

Housing Inspection

Chester-Le-Street 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 and national services for the public.

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

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

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

Scoring the service

- 1 We have assessed Chester-Le-Street District Council as providing a 'fair', one-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Scoring chart¹

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

Source: Audit Commission

- 2 The service is fair because it has some positive features.
 - Specific estates have been improved using regeneration initiatives to address unpopular housing and increase the supply of affordable housing.
 - The council has taken positive steps to broaden the range of customers involved in consultation on service delivery.
 - Anti-social behaviour (ASB) is addressed through effective multi-agency working arrangements.
 - The homelessness service is well publicised, investigations are thorough and staff are customer focused.
 - The majority of housing related strategies and associated actions are based on accurate data.
 - Gas servicing arrangements are efficient.

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- 3 However, there are a number of weaknesses with the service.
- The council is unable to tailor services to individual customers due to a lack of a comprehensive profile of its tenants.
 - Services are not routinely monitored to confirm how they are being used in order to identify barriers to access as well as satisfaction levels.
 - The responsive repairs service has a number of weaknesses such as a high percentage of variations, a backlog in planned repairs and an inconsistent level of performance.
 - The income management service compares with average performance organisations in terms of rent collected, is weak on enforcement procedures and new tenants are not charged for the first week of their tenancy.
 - Service standards are missing in some areas and the council does not actively publicise the adaptations and the private sector housing services or that staff are available outside normal office hours.
 - Over 53 per cent of homes fall below the decent homes standard.
 - The action plans for the housing and homelessness strategies are not regularly reviewed with stakeholders and have not been updated.
- 4 Despite the fact that much progress has been made since the last inspection, which we feel will continue; at the time of this inspection the Council faced a number of significant challenges such as the following.
- The housing service has still to develop a track record of sustained improvement and an appropriate rate of progress.
 - Some services are not meeting their published targets consistently and have yet to demonstrate continuous improvement.
 - There are weaknesses associated with performance management, monitoring reports are detailed but are of an inconsistent format, there is a lack of monitoring of some services and individual targets are absent.
 - Key strategic housing related partnerships are not fully effective.
 - The council cannot confirm how all homes will be improved to the decent homes standard and is reliant on stock transfer or other options to raise the necessary finance.
 - There are capacity issues which impact on the ability to deliver services.
 - IT systems have weaknesses and some systems have to be manually updated as they are not integrated.

Therefore the service is considered to have 'uncertain' prospects for improvement.

- 5 However, we identified the following strengths.
- The council has developed a successful approach to regenerating neighbourhoods.

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- Leadership within the department has improved, new staff are having an impact and staff are supported and empowered.
- The aims for the service are clearly articulated and link to corporate and national objectives.
- Partnership working is enhancing capacity and the delivery of services.
- The council is using inward investment successfully to improve the supply of affordable housing.

Recommendations

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

Recommendation

R1 Strengthen the focus on users and tenants by:

- *publicise the availability of the private sector housing and adaptations services, together with appropriate service standards after consulting service users;*
- *developing a comprehensive profile of the customer base; and*
- *provide services at times to reflect feedback from customers.*

The expected benefits of this recommendation are:

- clear service standards to enable customers to judge the quality of the service delivered;
- delivery of suitably tailored services for all including vulnerable groups; and
- improved access to services.

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

This should be implemented within 12 months.

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

Recommendation

R2 Strengthen performance management arrangements by:

- *agreeing appropriate action to develop a positive trend in performance indicators for the responsive repairs and income management services;*
- *monitoring the take up of services and satisfaction levels for diverse groups;*
- *developing individual targets for all staff;*
- *improving the clarity and presentation of performance reports; and*
- *establishing the most appropriate and effective means to involve stakeholders in the monitoring and development of action plans for strategic documents.*

The expected benefits of this recommendation are:

- improved quality of service for users;
- the ability to determine if services are being delivered appropriately and as published; and
- regular monitoring and updating of action plans with stakeholder involvement.

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

This should be implemented within nine months.

Recommendation

R3 Address capacity issues by:

- *prioritising improvements to IT systems address the weaknesses identified in the report; and*
- *addressing the capacity issues within the homelessness and strategic housing functions.*

The expected benefits of this recommendation are:

- IT systems which support operational activities and readily provide accurate strategic information; and
- more responsive services and the development of the strategic function.

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

This should be implemented within 12 months.

Recommendation

R4 Integrate value for money into working practices by:

- *reviewing the arrangements for new tenants to ensure they are charged from the first week of their tenancy; and*
- *encouraging all staff to identify and contribute to identifying potential efficiency gains.*

The expected benefits of this recommendation are:

- increased income and appropriate charging for accommodation; and
- increased knowledge of and benefits from efficiency gains.

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

This should be implemented within nine months.

We would like to thank the staff of Chester-Le-Street District Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 8-12 May 2006

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Report

Context

- 7 Chester-le-Street District Council is the smallest district within County Durham. It covers only 66 square kilometres with a mix of urban and rural areas. The main towns are Chester-le-street, Great Lumley, Sacriston, Pelton, Pelton Fell, West Pelton, Grange Villa, Bournmoor and Ouston.
- 8 The population is 53,414 of which one per cent is from minority ethnic communities. The population of the District is estimated to increase by 13.5 per cent to 2011 and by 16.7 per cent to 2021.
- 9 The Council is controlled by the Labour party, with 29 elected Members. There are also, 1 Conservative and 4 Independent members.
- 10 The service is delivered primarily through the civic centre in Chester le Street, although the Bullion depot is also open to visitors.
- 11 The Council employs 550 staff across all services, and 130 staff are employed within the housing service. It has 4,390 homes which represents 23 per cent of the stock in the district. Of the 4,352 tenants, a significant proportion (41 per cent) is over 65 years of age.
- 12 Twenty-one per cent of the population suffer from a limiting long term illness. Life expectancy for males and females is 76 years and 79.8 years respectively. This is well above the average for the North East but below national averages.
- 13 The housing inspection covered strategy and enabling, private sector housing, homelessness and housing management. The service is estimated to cost £6,013 million for 2006/07.
- 14 The housing service was subject to a best value review during 2000, which covered landlord functions, private sector housing and the overarching strategies that the council had for improving services in those areas. We inspected the service after the review was completed in February 2001, and assessed it as 'poor' and 'unlikely to improve'.
- 15 A second inspection was carried out in May 2002, when the service was found to be 'poor' with 'uncertain' prospects for improvement. This resulted in a referral to the Secretary of State and the establishment of a monitoring board chaired by the Office of the Deputy Prime Minister which reviewed progress against a recovery plan.
- 16 The council has agreed to invite tenants to vote on a stock transfer proposal. The actual ballot is likely to take place towards the end of this year.

How good is the service?

What has the service aimed to achieve?

