

Local Authority Housing Inspection Report

May 2006



Affordable Housing

Epsom and Ewell Borough Council

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Local Authority Housing Inspections

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high-quality local 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 Epsom and Ewell Borough Council is situated on the northern edge of the county of Surrey. With a population of 68,000¹ it is the smallest district in Surrey. The borough has the largest proportion non-white population in Surrey at 8.7 per cent. However the ethnicity is diverse. The largest single grouping is Indian, comprising 1.8 per cent of the population.
- 2 Although there are some isolated pockets of deprivation, the borough is affluent with low levels of unemployment. House prices in the borough are relatively high, currently averaging £261,448, compared to a regional average of £223,426². A housing needs assessment in 2004 identified an annual need for 395 additional affordable homes.
- 3 Despite having the Epsom Downs within the Borough boundary and half the area being open space, much of the district is densely populated with more than 2,000 people per square kilometre, compared with an average of only 450 across the region.
- 4 The Council is controlled by the Epsom and Ewell Residents Association, a unique situation that has prevailed since 1937. There are currently 26 Residents' Association/Independent members, seven Liberal Democrats, three Labour members and two Conservatives.
- 5 The Council employs around 300 staff across all services and has a net revenue budget for 2005/06 of £8.4 million or £126 per head, a 4 per cent increase on the previous year³.
- 6 The inspection covered a broad range of services which contribute to the delivery of affordable housing, including planning, homelessness and housing advice, private sector housing and strategy and enabling. The Council's net revenue budget for housing in 2005/06 is £452,000.

¹ Office of National Statistics, mid-year estimates, 2004.

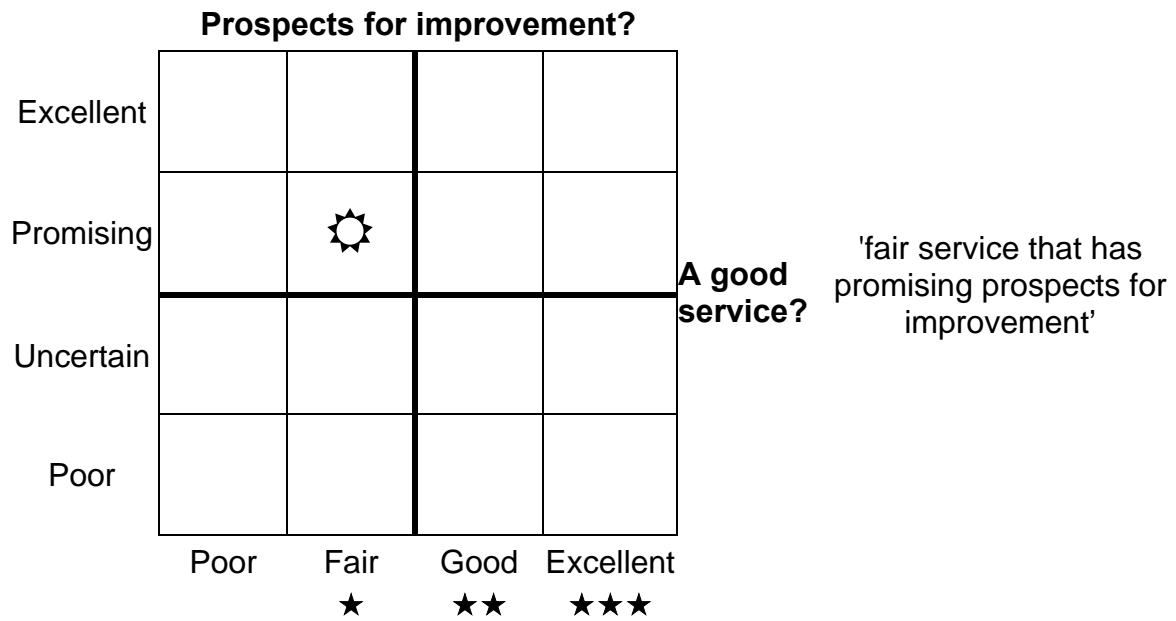
² Land Registry, sales for January to March 2005.

³ CIPFA statistics.

Scoring the service

- 7 We have assessed Epsom and Ewell Borough Council as providing a 'fair' one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart⁴



Source: Audit Commission

⁴ 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.

- 8 We have judged the service as a fair one-star service because of the following.
- The Council helps to promote access to those seeking affordable housing services via its housing advice service, a wide range of public leaflets and the housing and planning pages of its website.
 - A range of activities are having a very positive impact on the prevention and reduction of homelessness, including an accessible housing advice service, a rent deposit scheme, a court desk advice service, an accommodation finding service, and effective multi-agency working.
 - There is up-to-date housing needs and stock condition information to support the development of the Council's housing strategies.
 - There is effective joint working with housing associations, private landlords and developers on affordable housing issues.
 - The housing service assists disabled people in carrying out adaptations and improvements to their homes is effective and has no backlog of people awaiting a disabled facilities grant.
 - In the current year, 29 new affordable homes will be completed, a considerable increase on 2004/05. The planning system is now contributing to the delivery of affordable housing, with an increasing number of homes delivered through planning agreements.
 - The Council has made good progress in improving the energy efficiency of homes occupied by vulnerable people, through effective partnership working and promotional activity.
 - There has been strong consultation and user involvement in the development of the existing housing strategies.

9 However, there are some areas where improvements are needed.

- Despite recent improvements, the delivery of affordable homes in the past three years has fallen well below both the Council's own targets and the level of local needs.
- The strategic approach to addressing affordable housing problems in the private sector is underdeveloped, with insufficient focus on how older people and other vulnerable households can be assisted to live independently in their homes and to ensure their homes meet the decency standard.
- The Council is inadequately controlling conditions in the private rented sector, with only a few homes in multiple occupation inspected each year. This limits the opportunities to bring high risk homes up to standard and will result in vulnerable tenants being at risk from poor conditions.
- Empty homes in the borough are not being tackled effectively. Long-term empty homes are a wasted resource.
- The housing service does not have robust systems for driving and delivering value for money, with no focus on cost comparisons and benchmarking.
- The approach to addressing equality and diversity issues in relation to affordable housing service is weak.
- The Council has not fully supported its housing priority for the delivery of affordable homes through investing available capital resources;
- There is a lack of emphasis on measuring customer satisfaction with the range of affordable housing services;

10 We have judged that the service has promising prospects for improvement because of the following.

- There has been a marked improvement in the past two years in the delivery of new affordable homes, from no affordable homes for rent in 2004/05, to 29 completions in the current year and more than 90 new homes now being built due for completion in 2006/07.
- A real improvement in the homelessness prevention service has resulted in there being no homeless acceptances either in 2004/05, or during the first nine months of 2005/06. This has been achieved by the introduction of a set of initiatives all aimed at preventing families becoming homeless.
- The 2005 to 2008 housing strategy, which has been judged as 'fit for purpose' by the government office, sets out a clear improvement programme which complements the Council's corporate plan and that of the local strategic partnership. Both these plans place the delivery of additional affordable homes for rent and for sale to people in housing need and for key workers as a priority.
- Performance monitoring has improved since the comprehensive performance assessment (CPA) was completed early 2004. Directors receive concise monthly reports and any areas of concern are reported to the next meeting of the Social Committee. Councillors are now more engaged in the monitoring of performance against the Council's six key priorities.
- The recent work in preparation for the local development framework has set a firm foundation for the planning system and for the delivery of affordable homes.
- There is a robust, modern procurement strategy applying best practice. Factors including sustainability, energy efficiency and diversity are now all part of the Council's contract procurement.
- The Council is fully engaged with the Supporting People authority. Effective partnership working provides opportunities to enhance capacity and inform future housing strategies.
- A new human resources strategy is being developed and this is supported by a raft of schemes all designed to improve the Council's capacity.

11 However, there are still some areas of concern that could be a barrier improvement.

- The Council's track record does not yet demonstrate a sustained focus on the delivery of affordable homes and this is reflected in slippage on key targets.
- The Council has resolved not to use any of its own finances to assist in delivering one of its key priorities.
- The continued failure to recognise that there are other ways to deliver affordable housing, other than building new homes, will not assist in meeting housing need.
- There is a current lack of capacity within both the environmental health and the housing services.

Recommendations

- 12 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 costs⁵ 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 Improve access to services and standards of customer care by:

- *developing a local home improvement agency, such as Care and Repair or Staying Put, to assist older or disabled people or households on low incomes carryout minor repairs, adaptations, and improvement;*
- *Developing and publicising service standards which are specific to housing enabling services, such as housing advice, private sector grants and enforcement activity;*
- *making available comprehensive advice to home owners and older people seeking assistance with minor repairs, adaptations or improvements or to meeting the decent homes standard; and*
- *publishing a summary of the Council's private sector renewal strategy.*

The expected benefits of this recommendation are:

- increased customer satisfaction;
- improved access to information for service users;
- improvements to the comfort and health of the users of the home improvement agency service; and
- increased ability to learn from service users and meet changing needs.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2006.

⁵ 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.

