

Affordable Housing

Surrey Heath Borough Council

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Local Authority Housing Inspections

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

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

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In board terms these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of SHBC;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

Summary

- 1 Surrey Heath Borough Council (SHBC) is situated in the county of Surrey, in the Blackwater Valley sub-region. The population is 80,7001, of which 4.6 per cent come from black and minority ethnic (BME) backgrounds. Over 75 year-olds are set to increase by 84 per cent to 9,200 and over 65 year-olds to increase by 50 per cent to 17,200 by 2026. The number of households is also set to increase principally through smaller household formation.
- 2 The borough is a mix of urban and rural environments. The main urban centres are Camberley, Frimley and Bagshot. Seventy-five per cent of the rural area is designated green belt and this includes extensive areas of heath and woodland. There are five sites of Special Scientific Interest, four of which are part of the Thames Basin heaths proposed Special Protection Area (SPA). A significant amount of the local countryside is owned by the Ministry of Defence.
- 3 This is an affluent area where average annual income is high at £44,750 and unemployment is very low at 0.8 per cent. Owner occupation is high at 81 per cent, although the average house price is £296,099. The Housing Survey of 2002 identified a need for 453 affordable homes each year for five years.
- 4 SHBC is Conservative-led; 22 Conservative councillors, 13 Liberal Democrat, 3 Labour and 2 Independents, and it has adopted a Leader and Cabinet political management structure. Seven Conservative councillors sit on the Cabinet.
- 5 SHBC transferred its housing stock in 1993 and is debt-free. The three-year approved corporate capital programme for 2004/05 to 2007/08 is £14.1 million, of which £6.3 million is committed to improvements to service delivery through modernisation, £199,000 for renovation grants and £458,000 towards a site including shared ownership housing.
- 6 SHBC's housing revenue budget for 2005/06 is £907,000 with an approved capital programme of £916,000 from internal resources and a balance of £12.3 million social housing grant.
- 7 Approximately 253 FTE staff are employed by the Council in total. Projected revenue reserves for 2005/06 are £15.4 million, of which £10.4 million are reserves and £4.9 million are provisions. Council tax band D is £1,257 for 2005/06.
- 8 This inspection covered a broad range of services which contribute to the delivery of affordable housing including planning, private sector housing, homelessness, strategy and enabling.

¹ 2003 Census mid-year estimates.

Scoring the service

- 9 We have assessed Surrey Heath Borough Council as providing a ‘poor’, no-star service that has poor prospects for improvement. Our judgments are based on the evidence obtained during the inspection and are outlined below.

Table 1 Scoring chart²

	Prospects for improvement?					‘a poor service that has poor prospects for improvement’
Excellent					A good service?	
Promising						
Uncertain						
Poor	⚙					
	Poor	Fair ★	Good ★★	Excellent ★★★		

Source: Audit Commission

² The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- 10 During our inspection we identified the following weaknesses in the service.
- Affordable housing is not a top priority for the Council and there is a lack of resources in respect of funding, land and development capability through the imposition of the special protection area which affects most of the borough.
 - Weak planning services are providing very limited assistance to registered social landlords with the development of planning applications. The exception is the Council priority site in the land west of Park Street.
 - Access to services is limited for a number of groups and the Council has not involved service users in developing information, access routes or service standards.
 - The Council is not utilising all available means to assist those in housing need, for example increasing the capacity of housing officers to prevent homelessness by using the new contact centre to provide additional service capacity in the implementation of the choice-based letting scheme.
 - The Council has made slow progress on preparing the Council to meet the lowest level of the Equality Standard and there is a weak approach to diversity and ensuring that services are culturally sensitive.
 - Potential resources in the private sector in respect of rented housing are not being maximised to provide additional affordable housing and there is no engagement with private sector landlords.
 - Residents' involvement is underdeveloped in the development of strategies, policies and services which affect the delivery of outcomes.
 - Due to the lack of service standards the quality of the services looked at as part of the inspection, services are not routinely measured or monitored.
 - Empty homes are not being tackled.
 - The service does not have robust systems for driving and delivering value for money, including a focus on cost comparisons and benchmarking.
 - The definition of affordable housing locally has not been sufficiently refined to ensure that new housing is within the reach of those on low incomes.
 - There is no delivery plan for affordable housing with a risk plan covering the impact for people in housing need.

11 However, there are strengths in the service.

- The Council has enabled new housing through its own resources and social housing grant until recently.
- Within the limits of their capacity housing needs staff have contributed to the reduction of homeless acceptances through effective mediation and advice.
- Older and disabled people are currently well-supported through the Home Improvement Agency and handyman scheme combined with a high level of funding through disabled facilities grants.
- Performance in housing benefits assessment has improved over the last 18 months to top quartile by comparison to other councils.
- Staff undertake a range of initiatives to encourage housing benefit take-up, which assists those who may otherwise be homeless.

12 We have judged that the service has poor prospects for improvement for the following reasons.

- Affordable housing is not effectively a key priority for the Council and will not be supported by capital funding, discounted land or sufficient staffing resources.
- Key targets in action plans have been missed particularly in respect of engagement with the private sector and dealing with empty properties.
- There are information gaps on private sector stock condition and concerning a number of client groups which undermine the strategic approach and the information is not being kept up-to-date.
- There is no effective analysis of what is working effectively in reducing demand for affordable housing.
- Investment in affordable housing alone has not produced sufficient reductions in the time people have to spend in temporary accommodation by comparison to other district councils.
- Performance in the relevant areas, such as bringing private sector properties back into use, has failed to meet the Council's own targets.
- There is a lack of learning from high performing councils with similar problems affecting the development of affordable housing.

13 However, there are a number of positive areas of service.

- Social housing grant is being used to deliver affordable housing.
- Corporate learning from the peer review has resulted in the drive to change the culture of the organisation to one which is customer-focused and highlighted the need for the authority to strengthen its strategic housing role.
- Some partnerships developed by housing services are working well and delivering support to people in housing need, for example the Sanctuary scheme.

Recommendations

- 14 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations.

Recommendations

R1 Improve access to services and standards of customer care by:

- *developing service standards which are specific to housing enabling services, such as housing advice and planning services support, and putting in place rigorous monitoring and reporting arrangements;*
- *updating the website to include more information about affordable housing services and private sector landlords;*
- *developing ways to maximise feedback from, and involvement of, service users in affordable housing services, and ensuring that those consulted know what has changed as a result of their feedback;*
- *consider expediting the transfer of customer facing services to the new contact centre including all aspects of choice-based lettings; and*
- *developing a Private Sector Landlords' Accreditation Scheme which is widely available and provides a list of a range of types of accommodation, and which has been inspected by the Council and found to meet safety and amenity standards.*

The expected benefits of this recommendation are:

- increased customer satisfaction and choice in housing options;
- improved access to information for service users;
- increased ability to learn from service users and meet changing needs; and
- increased capacity to prevent homelessness.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented by December 2006.

Recommendations

R2 Improve the Council's approach to private sector renewal by:

- developing a clear understanding of the extent and nature of empty homes in the borough and implementing a strategy to bring them back into use;*
- engage with private sector landlords through a regular forum, and investigate the potential of linking housing renewal assistance and HMO improvements with nominations for appropriate households; and*
- work with sub-regional partners to investigate joint development of partnerships with the private sector to bring forward affordable rented housing.*

The expected benefits of this recommendation are:

- an increase in affordable housing options in the private sector; and
- better housing standards in the private sector.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented by December 2006.

Recommendations

R3 Strengthen the approach to service and improvement planning by:

- ensuring that all strategies and plans related to affordable housing are clearly informed by consultation with key stakeholders and service users;*
- ensuring that all strategies and plans address equality and diversity issues and reflect the needs of vulnerable groups;*
- ensuring that all housing strategy action plans are SMART (specific, measurable, achievable, resourced and time-bound) and that targets are regularly monitored by managers and councillors;*
- routinely benchmarking the quality and costs involved in delivering affordable housing with comparable organisations; and*
- improving the scope and quality of performance information provided to councillors, with details of remedial action to address under-performance.*

The expected benefits of this recommendation are:

- increased ability to identify and implement options for improvement;
- improve accountability for service delivery;
- a better understanding of whether value for money is being achieved; and
- more informed political and managerial response to under-performance.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented by October 2006.

Recommendations

R4 Strengthen the management and leadership of the service by:

- *making this service a clear council priority;*
- *develop a delivery plan for the long-term approach to the resourcing of affordable housing;*
- *support this with a risk assessment from service users and the Council's perspective, of failing to provide affordable housing in the longer-term, together with a contingency plan;*
- *completing equality impact assessments for all services and policies related to the delivery of affordable housing; and*
- *taking steps to measure the effectiveness of existing partnerships and remedying gaps in the current arrangements.*

The expected benefits of this recommendation are:

- greater clarity about the scope to invest in housing services and affordable housing;
- improved understanding of customer needs and equity in service;
- increased awareness of the costs and benefits of partnership working; and
- developing partnerships to increase the capacity of the organisation to deliver affordable housing.

The implementation of this recommendation would have high impact and incur low costs.

This should be implemented by October 2006.

Recommendations

R5 Use this inspection report to drive improvement by

- developing an action plan to address all other weaknesses identified within the report and to set up rigorous monitoring and reporting arrangements (by June 2006); and*
- report the findings and recommendations of this report to the Executive and Community Services Select Committee (by the end of March 2006).*

- 15 We would like to thank the staff of Surrey Heath Borough Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 31 October to 4 November 2005

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Report

What has the service aimed to achieve?

