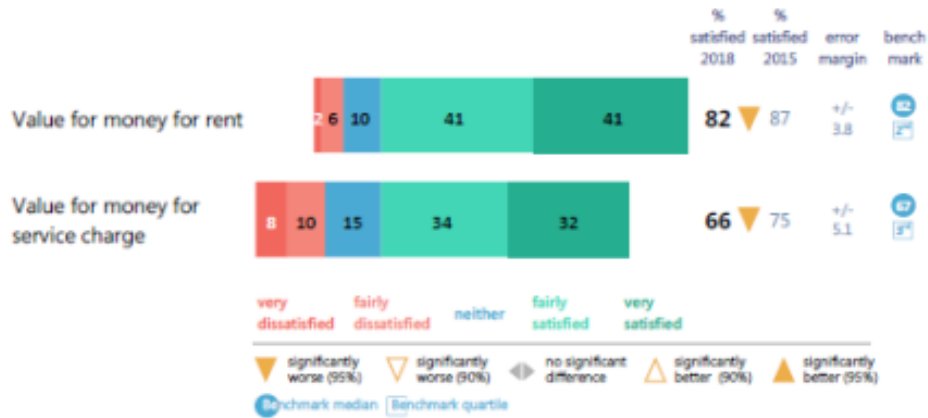
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Value for money ratings were, however, consistent against benchmarks

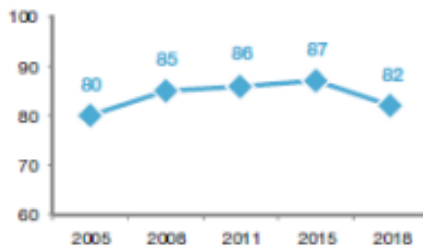
5. Rent and service charges

5.1 Satisfaction with the rent and service charge

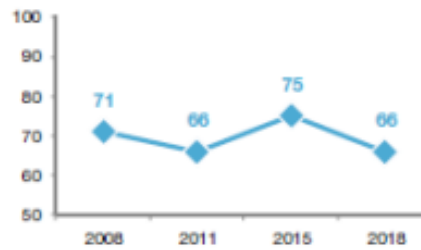
% Bases (descending) 400, 332 | Excludes non respondents.



Rent



Service charge



In the context of welfare benefit reform, value for money is always going to be an important topic, reinforced by the fact value for money for rent was a new key driver of overall satisfaction this year (chart 3.2). As such, it was disappointing to find satisfaction had fallen significantly since 2015 from 87% to 82%. That said, only 7% were actively dissatisfied, and this result was still at the median level of other Welsh ARP clients (also 82%).

43% of tenants had made contact about their rent in the last year

It is likely that this year's rent increase contributed to the reduction in this score, as having implemented only minimum rent increases for the last few years, Cadwyn needed to maximise the rent increase in 2018. Unsurprisingly, value for money was rated significantly lower than average by respondents who had experienced some financial difficulty in the previous year (76%), were financially worse off compared to a year ago (72%), and lower still for those who had experienced difficulties specifically with their rent (68%).

Once again, the youngest respondents were the least satisfied with their rent value for money (71% of 16-34 year olds satisfied), whereas older tenants were significantly more satisfied (88% of the 65 and over group). When analysed by area, only one was significantly less satisfied than average and that was Heath where 41% were satisfied, although note this was a small sample size (table 5.3).

In addition to the rent, most residents also paid a service charge. Services charges can often be less well understood or potentially contentious, to the extent that value for money ratings are normally a little lower in comparison to those for rent. This is certainly the case for Cadwyn with two thirds of respondents satisfied with

5. Rent and service charges

the value for money for their service charge (66%), sixteen points less than the equivalent score for rent. Presumably also affected by the rent increase, this score had also fallen significantly when compared to the 2015 findings (was 75%), albeit still being around the median level for other Welsh RSLs (67%). In addition, however, it is also possible that this was affected by lower ratings for communal services, in particular communal cleaning (see section 12).

There was little of note in these results by area or property type, the only main significant difference being that 35 - 49 year olds were the least satisfied, although it was interesting that none of the age groups varied significantly from the average (table 15.9). As expected, respondents who said they were financially 'worse off' compared to a year ago were significantly less satisfied with the service charge value for money (54%).

