

# Affordable Housing

**Forest of Dean District 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](http://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.

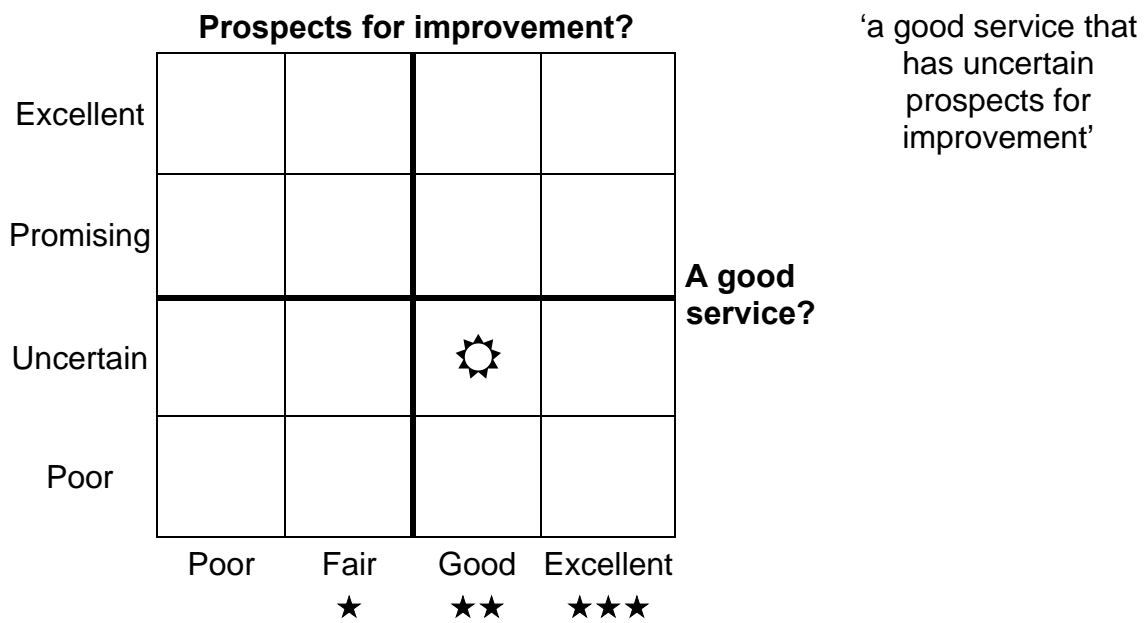
## Summary

- 1 The Forest of Dean District Council is responsible for administering an area of 203 square miles in Gloucestershire. The area is primarily rural and includes the statutory forest.
- 2 The population of 80,700 people is expected to grow to 87,050 by 2026. A small black and minority ethnic (BME) population exists with 2 per cent of people describing themselves as not white British in the 2001 Census.
- 3 Unemployment is below the national average, but wages are low. House prices are below the county and national averages, but have risen sharply in recent years and are unaffordable for many local residents.
- 4 The Council has no overall political control and the administration is shared between the political groups. It employs 294 full-time equivalent staff and has a net revenue budget of £10.4 million in 2005/06.
- 5 In 2004, a comprehensive performance assessment (CPA) by the Audit Commission rated the Council as 'weak'. A balancing housing markets diagnostic was completed at the same time and this found a high need for service improvement.
- 6 The Council transferred its housing stock in April 2003 to a newly-formed registered social landlord (RSL). The housing register, housing advice and homelessness functions were retained in house and integrated with the private sector housing team, Care and Repair and Linkline services into a new 'strategic housing' section. The inspection covered these and other services which contribute to the delivery of affordable housing.

## Scoring the service

- 7 We have assessed Forest of Dean District Council as providing a ‘good’, two-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

**Figure 1 Scoring chart<sup>1</sup>**



Source: Audit Commission

<sup>1</sup> 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 The service is judged to be 'good' because:

- the Council has made the provision of affordable housing a clear priority and this is reflected in its strategies and plans. In particular, a robust Local Plan has been adopted and this is supported by a strong housing strategy;
- the Council has a good understanding of the local housing market and has put resources into updating and expanding its knowledge through a housing market assessment;
- there are targets for the provision of 60 affordable homes a year and a challenging target to provide 40 per cent affordable housing on eligible development sites. The foundations are now in place for targets to be achieved and, although delivery has been low in the past, this is now increasing;
- access to housing services is good and there is a comprehensive and up-to-date range of information materials available for the public, landlords and other stakeholders. There is also a reasonable range of information on the Council's website;
- the Council has worked well with partners to deliver its strategic objectives and has good relationships with landlords, RSLs and neighbouring authorities. The landlords' forum has been particularly effective and has contributed to the Council's success in bringing empty properties back into use;
- the Council has been successful in its initiatives to prevent homelessness. There has been an increase in the provision of housing advice and a fall in homelessness acceptances of 60 per cent between 2002/03 and 2005/06. This has led to a fall in the use of temporary accommodation;
- the Council is ahead of its target for bringing empty private sector properties back into use, with 48 brought into use in the past two years;
- the rent deposit 'Bond' scheme has been successful in enabling people to move into private rented housing, providing help for 66 households in the past three years. This has provided good quality accommodation for households in need and has alleviated demand on social housing; and
- there have been improvements in services through efficiency savings and further savings have been delivered through partnership working.

9 However, there are some areas for improvement:

- physical access to the one-stop shops is poor and does not comply with statutory requirements;
- the Council does not have good information on the location or risk posed by many HMOs and there is not a clear plan to achieve the decent homes standard in the private sector;
- the Council is not achieving the required mix of affordable homes. There is a shortage of one-bedroom homes and this is limiting access for single people, couples and those requiring move-on accommodation; and
- the Council's approach to achieving value for money is not strong. It does not have up-to-date information on the unit costs of services or how they compare over time or with others.

10 The service is judged to have uncertain prospects for improvement because:

- although the Council has made the provision of affordable housing a clear priority, the key strategies are undermined by action plans that are weak - with many unclear or unchallenging targets;
- there is not clear performance management of plans and targets by councillors and unclear lines of responsibility to council members;
- there is a lack of clear leadership for the service from councillors;
- It is not clear that resources are being targeted at priorities. There is no clear rationale for the reduction in renovation grants and future capital investment plans are unclear; and
- there is not a robust approach to improving value for money.

11 However, there are also some positive factors which will help to drive improvement:

- the Council has a good track record of improvement over the past three years, albeit from a low base;
- the weaknesses in the provision of affordable housing identified by the CPA have largely been addressed;
- there is strong staff capacity and an effective programme for training and appraising staff; and
- the Council has showed an openness to learning from good practice elsewhere.

## 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 costs<sup>2</sup> 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, stakeholders 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:*

- *ensuring that access to all Council offices meets the requirements of the 1995 Disability Discrimination Act;*
- *reviewing the content of the website to ensure that all key information is included and regularly updated and that online grant applications can be made for services and grants where appropriate;*
- *ensuring that customer feedback is collected consistently across all housing services and that systems are in place to review and act upon this information; and*
- *promote the availability and benefits of services, including mediation, to service users who are facing potential homelessness.*

The expected benefits of this recommendation are:

- increased customer satisfaction;
- delivery of equitable services for people with disabilities;
- improved access to information for service users;
- increased ability to learn from service users and meet changing needs; and
- prevention of homelessness.

The implementation of this recommendation will have high impact with medium costs. The first element of this recommendation (access to offices) should be completed as soon as possible to ensure that legal requirements are being met. Other elements should be implemented by September 2006.

<sup>2</sup> 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 cost is over 5 per cent.

**Recommendation**

*R2 Improve the Council's approach to private sector renewal and empty homes by:*

- *strengthening the approach to inspection of houses in multiple occupation to ensure that all high risk homes are inspected within a five-year period;*
- *reviewing the budget for renovation grants to consider whether it is consistent with stated priorities and the level of expressed demand;*
- *producing a clear plan to show how the decent homes target in the private sector is to be achieved.*
- *further developing the accreditation scheme for private sector properties;*
- *further investigate the potential for the provision of loans and equity release schemes;*
- *consider options to reduce waiting times for occupational therapy assessments; and*
- *consider the potential for bringing flats over shops back into use and implement actions to achieve this where possible.*

The expected benefits of this recommendation are:

- increased support to, and improved housing conditions for, private sector residents;
- reduced waiting times for adaptations; and
- long-term improvements in the quality and use of the district's privately-owned housing stock.

The implementation of this recommendation will have high impact with medium costs. Key milestones for the first element of this recommendation should be identified by July 2006. The remaining recommendations should be implemented by August 2007.

**Recommendation**

*R3 Strengthen the approach to service and improvement planning by:*

- *reviewing plans to ensure that they contain appropriate and challenging actions and targets which will deliver further improvement in services. Ensuring that all action plans are SMART (specific, measurable, achievable, resourced and time-bound) and that targets are regularly monitored by senior officers and councillors;*
- *developing a spreadsheet for monitoring the delivery of all affordable homes and other initiatives which help to maximise the supply of affordable housing, prevent homelessness and make best use of existing stock; and*
- *establishing mechanisms for routinely benchmarking the quality and costs involved in delivering affordable housing with comparable organisations.*

The expected benefits of this recommendation are:

- improved accountability for service delivery;
- a better understanding of whether 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 Strengthen the capacity, management and leadership of the service by:*

- *clarifying the lines of accountability and reporting arrangements to councillors.*

The expected benefits of this recommendation are:

- councillors are better placed to drive performance and improvement.

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

- 13 We would like to thank the staff of Forest of Dean District Council, and in particular Karen Rushworth and Malcolm Vine, who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 22 and 27 to 31 March 2006

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# Report

## Context

### The locality

- 14 The Forest of Dean district covers 203 square miles in Gloucestershire, between the River Severn in the east and south and the River Wye in the west. The area is primarily rural and includes the statutory forest owned by the Crown. The district is bordered by Wales to the west and the West Midlands to the north.
- 15 The area has 42 parishes and only 4 towns - Lydney, Cinderford, Coleford and Newent. Historically, the district has been isolated from the rest of Gloucestershire and although there are now good links with the M4 corridor via the Severn crossings and the Midlands via the M50, there remains a strong sense of local identity.
- 16 The population of 80,700<sup>3</sup> is concentrated mainly in the four towns and is expected to grow to 87,050 by 2026. A small black and minority ethnic (BME) population exists with 2 per cent of people describing themselves as not white British in the 2001 Census.<sup>4</sup> Over 21 per cent of the population are over retirement age - higher than the national average of 19 per cent.<sup>5</sup>
- 17 The area's mining and industrial past has left a legacy of poor health and housing with a number of areas of contaminated land. The district is ranked as the 190th most deprived of the 354 English local authorities, but with localised areas of high deprivation, particularly in Cinderford. The manufacturing sector accounts for 22.5 per cent of jobs - well above the regional and national average. Wages are low in comparison with neighbouring areas and the district is a net exporter of labour. Unemployment, at 1.7 per cent, is just above the regional average, but below the national average of 2.6 per cent.<sup>6</sup>
- 18 The average property price is £176,754.<sup>7</sup> This is below the average for Gloucestershire of £202,876 and for England and Wales of £191,327. However, prices rose by 88 per cent between 2000 and 2005 and affordability is poor, with a house price to earnings ratio of 4.62.<sup>8</sup> This has priced many local residents out of the housing market.
- 19 Over 76 per cent of households are home owners, 14 per cent rent from housing associations (11 per cent rent from the stock transfer association) and 5 per cent rent from private landlords.<sup>9</sup> The 2004 housing needs survey showed a need for an additional 716 new affordable homes a year.