Context

The locality

- 16 Surrey Heath Borough Council (SHBC) is situated in the county of Surrey, in the Blackwater Valley sub-region. The population is 80,700³, of which 4.64 per cent come from black and minority ethnic (BME) backgrounds. The most significant group of 1 per cent are Bengali. The population is not expected to increase significantly but it is ageing. Over 75 year-olds are set to increase by 84 per cent to 9,200, and over 65 year-olds are to increase by 50 per cent to 17,200 by 2026. The number of households is also set to increase principally through smaller household formation.
- 17 The borough is a mix of urban and rural environments. The main urban centres are Camberley, where the civic offices are located, Frimley and Bagshot. SHBC shares borders with seven other councils in Surrey and Berkshire. Seventy-five per cent of the rural area is designated green belt and this includes extensive areas of heath and woodland. There are five sites of Special Scientific Interest. Four of these are part of the Thames Basin Heaths proposed Special Protection Area, of European importance, as a habitat for certain endangered bird species. A significant amount of countryside is owned by the Ministry of Defence.
- 18 This is an affluent area ranked 352 out of 354 in the ODPM's indices of deprivation where 1 is the most deprived. Fifteen of the sixteen wards fall into the top quartile of the least deprived wards in England. The average annual income is high at £44,750 compared to the national average of £29,374, and proximity to London provides opportunities for high paid employment. Unemployment is very low at 0.8 per cent compared to a national average of 2.3 per cent.
- 19 There is a low level of housing stress by comparison to other areas of Surrey which results in a low level of regional funding. There are 33,560 dwellings overall. Owner occupation is high at 81 per cent, with 9 per cent of housing in the social sector and 10 per cent in the private sector. 186 dwellings in the private sector (0.55 per cent) have been empty for more than six months.
- 20 Affordability is a problem for those on low incomes with the average house price of £296,099 compared to a national average of £223,372. Shared ownership housing has been recently developed at just below £200,000. The Housing Survey of 2002 identified a need for 453 affordable homes each year for five years.

³ 2003 Census mid-year estimates.

⁴ 2001 Census.

- 21 The main issue for SHBC is the potential blight on new development through the imposition of the new Special Protection Areas (SPA)⁵, to protect ground nesting birds, by English Nature's Delivery Plan⁶. The requirements of the plan for mitigation zones⁷ are likely to restrict further development in the borough until there is further clarification.

The Council

- 22 SHBC has adopted a political management structure based on a Leader and Cabinet (Executive). There are seven members of the administration on the Executive with responsibilities for housing, planning and community services divided between two portfolio holders. There are 7 committees including Policy and Resources. SHBC is Conservative-led; 22 Conservative councillors, 13 Liberal Democrat, 3 Labour and 2 Independents.
- 23 SHBC's Corporate Plan 2004/06 mentions that housing has a high priority for providing homes for key workers. The objective is 'To improve living conditions and community cohesion'. The following targets are identified in respect of affordable housing.
- 2004-06 - identify the appropriate mix of housing to meet local needs.
 - Review and revise the housing strategy to be 'fit for purpose' by June 2005.
 - 2007 - produce development plan documents as part of the new Local Development Framework with policies for housing and employment.
 - Undertake a full housing needs survey by March 2007.
 - Adopt development plan documents for housing numbers and needs by March 2007.
 - 2011 - update local development framework to integrate requirements of South East Plan with own housing needs findings for 2011 and beyond.
- 24 The Surrey Heath Local Strategic Partnership set up a steering group in July 2002. A ten-year community plan has just been published and includes the objective of increasing the provision of affordable housing by:
- agreeing a local definition of key workers and review it regularly;
 - encouraging the development of some employment land for housing;
 - increasing the percentage of affordable housing on eligible sites from 25 per cent; and
 - requiring affordable housing on development sites of less than 25 units.

5 Thames Basin Heaths Special Protection Area Delivery Plan due in September 2005.

6 English Nature, the environment activities of the Rural Development Service and the Countryside Agency's Landscape, Access and Recreation division will be united in a single body in 2006 with responsibility for enhancing biodiversity and English landscapes and wildlife in rural, urban, coastal and marine areas; promoting access, recreation and public well-being, and contributing to the way natural resources are managed.

7 Mitigation means measures which may be used to offset damage that would otherwise be caused to the integrity of a site by a proposal such as development. This may include re-creation of habitats within the same site and provision of management.

- 25 Seven Executive members each have a portfolio. Three have responsibilities for Customer Care, Economy and the Environment and Regulatory Services which cover the scope of this inspection. Responsibility for delivering the services is spread over housing, planning, and environmental health services.
- 26 SHBC's housing revenue budget for 2005/06 is £907,000 with an approved capital programme of £916,000 from internal resources and a balance of £12.3 million social housing grant.
- 27 Approximately 253 FTE staff are employed by the Council in total. Projected revenue reserves for 2005/06 are £15.4 million, of which £10.4 million are reserves and £4.9 million are provisions. Council tax band D is £1,257 for 2005/06.
- 28 SHBC transferred its housing stock to the Peerless Housing Group in 1993 and is debt-free. The three-year approved capital programme for 2004/05 to 2007/08 is £14.1 million of which £6.3 million is committed to improvements to service delivery through modernisation, £199,000 for renovation grants and £458,000 towards a site including shared ownership housing.
- 29 In July 2004 a Comprehensive Performance Assessment (CPA) was published by the Audit Commission which categorised SHBC as 'Fair'. The Balancing Housing Markets diagnostic carried out as part of the assessment found a high need for improvement.
- 30 SHBC has recognised the constraints of their current arrangements for accessibility of services and has decided to modernise the organisation with the objective of becoming customer-focused. The organisation has been undergoing restructuring since 2004. All senior posts were recruited by the time of the inspection and all services are being subject to formal service reviews to identify what can be undertaken by the newly created contact centre.
- 31 The contact centre had been open for six weeks at the time of the inspection and so far Environmental Services have transferred their services. All other services are programmed to be considered in phases through to 2007 following service reviews. SHBC is investing substantially in the centre in respect of IT, location, training, and telephony. It will have approximately 40 staff when fully operational.

The service

- 32 This inspection covered a broad range of services which contribute to the delivery of affordable housing including planning, private sector housing, homelessness, strategy and enabling. It looked at how SHBC works in partnership with others to deliver affordable housing and how well it understands the local housing market. Affordable housing can be defined as low cost market housing and subsidised housing (irrespective of tenure, ownership, whether exclusive or shared) that is available to people who cannot afford to rent or buy properties generally available on the open market.

- 33 There is currently no single housing inspectorate key lines of enquiry (KLOE), which specifically covers all aspects of affordable housing. But in undertaking this inspection, we have drawn on the relevant elements of the KLOEs covering strategy and enabling, private sector housing, homelessness and housing needs. Elements of SHBC's planning service were also included within the scope of the inspection.

Is the service meeting the needs of the community and customers?

Access and customer care

- 34 This is an area of weaknesses for the Council. SHBC are aware that accessibility to their services needs a great deal of improvement and has started the process with the implementation of the contact centre. In the meantime some information it provides is helpful but has not been developed with the involvement of residents and is only available in restricted formats. Service standards have not been set other than for customer care; monitoring and analysis of satisfaction with services is not undertaken routinely. Strengths for SHBC are its housing benefit claim assessments and quarterly community magazine.
- 35 Access for services covered by the inspection is basic and SHBC has little information on what is required by residents. Service users have not been consulted or involved in the setting up of existing arrangements, or in the development of the contact centre. Information to monitor satisfaction levels is not currently collected. Customer care standards were introduced two years ago, but trend information has not been analysed. The Council cannot demonstrate whether its performance is improving or not, SHBC is not able to demonstrate that it is meeting residents' needs effectively and efficiently and this will impact on its ability to improve services in the future.
- 36 SHBC has one office, the civic centre, in Camberley and believes that most residents are happy with the arrangement although they have no evidence to show this. The offices are open 8.30am to 5.30pm Monday to Thursday and to 5.00pm on Friday, which allows some working residents to access services at convenient times. Transport links to other areas of the borough are in the main by car or bus; train links are more difficult. SHBC accepts that some residents will be inconvenienced who live outside the main town, but there are no plans in place to deal with this aspect. One group, older people, are catered for through dispersed day centres which have referral arrangements to a range of other services.
- 37 There is reasonable access to services in the civic offices, which are currently delivered by different teams for each service area but due to the small numbers of staff in each team response times are affected by sickness, holidays and vacant posts. SHBC aims to deal with this by absorbing all frontline services into the contact centre. Information is not kept on numbers of calls or reason for access. There is no formal customer feedback on satisfaction levels.

- 38 SHBC has identified a number of groups who are likely to experience difficulties in accessing services. They are gypsies and travellers, people from black and minority ethnic (BME) backgrounds and vulnerable people with support needs. However, there are no direct actions to assist them, only to undertake more investigation. There is no commitment to undertaking this additional investigation in conjunction with service users and potential service users.
- 39 Currently, service users can access services by telephone, in person, through the website, via email or post. The emergency out-of-hours service operating for homelessness is delivered by the housing officers on a rota and telephone only basis. This service has been little used and the officers say they have had only four calls in the current financial year. It is not clear how the service is publicised for potential users and this may discourage people from seeking help.
- 40 Information is made available about the services through leaflets available from service reception areas, the contact centre, and on the website. Leaflets are well-badged but do not contain service standards. The language used is often legalistic and may not be clear to people with communication difficulties. They are offered in large print only rather than a range of formats. They can be offered in community languages but the strapline is only printed in English. This creates barriers to information and therefore restricts access to services.
- 41 The website is informative but not always easy to navigate. It was re-designed and re-launched in the summer of 2005, but will be redeveloped as additional services are transferred to the contact centre. Information on what help might be available is provided in a useful question and answer format and relevant contact numbers are included. However, there is no information to help people to find their own housing options, for example lettings agencies, support services, and where affordable housing is located. This provides a barrier to information and can undermine confidence in using it.
- 42 A wide range of forms are available for download and online submission including housing benefits forms. This does not include applying for housing, either to go onto the housing register or submitting an application for homelessness assessment. A best value performance indicator (BVPI) survey of 2003 showed that despite 72 per cent of the population having access to a computer only 13 per cent accessed Council services this way. It is not clear how SHBC plans to encourage greater use to maximise the investment it has made in this area.
- 43 There are no direct service standards and consequently, the quality of services is not measured or monitored. There is no opportunity for customers to either be clear about what standards they can expect, or have the means to challenge the performance and quality of services. The BVPI survey of 2003 showed that 13 per cent of respondents had used the housing service in the last 12 months but only 45 per cent were satisfied with the services they received. SHBC plans to deal with this through the transfer of frontline services to the contact centre. Arrangements for customer feedback on the operations of the contact centre have yet to be set up.

