

Repairs and Maintenance

North Tyneside 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 judgements 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 broad 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 the Council;
- 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 North Tyneside Council is a metropolitan council in the North East of England. The population is 191,000 of which 1.9 per cent are from Black and minority ethnic communities.
- 2 The Council is Labour led with 23 of the 60 seats.
- 3 The Council employs 9,500 staff across all services.
- 4 The repairs and maintenance review covered repairs and maintenance, access and customer care, diversity and resident participation. The service is estimated to cost £11.5 million for 2005/06. The contract to manage the responsive repairs service was awarded to Council's Direct Labour Organisation in 1997. Capital works are completed by the DLO and two other private sector contractors.

Scoring the service

- 5 We have assessed North Tyneside Council as providing a 'fair' one-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Scoring chart¹

		Prospects for improvement?				
Excellent						'a fair service that has uncertain prospects for improvement' A good service?
Promising						
Uncertain		☀				
Poor						
		Poor	Fair ★	Good ★★	Excellent ★★★	

Source: Audit Commission

- 6 The service is considered fair because:
- the repairs service is developing a customer focus with improvements being made to the ways customers can access the service including service standards agreed with tenants, improved leaflets, opening times for the service and a variety of easy ways to report repairs;
 - there is an increased commitment to resident involvement and additional capacity and resources have been made available;
 - frameworks for delivering a fairer service have been developed including policies and procedures for dealing with domestic violence, racial harassment and anti-social behaviour;

¹ 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.

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- improvements have been made to the management of empty homes since the last inspection, void properties are brought up to the decent homes standard, a locally agreed lettable standard has been introduced and when possible void works are agreed with the prospective tenant; and
- the council implemented many of the recommendations of AC report into the adaptations service in 2000. There is good co operation between partner agencies.

However significant service improvements are required in the following areas including:

- information on the quality of service being received by customers is not being systematically gathered or used comprehensively to shape service improvements;
- there is a limited understanding of the diversity of its customers and therefore repairs services can not be systematically tailored to meet those specific needs;
- the requirements of the Disability Discrimination Act have not been met;
- measuring performance against outcomes for customers across the whole repairs and maintenance service is weak;
- there is a resident framework with a menu of activities but it lacks clarity about the purpose of involvement;
- the councils approach to delivering decent homes has been slow. The councils plan on how it will bring all its housing stock up to the decent homes standard (DHS) by 2010 is not comprehensive or fully resourced. It does not cover sheltered accommodation and some non traditional stock;
- tenants' choice in improvement works is minimal and specifications are modest;
- the revised gas procedure is not being robustly implemented on no access cases, there remains a number of longstanding un- serviced properties, there is a non risk based approach to the use of boiler temperature restrictors and weaknesses with the administration process;
- the councils approach to value for money in the repairs and maintenance service is poor. There is a lack of understanding of the relationship between the cost and quality. Some efficiency gains have been delivered through application of modern procurement practices but the council has been slow to act on previous recommendations to improve VFM; and
- waiting times for aids and adaptations assessments are lengthy. There is a 17 week wait for assessments for major adaptations and a 22-week wait for non urgent assessments.

The service has uncertain prospects for improvement because:

- additional capacity has been delivered through improved IT systems, development of key policies and additional financial resources to support resident involvement which has been identified as a weakness;

- a series of recent appointments to senior positions has brought a drive and direction to the department with a clear sense of priorities;
- some customer facing improvements have been delivered including improved flexibility of the repairs appointment, agreed lettable standard, improved information on the service;
- the pace of change has increased over the last year; and
- performance staff have recently been appointed and the authority has responded well to the inspection.

However we identified the following barriers to improvement:

- performance against key performance indicators is mixed and has not shown consistent improvements over the last few years. Improved performance in the percentage of emergency repairs to beyond good practice levels is encouraging but void turn around performance has deteriorated. The reasons for this are not fully understood but the council has established a service improvement group to review void processes;
- the approach to addressing recommendations of previous Audit Commission inspections has been mixed and the pace of change has been slow in many areas including demonstrating value for money;
- value for money has not been comprehensively established across the service and is not an established part of the department's culture or embedded in day to day management decisions;
- the deliverability of the DHS through stock retention and securing additional funding is extremely challenging for the council and plans do not reflect the implications of the funding gap;
- performance monitoring is ineffective and lacks a strategic framework, leading to reactive management. Since the inspection has taken place a strategic framework is being developed;
- plans lack identified resources and projected outcomes for customers. Specific actions are not prioritised to ensure that resources are focused on the most important things;
- there is limited but developing evidence of the organisation learning from other providers, user feedback or its own experiences to drive continuous service improvements; and
- a 2004 survey of staff showed, resistance to change, a skills shortage and low staff morale, reflected in high and increasing absenteeism rates.

Recommendations

- 7 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council shares the findings of this report with tenants and councillors and addresses all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

- R1 Ensure that gas servicing is carried out on all properties with the legislative and statutory requirements placed on landlords, by:*
- *appropriate and timely legal action is taken to secure access to all homes outstanding a service;*
 - *risk assess the use of boiler restrictors;*
 - *ensure the effective storage and retrieval system for gas certificates; and*
 - *reporting gas servicing performance to relevant committees.*

The expected benefits of this recommendation are:

- the Council meets statutory obligations and tenants are safe; and
- heating systems work more efficiently thereby saving tenants money.

This should be implemented by December 2006.

Recommendation

- R2 Improve the quality and extent of diversity monitoring across the council and fill in the gaps in knowledge about the customer base by:*
- *surveying customers in more innovative ways to achieve better*
 - *customer profile information;*
 - *ensure that all main services are monitored by appropriate diversity;*
 - *categories so that the council can evidence the delivery of equitable*
 - *services; and*
 - *ensure that actions are taken to meet the requirements of the new CRE code of rented housing.*

² Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high costs is over 5 per cent.

The expected benefits of this recommendation are:

- demonstrate that services are being provided equitably and sensitively; and
- compliance with legislation and positive practice.

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

This should be implemented by December 2006.

Recommendation

R3 Ensure plans to reach government and legislative targets around DHS and DDA are clear and resourced by:

- *clarifying any uncertainties in plans;*
- *secure resources for plans; and*
- *publicising plans.*

The expected benefits of this recommendation are:

- demonstrate that targets will be reached;
- compliance with legislation and government targets; and
- give confidence to tenants and stakeholders that plans will be put into practice.

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

This should be implemented by December 2006.

Recommendation

R4 Improve systems for gathering and analysing feedback and comparison with other housings providers on the quality of service and its use as a tool for service improvement.

- *explore and then implement a range of mechanisms to gather feedback and capture information from informal complaints;*
- *work with customers to establish locally agreed performance targets for measuring quality;*
- *provide comprehensive and timely information to customer on performance including cost and quality information; and*
- *introduce systems to learn feedback both positive and negative.*

The expected benefits of this recommendation are:

- increased feedback from tenants;
- more opportunities to learn from tenants; and
- systematic learning from complaints and feedback.

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

This should be implemented by December 2006.

Recommendation

R5 Continue to reduce waiting times for assessments for aids and adaptations:

- *reduce waiting times.*

The expected benefits from this recommendation are:

- continued reduction in waiting times for aids and adaptations; and
- reducing pressure on other services such as rehousing.

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

This should be implemented by December 2007.

Recommendation

R6 Establish the effectiveness of resident involvement tactics, set targets for participation and encourage under represented groups to become involved:

- *increase the number of tenants involved in participation;*
- *set targets for numbers of tenants and tenants from under represented groups; and*
- *establish the effectiveness of participation tactics.*

Recommendation

R7 Improve the quality of performance reporting to Councillors and tenants:

- *make the data more meaningful;*
- *highlight under performance before it becomes a problem; and*
- *link performance with scrutiny committees.*

The expected benefits of this are:

- councillors and tenants have a greater understanding of performance;
- management becomes more proactive than reactive; and
- scrutiny more effectively applied.

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

This should be implemented by December 2006.

Recommendation

R8 Produce a specific strategy to maximise value-for-money from housing services:

- *set stretching targets for cashable and none cashable gains;*
- *ensure capital programmes are delivered in a timely manner;*
- *link spending to priorities;*
- *involve tenants in the budget setting process; and*
- *link spending to outputs.*

The expected benefits of this are:

- more economic and effective service;
- increased spend in priority areas;
- greater tenant awareness of budgets; and
- identification of high cost low output services.

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

This should be implemented by December 2006.

Recommendation

R9 Develop a SMART action plan to address all weaknesses identified in this and other reports and ensure that progress is regularly monitored and reported corporately to the council and to residents.