Recommendation

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

- review the housing renewal assistance policy, to ensure that it supports the Council's focus on affordable housing and maximises support to frail, elderly and other vulnerable residents and provides value for money;*
- strengthening the approach to inspection of homes in multiple occupation to ensure that all high risk homes are inspected and improved within a two-year period;*
- using the flexibilities provided by the legislative changes in 2003, review the resources for housing renewal to ensure that those in greatest need receive assistance and that the Council meets its decent homes target for at least 70 per cent of all vulnerable households to be in a decent home by 2010 and to demonstrate continuous improvement; and*
- developing a clear understanding of the extent and nature of empty homes in the Borough and implementing the strategy to bring them back into use.*

The expected benefits of this recommendation are:

- increased support to, and improved housing conditions for vulnerable residents allowing them to maintain their independence;
- improved budget management and improved value for money; and
- meeting the 'decent homes' standard for privately owned properties and the long-term improvements in the quality and use of the borough's privately owned housing stock.

The implementation of this recommendation will have high impact with high costs. Key milestones for each of the above tasks should be identified by June 2006 and all recommendations should be implemented by April 2007.

Recommendation

R3 Strengthen the approach to service and improvement planning by:

- *reviewing and addressing outstanding weaknesses from the housing diagnostic report contained within the 2004 CPA report;*
- *ensuring that all strategies and plans are clearly informed by consultation with key stakeholders and service users;*
- *ensuring that all strategies and plans address equality and diversity issues and reflect the needs of vulnerable groups;*
- *ensuring that all housing strategy action plans are SMART (specific, measurable, achievable, resourced and time-bound) and that where targets are missed, appropriate remedial action is taken; and*
- *routinely benchmarking the quality and costs involved in delivering affordable housing with comparable organisations*

The expected benefits of this recommendation are:

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

The implementation of this recommendation will have high impact with low costs. This should be implemented by October 2006.

Recommendation

R4 Improve the management of performance by:

- *developing a broad and sustainable long-term approach to the delivery of all forms of affordable housing, including its resourcing and give consideration to the use of capital reserves;*
- *consistently applying principles of best value when shaping strategies;*
- *developing the borough-wide model for performance management to take full account of the affordable housing priority;*
- *developing a housing service plan with clear targets; and*
- *reviewing urgently the effectiveness and value for money achieved of the use of agency and temporary staff.*

The expected benefits of this recommendation are:

- greater clarity about the scope to invest in housing services and affordable housing;
- councillors and officers are better placed to drive performance and improvement; and
- improved value for money.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2006.

Recommendation

R5 Strengthen the Council's capacity to improve delivery of housing services by:

- *implementing the learning and development strategy and continue to develop the equality training for members and officers;*
- *completing equality impact assessments for all services and policies related to the delivery of affordable housing;*
- *implementing, as quickly as is feasible, the recently approved thresholds for affordable housing on new housing developments;*
- *identifying and introducing alternative ways of providing affordable housing other than building new homes; and*
- *addressing capacity issues in the private sector housing team to ensure that it can take forward all its key areas of work.*

The expected benefits of this recommendation are:

- improved understanding of customer needs and equity in service provision among both officers and councillors;
- increased levels of affordable housing; and
- improved health, better housing conditions for elderly, disabled and vulnerable people and less risk to the safety of occupiers of houses in multiple occupation.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by December 2006.

- 13 We would like to thank the staff of Epsom and Ewell Borough Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 16 to 20 January 2006

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Report

Context

The locality

- 14 Epsom and Ewell Borough Council is situated on the northern edge of Surrey. To the northwest and northeast are the London Boroughs of Kingston upon Thames and Sutton. To the south and west of Epsom are the more rural areas of Mole Valley and Reigate and Banstead. The population of the borough increased between 2001 and 2004 by 1.5 per cent, but with a population of 68,000⁶ it is still the smallest district in Surrey.
- 15 Epsom and Ewell has an above average older population with 16.8 per cent over 65 and 1,680 people 85 years or older. Male and female life expectancy at birth is high at 77.9 and 84.1 respectively, but 17 per cent of all households have one or more people with support needs.
- 16 The borough also has the largest non-white population in Surrey with 8.7 per cent. However, ethnicity is diverse with the largest group being 'other' representing 3.7 per cent of the population and the largest single ethnic group being Indian at 1.8 per cent.
- 17 Although there are some isolated pockets of deprivation, the borough is affluent with low levels of unemployment. Out of 354 English local authorities, the borough is ranked at 340th least deprived area. Deprivation levels are low but two wards, Ruxley and Court, are in the ten most deprived in Surrey.
- 18 House prices in the borough are relatively high, currently averaging £261,448 compared to a regional average of £223,426⁷. Outside London, Epsom has highest ratio of house prices to income in the South East⁸. As a result of high housing costs, many low and average income households cannot afford market rents or to get on the housing ladder. A housing needs assessment in 2004 identified an annual need for 395 additional affordable homes.
- 19 Despite having the Epsom Downs within the borough boundary and half the area being open space, much of the district is densely populated with more than 2,000 people per square kilometre, which is more than six times the density for all districts across England.

⁶ Office of National Statistics, mid-year estimates, 2004.

⁷ Land Registry, sales for January to March 2005.

⁸ Joseph Rowntree Foundation - May 2003.

The Council

- 20 The Council is controlled by the Epsom and Ewell Residents Association, a unique situation that has prevailed since 1937. There are currently 26 Residents' Association/Independent members, seven Liberal Democrats, three Labour members and two Conservatives. The Liberal Democrats form the official 'opposition'. With a population of less than 85,000 the Council decided to maintain the traditional committee structure and not to move to a cabinet system.
- 21 The Council employs around 300 staff across all services and has a net revenue budget for 2005/06 of £8.4 million or £126 per head, a 4 per cent increase on the previous year⁹.
- 22 In 2004 a comprehensive performance assessment (CPA), carried out by the Audit Commission, rated the Council overall as 'good' with most service areas 'improving'. The report stated that *'the Council uses its local knowledge effectively to focus on what matters most to local people and to deliver the things that are important to the community.'* However, a balancing housing market diagnostic inspection carried out as part of the CPA found the delivery of additional affordable homes as poor with a high need for improvement.

The service

- 23 This inspection covered a broad range of services which contribute to the delivery of affordable housing, including planning, private sector housing, homelessness and strategy and enabling. It looked at how the Council works in partnership with others to deliver affordable housing and how well it understands the local housing market. Affordable housing can be defined as subsidised housing and low cost market housing, irrespective of tenure, or ownership, whether exclusive or shared, that is available to people who cannot afford to rent or buy properties outright on the open market.
- 24 There is currently no single Housing Inspectorate key lines of enquiry (KLOE) which covers exclusively all aspects of affordable housing, but in undertaking this inspection we have drawn upon the relevant elements of the KLOEs covering strategy and enabling, including use of the local plan, supplementary planning guidance, planning agreements, private sector housing, homelessness and housing needs.
- 25 The Council transferred its housing stock in February 1994 to Rosebery Housing Association, which now manages about 1,800 homes. Around 300 homes in the borough are owned by other housing associations including Thames Valley and Threshold.
- 26 The Council's net revenue budget for housing in 2005/06 is £452,000 and a housing capital budget of £710,000 which is spent predominantly on adaptations for disabled people.

⁹ CIPFA.

- 27 According to Council statistical returns¹⁰, despite the area being relatively prosperous, 1,568 homes (5.5 per cent) are unfit for habitation and more than 330 homes have been empty for more than six months.

¹⁰ HIP return 2005.

How good is the service?

What has the service aimed to achieve?

- 28** The 2003 community strategy, prepared by the local strategic partnership, cites 'the lack of affordable housing and its impact on recruiting key and lower paid workers.' as one of the most important issues affecting the borough of Epsom and Ewell.
- 29** The emphasis on the lack of affordable homes is carried forward to the borough's 'People and Performance – Corporate Plan 2003 to 2007'. The plan has six key priorities for the four year period which are derived from the community strategy as well as residents' satisfaction surveys, and national priorities. These priorities were subsequently confirmed through market research focus groups:
- to reduce anti-social behaviour and fear of crime;
 - to improve the visual appearance of the local environment;
 - to improve services for young people;
 - to secure additional key worker, social and affordable housing;
 - to secure improved transport facilities for particular sections of the community; and
 - to cut bureaucracy and further improve cost-effectiveness.
- 30** A new Housing Strategy 2005 to 2008, which has been ranked as fit for purpose¹¹ by the Government Office for the South East, reflects the above goal of securing additional key worker, social and affordable housing. The housing strategy sets four overriding priorities:
- Priority 1: Affordable housing;
 - Priority 2: Housing for key workers;
 - Priority 3: Meeting housing needs of the vulnerable and homeless; and
 - Priority 4: Private sector housing.

¹¹ 'fit for purpose housing strategy' - ODPM 2002 - all housing authorities are required to work towards this 10-criteria standard to demonstrate a coherent housing strategy which meets local housing need and demonstrates continuous improvement.