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<sup>3</sup> Office for National statistics (ONS), 2004.

<sup>4</sup> This compares to 5 per cent for the region and 13 per cent for England and Wales.

<sup>5</sup> Mid-2003 population estimates, ONS.

<sup>6</sup> Number of Job Seeker's Allowance claimants as a percentage of the working age population, NOMIS, January 2006.

<sup>7</sup> Land Registry figures for sales October to December 2005.

<sup>8</sup> The second highest ratio amongst 15 nearest neighbours, Joseph Rowntree Foundation, 2003.

<sup>9</sup> 2001 Census data coupled with stock transfer data.

## The Council

- 20** The Council has no overall political control and the administration is shared between the political groups. Of the 48 councillors, 17 are Conservative, 15 Labour, 12 Independents and 4 Liberal Democrats. The Council operates a 'fourth option'<sup>10</sup> system with a Leader (Independent) and Executive Committee (Conservative-chaired). The Council is in the process of rationalising its scrutiny arrangements, reducing the former four scrutiny committees and three advisory panels to two new cross-cutting committees - Corporate and Community, with supporting task groups.
- 21** The Council has 294 full-time equivalent staff.<sup>11</sup> It is organised into seven departments comprising: Organisational Development; Customer Access and Technology; Legal and Democratic Services; Finance; Planning; Health and Environment; and Regeneration and Housing. The Council has net budgeted expenditure of £10.4 million in 2005/06, an increase of 4.6 per cent from 2004/05, and substantial capital reserves following the sale of the Council's housing stock in 2003, which produced a receipt of £23 million.
- 22** In 2004, a Comprehensive Performance Assessment (CPA) by the Audit Commission rated the Council as 'weak'. A balancing housing markets diagnostic was completed at the same time and this found a high need for service improvement.

## The service

- 23** The Council transferred its housing stock in April 2003 to a newly-formed registered social landlord (RSL), 'Forest of Dean Housing'. The housing register, housing advice and homelessness functions were retained in house and integrated with the private sector housing team, Care and Repair and Linkline services into a new 'strategic housing' section, within the Regeneration and Housing department.
- 24** The inspection covered the range of services which contribute to the delivery of affordable housing. These were primarily: the strategy and enabling team, the housing advice and homelessness service, and the private sector housing team. Elements of the Council's planning service were also included.
- 25** The inspection looked at how well the Council works in partnership with others to deliver affordable housing and how well it understands the housing market. It assessed how well the Council enables the provision of all types of affordable housing, from new homes to the re-occupation of empty housing. The inspection also focused on how well the Council makes best use of the existing housing stock to help residents remain in their homes or to make homes available to those people in the greatest housing need.

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<sup>10</sup> A model of democratic control based on a committee system rather than an executive cabinet - permitted only as a 'fourth option' in smaller councils with a population of less than 85,000.

<sup>11</sup> At 30 September 2005.

## How good is the service?

### What has the service aimed to achieve?

- 26 The Council's Corporate Plan 2005/08 has a vision for the district of:
- 'A self confident, safe, healthy, prosperous community, caring for the well being of all its residents, its heritage and environment.'*
- 27 The plan has five priorities, these are to:
- improve our services and the way we operate;
  - develop our local economy and tourism;
  - provide homes that are affordable;
  - regenerate our towns; and
  - make our communities safer.
- 28 Each priority is underpinned by a set of key objectives. The objectives for providing affordable homes are as follows.
- Increase the availability of affordable housing through working in partnership with Registered Social Landlords.
  - Deliver an appropriate level of affordable housing during negotiations of planning applications for housing.
  - Encourage landlords to provide good standards of accommodation at affordable rents and to bring empty properties back into use.
  - Strive to sustain balanced communities by enabling older people to remain in their own homes and by encouraging the supply of accommodation suitable for young people where it is needed.
- 29 The Corporate Plan gives the following key targets for achieving these objectives.
- Enable the provision of at least 120 affordable homes, either for rent or part purchase, by March 2008.
  - Seek to provide a least 60 homes through planning gain by March 2008.
  - Bring back into use 70 empty homes by March 2008.
  - Increase the number of Linkline users in the district by 1,000.
  - Increase the take up of Care and Repair Agency services to 60 cases for 2005/06.
- 30 The Housing strategy 2005/08 reflects the objectives of the Corporate Plan, although some targets are over a different time-scale and other targets from the Corporate Plan (for Linkline and Care and Repair services) do not appear in the Housing Strategy.

- 31 The provision of affordable housing is also a key priority in the Community Plan 2004/09, the Local Plan 1991/2011 and other supporting strategies.

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

### Access and customer care

- 32 This is an area where strengths outweigh weaknesses. There is good access to the strategic housing services through the main council offices and Housing Advice Centre and a wide range of information is available. There is also access to information through the four one-stop shops across the district, although these are not fully accessible. The Council works well with partner agencies to provide advice and information.
- 33 All the Council's strategic housing services, including the Housing Advice Centre, are located in Lawnstone House in Coleford, adjacent to the main council offices. There is good access for people seeking housing advice and support through the Housing Advice Centre. The Centre is welcoming and fully accessible, with a wide range of information materials on display and private interview rooms. It is open from 8.30am to 5.00pm Monday to Friday and also provides telephone advice during the same hours. People threatened with homelessness are seen immediately, other applicants are given an appointment, generally within a week, depending on their particular circumstances.
- 34 There is good access for people threatened with homelessness outside normal office hours. This is provided by the Linkline service, which itself is available 24 hours a day and is staffed outside office hours by district council staff. Housing advice staff are also on-call in case further support is required in homelessness cases, and the housing advisers also carry out reality checks to ensure that Linkline provides a responsive service for homeless people.
- 35 The Council works in partnership to enhance the range of advice offered. Shelter holds weekly advice session for young people from the Housing Advice Centre and a monthly general advice session - this provides access to specialist independent advice. The Housing Advice Centre also has referral arrangements with the nearby Citizens Advice Bureau (CAB), although links between the two services need to be improved; we found that the CAB does not have a clear understanding of the scope of the Council's advice and prevention work. There are plans to promote joint working following the recent appointment of a new CAB manager.

- 36 Access to advice and information across the rest of the district is primarily through the three one-stop shops. These are in Newent, Cinderford, Lydney and a part-time office in Sedbury. A wide range of housing information materials is available from these offices and the public have access to a freephone to contact the housing services in Coleford. Regular housing advice outreach surgeries have been trialled in Newent and Sedbury but were discontinued due to very low demand. However, home visits or interviews at the one-stop shops are arranged if necessary.
- 37 The one-stop shops are not fully accessible and do not meet the requirements of the 1995 Disability Discrimination Act. This is despite an internal audit in 2002 which concluded that it was essential for adequate resources to be provided to ensure equal access by October 2004, when the legal duty came into force. This is a barrier to access for people with disabilities, parents with pushchairs and some older people. The future of the one-stop shops is under review and the Council has expressed a commitment to improving access.
- 38 The Council's website provides a good range of information on the strategic housing services and includes most, but not all, of the leaflets, and the Housing Strategy. The Council has also invested in new computer software which enables members of the public to make planning applications and view their progress online. However, housing register application forms cannot be printed from the website or submitted online, nor can grant applications be made online.
- 39 A comprehensive range of advice and information leaflets is available. These leaflets are well designed, written in plain English and up-to-date. Titles include: *'Making Housing Affordable in the Forest of Dean'* (a summary of the Housing Strategy); *'Empty Property Advice'*; *'Disabled Facilities Grants'*; *'Private Sector Housing'*; *'Homelessness Advice'* and the *'Bond Scheme'* for private tenancies. All the leaflets have straplines in five other languages and are available in other formats.
- 40 The services are well promoted by the Council through the one-stop shops and the website. An informative quarterly newsletter, *'House Proud'*, has been produced since 2005 to keep councillors, parish councillors and other stakeholders informed about the work of the strategic housing team. Some use has also been made of local newspapers and the Council's information paper *'Forest Link'* to promote services to the public.
- 41 There are mechanisms in place to receive customer feedback and evidence that this has been used to improve service delivery. However, in some service areas this is carried out on an irregular and inconsistent basis. The private sector housing team receives regular feedback on its provision of grants, Linkline and Care and Repair services and other functions. This feedback is collated and reported - and comments are collected for analysis. In contrast, the Housing Advice Centre issues customer satisfaction cards, but few are completed (19 between June and December 2005) and these provide limited information. A more detailed exit survey was conducted by Shelter in 2004, but this has not been repeated to provide comparative information. More consistent monitoring and analysis would increase the Council's ability to identify and address areas for improvement.

- 42 The Council has clear service standards that are displayed prominently in offices and reception areas and monitored regularly. For example:
- there is a target to answer all telephone calls within 15 seconds. The strategic housing service met this target for 96 per cent of its 35,000 calls in 2004/05 and 89 per cent of its 43,000 calls in 2005/06; and
  - there is a target to reply to all letters and emails within 10 working days. This was achieved in 90 per cent of cases in 2005/06, with an average of 6.4 days.
- 43 The Housing Advice Centre has developed a set of more specific service standards to reflect the needs of customers - these are also clearly displayed. Performance against these standards is discussed under 'Prevention of homelessness', below.
- 44 There has been an emphasis on improving customer care across the Council over the past two years. All staff have attended a two-day 'Customer First' training course and informative leaflets have been produced for staff on interviewing techniques, welcoming disabled customers and telephone procedures. Our visits to the Housing Advice Centre and one-stop shops found staff to be helpful and courteous.