The expected benefits of this are:

- more economic and effective service.

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- 8 We would like to thank the staff of North Tyneside Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 28 November to 2 December 2005.

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Report

Context

The locality

- 9 North Tyneside is in the north east of England and is one of five metropolitan districts that comprise the conurbation of Tyne & Wear.
- 10 The population of the area is 191,000, living in 91,250 households. The council own 18 per cent of the housing stock.
- 11 The black and minority ethnic (BME) population is 3.04 per cent and 1.9 per cent of the population are from non-white ethnic communities. The three largest non-white minority groups are Chinese, Indian and Bangladeshi. The area is projected to experience a significant growth in persons over 60 years of age by 2028.
- 12 Unemployment stands at 3.8 per cent compared with the national average 2.6 per cent. In the 2004 Index of Deprivation, North Tyneside is ranked as the 80th most deprived Borough in England (69th in 2000) but is the least deprived of the five Tyne and Wear districts.

The council

- 13 In December 2004 North Tyneside Council was identified by the Audit Commission as being one of the fastest improving councils in the country.
- 14 No party has overall political control. There are 60 councillors who govern Council business through an elected Mayor and Cabinet system. Decision-making is supported through a structure comprising of Cabinet, Overview and Scrutiny Committee (with six sub-committees) and six quasi-judicial committees.
- 15 Following local elections in May 2005, a new elected mayor, and a new cabinet member for housing were appointed. Housing is seen as a political priority, and as a service which requires support.

The service

- 16 Stock numbers continue to decrease through a very active right to buy take up. The council now owns and manages 16,413 homes, a reduction of nearly 4,000 properties since the inspection in 2001. The stock includes 1,051 sheltered scheme units and 970 non-traditional dwellings which have a projected identified repair requirement over the next ten years of £6.2 million. There are no high rise properties.

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- 17 In 2005/06 the budget for the whole housing service was £41.9 million (Repairs £11.5 million; Management Costs £8.5 million; Capital Charges & MRR £17 million) which is greater than the income of £40.6 million (Rent £38.7 million; Subsidy £1.6 million). The deficit is fully covered by bringing forward HRA revenue balances used for capital investments.
- 18 Housing Services are delivered through a network of four customer service centres and five sub offices across the borough by 374 staff and 15 agency workers.
- 19 In 2004-05, 1278 properties were let of which half were allocated to homeless applicants and 50,735 repairs were completed.

How good is the service?

What has the service aimed to achieve?

- 20** Key strategic documents which will provide a vision and focus to the direction of the service are in development. The 2002 Housing Strategy expired in 2005 and its replacement is still in draft. The draft strategy for 2005-2008 Housing strategy has four key objectives.
- To rejuvenate the housing stock to meet 21st Century aspirations, replacing market failure with high quality housing in the right locations to help create successful, cohesive and sustainable communities.
 - To ensure the type and mix of new housing provides choice, supports economic growth and meets housing needs and demand. This will reflect the diversity of urban and rural communities and the needs for affordable, family and prestige housing.
 - To secure the improvement and maintenance of existing housing so that it meets required standards, investing in sustainable neighbourhoods.
 - To promote good management and targeted housing investment to address specific community and social needs, including an ageing population and the needs of minority communities; this will be integrated with the Supporting People programme and promote greater community involvement.
- 21** The objectives are translated into measurable priorities which could be measured through the councils performance management framework:
- improve the Council's housing stock to a decent standard by 2010;
 - repair homes quickly and efficiently;
 - improve the overall quality and scope of the service;
 - provide excellent communication systems for customers, stakeholders and staff;
 - provide well-maintained homes in a safe and clean environment; and
 - maximise income and obtain value for money.
- 22** There is limited linkage to corporate priorities including customer focus and value for money.
- 23** There is a housing service plan which links with corporate priorities including improving health. Detailed individual service plans were being developed which identify what action will be taken by when to achieve the objectives. This raises issues on the realism of objectives and makes monitoring of progress more difficult.

Is the service meeting the needs of the local community and users?

- 24 The following services were inspected: access and customer care, diversity, stock investment and asset management and resident involvement.

Access and customer care

- 25 Since our last inspection, we found that a number of improvements to access and customer care have been made and the repairs service now has a balance of strengths and weaknesses. There is corporate focus on customer care and the repairs service is developing a customer focus with improvements being made to the ways customers can access the service including improved leaflets, opening times for the service and gathering of customer feedback. However information on quality is not being systematically gathered or used comprehensively to shape service improvements and Disability Discrimination Act requirements are not being met.
- 26 There is a corporate commitment to customer focus. A corporate customer care charter details a series of commitments to customers and the levels of service they can expect. The structures for measuring and gathering feedback on the quality of the repairs services are being developed but need co-ordinating. Structures include the following.
- Challenging repairs service standards agreed with tenants. The standards are well publicised in leaflets and other publications and include timescales for repair completion and conduct of operatives. Having clear and challenging customer services standards provides a mechanism to drive forward continuous service improvement and provides a commitment to customers on the levels of service they can expect.
 - The recent introduction of satisfaction surveys for new tenants and tenants who have recently had gas servicing and capital works completed, six monthly exit surveys, an annual tenants survey, and mystery shopping.
 - The Council operates a Corporate Complaints System for dealing with complaints that cannot be resolved within the service area.
- 27 'Mystery shopping' exercises showed that service standards in relation to such things as telephone answering times are generally kept to. It is easy for customers to make a complaint and they are taken seriously. Complaints are managed within a clearly defined and well advertised procedure including timescales which are monitored quarterly. A review of recent complaints showed them to be dealt with effectively and within procedural guidelines. We found a positive attitude to complaints handling, with an emphasis on early resolution.

- 28** Levels of satisfaction with the overall housing service is high at 79 per cent but around 60 per cent of tenants who responded to the 2004 annual housing survey consider improvements need to be made to the repairs service. Customer feedback is gathered over an increasing number of services and with appropriate regularity but there are few examples of how outcomes from customer feedback have shaped services and the council is still not capturing robust feedback on quality. The Council has not responded to recommendations from previous reports in this respect. An example of where feedback has made a difference includes:
- extended opening hours at the Councils Contact Centres. The housing survey identified the telephone as service users preferred means of contact and now tenants can make enquiries between 8.00am and 8.00pm. Shaping services around service user's preferences increases satisfaction levels; and
 - notice to tenants of impending capital works has been improved although the programme is not widely publicised in advance. Tenants receive three months notice although the programme is publicised a year in advance in area offices.
- 29** However most information on service quality is gathered by survey, tenants are usually offered no incentive to return survey forms and response rates are low. The surveys are not always capturing the right things. For example the council do not measure the number of jobs completed on first visit. This will give feedback on the service received from the tenants' perspective. There is no compliments system in place to provide positive feedback. There are missed opportunities to make this customer engagement more effective. For example:
- satisfaction surveys are not used to gather information on tenants. Most survey forms do not ask if tenants have specific needs, their preferred means of communication or if they need any further services; and
 - the ethnicity of complaints is not established and satisfaction with the complaints process not comprehensively gathered. Systems for learning from housing complaints are weak. Trends in complaints are monitored centrally and passed to service heads but there is no monitoring of improvements or other actions. There is no evidence of management information being acted upon. Informal complaints are not recorded.
- 30** This information can help learning, highlight trends in complaints and inform the development of a tenant's profile database which could be used by the Council to shape services and information to the needs of customers.
- 31** Although improvements are being made it is not through a structured approach which clearly links improvements to customer concerns. The outcomes from the service improvement group for access and service standards are unclear. Performance against the service standards is reported back to tenants in six monthly newsletters and area housing forums. However, as mechanisms for measuring the quality of the service are underdeveloped tenants will be less informed about what progress is being made and how their feedback has made a difference.