- 31 To achieve the delivery of these key objectives the Borough has a three-year action plan. The plan incorporates milestones and monitoring processes. The Council will review the strategy in 2006/07. Expected outcomes from the action plan include:
- completion of 40 affordable homes during 2005/06;
 - commence 53 affordable homes in 2006/07;
 - successfully support bids from registered social landlords (RSLs) for schemes in excess of £6 million from 2005/06 onwards;
 - protect the countryside and ensure that 100 per cent of all new housing is built on previously developed land;
 - continue to support assisted home ownership through Homebuy and the Starter Home Initiative;
 - allocate 5 per cent of all accommodation vacancies to key workers;
 - reduce the length of stay of homeless households in bed and breakfast and hostel accommodation;
 - increase the proportion of unfit private homes made fit for habitation – 20 homes in 2005/06 and 59 homes in 2006/07;
 - return to occupation, as the result of LA action, long-term empty privately owned homes – 15 in 2005/06 and 20 in 2006/07;
 - develop and maintain excellent relationships with landlords in the private sector and to hold annual private landlord forums and issue regular newsletters; and
 - continue to develop and expand the tenancy sustainment scheme.
- 32 There are clear links between the local aims and priorities and national and regional policies. For example, the focus on affordable homes, improving conditions in private accommodation, reducing homelessness, and joint working reflects the national housing priorities set out in the Government's 'Sustainable Communities: Building The Future'¹². and the 2003 South East Regional Housing Strategy which identifies the following key housing issues for the region:
- improving the overall housing supply;
 - affordability;
 - regeneration and renewal;
 - homelessness and supported housing; and
 - quality and sustainability of the housing stock.

¹² Sustainable Communities: Building for the Future, Office of the Deputy Prime Minister, 2003.

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

Access and customer care

- 33** The quality of access and customer care is good with strengths outweighing weaknesses. There are positive aspects of the service, such as a broad range of comprehensive leaflets providing advice and guidance to people threatened with homelessness or seeking affordable housing. There is easy access to the housing advice service both during and out of normal office hours. Further support is available from the Citizens Advice Bureau (CAB) which is situated adjacent to the council offices and is well signposted. The Council website is easy to access with a range of informative housing pages, although some are not interactive. In contrast there is limited information available to those people who own their own homes and seek assistance with minor repairs, adaptations or improvements. This deficiency is accentuated by the lack of a local Care and Repair or Staying Put home improvement agency service. Although the Council has missed the deadline for all buildings to which the public have access to meet the requirements of the Disability Discrimination Act 1995, the main housing reception at the town hall is fully accessible to disabled people and provides visitors with a comfortable and secure environment. Customers of the various housing services express high rates of satisfaction.
- 34** There is easy access for people seeking housing assistance, although opening hours are somewhat restricted. The housing reception at the Town Hall, which is the main point of access, opens from 9.00am to 4.30pm each weekday and appointments for interviews are available to people seeking housing advice 9.30am to 4.30pm daily. A duty officer is always available during office hours, and home visits are offered to those unable to get to the town hall. In cases of homeless emergencies, outside of office hours, advice and assistance is available on an emergency telephone number. We tested the emergency number, it was answered in three rings and the operator was very helpful.
- 35** Information advertising different facets of the housing service is routinely included in the borough Insight Magazine which is published four times a year and is delivered to every household in the borough. In addition, there is a departmental Housing Update newsletter which provides details about housing in the borough and the housing associations which take nominations from the Council.
- 36** The offices providing access to all the Borough's housing services offer visitors a high quality environment. The housing reception area is easy to find and there is a wide range of leaflets referring to the Council's housing services as well as information relating to domestic violence and abuse. There are good quality facilities available including customer toilets, disabled access toilet and changing facilities for babies and young children. The reception desk is suitable for wheelchair users, as are the private interview rooms.

22 Affordable Housing | How good is the service?

- 37 A member of the housing advice team is the first point of contact for anyone who is threatened with homelessness. The officer carries out a detailed housing needs options assessment, ensuring that the person seeking help is fully aware of his/her housing rights and housing options.
- 38 Some published housing customer service standards are in place for example for housing advice and homelessness, but are limited for private sector regulation and financial assistance. Corporate customer service standards are in place, covering general customer care issues and these are regularly monitored and reported. However, the lack of comprehensive published standards makes it difficult for service users to know what they can expect in these areas.
- 39 The Council's website contains some useful information about affordable housing services. A Council leaflet provides details of where you can go to get free access to the internet, including a public internet access point in the reception area of the town hall. There are 15 separate housing webpages included within the Council's website providing detailed information about how to access an affordable home, through renting from a housing association, private landlord, buying through shared ownership or special provision for key workers. The website, which is well used with more than 20,000 visitors to the site in January 2006, provides copies of the Council's key housing strategies and planning policies. There are some useful weblinks, including one to Rosebery Housing Association, to HouseProud and to Surrey Supporting People. It is not yet possible to submit housing or private sector grant applications online.
- 40 The Council's Housing Service provides a wide range of information leaflets which are written in a clear, accessible style and include a range of useful local contact numbers. These include leaflets covering housing advice, homelessness, the accommodation finding scheme, New Horizons, housing needs register, and allocation policy, and low cost home ownership. Each leaflet carries the Council's language strap-line and details on the reverse side how to obtain a copy in a different format.
- 41 The range of information about private sector housing options is limited. The Council has produced some basic information about finding housing in the private sector – 'Renting in the Private Sector' but there is little else. There is no publicised list of privately rented accommodation which it has inspected and is known to meet current standards. There is no landlord accreditation scheme, reducing opportunities to signpost people to safe, good quality, affordable accommodation. Other than some government leaflets, there is virtually no advice available for home owners and older people seeking assistance with minor repairs, adaptations or improvements or to meeting the decent homes standard. Without full information, people may not explore the full range of options available to them.

- 42 With the exception of recipients of disabled facilities grants, the housing service has not established mechanisms to seek feedback from its service users and is failing to comprehensively measure levels of satisfaction. However, with the aid of a 1,500 Citizens' Panel, the Council annually monitors overall customer satisfaction in relation to services. Resident satisfaction with council services has been consistently high with satisfaction rates in the top quartile of English councils.
- 43 A Council-wide complaints system allows people to raise concerns about the services they receive. The four stage procedure is well-publicised via a clearly written leaflet and details are also on the Council's website. Complaints can be made by e-mail, by telephone, in writing or in person, ensuring good access. An analysis of the complaints received by the Customer Service Centre about housing in the last 12 months (4 in total) show that all were dealt with in accordance with council policy. No reports of maladministration have been issued in relation to complaints made to the Local Ombudsman about council services in the last two years. There was one complaint about homelessness but this was outside the Ombudsman's jurisdiction.

Diversity

- 44 The Council's approach to addressing equality and diversity issues in relation to affordable housing is weak. The corporate framework for equalities is still developing and no equality impact assessments have been completed in housing. Councillors have not received equalities training and there have been delays at a corporate level in progressing from lowest level of the Equalities Standard. There is a lack of comprehensive monitoring of services for equality and diversity. However, the new housing strategy takes full account of the housing needs of black and minority ethnic (BME) residents. The housing service has strengthened its understanding of the needs of other diverse groups in particular through the development of housing strategy for older people and a range of supported housing services has been developed to meet the needs of some vulnerable groups.
- 45 The Council has been slow to develop its approach to equality and diversity and to ensure that its services meet the needs of all groups. It has only achieved Level 1 of the Equality Standard and now intends to attain Level 2 during 2006/07. Council housing staff have received no equalities training since 2002, but further training is planned for February 2006. Every new member of staff is required to complete an e-learning package on diversity awareness. Impact assessment training for staff with policy development responsibilities is currently taking place. The delays in developing equality awareness and appropriate housing services means that staff delivering front-line services may not be fully equipped to take account of diversity and equality issues when carrying out their work.

- 46 The 2005 to 2008 housing strategy details the housing needs of BME residents, those people with disability or limiting long term illness and of the increasing elderly frail community; there are now more than 4,000 people in the Borough who are over 80 years old. The Council is aware that although BME households living in the Borough have higher than average incomes more express dissatisfaction with their home on the basis that it is too small for their everyday needs. Apart from a slightly higher incidence of mental health problems in the BME community, compared with the population as a whole, the Council's research shows few differences in the housing situations between BME communities and the general population. The Council's new IT system, introduced in May 2005, is now helping it to monitor its housing services to BME groups. Additionally, housing publications have been amended to be more accessible to BME residents and to those people with a visual impairment; all leaflets also provide a link to WITS – Woking Interpretation and Translation Service.
- 47 There are a number of examples within the housing strategy where the Council is making provision for people with diverse support needs, for example, people fleeing from domestic violence. The Council is a member of the 'North Surrey Domestic Violence Outreach Service.' This service is funded through a grant from the Crime and Disorder Reduction Partnership. In the past the Council supported a refuge, but this ceased in 2004 because of low demand as most clients preferred to make their own arrangements and to rent privately. The Council has ring-fenced a budget for this purpose but in the current year, 2005/06, there have been no such requests for assistance. There is still refuge provision in the County and the Council works closely with voluntary organisations such as Surrey Women's Aid.
- 48 The Council is working in partnership with other Surrey districts to complete an assessment of housing needs of gypsies and travellers. The Council is already taking an active role in managing accommodation for travellers and gypsies. It has a total of 30 caravan pitches on two Surrey County Council owned sites, one is managed by the Borough Council the other directly by the County. When the assessment is complete later this year it will be possible to decide whether there is need for further provision.
- 49 The Council's Community Housing Project is a scheme specifically to assist people with a mental health disorder or learning and physical disabilities access privately rented accommodation, and continues to support them throughout their tenancy. Where appropriate, the Council assists with rent deposits.