- 44 Good performance in respect of assessing housing benefit is an essential contribution to the prevention of homelessness. SHBC has traditionally performed well in this area. Following a dip in service in 2004 due to staff shortages and the implementation of document imaging processing, performance has recovered from a three-month backlog in claims assessment to two weeks at the time of the inspection.
- 45 Staff positively encourage housing benefit take up in the following ways.
- Providing a visiting officer for housing benefit verification and to assist vulnerable people with completing claims.
 - Passporting benefits in conjunction with the Department of Work and Pensions (DWP).
 - Close working relationships with the majority social housing landlord to streamline the housing benefit process.
 - Promoting take up through a poster campaign and leaflets in with SHBC tax invoices.
 - Enabling people to obtain a quick housing benefits assessment either over the phone or through the website.
- 46 However, limited use has been made of discretionary housing benefit payments which can provide support to cases of potential homelessness. A budget provision was made in 2004/05 of £17,249 which was retained in 2005/06. Expenditure for 2004/05 was only £1,597. There has been improvement with expenditure at 4 November 2005 at £8,967.
- 47 SHBC utilise the quarterly magazine, Heathscene, to communicate with residents as this publication is distributed to all householders in the borough. In the autumn 2005, Heathscene announced the launch of the contact centre and the transfer of some frontline services, and requested feedback on the development of the local development framework. The choice-based lettings scheme was also publicised, but this had not gone live on target in October 2005. There was no information on the website about the scheme or why it has been delayed; this was not posted onto the site until 19th December 2005 for a launch on 4th January 2006. This is confusing for people who are in poor housing circumstances and does not help to establish credibility for the scheme.

Diversity

- 48 SHBC's approach to addressing equality and diversity issues in relation to affordable housing is poor with little understanding of cultural sensitivities and diverse needs. The approach is a passive one with the exception of services for older people and people with disabilities, although there are plans in place for improvement over 2006/07.

- 49 Despite adopting an Equalities Policy in 2002, SHBC does not routinely monitor information on the cultural background of people accessing its services, although it is collected on housing applications. SHBC has not yet achieved Level 1 Equality Standard and is unlikely to do so before March 2006. This is well below the expected standard today.
- 50 The Executive resolved on 8 November 2005, that the Council works towards meeting Level 2 by March 2007 by making a commitment to developing and implementing a corporate Equalities Action Plan. The Plan is to be developed by the Policy and Resources Select Committee. There are plans to organise equality and diversity training for all staff and members for spring 2006, and consultants have been employed to assist the Council in reaching Levels 1 and 2 of the Equality Standard through the Diversity in Districts Programme.
- 51 Although information on new staff is now collected, a survey of existing staff has only recently been completed - the analysis has not yet been undertaken. There are no policies or strategies in place aimed at raising the employment proportionately of disabled people and those from BME backgrounds. This is an opportunity being missed by SHBC to embed understanding of different cultures and diverse needs within the Council for the benefit of service users.
- 52 The website home page, nor any other page seen, gives any information in BME languages about the availability of translation services. There is no information about increasing the font size on screen, although this is possible, or the availability of alternative formats or large print for those who are visually impaired. There is a translation offer on each page but that is in English and in an obscure position that is easily missed at the bottom of the page. There is no allowance made for those with literacy problems. SHBC expect to address these issues when the pages are reviewed as the services move to the contact centre but this will take up to 2007 to complete. This provides a barrier for some residents seeking access to services and housing options.
- 53 SHBC is failing to make significant progress against central government expectations. Housing and homelessness strategies make insufficient reference to the needs of diverse and minority groups. There is potential for small, marginalised and disadvantaged groups to become further excluded.
- 54 SHBC's understanding of the make-up of the borough population relies on Census information of 2001, mid-year estimates of 2003 and a Housing Needs Survey of 2002. This is not being updated in a systematic way and changes have not been made to service delivery to make them culturally sensitive. SHBC takes the view that there are no groups bigger than 1 per cent of the population and therefore it is difficult to know how this could be approached. Their aim is to be sensitive and proportionate but there are no guidelines for staff to set the standards residents might expect.
- 55 SHBC demonstrates a passive rather than a positive and pro active approach. For example, the homelessness strategy 2003/07 response on diversity is broken down into specific areas including equality issues. This section does not mention creating links with community groups to develop knowledge of needs and cultural sensitivities but concentrates on monitoring situations.

- 56 There is recognition of the need to provide cheaper housing for key workers in order to reduce the numbers of people leaving the area which is impacting on local businesses. However, there is currently a lack of commitment to deal with the issues arising from diverse needs, for example from an ageing population, minority client groups and the need for extra care sheltered accommodation. SHBC has recognised the deficit and is relying on the Housing Needs Development Plan Document to address the deficiencies. This is in development and is due to begin in 2006. However, since 1993 only 11 new homes for older people or those with special needs units have been developed, and none are identified in the potential programme between 2006 and 2010.
- 57 The Council recognised the needs of young single homeless people. As families are no longer placed in bed and breakfast accommodation for long periods, temporary accommodation owned by the majority RSL landlord has been identified for refurbishment for young people accepted as homeless. The resources have not yet been identified.
- 58 An approach has been made to the local Bengali Welfare Association for their views on issues affecting their community's access to homelessness services. The draft housing strategy also recognises that there is little understanding of the needs of BME groups. Staff in the contact centre and reception areas have access to Language Line. However, without having sufficient information about the diverse needs of those approaching SHBC for housing, SHBC cannot plan its future housing provision to ensure it meets the respective needs of diverse groups.
- 59 Support is available for travellers and gypsies through the Gypsy Liaison officer; there are thirty pitches in the borough managed by the Council through environmental services. This gives the perception that the approach is one of management rather than of a service focused on customer needs.
- 60 SHBC has shown a commitment to assisting those with disabilities to access services. SHBC offices are fully compliant with the requirements of Disability Discrimination Act (DDA) and there is a hearing loop provided in the contact centre together with private interview rooms. Signers are also available in the building, and a housing application form for people with learning difficulties has been developed together with Surrey County Council, Mencap and service users, which is a positive approach.
- 61 SHBC makes funding available to support some older and disabled people remaining in their own homes. This directly reduces pressure on the housing register and helps SHBC to manage an element of housing demand. This is in response to the 2001 census which showed 8.2 per cent of people identifying themselves as having a disability. Disabled facilities grants are supported with £264,000 from SHBC's resources and central government subsidy of £126,000 with a further £40,000 for improvement grants. SHBC also financially supports a handyman service run by a voluntary agency which has recently expanded with capital investment by SHBC for a second van.

- 62 There has been little publicity about this initiative, other than information on the website, as SHBC fears that this will generate demand which cannot be funded. Potential demand has not been quantified and SHBC has no plans in place either to undertake this work or explore alternative means of meeting any additional demand. This undermines the approach SHBC is taking in managing future demand for affordable housing.

User and stakeholder involvement

- 63 This is an area of weakness for SHBC. The range and methods of consultation have improved over previous years, but residents are a long way from being involved with the development of strategies, policies and services which have an impact on the priorities for SHBC and ultimately on the outcomes for residents as a result of how resources are utilised.
- 64 SHBC recognises that it needs to develop ongoing involvement with stakeholders, in particular with service users, in the implementation of strategies and plans. Consultation for the draft housing strategy was based on annual events in 2004 and 2005 and an exercise with stakeholders on the Key Worker Action Plan. The draft strategy was circulated to stakeholders demonstrating how feedback had been incorporated. Feedback to the document was encouraged.
- 65 The lack of ongoing involvement with residents and stakeholders is likely to undermine SHBC's efforts to provide services that residents want in the way they want them. SHBC is responding with a target in the draft housing strategy to establish a framework of participatory groups to involve the community in the implementation of the strategy and the development of the next one. Unless involvement becomes embedded as normal practice, strategies are likely to become less relevant to stakeholders as they become outdated.
- 66 There is little involvement with users on the shaping of services which contribute to the management of housing need. The exceptions are:
- feedback requested on DFG after the work has been completed; and
 - outcomes from the homelessness review shaped changes to the allocation policy leading to the introduction of the Joint Housing Register in April 2005 and the planned introduction of the choice-based lettings scheme. This is delayed until January 2006.
- 67 The Local Plan was drafted in 1998 and adopted in 2000. The Plan was to run from 2001 to 2016 but is being replaced with a new system of Local Development Frameworks (LDF) consisting of a series of Development Plan documents; one of these is being developed to deal with housing needs and implementation is due in March 2006.

- 68 SHBC has consulted through four forums, four meetings, an article in Heathscene and a questionnaire⁸ issued after September 2004. This had a 14 per cent response rate from 500 sent out to organisations and individuals, and is the most significant of the responses. We found the process to be flawed in a number of ways, which may undermine the outcomes and underplay what housing costs are affordable to those in need in the borough.
- 69 Although the paper contains summarised information on areas of need, we raised concerns in connection with the questionnaire on the grounds that it would not encourage involvement or enable respondents to highlight what is a priority from their perspective. The Council plans to re-run the consultation process in 2006 to rectify the following.
- Questions were poorly designed and leading. For example: In those rural areas of the borough where there are settlements with populations of 3,000 or less, is a threshold of even less than 15 units justified?
 - Questions risked highlighting prejudice against minority groups. For example: Should the LDF make provision for sites for travelling show people and gypsies?
 - The questionnaire does not ask respondents to prioritise the issues to be addressed, or suggest how existing provision could be improved.
 - There is no description of what affordable housing means and it is, therefore, open to misinterpretation.
- 70 In addition, we found that the average household income was based on average male full-time employment from census data at £35,000 per annum. Average earnings for full-time females were substantially lower at £26,150, which means there is a lower threshold of affordability where a woman heads a household. There appears to be no analysis of whether this is an issue and whether women are particularly disadvantaged in accessing housing in the area, particularly given the high average cost of housing.
- 71 Overall, the respondents agreed for the need for affordable housing for those on low incomes, older people, those with disabilities and key workers. There was also support for some provision for travellers and gypsies from the majority of respondents.
- 72 SHBC is not engaged with private sector landlords despite previous efforts to establish relationships through a forum. Officers have recognised that without engagement with the private sector it is unlikely that SHBC will be able to realise the potential that can be offered from the private sector to deliver decent, affordable housing.

⁸ Issues and Options Paper 3: Housing Needs September 2004.