- 32 Opportunities for tenants to access the repairs service are good. Tenants met during the inspection were generally satisfied with the repairs service and found it easy to access. Reporting a repair is easy with telephone numbers, addresses and opening times of area offices displayed in leaflets and other publications. All tenants receive a 'Reporting a Repair' booklet, which advises them on how to report a repair either over the phone, in person or over the internet. Repairs services can also be accessed through electronic kiosks located throughout the borough. 'Mystery shopping' exercises found that telephones are answered quickly by well trained and enthusiastic staff that have access to repairs finder technology. For customers reporting repairs in person offices are easily accessible in town centres and well equipped with private interview facilities and direct access telephones. However not all offices are appropriate for visitors with different needs. Three existing Customer Service Centres and most sheltered schemes are not Disability Discrimination act (DDA) compliant and plans are still being developed to make them compliant. This is a significant weakness. Non DDA complaint offices and schemes can restrict customer's abilities to access the service.
- 33 The council has an easy to navigate and informative web site which clearly signposts tenants to repairs services. A number of services including repairs ordering are interactive. Complaints and queries about housing services can be made on line. A variety of ways to access the service provides opportunities for tenants to easily engage with the service.
- 34 Action is being taken to further develop a customer focused approach. Examples include the following.
- Enhancement to the appointment system for responsive repairs. Repairs completed by appointment are rising but performance remains low at 57 per cent of appointments made and kept. The flexibility of the scheme is being improved to provide two hour appointment slots as well as early evening and Saturday morning appointments from January 2006.
 - Tenants are well cared for when major works are completed on their homes. Appropriate notice is given and following consultation with tenants works are completed in a sequence to cause minimum disruption. A useful information pack to guide tenants through the improvement process has been developed. Open days and home visits have been used for tenants to talk to contractors and to select their choice of components. Arrangements are in place for decanting or rest houses should tenants need them.
- 35 Publications from the council about the repairs service are generally attractive and easy to read. Information about the repairs service and other issues such as the right to repair is detailed in the tenants' handbook. The tenants' handbook is a collection of the new leaflets in a wallet. All are available in area offices and were approved by tenants before their publication. The tenants' handbook is supplied to existing tenants on request, although new tenants receive a copy when they sign up for their property. The decision not to supply existing tenants with a handbook was made with other tenants to save resources. However, mechanisms need to be in place to keep tenants informed of changes to services and service quality.

- 36 A six monthly newsletter is the main vehicle for keeping all tenants informed of changes and performance. 'Housing Matters', is an attractive mix of information and interesting articles about tenants. Drafts of publications are circulated to tenants groups for comment, tenants and leaseholders are not involved on the editorial board or regularly submit articles. This is a missed opportunity to explore other cost effective means such as the council's web site as a means of keeping customers informed. Estate newsletters are produced directly by tenants with support from the council. Keeping customers well informed with timely and accessible information keeps them up to date with changes but also enables them to challenge the services being delivered.

Diversity

- 37 There are a number of significant weaknesses in the approach to diversity. There is a clear corporate commitment to diversity but this is not translated into clear plans for housing. Frameworks for delivering a fairer service have been developed including policies and procedures for dealing with domestic violence, racial harassment and anti-social behaviour. However there is a limited understanding of the diversity of its customers and therefore repairs services can not be systematically tailored to meet those specific needs. Measuring performance against outcomes is weak. Diversity is not embedded to produce tangible service outcomes for users of the repairs service.
- 38 There is a clear corporate commitment to addressing diversity issues. The commitment is demonstrated through the corporate equality policy and Race Equality Scheme and the council's corporate procurement strategy. There are a number of key strategic corporate priorities to achieve diversity and a series of targets have been set. The targets, though comprehensive are unrealistic, in some circumstances unchallenging, and are not being measured for example:
- to achieve only 90 per cent compliance with DDA by 2007/08. Only 19 per cent of all council buildings are considered to be DDA compliant. Three existing area housing offices and most sheltered schemes are not DDA compliant. Plans to meet DDA in sheltered schemes are at the early stages and dependant on the success of a yet to be commenced Private Finance Initiative;
 - the council has self assessed for level one of the Local Government Equality Standard and have a target to achieve level two by March 2007;
 - contractors' delivery against their assessment of commitment to equality and diversity is not being monitored. Contractors' commitment to diversity is only monitored by exception through satisfaction surveys. Diversity training is available but contractors are not offered places on council diversity courses and details of the composition of their workforce are not available. This is a missed opportunity to work with external partners to promote diversity; and

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- diversity is included as part of the corporate training plan and housing staff have attended diversity courses. The staff newsletter is used to address issues identified through the courses. However, there is no evidence of how training has resulted in changed outcomes for the service. As the impact of training is not assessed there is no learning from it to inform future training or staff development.
- 39 The workforce does not reflect the community it serves. Presently only 0.5 per cent of staff are from a Black Minority Ethnic (BME) background whilst the percentage of residents from a BME background is 1.9 per cent. The diversity of the workforce is not reported on and there are no action plans to redress any inequalities. Corporately, management are unsure as to how well disadvantaged groups progress in the organisation and what barriers there are which need to be removed to allow progress.
- 40 The council's commitment to diversity will be judged by their actions. Corporate commitment is still to be translated into outcomes for customers of the repairs service.
- 41 The housing service has not fully engaged with the corporate work on diversity. A housing diversity champion exists but housing staff are unaware of their role or purpose and how the champion could provide an effective link into the council's corporate diversity framework. This is a missed opportunity at a corporate and service level to deliver improvements on diversity through joint working and shared resources.
- 42 There is a lack of a strategic approach to diversity in housing. The Service Plan 2004-05 does not provide a focus for what the service is trying to achieve on diversity. The plan has few references to diversity issues and has an emphasis on race and not other indicators of equality.
- 43 The service has a limited understanding of the needs of the tenants it serves. This may be a particular issue for the ageing tenant population. Some profiling of tenants has taken place, but it is not extensive and there are no clear plans to complete the exercise. The profiles of new tenants are being recorded but opportunities to gather information from customer feedback are not being utilised. Tenant's computerised records are flagged to include any information which will help staff in their dealings with them, this includes such things as tenants who may need time to answer the door or whose first language is not English. The information the council does have is being used sensitively at an operational level to improve access on a day to day basis.
- 44 The approach to measuring and managing performance in housing, on diversity, is weak.
- The housing service lacks self awareness of how it is performing on diversity issues. It incorrectly self-assessed itself as meeting the Commission for Racial Equality (CRE) code of practice for rented housing, when it fails on a number of points. Diversity is not reported on in a comprehensive manner and there are few targets to reflect progress on delivering diversity.

- Satisfaction levels of diverse groups are not comprehensively established. The annual housing satisfaction survey includes an assessment of the quality of the housing service by ethnicity of the respondent. The number of respondents from a BME background is small but shows that their levels of satisfaction are comparable with none BME tenants. However, it does not reflect satisfaction on wider diversity or with individual service areas including repairs. Repairs is a service that the majority of tenants will use at some point in their tenancy. Without detailed information the department are unsure of how individual services are received by diverse tenants.
 - Racial equality scheme impact assessments will not be in place until March 2007.
 - Without a clear focus or direction and a failure to monitor progress the service will be unable to shape services and direct resources to reflect the diverse needs of customers.
- 45 There is limited engagement with under represented groups of the community. Contact is being made through formally arranged groups but there is a missed opportunity to explore alternative methods of engagement. Without a comprehensive customer and tenant profile services can not be tailored at a strategic level to ensure resources are directed to meeting the diverse needs of its tenants and future service users.
- 46 Opportunities to access services is good for those who may have communication difficulties or whose first language is not English. Most publications carry language strap lines and are available in a variety of formats. The language strap lines reflect the diverse languages spoken in the area and include recent arrivals such as Russian. Area offices are equipped with hearing loops and languageline is well advertised. Staff have been trained in using languageline and operatives carry language translation cards. This will help reduce barriers to accessing services.
- 47 Housing policies are being developed to provide a framework for the delivery of a fairer service. Policies include clear objectives to address issues including domestic violence and racial harassment:
- the domestic violence strategy includes that tenants can request an interview with an officer of the same sex;
 - there is a service standard to remove offensive graffiti within 24 hours; and
 - all new tenancies are introductory with clauses dealing with racial harassment and domestic violence and sanctions against perpetrators.
- 48 However, performance against these standards is not being measured. Therefore outcomes for customers are not identified and the council is unable to demonstrate whether its policies promote equality and which of the initiatives implemented are successful.

Stock investment and asset management

- 49 The Council has legal responsibilities as a landlord which include keeping in good repair the structure and exterior of dwellings and any installations provided for heating, sanitation and supply of services (Section 11, Landlord and Tenant Act 1985) and contributing to the Home Energy Conservation Act Strategy (HECA). The Government's 'Decent Homes' target also requires local authority landlords to bring their stock up to a defined standard by 2010.