- 50 As part of Older Persons' Housing Strategy, and in conjunction with Rosebery Housing Association, an extra-care housing scheme has recently been completed. This development is receiving financial assistance from Surrey Supporting People. However, there is a considerable deficiency in the Borough because of a lack of a local home improvement service (HIA). Home improvement agencies, which are now partly funded through the Supporting People programme, assist older and disabled people carry out minor works of repair, improvement and adaptation, HIAs are seen as key to assisting people, particularly frail elderly residents to continue to live independently and in comfort in their own homes. The lack of an agency is likely to result in people in need of such support having to move-on into sheltered housing or residential care, or failing that staying-put and their health being adversely affected due to deteriorating housing conditions.

User and stakeholder involvement

- 51 There is a mixed picture in terms of user and stakeholder involvement and consultation. At a high level, such as the development of the Community Plan and the Corporate Plan – People and Performance, there has been a great deal of community consultation and involvement. This stakeholder involvement has been repeated during the development of the 2005 to 2008 Housing Strategy and the Surrey Supporting People Strategy 2004 to 2009. However, at a service level, the Council has not consistently involved services users and stakeholders in the development of its service plans, for example private sector renewal, or allocations and re-housing policies.
- 52 In 2002, the Council adopted a revised consultation strategy which outlines the areas of policy development and service delivery and improvement where the Council wishes to consult the community. The Borough's consultation strategy is reviewed annually. In 2003 the Citizens' Panel was reconstituted, this panel which includes 1,500 residents, undertakes among other tasks the borough survey which measures resident satisfaction. In 2004/05 the Panel's views were sought over a range of housing issues and the feedback received was used to inform the developing housing strategy.
- 53 Following a special consultation event, the 2005 to 2008 Housing Strategy was developed and approved by stakeholders. There is an annual housing strategy conference but otherwise there is little evidence of an ongoing commitment to involving users and stakeholders in maximising affordable housing opportunities and in determining priorities. The private sector renewal strategy was prepared and approved without the benefit of user involvement but the Landlords' Forum is used to discuss and develop policies and standards applied to privately rented homes.

- 54 There was a reasonable level of consultation around the development of the Council's homelessness strategy. The Homelessness Forum continues to meet formally at least once a year to monitor progress in implementing the improvement plan and there are regular meetings with individual partners. At the time of the inspection the Council was not collecting feedback from tenants moved into new homes. It has since been arranged for the RSL partners to pass this data to the Council.
- 55 As part of the Borough's preparation for the local development framework¹³ (LDF), the draft Statement of Community Involvement (SCI) has been developed and submitted to the Government Office in June 2005. This document places greater emphasis on consultation during the plan making process, publicity and feedback. The draft SCI was subsequently subject to extensive consultation with key interest groups, with over 20 responses received. Implementation of the approach set out in the SCI should help to strengthen the approach to planning consultation in the future.

Partnerships

- 56 The Council's approach to partnership working in relation to affordable housing issues is satisfactory with strengths outweighing weaknesses. The Council is actively involved in a wide range of partnerships that help to tackle housing problems and increase its capacity to deliver affordable housing. However, there is scope to forge stronger relationships with partner RSLs involved in delivering new homes and with Age Concern, or a similar organisation, to improve housing services to older and disabled people.
- 57 Epsom and Ewell works proactively with its development RSL partners and with developers involved in schemes which include affordable homes. Development partners have good relations with the Council, with regular meetings both as individuals and as a group. The Council is proactive in setting the agenda and in specifying the housing mix, types and designs of new homes.
- 58 The absence of 'preferred partner status' for RSLs has however resulted in a cloak of secrecy and makes it difficult to demonstrate value for money. The Council does not know where developers provide either free land to RSLs, properties at no-cost, or at discounted prices or whether associations are even competing with each other and pushing up sale prices. The Council argues that in practice they only work with around three RSLs and not having 'preferred partners' maximises the opportunity to lever in investment since developers can choose who to work with and this encourages competition. Even without preferred partner status there needs to be a transparency in accounting and operating methods between the Borough Council and the partner housing associations.

¹³ The local development framework will gradually replace the Epsom and Ewell Borough local plan and supplementary planning guidance.

- 59 Close working with partner housing associations has resulted in the South East Regional Housing Board allocating £6.2 million for the period 2004/05 and 2005/06 for delivering affordable homes. A further £1.068 million has been transferred by the Council to the Housing Corporation in the form of grant from credit approvals for 2004/05 and 2005/06 and £1.9 million capital fund grant from reinvesting shared ownership sale receipts. All this investment is a clear demonstration of strong partnership working between the borough and local or regional housing associations.
- 60 Effective partnership working is helping the Council to address housing problems and in a broad range of ways.
- The Council is working well with voluntary organisations such as Age Concern. Age Concern provides a number of services to assist the Borough in meeting its priorities, including a volunteer service for minor handyperson tasks. The partnership with Age Concern provides additional housing and personal services for older residents at very low cost for the Council. An older peoples' focus group meets every two months and discusses and plans for areas for improvement of service.
 - The Citizens' Advice Bureau (CAB) has an open and supportive relationship with the Council. Examples of this include joint training offered to Council officers, and the lead homelessness officer in the Council attending a CAB staff meeting to update them on changes within the homelessness service. The CAB has also carried out presentations to new councillors as part of their induction.
 - The Council's housing advice service works closely with the CAB and with SHELTER who can both provide advice independent of the authority. The CAB provides a court desk advisory service aimed at preventing homelessness, the service is provided in partnership with Mole Valley and Reigate and Banstead councils.
 - The Council works closely with private companies and government agency, EAGA, in promoting energy efficiency and reducing the number of people living in fuel poverty¹⁴.
 - Partnerships with a number of private landlords have resulted in long leases for additional affordable homes.
 - The Council participates effectively in the Surrey-wide Supporting People partnerships and is an active member of the commissioning body and the core strategy group, helping it to meet and identify supported housing needs through joint research and provision. In addition, the Council is active in the SP Advisory Group which the Chair of Social Committee attends.

¹⁴ Fuel poverty – defined as having to spend at least 10 per cent of disposable income on energy requirements.

- 61 Although the Council is unable to provide details of the tangible outcomes from partnership working, it is currently reviewing the number, range, and value of partnerships across the organisation. This will be followed by a process that aims to identify the value in terms of how much is invested in the partnership and whether they contribute to key corporate priorities. Currently there is no process that measures the effectiveness of partnerships across the Council but partners are highly complementary and say that there are very good working relationships with the Housing and Environmental Health Services and these are resulting in better services for the community and improved value for money.

Strategic approach to housing

- 62 The Council's strategic approach to addressing affordable housing is an area of mixed performance. The overall approach has some positive features: there is detailed information on housing needs; the local housing market and overall stock condition across the borough; and at officer level the Council is working well to address the borough's priority for providing additional affordable homes. However, there is a failure to appreciate the range of opportunities and different methods to provide more affordable homes. Although the Council is achieving a good share of affordable housing on new developments and for the past two years 100 per cent of new homes have been on land previously developed, it has failed to effectively use planning agreements to deliver affordable housing.
- 63 There is a new Housing Strategy for the period 2005 to 2008 which is clear on Council priorities and links to national, regional and local agendas. The housing strategy meets the Government's ten criteria and has been approved by Government Office as 'fit for purpose'. There is also a strong research base on housing needs to inform the Council's strategic approach. A housing needs survey was undertaken by a national consultancy in 2004, using a recognised methodology. The survey was based on 500 face to face interviews, 3,120 responses to a postal survey, representing 9.2 per cent of the borough's population, and for housing market information made use of the land registry and the Halifax House Price databases.
- 64 House prices in Epsom and Ewell are very high and in excess of a quarter million pounds for an average semi-detached home. The ratio of house price to gross household income is 5.14 and is the second highest in Surrey. Private rents for a two bedroom terraced home are equally high starting at £720 per month which 78 per cent of households on the housing waiting list cannot afford. The findings of the 2004 Housing Needs Survey indicate that after allowing for housing association re-lets, 395 additional affordable homes are required annually over a seven-year period to 2011; this is about ten times more than the current rate of delivery and results in growing levels of unmet need each year. The survey findings also indicate a need for a more balanced housing market with more small units, terraced homes and flats and that of the 395 affordable homes, 138 (35 per cent) should be for shared ownership, shared equity, or discounted market rent.