Partnerships

Summary

- 73 There are few partnerships which contribute to affordable housing and to managing the need for affordable housing. Relationships are generally better at the operational level, but overall this is an area of weaknesses for SHBC as the Council is not maximising the benefits from working with others. Senior officers and councillors have recognised the need to develop this area in the future.
- 74 Partnerships with RSLs have delivered a range of types and tenure of affordable housing, mostly for general housing needs during the years that local authority social housing grant has been available. Affordable housing has also been delivered through agreements under section 106 of the Town and Country Planning Act 1990.
- 75 SHBC has not managed these relationships proactively to maximise affordable housing resources. For example, the Ministry of Defence is a major landowner within Surrey Heath and bordering authorities. Although the Council have developed new housing through LASHG in the past on previously owned MOD land in Deepcut village, they are not in discussion with them and neighbouring authorities concerning the disposal of existing properties, particularly in the Aldershot area. Although outside the Surrey Heath boundary, it is in close proximity and could be considered for affordable housing provision for local people.
- 76 Four RSLs have been selected as preferred development partners, including the majority landlord, Peerless Housing Group. However, it is only since June 2005 that quarterly Partnership Development meetings have been undertaken. This was to address issues such as the very limited access to planning officers, and the allocation of section 106 developments where one RSL is out bidding another and needlessly driving up the price of land. This has arisen because SHBC has not given a strong lead and determined mutually agreed criteria to ensure that affordable housing is delivered as set out in the housing strategy.
- 77 There are a few other demonstrable outcomes delivered through partnerships. SHBC works sub-regionally as Surrey Heath is not a priority for Housing Corporation funding for new development. SHBC currently chairs the Blackwater Valley group which is regarded as the sub-regional group. Through the group SHBC will achieve a 6.5 per cent share of 200 additional affordable housing units developed in the Blackwater area through funding from the regional housing board. This group of councils are most affected by the SPA and are discussing joint management of their approach. The group have collaborated on the Blackwater Valley Housing Market Assessment which confirms that this is a valid sub-regional housing market.

- 78 There has been some limited activity in managing housing demand in the following areas.
- Offering assistance to Chobham Parish Council, who have undertaken their own housing needs assessment, with links to an appropriate RSL for affordable housing to encourage more families into an ageing community.
 - Worked with Surrey Police, Surrey Women's Aid, Floating Support and Peerless Housing Group to set up the Sanctuary Scheme for those experiencing domestic violence.
 - Working with Woking and Runnymede Councils on the development of an extra care strategy.
- 79 SHBC is represented at the regional level by their Leader on SEERA⁹, who is also the vice chair of the Surrey Local Government Association. Councillors are fostering external relationships through the Local Strategic Partnership, which has produced the community plan, and through the external partnerships committee. A variety of external agencies have presented to this committee on a range of issues including affordable housing. There have been no discernable outcomes from this committee in respect of affordable housing.
- 80 SHBC is not evaluating the effectiveness of its partnerships. For example, assessing whether housing advice given through external agencies, such as the Citizens Advice Bureau, is actually preventing homelessness. This means SHBC is not able to determine whether it is targeting resources to maximum effect.
- 81 SHBC is not working in partnership to tackle conditions in the private sector and maximise lettings for those in need of affordable housing. There are just under 3,000 properties in the private sector, with 186 identified as longer-term voids. Given the relative numbers of households accepted as homeless the potential of this resource should have been explored and would have the added benefit of delivering choice for users.

Strategic approach to housing

- 82 Affordable housing is effectively not a priority for SHBC and the concept has not been directly related to residents' ability to pay. The strategic approach is based on information where there are significant gaps in data and analysis. Links between plans and strategies are mixed and SHBC's approach is not challenging. The lack of strength in this area fundamentally undermines SHBC's ability to meet the housing needs and aspirations of residents.
- 83 SHBC's definition of affordable housing in the draft housing strategy takes little account of what is affordable by those on low incomes.

Housing that is subsidised by public funding so that it can be provided to rent or purchase at rates below market levels.

⁹ SEERA - South East England Regional Assembly.

- 84 There is no definition of what is affordable by defining what the low levels of income for the area are. For example, recent shared ownership family housing with three bedrooms has been valued at just under £200,000. In order to secure 50 per cent shared ownership the head of the household will need to have an income well in excess of £30,000. In addition, the family will need to pay rent and cover the costs of repair. Estimated outgoings for mortgage, rent and service charge for a two bedroom family-sized house is £835 per month.¹⁰ Census information shows an average income for men as approximately £36,000 per annum but this falls to £27,000 for women. SHBC cannot demonstrate that it has properly considered these aspects when agreeing increasing levels of shared ownership on new developments.

Table 2 Shared ownership homes and rented home from 1993 to 2010

The following table shows how the levels of shared ownership have increased on new housing developments over time, and continue to do so on the sites identified for potential development for affordable housing.

	Developed between 1993 and 2003	Developed since 2003	Potential programme 2006/10
Rented	493	92	327
Existing street properties	242	0	0
Shared ownership	132	48	363
Total units	867	140	690
Percentage shared ownership to rented	15%	34%	53%

Source: Surrey Heath Borough Council - Affordable Homes Provided since 1993

- 85 The need for increasing shared ownership housing is not supported by SHBC's own evidence. The draft housing strategy outlines a split of 60 per cent rented housing to 40 per cent shared ownership. The evidence from the housing survey of 2002 showed a minimum of 453 affordable units per year for five years with new forming households showing a preference for around 40 shared ownership units per year. This equates to 9 per cent of the need. Based on the target of 70 affordable housing set by SHBC in the strategy this would equate to 28 (40 per cent) shared ownership of all affordable housing units per annum despite the overwhelming need identified to be for rented accommodation.

¹⁰ Thames Valley Housing Shared Ownership literature

- 86 The draft housing strategy makes it clear that SHBC will not be supporting the provision of affordable housing with discounted land or funding resources. This is despite being highlighted as a priority in the community plan and referred to as a priority in the corporate plan. The draft housing strategy states:

In the absence of grant funding support, consequent upon the abolition of Local Authority Social Housing Grant, SHBC is no longer a funding resource for affordable housing. Within its own capital funding programme, SHBC has not made provision for affordable housing, and is reliant on funding allocations made by the Regional Housing Board.

- 87 In addition, SHBC will only make land available at 'best value'¹¹ rather than subsidise development costs with the gift of or discounted cost of land in return for nomination rights. The outcome is increasing numbers of shared ownership housing being developed because of the lack of subsidy following the withdrawal of local authority social housing grant, and the lack of a firm approach by SHBC on the need for a greater level of rented housing through section 106 agreements.
- 88 Affordable housing had not been an issue for SHBC since 1993 when the ownership of the Council's housing passed to an RSL. There is now recognition that SHBC does have a strategic role in ensuring suitable housing is available for key workers and relatives of residents who wish to remain living in the area. Officers and councillors were involved in the development of the draft strategy during 2005, and are developing the action plans. This approach is reflected in the draft housing strategy.
- 89 The draft housing strategy was being developed at the time of the inspection following a poor score from the Government Office of the South East (GOSE) on the previous submission. SHBC has been working closely with GOSE to bring the draft strategy up to a 'fit for purpose' standard and officers believe they are close to obtaining this. A dedicated officer was brought in, in January 2005, to work with staff across SHBC to help develop the strategy. However, the target date for delivery, June 2005, has been missed and the strategy has not formally been adopted by SHBC.

¹¹ From the Council's Asset Management Plan.

- 90 The strategy is based on variable quality of information. Housing needs are drawn from the Housing Needs Survey of 2002 with an update through the Housing Needs Study of 2003. In addition, the homelessness review of 2003 identified a range of client groups for whom provision was particularly inadequate. However, SHBC has identified a need for better information and strategic response in the following areas.
- Although a needs assessment has been undertaken in conjunction with the gypsy liaison officer which identified a requirement for 10/12 additional plots, SHBC is undertaking joint research with neighbouring boroughs 'where opportunities arise' but waiting until 2007 to link it with the next housing needs study.
 - The Housing Needs survey of 2002 identified a need for a comprehensive older persons' strategy including an assessment of the support service needs and adaptation requirements to keep them in their own homes and reduce pressure for affordable housing. This activity has been moved to the draft housing strategy and in the Corporate Plan to carry out further research in the Housing Needs survey of 2007.
- 91 SHBC is also failing to make the best use of all resources to update themselves on the housing market. An example is the information provided by Surrey County Council, which Surrey Heath is unable to neither analyse due to a lack of resources nor use to determine the direction of need for affordable housing. It is not clear whether the newly restructured areas of policy and strategy will have the capacity to address this shortcoming.
- 92 There are clear planning policies for the delivery of affordable housing in the existing Local Plan adopted in 2000. This is being updated through the Local Development Framework with recommendations to decrease the affordable housing threshold from 25 units down to 15 and in some places, such as Chobham down to eight. There is also a proposal to increase the percentage of affordable housing from 25 up to 40. SHBC has been slow to rise to the challenge of providing affordable housing without additional government resources. Of the eleven Surrey authorities only three, including SHBC, maintain this lower level requirement for affordable housing. Six others require 30 per cent and over, and one requires negotiation around 50 per cent.
- 93 The linkages between strategies are not always consistent and targets are not challenging. The draft housing strategy has references to the housing strategy 2003, but they are not detailed and do not prioritise the resources that are available to support this area. This impacts on SHBC's ability to tackle the deficiency in affordable housing by managing the need for it.
- 94 The need for affordable housing is highlighted in the Corporate and Community Plans which have priority actions identified. These are driven by Local Development Framework activity, but in the main they have targets five years in the future. Examples include encouraging higher densities and increasing the percentage of affordable housing. This undermines SHBC's heavy reliance on future affordable housing being delivered through the planning regime.

- 95 SHBC is making little impact on private sector housing with the exception of statutory activity on identified houses in multiple occupation (HMO). The private sector housing strategy is restrictive in only considering grants policy rather than how the Government's target for decent homes can be met. The Empty Property Strategy was developed in 1996 and has not been refreshed. SHBC's efforts to establish a private sector landlord's forum have been unsuccessful so far. There is no action plan to focus activities in managing issues in the private sector. Overall, this approach will not help SHBC to reduce the need for affordable housing and maximise available housing for rent.
- 96 There is effective day-to-day internal liaison between planning officers and the community and housing team, with co-ordination on common matters of concern undertaken through meetings chaired by the Director of Customer Services. Planning officers have had input into the housing strategy and information is exchanged. Planning officers have attended housing development forums attended by RSL partners, organised by the housing team. This has helped with the development of key sites which are now nearing completion.