### **Diversity**

- 45 The Council's performance in this area is mixed. There is an understanding of the diversity of the community and a number of initiatives have taken place at an operational level, but there are some gaps in the Council's strategic plans to address diversity.
- 46 The Council has good general information on the needs of its population from the 2004 housing needs survey, although this does not provide detailed information on the diverse needs of its key minority or special needs groups. More detailed information on these diverse needs has been derived from the Gloucestershire Supporting People programme, and there is evidence that the Council has used this to shape its approach to providing affordable housing.
- 47 For example, the Supporting People strategy recognises that there is underspending on certain groups within the County, such as gypsies and travellers and people with HIV or AIDS, and the housing service is working with County partners to address this over the lifetime of the housing strategy. The Council has also responded to a need identified by the Supporting People programme by resourcing a 'dry house' in Coleford for people recovering from drug or alcohol abuse.
- 48 The Council is also aware of the shortage of housing for single people, which is a particular problem for those with special needs who require move-on accommodation from supported housing schemes. There is an aim to meet the regional housing strategy target of 8 per cent of all lettings for move-on accommodation by 2008, and accommodation specifically for single people is being requested during planning consent negotiations. However, the level of provision of one-bedroom properties is below target (see 'Enabling the provision of more housing', below).

- 49 The Council's Housing Strategy 2005/08 shows an understanding of the diversity of the community and outlines the needs of specific groups and the strategic approach being taken to meet those needs. This includes the needs of people from BME groups; young people; and people with mental ill health or learning disabilities. However, the strategy does not state the size of these groups, apart from the BME community, and lacks detail in some areas. For example, on domestic violence provision, the strategy simply states that the Council will continue to ensure appropriate provision.
- 50 Some other strategies are not sufficiently developed. A county-wide older people's housing strategy is still in draft form, and the Council's young people's housing strategy has also yet to be finalised. Until these are agreed, the Council's strategic approach to all aspects of diversity is not fully explicit.
- 51 The BME community is small as a proportion of the whole population, at around 2 per cent.<sup>12</sup> The Council has analysed the delivery of housing to this group in terms of housing register applications and allocations, and homeless households. This exercise, in 2005, did not find any significantly disproportionate outcomes for BME households, when compared to all households.
- 52 The Council has also attempted to find out more about the housing needs of BME households living in the district. A BME housing needs survey in 2005 was targeted at around 300 households, but, despite the use of incentives, too few returns were received to be statistically valid. The Council is now intending to carry out further survey work with the County Council.
- 53 Corporately, the Council has been slow to develop its approach to diversity. There is no over-arching social inclusion strategy - this was due to be agreed in 2005 but is not yet in place. The Council has not yet achieved Level 1 of the Equality Standard for Local Government - although it expects to do so in April 2006. An equality impact assessment has been carried out on the Housing Strategy, but this is very basic and lacking in detail.
- 54 There has been a stronger approach to promoting the awareness of diversity issues over the past year. All staff have received training on equalities and diversity as part of a two-day course on customer care. This led to the compilation of an action list and changes in service delivery. Managers are also currently receiving training on behavioural issues around diversity and equalities. Training on diversity has been provided for councillors and an equalities working group of officers and councillors monitors progress in this area. These are positive developments, although from a low base.
- 55 Information leaflets are available in appropriate formats. All the Council's leaflets on housing issues carry straplines in five community languages saying that they are available in translation and offering the service of an interpreter. Leaflets are also available in large print and other formats.

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<sup>12</sup> 2001 Census - people categorising themselves as not 'white British'. Under 1 per cent of people described themselves as not white.

## Strategic approach to housing

- 56 This is an area where strengths outweigh weaknesses. There is a consistent focus on providing affordable housing in the Council's strategies and plans and there is a generally consistent strategic approach being taken to deliver this priority for the Council. There is a clear and robust Housing Strategy and a commitment to affordable housing in the Local Plan, which has recently been adopted. There is also a strong partnership approach to delivering affordable housing. User involvement and consultation is good in parts, but a mixed picture overall. The strategic approach to improving private sector housing is not fully developed, although there is a clear strategy for bringing empty homes back into use.

## Understanding of the housing market

- 57 The Council has a good understanding of the housing market which informs its strategies and policies. A robust County-wide housing needs survey was completed in 2004 for all districts in Gloucestershire. This gave results for the county as a whole - 7,700 new affordable homes needed - and for each district. The level of housing need for the Forest of Dean was estimated at 716 new affordable homes a year.
- 58 The housing needs survey gathered information about local households, such as income, disability and employment status. This has been supplemented by further information on the housing needs of vulnerable people from the county's Supporting People programme. The needs information has highlighted a greater level of need for rented housing rather than low-cost home ownership.
- 59 The retention of the housing service (housing register, homelessness and advice) in-house, following the transfer of the housing stock in 2003, has given the Council information about housing demand and needs which has been used to update the 2004 survey data. There is good information on the reasons for homelessness and the Homelessness Strategy addresses the need to continue to develop information on the needs of vulnerable groups.
- 60 The needs information has been used to assist in the development of affordable housing. The Council has set a target in its Local Plan for 40 per cent of new housing on eligible sites to be affordable; this is high in comparison to other regional authorities.
- 61 The Council has done some work to assess the housing needs of key workers in the area. It has written to all educational establishments in the district to seek their views on whether housing has an impact on recruitment. This led to the conclusion that there is no current need for additional affordable housing for teachers. However, there has not yet been work to identify if there are unmet needs from other sectors, such as police or health workers, although individual health representatives on the LSP suggest that there is not such a need in the case of health services.

- 62** Housing needs surveys have been carried out in 8 of the 42 parishes over the last three years, these have been conducted in partnership with the rural housing enabler from Gloucestershire Rural Community Council (GRCC). The surveys have provided detailed information on local views on the need for affordable housing and have helped to identify need and potential development sites. However, a number of parishes have not been interested in having surveys carried out, despite encouragement from the Council and GRCC; this has limited the Council's understanding of the opportunities for more rural housing.
- 63** The Council's information about private sector housing is generally good, but there is a weakness in its information on houses in multiple occupation (HMOs). A private sector stock condition survey of the district was carried out in 2004. This was a good quality survey which provided a full range of information on house conditions and provides a useful comparison with the previous survey in 1998. The survey has provided data on unfitness, repair costs, energy efficiency and grant implications. It also assessed how much of the private stock met the government's decent homes standard.
- 64** The Empty Homes Strategy 2004/08 is a coherent strategy which addresses the key issues and makes clear links to other strategies and priorities. However, the action plan has weaknesses (see 'How does the service manage performance', below). The Council has good information on the location of empty homes. It has used council tax records and publicity drives to acquire information, and this is supplemented by information from the very active landlords' forum. This information has enabled the Council to be proactive in encouraging landlords to bring properties back into use, through grants or other initiatives such as leasing them to RSLs.
- 65** The Council does not have comprehensive knowledge of the location or standard of HMOs in the district. The 2004 stock condition survey estimated that there are 393 HMOs in the District, 30 per cent of which (119) are unfit. The private sector housing team is aware of 40 to 50 HMOs, of which 9 require licensing under the new legislation for high-risk HMOs.<sup>13</sup> This means that there are potentially around 350 HMOs in the district whose location is unknown. Although few of these are likely to require licensing,<sup>14</sup> their level of fitness and the risk to occupiers is unknown. This potentially places residents at risk and does not enable the Council to take a strategic approach to improving their condition.
- 66** The Government has set a target for improvement in the number of decent homes occupied by vulnerable people in the private sector by 2010.<sup>15</sup> The Council has set clear annual targets of 23 homes to be made decent each quarter until 2010, but there are no detailed plans to achieve this target.

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<sup>13</sup> The 'Licensing of houses in multiple occupation' provisions of the 2004 Housing Act came into effect on 6 April 2006.

<sup>14</sup> The HMOs subject to mandatory licensing are properties of three or more storeys, occupied by two or more households comprising five or more people.

<sup>15</sup> The Public Service Agreement (PSA7) target is: 'to secure, at local authority level, a year-on-year increase in the proportion of private sector housing in decent condition occupied by vulnerable groups and as a minimum to reach the national target figure of 70 per cent by 2010.'

- 67 The Council has carried out work to improve its understanding of the local housing market. Information has been compiled to contribute to the county housing market assessment, based on ODPM guidelines. Data has been collected on population trends, housing affordability, travel to work patterns and other factors which influence, or are influenced by, the housing market. Analysis of this data is providing greater clarity about the needs for different types of accommodation and tenure. At a local level, knowledge is also being acquired on the impact of surrounding areas outside the County. Outcomes from this work include travel to work findings that will impact on future plans.

### **User and stakeholder involvement and consultation**

- 68 The Council has a consultation protocol which is followed by housing officers - this aims to make consultation relevant and meaningful. There was substantial consultation with residents and other stakeholders in developing the Corporate Plan 2005/08, the Community Plan 2004/09, the Local Plan 1991/2011, the Housing Strategy 2005/08 and other supporting strategies.
- 69 For example, a consultation event was held in 2003 to inform the writing of the Homelessness Strategy and an event in 2004 informed the development of the Housing Strategy; views from this meeting influenced the final document. Also, in November 2004, the Council hosted the Shelter 'Rural housing enquiry' as part of that organisation's 'Million children' campaign concerning the placement of children in temporary accommodation. This brought together many of the local stakeholders as well as people in housing need. These events have helped to ensure that strategies reflect the needs of local people.
- 70 The Council is taking steps to involve local people in the new planning system. Strategic housing staff have been involved in facilitating consultation events around the new Local Development Framework (LDF). This has helped to ensure that affordable housing is prominent in the new framework and is discussed with groups that would not necessarily participate in purely housing events, such as heritage groups, education and health services. Two leaflets for the public provide a clear explanation of the way the Council is preparing the new LDF and encourage feedback and community involvement.
- 71 Mechanisms for ongoing consultation with service users and stakeholders are in place for some areas of the service, but not others. There is a very effective landlords' forum which includes private and RSL landlords, who meet regularly with council officers. The forum is well publicised and attendance is high (30 to 40) and there have been a number of practical outcomes from the forum. For example, properties have been leased by private landlords to RSLs for people in housing need, empty properties have been brought back into use and some instances of bad practice have been addressed. Private landlords and RSLs that we met valued the Forum highly and found the cross-tenure format particularly helpful. The Council produces an informative 'Landlords' Forum News' for landlords to follow up issues discussed and promote future events.