65 The housing needs data has been used to shape the Council's approach to affordable housing policy but there is an appreciation that an annual target of 395 additional affordable homes is unrealistic and has fixed a more modest target of 40 new homes to be completed in 2005/06 and for construction to commence on a further 60 units during the current year. In recognition that low-income earners cannot afford outright home-ownership or private renting, the 2005 to 2008 Housing Strategy recommends the following ways forward.

- Balancing the housing market – by taking a cross tenure approach to planning for new housing provision. This entails planning for the accommodation needs of the vulnerable and homeless households as well as those excluded from the housing market because of inability to afford market rents or house purchase.
- Increasing new supply.
 - Ensure that a mix of house types in both market and social sectors is provided.
 - Achieve a balance, mainly small units, particularly flats and terraced houses need to be provided to meet the needs of new households to address the shortages in the existing stock and provide a more balanced housing market.
 - Continue to negotiate with prospective developers towards achieving subsidised affordable homes from all the suitable sites coming forward for planning consent over the period of the local plan. Each site to be assessed individually, targets being subject to wider planning issues, economic viability, regeneration and sustainability considerations and we will require a flexible approach to specific site negotiation.
- Tackle empty homes – with approximately 354 empty homes in Epsom and Ewell, these may be capable of being brought back into use, all of which are in the private sector.
- Initiatives to deliver discounted market rent – these could assist households, including key workers unable to afford full market costs. Quality housing provided in this sector could also address the short-term needs of key workers and other lower income households expressing interest in shared ownership.

66 There is limited information available about the condition of the private sector stock and its potential for supplying affordable housing. The Council commissioned a stock condition survey in 2002. Although the survey reports that 1,568 (5.4 per cent) homes were unfit for human habitation there is no information about the number of homes in a 'non-decent' condition occupied by vulnerable families. (The Council has a statutory duty to intervene in any cases where a home is unfit for habitation and there is government target for reducing the proportion of vulnerable families or individuals living in non-decent conditions). The current private sector housing renewal strategy does not provide an action plan for improving the 1,568 unfit dwellings, the unknown number of non-decent homes, or the 338 privately owned homes which have been standing empty for more than six months.

- 67 The borough's homelessness strategy provides a focused approach to addressing weaknesses and challenges identified in the homelessness review. The implementation of the Homelessness Strategy action plan overseen and monitored by the Homelessness Forum. Since the review of the homelessness service in 2002, and as part of the action plan there have been a series of successful initiatives to reduce and in many cases prevent homelessness, these are discussed later in this report.
- 68 The strategic approach to addressing housing problems in the private sector is underdeveloped. The private sector renewal strategy mainly focuses on assisted adaptations through disabled facilities grants and provides virtually no assistance for Epsom and Ewell's older population living in poor housing conditions. The absence of a local home improvement agency is a notable deficiency in the private sector renewal strategy. There is also no support for landlords letting new accommodation in return for nomination rights and guaranteed affordable rent levels. The Council is therefore missing an opportunity to develop partnerships with the private sector to increase the supply of affordable housing in this sector.
- 69 The Council's approach to asset management planning only partially supports the Council's affordable housing policy. In late 2005 the Council carried out an audit of all its land and property to identify any that was surplus to requirement and available and suitable for the development of affordable homes. The results of that audit were not known at the time of the inspection. The Council has disposed of a number of sites to housing associations and has been active in working with the NHS in assisting housing associations develop new affordable housing on former hospital sites.
- 70 The Council is no longer investing its own resources in the development of affordable housing. Investment by the Council in housing through the capital programme is now largely restricted to the support of the mandatory disabled facilities grant programme which has been increased to £595,000 from £231,000 four years ago in 2001/02. A very small sum is available for home repair assistance such as minor repairs works and even this is not well publicised. The Council has recently resolved not invest its own resources in delivering additional affordable housing except through the deployment of housing commuted sums from planning agreements. This decision is to be kept under regular review.

Enabling new housing

- 71 Weaknesses outweigh strengths in this area and the Council is making only limited progress in meeting its 2003 to 2007 Corporate Plan priority of '*securing additional key worker, social and affordable housing*'. Delays in developing supplementary planning guidance to accompany the current Local Plan, a lack of Council investment, and an absence of a robust approach to planning obligations under section 106 of the Town and Country Planning Act 1990 have all contributed to the shortfall of new affordable homes. However, despite the Council's apparent lack of more stringent and enforceable planning thresholds for affordable homes on new developments, the Council has achieved up to 29 per cent affordable homes through negotiations with the developer. The Council is making some use of its own assets to support its housing priority, but there is no commitment to invest any of the Council's reserves to support the affordable housing priority.
- 72 In 1997 the Borough signed an innovative legal agreement with the NHS to secure a total of 340 affordable homes, 25 per cent of the total, across four of five hospital cluster sites. In the period April 2001 to March 2006 only around 11 per cent were affordable (94 out of 865). However, in the period April 2006 to March 2011 it is expected that 30 per cent of the new completions (345 out of 1161) will be affordable reflecting the original local plan policy of 25 per cent.
- 73 The pattern of completions across the four hospital sites that were the subject of the 1997 agreement has been as follows (future completions estimated as per report to social committee 26 January 2006).
- 74 The phasing of affordable completions was laid down in the 1997 agreement.

Table 1

Year	Total completions	Affordable completions
1999/00	99	0
2000/01	226	40
2001/02	187	54
2002/03	122	0
2003/04	1	0
2004/05	80	0
2005/06	150	0
2006/07	102	69
2007/08	36	36
2008/09	70	55
2009/10	0	0
2010/11	0	0
2011/12	0	0
2012/13	0	0
2013/14	100	30
2014/15	100	30
2015/16	100	26
Total	1,373	340

- 75 The South East Regional Housing Board makes biannual allocations to registered housing associations, for the period 2004-2006 the allocation to Epsom and Ewell was £6.229 million plus recycled capital grants funds of £1.9 million totalling £8.129 million which will enable the creation of 167 affordable homes.

- 76 The current local plan thresholds and standards for the delivery of new affordable homes on development sites are deficient and this is fully recognised by the Council. The local plan requires that 25 per cent of homes developed on sites in excess of one hectare be affordable. In reality, few sites are of this size so affordable housing is mainly delivered through negotiation. The Surrey Structure Plan policy requires that at least 40 per cent of all new housing provision in the County is affordable and the emerging South East plan states that 25 per cent of all new housing should be socially rented with a further 10 per cent in other forms of affordable housing, such as Homebuy. These high levels of affordable housing will be unachievable in Epsom and Ewell unless the one hectare threshold is reduced. New thresholds are being included in the developing local development framework by way of a supplementary planning document due to be adopted by the end of 2006.
- 77 In November 2005 the Social Committee received a report which in essence said that the annual delivery of 395 additional affordable homes as identified in the 2004 housing needs survey was unachievable and that it was necessary to set a target significantly lower, but one that was realistic. A working party was established to 'report to a special meeting of the Committee early in the New Year to which all members would be invited on an appropriate target for affordable housing.' During the week following the housing inspection, the Social Committee met and approved new affordable housing targets. In brief the new targets are as follows.
- To adopt a policy to ensure that 35 per cent of all new housing completions to be affordable comprising 25 per cent social rented and 10 per cent other forms of affordable housing – allowing for necessary adoption processes this policy will not be fully effective until c2011.
 - To set a target of 63 completions per annum after 2011.
 - Through the new local development framework ensure sufficient land available to meet target.
 - Any funding gaps to be met, in the first instance, from housing commuted sums.
 - No further financial resources be available by the Council but the situation be kept under review.
- 78 At best new thresholds for the supply of affordable housing will not be available until the adoption of the supplementary planning document, now planned for late 2006. The target for the current year of 2005/06 is 40 affordable home completions, with a start on construction of a further 60. The Council is now forecasting that only 29 affordable homes will actually be completed in 2005/06 but that as a result of these delays more than 90 will be completed in 2006/07.

- 79 In previous years, the Council has been unsuccessful in providing additional affordable homes through planning obligations under section 106 of the 1990 Town and Country Planning Act. In 2003/04 16 homes were provided, in 2004/05 no homes, and in 2005/06 14 affordable homes will be provided through planning agreements. In addition by 2010 the Council will have accrued a further £2.96 million from commuted sums, all of which will be available to support the above targets.
- 80 The Council now has a clear policy to ensure on-site provision of affordable housing but does accept commuted sums in special circumstances. With one exception, recent commuted sums have all been in addition to rather than instead of the provision of affordable housing on site.
- 81 The Council is beginning to respond to the needs of key workers and provision is included in both the priorities for the local strategic partnership and for the Council in the corporate plan. A 'key worker' has been defined in Epsom and Ewell as *'any person who directly provides services that are essential for the balanced and sustainable development of the local community and local economy, where recruitment or retention difficulties apply'*. The 2004 housing needs survey includes an assessment of the key workers' housing needs, as a result, the Council resolved that at least five per cent on all vacancies should be nominated to key workers. It has been further agreed that 25 per cent of new affordable housing should be designated for key workers. Between 2003 and 2006 91 homes have been completed through the Starter Home Initiative and a further 15 through Homebuy.
- 82 The current medium-term financial plan and the capital programme indicate zero financial support for affordable housing through local authority social grant and no other financial support for registered social landlords. However, the Council is supporting their partner RSLs in their bids through the Housing Strategy and in financial discussions with the Regional Housing Board and with the Housing Corporation.