- 17 The Community Strategy and the corporate plan seek to deliver a ten-year vision for the District summarised as:
 - by 2014 the District of Chester-le-Street will be a place where people choose to live, to learn, to work, and to visit. There will be inclusive, safe and healthy communities in our towns and villages built on a strong sustainable economic base with excellent communication networks. The district of Chester-le-Street will be a place where everyone is working together for a sustainable future.
- 18 The District Partnership has agreed the following principles that will underpin the way it works and the way the Community Strategy will be implemented:
 - partnership working to achieve joined-up solutions;
 - involving communities;
 - social inclusion, equality and diversity;
 - environmental sustainability;
 - modernising public services and
 - ensuring effective links with other local, regional and national strategies and plans.
- 19 The 2005 Housing Strategy identifies the following strategic objectives. Individual actions delivered by the Service over the next three years will be to support these high level objectives:
 - provide quality and choice for all;
 - ensure that vulnerable households are protected;
 - ensure the provision of sufficient affordable housing in the right locations to meet emerging needs;
 - former mining villages with low demand problems are addressed;
 - services are accessible to all; and
 - move towards service delivery excellence.

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

Access and customer care

- 20 In our previous inspection we found that service standards were not widely publicised and although there was a good range of leaflets, they were not consistently straplined to highlight the availability of other formats. Complaints were not monitored or closed effectively. However, offices were conveniently located and were accessible to wheelchair users.
- 21 In this inspection we found more weaknesses than strengths. The lack of data on service usage and regular satisfaction surveys means the council cannot confirm who is using services, whether there are any barriers and how satisfied they are. Services are predominantly delivered during traditional office hours and service standards have only recently been circulated, but not for all services. However, as an organisation, it is apparent that customer care is a corporate priority, a new Tenant handbook has been recently developed and newsletters are informative.
- 22 Elected members do not receive strategic information confirming how services are being accessed. Reports focus on performance and have considered the general details provided through the tenant wide survey. As there is no monitoring being undertaken across all services with the exception of ethnicity, the council does not have a view on whether there are any barriers for some sections of the community.
- 23 Service standards have recently been circulated but not for all areas. Most have been developed with stakeholders and utilise a question and answer format which is helpful. Some include performance measures such as completing 98 per cent of emergency repairs within the target timescale which is not easy to assess from a customer perspective. The lack of specific standards for some services such as disabled adaptations and anti-social behaviour identifies an inconsistent approach to their development. Some customers are not in a position to make informed judgements when completing satisfaction surveys as well as being clear on what the process involves.
- 24 There has been a lack of reporting on compliance with service standards although this is planned to be addressed. The format of reports on reporting on service standards and general performance has been agreed and is due to be presented to the next Overview and Scrutiny Committee. Given the fact that service standards are a relatively new initiative, this is the first report of its kind to inform managers and elected members how the organisation is meeting its targets on customer care. The lack of historical data will also present problems initially in monitoring trends.

- 25 Customers are offered some flexibility on appointments but this is not publicised and lacking in some service areas. Homelessness staff will arrange appointments outside normal office hours are offered when a person is unable to visit the office between 8.30am and 5pm. However, this is not outlined in any service standards or publications limiting awareness of this option. Similarly there is a lack of information on how to report a complaint of anti-social behaviour (ASB) outside normal office hours. Other services such as debt recovery have not considered such as arrangement. We were told that 78 per cent of customers indicated they were happy with traditional office hours and therefore 22 per cent are not.
- 26 The web site is easy to use, provides detailed information for customers but as yet is not fully interactive and does have some gaps. The site is attractive, easy to navigate and covers all service areas. The section on reporting a repair is particularly detailed, but there is a lack of information on grants available to home owners despite being signposted to such information. However, plans are in place to make more services available on line, making it easier to access services.
- 27 Call centre performance is not scrutinised as data cannot be produced. Staff have a target to respond to calls within two rings. Officers and customers are of the opinion that there are times when calls are not answered efficiently or staff do not return calls particularly regarding the batched repairs. Managers are unable to identify and address performance that is below the required standard as the current telephony system is dated. The council intends to install a new system in September or October this year, but until then is unable to confirm the quality of the service.
- 28 Overall satisfaction levels are falling. The last survey of all tenants revealed low levels of satisfaction. Seventy-one per cent of all tenants indicated they were satisfied with the service provided by the council compared with 78 per cent in 2003. This represents lower quartile performance. It is possible that aspirations are higher following discussions and publicity regarding stock transfer, but there is no evidence to fully support this view.
- 29 The organisation is developing a focus on the customer. All of the corporate priorities are customer centred and are aimed at achieving customer excellence in the longer term. Repairs operatives have had training on customer care and diversity, the latter encouraging staff to identify some customers who would benefit from an adaptation. In addition where appropriate, job tickets identify if a person has any specific needs which is a useful way of sharing the information before arranging to complete the repairs.
- 30 Offices are conveniently located and accessible to wheelchair users. A number of improvements have also been made since the last inspection such as the fitting of induction loops in all interview rooms and better signage. The two offices are conveniently located with adequate parking for disabled drivers and accessible interview rooms.

- 31 The new Tenant handbook offers a range of useful information to customers. This has also been circulated recently, to improve the information available to tenants. It is available in other formats including Braille on request. The repairs handbook in particular is an improvement as it offers simple diagrams of various components of a house making it easier to report a repair. The format of the handbook also makes it easy to update literature when required.
- 32 The council provides a freephone number for tenants using the call centre which according to surveys, is the most common way used to contact the organisation. Given the low income levels in the area, this is one way to ensure tenants are not using their disposable income when requesting services.
- 33 Customers receive regular updates on issues relating to their homes. Quarterly newsletters are informative and interesting covering policies and some aspects of performance. Their frequency is planned to increase in forthcoming months to ensure tenants are updated on the stock transfer proposals.
- 34 Comprehensive information is available to both staff and the public about the complaints procedure. The service uses the corporate comments compliments and complaints policy, with supporting documents available for staff. Timescales for response times provide are clear although there is no provision for compensation stated.

Diversity

- 35 In our previous report we found that there had been no comprehensive diversity training for all staff and that the service failed to meet the basic requirements of the CRE code. Translation facilities were not available and the council showed a lack of urgency to actively tackle equalities issues.
- 36 In this inspection we found that considerable progress has been made and there is a balance between strengths and weaknesses in this area. The equalities action plan has been used as the basis for driving improvements, links with hard-to-reach groups have been developed and publicity material is available in a range of formats. However, the absence of a robust profile of individual tenants is a weakness, satisfaction levels for diverse groups are not being monitored and information regarding the needs of vulnerable tenants is not shared effectively.
- 37 The council has articulated its commitment to improving its track record on diversity in its corporate equality plan. It has set out its key objectives and principles and lists the intended outcomes in a detailed action plan, offering direction to staff in achieving compliance with legislative requirements.
- 38 The equality and diversity working group has made some progress in addressing weaknesses in this area. As a consequence of the completion of some of the actions in the equality plan, all staff and elected members have received regular training on diversity, the translation service is now delivered through a new contractor and there is an increased awareness amongst staff of the need to understand the needs of their customers. The necessary actions required to comply with the CRE Code of Guidance have also been identified and scheduled to be completed by June 2006.