- 72 A successful 'empty homes week' in October 2005 looked at how to bring empty private sector properties back into use. This involved landlords and other members of the public and led to a number of practical outcomes (see 'Making the best use of existing housing', below).
- 73 The Care and Repair and Linkline services have an advisory group which comprises two service users, a voluntary organisation, a councillor and a local resident - this meets to advise on the delivery of services and to monitor performance and how complaints are handled. The Housing Advice Centre is in the process of setting up a similar advisory group, but this had not been achieved at the time of the inspection. There has not yet been user or stakeholder consultation over proposals to relocate the Housing Advice Centre and the impact this might have on vulnerable service users; this consultation is planned for July 2006, with decisions due to be taken in August.
- 74 Consultation with hard to reach groups is one of the objectives in the Corporate Plan. The Council is in the process of establishing forums to help communicate and consult with these groups - but these are not yet in place. Work is planned and budgeted to engage with young people through the Youth Forum. An older persons' forum is being set up and there is an aspiration to establish a disability forum.

#### **Corporate and partnership approach**

- 75 The Council's Housing Strategy (2005/08) provides a strong framework for maximising the availability of affordable housing. The strategy is clear and comprehensive and has been assessed as 'fit for purpose' by the government office for the South West. Its ambitions and strategic approach are mirrored by the Local Plan and Corporate Strategy, both of which have affordable housing as a key priority.
- 76 The Housing Strategy sets out the main housing issues for the district and makes links to national and regional priorities. It sets out what the Council's approach will be to dealing with the issues faced, although some targets within the action plan could be more specific and some more challenging (see 'How does the service manage performance', below).
- 77 The strategy sets out the housing needs of the area, the resources available and how these will be used to address the agreed local priorities through, for example, building new homes; making best use of the existing stock; preventing homelessness; and bringing empty properties back into use.
- 78 The Local Plan, adopted in 2005, also presents a comprehensive assessment of housing need and how this can best be met through the planning process. The Council has set an ambitious but achievable target within the Plan for 40 per cent of new homes on eligible sites to be affordable.
- 79 The strategic approach to improving private sector housing is not fully developed, although there is a clear strategy for bringing empty homes into use. The private sector renewal strategy has recently been revised, but does not fully make clear how needs in the private sector will be met, or how the decent homes standard target for the sector will be achieved (see 'Private sector housing', below).

- 80 There is a strong partnership approach to delivering new affordable housing. The Council has worked closely with other councils within Gloucestershire and has done some work with neighbouring Monmouthshire. The Council has worked with a housing association development partner to bid for Housing Corporation resources for affordable housing, and works locally with four preferred partner RSLs to deliver affordable homes. There are also good working relationships with other RSLs in the area and with private landlords, as outlined above.
- 81 The Council works well with the GRCC rural housing enabler, who works with the four rural district councils in the county. The GRCC also brings a wider perspective, as it covers issues such as transport and tourism. Apart from carrying out parish surveys, the enabler is working to improve awareness of affordable housing issues in the district by, for example, circulating information on housing need and opportunities to parishes and the press, and making landowners aware of opportunities and land prices.
- 82 Partner voluntary sector agencies are positive about the openness and partnership approach of the strategic housing service. This has included consultation on strategies and a partnership approach to youth homelessness. However, the Youth Housing Partnership, which should meet quarterly, has not met since April 2005, although partners have met in other forums.
- 83 There are a number of strong County-wide approaches to carrying out work to deliver affordable housing and the Council takes an active part in these. For example, there is county-wide work to develop a choice-based lettings scheme, which has secured funding and reduced costs. There has been work across the county to prepare for the implementation of the 2004 Housing Act, by developing common HMO licensing procedures and forms. The District Council has also been an active partner in the Supporting People programme, which is managed by the County Council.
- 84 Staff and partners consider that there has not always been a close working relationship between the strategic housing and planning services, although there has been improvement over the last three years, and particularly in the last year, with regular liaison meetings on affordable housing being introduced. The stock transfer housing association, which is the main developer of affordable housing, has good liaison arrangements with the Council's planners.

## **Making the best use of existing housing**

### **Prevention of homelessness**

- 85 The Council has a strong approach to the prevention of homelessness which has been developed over the last three years. Following stock transfer, in April 2003, the Council brought its remaining housing functions together.<sup>16</sup> There was also a refocusing of the homelessness and housing advice service onto the prevention of homelessness, rather than a purely reactive role.

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<sup>16</sup> The remaining housing functions are: strategy and enabling; private sector housing; homelessness and housing advice; Care and Repair and Linkline.

- 86 A range of homelessness prevention options have been put in place and homelessness applications and acceptances have fallen in line with the rise in prevention activity and increase in early intervention. This has had a positive impact on the demand for affordable housing. The Council has two success measures in place: the reduction in homelessness acceptances and the numbers of customers accessing the housing advice service. Homelessness applications fell by 67 per cent between 2002/03 and 2005/06, and acceptances fell by 60 per cent over the same period. This downward trend continued in 2005/06. At the same time, there has been a rise in the number of households provided with housing advice from 103 in 2002/03 to 578 in 2005/06. Partner agencies confirm that this fall has been largely due to increased prevention work, and not because of more restrictive acceptance criteria.
- 87 The advice team focus on preventing homelessness by either enabling people to stay in their present homes, or providing options in addition to social housing, as there is an insufficient supply of new lettings. A grant of £21,000 from the ODPM for homelessness prevention work is used to fund a rent deposit ('Bond') scheme; to fund prevention work by other organisations (Shelter; Nightstop and Women's Aid), and to make single payments to tackle immediate problems, such as paying for travel costs or letting agency fees.
- 88 The Bond scheme has been successful in enabling people (mainly families) to move into private rented housing. It helped 12 households in 2003/04, 23 in 2004/05 and 31 in 2005/06. This has provided reasonable quality accommodation for households in need and has alleviated demand on social housing.
- 89 Other prevention work carried out by the housing advice service includes advice to landlords and tenants and working with private landlords to bring empty properties back into use (with the private sector team). The Council has attempted to refer young people who have been asked to leave home to a mediation service, but none have so far used this service. This can be a difficult area in which to achieve success, however, more could be done to identify successful practice from elsewhere. A new mediation service provider has been engaged, but the lack of successful referrals suggests a need to promote the service more actively.
- 90 The fall in homelessness applications is reflected by a steady fall in the use of temporary accommodation, including bed and breakfast hotels. The Council successfully met the Government's target to end the placement of households with children in bed and breakfast accommodation by 1 April 2004, except in emergencies, and has to date kept to this. The Council is now working towards the further Government target of halving the use of all temporary accommodation by 2010.
- 91 In April 2006 there were 19 households in temporary accommodation, six of which were single people in bed and breakfast hotels. The remainder are in housing association stock, leased as part of the stock transfer agreement. A draft temporary accommodation strategy has been drawn up to achieve the 2010 target through a combination of prevention work, new build and use of the private rented sector.

- 92 Floating support is available for people moving into temporary accommodation from a service provider funded by the Supporting People programme. This helps to ensure that people retain their temporary accommodation and are ready for more permanent housing, and limits the possibility of recurring homelessness.
- 93 The Housing Advice Centre has good links with the domestic violence refuge in the district. A housing adviser holds 'meet and greet' sessions at the refuge for new residents to outline housing advice services, and there are regular meetings with staff. This helps people to make best use of the housing options available to them.
- 94 The Council facilitates advice by other organisations which also work to prevent homelessness. It funds the CAB (£100,000 a year) and contributes to the funding of the Shelter Young People's Service (£5,000 a year) to provide advice specifically to prevent young homelessness - although the future funding of this service is under review. The Council also funds the local Forest Credit Union. Office space is provided for a number of external advice agencies to hold surgeries within the Housing Advice Centre.
- 95 An independent quality audit of the homelessness and housing advice services was carried out by Shelter in 2004 and this led to a number of recommendations to improve service delivery. For example, improvements in file record-keeping, standardisation of forms and improved interviewing arrangements. Most of these recommendations were accepted and implemented.
- 96 An internal audit of the homelessness service was carried out by the Council and a report produced in March 2005. This found 'satisfactory assurance' with only one matter to be followed up (checklists to be added to all case files). All actions from the previous internal audit had been implemented.
- 97 The housing advice team deals with housing register applications and nominations to RSLs, as well as housing advice and homelessness work. This enables the Council to take a team approach to each person's housing needs, without the need for duplicate visits or interviews.
- 98 The Council operates a common housing register for the district, with RSLs managing their own transfer lists. The housing register is an important tool in assessing housing need and is used both to supplement housing needs surveys and in negotiation with developers on section 106 (planning) agreements. It is kept up-to-date and reviewed annually. The allocations scheme is publicised through leaflets throughout the district.
- 99 The stock transfer housing association, Forest of Dean Housing, is by far the largest provider of social rented housing in the district. An agreement was drawn up at the time of transfer, giving the Council nomination rights to 100 per cent of new lettings and 75 per cent of re-lettings, with the remaining 25 per cent available for transfers. Lettings are monitored weekly, and these targets are being met. There is also an agreement for a minimum of 20 per cent of nominations to go to homeless households - this has been exceeded in the last two years and is helping to reduce the time that homeless people are waiting for suitable housing.

- 100** The Council's performance against its published service standards in this area is generally good - this aids the speed at which people can be moved into more suitable housing.
- The target to see people threatened with homelessness within five working days was met in all cases in 2004/05 and 98 per cent of cases in 2005/06.
  - The target to decide homelessness applications and notify decisions within 33 working days (with a local performance indicator target of 92 per cent) was met in 94.6 per cent of cases in 2004/05 and 94.9 per cent of cases in 2005/06.
  - The target to process housing register applications and write to confirm registration within ten working days was not met - the average was 11 working days in 2004/05 and 11.5 in 2005/06.
- 101** There is some low demand housing association stock in the district - this is primarily outdated sheltered housing that was part of the stock transferred by the Council. The RSL is undertaking an asset management review of this sheltered stock. Meanwhile, the Council has recently taken a proactive approach to this issue by writing to a number of applicants on the housing register who meet the allocation criteria, to see if they would be interested in these properties.
- 102** Private landlords that we spoke to felt that the housing benefit service helps to enable people to secure and retain rented accommodation. Landlords were positive about the speed in which Housing Benefit payments are made.
- 103** The relationship between the housing benefit and housing advice services was poor until recently, and this hindered prevention of homelessness work. The relationship has improved significantly through regular liaison meetings since November 2005 and mutual understanding has been developed through staff shadowing. Homelessness cases can now be fast-tracked by housing benefit staff. Housing advice staff are due to be trained in housing benefit verification procedures in April 2006, and this should further reduce delays in obtaining housing benefit payments.
- 104** However, discretionary housing benefit payments are not being used as effectively as they could to support homeless people and others wishing to move into more secure accommodation. In 2005/06, 94 per cent of the £15,000 budget was spent. However, housing advice staff were unaware of how much budget was available for discretionary payments and have not been encouraged to work in partnership with housing benefit staff to recommend cases where payments would help people in housing need to retain or move into accommodation.
- 105** The Council's Linkline and Care and Repair services provide effective support to older people and enable them to stay in their own homes. Linkline is a community alarm service covering much of the county and Monmouthshire. It operates 24 hours a day, seven days a week, and is monitored by trained operators. The service has been awarded a charter mark for excellence.