Capital improvement, planned and cyclical maintenance, major repair works

- 50 We found that weaknesses outweigh strengths in this area of service. The council's approach to delivering decent homes has been slow. The council lacks a comprehensive and fully resourced plan on how it will bring all of its housing stock up to the decent homes standard (DHS) by 2010. The cyclical programme has not been delivered in a timely or effective manner. Tenants have been consulted on their priorities for investment. However, tenants' choice in improvement works is minimal and specifications are modest.
- 51 The council does not have a clear and resourced plan which identifies how they will bring all of the housing stock up to the DHS by 2010. There is long standing history of under investment in the housing stock. Progress on bringing properties up to the DHS has been slow. In 2004/05, the capital programme reduced non decent properties by 7.5 per cent but approximately 65 per cent of the housing stock still fails to meet DHS. The council have identified an estimated funding requirement of £110 million, of which approximately £40 million can not be met without external funding being brought in. It is not evident if the council can demonstrate the impact and consequences of this decision for the housing service and tenants.
- 52 The council has developed a DHS programme of work for the general needs stock which is scheduled for completion by 2011. This programme is drawn from information gained from a ten per cent stock condition survey (SCS) completed in 2004.
- 53 Comprehensive condition and cost data does not exist on all the housing stock. The SCS has not provided robust information on the non traditional and sheltered housing stock which have been identified as requiring significant investment. Plans are currently being developed on how improvements works can be financed including proposals for the use of a private finance initiative for the remodelling of sheltered accommodation which also suffer from low demand. Without published, resourced investment plans tenants are not being informed of when their homes will be improved.

- 54 Stock condition data does not incorporate sustainability issues. Existing stock condition information can be easily interrogated but is not integrated with the repairs IT system making it difficult to access. Models can be developed to predict work costs over a 30-year period and to reflect changes in investment priorities. However this information is not currently linked to any sustainability index. This would reduce the risk of investing in properties for which there was no current or predicted future demand.
- 55 Stock condition information is updated after the completion of major works and adaptations. However, the council is missing an opportunity to validate and improve stock condition information by the use of its own staffing resources on surveys of voids or responsive repairs. Detailed investment programmes based on sound stock condition information enable the council to demonstrate that investment is being made in the right properties at the right time.
- 56 Information on works under warranty is uplifted onto the responsive repairs IT system to reduce the possibility of ordering repair works where planned works are due to take place or where works are under warranty. This prevents unnecessary expenditure within the service.
- 57 Tenants have had an input into the investment priorities for the capital programme. Tenants identified through consultation replacement windows and doors as their priorities and these are now included within the investment programme. High levels of overall satisfaction are recorded for capital schemes and reality checks found works completed to an appropriate standard. However tenants benefiting from improvement works are offered a very limited choice on materials, colours and styles and overall specifications are basic when compared to other social landlords. Investment programmes are making some improvements to tenant's homes.
- 58 There are inefficiencies in the management of the capital programme. Management of the capital programme is under resourced and information is not produced regularly for tenants and members on the delivery of the capital programme. The capital programme has not been delivered on time and to budget. In 2004/05 the under spend was £1.1 million pounds. The reasons for this under spend are not clear and failure to deliver against programme or to use resources against draw down scheme means tenants are waiting longer for improvements to their homes.
- 59 Capital works are let through a partnering framework agreement. The agreement consists of three partners including the in house direct labour organisation. However it is not clear how the council is working with the contractors to deliver value for money, continuous service improvements, address diversity and issues on sustainable communities.
- 60 Fuel poverty is being addressed slowly through investment. Improved homes are insulated to above minimum standard which includes cavity wall insulation. All works are supported by grants from energy suppliers. Average SAP ratings have fluctuated over the last three years but the general trend is upward. However the council is still bottom quartile at 57.8.

- 61 Cyclical repair programmes have not been delivered in an effective manner. Properties should be painted around every five years but cyclical maintenance programmes have previously been extended for up to nine years. The reasons for this are unclear. A programme for a four-year prior to paint cycle has been drawn up and this year has seen a period of intensive 'catch up'. The programme has been co-ordinated with the window replacement programme. It is uneconomic to allow properties to go so long without painting.
- 62 The council does not meet the requirements of the Control of Asbestos at Work Act. Surveys have not been completed to all communal areas, but a programme to address this is in place. Staff and contractors are made aware of the location of asbestos and areas which have yet to be surveyed. Staff and contractors are given clear instructions on what to do when they find asbestos and how to deal with it. Asbestos is present in some tenant's homes but no information is made available to tenants on how to manage this. This places tenants at risk.

Responsive repairs

- 63 We found that strengths and weaknesses are in balance in the responsive repairs service. There have been a number of improvements since the last inspection. The service is developing a customer-focused approach such as an improving appointments system, multi-skilling, and the use of imprest stock on vans. The number of repairs completed as emergencies has been halved. However significant weaknesses remain and a number of the recommendations on the previous inspection have not been implemented. Value for money cannot be demonstrated, performance is variable and outcomes for customers are not being captured.
- 64 The council have addressed some of the barriers to service improvement including the following.
- The restructuring of the responsive repairs service has helped improve communication channels. All responsive repairs are completed by the council's DLO. Area based repair teams have recently moved into local housing offices and under the control of local housing service managers. The arrangement minimises travelling time for operatives and has fostered closer links with housing management staff. For example, it is easier to identify rechargeable works and prioritise voids when the prospective tenant needs to urgently move in. Housing staff and tenants met during the inspection consider this has improved the service at a local level.
 - Operatives are multi skilled and operate with imprest stock system in their vans which can help improve their ability to complete jobs on the first visit and reduce disruption for tenants.
 - Provision of diagnostic repairs tools at the contact centres to improve the accuracy of repairs reporting and an appointment system to reduce disturbances for customers.

65 However, the effectiveness of these improvements and outcomes for customers has not been assessed and a number of weaknesses still remain. For example:

- the number of jobs completed on first visit is not recorded;
- 65 per cent of orders still require a variation order; and
- 20 per cent of all jobs are still pre inspected.

The weaknesses can be an indicator that further barriers exist, if so they need to be identified so plans can be put in place to address them.

66 The service shows a variable performance across a number of indicators. Tenants can expect repairs to be completed within three priority groups of which the longest is eight weeks. Average time taken to complete non urgent 'priority three' responsive repairs is improving and was 30.15 days against a target of 29 days in 2004/05 and has improved to 24.7 days, year to date of 2005/06. The percentage of urgent repairs completed within time limits was 89.7 per cent against a target of 95 per cent in 2004/05.

67 The number of jobs done as emergency is below the Audit Commission good practice guide of 10 per cent. Since the last inspection there has been a significant reduction in the number of jobs done as an emergency. Performance at the time of inspection was 8.6 per cent an improvement against the 9.2 per cent for 2004/05 a reduction from approximately 16 per cent in 2000/01 at the last inspection. The council pay a flat rate for repairs but this may be unnecessary disruption if the repair is not an emergency.

68 Repairs for which an appointment was made and kept in 2004/05 was 54.26 per cent against a target of 63 per cent. The number of repairs for which a repair an appointment is offered has increased to 70 per cent. Levels of customer satisfaction are improving but this is based on very low levels of responses to satisfaction cards.

69 There is a target to complete ten per cent post inspection surveys but this is not being monitored or outcomes analysed. The council is missing the opportunity to gather information from tenants on the quality of repairs service. Where feedback has been gathered from surveys it is not being systematically used to improve services.

70 The council cannot demonstrate that the responsive repairs service provides value for money. The repairs service was awarded in 1997 to an in house team and contract has been subject to extensions since 2002. The repairs budget has remained fairly static over the last four years, however little work has been done to demonstrate how the existing service provides value for money and the council has been slow to address this weakness.

- 71 The rechargeable repairs procedure is not clear and gives insufficient guidance to staff about when to charge tenants. The procedure is not advertised to tenants, although they have to approve the recharge before it is levied. Collection rates for rechargeable repairs are high at around 35 per cent of total charges. Recharges are collected in an appropriate manner and tenants can negotiate easy repayment terms. The lack of procedural clarity can lead to an inconsistent approach.
- 72 An effective estate based caretaking service has been recently introduced. A tour of estates showed them to be well maintained and common areas clean and tidy. The service responds quickly to tenants concerns by removing offensive graffiti and dumped rubbish within agreed service standards. Tenants are involved in joint inspections of estates or common areas and welcomed the caretaking service.