- 39 Progress is being made to improve the profile of customers, but this is insufficient to tailor individual services. Data from the last census has been used at a strategic level for example to increase the budget on adaptations and to produce audio tapes given the number of tenants who have hearing difficulties. However, at this stage there is insufficient detail available at an individual level to tailor services to particular tenants and regular contact with customers is not used as an opportunity to build on the existing data.
- 40 This is highlighted by the fact that some services are asking more detailed questions than others, but the information is not shared. When reporting a repair or presenting as homelessness, the initial contact is used, particularly in the homelessness section to gather a range of information on ethnicity, vulnerability, support needs and other individual circumstances. IT systems ensure repairs operatives are made aware of any particular circumstances before visiting a property which they find useful particularly in arranging access to a property. However, this approach is not consistently applied as systems are not integrated to ensure all staff have access to the same information.
- 41 Details of satisfaction levels are not broken down into specific groups. The regular monitoring information provided, confirms general satisfaction levels but is not broken down to identify if there are any client groups which feel less satisfied than others. Such detail could be used to investigate the causes for any variations in satisfaction ratings, for example during improvement programmes or debt recovery action.
- 42 The community services department has not achieved targets so far relating to the profile of its staff. Monitoring reports show that corporately some targets are achieved such as the percentage of staff from BME groups and the top five per cent of local authority staff who are women. This is not reflected at a departmental level. Until targets are achieved the profiles will not reflect community representation at all levels.
- 43 Modern apprentices have been recruited, but on an ad-hoc basis. Three have been employed within the last 12 months in the community services department, two of which have found permanent employment. However, there is no reference to the use of local labour or modern apprentices in the new procurement strategy and therefore no targets for the council as an organisation.
- 44 Contractors are not monitored to ensure they comply with their policies on diversity. One outcome of the diversity action plan has improved the focus on contractors and in particular their approach to diversity. All are expected to provide copies of their policies as a matter of routine before entering into an agreement with the council, but there are no systems to monitor their actions once they have been contracted.
- 45 The ASB policy does not give sufficient emphasis to racial harassment in its own right, and there are no clear timescales for responses to customers. The new policy outlines both general policy principles and procedural guidance to staff. There is no leaflet relating to racial harassment and there is no specific mention in the tenancy agreement. This fails to ensure both customers and staff are clear as to how the council responds to such incidents.

- 46 Links with hard-to-reach groups are being established using a variety of options. Staff have held regular focus groups with former homeless customers, coffee mornings have been used well in sheltered accommodation and work has taken place with gay and lesbian groups to identify any barriers in accessing services. As a consequence service managers are gaining an improved understanding of the views of a wider range of their tenants and residents and feedback implemented.
- 47 Systems are in place to respond to customers according to their needs. The council has modernised its translation services with all service user contact points now having active access to free translation services. As there is a high incidence of users who either have hearing difficulties or suffer from visual acuity problems, audio tapes are available and some officers in the service have been trained to sign (BSL).
- 48 Documents promoting the service consider diverse needs. All documents consistently signpost their availability in other languages and formats. Information is available that meets all needs in the community and staff have been trained in the use of the new translation service.
- 49 Operational linkages are more effective than strategic relationships in developing support to vulnerable customers. The council has close links to supported housing providers which has reduced the use of bed and breakfast accommodation. Other agencies reported increased contact with staff from the council particularly to prevent homelessness and reduce evictions, but the lack of stakeholder involvement in strategic partnership groups remains an area for development.
- 50 Resources have been increased to reflect the demand for adapted property. The council has doubled the funding available since 2002 to support the installation of adaptations in both its own stock and to fund disabled facilities grants in the private sector. In the last three years the council has spent £1.5 million on adaptations across all tenures to address the waiting times particularly for major works.
- 51 Positive action is being taken to improve the council's response to victims of domestic violence. The revised domestic violence indicator (BV 225) came into force in April 2005. Its purpose is to assess the overall provision and effectiveness of local authority services designed to help victims of domestic violence and prevent further domestic violence. At this stage, the council has self-assessed its position as complying with four out of the 11 indicators, predominantly through the development of appropriate protocols with other agencies. It is apparent that more strategic working and the provision of suitable accommodation in the region for women fleeing domestic violence are areas for development, which is a major challenge for the region.

Strategy and enabling

- 52 In our previous report we found that new housing needs and local authority stock condition surveys had recently been completed, but had not at that time fed through into the strategy. There had been potential loss of resources from the Approved Development Programme due to lack of commitment and initiative.
- 53 There is a balance of strengths and weaknesses in this area. The council has collected accurate data on which to base its strategic decisions and produced a suite of documents which confirm its strategic objectives for the relevant service areas. The links to planning policies are effective and have delivered an increase in the supply of affordable housing. However, monitoring arrangements for the housing strategy are lacking and the capacity of the strategic housing function has still to be formally reviewed.
- 54 New strategic documents have been produced which articulate national and local objectives and well as specific targets for action in a number of areas. The housing strategy and the HRA business plan have been described as 'fit for purpose' by the Government Office for the North East (GONE). In addition the homelessness strategy, private sector renewal strategy, and fuel poverty strategies have all been updated within the last two years, in response to new legislation and to develop visible links between the documents.
- 55 Data on housing needs and stock condition is accurate and covers both the private and public sectors. Stock condition surveys have been completed within the last 12 months and the council is working with partners on a county-wide housing market assessment, undertaking two area development frameworks within the district for Sacriston and Grange Villa. This is an effective way of assessing local need whilst considering implications at a regional level.
- 56 Low demand issues are being addressed through regeneration initiatives. The council has demolished 240 houses since 2002 as part of wider strategic regeneration activity. The subsequent sale of land has been used to generate capital receipts for investment in housing and develop multi-tenure neighbourhoods.
- 57 Planning policies have improved the supply of affordable housing. All new developments over 15 units are subject to a requirement that 30 per cent of the properties must be affordable. Planners work closely with housing staff and tailor planning approvals to reflect needs of specific areas such as homes for sale or to rent. Over 200 affordable units have been built within the last two years, which is positive.
- 58 Sub regional arrangements are well developed and improving information for strategic purposes. Officers from the housing strategy team are involved with the Durham housing and neighbourhoods group which represents seven of the districts in the area. Research has been commissioned on the needs of travellers with the intention of using the results to develop appropriate sub regional action plans. This reduces the costs of the research and assists in developing sub regional strategies.

- 59 There is limited stakeholder involvement in monitoring and updating housing strategy action plan. Although the stated intention is to update the plan on an annual basis, since the action plan was produced, it has effectively become the housing strategy team plan and is done by staff within the council. This reduces the opportunities for stakeholders to influence the content of the plan, their sense of ownership and the effectiveness of this key strategic partnership group.
- 60 Targets within the housing strategy action plan have been unrealistic given the resources available. In the last year, monitoring reports showed that just over 75 per cent of the 115 actions were completed within the timescales. The action plan for this year has been revised to reflect the available resources and to develop more achievable outcomes.