- 106 Linkline is now being enhanced by a 'Telecare' service which the Council has recently begun to offer. This comprises sensors and detectors that work with the Linkline system to trigger warnings when, for example, a resident falls, or a bath overflows. A Telecare smart-flat has been set up in one of the extra-care schemes and it is planned that the Forest of Dean service will become the hub for the roll-out of Telecare across the county over the next two years. The service works closely with Care and Repair to provide a full package which is helping people to remain in their own homes.

### **Private sector housing**

- 107 The Council's performance on making the best use of private sector housing, to reduce the need for more new affordable housing, is mixed. Its performance on bringing empty homes into use is good and it has effective working relationships with private landlords through the landlords' forum. Grant applications are processed efficiently, but grant activity does not reflect the level of need within the private sector. The Council also does not have a clear strategy to address housing conditions in HMOs or to meet the decent homes standard in the private sector.
- 108 The district has a legacy of poorly maintained homes built in the 19th century and earlier for industrial workers. The 2004 private sector house condition survey found that 3.2 per cent of the private sector stock (including RSL stock) was unfit. Although this is below the national average of 4.2 per cent, a further 1.8 per cent of stock was classed as 'borderline' fit. There was also a high level of unfitness in the private rented sector at 12.6 per cent - above the national average of 10.2 per cent.
- 109 The private rented sector consists of around 6 per cent of properties - below the national average. The Council has worked well through the landlords' forum to promote good management practice, but will also take enforcement action if necessary. The forum has a broad agenda, meets quarterly and includes representatives from RSLs and private landlords. The meeting is chaired by an RSL representative. Housing benefit is a standing item on the agenda and each representative has an opportunity to add another agenda item. Landlords value the forum, which gives them an opportunity to gain an understanding of the Council's views and helps people to access private rented accommodation.
- 110 The Council has been proactive in its approach to identifying empty properties in the private sector and bringing them back into use (see 'Strategic approach to housing', above). RSLs that we spoke to said that the Council has taken the initiative to develop private sector leasing of empty properties for people in housing need. The Council has located potential properties and referred landlords to two local RSLs who have leasing schemes. There are now 31 leasing arrangements in place and there is scope to develop more.

- 111 There has been significant progress in tackling empty homes since the empty homes strategy was adopted in 2004. The strategy set a target of bringing 70 homes back into use between October 2004 and 2008 and the Council is well ahead of this target, with a total of 48 brought back into use by March 2006 - 18 in 2004/05 and 30 in 2005/06. The Council has good information on the location of empty homes and visits landlords to provide information on grants and leasing schemes. Properties prioritised are those that can provide affordable housing in areas where people wish to live. Tenancy advice is offered to landlords and standard tenancy agreements can be provided.
- 112 The 'empty homes week' in October 2005 was a successful initiative to promote the potential of empty properties. This included display boards in the four towns and an open forum event, to provide information and ask for ideas. Outcomes from the week have included contacts with new landlords, a property leased to an RSL and changes to grant conditions to meet landlords' concerns. A suggestion of running self-build schemes has led to feasibility research.
- 113 The Council has also invested £100,000 in the Homebuy scheme in partnership with a local RSL. This has helped six households to move into home ownership.
- 114 However, the potential of encouraging flats over shops to be brought into residential use has not been fully explored. Many are not currently self-contained, or are used for storage - but the potential to bring them into use has not been addressed by the housing and planning sections. There is scope for this to be addressed as part of the coalfields regeneration work in Cinderford.
- 115 The progressive work with the landlords' forum and on empty homes is not, however, supported by a strong grant regime. The renovation grant budget has been reduced, despite high demand, from £450,000 in 2002/03 to £400,000 in 2003/04 and 2004/05, and further to £240,000 in 2005/06. This budget covers landlord grants, home repairs assistance, empty property grants and funding for energy efficiency advice and grants. All of the 2005/06 budget was committed and apparent underspends in the two previous years were due to grant being transferred to top-up the budget for disabled facilities grants, which are seen as the highest priority.
- 116 There has been low use of empty property grants. No empty property grants have been made to potential owner-occupiers over recent years as the Council's policy was to means-test these grants. This restriction is to be removed from April 2006 under the new housing renewal policy and there will be a budget of £20,000 for grants of up to £10,000 to first time buyers. The Council's new renewal policy states that these grants will be '...restricted to two grant applicants a year on "first come, first served" basis unless uncommitted funding available'.<sup>17</sup> Four landlord grants for empty properties were made in 2005/06 - these pay for 50 per cent of the cost of work up to a maximum of £10,000. This level of activity does not appear to be consistent with the priority given by the Council to bringing empty properties into use.

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<sup>17</sup> 'Private Sector Housing Renewal Policy', report to Executive Committee 23 March 2006 para.1.10.1.

- 117 The provision of disabled facilities grants helps people to maintain independence within their own homes and reduces the need for supported housing. The Council's budget for these grants has stood at £360,000 for each of the last three years and has been over-committed each year. Provision has, however, been increased to £460,000 for 2006/07. The number of grants has fallen as the budget has been eroded by higher repair costs and larger-scale works; 76 were made in 2004/05 and 58 in 2005/06. The processing of applications is handled effectively by the Council, with means tests carried out within around two weeks. There are two differing routes for assessment by an occupational therapist - one for RSLs and people on the housing register, and one for other applicants. Applicants can face lengthy waits for these assessments and there is little evidence of the Council seeking to discuss this with the social care services and seek improvement. However, the Council does employ a small-repairs operative who carries out fast-track minor adaptations to allow people to leave hospital without delay.
- 118 The Council is not making use of all available means for achieving improvements in the private sector. It does not currently offer housing loans or equity release schemes to support its corporate priority of affordable housing, although this is being considered.
- 119 HMOs contain some of the worst housing conditions and highest risks to residents nationally. If these conditions are not tackled it can lead to higher demand for affordable housing and possibly homelessness. The Government has recently introduced new legislation<sup>18</sup> which requires the licensing by local authorities of the highest risk HMOs - those with three or more storeys occupied by two or more households comprising five or more people. The Council has developed procedures for licensing HMOs with other authorities across the County.
- 120 However, it is not clear that the Council has identified all the high risk HMOs in the area (see 'Strategic approach to housing' above) and has limited resources to inspect these and other HMOs which pose a risk to residents. The service has one qualified environmental health officer; there are also two technical officers, but these are not yet experienced in carrying out inspections. The team know of 40-50 HMOs, although the stock condition survey estimated that there could be nearly 400 in total. The level of inspections is low, with 18 HMO inspections carried out in 2002/03, 5 in 2003/04, 5 in 2004/05 and 6 in 2005/06.
- 121 There is not a clear programme to achieve the decent homes standard in the private sector. A target has been set to bring 23 vulnerable households a quarter into decent homes to meet the Government's target by 2010 and has begun to monitor the number of homes made decent through grants or other action. Although performance is being monitored, it is below target and there is no clear plan to achieve the required numbers. Seven properties were made decent in the final quarter of 2005 and 11 in the first quarter of 2006.

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<sup>18</sup> The HMO licensing provisions of the Housing Act 2004 came into effect on 6 April 2006.

- 122** The Council has an accreditation scheme for private sector properties. This is intended to ensure that a reasonable level of quality is provided for tenants. However, the scheme has not been well promoted or widely taken up by landlords, with only 20 properties accredited since 2003. Specific grant aid will in future be available for accredited properties and this is likely to increase applications for accreditation.
- 123** Arrangements are in place to help residents with energy efficiency issues and those in 'fuel poverty'. Improving the energy efficiency of the housing stock is a challenge for the Council due to the nature of the stock, which is largely stone-built and detached. The average energy efficiency rating<sup>19</sup> of homes is 46, lower than the national average of 51.
- 124** The Council contributes funding to Severn Wye Energy Advice (SWEA) through a service level agreement. SWEA has an energy efficiency advice centre for the county based in the Forest of Dean and provides 'Warm and well grants'. All grant funding is spent and more grants could be made if the budget allowed. SWEA provides useful and comprehensive feedback on its activities and on the energy efficiency of the properties it visits. This has helped the Council to target its energy efficiency work effectively.
- 125** Funding for energy efficiency work was increased above the budgeted level of £30,000 in recent years, reaching £95,000 in 2004/05. However, the reduction of £160,000 in the overall 2005/06 renovation grant budget resulted in a reduction of £65,000 in the payment to SWEA, returning it to the base level of £30,000. There has been a consequent reduction in 'Warm and well' grants. In 2003/04, 110 energy efficiency grants were made; this increased to 179 in 2004/05, but fell significantly to around 60 in 2005/06. This is not helpful in achieving the decent homes standard in the private sector.
- 126** Home Improvement Agencies help older or otherwise vulnerable residents to remain in their own homes. The Care and Repair service was brought in-house following a Best Value Review in 2001 and is now part of the private sector housing team. The service operates effectively and has a quality mark from the national co-ordinating body.<sup>20</sup> It helps residents to apply for grants and works closely with surveyors to oversee adaptation and improvement work. Care and Repair employs two operatives, one to carry out 'fast-track' repairs, particularly to help people about to leave hospital, and a 'Safe Homes' worker to install security features, in conjunction with the Crime and Disorder Partnership.

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<sup>19</sup> The energy efficiency of buildings is measured nationally by a 'Standard Assessment Procedure' (SAP) rating.

<sup>20</sup> 'Foundations' is the national co-ordinating body for home improvement agencies.