Prevention of homelessness

- 83 This is an area of strength for the Council. The Council is providing very good housing advice and homelessness prevention services. It has also been very successful in reducing the need for affordable housing by preventing homelessness. It places a strong emphasis on preventative work and this is supported by a strong multi-agency approach. A wide range of initiatives have been introduced to prevent homelessness and a result of this work there have been no homeless acceptances for the past 22 months. This compares with 31 acceptances of homeless people in priority need in 2003/04 and 69 in 2002/03. This strong improvement has been achieved through partnership working with Rosebery Housing Association, other RSLs, with the CAB, with private landlords and with other local agencies. The Council has received grants from the Office of the Deputy Prime Minister (ODPM) under the Government's homeless prevention agenda.

- 84 All people who present themselves as threatened with homelessness have a personalised housing advice service interview, which explores all their housing options. The Council's first priority is to prevent homelessness occurring, if the applicant is threatened with eviction from parental, family or friend's home, the housing officer will always make a home visit. Further assistance is available in the form of mediation, debt-counselling and negotiations with landlords.
- 85 ODPM funded initiatives including the Accommodation Finding Service, the County Court Desk Advisory Service, the Landlord Deposit Scheme, and the Community Housing Project for people with mental health needs have all played a part in preventing people becoming homeless. As an example of the success of the County Court Desk Advisory Service, for the second quarter of 2005/06 35 households presented themselves as threatened with homelessness at the point of litigation at Epsom County Court, of these 30 had homelessness prevented through successful negotiation. This was largely achieved through avoiding the need for an eviction and by finding alternative solution.
- 86 There has been a strong emphasis on eliminating the use of bed and breakfast accommodation for families with children, except in an emergency. No homeless families, for which the Council has a statutory duty to house, have been placed in B&B since April 2003. The number of homeless households in priority need placed in temporary accommodation has also reduced considerably. Four years ago, in April 2002, there were 75 households in temporary accommodation, in April 2005 there were 15 and in September 2005 just seven. This has been achieved by encouraging people to take short-term lettings but at the same time preserving their position on the housing register and as an incentive awarding them extra points.
- 87 The homelessness prevention strategy adopted by the Council has been successful in reducing the numbers of people actually becoming homeless to a fraction of the numbers four years ago primarily through early intervention. The Office of the Deputy Prime Minister has made the Council a 'recommended site of good practice.'

Private sector housing

- 88 The Council's approach to private sector housing is weak. With over 90 per cent of all housing in the Borough privately owned, the Council has failed to appreciate the contribution private sector housing can make to meeting housing need and providing additional affordable homes. Although increased levels of support are given to provide adaptations for disabled people, assistance is delivered through conventional and traditional ways which have largely been replaced by other authorities following good practice. There is virtually no assistance available to elderly single people or vulnerable families living in unfit or dilapidated homes. Epsom and Ewell is one of the few English districts that provides no local home improvement agency such as Care and Repair or Staying Put. Enforcement levels to improve unsafe and unhealthy house in multiple occupation is at a low level and there is little intervention in other parts of the private rented sector. Although the Housing Strategy refers to the housing potential of the current 354 long-term empty homes, only two were returned to use in 2004/05.

- 89 Vulnerable and low income home owners are provided with virtually no assistance to help them improve their homes. The Council's capital programme makes provision of just £25,000 a year to provide home repair assistance, sufficient to help no more than ten households. Even this fairly small sum would be of some use in providing capital to support the work of a home improvement agency. Research has shown that home improvement agencies provide good value for money and the Government is encouraging all local authorities to ensure that all older, disabled or vulnerable people have access to such an agency. Despite enquiries from the Supporting People Authority to the Borough Council about the possibilities of establishing a home improvement agency to date no action has been taken. All councils have a government target to ensure that by 2010 at least 70 per cent of privately owned homes occupied by vulnerable households are decent. The Council is also required to demonstrate continuous improvement against this target. Epsom and Ewell has yet to identify the number of vulnerable families living in non-decent conditions and their location. Without this assistance some home owners will not be able to remain in their properties and as a result will increase the demand for affordable and supported housing.
- 90 The Council manages its disabled facilities grants programme effectively and there is no waiting list. There are a number of internal target times for processing and paying the grants, and in the current year virtually 100 per cent of cases these target times were met. The internal time targets are not challenging, for example the Council sets a target of 56 days to approve a properly submitted grant application. Joint Department of Health and ODPM guidance¹⁵ recommends that this process should take no longer than five days for a 'low risk' applicant and for a 'high risk' applicant, the target time should be three days. The service standards that are available are unpublished and take no account of the time taken for an occupational therapist to carry out an assessment and therefore it is not possible for the client to know how long the process will take.
- 91 The budget available for processing disabled facilities grants (DFGs) is sufficient to meet the level of demand and there is no waiting list. The budget for 2004/05 and the two succeeding years is £595,000 representing a 260 per cent increase over that available in 2001/02. Despite this increased level of funding for adaptations the council is not following good practice and as a result assistance is not reaching many people who require help and for those receiving a disabled facilities grant the whole process is taking too long.
- 92 The housing service is not effectively controlling conditions in the private rented sector. While some groundwork was carried out several years ago to identify HMOs and develop a risk-based inspection, the service has not been able to drive this forward due to a lack of capacity. In the current year out of 299 known HMOs, only five houses have been brought up to statutory health and safety standards compared with 16 in 2004/05. This level of intervention will potentially place many tenants at risk, particularly as many HMOs have inadequate fire precautions.

¹⁵ Delivering adaptations - desk guide ODPM/DH November 2004.

- 93 Although the Council works closely with private landlords and has a very active private landlords' forum, it is not able to demonstrate how this working relationship results in improved housing conditions for tenants of private properties. The Council has a statutory duty to identify unfit properties and to take necessary enforcement action to ensure homes are made suitable for occupation. In the past year, the Council has served just two 'notices of intention' and no enforcement notices.
- 94 There has been no recent effective action to address empty homes in the borough. In July 2005, the Council reported to the ODPM in their annual return that on 31 March 2005 there were 338 long-term empty private homes. The Council's Housing Strategy and its Empty Homes Strategy both include a commitment to developing a strategic approach to empty homes; a lack of capacity has prevented work being taken forward. This is a missed opportunity to develop these homes for affordable housing.
- 95 The private sector housing team is not adequately monitoring the impact of current policies or the efficiency and effectiveness of current work practices. The team has not been recording the reason why grant enquiries do not proceed to application or what happens to those who fall out of the application process because they do not meet grant criteria. There are no published service standards and no published summary of the Council's Private Sector Renewal Strategy – this is a statutory requirement. No progress has been made in using the legislative changes in 2003 to provide flexibilities in financial assistance to carryout improvements, repairs and adaptations through equity sharing loans and other loan products or to assist people to move home rather than to carry out inappropriate adaptations.

Is the service delivering value for money?

- 96 This is an area of mixed performance. The 2004 Comprehensive Performance Assessment found *'there is a record of sound financial management, and the council is using the service expenditure review to achieve value for money in the face of increasing financial pressures'*. Eighteen months later this affordable housing inspection found an established corporate procurement strategy, examples of strong partnership working bringing added value, and a 'spend to save' approach particularly in the homelessness service. However, currently there is a dependence on temporary or agency staff in both housing services and in environmental health with posts vacant for long periods. The housing renewal assistance policy does not ensure that grant aid reaches the households with the highest needs, and the reliance on disabled facilities grants does not represent value for money.