Empty (void) property repairs

- 73 Improvements have been implemented to the management of empty homes since the last inspection. Void properties are brought up to the decent homes standard and locally agreed lettable standard introduced and when possible void works are agreed with the prospective tenant. However void turnaround times have deteriorated and outcomes for customers have not been acted upon.
- 74 Action has been taken to address barriers to service improvement identified in the last inspection and include the following.
- Responsive repairs and void maintenance has been integrated into Housing Services. Allocation and dedicated void teams work together to prioritise and categorise works to voids to improve communication and turnaround times.
 - A voids procedure has been developed and the process mapped to identify inefficiencies in working practices.
 - A comprehensive void standard was recently agreed with tenants. It includes: levels of cleanliness, number of kitchen units and plumbing for automatic washing machines.
- 75 There are some positive features to how empty properties are managed.
- All void properties are brought up to DHS and prospective tenants can influence kitchen design and other features such as decoration.
 - Gas and electrical safety certificates are given to incoming tenants.
 - All viewings of voids are accompanied and all new tenants are visited and any outstanding minor repairs completed soon after they move in.
 - Use of barrier means of security is kept to a minimum to save costs and to minimise adverse impact on the local environment and other security measures such as removing boiler controls are employed.

- Decorating vouchers are given to tenants to help them decorate with staff referring to the councils 're-decoration after repairs' guide for guidance on decorative standards. Generally properties are only decorated when in exceptionally poor condition or if the incoming tenant is incapable of completing the works themselves.
- External areas are kept in a reasonable condition.

76 However there still remain some weaknesses.

- The lettings standard is not being shared with prospective tenants prior to them viewing a property making it difficult for them to judge the standard to which their home will be brought up to. Voids visited were found to be prepared to the voids standard except on cleanliness where the standard was variable.
- New tenant surveys show high levels of dissatisfaction with the cleanliness of voids and the standard of repairs.

77 The council has not been able to demonstrate the effectiveness of these initiatives and what outcomes have been delivered for customers and how they have learnt from feedback. The average cost of voids has largely remained unchanged over the last four years at around £1,000. Performance on voids has generally deteriorated and there is a lack of understanding of the reasons for this. Average re-let time for a void property increased from 48 days in 2003/04 to 59 days for 2004/05, against a target of 45 days. Over the same period the number of voids increased to 524 (3.16 per cent of total stock) of which nearly half were management voids of over six weeks old.

78 There is still no discount on void works which was identified as a source of potential savings in the 2001 inspection.

79 Performance information needs to be analysed to identify what further corrective action is needed to deliver service improvements. The voids working group are looking to improve processes and reduce void turnaround time.

Gas servicing

80 Overall management of the gas servicing service has improved since the last inspection. A flexible appointment system is offered, there is a robust gas servicing data base, which is used effectively to identify un-serviced properties and quality is monitored through third party checks completed by CORGI. However revised gas procedures have not been robustly implemented on no access cases, there remains a number of longstanding un-serviced properties, a non risk based approach to the use of boiler restrictors and weaknesses with the administration process.

- 81 A robust gas servicing data base has been established. The data base is easy to interrogate and is kept up to date. This has helped improve the reliability of knowledge on completed services. The database is linked to repairs reporting; tenants whose homes are outstanding a service and report a repair are asked to have the service completed at the same time as the repair. This can help reduce the number of outstanding gas services.
- 82 There are adequate options for access arrangements for gas servicing. All tenants are telephoned to see if they would prefer an AM or PM appointment. Out-of-hours appointments are not routinely offered but are available for early evening and Saturday morning. This will help ease access to properties. There are service standards in place and these are monitored. All tenants receive a satisfaction letter and returns show high levels of satisfaction. However the gas servicing programme and importance of servicing is not advertised to tenants. Advertising the importance of gas servicing and the potential safety implications may help reduce the number of no access cases.
- 83 Management for taking legal action on no access cases was found to be unclear. In the 2001 inspection concerns were raised about the lack of ownership in no access cases. Since the inspection a revised procedure has been put in place, however it remains ineffective in relation to dealing with no access. The proportion of homes without valid safety certificates (196 between 12-18 months, 38 over 18 months and 13 over 2 years) is unacceptably high. When no access cases are referred for legal action ownership of them was unclear. However, this was addressed during the inspection. Legal action continues to be slow and at the time of inspection one warrant for access has been obtained. This issue has not been addressed since the last inspection in 2001 and remains an unreasonable risk to the council.
- 84 Performance on no access arrangements is not monitored and cases are not progressed in an appropriate manner. Councillors do not receive information on numbers of no access cases and action being taken to resolve them. This is a significant health and safety risk for tenants and the Council.
- 85 There is inappropriate use of boiler restrictors that pose a risk to vulnerable tenants. New central heating systems have a timer which 11 months after installation alerts the tenant that the boiler needs servicing. If the boiler is not serviced within a month the heating automatically drops 10°C. Although this is explained to tenants and warnings on the controller are supplemented by telephone calls and letters to tenants there are still risks and value for money issues with this blanket approach. Legal advice has not been taken and the council could not demonstrate that the boilers had only been used in appropriate cases based on a risk assessment where for example there is a history of no access. This leaves the council and tenants at risk.
- 86 There are some administrative weaknesses with gas servicing. Gas safety certificates are not easy to locate and are stored in several different locations for each year. Safety certificates are not marked as being checked for accuracy and action. There is a risk of key records being lost or not actioned.

- 87 The quality of gas servicing is checked through an independent party. CORGI completes third party quality checks and are generally complimentary about the service. Capacity of service engineers is enhanced through training. A partnership between the Council's Planned Maintenance Section and British Gas has been reached to deliver accredited gas servicing and safety training to service engineers.

Aids and adaptations

- 88 Improvements have been made to the adaptations service. The council implemented many of the recommendations of the Audit Commission report into the adaptations service in 2000. There is good co operation between partner agencies and there are a variety of ways to access the service. However, there is no effective monitoring of the service and waiting times for assessments are excessive.
- 89 There is a high degree of co-operation between different agencies supporting the disabled. Disabled adaptations are provided through a partnership between Housing, the PCT and CDS (community disability service). The Council and the local Primary Care Trust pool budgets to maximise their use of resources. Occupational therapists and technicians carry out joint visits to establish the feasibility of adaptations. Staff from the adaptation service meet with housing staff on an occasional basis or to discuss specific issues such as new build developments.
- 90 A customer focused approach is being developed including the following.
- The service operates an open referral system and has published and agreed criteria for the provision of adaptations which embodies Fair Access to Care and ethnic and cultural needs.
 - Access to the adaptations service is easy. There are a range of routes to adaptations: through housing, day centres, hospitals, carers and directly to Social Services. The council's website carries information about adaptations and articles are placed in tenants newsletters outlining what is available. A new leaflet on adaptations has recently been produced giving information about the service and detailing service standards.
 - There is effective co-ordination of adaptations with capital improvement works. Elderly and vulnerable tenants whose properties are having improvement works are offered the option of a shower rather than a bath. Also if an adaptation is due to be installed the works are co-ordinated with the improvement works.
 - Housing's stock condition data base is updated with details of all major adaptations. Where possible adaptations are recycled. Should an adapted property become empty it is offered to tenants who may be waiting for an adaptation but it is made clear they are not obliged to leave their home. This can make best use of existing resources and reduce the need for further expenditure.

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- There is an effectively prioritised approach to dealing with emergency hospital discharges and work is normally undertaken within a week. This reduces the levels of 'bed-blocking' in hospitals and also enables tenants to return to their home in the shortest possible time.

91 However there remain some significant weaknesses.

- Satisfaction with adaptations service is not systematically gathered. The last survey of users was in 2002. The council are therefore unsure if the service is meeting its client's needs.
- Waiting times for assessments are excessive. There is a 17-week wait for assessments for major adaptations and a 22-week wait for non urgent assessments. There is a fast track for minor adaptations. Once an assessment has been completed 90 per cent of items of equipment are delivered in seven days.

92 There has been no formal assessment of value for money of the service. Adaptations are completed partly in house or via a number of contracts which have been let on a measured term contract basis using the schedule of rates or a model job. Comparative exercises with five neighbouring local authorities and cost comparison with details in ODPM 'Reviewing the disabled facilities grant programme' are favourable, however as the council is not capturing outcomes in terms of quality a value for money assessment cannot be made.

Resident involvement

93 Overall, weaknesses outweigh strengths in this area of service. The previous inspection report identified weaknesses in customer involvement including a lack of effective means to engage with tenants. There is an increased commitment to resident involvement and additional capacity and resources have been made available. However, outcomes are not evaluated, and tenants remain critical about the effectiveness of their involvement.

94 Participation is regarded as a key housing priority and is well resourced. Capacity and resources are being put in place to facilitate and support greater customer involvement. The number of Tenant Development Officers has recently been increased to seven, the majority of whom are locally based. There is appropriate support funding for tenants groups and a useful resource pack is provided. A training budget and training programme has been devised for tenants, including generic and specialist courses. Meetings and other events are held in accessible buildings and the council provides out of pocket expenses and incentives to encourage people to attend. This has delivered a series of outcomes such as: service standards, extended call centre opening and tenants preferred capital improvements.