## Enabling the provision of more housing

- 127** Overall, this is an area of strength. The Council has a strong commitment to the provision of affordable homes and, although delivery has been low in the past, it has now put the necessary building blocks in place to achieve this. The Local Plan has been adopted and it supports the Council's commitment to affordable housing. Good partnerships are in place to deliver the targets for affordable homes.
- 128** The Council has made considerable capital resources available from its own budget to support the provision of affordable homes - £750,000 in 2004/05, £550,000 in 2005/06 and £750,000 in 2006/07.<sup>21</sup> This has partly been made possible through tax advantages flowing from the stock transfer receipt - although the capital received has not yet specifically been allocated to affordable housing (see 'Does the service have the capacity to improve', below).
- 129** A commitment was made to tenants at the time of the transfer of the housing stock, in April 2003, for 200 new homes to be built by the transfer housing association within five years; a target of 40 a year. Although only 55 were completed during the first two years, the programme has gained speed. Planning consent has been obtained for the remaining properties and the target is on course to be delivered. The housing association initially developed sites that were transferred as part of the stock transfer and has since worked with the Council to identify six sites remaining in the Council's ownership that have development potential.
- 130** Information on funding bids to the Housing Corporation underlines the increase in activity in terms of new affordable housing. Funding of approximately £1.5 million was achieved through the Housing Corporation's 2004/06 development programme to match the funding invested by the Council, to fund 56 units on 12 sites. The recently approved programme for 2006/08 is for £2.2 million of Housing Corporation funding to subsidise the development of 103 affordable homes on 17 sites.
- 131** The Council has shown initiative by taking advantage of the opportunity presented by the Housing Corporation's new programme for partnerships in affordable housing. The Council successfully bid in partnership with a private developer and a housing association for funding for a scheme that has delivered six units of affordable housing and a further three units off-site.

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<sup>21</sup> Funding for social housing schemes. This excludes capital funding for grants.

- 132** The Local Plan is consistent with the objectives of the Housing Strategy and the outcomes of the housing needs surveys. The plan clearly identifies 19 major sites for housing development, comprising 1,473 dwellings between 2003 and 2007, and provisionally a further 1,020 in phase three of the plan, between 2008 and 2011. The plan has a challenging target for 40 per cent of homes on eligible sites<sup>22</sup> to be affordable and the Council is in the process of making section 106 agreements to achieve this target (see below). This is supported by clear supplementary planning guidance (SPG) for affordable housing. If this is achieved, it will deliver around 1,000 affordable homes.
- 133** Following the intervention of the Government Office for the South West during the development of the Local Plan, the 1,020 homes in phase three of the plan cannot be developed until a further case is made on the basis of housing need. This could limit the originally planned provision of affordable housing, particularly on the largest site in Lydney.
- 134** The Council is taking a strong approach to ensuring that the 40 per cent requirement for affordable housing is not subverted and there is a clear commitment among councillors to applying the policy. For example, in one case an application was made to develop 14 units - which would be outside the scope of the policy - where the Council considered it possible to develop 15 units, which would be subject to the 40 per cent requirement. The Council rejected the application and won the case on appeal.
- 135** The Council is now making effective use of section 106 agreements<sup>23</sup> to secure affordable housing, although these had not been used until recent years. The Council is close to meeting its 40 per cent target. Since 2003, 37 per cent of housing on eligible sites has been secured as affordable through planning approvals and obligations. This comprises 97 units of affordable housing from a total of 260 units - the first of these homes are nearing completion. This is strong performance.
- 136** Planning policy discourages the use of commuted sums instead of on-site provision of affordable housing. The SPG says that an off-site option may be acceptable in exceptional circumstances, where there is a sound planning reason. There is a clear formula for calculating the size of any commuted sum to be paid.
- 137** Processes are in place to ensure that section 106 agreements are honoured and where necessary payments are received. A register of the agreements is maintained in the Development Control section. There is a protocol for dealing with section 106 agreements and planners are clear that, in negotiations, priority is given to housing and employment issues. The Council has a designated officer to monitor the agreements and has also increased capacity through the employment of a housing strategy and enabling officer. Part of this role is to negotiate with private developers and advise the legal department on the content of section 106 agreements.

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<sup>22</sup> Sites of 15 units or more, or larger than 0.5 hectares in towns and villages of greater than 3,000 Population, or sites of five units or more or larger than 0.2 hectares in other locations.

<sup>23</sup> Section 106 of the 1990 Town and Country Planning Act enables planning authorities to enter into agreements to restrict or regulate the development or use of land.

- 138** Liaison between planning officers and housing strategy officers has improved over the past three years. The two sections have developed a stronger understanding of their respective roles based on clear planning policy. This is important, as it ensures that developers receive a consistent approach from council officers. However, some smaller developers have found it difficult to get pre-planning advice from officers due to limited capacity at times within the planning service. Planning delivery grant is being used to increase resources within the service.
- 139** Arrangements are in place to safeguard the provision of affordable housing in the long term. Planning policy requires that new affordable housing built as part of a section 106 agreement must be held for those in need with 100 per cent of initial nominations and 75 per cent of all subsequent nominations being made by the Council. This ensures that people from the housing register are re-housed in this accommodation. Where shared ownership is provided, the policy requires that sales prices should be no higher than the previous owner paid, plus an index-linked increase to reflect regional house price inflation.
- 140** The total number of new homes (including affordable homes) built in the district did not meet the annual targets of 347 homes within the county structure plan in 2003/04 (196 homes built) or 2004/05 (233 homes built). However, delivery was on course to achieve this target in 2005/06. The impact of this increase in development, coupled with the commitment to affordable homes in the new Local Plan, is a rise in the annual delivery of affordable homes.
- 141** There is a regional target that 50 per cent of housing development takes place on previously developed ('brownfield') sites. The Council is delivering over 80 per cent of new homes on brownfield sites. This meets national targets and reduces pressure on greenfield sites.
- 142** The number of affordable homes delivered in past years has been low and below target, with 23 homes completed in 2003/04, 32 in 2004/05 and a likely outturn of 43 in 2005/06. Prior to 2003 there was no requirement for affordable housing on new housing sites and a delay in the adoption of the Local Plan has delayed the start on-site of large developments which will deliver substantial numbers of affordable homes. Only four affordable homes have been completed through section 106 agreements with developers. However, there are now 97 units on ten sites which are either in development or have been approved.
- 143** The Council is aiming to deliver more affordable homes without the use of public subsidy. Four units have been delivered without subsidy, two for rent and two shared ownership. More shared ownership homes are planned without subsidy, but the Council does not currently envisage being able to provide homes for rent without subsidy.

- 144** The Council is seeking to ensure that a mix of affordable housing is provided. In larger schemes there is a requirement that affordable housing is distributed across development sites in clusters of up to ten units, and not segregated. The SPG seeks a range of house sizes and densities to meet local needs. Based on the findings of the housing needs survey, the required mix is 27 per cent one-bedroom properties, 19 per cent two-bedroom, 33 per cent three-bedroom and 21 per cent four or more bedrooms. The Council is, however, not yet achieving this mix and, in particular, is struggling to achieve sufficient one-bedroom properties. The main provision for single people was demolished in Cinderford several years ago as it was unsuitable, and has been replaced by family housing. This means that there is an insufficient supply of accommodation for single people and couples without children.
- 145** The shortage of one-bedroom homes contributes to a general lack of move-on accommodation, particularly for young people. For example, residents are staying for around 18 months in a housing scheme for young people with high support needs, which is intended for stays of three to four months.
- 146** There is a shortage of wheelchair accessible housing, although two properties have recently been built and a third is on-site. The Council is seeking to address this by building properties where needs are identified by an 'Adaptations Forum', which includes council and RSL officers and an occupational therapist. This forum has also been successful in identifying existing properties which are suitable for adaptation.
- 147** There is insufficient funding available to ensure that a suitable level of rented housing is provided. Although the housing strategy and the Local Plan make it clear that the overwhelming need in the district is for rented housing, the amount of funding available means that, in reality, a significant proportion of the affordable housing developed is for low-cost home ownership. In practice, the Council is expecting to achieve 60 per cent of new properties for rent and 40 per cent for low-cost home ownership.
- 148** Through the Gloucestershire Rural Housing Partnership the Council has been able to access additional Housing Corporation funding which has delivered 26 homes for rent, with a further 12 homes for rent and 16 for low-cost home ownership under construction. The Council has also publicised the role that exception sites can play in providing affordable housing at Parish Forums in autumn 2005, and by a display stand and presence at the recent Farmers' Forum. Eight properties were completed on rural exception sites in 2005/06, following two years when none were completed. Further work with the agricultural community on affordable housing is planned.
- 149** There is strong potential for the further development of affordable housing in rural areas. Housing sites have been allocated in 13 of the larger villages. All of these sites are large enough to be above the threshold for the 40 per cent requirement for affordable housing to apply.<sup>24</sup>

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<sup>24</sup> The threshold is five properties in settlements with populations of less than 3,000.

- 150 There is also a significant opportunity for the development of new affordable housing in and around Cinderford through funding from the coalfields programme (see 'Does the service have the capacity to improve', below).
- 151 However, there is no clear overall spreadsheet for monitoring the delivery of all affordable homes. The information is held in different formats - which makes monitoring of delivery by councillors and others more difficult. There is no overall plan which brings together the type and size of housing required, the subsidy available and progress and delivery through the different routes, such as section 106 agreements, Homebuy and rural exception sites. More robust plans would help in monitoring whether delivery was on track and meeting needs.

## Is the service delivering value for money?

- 152 This is an area where performance is mixed. The Council does not have up-to-date information on the unit costs of its services or how they compare over time or with others. It has, however, delivered improvements in services through efficiency savings and has worked well in partnership to improve value for money.

### How do costs compare?

- 153 The Council has not recently examined the costs of its housing services or level of performance achieved compared to others. It does not have information on the unit cost of individual elements of the service, such as dealing with homelessness applications, providing housing advice or processing grant applications. This information would enable managers to understand the cost of services over time and to benchmark these costs with other authorities.
- 154 Some benchmarking has been carried out of capital investment per affordable home delivered. This shows that the average cost to the Council is £18,000 per unit - this is around the median level compared with ten regional authorities.
- 155 Some benchmarking of homelessness, strategic housing and enabling, and private sector housing costs has taken place as part of best value reviews of these services. However, these took place in 2000/01 prior to restructuring, and so this information is now outdated. At that time, the benchmarking showed that private sector housing costs were high and the costs of other services corresponded with those of other authorities. There is a commitment to benchmark all services over the next six months.
- 156 Benchmarking by the Council has found that the costs of the planning service are high compared to other authorities. To address this, the Council's 'business reconfiguration' programme which is being rolled out across the Council will begin with the planning service in 2006.