- 97 There is a limited focus on benchmarking and comparing costs in affordable housing services. Officers believe that their involvement in regional centres of excellence, IAG, and other similar organisations are as valuable as the information gained from benchmarking groups. However, officers were not aware of any examples of how recent comparative information on costs had been used to strengthen policy and procedures or reduce costs. This weakness means that the Council lacks fully robust systems for driving and delivering VFM in this area.
- 98 The Council has developed a robust approach to promoting VFM through its procurement strategy. A new three-year procurement strategy for 2005 to 2007 is in place. All Council tenders now take account of diversity, energy efficiency and sustainability standards as well as cost. Jointly procured contracts with ten south east authorities are in place for purchasing telecom services and the Council is to procure its stationery through the Surrey and London Contract Supplies Group (SLCSG) as soon as its current contract expires. Epsom and Ewell participates in and chairs the Surrey Procurement Network; this group develops best procurement practice across the county.
- 99 The Council has increased finance available for affordable housing, by maximising government grants for the prevention of homelessness and by supporting RSL bids for funds from the South East Regional Housing Board and from the Housing Corporation. It has also been able to attract £1.9 million of recycled capital grant through Thames Valley Housing Association.
- 100 The Housing Renewal Assistance Policy does not ensure that the Council's limited resources are targeted effectively. For example, the present policy relies heavily on the use of disabled facilities grants rather than using the flexibilities introduced by the 2002 Regulatory Reform Order, and seeking alternatives such as small adaptation or repair grants. Existing private sector renewal resources could be used to better effect by developing new loan products, and by the introduction of a local home improvement agency.
- 101 In the past months there has been a dependence on agency staff working in Housing and Environmental Health. This does not represent value for money. One environmental health practitioner post has been filled by agency staff for two years, but there is now a review by the human resources directorate to see whether any of the posts filled on a temporary basis should be made permanent. The review is to be completed as part of the budget preparations for 2006/07.
- 102 The Council has a good record in adding value through working in partnership with other Surrey Councils, with local and regional housing associations, and with local charities and other local groups. Age Concern provides services at day centres and a small handyperson service and the Epsom and Ewell Citizens Advice Bureau is key to supporting council housing advice and homelessness services. Rosebery Housing Association provides all the Council's temporary accommodation for homeless people. Any savings achieved through improving value for money are used to help reduce the pressure for council tax increases.

Summary

- 103** Overall, we judge that the Council's approach to the provision of affordable housing is fair.
- 104** There are some positive aspects of the service. The Council is involved in a wide range of successful partnerships which maximise opportunities to deliver affordable housing and help to prevent homelessness. Formal consultation structures exist for the development of council strategies ensuring for greater stakeholder involvement. The Council is also beginning to use the planning system effectively to deliver affordable housing and to promote mixed communities.
- 105** In contrast, some aspects of the service are weak. Delivery of affordable housing has been relatively low compared with the Council's own targets and level of need. The Council has not supported its affordable housing priority through investment of its own reserves and other resources. A lack of staffing capacity has limited progress in assisting older people to live independently in their own homes, in tackling non-decent housing, empty homes, and in improving conditions in the private rented sector. The Council is not systematically assessing the value for money (VFM) provided by its affordable housing services and has been slow to progress equality and diversity issues.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 106** Strengths outweigh weaknesses in this area. The Council has made progress in implementing its improvement plan to address the weaknesses identified in the 2004 report of the Comprehensive Performance Assessment (CPA). Some progress has also been made in tackling the weaknesses in the Balancing Housing Markets Diagnostic section of the CPA report. Very good progress has been made in improvements to homelessness prevention, and additional affordable housing is being delivered through the planning system. The housing service can demonstrate improvements in value for money over a sustained period. Although some key targets within action plans relating to new affordable housing and reducing the number of empty or unfit homes have been missed and there has been virtually no progress in improving private sector housing services, some other of the Council's actions have led to tangible improvements for people in need of affordable housing.
- 107** The Council has addressed some of the weaknesses identified in the CPA Balancing Housing Markets diagnostic, but overall progress is mixed. The following summary shows progress made in response to the assessment, as well as areas of slippage.
- Housing strategy based on out-of-date housing needs information and insufficient knowledge of BME housing needs.
 - Since the CPA the housing strategy has been completely revised taking account of the latest housing needs data which includes BME housing needs and the needs of those people who require special support.
 - Measurable targets have proved aspirational; for example, number of affordable homes and number of improved HMOs.
 - The target for affordable homes has not been met, but the HMO target was exceeded in 2004/05 but will not be met this year because of a lack of capacity.
 - Other strategies, which support the Housing Strategy focus on how the council will address issues not on what it hopes to achieve.
 - This has been addressed and action plans focus on outcomes.
 - Limited discretionary grants to intervene in private sector stock condition.
 - This situation persists with only £25,000 available to assist other than through mandatory grants.
 - No model for use of equity release to improve conditions.
 - There has been no capacity to take this forward.

- No measures for response times to grant applications.
 - This has been satisfactorily resolved, although the target times are unnecessarily long and the customer does not know how long the adaptation will take from start to finish.
- A limited track record of improving safety standard in HMOs.
 - There has been some progress here. High risk HMOs including hostels used for temporary accommodation have been targeted and improved.
- Councillors are resistant to increasing density of development in the Borough.
 - The picture is unclear. There are councillors who clearly are not in favour of any further increase in housing density. However, our inspection revealed that councillors holding key positions such as chairs of committees were committed to increasing densities and are endeavouring to increase the range of affordable housing in the Borough. There is an appreciation that in order to protect the Green Belt and to deliver housing to meet identified need it will be necessary to increase housing densities.

108 During the past two years there have been a series of successful initiatives which are resulting in tangible improvements for service users including.

- Homelessness prevention – many of these initiatives have had the support of finance from the ODPM. For three successive years Epsom and Ewell has had the second highest ODPM award. This work has resulted in zero homeless acceptances for almost two years.
- A Gypsy housing needs survey jointly commissioned with three other Surrey councils which will result in the authority being able to address a minority's housing needs.
- Private sector landlords' forum, newsletter and database have all contributed to improving relations with landlords and a small number of private sector leases with Rosebery Housing Association for use as temporary housing accommodation.
- Moving from rental deposits to rent bonds for the community housing project, which represents better value for money.
- New range of in-house leaflets to incorporate DDA and language translation information.

109 Progress against internal and BV performance indicators has been mixed. A monthly performance indicators report is submitted to the Directors Meeting. Exceptions are reported to the subsequent service committee. The table below shows performance at month nine the December 2005.

Table 2 Performance at Month 9 - December 2005

Service	Description of local target	Target	Performance against target
Planning	Decisions in accordance with officer's recommendation 2005/06	80%	73%
Housing	New homes completed 2005/06	40	20 in total at month 9
	Households in B&B 2005/06	0	0
BVPI 183a	Average stay in B&B 2005/06	3 weeks	0 weeks
BVPI 183b	Length of stay in hostel accommodation 2005/06	35 weeks	0 weeks
	Households in temporary accommodation 2005/06	35	8
	Homeless acceptances 2005/06	45	0
	Average time taken to decide if person is homeless 2005/06	18 days	11 days
Environmental Health	Grant processing compliant with local target times 2005/06	100%	100%
	HMOs brought up to legal standard 2005/06	12	Five in total at month 9.

- 110** The above figures show that generally performance is meeting or in a number of cases exceeding locally set targets. The main underperformance is in the delivery of new affordable homes and in enforcement within environmental health, although in this case there is only one indicator reported monthly.
- 111** The Council can point to significant service improvements that are attributable to feedback from staff and other stakeholders, some of which are detailed above. Officers and members participate in many cross-county and regional groups where best practice is shared and developed. However, there is no evidence of learning from customers' complaints.

How well does the service manage performance?

- 112** There is a balance in the strengths and weaknesses in the way the service manages performance. There has been a marked improvement in the Borough's performance management since the CPA was undertaken in December 2003 and the current improvement plans address many of the identified weaknesses. The best value performance plan sets out clearly the Council's aims and priorities and these are challenging and robust. There are six priorities for 2003 to 2007 contained within the 'Corporate Plan – People and Performance' including 'to secure additional key worker, social and affordable housing'. Priorities are reflected in the Council's revenue and capital budgets, its staffing resources and where it is seeking external financial support. However, performance management as it relates to some aspects of the delivery of affordable housing is weak.
- 113** The Council has developed its priority for securing additional key worker, social and affordable housing based on a sound knowledge of the challenges and opportunities faced within the service including the views and needs of users now and in the future. The priorities have only been agreed after lengthy consultation with the community and with the local strategic partnership.
- 114** All Council best value reviews (BVR) make use of the four 'Cs' and are accompanied by improvement plans. This process aids the Council's ability to deliver value for money and continuous improvement. Although no best value review of the housing service has been undertaken since November 2001, a BVR for 'customer contact' has taken place during the current year and as from July 2006 all requests for housing services instead of coming directly to housing staff will be channelled through the customer contact centre.
- 115** The Council has a number of plans in place which address affordable housing issues and guide the day-to-day management of housing services, including:
- the Housing Strategy 2005 to 2008;
 - the Homelessness Strategy July 2003 and review of the strategy in November 2004 and related action plan;
 - the Community Safety Strategy 2002 to 2005;
 - Private Sector Renewal Strategy July 2003; and
 - Empty Property Strategy.