- 95** Tenants can choose from a menu of participation activities to reflect the extent to which they wish to be involved. Examples include:
- formal structures such as the four area housing forums which are open to all residents. The committees have their own budget and receive basic performance management information broken down to a local perspective;
 - consultation on local issues including the Longbenton Regeneration Scheme, housing options appraisal, the housing strategy and the capital programme;
 - tenants have access to budgets to address environmental works. Tenants confirmed that when possible their concerns in relation to environmental improvements have been addressed and they are involved in the allocation of funds; and
 - tenants have influenced the service in a variety of other ways including the development of new services such as the estate based caretaking service and the enhancement of existing services through Estate Agreements. Other examples are agreeing service standards, agreeing the Tenants Handbook and sitting on the recruitment panel for the Independent Tenant Adviser.
- 96** However levels of customer involvement are low and outcomes from resident involvement are not being captured.
- Consultation meetings are poorly attended, on one occasion staff outnumbered tenants.
 - The recent stock options appraisal test of opinion consultation only attracted a turn out of 10.6 per cent of all tenants.
 - Tenant satisfaction with opportunities for participation is in the bottom quarter of all councils but has improved over the last three years.
- 97** There is a lack of clarity about the purpose of involving residents and activities are not guided by a comprehensive framework. The draft tenant involvement strategy encouragingly incorporates targets and measures of success and measures to engage with under represented community groups.
- 98** A revised tenant's compact incorporates measures of service effectiveness including repairs being completed on timescales. There is an action plan to implement the compact but the council has not monitored achievements against the 2000 compact.
- 99** Without effective plans there are no clear objectives to evaluate efforts against outcomes. Involving residents to improve services does work and it can provide value for money.
- 100** There are no policies or procedures for dealing with leaseholders. Each area office has adopted their own approach resulting in an inconsistency between the different areas. When improvement works involve leasehold properties the statutory three quotes are provided. However there are no other mechanisms to consult on such things as service charges or levels of service.

- 101 The overall impact and value of resident involvement has not been established. There has been no formal evaluation of the impact of its resident involvement activities and whether it enables residents to effectively challenge the service they receive. The council has not yet reviewed whether the manner in which resident involvement is being delivered represents value for money.

Is the service delivering value for money?

- 102 The council's approach to value for money in the repairs and maintenance service is poor. The council is unable to demonstrate a good understanding of the relationship between the cost and quality of delivering the repairs and maintenance service and how this information could be used to inform future policy decisions. There is no corporate VFM (value for money) strategy resulting in a fragmented approach on what the council is trying to achieve and a lack of clarity on how VFM will be delivered. This is indicative of a lack of VFM culture within the council and an understanding on the importance of VFM in terms of outcomes for customers. No service specific efficiency targets have been set. Some efficiency gains have been delivered through application of modern procurement practices but the council has been slow to act on previous recommendations to improve VFM in the responsive repairs service.

How do costs compare?

- 103 The council does not have a sound understanding of the costs of the repairs and maintenance service, how this relates to quality and compares to others. Previous recommendations to address issues with the responsive repairs service have been slow to be addressed.
- 104 There is limited analysis of information on the cost of delivering the responsive repairs service and how this links with demand for the service. There are no robust plans in place of how to reduce expenditure on emergency and out-of-hours repairs which are more costly to complete. The council's ratio of planned to revenue expenditure is 25:75 compared to Audit Commission good practice guidelines of 60:40. Expenditure is not focused on planned maintenance where programmes of work can be packaged to be more cost effective.
- 105 Benchmarking to date has not been routine or systematic. Information has recently been submitted to HouseMark and the North East repairs and investment best practice groups to gain a better understanding of what makes up their costs and how they compare with others. But this is still in the early stages of implementation and the cost data being submitted for example on central overheads is unrealistic. Central recharges are based on historical costs and not actual costs so using them as part of a benchmarking exercise can make the outcomes unreliable as comparisons.

- 106** The council do not know which areas of service are high cost and of poor quality and therefore is not taking corrective action to address it. Strategic decisions on the future ownership of the local authorities stock have been based on a poor response to consultation by tenants. Decisions on the future procurement and delivery of the responsive repairs service demonstrate a piecemeal approach to securing value for money. The service was last tendered in 1996 and it has been unclear for some years if it is providing VFM. Without detailed, accessible and timely cost and quality information customers and members are unable to challenge the service. An understanding of the relationship between the cost and quality of its services will help inform future policy and investment decisions.
- 107** There is no clear mechanism to link investment decisions with organisational policies and the basis which investment decisions are made is unclear. The councils key improvement priorities do not reflect national priorities including achieving the DHS. Without a clear investment framework the council is unable to demonstrate that investment is being made in the key areas to deliver improvements in services to customers.

How is value for money managed?

- 108** The council approach to managing value for money in the repairs service is unsystematic. There is no corporate VFM strategy detailing how VFM will be achieved. Without this there is no sustained focus on what will be done and when to improve value for money and how outcomes will be managed and measured.
- 109** A comprehensive corporate procurement strategy has been agreed and where this has been followed procurement is generally robust. There are examples of where modern procurement initiatives have been explored but the outcomes from these are not quantified.
- 110** A partnering framework agreement has been established with the council's direct labour organisation (DLO) and two other private contractors. The partnership has delivered improved efficiency in delivering the councils overall capital programme. Commissioning costs for the capital programme are under 3 per cent.
- 111** There is occasional evaluation of the impact of the council's procurement practices. A study by Northumbria University in 2004 on the framework agreement demonstrated improved performance in completing projects on time, higher levels of satisfaction, better contractor relationships with no litigation and improved 'predictability of construction cost'. Identified savings attributable to the partnering agreement compared to the 'benchmark' costs (based on the construction group's tender figure), show 7.2 per cent savings for 2004/05, some £347,000. However, this work did not identify how much of these efficiency gains and service improvements were specific to housing capital schemes.
- 112** The Council is a member of North East Procurement Organisation which offers opportunities for procurement efficiencies. Housing has used the organisation for the procurement of vehicles and other consumables; however cost savings and efficiencies from this have not been quantified.

- 113 Some initiatives have linked value for money and improved customer service. Operatives within the DLO have agreed to extend working hours to include early evenings and Saturday mornings as part of a move to monthly salary arrangement. Salaried staff will enable more accurate forecasting of labour costs within the DLO which can be used to inform the VFM analysis. This will increase the opportunities particularly for working tenants to have repairs by appointment without having time off work.
- 114 Limited contributions are being made to the wider efficiency agenda. There is a lack of clarity of how the council measure efficiency gains through target setting. The council's annual efficiency statement for 2004/05 recorded no efficiency gains in housing (£3.1 million saving overall for council) although the forward look for 2005/06 predicts efficiency gains of £312,580. This represents a target of one per cent efficiency gain for the housing capital programme. There is no plan to identify how these efficiency gains will be delivered so the council is unable to demonstrate whether this target is realistic or achievable. Any efficiency gains delivered should be reinvested back into the service to improve outcomes for customers.
- 115 Limited opportunities are being taken to improve working practices within the repairs service which has the possibility of improving efficiency.
- The practice of imprest stock and extended times for appointments have been implemented in responsive repairs. But systems are not in place to capture outcomes for customers including number of repairs completed on first visit.
 - Repairs Managers are manually issuing jobs to operatives when this could be done by the repairs IT system, pre inspections and variation orders are high. These are activities which if reduced could delivery efficiencies to the service.
 - Efficiency targets have not been used to drive forward continuous improvement within individual contracts.

This illustrates that VFM is not built into thinking, priorities and day to day decisions.

- 116 Key processes do not challenge value for money. The council's budget setting process allows central recharges based on historic cost rather than actual. This can mean that customers are paying more for services than required.
- 117 Early steps are being taken to develop a VFM culture throughout the organisation. A VFM wall chart explaining the relationship of economy, efficiency and effectiveness and the importance of demonstrating VFM to customers has been developed. This will help raise staff awareness of the issue but needs to be accompanied by training so staff and members understand the significance of VFM for the organisation and the impact it has on customers.

- 118** Funding opportunities have been secured for the council from a range of sources and by innovative means. Through a joint venture with Newcastle City Council and the Primary Care Trust joint service centres at Shiremoor, Dudley and Whitley Bay have been created offering a one-stop shop for public services. However inward investment to the repairs service to date has been less creative. Grants from energy companies for improved insulation and efficient heating systems will contribute to improved SAP ratings and improved comfort levels for tenants. The organisation needs to attract significant inward investment to bring all of its housing stock up to the decent homes standard.