## How is value for money managed?

- 157** There is not yet a planned approach to managing services to achieve value for money. The Council has a stated commitment to move toward a more value for money approach to delivering affordable housing, but accepts that at present capital is spent wherever opportunities arise.<sup>25</sup>
- 158** The strategic housing service has the major part of the Council's capital programme budget allocated to it for grants and for subsidising the building of new affordable housing. The Council does monitor the average cost of capital per unit of affordable housing that is secured and benchmarks this with local RSLs and other County local authorities. There are also set procedures for appointing contractors and inspecting the quality of works paid for through grants. However, there has not been recent benchmarking of the costs of individual services.
- 159** Efficiency savings were achieved following stock transfer in 2003 by bringing the remaining strategic housing services together and sharing administration and reception functions. This saved two full-time posts, with savings recycled to fund new posts, including the strategic housing officer post. This has added value to the service.
- 160** There are a number of examples of the Council achieving better value for money through partnership arrangements. Development of new affordable housing is carried out in partnership with four 'preferred partner' RSLs, who have been selected against appropriate criteria. Bids to the Housing Corporation for funding the development programme are made through an experienced development partner.
- 161** Work to achieve the 40 per cent target for affordable housing in section 106 agreements is also promoting value for money. Some individual shared ownership properties are being delivered with no public subsidy, but there is so far only one planned development site which will provide affordable rented and shared ownership housing with no public subsidy.
- 162** Other initiatives have pooled skills and resources to achieve savings and improvements in the quality of the products delivered. These include:
- the county-wide housing needs assessment in 2004;
  - county-wide work to develop a choice-based lettings system, which has brought in £150,000 in government funding; and
  - work through the Gloucestershire Rural Housing Partnership to attract more investment into the district for affordable housing.
- 163** The adoption of a more preventative approach to homelessness has resulted in overall savings in the cost of temporary accommodation and, in particular, the cost of bed and breakfast accommodation. However, the lack of move-on accommodation means that some young people are remaining in temporary accommodation or supported housing for lengthy periods.

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<sup>25</sup> Self-assessment, 27 March 2006, page 11.

- 164 The Linkline service provides a cost-effective way of supporting people in their own homes and delivers savings for health and social services. This service is currently subsidised by £20,000 a year, but there is a business plan to bring it into surplus within two years.

## Summary

- 165 Overall, we judge that the Council's approach to the provision of affordable housing is good.
- 166 The Council has made the provision of affordable housing a clear priority and this is reflected in its strategies and plans. The local plan and housing strategy are strong and provide a clear strategic approach. There are targets for the provision of affordable homes and a challenging target to provide 40 per cent affordable housing on eligible development sites.
- 167 The Council has a good understanding of the local housing market and has put resources into updating and expanding this. It also has up-to-date information on housing needs and the condition of the housing stock.
- 168 Access to housing services is generally good. In particular, the Housing Advice Centre offers good access to a range of services and there is a full up-to-date range of information materials available for the public, landlords and other stakeholders. There is a reasonable range of information on the Council's website, although this could be improved. However, physical access to the one-stop shops is poor and does not comply with statutory requirements.
- 169 The Council has worked well with partners to deliver its strategic objectives and has good relationships with landlords, RSLs and neighbouring authorities. The landlords' forum has been particularly effective and has contributed to the Council's success in bringing empty properties back into use.
- 170 The Council has successfully focused on the prevention of homelessness and there has been a fall in homelessness applications as housing advice has increased. There has also been a fall in the use of temporary accommodation. However, a lack of move-on accommodation is delaying the resettlement of people from supported housing schemes.
- 171 There are weaknesses in the Council's approach to improving private sector housing. The Council does not have good information on the location or risk posed by many HMOs and there is not a clear plan to achieve the decent homes standard in the sector. Grants are administered effectively, but there is no clear rationale for reductions in budgets in this area.
- 172 The Council's approach to achieving value for money is not strong. It does not have up-to-date information on the unit costs of its services or how they compare over time or with others. It has, however, delivered some improvements in services through efficiency savings and has worked well in partnership to improve value for money.

## What are the prospects for improvement to the service?

### What is the service track record in delivering improvement?

- 173 The Council has demonstrated a track record of improvement in most areas of the service, in particular in the prevention of homelessness and putting in place the foundations for delivering affordable housing. It has addressed most of the weaknesses identified by the Comprehensive Performance Assessment (CPA) diagnostic and has made good progress against its housing strategy action plan. However, there has been mixed improvement in the delivery of value for money and some of the actions in the Council's strategies and plans have not been completed.
- 174 In 2004 the Council received a CPA assessment of 'weak'. As part of that assessment, the 'balancing housing markets' diagnostic, which includes the delivery of affordable housing, found a high need for improvement. An Audit Commission progress assessment report in December 2005 found that the Council had made 'reasonable' progress in addressing the weaknesses identified by the CPA. The overall CPA progress assessment found that:
- there has been improvement in the affordable housing and homelessness services (but not in housing benefits);
  - key vacancies in housing and planning services have been filled; and
  - the housing strategy has been approved and the Local Plan adopted. However, the effectiveness of plans is limited by the fact that performance management systems to support delivery are still underdeveloped.
- 175 Good progress has been made against most of the weaknesses identified by the CPA balancing housing market diagnostic. Of the ten key weaknesses, seven have either been addressed or good progress has been made:
- the Council's understanding of housing need has been improved by the 2004 housing needs survey and research into the local housing market;
  - a new Local Plan has been adopted, providing a clear guide to development;
  - targets have been set within the housing strategy and Local Plan for the delivery of affordable homes;
  - capacity for dealing with section 106 agreements within the planning department has been enhanced through the use of specialist consultants and improved monitoring arrangements;
  - the Council has begun to deliver affordable housing in partnership with RSLs;
  - the Council has entered into section 106 agreements to secure affordable homes; and
  - performance on meeting county structure plan targets for new homes has improved and is close to target for 2005/06.

- 176 However, there are three areas where progress has been weak:
- councillor engagement with performance monitoring of the housing service and Local Plan (see 'How does the service manage performance', below);
  - the use made of data from the private sector stock condition survey to influence policy; and
  - development of policy relating to loans to improve private sector housing conditions (see 'Private sector housing', above).
- 177 There has also been good progress against the housing strategy action plan, with only one area of poor progress - a lack of provision of move-on accommodation. However, a number of the targets within the action plan are unclear or unchallenging (see 'How does the service manage performance', below).
- 178 Delivery of affordable housing was limited in the run-up to stock transfer in 2003. From this low base the Council has increased the number of units being delivered and is on course to meet the target of 200 new homes to be provided by the stock transfer housing association by 2008.
- 179 The improvement over recent years has happened against a background of some significant barriers which have had to be overcome, including the delay in getting the Local Plan approved. Also, the removal of the facility of being able to recycle capital receipts used for Local Authority Social housing Grant (LASHG) effectively meant that the Council lost around £5 million from its proposed Capital Programme. However, the Council still allocated resources to deliver the 200 planned affordable homes from the remaining LASHG.
- 180 The Council has become more proactive in its requirement for affordable housing as part of the planning process. The delay in adoption of the Local Plan set back the delivery of some affordable housing schemes. However, the Council adopted its Plan ahead of many other authorities and the Plan's challenging 40 per cent target for the delivery of affordable homes on eligible sites is close to being delivered.
- 181 Significant changes have been made in the way that housing services are delivered over the past three years. This has produced a more streamlined service with improved customer access (through the Housing Advice Centre) and a full range of information materials for the public.
- 182 There is evidence of improved working with external partners and an improvement in working relationships between the strategic housing and planning services, offering a more joined-up service to landlords, developers and other stakeholders. This is also reflected in the progress made in consulting and involving stakeholders in the production of the Local Development Framework.

- 183** There have been significant improvements in the homelessness and housing advice service since 2003. There is now a stronger emphasis on preventative work and homelessness acceptances have fallen in line with the increase in advice and prevention work - by 60 per cent between 2002/03 and 2005/06 (see 'Prevention of homelessness', above). The Council achieved the Government's target for ending the use of bed and breakfast accommodation for families with children and is on course to achieve the further Government target of a reduction of 50 per cent in the use of temporary accommodation by 2010.
- 184** The Council has not significantly improved its approach to value for money. Some initiatives have improved the value for money being achieved, particularly through partnerships, but the Council does not have a comprehensive and up-to-date picture of the costs of its housing services or how these compare with others.

### **How well does the service manage performance?**

- 185** This is an area where weaknesses outweigh strengths. Although the Council's priorities are clear, performance management to achieve them is under-developed. Key strategies are undermined by the lack of robust action plans and significant improvement to the existing level of service is unlikely given the type and nature of actions included. There is clear accountability among officers, but accountability and reporting arrangements to councillors is unclear and this is accompanied by a lack of clear leadership for the service at councillor level.
- 186** The Council's CPA improvement plan addresses the weaknesses identified within the CPA inspection. The plan is overseen by the Improvement Board which consists of three councillors and three council officers, with support from external improvement agencies.
- 187** The Council has made affordable housing a key local priority. The provision of affordable homes is one of the five priorities of the Corporate Plan and this is mirrored by the priorities within the Community Plan and Housing Strategy. These priorities have been communicated externally and internally and are familiar to staff and councillors. However, although the overall aims and objectives are clear and appropriate, the action plans attached to these strategies are mixed in quality and some of the targets set are unclear or unchallenging. Many of the actions proposed are unlikely to lead to significant further improvement. For example:
- Although the Housing strategy and Corporate Plan both cover the period from 2005 to 2008, some targets are over different time-scales and two of the five targets in the Corporate Plan (for Linkline and Care and Repair services) do not appear in the Housing Strategy.
  - The Housing Strategy action plan 2005/08 contains few numerically specific targets, some targets that are unclear and few targets beyond 2006. Some actions are unchallenging and restate ongoing work, such as 'Continue to provide' grants.