Private sector housing

- 61 In our previous report we found positive practice including the targeting of grants to specific localities which also assisted in delivering the objectives within the empty property strategy. We also found positive links to affordable energy initiatives. However the stock condition survey had been completed a number of years ago and there was no advice or assistance offered to those ineligible for grant assistance other than a list of approved contractors.
- 62 There is a balance of strengths and weaknesses in this area. From a strategic perspective, policies are based on accurate information including the recently implemented health and safety rating system and traditional approaches to improvement have been increased by new initiatives such as interest free loans. Area based initiatives have assisted in delivering regeneration targets. However, there is a lack of publicity regarding the assistance offered to residents, including those who may benefit from an adaptation and empty properties and houses in multiple occupation (HMOs) are not managed pro-actively.
- 63 The data on private sector stock condition is comprehensive and confirms no significant issues in terms of property condition. The latest survey carried out on a nine per cent sample was also used to highlight compliance with the new housing health and safety rating system. Only three per cent of properties were in serious disrepair and none were considered to be high risk properties. Although the costs associated with meeting the decency standard were not confirmed, information has enabled a successful bid for additional resources of £2.5 million to the GONE.
- 64 Stock condition information is not updated continually. Although plans are in place to undertake another survey in 2008, information is being routinely collated but not used to its full potential. The council has a geographical information system for example, which could be populated with information from regeneration initiatives. Other sources such as the HIA, planning or building control are also useful in developing a more comprehensive picture than a one off condition survey.

- 65 The private sector strategy is based on accurate intelligence and links well to housing polices. There is clear reference to the priorities in the sector which has been supported by an increased budget in the current year of 7.32 per cent to support targeted action. Linkages to the Supporting People Strategy are evident with the creation of the Home Improvement Agency, which offers advice and support to elderly residents. Both assist in delivering the objectives within the housing strategy.
- 66 Area renewal initiatives have complemented corporate objectives. The housing renewal policy contains a range of tools to be used in relation to area specific projects for example area renewal assistance and relocation grants. Both have assisted in delivering objectives within regeneration areas where the council has targeted action across tenures following option appraisals.
- 67 The council has addressed the requirements of the Regulatory Reform Order (RRO). The assistance available includes disabled facilities grants, discretionary repairs assistance, financial assistance related to crime prevention, affordable warmth assistance and the use of no interest repayable loans redeemable by a charge on the property. The assistance is prioritised based on eligibility criteria and means testing. This helps to tailor assistance to those in the worst housing conditions and facing financial hardship.
- 68 Progress has been made to develop an accredited landlord's scheme, but some incentives have not been fully explored. Over one hundred landlords have been encouraged to sign up to the accreditation scheme which is positive. Landlords are able to accompany their tenants to HB appointments, but incentives such as a direct link to the housing benefit section or the fast tracking of applications have not been developed so far, which could assist in sustaining the initiative.
- 69 Grants for disabled clients are prioritised by Occupational Therapists (OTs). Applications are approved with reference to a priority system determined by the OT assessing the needs of the customer. Where urgent, works can be fast tracked ensuring those in the most need receive adaptations without any undue delays. At the time of the inspection, there was no waiting list for disabled facilities grants.
- 70 The council fails to promote the availability of assistance to carry out repairs or install adaptations in the private sector. Although there has been some information on affordable warmth grants, there is a reliance on partner agencies such as the county council, to signpost customers to the council for disabled facilities grants. We understand this is done to minimise the demand on the service. This is not an appropriate approach, will not identify the full demand for services and does not provide customers with adequate information about available assistance.
- 71 The monitoring arrangements for private sector activity are inadequate. There is no routine reporting of waiting list numbers by priority or by stage and service standards are inadequate. Routine financial updates of spend and commitments against budget are undertaken but the lack of monitoring of other key data fails to identify where blockages exist, where improvements need to be made or to prioritise improvements for customers.

- 72 Other weaknesses relate to the lack of targeted action on empty properties and houses in multiple occupation (HMOs). There are only 41 empty properties in the area and although the numbers are routinely monitored, there are no attempts to bring them back into use. Similarly, the 13 HMOs in the district have not been visited, despite the fact they are often occupied by the most vulnerable of households and pose the greatest risk of death by fire than any other property type.

Stock investment and asset management

- 73 In our previous report we found that a decent homes survey had just been completed and that some aspects of planned maintenance were competitively tendered. There was however no planned programme of capital works, leading to poor financial planning and management.
- 74 In this inspection, we found there is a balance of strengths and weaknesses. Stock condition data is accurate and reflects recent changes to legislation. The asset management database is a useful strategic tool and residents have been involved in agreeing the range of materials and the standard to which homes are improved which is high. In addition, satisfaction levels are high. However, the level of non decent homes is high and information to tenants on improvement schemes is not comprehensive.
- 75 Stock condition data has been refreshed and reflects changes in legislation. The council commissioned a stock condition survey in 2005 with 25 per cent of the entire stock being surveyed, which considered compliance with the new health and safety rating system. Programmes are now targeting properties which are in the worst condition and falling below the decency standard.
- 76 The percentage of homes falling below the decency standard is high. Fifty-three per cent of properties do not comply with the decent homes standard, failing mainly as a result of defective windows and doors. The level of available investment is insufficient to meet the government's target of compliance by 2010, which is why tenants are being asked to vote for stock transfer.
- 77 The rationale behind the capital programme has been shared with tenants. Further publicity aimed at tenants whose homes are not due to be improved within the next three years is planned within the few weeks, to clarify when they are likely to benefit from improvements.
- 78 The stock condition database is a useful strategic tool, but relies on manual updates. The software can predict spend over a 30-year period and reflects sustainability issues such as environmental conditions. The accuracy of the information on the asset management database is being continually improved, but as systems are not integrated, this is done manually which is less efficient and time consuming.

- 79** Although stock investment plans are based on a range of intelligence, these have still to be articulated in an appropriate asset management strategy. The lack of a robust strategic document is managed to some extent by the fact that information is readily available on sustainable properties and the asset management software which offers accurate data on property condition. However, plans which outline how the decency standard will be achieved over the next five years have still to be articulated and shared with customers.
- 80** Low demand is not a major issue as specific areas have been targeted to reduce the numbers of empty properties. Two former low demand estates (Sacriston and Perkinsville) have been improved through a combination of demolition coupled with new build, both for rent and for sale to create mixed tenure estates which are popular and sustainable.
- 81** Homes are easier to heat following an increase in investment. The affordable warmth strategy has encouraged a focus on improving insulation levels. The average SAP³ rating is 64.9 which is a significant increase from 49 in 2004/05 which represented bottom quartile performance. Surveys confirm that residents have felt the benefits by using less fuel to heat their homes.
- 82** The improvement specification exceeds the decent homes standard, but is not sustainable. Open days were held where tenants agreed the choice of materials after being presented with a range of options which is positive. Discussions on the standard followed where it was agreed that the specification to be adopted would exceed the minimum requirement to meet the decent homes standard. We understand residents are aware that this cannot be delivered with the existing levels of resources.
- 83** Capital improvements are clearly explained to tenants before work is carried out. Open days are held on estates followed by home visits where kitchen layouts are discussed as well as individual preferences. Information to tenants does not fully explain the impact and likely level of disturbance. The written details which are on offer do not adequately prepare them for the upheaval associated with major improvement schemes.
- 84** There is an adequate range of choice of quality products and we found that homes were improved to a high standard. Improvement programmes allow a degree of flexibility on the specification. Should a tenant wish to have additional tiling carried out or a different gas fire, the additional cost is calculated and charged to the customer once the work is completed, demonstrating a responsive approach.
- 85** Surveys confirm customers are impressed with the standard of improvement. Satisfaction levels are high for this aspect of the service with on average 93 per cent of customers satisfied with the service they received.