Respondents who had contacted Cadwyn regarding their rent were also asked about the service that they received when they did so, and it was good to see that the majority continued to be satisfied (86%) including 54% who were 'very satisfied'.

5.2 Satisfaction with service received when contacting about rent

% Base 175 | Excludes non respondents



5.3 Satisfaction with the rent and service charge by management area

	Sample size	% positive	
		Value for money for rent	Value for money for service charge
Overall	411	82	66
Caerau	45	77	61
Cathays	28	84	68
Ely	19	81	61
Fainwater	22	89	76
Gabalffa	12	75	55
Grangetown	78	87	68
Heath	15	41	61
Llandaff North	26	85	71
Penylan	15	89	53
Plasnewydd	77	80	69
Riverside	21	95	70
Roath	12	100	90
Whitchurch	10	100	100

Significantly worse than average (95% confidence*)

Significantly worse than average (90% confidence*)

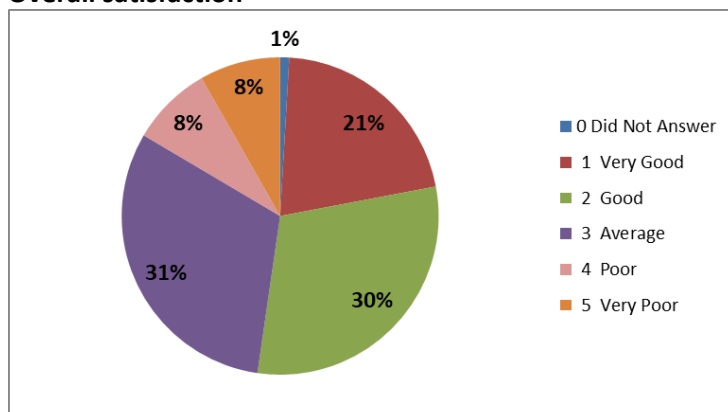
Significantly better than average (95% confidence*)

Significantly better than average (90% confidence*)

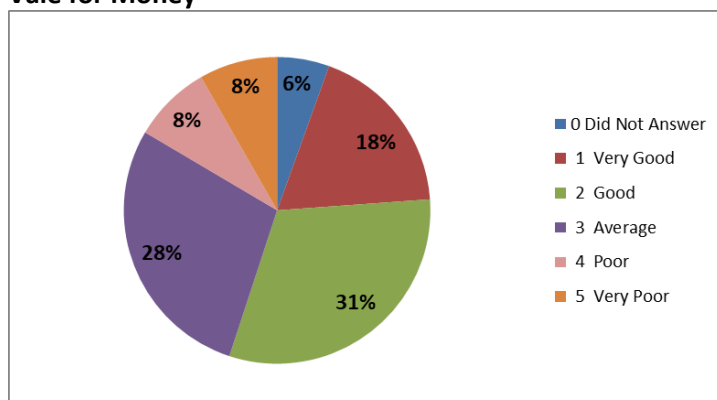
* See appendix A for further information on statistical tests and confidence levels

Appendix 3: Summary of Results of Finance Department Survey of Service Charges (2017) Number of respondents overall = 81

Overall satisfaction



Vale for Money



Satisfaction with different services was as follows:

Service	1 V good		2 Good		3 Average		4 Poor		5 V Poor	
	%	Count	%	Count	%	Count	%	Count	%	Count
Communal electricity	32%	26	33%	27	25%	20	6%	5	4%	3
Window cleaning	19%	11	20%	12	25%	15	7%	4	29%	17
Fire equipment	37%	28	45%	34	11%	8	3%	2	5%	4
In-house cleaner	17%	10	25%	15	32%	19	12%	7	14%	8
Door entry	33%	15	18%	8	22%	10	16%	7	11%	5
Communal aerials	27%	11	27%	11	24%	10	15%	6	7%	3
Specialist equipm. e.g. stairlifts	63%	5	13%	1	-		-		25%	2
Community alarm	40%	2	20%	1	40%	2	-	-	-	-
Grounds maintenance	18%	11	25%	15	28%	17	15%	9	15%	9
Grounds maintenance (3 visits per year)	-		-	-	20%	1	40%	2	40%	2