Summary

- 119** Overall the repairs and maintenance service is fair.
- 120** There is a developing customer-focused approach to service delivery. Customers can easily access services through conveniently located, welcoming local offices, and through an informative web site. Additional resources have been allocated to resident involvement but this does not have clear objectives and outcomes. Levels of customer involvement remain low and there is ineffective challenge to the service. Customer satisfaction is not systematically collected and used to improve services. There is a limited understanding of the profile of tenants and therefore services are not routinely tailored to meet needs.
- 121** Performance in responsive repairs is variable and void performance is deteriorating. Outcomes from initiatives are not routinely identified and the council is not capturing successes or identifying further barriers to service improvement. The council has been slow to address their approach to develop a resourced plan to deliver the DHS and a significant funding shortfall remains with 65 per cent of stock currently failing to meet DHS. Tenants are given limited choice with the improvements to their homes and the standard of the specification of materials remains an issue. Procedures for dealing with gas servicing have been improved but they have not been effectively applied to deal with long standing no access cases. There is an inappropriate and non risk based approach to fitting boiler restrictors which is an issue with a growing ageing population. The approach to value for money is poor and the council has been slow to address all recommendations from the inspection in 2001.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 122 The Council has made improvements in their Corporate assessment. However, the approach to addressing recommendations from the Audit Commission previous inspections has been mixed. The pace of change has been slow and a number of significant weaknesses remain, particularly failing to establish value for money in the responsive repairs service and effective resident involvement. Performance against a range of indicators has fluctuated with limited understanding or analysis on the reasons for this.
- 123 The pace of change has been slow and outcomes for service users is not routinely captured or evaluated.
- 124 Recommendations from a previous Building Maintenance inspection report in 2002 have not been fully implemented. Some recommendations have been implemented including producing information on repairs reporting, reducing the percentage of emergency repairs, setting service standards and targets and revision of complaints procedure have been implemented. Other recommendations have been slow to progress including developing an approach to value for money, capturing customer quality and developing local performance indicators that will track future investment made in the stock in terms of benefits to customers. Progress against implementation of recommendations is not robustly monitored.
- 125 Key priorities identified in the 2002-2005 Housing Strategy have not been implemented in an effective manner. The approach to delivering the DHS is based on a tenants' stock options test of opinion survey that less than 11 per cent of tenants responded to. Resident involvement in repairs and maintenance is less well developed than other services. Voids performance has deteriorated and the DHS target will not be met within Government timescales.
- 126 Responsive repairs performance is mixed and value for money for the service has yet to be established. Diversity has not been addressed effectively with information on a series of key indicators not gathered. A number of actions have not been delivered and will have to be rolled over to future plans.
- 127 Performance against key performance indicators is mixed and has not shown consistent improvements over the last few years. Improved performance in repairs completed by appointment, the percentage of emergency repairs and non urgent repairs completed within timescale has been made. However there is lengthy waiting list for assessments for aids and adaptations, void turn around times have deteriorated and a significant number of properties are without a current gas safety certificate. Tenant satisfaction has risen but around 60 per cent of tenants consider improvements need to be made to the repairs service.

- 128 Additional capacity has been directed to improve services including resources for resident involvement which was an identified weakness. However the council is unable to demonstrate the measurable outcomes of change and if a wide tenant base is aware of the improvements made.
- 129 Some customer facing improvements have been delivered including improved flexibility of the repairs appointment, agreed lettable standard and improved information on the service.
- 130 Value for money is not established across the service or embedded as part of the department's culture or within day to day management decisions. The council is unable to demonstrate how value for money has been delivered through initiatives including the partnering framework agreement, involvement in the procurement consortia or delivery of the responsive and voids repair service. Targets are not being used to measure efficiency gains. Practices are not being challenged and there is little understanding of the importance of VFM as a vehicle for improved services to customers. This is of particular significance in terms of the council's ability to deliver the DHS. The estimated additional £40 million of funding will require prudent changes to the council's business plan to service, for example, increased loan payments. This will require a very robust approach to VFM to maximise the outcome from existing resources which the council has no track record of. An ineffective approach to VFM can result in efficiencies gains delivered through inappropriate cuts in services which have a negative outcome for customers.

How well does the service manage performance?

- 131 Key strategic documents reflect national priorities including achieving the DHS. The deliverability of the DHS through stock retention and securing additional funding is extremely challenging for the council and plans do not reflect the implications of the funding gap. The repairs and maintenance service does not feature prominently in any of the councils forward planning documents. The housing strategy is still in draft format and the route to its four key objectives have yet to be mapped out. The Housing Service plan for 2005/06 only includes a few key areas for the repairs service such as developing a DHS delivery plan. The repairs and maintenance, voids and capital works action plans have weaknesses and were being developed at the time of inspection. Targets for performance are modest and management of the service at the highest level lacks consistency. Recent restructuring has shown only limited improvements and learning from others shows few tangible gains. However it is encouraging that a single seamless performance monitoring framework is in development.
- 132 There is no comprehensive service improvement plan for the repairs and maintenance service. The Housing Service plan for 2005/06 only includes a few key areas for the repairs service such as developing a DHS delivery plan. The ability to deliver decent homes through stock retention and levering in additional funding is extremely challenging.

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It lacks detail on how the quality of the repairs service will be improved including appointments, improved performance by completing repairs on time, ensuring all aspects of the service deliver VFM, implementing purchase cards, providing localised stores and such. Without this the council is unable to be sure it is targeting resources to do the right things in the right priority order.

- 133 It is unclear if future plans are co-ordinated, robust and deliverable. The housing strategy for the period 2005–2008 is still in draft format. The strategy has been widely consulted on but drew a greater response from stakeholder agencies than from tenants. Four key objectives for the strategy have been adopted but at the time of the inspection they were insufficiently developed in terms of detail or timescales for delivery. The objectives encompass tenant's aspirations and reflect the needs of the areas changing demographic. Not all weaknesses are addressed, especially around VFM, but other areas are addressed such as diversity.
- 134 Service specific action plans for responsive repairs, voids and capital works are being developed but have a number of weaknesses. The plans were still being developed at the time of inspection and have not been formally approved. They lack specific measures for current performance and projected improvement making it difficult to measure success. As customer expectations are not fully understood plans can not reflect them. Plans lack identified resources and projected outcomes for customers. Specific actions are not prioritised to ensure that resources are focused on the most important things. Again without prioritising, key weaknesses will not be addressed in the right priority order.
- 135 Targets for efficiency savings and value for money do not reflect potential for improvements and are not comprehensive. The council's Annual Efficiency Statement target for housing are modest and only refer to the capital programme. However the AES for 2006/07 does include targets for repairs and maintenance, but these are also relatively modest. No savings are projected for other parts of the housing service. The absence of challenging targets will depress performance.
- 136 Management of the service lacks consistency. The appointment of a new Chief Executive and Mayor has improved the profile of senior management and given a clearer direction for the council. Some councillors however are not clear about their operational roles and responsibilities to improve council services. For example the Chair of the Housing Scrutiny Committee has not met the Cabinet Member for Housing. Staff consider the housing leadership style is not inclusive and communication is inconsistent with some staff not understanding key corporate and housing objectives.
- 137 Performance monitoring and management at a service level is ineffective. New Performance monitoring reports do not give a comprehensive picture of how well the service is delivering against a range of objectives and targets. Deteriorating performance is not highlighted until it is more than 10 per cent off target, leading to reactive management.

There is some evidence of deteriorating performance being addressed, for example in voids, but this is not comprehensive. Performance reports lack comparative figures and do not cover some key areas such as gas servicing, voids and average relet times. The council does not have an accurate picture to effectively manage performance.

138 The formal framework for performance management is focused at an operational level and performance is not managed strategically to inform future policy and resource decisions.