³ Standard assessment procedure used to assess energy ratings of properties

- 86 Information on the specific needs of customers is not available to design improvement specifications. Staff have details of properties where an adaptation is pending and surveys carried out by contractors are used as an opportunity to identify whether tenants have any particular requirements. This enables the specification to be refined, but the data is not available beforehand which would make planning more effective and less time consuming.
- 87 The council's information on asbestos is sufficient for business planning purposes. Data collected during the stock condition survey has been extrapolated to identify the likely extent of its presence. Consultants have now been engaged to carry out surveys to validate the details. In the meantime the absence of a comprehensive database means contractors are required to carry out surveys before improvement works commence.
- 88 There is an inconsistent approach to the routine maintenance of properties. Communal equipment and areas are serviced and maintained on a regular basis, but there is no painting programme or arrangements in place to service the smoke detectors which have been fitted in every home. As properties are rewired, battery powered smoke alarms are replaced with hard wired systems, but this does not address the fact that some are not functioning as intended.
- 89 To improve the delivery of the capital programme a Partnering agreements has been developed. Three contractors, including one based locally have been selected to carry out the works in the capital programme, initially over a two-year period, commencing in July 2006. These are based on Egan type principles although at this stage the potential efficiency gains and other associated benefits have not been quantified.
- 90 Historically the capital budget has been under spent. The new partnering approach will adopt a rolling programme enabling schemes to start earlier in the financial year making use of the summer months and improving the likelihood of budgets being spent on time.

Responsive repairs

- 91 In our last inspection report we found that whilst a new repairs reporting system had been introduced there was no evidence of improvements for service users. Poor financial management had led twice to the suspension of the reactive repairs service. The percentage of emergency repairs was above the recommended level and performance on non urgent repairs was poor. Procurement was not cost effective, with no competitive comparisons. Positively, there were some restructured contract arrangements and a repairs receipt system had been implemented.
- 92 There are more weaknesses than strengths in this area. Although performance has improved of late, it is still insufficient to confirm that the service has addressed a number of weaknesses and that improvement will continue. There are significant levels of variations and insufficient post inspections. The percentage of jobs completed on time is not meeting targets and satisfaction levels are average. Certain aspects of the service cannot be monitored.

However, re-structuring has produced a leaner service which for the first time this year did not make a loss and operatives are multi-skilled and more customer focused.

- 93 Appointments are offered for most repairs but are limited to working hours. Tenants reporting repairs are offered either a morning or afternoon appointment which is helpful but limits the flexibility for tenants who work during the day. Although surveys reveal that 78 per cent of tenants are satisfied with traditional hours of working, this suggests 22 per cent would prefer more flexibility which would be reflected in an organisation which aspires to be excellent.
- 94 The performance of the service has fluctuated. In the first quarter for example 99.13 per cent of urgent repairs were completed on time, which reduced to 85 per cent six months later, improving to 95 per cent at the end of the year. There has been an increase in the percentage of appointments made and kept which has improved steadily over the last two years to 91 per cent. However, as management information on the number of jobs completed during the first visit is unavailable it is difficult to assess true performance, if customers are receiving an inconsistent level of service and the impact of multi skilling.
- 95 Analysis of performance reveals some positive aspects but significant room for improvement. At 22 per cent, the percentage of emergency and urgent repairs is within the recommended level of 30 per cent. However, on average only 95 per cent of repairs are completed within the published timescales and a high percentage are carried out through the out-of-hours service which is poor practice as they are more expensive to carry out.
- 96 Satisfaction levels are average. Survey results are reported quarterly and are broken down into a number of areas such as quality of workmanship and appointments carried out on time. The one for the overall service shows satisfaction has increased steadily, but only 83 per cent of customers are satisfied.
- 97 The level of variation orders is high. In the last two years, over 67 per cent of all jobs involved a variation order. This is primarily due to a weakness in the ordering process where job tickets account for the cost of labour but not materials. This is poor management and impacts significantly on the ability to manage budgets efficiently.
- 98 Historically the budget for responsive repairs has always been overspent, but this improved within the last year. In the last four years, overspends have varied from two per cent in 2004 to 17 per cent in 2002. However, following closer controls and adjustments to reflect the increased void standard, the final outturn this year was minus 1.84 per cent, which is a significant improvement.
- 99 The ineffective management of planned repairs has created a considerable backlog of outstanding jobs. Non urgent repairs which were originally categorised to be completed within six months have been delayed to such an extent that over 700 jobs are outstanding. Letters are now planned to reduce the impact of this issue, but the lack of communication with customers has led to regular complaints and uncertainty as to when jobs are to be completed.

- 100 Performance against targets for pre and post inspections varies considerably. At less than one per cent, the percentage of post inspections is well below the recommended levels of at least 10 per cent. Pre inspections levels are appropriate at 7.42 per cent. This confirms the quality of completed work is not being routinely and adequately checked.
- 101 The repairs handbook has clear instructions on to how to report a repair and contains useful diagrams for tenants. Although the handbook was only circulated within the last month, staff reported that they were finding it easier to communicate with tenants when discussing repairs and there was less confusion regarding the item which needed to be replaced.
- 102 Options to increase the flexibility of the workforce have still to be developed. The Council does not have the revenue resources to be able to offer alternatives such as a handyperson service or estate caretakers are not available to increase the responsiveness of the service.
- 103 Internal communication regarding planned programmes is well managed. All staff involved in the repairs service have details of completed improvements including items which are still under guarantee and those which are planned. This reduces the likelihood of carrying out repairs which should be funded separately.

Empty (void) property repairs

- 104 In our last inspection we found that although a new lettable standard had been agreed this was not complied with in all cases. There was a deteriorating performance in turn round times. The number of empty properties available for letting had reduced, however this was masked by the reclassification of some void properties.
- 105 In this inspection we found a balance between strengths and weaknesses in this area. The council has made significant progress to reduce the unpopular homes in the district and offers homes to new tenants which meet the lettable standard. Satisfaction levels are high for most aspects of the service. However, void turnaround targets are not being met and have been increased without any analysis of the process.
- 106 There has been significant progress in reducing the number of empty properties. Within the last eighteen months the number of voids has fallen from 185 to 42 at the time of the inspection, after regeneration and demolition schemes. This has reduced the number of unpopular properties and enabled new homes to be built in some areas.
- 107 Standards for void properties have been agreed with customers. Tenants were consulted on the amount of work to be carried out on homes before they are repaired in order to meet the decent homes standard. Those we visited during the inspection were well presented and met the published standard.
- 108 Tenants are offered a choice of materials where possible before moving into a new home. Details of works to be carried out are discussed and when a property has been allocated to a prospective tenant and a kitchen is to be renewed, the range of options available are discussed which is customer focused.