Enabling new housing

- 97 SHBC has mixed performance in this area. The Council has delivered affordable housing in previous years when resources were available and has made use of powers at their disposal. It is now heavily reliant on the planning system, which is weak, for the delivery of affordable housing. There is no firm delivery plan for affordable housing which takes account of the difficulties raised by the SPA, the lack of funding, and use of discounted land.
- 98 In the past SHBC has exceeded targets for new affordable housing in a complex environment delivering an average of 76 per year from 1993/94 to 2005/06; a total of 983 of rented and low cost ownership homes. These were delivered through social housing grant (SHG) and local authority social housing grant (LASHG) against a target of 40 per year from 1993 to 2002 (336) and 100 per year from 2002/03 to 2005/06 (400). SHBC used resources from the sale of council housing of £13.5 million for the five-year affordable housing programme between 2001 and 2006. This level of investment demonstrated commitment to providing affordable housing when resources were readily available.
- 99 SHBC has taken some positive action to facilitate the development of affordable housing. For example, the programme has taken account of the needs of its only rural community¹² and 86 affordable homes have been developed in 2003/04. Some assistance to developers is being given through the design briefs for larger housing development sites in the Local Plan.

¹² Population size of less than 3,000.

- 100** SHBC has made use of statutory powers such as compulsory purchase orders to facilitate the delivery of affordable homes. Examples include a complex package of sites under different ownership in Sturt Road/Guildford Road and as part of the land West of Park Street which has the capacity to deliver approximately 55 affordable homes on a mixed use scheme; this is a pivotal development for SHBC and work is due to start in January 2006 having received Secretary of State go ahead to determine the application. As yet SHBC has not made use of the facility to demand commuted sums, although it is in the housing strategy, because they have been able to insist on housing on appropriate sites.
- 101** The new target for affordable homes is clearly set in the draft housing strategy at 70. This is 38 per cent of the Surrey Structure Plan house-building requirements as the total for Surrey Heath for the period 2001 to 2016 is 2,780, equating to an average of 185 per annum.
- 102** SHBC does not have a clear delivery plan to demonstrate exactly how it intends to achieve the new target. There is a great deal of uncertainty surrounding any development in the area since the imposition of the SPA, little regional funding is likely to be made available and SHBC is not making capital or discounted land available. Without a clearly developed delivery plan there is increased risk that the target will not be achieved.
- 103** Since the change in LASHG rules in 2003, which stopped the recycling of capital receipts so that over time there was no negative impact on councils, there has been no further investment of capital receipts for affordable housing. It is Council policy not to ring fence housing capital receipts and any resources must be bid for against other Council corporate policies.
- 104** SHBC has been slow to make the necessary adjustments to the planning framework to assist in the future delivery of affordable housing. Delivery now relies in the main on the planning framework in the absence of discounted land and very little funding from regional sources. The current affordable housing threshold is 25 before affordable housing is required to be provided. Of the 27 potential sites identified as having the potential for affordable housing between 2006 and 2010, only 9 show a larger capacity than 25. Proposed changes to this threshold are in consultation but are not expected to be delivered until December 2006.

- 105** Although SHBC has been successful, in the past, in achieving affordable housing through planning negotiations and section 106 agreements, this rarely happens now. Planning development services are under substantial pressure and have been failing to meet statutory time limits to determine planning applications for some time. As a result, several services have been withdrawn in order to tackle this problem. The impact for affordable housing is:
- substantial delays in determining planning applications. There are over 80 Committee items in the formal backlog which affect larger sites;
 - no pre-development discussions with developers prior to planning submission. This has impacted on the negotiations for affordable housing under section 106 agreements;
 - no duty planning officer to deal with queries as they arrive. The impact is that if the application fails it must be resubmitted and will face more substantial delays. This service is due to be reinstated in January 2006 subject to successful recruitment;
 - very limited informal discussions through housing colleagues with RSLs on potential future developments; and
 - planning applications have been prioritised to minimise hardship to individuals, but this does not include affordable housing applications.
- 106** The impact of these difficulties with planning on the development of affordable housing cannot be underestimated. Lead in times for bids to the Housing Corporation are long and delays for the RSLs in achieving planning permission have a knock on effect for new housing. The impact is heavy for those in need of housing, and for the RSL there is a financial impact as well as an undermining of their reputation when targets are not met.
- 107** SHBC does not insist that affordable housing is integrated within new housing developments. This does not accord with best practice and undermines the drive towards mixed communities. It is also disappointing to note that only 11 units of special needs accommodation have been delivered since 1993 despite the identified needs in the Housing Needs Survey 2002. This indicates a lack of commitment on the part of SHBC.

Prevention of homelessness

Summary

- 108** SHBC has developed a comprehensive strategy to preventing homelessness based on a thorough understanding of underlying causes through the review. However, this information is not being systematically updated and analysed to make any necessary adjustments for current trends. The Housing Services team are delivering effectively within available resources and have developed useful partnerships which help towards achieving objectives. SHBC is not utilising the contact centre, under-occupation in social housing or the private sector to support prevention measures. This means that SHBC is not maximising all available means to manage demand for affordable housing.

- 109** There is a clear emphasis on prevention of homelessness demonstrated in the housing strategy of 2003/07. Objectives are well-supported with a detailed range of actions, which cover the variety of activities needed to manage homelessness, that are linked to government objectives such as the discontinuation of long-term use of bed and breakfast for families with children.
- 110** Within the limited resources of the Housing Services team some of these actions have been achieved, for example the retention of the rent deposit scheme and use of mediation to reduce parental evictions. Homeless acceptances from those in priority need have reduced by 10 per cent, as shown below, which suggests some success with the approach.

Table 3 Homeless Acceptances from those in priority need

2001/02	2002/03	2003/04	2004/05
99	84	61	82

Source: Housing Improvement Programme submission for 2005

- 111** SHBC does not analyse information on housing advice and housing enquiries. Numbers of enquiries are only being reported from April 2005. The proportion of acceptances to enquiries could indicate the positive impact of housing advice on reducing incidence of homelessness.
- 112** SHBC has developed a number of partnerships and commissioned services which support the prevention of homelessness through advice and assistance. However, SHBC cannot demonstrate how effective these schemes are because there is no routine assessment of outcomes and evaluation of effectiveness. The key ones are as follows.
- Tenancy support for vulnerable people provided by the Peerless Housing Group. This is a long standing arrangement but does not have a formal service level agreement which would help SHBC to ensure adequate outcomes are being achieved.
 - The multi-agency Special Needs Housing Panel has the responsibility of ensuring move on from supported housing together with appropriate help to sustain long-term tenancies.
 - Provision of community services to enable people to stay in their own homes such as day centres, community transport and meals on wheels.
 - SHBC is utilising part of successful bid funding from the ODPM, £19,000 Homelessness Prevention Grant, to support a dedicated debt advice service provided by the Citizens Advice Bureau in Camberley. Further funding is provided by SHBC for generic advice which also includes independent homelessness advice. The service focuses on homelessness prevention.

- SHBC works with UB40 Young Persons Project to provide accommodation and support for 16 to 25 year-olds and has been able to provide £7,000 funding for a young persons rent deposit scheme from a grant received from the ODPM. UB40 are also involved in the advice work undertaken with schools to make young people aware of the problems of homelessness and where to get advice and assistance.
 - A Sanctuary scheme helps those experiencing domestic violence to remain in their homes. This scheme has successfully attracted funding from the Safer Surrey Heath Partnership but its long-term future is subject to a growth bid by SHBC. It is unclear how many people have been assisted through the project.
- 113** There are positive initiatives delivered by SHBC which also aim to prevent homelessness. Negotiation is undertaken with accommodation providers to delay a household having to leave their current accommodation in anticipation of securing a nomination to settled accommodation. This is particularly effective dealing with those being asked to leave by family or friends, and has also proved successful with private landlords and the Defence Housing Executive. No information has been provided on the numbers of people who have benefited from this approach.
- 114** SHBC also has a rent deposit guarantee and rent advance loan scheme that it uses to prevent homelessness. In 2004/05, 12 families were assisted in this way.
- 115** SHBC is using nomination rights secured from RSLs through grant funding to prevent homelessness. The approach has been strengthened by a move to a joint register with a joint allocation scheme in April 2005. This is also a precursor to implementing a choice-based lettings (CBL) scheme although this has been delayed from the original target date of October 2005.
- 116** SHBC demonstrates a good understanding of the causes of homelessness although this is not being updated. A homelessness review was undertaken in 2003 which informed the Homelessness strategy. The causes of homelessness were in the main the inability of young families and single parents to find independent housing from the family home. SHBC has responded with an increased focus on mediation through housing officers and also through an independent service as appropriate. This is backed up with the 'homeless at home' approach which leads to some cases being able to take a planned approach to re-housing.
- 117** SHBC is not maximising the potential advantages represented by the contact centre in the implementation of CBL. The bidding part of the process will be undertaken by the new contact centre but at the time of the inspection, scripts were not developed, staff were unclear on the timetable for implementation and training for the contact centre staff was outstanding. Queries from applicants will still be dealt with by the Housing Services Staff, as will the allocation activity involved in drawing up a nominations list. This is potentially confusing for applicants who will be dealing with two separate services in SHBC as well as the lettings service of Peerless Housing group who will undertake the lettings. The potential to utilise additional resources and release Housing Officers to undertake other preventative work is also being missed.

- 118** A significant failure for SHBC is the lack of developed relationships with the private sector. The driver for this is to maximise any potential affordable rented accommodation, or to develop leasing schemes to support homeless people. These would support improvements to poor quality accommodation as well as reducing the pressure for emergency accommodation. These activities were identified in the Homelessness strategy but have not been delivered along with other activities particularly in relation to the private sector. SHBC recognises that the actions planned in the strategy were over ambitious for the level of resources available and plans to review the strategy by March 2006.
- 119** There is no support from SHBC for making the best use of the existing social housing accommodation. There is no strategy for dealing with under-occupation, or recognition of potential need for housing for older people currently occupying family-sized homes or inappropriate housing which could be re-designated for other groups such as younger single people.