- The original homelessness strategy 2003/08 action plan and the draft revised action plan produced in 2005 are not SMART. Actions are not resourced and are generally short term. The original plan has no actions beyond July 2004, with most due for completion in 2003, and the draft revised plan has no actions beyond 2006.
  - The action plan for the Empty Homes Strategy 2004/08 sets few targets for the later years of the strategy. Of 22 target dates, 13 are for September 2004 (the date of publication of the strategy) or earlier, and the latest specified target dates are April 2005, although some are ongoing actions.
- 188** The 2003 private sector housing renewal strategy is primarily a statement of the grants framework the Council is adopting. This policy was due to be reviewed by March 2004 in the light of budget allocation and feedback from external further consultation. However, this did not take place and a new grants policy was only recently agreed, in March 2006. Although this is an integral part of private sector renewal, the strategy does not set out a clear programme to achieve the Government's target of reducing the number of vulnerable people living in non-decent homes by 70 per cent by 2010. The Council has calculated that this will require bringing 23 vulnerable households a quarter into decent homes, but there is no clear plan to achieve this.
- 189** The weakness of action plans casts doubt over the quality of the Council's service planning arrangements. Stronger plans will need to be developed to drive further improvement.
- 190** Resources are not consistently targeted to priorities. There has been an overall reduction in resources for private sector housing grants, which includes energy efficiency work, but the rationale or value for money case for this decision is unclear.
- 191** Not all key strategies are in place. The Council is in the process of drafting a young persons housing strategy and a county-wide older people strategy is in draft form, as is the Council's temporary accommodation strategy. A corporate social inclusion strategy has not yet been produced, despite a plan to do so in 2005. In the absence of agreed strategies in these areas, the Council cannot ensure that the work of staff and partners is fully focused on agreed outcomes.
- 192** Performance management by councillors is of mixed quality. The Council's executive committee receives quarterly performance reports against a range of performance indicators, and an annual report is made to the full Council. The reports highlight in traffic light format whether targets are on course to be achieved. However, there is no single councillor who holds responsibility for monitoring and reporting performance. There is a 'housing support group' of interested members; this is a knowledgeable and useful group, but it does not have a formal function. New arrangements are planned, which will include two members of the Executive committee taking a 'special interest' in housing, but it is too early to assess the likely effectiveness of these arrangements. The current arrangements do not provide clear leadership or lines of accountability.

- 193** The Council has recently moved from having four scrutiny committees to two committees - corporate and community. Housing performance will in future be overseen by the community scrutiny committee and the first meeting of the committee, in March 2006, decided that a review of the mechanics for providing affordable homes should take place following the publication of this report. However, there is no performance calendar to schedule when performance on housing will be specifically looked at by the Executive or scrutiny committees.
- 194** Performance monitoring and management by senior managers is mixed. Performance is regularly discussed and reviewed, but the weakness of action plans makes the monitoring of progress difficult in some areas. For example, there is no overall spreadsheet showing the various targets, and performance, for the provision of affordable homes, prevention of homelessness and making best use of the existing stock.
- 195** There has been a clear commitment from councillors and senior managers to increasing the provision of affordable homes in line with the Council's stated priority. The Development Control Committee takes a robust approach to applying the 40 per cent affordable housing target. This approach has enabled the Council to maintain its stance in terms of negotiations with developers.
- 196** The relationship between the housing and planning services has improved and there has been strong partnership working with RSLs, private landlords and other local authorities in the County. However, there is a view from the Council and some partners that the LSP is not yet adding value to the affordable housing work in the district, although the housing sub-group is reasonably effective.
- 197** Staff at an operational level have been well managed and are generally clear about what they are trying to achieve. There is good communication of information from managers to staff and regular team meetings and one-to-one supervision meetings. The Council has an annual 'personal development appraisal' system for staff as part of its performance management arrangements. These appraisals are comprehensive, take place on schedule, and include work and development objectives and agreed targets. They also identify training needs. However, we found that progress against targets is not always recorded.
- 198** The Council has demonstrated that it is open to learning from elsewhere. It has looked to other councils for examples of good practice and there are examples of this being used to improve services. Changes to service delivery have also been made as a result of customer feedback, stakeholder feedback and external audit. For example, changes were made to the conditions for empty property grants following feedback from private landlords during the empty homes week. The Council has also shown a willingness to learn from others in improving its governance arrangements. It has recently worked with the IDeA<sup>26</sup> to look at what matters should appropriately be reported to scrutiny and to the Executive. The IDeA will also be working with the Council to improve its community leadership role.

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<sup>26</sup>

The Improvement and Development Agency.

## Does the service have the capacity to improve?

- 199** Strengths in the service's capacity to improve outweigh weaknesses. The Council has made the provision of affordable housing a clear priority and has taken a number of steps to ensure that it has the capacity to meet its aims. It has attracted resources to enable the delivery of affordable housing and has a skilled and generally well resourced staff team. However, in some areas resources have not been directed at priorities and the level of future resources to fund affordable housing is unclear. This brings a degree of uncertainty to the Council's capacity to deliver further improvement.
- 200** The Council has made considerable capital resources available to support the provision of affordable homes in recent years - £750,000 in 2004/05, £550,000 in 2005/06 and £750,000 in 2006/07. In addition, there has been capital investment in private sector grants of £760,000 in 2004/05 and 2005/06, and £700,000 in 2006/07. This level of investment has partly been made possible through tax advantages flowing from the stock transfer receipt - which has contributed £360,000 a year.
- 201** The adoption of the Local Plan has released substantial parcels of land for housing development in future years, against which the 40 per cent target for affordable homes will be applied. However, there are not clear future plans for capital investment in affordable housing. A decision has been taken over the last three years to use the net available stock transfer receipt (£9 million) primarily to keep council tax rises low. The Council's Medium Term Financial Plan 2006/11 states that new capital projects for future years will be considered as part of a plan to release the stock transfer receipt - and this is more likely following an improved financial settlement from central Government announced in December 2005. The Medium Term Financial Plan is not, however, explicit about the likely amount to be directed to the affordable housing priority or to other priorities.
- 202** There is potential for future investment in affordable housing from the English Partnerships coalfields programme, due to the area's mining heritage. Funding for regeneration centred on Cinderford is available through the programme, and part of this would be for housing improvement. A regeneration officer has recently been appointed and a business plan will be drawn up by consultants within six months. A conference has been held in Cinderford and a multi-agency board has been set up. The amount of funding that will be received is not yet known, but there could potentially be several million pounds available in 2007.
- 203** The Council has invested an additional £100,000 in the provision of disabled facilities grants in 2006/07 in response to unmet need in previous years. However, the budget for housing renovation grants has been reduced by £160,000 and is forecast to stay at this level over the next three years<sup>27</sup> - this has reduced the capacity of the Council to meet its targets for improving private sector housing and increasing the energy efficiency of the housing stock.

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<sup>27</sup> Medium Term Financial Plan 2006/11.

- 204** The Council has maximised the income derived from Council Tax payments on second homes by reducing the discount offered to the minimum of 10 per cent - generating savings of around £60,000 a year since 2003/04. This has not to date been re-invested in housing, although it has agreed that in 2006/07 half of this sum will be reserved for affordable housing. This is likely to be used for a specific scheme linked to empty homes in a village.
- 205** The ability to manage services will be improved through investment in new ICT software for performance management in 2006. The system being installed has proved to be successful elsewhere. It will provide a data collecting system and will show trends in performance more clearly, making it easier for information to be collected and reported to managers and councillors.
- 206** The Council has relatively strong capacity to carry out housing strategy and enabling work. This has been strengthened through the appointment of a strategy and enabling officer and a research officer during the last year. However, capacity within the planning service has been reduced by the high level of staff turnover and time taken to fill posts, which has limited the service's ability to provide support to developers. The Council has, however, taken some steps to address these difficulties. Planning delivery grant totalling £437,000 over the last three has been used to increase staff resources in planning. Also, the capacity to negotiate section 106 agreements has been enhanced by employing a specialist consultant to carry out negotiations on some complex new developments. The consultant's expertise has been shared with Council officers and this should benefit future negotiations.
- 207** Staff have appropriate skills and have received a range of relevant training. Training needs identified through the appraisal process are acted upon and requests for training are encouraged. Compulsory 'customer first' training for all staff has increased awareness of diversity issues and customer care. Specialist training is also used appropriately. For example, all staff have been trained in the Council's responsibilities under the 1998 Crime and Disorder Act. The Council is also investing in training and development to help councillors give stronger strategic leadership within the Council and to the local community.
- 208** Communication and information sharing between staff and managers is generally strong. Staff improvement champions are contributing to improved internal communication, through the new staff newsletter.
- 209** The Council's capacity to deliver improvements has been increased by the partnership approach taken in a number of areas - as discussed earlier in this report. In particular, there are effective partnerships with RSLs and other local authorities in the county, with the rural housing partnership and partnership work on energy efficiency.

## Summary

- 210 Although there are a number of pointers to further improvement, there are also some `barriers. We have therefore judged that there are uncertain prospects for improvement.
- 211 The Council has a good track record of improvement over the past three years, albeit from a low base. The weaknesses in the provision of affordable housing identified by the Comprehensive Performance Assessment have largely been addressed; in particular, the Council now has a robust Local Plan and an agreed housing strategy in place.
- 212 The Council has made the provision of affordable housing a clear priority. However, the key strategies are undermined by weak action plans - with many unclear or unchallenging targets. Plans do not contain actions that will lead to significant improvement across the service.
- 213 There are not clear performance management arrangements. The weaknesses of plans and targets do not enable councillors and managers to identify where problems lie and the corrective action needed. There are also unclear lines of responsibility to councillors. This has resulted in a lack of clear leadership at councillor level.
- 214 It is also not clear that resources are being targeted at priorities. There is no clear rationale for the reduction in renovation grants and future capital investment plans are unclear. There is also not yet a robust approach to improving the value for money that is being achieved.

## Appendix 1 – Performance indicators

Best value performance indicator (BVPI)	Forest of Dean performance for 2004/05	Comparisons with other councils		
		Best 25 per cent	Median	Worst 25 per cent
62 - Percentage of unfit private sector homes made fit or demolished through LA action	3.0%	4.7%	2.9%	1.6%
203 - Percentage change in number of families placed in temporary accommodation compared to the previous year	-14%	-6%	9%	28%
183a - Average number of weeks spent in bed and breakfast accommodation	4 weeks	1 week	3 weeks	5 weeks
183b - Average number of weeks spent in hostel accommodation	0 weeks	0 weeks	7 weeks	17 weeks
2b - Progress for the promotion of race equality	Third quartile			
106 - Percentage of new homes built on previously developed land	87%	94%	80%	58%

## Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit we reviewed various documents that were provided for us. These included:
  - Corporate Plan 2005/08
  - Housing Strategy 2005/08
  - Community Plan 2004/09
  - Local Plan 1991/2011
  - Private Sector Housing Renewal Policy 2003 and 2006
  - Homelessness Strategy 2003/08
  - Housing Needs Survey 2004
  - Private Sector Stock Condition Survey 2004
  - Empty Homes strategy 2004/08
  - (Draft) Temporary Accommodation Strategy 2006
  - Housing Supplementary Planning Guidance
  - Medium Term Financial Plan 2006/11

## Appendix 3 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
  - individual interviews with councillors, officers, staff and stakeholders;
  - focus group of councillors from the Housing Member Support Group;
  - focus group of partner private landlords, RSLs and developers;
  - focus group of frontline staff; and
  - file reviews, including complaints and staff appraisals.