- 109** Performance on void repairs falls outside the agreed targets. Within the last 12 months the performance has been well below the targets with 77 per cent of seven day voids being repaired within the timescale and 73 per cent of 28 day voids on target. This impacts on the amount of lost income and delays the transfer of vulnerable customers for example from supported housing to permanent accommodation.
- 110** The new target for turnaround time has been increased before analysing the process. The previous target has been increased to 33 days from 25, which apparently includes all calendar days. Process mapping of the service is due to commence which should highlight some inefficient working practices, such as the fact that tenancy start dates do not officially start for over a week once a tenant has signed. Technical officers and Housing Officers jointly inspect at the tenancy termination stage highlighting duplication between officers and suggesting the revised target was hasty.
- 111** Satisfaction levels are increasing for most aspects of the service. Overall 92 per cent of customers stated they are satisfied or very satisfied with the service, an increase of 12 per cent on the previous year. However, 20 per cent were dissatisfied with the property condition an increase of 14 per cent, which is a cause for concern, the reasons for which have not been fully explored.

Gas servicing

- 112** This is a well managed aspect of the service. 99.2 per cent of properties have been serviced within the last 12 months, new procedures have been agreed and monitoring arrangements are efficient. Satisfaction levels are high and systems are used to improve the likelihood of arranging access to properties. However, the availability of Saturday morning appointments is not publicised.
- 113** The new gas servicing contract provides value for money and has improved servicing rates significantly. Although the rates are very competitive a quality element was considered before letting the contract, relating to the work to be carried out and the post inspection requirements. Annual servicing costs per property average around £30 per property which is very competitive compared to rates highlighted in recent inspections. Since October 2005 the number of outstanding services has dropped from over 400 to 29. This is equivalent to 99.2 per cent of properties services annually.
- 114** New procedures have been developed offering the opportunity to address previous failings. The programme is based on a 42-week cycle which enables contact to be made with the customers before the existing certificate expires. There is a clear process to follow should access be unavailable and regular reports to senior managers confirm progress, in particular on those where legal action is being pursued.
- 115** Monitoring arrangements are in place to confirm the progress and the quality of work completed. Monthly meetings are held with the contractor to confirm the number of certificates issued and where cases are to be referred for legal action. Post inspections are carried out by both the contractor and the gas servicing manager to identify any poor performance.

- 116 The standard of performance revealed in post inspections is confirmed by satisfaction surveys. The latest quarterly report show high levels of satisfaction of 91 per cent.
- 117 Systems support efforts to gain access to properties. When certificates are outstanding they are flagged on the repairs system, so that should a tenant report a repair on a house, it is used as an opportunity to arrange access to service gas appliances.
- 118 Some certificates have been outstanding for over two years. Despite the fact that 99.2 per cent of appliances have now been serviced within 12 months, of the 29 outstanding, four have not been visited since 2004. Court dates have been arranged for three of the cases, with access to the remaining one still to be confirmed.
- 119 Publicity and communication regarding the gas servicing programme is adequate and further improvements are being considered. A number of documents make reference to the importance of the need to arrange access including the Tenants Handbook, the pre-tenancy check list and the tenancy agreement. Newsletters have not been used so far to increase awareness and the fact that Saturday mornings are an option for appointments is not mentioned.
- 120 There are slight delays in updating information on recently serviced properties. Gas servicing engineers have access to hand held technology which enables real time updating of the contractors database. Individual property details have then to be manually updated which is less efficient and time consuming.

Aids and adaptations

- 121 There are more weaknesses than strengths in this area. Despite the fact that customers are dealt with quickly, demand is managed to some extent by not publicising the service. There are also a number of weaknesses such as a lack of monitoring and absence of protocols with Occupational Therapists (OTs). However, the budget has been increased to reduce waiting times.
- 122 The council does not publicise the service, relying on information leaflets produced by the County Council. The fact that waiting times are very short is due to some extent to the fact that the service is not given a high profile by the council. This is likely impact on demand and tenants are reliant on word of mouth to establish what they are entitled to.
- 123 There are a number of weaknesses associated with the adaptations service. There are no performance targets, no protocol with the social services OTs and no details of the satisfaction ratings. In addition there is very little reporting of performance in this area. This means the only way of assessing performance is by reference to the trends on waiting times.

- 124 The adaptations procedure offers guidance to all parties but could result in priority being given to customers in less need than others. After waiting for six months an application automatically becomes a priority one even if the applicant's personal circumstances have not changed. We acknowledge this does not happen in the absence of a waiting list, but it is not the most effective way of prioritising the needs of a customer.
- 125 Adapted properties are offered to disabled customers seeking a new home, but the lack of a database is a weakness. There is a reliance on staff identifying properties which have been adapted and sharing the information with allocation officers. A comprehensive database would enable staff to access to strategic information and it would complement the asset management strategy.
- 126 There is a lack of communication internally regarding the installation of adaptations. Staff within the department are unaware of the arrangements colleagues dealing with private sector adaptations have with suppliers and are missing opportunities to jointly procure materials or use contractors to carry out the works.
- 127 The budget for the service has been increased to address the previous delays. The waiting list has been reduced to less than 30 people after the allocation for this activity was increased to £310,000 from £180,000 the previous year. Works are now carried out within a short period of approximately three months. In addition, as minor adaptations are now fast tracked, the requirement to involve an OT for all service requests has been removed.
- 128 The prioritisation system has been simplified and there is very little delay in assessing customers for an adaptation. Due to the fact that additional financial and staffing resources have been made available, waiting times are on average six weeks for an assessment.
- 129 Adaptations are fitted quickly and monitored to completion once referrals are received. Those in the priority one category are installed within three months with priority two works being completed within three to four months, minimising delays for the customers and improving their quality of life.
- 130 Suitable arrangements are in place to store and recycle equipment. Ramps and stairlifts are left in properties if required by a new tenant and removed and stored if necessary, reducing expenditure on new equipment.

Homelessness

- 131 In our previous inspection we found that the service failed to comply with both legal and best practice requirements. Little preventive work and housing advice were evidenced, the service was not publicised, there were no specialist staff and there was a lack of partnership working. There was an almost exclusive use of bed and breakfast accommodation, with no available facilities in the borough for several priority groups.

- 132 There are more strengths than weaknesses. The council has responded well to address weaknesses in this area and in particular to raise the profile of the service by committing additional resources. Officers are customer focused, monitor the take-up of services and only place residents in B&B in exceptional circumstances. Casework is monitored for consistency and investigations are thorough. However, there is insufficient floating support and emergency accommodation in the district. Strategically, links are under-developed and the homelessness strategy action plan is out-of-date. There is also insufficient information on satisfaction levels to confirm that the service meet the needs of customers.
- 133 The profile of the service has been raised by publicity. Leaflets have been developed which offer advice and outline the level of service on offer. One covers the most common questions raised by homeless customers and another simply outlines the service users should expect. This enables informed judgements to be made when completing satisfaction surveys as well as customers being clear on what the process involves.
- 134 Comprehensive information is offered to residents seeking accommodation in the area. The housing information pack provides details of the private letting agencies in the area, the registered social landlords and other local councils. Similar information is also available on the web site ensuring customers are aware of the options available to them before making a decision on renting a home.
- 135 External agencies have been involved in the development of letters and a procedure manual for staff. Shelter has commented on the quality and content of standard letters and has advised on the procedures for staff which have recently been produced. This highlighted areas where advice could be improved and offered local agencies the opportunity to influence the production of customer focused literature.
- 136 Home visits are offered as a matter of routine to residents who could be homeless. Staff are customer focused and aware of the problems facing their clients in terms of mobility or if they wish to discuss matters in the privacy of their home with relatives present. This helps to overcome some of the barriers residents face in visiting staff at the main office in Chester-le-Street.
- 137 Information is routinely collected to demonstrate the take-up of services, but has still to influence service improvements. Positively, service users are asked to provide information on their location and their individual circumstances. This highlights for example that most people presenting as homeless are predominantly from the Chester le Street area. This has prompted staff to consider the need for outreach surgeries in outlying areas.