- 116 However, weaknesses in the approach to strategy development and target setting mean that the above strategies and plans will have less impact in promoting improvements.
- Some strategies and plans are not comprehensive. The private sector renewal strategy does not fully consider the links between private sector and affordable housing, with no exploration of initiatives that could increase housing supply, such as targeting grants to create self-contained accommodation or developing over the shop schemes. Equally, the housing strategy fails to spell out clear proposals to improve delivery of affordable housing.
 - There are inadequate linkages between the housing strategy and the private sector renewal and empty homes strategies resulting in little emphasis on the poor housing conditions in the private sector.
 - Best value principles have not consistently shaped existing strategies. For example, there was very limited consultation with users and stakeholders to inform the private sector renewal strategy.
 - Some of the proposed targets for affordable housing from 2005/06 onwards are not ambitious as they were based on existing planning permissions and approved funding streams. Targets to only inspect and improve 12 HMOs a year will have little impact on poor conditions in this sector. A lack of challenging targets will make it more difficult to drive improvements.
- 117 The Council does not have service improvement plans in place; this is a deficiency when measuring performance. Within the policy book there are service delivery plans but these are little more than descriptions of activity for each service.
- 118 The present planning scheme, with historical high thresholds for requiring the provision of affordable housing, will not be improved until a new supplementary planning document is adopted. It is considered by the Council that the earliest that be achieved is late 2006 or 2007. Until that time, the provision of adequate proportions of affordable housing will continue to be by negotiation.
- 119 The current leadership of the housing service does not have the capacity to support continuous improvement. However, at the time of the inspection, this shortfall was being addressed with the restructuring of the housing team and with the commencement of recruitment for new senior positions.

- 120 There is a borough-wide model for performance management. This system includes monthly PI reporting to directors and all reports are available on the Council's Intranet 'Iris'. Performance management reports are produced on a quarterly basis and these are available to both officers and to councillors again on the intranet. Exceptional items, those at 'amber' or 'red' are reported to the relevant committees at the next committee cycle. All quarterly reports include progress against the key service priorities, progress against the CPA improvement plan as well as other corporate health indicators. However, in relation to developing affordable housing, few of the performance indicators actually measure the work of the environmental health or housing teams and this has a negative impact on monitoring performance.
- 121 As outlined in the previous section, improved value for money is being achieved through the corporate procurement strategy, joint purchasing contracts and strong partnership working. However, the reliance on temporary and agency staff in both housing services and in environmental health is not representing good value for money. There are no performance management arrangements in place to drive and deliver improved value for money.

Does the service have the capacity to improve?

- 122 There is a mixture of strengths and weaknesses in this area. The Council has strengthened its human resource (HR) planning with a new learning and development strategy and is further developing its human resources strategy. Since late 2004 the housing service has a new IT system which is improving management of the Service. There is a robust, modern procurement strategy to apply best practice to achieve improved value for money in priority areas, including in particular working with partners. However, there is a current lack of capacity within both the environmental health and the housing services. The Council has yet to make any long-term financial commitments to support its housing priority. Individual Resident Association councillors' commitment to meeting the Council's priority of delivering affordable housing is variable. Members holding key positions, however, made it clear that they were personally committed to the programme.
- 123 To improve capacity the Council has in place a Learning and Development Strategy 2005 to 2008 (November 2005). This strategy sets out how the Council will deliver training and development across the organisation, in a consistent way and fully taking of value for money issues. Analysis of training needs was carried out for the first time last year using new training software. This enables the Council to identify areas of need and priority and to generate a training plan. The Learning and Development Strategy outlines the Council's approach to management development, for officers and members.

- 124 Although earlier in this report we expressed concern about the lack of attention given to diversity, the Council has recently developed an equalities training module. This is to start in two tranches, the first is aimed at those staff who will be carrying out impact assessments and the second is a wider programme for management, team leaders and staff. To assess what further training and development is needed for officers and members, a skills audit is being undertaken early in 2006.
- 125 The new IT system introduced in 2004 enables the council to drill down to review performance management information around the housing service. The restructuring of the housing service is in progress but currently there is a lack of management capacity and collaborative working on affordable housing issues. However, at present this is not adversely affecting the delivery of the housing advice or homelessness services. There is also a clear lack of capacity within the environmental health team responsible for private sector housing, with little resources directed towards statutory enforcement, empty homes or meeting the needs of frail elderly or other vulnerable people living in the community.
- 126 The Council has a robust procurement strategy which is dependent on strong partnership working. Details of procurement are set out in the preceding section.
- 127 To respond to the very high level of need for affordable homes revealed by the 2004 housing needs survey, the Council in November 2005 established a joint Member Officer Working Party. This group reported to the Social Committee on 26 January 2006. New lower thresholds for the delivery of affordable homes have been agreed, and it is intended that 35 per cent of all new housing will be affordable. Twenty-five per cent is for affordable housing for rent and 10 per cent for key workers and for other models low cost home ownership. However, the new system will not be fully implemented until 2011.

Summary

- 128 In summary, we have judged that the Council has promising prospects for improvement.
- 129 We found evidence to support the view that the Council would deliver further improvements. The Council has made affordable housing one of its priorities and has demonstrated its commitment to through supporting successful bids to the Regional Housing Board and the Housing Corporation. The Council has also successfully negotiated with developers for substantial amounts of affordable housing.
- 130 Improved capacity will result from revisions in the human resources strategy and the restructured housing team with improved training and personal development for officers and members. The Council has been highly successful in preventing homelessness. More effective working with key stakeholders, good partnerships, and joint procurement are all bringing improved value for money.
- 131 However, there are also barriers to improvement. The Council's track record in recent years does not yet demonstrate a sustained focus on key issues and this is reflected in slippage on key targets.

- 132** The recent work in preparation for the local development framework has set a firm foundation for the planning system and for the delivery of affordable homes. However, the Council has resolved not to use any of its own finances to assist in delivering one of its key priorities. The continued failure to appreciate that there are other ways to deliver affordable housing, other than building new homes, will not assist in meeting housing need.

Appendix 1 – Performance indicators

- 1 There are a number of statutory performance indicators which are relevant to the issue of affordable housing. Details of performance are shown below.

Indicator	2002/03	2003/04	2004/05	Best 25 per cent of districts (2004/05)
BVPI 62 - per cent of unfit private sector dwellings made fit or demolished as a direct result of action by the local authority	0.3%	0.0%	1.0%	4.7%
BVPI 64 - Number of private sector dwellings that are returned into occupation or demolished as a direct result of Council intervention	N/A	0	2	N/A
BVPI 106 - New homes on previously developed land	100%	100%	100%	94%
BVPI 183a - Average length of stay in bed and breakfast accommodation	8 weeks	0 weeks	9 weeks ¹⁶	1 week
BVPI 183b - Average length of stay in hostel accommodation	67 weeks	88 weeks	70 weeks	0 weeks
BVPI 203 - per cent change in the average number of families placed in temporary accommodation under homelessness legislation compared to previous years	NA	NA	-53%	-5%
BVPI 109a - Planning applications: major applications determined within 13 weeks	27%	94% qualified	95%	68%

¹⁶ No families were placed in B&B in 2004/05 - these are historical figures, as are the statistics for weeks spent in hostel accommodation.

Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - the Council's Affordable Housing Self-Assessment;
 - the Community Strategy for Epsom and Ewell – April 2003;
 - Corporate Plan 2003 to 2007 People and Performance;
 - Best Value Performance Plan 2005 to People and Performance;
 - Annual Efficiency Statement 2005 to 2006 – Forward Look;
 - Housing Strategy Statement 2005 to 2008;
 - Housing Needs Surveys 2005;
 - Private Sector Renewal Strategy Policy - July 2003;
 - Homelessness Strategy 2004 to 2008;
 - Local Plan Housing Chapter 7;
 - customer service standards and information;
 - Procurement Strategy and related action plan; and
 - performance reports

Appendix 3 – Interviews

- 1 We interviewed a wide range of people involved in the delivery of affordable housing in Epsom and Ewell. This included senior councillors and officers, staff involved in housing strategy, planning and private sector housing. We also met with some external partners including representatives from Surrey County Council, Age Concern, registered social landlords, housing developers, and Epsom and Ewell Citizens' Advice Bureau.

Appendix 4 – Positive practice

'The Commission will identify and promote good practice. Every inspection will look for examples of good practice and innovation, and for creative ways to overcome barriers and resistance to change or make better use of resources'. (Seeing is Believing.)

Tenancy sustainment – Epsom county court desk

- 1 In a joint partnership and funding initiative with the Citizen Advice Bureau, and two other district councils, the Borough Council is grant aiding Epsom CAB to enable them to employ the necessary support to assist the existing court desk. A team of eight CAB volunteer 'court desk advisers' with their worked focused on preventing homelessness where homes are to be repossessed through the court. Through negotiation and court representation, the Epsom court desk has a success rate of 86 per cent in avoiding evictions or repossessions.

Community housing project

- 2 The community housing project aims to access good quality housing in the private sector for people with low or medium community care needs. The community housing worker will act as an advocate for people who may not have the necessary skills or knowledge to negotiate with landlords. This scheme is able to offer a bond deposit, equivalent to one month's rent, to help the applicant secure private rented accommodation. Referrals to the project are mainly from social workers and care managers.

The accommodation finding scheme

- 3 Epsom and Ewell Borough Council helps homeless households find private rented accommodation through the 'accommodation finding scheme'. This scheme assists people to find private rented accommodation, liaises with private landlords, agents and tenants, and gives advice on welfare benefit entitlements. The scheme is intended to help people where the Council has a duty under the homelessness legislation and referrals to the scheme can be made by the Housing Advice Officer after an applicant has had a housing options assessment.