Private sector housing

Summary

- 120** SHBC liaison and engagement with the private sector is weak and is not a priority for SHBC with the exception of help for some older and disabled residents. Information on unfitness is out-of-date or based on narrowly-focused surveys. There is limited work on tackling fuel poverty and on loan assistance to improve housing conditions. This approach is based on the presumption that housing conditions are generally good with the exception of some houses in multiple occupation (HMO) where most activity is targeted.
- 121** SHBC does not have good information on which to base its approach to tackling poor housing conditions. Stock condition information is based on informal surveys of the external appearance and condition plus a survey in 1999/2000 undertaken on ex-council owned properties. The surveys are not based on decent homes standard¹³ (DHS) and SHBC are not able to demonstrate they have clear information on the level or costs of unfitness in this sector. A full survey is a target for 2006/07, but there are no identified resources to undertake this work as yet.
- 122** Limited use has been made of loan assistance to those not eligible for grant or where grant does not cover other ineligible works which ought to be done at the same time. Expenditure in 2003/04 was £8,000 increased to £20,000 in 2004/05. Only one loan for £780 has been approved so far in 2005/06. SHBC expects to expand the use of loans but no targets have been set to drive this forward and the scheme is not being publicised. There is also an assumption that because there is a high level of owner occupation where 33 per cent own their properties outright, there is also a high level of equity to use against disrepair and renovation.

- 123** There is limited activity to tackle fuel poverty and SHBC does not take a proactive approach. Fuel poverty is an important aspect to tackle in respect of improving housing conditions to support healthy lives and help maximise good quality accommodation. The last published report was for 1999/2000, and energy efficiency policies are not always implemented in new dwellings. This is because the Government's planning guidance is permissive rather than a requirement. A working group with RSLs, the local hospital, Warm Front and Eaga has met once to consider how they can address the energy efficiency issues in the borough, and is about set up a discount scheme with a major DIY store.
- 124** Energy efficiency work delivered through Eaga is limited with only £36,400 being received by 45 households on benefit in 2004/05. This is an increase in activity on 2003/04 with £22,400 being received by 28 households. It is not clear how active SHBC is in promoting this inward investment into the borough.
- 125** SHBC is not engaging with private residential landlords. The current lack of a private sector landlords' forum means there is no focus for regular consultation; previous attempts at getting a forum off the ground have been unsuccessful. This remains a target and SHBC accepts that this is an area for development. There is no private sector leasing scheme despite the level of activity with HMO and 10 per cent of dwellings in this sector; a previous scheme fell into disuse. The Council are failing to maximise opportunities to improve conditions and link suitable vacancies with people in housing need.
- 126** SHBC's approach to HMO is positive and active, but there are inherent weaknesses. There has been a registration scheme in place since 1997 which assists in improving conditions in this type of housing. This scheme has requirements in respect of the management of the dwelling which are in excess of the statutory minimum. SHBC has concluded that the majority of unfitness is in HMO and has targeted resources accordingly. This included the appointment of a surveyor for four months to carry out inspections of 60 properties on a list of 226 known properties. This brings the total number inspected to 152 (67 per cent). All HMO identified have received a risk assessment, and on the basis of the condition information SHBC currently have, the highest risk properties have largely been dealt with.
- 127** Positively, a total of 43 unfit HMO have been made fit for human habitation through Council intervention, and enforcement action is being undertaken on a further 46. 25 HMO are registered with the SHBC scheme and action is being taken on a further 10 who are not yet registered. This scheme has contributed towards greater fire safety in private sector rented housing for residents.
- 128** SHBC has positively targeted assistance where there is demonstrable need. Older and vulnerable people are being assisted through the in house home improvement agency (HIA). SHBC is currently developing a joint HIA with Woking Council and will be accessing funding from Supporting People grant to fund it. There is potential to further expand the HIA to include Runnymede Council and to improve the services offered through joint employment of an occupational therapist and a caseworker.

- 129** This work is further supported through the handyman scheme which is run by a charitable, voluntary agency funded initially by the primary care trust. SHBC has given capital funding to expand the scheme which has significantly improved the response times for minor repairs. The typical waiting time has been reduced from six to eight weeks down to two weeks, and some urgent work is completed in 24 hours. The hourly rate charged is £12, considerably below market rates for qualified trades people, and there are no restrictions on who may apply for assistance with respect to income. The scheme is one way of helping people to remain in their own homes and reduce the pressure on other subsidised forms of accommodation

Value for money

- 130** This is an area of weakness for the Council. SHBC is not able to demonstrate if housing services represent value for money. There is no systematic approach to evaluating the activities undertaken for beneficial outcomes and cost efficiency. Future savings generated by the establishment of the contact centre will effectively be offset by substantial losses in planning development grant due to poor performance against national targets. Service benefits for housing customers are not due to be delivered until 2007.
- 131** Substantial losses of approximately £440,000 are being made of planning development grant. This is due to the poor performance of SHBC in meeting the national target with respect to planning approvals. The service has recently been reviewed and a restructure has been agreed. This should reduce the existing high levels of cases per officer, the cause of the backlog, by providing additional resources. However, this will not be sufficient to achieve recommended levels of 150 cases per officer per annum and will be nearer to 180. The Council expects that the inclusion of advice and duty officer services into the contact centre will also improve officers' abilities to improve performance in this area. However, the service has been having difficulty in recruiting to one post due to a national shortage of planning officers. SHBC is to consider a review of the recruitment and retention package for these posts.
- 132** There is no value for money policy or strategy in place. The corporate procurement strategy was due to be in place for June 2005, but there is no impact for housing at the present time. This means it has not yet been applied to the purchasing of services or the commissioning of suppliers and partners in relation to affordable housing. Cost comparisons are not being undertaken and SHBC are not members of appropriate benchmarking groups.
- 133** The Council are aware that losses are being incurred in funding empty units of temporary housing as required in their contract with their RSL partner. Those losses have not been quantified and action to reduce this expenditure is still outstanding. In addition, there are arrears in the collection of bed and breakfast charges and rent deposit guarantees. This is the result of limited resources in legal services to deal with referrals to court. Action to reduce these arrears is outstanding. Overall, the impact for the Council is that it cannot demonstrate it is making the best use of financial resources that are available to it.

- 134 Corporately resources have been falling year-on-year as the support grant has been reduced. SHBC has not matched this with reductions in spending. This is leading to a potential overspend in 2005/06 increasingly so in 2006/07. SHBC is tackling this with the restructure of their services, reviews of all services and investing just under £1 million in setting up the contact centre and upgrading IT and telephony systems. This is seen by the Council to be the last area of the Council where substantial economies of scale can be made. SHBC expect to make overall savings of £890,000 by 2007/08, £300,000 during 2005/06.
- 135 Benefits for residents are expected to be better access to services, resolving a high level of queries on first contact, improved information and better performance management. However, housing services are in the last tranche and not are due to be reviewed until the end of 2006 with the transfer of front facing services in 2007.
- 136 SHBC has recognised the need to manage outcomes from partnerships delivering affordable housing. Meetings of the partners are taking place quarterly since June 2005 to resolve disputes between development partners, avoid further duplication of work on the same sites and driving up land prices, and help in driving schemes forward. At this early stage there are no outcomes benefiting service users from the meetings.
- 137 There has been some use of joint procurement with neighbouring councils in the research of housing needs, particularly in the Blackwater Valley sub-region and responding to the Draft Regional Housing Strategy. Savings have not been quantified.
- 138 SHBC is taking a cost effective approach in negotiating for potential homeless applicants to be regarded as 'homeless at home'. This enables planned re-housing over time avoiding the use of bed and breakfast, which is expensive even for short periods. The Council does not keep information on likely savings. This could demonstrate the extent to which this approach might be extended with the implementation of the choice-based lettings scheme.

Summary

- 139** We judge that Surrey Heath Borough Council is providing a 'poor', no-star affordable housing service.
- 140** There are significant weaknesses in the service. The definition of affordability has not been sufficiently refined to ensure that those on low incomes can access subsidised housing. The Council is heavily reliant on the planning system to deliver affordable housing in the future and this is a weak service. The absence of a delivery plan for affordable housing is a serious omission. Services for people seeking affordable housing are not fully accessible and residents have not been involved in the development of information or of service standards. The Council's approach to diversity and equality is significantly underdeveloped and there is insufficient information collected on diverse, BME and other service user groups to improve the sensitivity of services to their needs. Consultation with stakeholders and partners has not moved to meaningful involvement and partnerships are not being maximised. With the exception of homelessness service users are not involved in the development of services. There is no productive engagement with the private sector. The Council is not able to demonstrate a systematic approach to value for money across the affordable housing service.
- 141** Significant improvements are being made to the accessibility of other services being delivered through the new contact centre but this has limited impact for people in need of affordable housing. The Council has a track record of delivering affordable housing when resources are available, and housing benefits are being assessed on average within two weeks. Another strength is the support given to homeless, older and disabled people through the housing advice and handyman services plus financial support through disabled facilities grant.

What are the prospects for improvement to the service?

What is the Council's track record in delivering improvement?

- 142** This is a weak area for the Council with few strengths. It has not consistently implemented its own improvement plans or addressed all the weaknesses identified in the Comprehensive Performance Assessment (CPA). Some key targets within action plans have been missed, and a number of the issues identified in the homelessness service review have not been followed through. There is a lack of engagement with the private sector and potential additional affordable housing has not been maximised. Improved accessibility to housing and planning services has not been delivered through investments in the contact centre. Some of the Council's activities have delivered appreciable benefits for people needing affordable housing and helped to manage demand. There is evidence of learning at the corporate level and partnerships developed for homelessness services are working well.

143 SHBC has addressed some of the weaknesses identified in the CPA Balancing Housing Markets diagnostic, but progress is mixed. The following summary shows progress made in response to the assessment as well as areas that have slipped.

- Information gaps and strategies not providing an integrated framework for action.
 - There are still gaps in data which will not be addressed until the housing needs surveys planned in 2006 and for the private sector in 2007. Plans do not address the housing needs of the growing elderly population and those with support requirements.
- Limited knowledge of the private sector and empty properties.
 - The empty property strategy dates back to 1996 and has not been revised. Knowledge of the private sector is limited to work on grant applications and HMO. There is no evidence that use is being made of data held by other Council services or external bodies such as Surrey County Council. The Council had dismissed directing resources to working with the private sector because landlords tend to have smaller numbers of dwellings. There is now recognition that this is a potential source of affordable housing, but current involvement with the private sector is negligible.
- Consultation is used to verify the Council's approach rather than to inform its development.
 - This is still a weak area for the Council and there is little involvement with service users both in developing strategies and shaping services despite an improvement in the range and methods of consultation. An area of positive progress was the consultation on the housing needs Development Plan Documents.
- Previous housing strategy was assessed by GOSE¹⁴ as 'well below average'.
 - SHBC made additional resources available to develop the new housing strategy for 2005/10 and this is close to being 'fit for purpose' although the timetable for delivery, June 2005, has been missed.
- Absence of delivery mechanisms such a SMART¹⁵ action plans.
 - Detailed action plans have been developed for the housing, homelessness and CPA improvements. This is not the case for the private sector renewal strategy revised in September 2005. The action plan for the homelessness strategy developed in 2003 was over ambitious and did not identify the resources needed to progress actions. Many have slipped and in particular those relating to the private sector.