- 138** After using the service, customers are actively encouraged to share their views on the service they received. Monthly focus groups have been held with supported housing providers and users of the service. This has offered the opportunity for residents whom have experienced the process to feedback their views. These highlighted some improvements to access arrangements as well as the need to provide more information after the initial interview, both of which have been addressed.
- 139** Additional resources have been used to improve service provision. The council has agreed to increase funding for the service by £78,000 in 2006/07 to reflect the fact that it was ranked second top in the priority ranking process for future investment in the recently completed budget review. In addition a successful bid to the former Office of the Deputy Prime Minister (ODPM) has enabled the development of a supported housing scheme in the area through a partnership arrangement. Both will support the expansion of the service and in particular the supply and management of temporary accommodation.
- 140** The quality and consistency of casework is reviewed on a systematic basis. A sample of case files is reviewed on a monthly basis and where procedures have not been followed the learning point is shared with the relevant officer and if appropriate at team meetings. Our file checks confirmed that investigations are thorough and in line with the Code of Guidance.
- 141** The homelessness strategy has encouraged more focus on preventative work. An additional tenancy support worker, with a specific remit on prevention activity has been employed to reflect some of the objectives in the strategy. The latest monitoring reports show that so far this year, intervention and advice in 17 cases prevented homelessness for more than six months.
- 142** Discretionary housing payments have been used successfully to prevent homelessness. When private sector tenants are threatened with eviction due to arrears, the housing options team has in a number of instances liaised with the housing benefit section and arranged a discretionary payment to resolve the situation at least in the short term.
- 143** The council has minimised the use of bed and breakfast accommodation and is well placed to meet targets for temporary accommodation (TA). By utilising council homes as TA together with some provided by specialist supported housing providers, the use of B&B has been avoided except for the occasional emergency. This provides more appropriate arrangements for customers and has reduced expenditure on B&B by over £200,000 per year. Positively, the council is also on target to reduce the use of TA by half by 2010.
- 144** Recent tenant wide surveys confirm high levels of satisfaction. The 2005 tenants' survey sought information from council tenants who had accessed accommodation through the homelessness route. Ten per cent indicated that they had previously accessed the homelessness service. Eighty-two per cent found the homeless team helpful and 84 per cent said their case was handled sensitively.

- 145 However, routine data on satisfaction levels is not available. Surveys of customers are not carried out on a regular basis although they have started recently. Managers are unable to confirm whether customers are receiving the level of service outlined in the new service standards and whether there are any issues which need to be addressed.
- 146 The action plan for the homeless strategy has not been updated. It lists many which should have been completed by 2005. The housing options team plan has developed its own team plan which ensures service specific objectives are monitored but this cannot be considered to be a substitute for a strategic document.
- 147 Operationally, links with other agencies are developing, but the service has not developed fully effective strategic partnerships. Individual staff work well with officers from voluntary agencies, but the latter are not consistently attending the homelessness action group and have limited involvement in developing and reviewing action plans. Stakeholders accepted that time constraints do impact on their ability to attend meetings across the district, which suggests a county wide approach may be more effective.
- 148 Service level agreements are not in place for all partnerships. Some progress has been made to develop protocols such as one for the service to 16 and 17 year olds with other agencies. However, a number of relationships have still to be formalised through service level agreements. The fact that formal meetings to discuss SLA performance are only every 12 months reduces the ability to raise concerns and confirm if they provide value for money.
- 149 There is insufficient emergency and move on accommodation within the area. The council is attempting to improve the situation through bids to the Supporting People Commissioning Board as there is only one scheme within the area which offers emergency facilities for single males, which is a valuable and well used facility. However, in terms of responding to young people or women fleeing domestic violence, there is reliance on referrals to schemes outside the district. The same is true of move on accommodation although this is improving following the review of the allocations policy which gives more priority to homeless applicants.
- 150 Support is offered to customers in order to sustain tenancies, but resources are limited. Once the initial assessment has been carried out, floating support is organised when appropriate or can be accessed. There is however a greater demand than supply due to the Supporting People funding arrangements which means some have to wait longer than others. Staff offer some advice and support in an attempt to minimise the impact. The rent deposit scheme is a relatively new initiative and one tenancy has been established with an accredited landlord. Some support agencies were not aware of the launch which highlights the fact that communication is an issue which will impact on referrals.

- 151** The handling of some cases suggests there are training needs for none specialist homelessness staff. Stakeholders reported that some of their clients had been given inappropriate advice and there is an inconsistent approach taken to referral with some staff being more supportive than others. We did note that training has been delivered to staff and some elected members and more is planned, for example on domestic violence.
- 152** Analysis of performance reveals a mixed picture, which is due to some extent to a lack of capacity. There has been an increase in the number of cases presenting as homeless and the time taken to assess applications, as investigations are more thorough. This also has resulted in a decrease in the number of cases accepted as statutory homeless. Whilst the council is still well within the target to process applications in 33 working days, periods of annual leave have an impact on performance, delaying the processing of applications due to a lack of adequate cover.
- 153** This is confirmed to some extent by research to compare the cost of the service with similar organisations. The council is aware that per head the costs of the service are low, but this information has not been used strategically to review the service provision and determine if additional resources are required.

Allocations and lettings

- 154** In our previous inspection we found that a date order system with limited priority given to housing need factors was still in use and that limited take-up of RSL nomination rights was in evidence. More positively a list of RSLs with accommodation was available.
- 155** There are more weaknesses than strengths in this area. Although a new policy has been implemented based on consultation with a range of stakeholders, there are questions regarding the points awarded based on need. The council is not charging new tenants for the first week of their tenancy and risk assessments are not comprehensive. The option to implement a more modern choice based lettings scheme is being considered with regional partners. However, tenancy agreements are clear and the information on how to apply for a home is easy to understand.
- 156** The new allocations process has not been fully tested to determine the impact on letting properties. The implementation of a new needs based register in April 2006, has increased administration such as confirming medical records, liaison with other agencies to gather supporting information and visiting all accepted applicants prior to offer. Although two additional staff have been employed, limited emphasis has been placed on ensuring that the process does not negatively affect re-let times and to ensure that costs are justified.