- Day to day performance management focuses on requiring action by email and discussion at periodic one to one meetings. Whilst it is positive that prompt action is required from routine performance data, over reliance on individual email and action prevents more proactive discussion and formally agreed corrective action.
- Some systems are in place to measure performance. The IT system for repairs (Contractor Plus) is able to provide a broad range of information. For example up to date spend against budgets, costs for individual aspects of the service and outstanding repairs over priority period. At a local level this information is being analysed and follow up action taken, for example the North Shields office only has 83 jobs outstanding and data is analysed by priority order to ensure cases are followed up. This helps managers to monitor and manage performance effectively. Systems are not measuring all of the right things including customer facing issues of quality.
- The Council has not prioritised any repairs and maintenance issues for consideration by the housing scrutiny committee. The Overview and Scrutiny committee determined six priorities for the housing scrutiny committee to consider in 2005/06. Despite an impending housing inspection the list does not include anything relating to repairs and maintenance. The Council is not effectively managing issues relating to stock investment and asset management which are of key interest to customers and significance to the Council's budgets.
- Tenants are not providing an effective challenge to the delivery of services. Tenants challenge focuses on minor and day to day issues and not on major delivery/policy issues, although there has been an increase in the level of challenge to performance at Area Housing Forums. Performance management information provided is not robust to facilitate challenge and engagement at all levels remains low.
- Performance management systems all help to turn council and community visions and ambitions into delivery on the ground. If systems do not work then this puts limitations on what can be delivered and improved. Tenants are not providing an effective challenge to the delivery of services. Performance management information provided is not robust to facilitate challenge and engagement at all levels remains low.

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- 139 There is limited evidence of the organisation learning from other providers, user feedback or its own experiences. The councils self assessment shows an awareness of their strengths and weaknesses but plans to address this are in their early stages and it is too early to determine their impact. Feedback from tenants is gathered mainly by survey which attracts variable response rates. Tenants are offered no incentive to respond to surveys and examples of where services have changed following feedback are limited. A variety of methods are used to consult with tenants but again only attract limited interest from tenants. The complaints service has a number of weaknesses such as a failure to monitor improvements and record informal complaints. Learning from other organisations tends to be restricted to limited benchmarking exercises. Without effective knowledge capture the council are missing out on opportunities for learning from their own customers and other providers.

Does the service have the capacity to improve?

- 140 It is uncertain if the service has the appropriate skills, tools and finances to deliver improvement. Plans to translate the vision of the leadership into actions are still to be developed. An over-arching four-year council plan and financial plan has been developed but a number of uncertainties remain. The route to DHS is uncertain with a number of significant issues to be settled before the council can be confident it will be attained. As a result there is a risk that the vision and strategic direction of the leadership is not operationalised. Additional capacity has been delivered through improved IT systems, development of key policies and additional financial resources to support resident involvement.
- 141 It is unclear if the service has the right people, skills and capabilities to deliver service improvements. A series of recent appointments to senior officer and councillor positions have given the service a clear impetus and direction. However a number of key vacancies have only recently been filled and the operations manager was not available during the inspection. Some councillors are not clear about their operational roles and responsibilities to improve housing services. Some had limited understanding of variation in repairs and maintenance performance, what were the key areas of concern and how well performance compares to others, particularly top performers.
- 142 IT capacity has not been fully utilised. New IT systems particularly around stock condition have increased capacity and generally IT reflects modern standards. IT is generally used effectively to improve access to services with an easy to navigate website featuring a number of interactive features; services can also be accessed through electronic kiosks. However important information such as tenants needs are not systematically recorded on electronic files and information drawn from IT systems does not comprehensively reflect service performance.

- 143** Outcomes from the council's human resources and financial planning show mixed results. The council has a corporate approach to human resources through the Workforce Development Plan and has developed a wide range of training and induction courses but lack formal feedback to learn and develop. Through the Construction partnerships agreements have been formed around apprenticeships with the sharing of apprentices between organisations and agreements with local colleges for training. However, staff views on the effectiveness of training is mixed considering there was an emphasis on one-off training rather than continuous development. This suggests training and development is not used as effectively as it might be to support customer focus and the wider development of the service. Councillors are offered training on a variety of topics and invited to specific briefings about developments in services. Nevertheless some appeared unaware of key housing issues.
- 144** Levels of satisfaction between office and estate based staff vary and rates of absenteeism are high and increasing. A survey of staff in 2004 showed low morale, resistance to change and a skills shortage. Communications between management and estate based staff is unclear. Estate based staff are uncertain as to why changes are taking place and the opportunities for operatives to become involved in decision making are limited. Some key concerns such as the availability of stores during extended hours have not been addressed. Not all staff have regular training and development appraisals through the Personal Development Review (PDR) process. Estate based staff are unaware of the training available and have not seen any published list of courses. Despite a corporate approach to sickness management, levels are high level at around 15 days per person per year and are increasing. A series of measures have been put in place to combat this including training for management in dealing with sickness and scheme where staff calling in sick are referred onto a nurse is being piloted. It is too early to assess the impact of this. Low levels of staff satisfaction and high absenteeism will hinder departmental effectiveness.
- 145** The council is developing its medium term financial planning structure. The introduction in 2004/05 of a service and financial planning framework will ensure the budget setting process is priority led and will help develop medium term service and financial plans. This is encouraging but it is too early to predict the outcomes of this.
- 146** A comprehensive corporate procurement strategy has been agreed but the overall approach to procurement has a number of weaknesses. The Council is a member of North East Procurement Organisation and all capital works are let through the Construction partnership. Quality is an important consideration in procurement decisions but tenants' choice in improvement works have been limited by cost considerations. There is no corporate VFM strategy detailing how VFM will be achieved and recommendations about securing VFM for the responsive repairs service have only recently been acted upon. Existing partnerships are not being used to deliver continuous efficiency gains. The ability to support additional borrowing to finance the delivery of the DHS will be dependant upon the capacity to deliver real efficiency gains based on getting more or the same for less.

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- 147** The council has had some success in attracting external funding. Local service centres have been created with a variety of other agencies including health and the police. SRB and PFI partnerships have been secured for a series of capital improvements to schools and street lighting. Housing has had its own success in attracting investment for a series of projects including SRB, NRF, SHIP and from super profit agreements. It has worked with local RSL's on the demolition of substandard housing and replacing it with new build RSL owned accommodation and it has secured energy funding to help address fuel poverty. Housing is hoping to draw on some of this experience to help with plans for the non traditional housing stock.

Summary

- 148** The council's prospects for improvement are, 'uncertain'.
- 149** Value for money is not established across the service or embedded as part of the department's culture or within day to day management decisions. It will fail to meet the deadline for DHS and its route to DHS has a number of uncertainties including clear plans to address and the potential impact of servicing an estimated additional £40 million of debt. Not all recommendations of previous reports have been acted upon and performance over a number of indicators is mixed. Performance monitoring is ineffective and lacks a strategic framework, leading to reactive management. Learning is limited and staff morale low, reflected in high and increasing absenteeism rates.
- 150** More encouragingly a series of recent appointments to senior positions has brought a drive and direction to the department with a clear sense of priorities. The department has an awareness of its weaknesses and some were resolved whilst the inspection team were on site.

Appendix 1 – Performance indicators

Best value performance indicators. CPA for Single tier and County Councils 2005				
Indicator	2001/02	2002/03	2003/04	Quartile
No. of low demand homes per thousand dwellings	40.7	No data available	21.2	Highest
Percentage of LA homes that are non decent	47	47	68	Lowest
Average SAP rating of LA homes	52	60	58	Lowest
Average weekly management cost (HIP)	£9.28	£10.96	£10.96	Lowest
Average time to relet dwellings in days	50.07	48.37	59.16	Lowest
per cent of expenditure on minor and routine repairs that is planned, rather than responsive	Not available	25	25	Lowest
Responsive Repairs (non-emergency), appointments made and kept	53.5	57.3	54.3	3rd
Percentage of specified repairs completed in government time limits	93	92	90	Lowest
Average time taken to complete non- urgent repairs in days	33	31	30	Lowest
Satisfaction with overall service provided by landlord	69		79	Highest
per cent of tenants satisfied with opportunities for participation	53		55	Lowest

Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - a range of corporate strategies and plans including the corporate plan, community strategy;
 - a range of housing strategies and plans, including the HRA business plan, housing strategy, the repairs and maintenance strategy, the housing and environmental service plans, the self-assessment report, and Best Value reports;
 - documents relating to the performance of the services under review, including performance monitoring reports, reports on customer surveys and adaptations performance analysis;
 - policies and procedures relating to the services under review;
 - documents for customers, including newsletters, the annual report, the tenants handbook and other service standards leaflets; and
 - other relevant documents including the stock options appraisal report, the report on the stock condition survey.

Appendix 3 – Reality checks undertaken

- 1 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - tenants focus group;
 - operatives focus group;
 - frontline repairs staff focus group;
 - focus group and interviews with Councillors;
 - interviews with tenant representatives;
 - interviews with officers;
 - visits to voids, estates in the regeneration programme, a number of other estates;
 - visits to housing offices and reception areas;
 - mystery shopping phone calls about repairs, and calls to new tenants; and
 - inspections of gas safety files.