¹⁴ GOSE - Government Office of the South East.

¹⁵ SMART - Specific, measurable, achievable, resourced and time-bound.

- Housing strategy does not set out a target for the number of affordable homes.
 - This has been agreed for the draft housing strategy as 70 per annum. However, there is no delivery plan to show how this will be delivered in the face of substantial reductions in funding, lack of discounted land and the severe restrictions of the declaration of the SPA.
- No supplementary guidance on affordable housing.
 - Housing Needs Development Plan Document is being developed but is not likely to be in place until 2006, which means that lower affordable homes thresholds for example, will be delayed and developer contributions will still not be maximised.
- No specific strategy to ensure that the Council will retain performance at no families in bed and breakfast accommodation.
 - The Council met this target and the homelessness strategy of 2003 shows a good analysis of homelessness in the borough with a range of actions which are resulting in a 10 per cent reduction in homelessness acceptances. The Council has attracted £19,000 ODPM grant to reduce homelessness and has used this to develop mediation and a Sanctuary scheme.
- Limited impact on the quality of HMO.
 - A consultant was hired to undertake 60 inspections of HMO during the spring of 2005. Sixty-seven per cent of HMO have now been inspected targeted on the highest risks.
- Opportunities missed to engage with landlords, agents and MOD to optimise the use of private rented sector.
 - There has been no improvement in this area.
- Lack of promotion of the housing register.
 - The profile has been raised and figures have doubled from 1 April 2004 with 681 registered to 1,174 one year later as a result of implementing a joint housing register with joint allocations scheme as a precursor to choice-based lettings.
- Staff actions are not underpinned by clear strategic approach shared by partners and stakeholders and ensuring that cross-service working is effectively co-ordinated.
 - SHBC has improved the position by expanding consultation on the development of the housing strategy and from June 2005 implementing a quarterly Partnership Development meeting with preferred partners which is also attending by planning officers.
- Current organisational structure does not assist effectiveness.
 - All housing services have been brought together under a new head of community services and a new corporate director is responsible for co-ordinating housing and planning activity.

- Lack of targets makes it impossible for the Council to assess how well it is performing.
 - These are now set out in the draft housing strategy for adoption and from 1 April 2005 performance information is being collated at the centre of the Council to improve performance management information.
- Significant disparities between the level of affordable housing completions reported separately by planning and housing services.
 - There are clear differences in reporting methods and differences in calculation methods for different purposes; this is not currently an issue.
- Performance management framework not yet embedded within the Council.
 - Framework is in place but it is early days and senior officers recognise that although there has been improvement there is still a long way to go.
- No mechanisms are in place to ensure the Council is achieving value for money through its partner RSL.
 - Preferred partners have been selected but there is no formal appraisal of the Council's approach to affordable housing with respect to value for money, and there are no criteria in place for selecting a partner for section 106 developments.
 - There is no analysis or understanding of what is working and effective in reducing housing demand, for example through the use of disabled facilities grant, reduction in homelessness acceptances and making the best use of empty public sector housing.

144 Performance against a number of key BVPIs show progress but some performance failed to meet the Council's own targets. SHBC is making progress on improving fitness and was among the best 25 per cent of districts in 2003/04 at 4.69 per cent, although performance fell slightly to 4.5 per cent in 2004/05.

Table 4 Performance of homelessness BVPI

- 145** The Council have reported internally that performance has improved for the first two quarters of 2005/06 with significant reductions in the length of stay in temporary accommodation and in hostels. This exceeds the Council's own targets of 5.88 weeks and 24 weeks respectively. However, performance is well below the best 25 per cent of district councils for 2003/04.

Best value PI 183a and 183b	2003/04	2004/05	Average of first two quarters 2005/06¹⁶	Best 25 per cent in districts 2003/04
Priority need households in bed and breakfast	7.10 weeks	7 weeks	2.5 weeks	1.8 weeks
Priority need households in hostel accommodation	25.24 weeks	27 weeks	14 weeks	0

Source: Surrey Heath Borough Council

- 146** Service improvements have not always been delivered, or have not been delivered, on time to Council target times. From the housing strategy this includes investigating other means of procuring affordable housing, agreeing a local definition of key workers, and monitoring prioritisation of applicants for affordable housing. There is no monitoring taking place on whether all those accessing affordable housing are in housing need. This happens when the Council is unable to supply suitable nominations from the housing register.
- 147** Housing and planning services have yet to benefit from the heavy investment in the contact centre. Implementation of the centre was moved back from April 2005 to September because of resource issues. The centre could deliver early benefits in respect of housing advice for service users in the implementation of the choice-based lettings scheme. The target date for implementation was delayed from October 2005 to January 2006. Staff were unclear about how the scheme would work and contact centre staff had not received any scripts or training.
- 148** The transfer of the customer facing aspects of planning services is due in January 2006, which should bring benefits in the provision of a duty officer who can give pre-development advice. This is dependent on successful recruitment to planning development services.

¹⁶ These figures are unaudited

- 149** There are potential benefits which the contract centre should bring in respect of privately rented housing. Private sector housing was transferred to the contact centre with the rest of environmental health. This includes complaints from tenants about items of disrepair, enquiries about HMO Registration Scheme and information on Private Sector Housing Renewal Policy (Grants and Loans). The benefit for tenants is that they will be able to make enquiries about the conditions of registered HMO and landlords will be able to get advice on conditions necessary for registration and details of loan schemes.
- 150** SHBC have taken action which has provided tangible benefits for people needing affordable housing, but these have not been maximised. The increased focus on prevention of homelessness has resulted in better housing advice and targeted mediation with homeless households. Older and physically disabled people are well-supported through disabled facilities grants which have been maintained at a high level for a small district authority. There is a wider view in the approach to maintaining older people in their own home by including consideration of meals on wheels and district transport. However, this is undermined by the lack of an older persons' strategy which is still outstanding.
- 151** SHBC are not able to demonstrate an effective value for money approach. Some aspects, such as a focus on prevention of homelessness, use of rent deposits and guarantees, and joint working with preferred RSL partners provide opportunities to deliver cost savings. However, work is needed to demonstrate the cost effectiveness of existing services through evaluation of outcomes, close scrutiny of costs and routine bench-marking. There have only been limited savings within housing through joint procurement of needs research and potentially through the expansion of the HIA.
- 152** There are examples of corporate learning which affect the provision of affordable housing. Senior officers and councillors are clear that the peer review undertaken in 2003 stimulated change and resulted in the management restructure with a focus on customer service. The sub aims were to become more efficient and cost effective. At this time councillors recognised the strategic, enabling role of the Council in delivering affordable housing and this is referred to in the community and corporate plans. However, this has not been translated into commitment of resources or further support for prevention of homelessness activity and maximising the potential of the private sector.
- 153** Learning is shared corporately through the activities of the service improvement group (SIG) who are undertaking the service reviews across all services. This group reports to a project management board chaired by the Chief Executive and senior councillors. Progress and outcomes are reported regularly across the organisation through staff briefings and team meetings. However, there has been little impact for affordable housing as only planning services have been reviewed and changes have yet to be implemented.

How well does the Council manage performance?

- 154** Weaknesses outweigh strengths in this area. Although housing has been identified as a priority for the Council, activity and resources are concentrated on other corporate areas. Resources for affordable housing have not been identified, and development opportunities are uncertain until the impact of the SPA has been determined. Strategies and plans are not of high and consistent quality, best value principles have not been applied, and performance management has yet to become embedded, although improvements have been made with the implementation of a corporate framework. These aspects undermine progress of service improvements. Learning for housing services from neighbouring authorities have informed service delivery, but there is a lack of learning from high performing councils with similar problems affecting the development of affordable housing.
- 155** The Council are clear that while housing is recognised as a priority it is not a top priority. The Council believe that housing will become a key priority once the following priorities are delivered over the next two years. The focus for the Council is:
- restructuring of services to achieve an embedded customer focus together with efficiency gains to offset future potential overspends;
 - implementation of the contact centre following service reviews which they expect to deliver benefits across the board to a wide range of residents; and
 - the development of the land west of Park Street which has a significant impact on the Council's finances through the loss of retail unit income and penalties which they must fund for keeping units empty.
- 156** In the meantime, the Council are supporting the delivery of affordable housing through SHG. When this is exhausted there is no further commitment to funding or discounted land. Added to this there is no delivery plan for future affordable housing, a target in the housing strategy 2002 to 2007 to identify alternative funding was not achieved, and no risk assessment has been undertaken of the consequences for people in housing need and the Council of failing to provide for them.
- 157** The draft housing strategy makes an assessment of regional SHG which is likely to be available for preferred partners to bid for over 2006/08. This amounts to £3.5 million for two years. The public subsidy for affordable housing for the South East region is an average of £56,000 per unit. The average for the Surrey area to take account of the high cost of land is likely to be nearer to £70,000¹⁷. This level of funding will not support the Council's target of 70 units per year; nearly £5 million would be required. Taken together with the uncertainties raised by the implementation of the SPA and lack of alternative funding we have little confidence that the Council will be able to meet its new housing development target when current approved funding has been exhausted.

¹⁷ Housing Corporation.

- 158 SHBC have a number of plans in place which affect affordable housing issues, but there are weaknesses which impact on the potential for successful delivery. Weaknesses include a lack of action planning (private sector renewal strategy), lack of specific and measurable action plans (housing strategy 2002/07), and over ambitious planning without identified resources (homelessness strategy 2003). Actions set out in the corporate plan are not specific, for example increased affordable housing provision, and in the community plan actions are unresourced and have unambitious time targets.
- 159 The draft housing strategy, once it is agreed by the Council, will be drawn into the service plans. The strategy is not yet fit for purpose despite a target date of June 2005. Service plans for housing and planning services, with the exception of housing benefits, have not yet been completed and we have not been able to assess whether they will provide suitable targets for team and personal development plans. SHBC have agreed that the housing strategy action plan will be monitored by both the Community Select Committee and Executive on a regular basis. This will be a more rigorous approach than the Council has undertaken before and should help to drive improvements.
- 160 Best value principles have not been applied to the area of affordable housing which has been subject to a service review prior to existing arrangements with the SIG, homelessness. There is a thorough analysis of client groups and reasons for homelessness based on a range of consultation methods with service users. The strength of the support the service receives from a range of partnerships is highlighted, and these are maintained to the present day delivering beneficial outcomes for service users. As a statutory service, the homelessness service was not challenged during the review process but had been taken back by the Council from the transfer RSL previous to the review. This was on the grounds that SHBC recognised the strategic value of having the service in house. However, there is a lack of focus on the best value elements of compare and compete which would have highlighted any alternative options. This means the Council is not able to demonstrate that they are delivering the most appropriate and cost effective service.
- 161 Performance management is recognised by SHBC as needing improvement across the Council and the framework to achieve this is in place. Since April 2005, a system of local indicators are being collected and reported quarterly to the management team and to councillors. In respect of affordable housing there are a range of weaknesses which are being addressed. Focused monitoring of affordable housing outcomes of section 106 agreements on a corporate basis has not been taking place. The recently formed Asset Management Group is to assess how this can be done.
- 162 Councillors complained that they were not informed as quickly as they should be about problems arising in service areas, such as failing planning performance. The provision of better and more informative performance information is expected to tackle this issue, such as the inclusion of trend information. SHBC has purchased a performance management system with the intention of using it to provide trend information. This is a resource intensive exercise but staff are already involved and one has been trained in its use.

- 163** Further support is being given through a working group of councillors set up mid-2004 to which BVPI and local indicators are reported on a quarterly basis. In addition, leading councillors are now designated as service champions aimed to help to develop their knowledge and understanding of services and issues through regular briefings and involvement with report presentations to other councillors.
- 164** However, there are still weaknesses in the Council's approach. Performance information has not yet been fully developed covering contact centre activity although good quality information is being drawn from the telephony system. The structure for reporting the performance of the contact centre is being developed although this is a key priority for the Council. A rigorous approach has not been taken from the outset to ensure the desired outcomes are being delivered. Staff have raised concerns that commitment to the contact centre will leave service areas under-resourced. There is limited activity through the production of performance information which could be used to support the Council's approach.
- 165** SHBC are not maximising their ability to learn from high performing and innovative councils. There is benefit from officers belonging to a series of Surrey wide groups, such as the housing benefit group which meets quarterly to discuss complex legislation and share understanding. This helps to promote consistency. Learning is concentrated on the Surrey area. Housing services have not accessed learning from other councils or national bodies, for example about the analysis of diverse needs and ensuring cultural sensitivity in service delivery. The approaches other councils have taken to dealing with restrictions on development, for example the National Parks and the New Forest, have not been examined to determine what options the Council may have for affordable housing development with the additional problem of the SPA. Importantly, learning from other councils on maximising affordable housing in the private sector through various types of housing leasing schemes, links with grant aid and developing housing without social housing grant has not been undertaken.
- 166** Housing services have used learning from service users to shape service delivery. The service review of homelessness identified dissatisfaction with the standard of temporary accommodation and this was reinforced by the previous Audit Commission inspection. The Council responded with a new-build scheme which residents are very happy with. However, there are no published standards or checks on user satisfaction which can be used to monitor performance and improve subsequent developments.

Does the service have capacity to improve?

- 167** The strengths and benefits which the Council aims to derive from the restructure and implementation of the contact centre will not be delivered for some time for people needing affordable housing. There is some capacity being developed through partnership working, but very limited in respect of service areas and inward investment. This makes this an area of weakness in the context of this inspection.

- 168** Corporate arrangements to deliver service improvements are still developing. Officers believe the Council is in transition and some benefits are not being experienced, for example frontline environmental services. The performance management framework is in place and bedding in. The contact centre has been implemented with well-trained staff who are confident and customer-focused. Ethnic monitoring information is being gathered now through the e forms and from callers using the contact centre. All senior posts are filled following the restructuring started in May 2004. Service reviews have been completed for environmental and planning services but, in respect of planning, vacant and additional posts still have to be recruited to. Service reviews are due to be completed mid-2007. Housing services have not yet been reviewed and are not due until the end of 2006. Until these issues have been dealt with there is little capacity for improvement in affordable housing services.
- 169** Organisational change is being supported at the highest level in the organisation. The Leader and the Chief Executive have completed a series of meetings with all staff to talk through the issues and share what outcomes are expected from the contact centre and reorganisation. This is due to be repeated before the end of the year. Capacity for service reviews was drawn from across the Council and has strong leadership. Contact centre staff are visiting teams across the organisation and discussing services to improve staff understanding of detailed operations and allay fears. There is clear and determined drive to embed change across the organisation.
- 170** However, progress has been marred by the imposition of change rather than development with the involvement of staff. A staff survey has just been undertaken which shows a high level of dissatisfaction and concern over the changes. Across a range of areas staff are less positive than the baseline survey of 2000 showed. The response rate was high at 67 per cent. The main issues were poor communication from management to staff, and demotivation linked to lack of consultation and involvement. Key responses are:
- 53 per cent disagreed with the statement that the Council are 'good at keeping in contact with staff;
 - 24 per cent described staff as being enthusiastic and motivated, 72 per cent disagreed with this view; and
 - less than a quarter of staff indicated that the Council do what they say they are going to do.
- 171** Planning staff are concerned that the contact centre will make little impact on work loads particularly as they are a failing service. This concern is echoed in housing benefits where nearly all staff are from an agency and there have been problems in recruiting and retaining experienced staff. The only service area in the Council perceived by staff to be adequately staffed was the contact centre.

- 172** There has been little success in drawing in other external funding to support those in need of affordable housing. One success has been the £19,000 per annum funding from the ODPM for dealing with homelessness. This has been used effectively, for example in supporting the Sanctuary scheme. However, this funding comes to an end in March 2006 and alternatives have not yet been secured. This will impact on assistance being given to people experiencing domestic violence.
- 173** SHBC have invested heavily in updating IT and telephony systems as well as installing the contact centre system. A modern customer relationship management system is integrated with the service area IT systems so that customer contacts can be dealt with in an effective and efficient manner. The system is able to provide detailed performance information. These arrangements have the potential to provide significant benefits for people seeking affordable housing, and providing better data for analysis to inform the strategic approach. Further support is expected to be provided by the developing policy and strategy services which are recruiting additional staff. Support should, at some point, be provided for the development of strategies and plans in the housing area.
- 174** Working across traditional service boundaries is being developed to change the focus of the organisation onto customers and residents. This is supported through corporate and community planning with partners that link priorities with service strategies and plans. An appraisal system has been in place for some time, although inconsistencies in the delivery of the scheme and need for training has been recognised by SHBC. There is a value for money issue where training has not always been linked directly to the delivery of corporate objectives. This does not apply to the housing needs team where appraisals have been regularly undertaken. Skills are updated through regular and appropriate training. A revised appraisal scheme is to be launched in 2006 to deal with any areas of ineffectiveness and ensure ongoing support to cultural change.
- 175** Capacity remains an issue for all services involved in affordable housing. Housing services have not been able to deliver the agreed targets within the current action plans. This impacts on homelessness prevention, liaison with the private sector and performance and information analysis for future planning. Despite this some officers are being trained to take on additional duties to make up for shortfalls in legal services. This includes court referrals for arrears in bed and breakfast and rent guarantee charges, and fielding re-housing queries arising from the implementation of choice-based lettings. The contact centre will only be dealing with the bid part of the process. This will further undermine delivery of activities designed to develop other options for those seeking affordable housing.
- 176** The Council is participating in a range of forums which contribute to its capacity to deliver affordable housing. The most important is the Blackwater Valley Housing forum. This partnership has delivered beneficial outcomes in respect of market research for the sub-regional area and members are currently sharing knowledge and approach to dealing with the implications of SPA.

Summary

- 177 Our judgment is that Surrey Heath Borough Council's affordable housing service has 'poor' prospects for improvement.
- 178 Although housing is identified as a priority it is not a key priority at the present time. This is demonstrated by the way the Council is currently utilising resources. There are capacity issues across all the service areas related to affordable housing and this is not being fully addressed in the near future. This directly affects the ability of the Council to deliver high-quality, comprehensive services. Improvement plans are not being consistently delivered and there is a lack of drive to access alternative ways of enabling affordable housing including maximising potential in the private sector. The quality of strategies and plans is inconsistent and best value principles have not been rigorously applied. Performance management is still in the developmental stage including the monitoring of the outcomes of strategies and plans. The Council has not made the best use of data that is available to it in order to support its future plans.
- 179 Staff have delivered benefits for those in need of affordable housing through housing advice activities and in dealing with poor conditions in HMO. Partnership working is delivering some additional capacity and, in respect, of affordable housing, an average of 106 additional homes over a number of years. There is evidence of learning from others and internally at the corporate level.

Appendix 1 – Performance indicators

- 1 There are only four statutory performance indicators which have a direct relevance to the issue of affordable housing. Details of officially recorded performance are shown below.

Indicator	2003/04	2004/05	2004/05 targets	Best 25 per cent districts 2003/04
BVPI 62 - percentage of unfit dwellings made fit or demolished	4.69%	4.5%	4%	3.75%
BVPI 64 - number of vacant dwellings returned to use	0	0	4	-
BVPI 183a Households in priority need in B&B	7.10 weeks	7 weeks	6 weeks	1.18 weeks
PI 183b Households in priority need in hostel accommodation	25.24 weeks	27 weeks	25 weeks	0

Appendix 2 – Documents reviewed

- 2 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
- SHBC's self-assessment;
 - the Local Development Plan;
 - draft Housing, Private Sector, Empty Property and Homelessness strategies;
 - Corporate Plan 2004/06;
 - Community Plan 2004/14;
 - minutes of meetings, leaflets and questionnaires including outcomes;
 - background notes on consultation for the draft housing strategy; and
 - housing need surveys and capacity study.

Appendix 3 – Reality checks undertaken

- 3 We interviewed a wide range of people involved in the delivery of affordable housing; this included:
- senior councillors and officers;
 - staff involved in housing need and benefits, housing strategy, planning and private sector housing;
 - staff involved with the contact centre, legal, financial, performance management, policy and human resource services;
 - focus groups with in house staff and RSL and voluntary sector representatives; and
 - emailed requests for information.