- 157 The relative points weightings in the new policy do not prioritise those in the greatest need. For example, equal points are given to council tenants who under-occupy their homes as to those who are the victims of domestic violence, racial or sexual harassment. Although the head of service has the discretion to increase the number of points awarded, this will only happen following a request to do so. As the policy is very new, it is difficult to confirm if customers with the most pressing housing needs are dealt with appropriately.
- 158 Despite our earlier concerns regarding the new allocations policy we do acknowledge that it was developed based on consultation with a range of external stakeholders, although a choice based lettings model was not considered. Organisations such as Age Concern, Shelter and a wide range of specialist needs groups were involved. As a result the policy has been widely welcomed but it does not reflect the government's choice agenda.
- 159 New tenants are not charged for at least the first week of their tenancy. Accounts are not set up until at least seven days after the customer has signed for the property. Effectively this means the housing revenue account is subsidising new tenants, the council is not maximising its income and void turnaround times may be incorrectly calculated.
- 160 Reasons for refusals are not monitored on a regular basis to inform decisions about the allocations process or repair standards. Reports do not combine details of the number of lettings made and the reasons for refusal. As a result, discrepancies occur and there is limited evidence of prompt action to deal with difficult to let property.
- 161 Staff are not aware of any guidance that will assist them to identify risks for vulnerable applicants. New procedures have been introduced with the new policy, but there has been little guidance or training for example on the need to involve specialist agencies. Support needs of applicants may not be identified which poses risks to both the individual and the community.
- 162 The guidance for applicants on how to apply for housing provides insufficient detail on nominations to Housing Associations. The information provided does not make it clear that applicants can apply for council accommodation and at the same time, express a wish to be nominated to a housing association. Given that there is a high demand for council houses coupled with a poor track of nominations, applicants may wait longer for rehousing as other options are not explored.
- 163 Negotiations have been concluded with housing associations to improve opportunities to access social housing. Until this year, the council did not nominate applicants on the waiting list or monitor whether partners were requesting them. A new procedure and nominations agreement with specific targets has been established, which should address these weaknesses and increase choice for customers.
- 164 Tenancy agreements are clear and comply with legal requirements. Two are in use, one combines secure and introductory tenancies and the second is a non-secure agreement. Both are in plain English and clearly set out the terms and conditions as well as the grounds for eviction.

- 165** Clear and useful information is provided to applicants. The new application guidance notes are well written, explain the appeals process as do leaflets that accompany it. Applicants are provided with relevant information to assist them in applying for housing. Consequently, there have been less than 20 appeals against decisions on allocations within the last 12 months with five being overturned.
- 166** There is a consistent approach to letting empty properties. Estate service officers carry out accompanied viewings and follow-up visits to all new tenants, referring to check lists to ensure the relevant information is explained to the new tenant. This process has been improved recently to ensure customers meet other staff such as income management officers in order to develop a supportive relationship once the tenancy commences.

Housing income management

- 167** In our previous inspection we found that the collection rates were deteriorating, particularly in the area of former tenant arrears. The cost of rent collection was high, no service review had been completed and the bad debt provision was unsustainable. Anti poverty and income maximisation initiatives were under developed and tenants did not receive regular rent statements. However, there had been improvements in housing benefit processing times.
- 168** There are more weaknesses than strengths in this area. Collection rates have improved within the last 12 months after deteriorating for the previous two years, there are weaknesses in the procedures resulting in a lack of concerted enforcement action, customers are not charged for the first week in their home and there has been no consideration given to more flexible working arrangements. However, the information provided to customers is much improved, staff have close links to independent debt advice agencies and the most cost effective payment options are systematically promoted.
- 169** Arrears collection compares with average performance and lacks sustained improvement. At the end of December 2005, of those who were in arrears, 2.5 per cent were in arrears of over £1000, equating to 26 per cent of the debt. The percentage of rent collected was 97.47 per cent which has steadily decreased over the last three years, although this improved within the last quarter. This suggests arrears recovery efforts are failing to prevent tenants from falling in to debt.
- 170** No incentives are offered for clear rent accounts. The focus of effort is on reducing debt with little done to encourage others to avoid arrears. We understand elected members have been briefed on similar schemes which are in the process of being considered. In the meantime, opportunities to recognise tenants who pay their rent on time and prevent debt arising are being missed.

- 171 The income team fails to closely monitor some processes that could lead to prompt remedies for those in debt. Practices such as establishing written arrangements, monitoring defaults and follow up actions are not closely measured. Monthly meetings with the team leader focus on arrears over £1,000 and do not sample those below this level. Five per cent of tenants have arrears of between £500 and £1,000, which equates to 23 per cent of the debt. A significant proportion of tenants in arrears are not encouraged to reduce their debt by strict enforcement.
- 172 The working instructions document provides little guidance to staff on informal arrears actions as opposed to enforcement action. It is silent for example on the role of written agreements and provides scant guidance for dealing with vulnerable tenants. The procedure does not encourage best practice.
- 173 There has been mixed success in campaigns aimed at reducing arrears and increasing income and access to welfare benefits advice. Two events were held in Sacriston and Nettlesworth led by the CAB which the council responded to positively. However, the council has not initiated such events and whilst they have stated an intention to do so there is not a developed plan to evidence that this will realistically be delivered. On the other hand letters advising tenants at key times, for example, at Christmas and year end, to maintain payment arrangements are now used as a reminder that maintaining payments is essential.
- 174 Customers are actively encouraged to use the most cost effective payment methods, but this has had little impact to date. Newsletters, sign ups and the annual rent increase letter are used as opportunities to encourage payments by direct debit or switch cards which are the cheapest ways to collect rent. However, 36 per cent of income is still collected through offices, which is the most expensive method. Within the last year this has reduced by two per cent, when some tenants switched to direct debit. The potential for further efficiency gains in this area have not been actively explored.
- 175 Clear information is given to tenants regarding rent setting, how to pay rent and money advice. The Tenant Handbook information is well presented and informative and new tenancy visits are used as an opportunity to clarify and to confirm the information is understood. Tenants know when their rent levels are to be reviewed how decisions are made and the options available for paying their rent before they sign for a property.
- 176 Communication regarding outstanding payments is in simple terms and predominantly customer friendly. There is a good range of standard letters which are automatically generated when tenants are in arrears. These ensure messages are comprehensible and the offer to provide support and advice is re-enforced.

- 177 There is a wide range of convenient payment options for tenants and additional ones are being considered. Customers can pay their rent a number of ways such as standing order, direct debit, swipe card, direct wage/salary deductions and through the council's web site which is helpful. Given that some post offices have closed, discussions with another swipe card have been completed to enable payments in a wider range of local shops. Feedback confirms a high level of satisfaction with payment options.
- 178 Customers receive appropriate advice and support from well trained staff on entitlement to housing benefit. All income collection staff have been verification trained and demonstrate knowledge of how to access appropriate support or advice for tenants. This has helped to reduce the number of mistakes made on completed housing benefit applications and the need for tenants to visit the Civic Centre to submit their documents.
- 179 The costs of income recovery action is kept to a minimum and actively managed. Income management staff represent the council in arrears actions and avoid additional legal costs being incurred. This avoids adding additional financial burdens to existing debt.
- 180 Access to welfare and benefits advice is effectively organised. An SLA with the local CAB outlines the range of advice to be ordered and how the performance is monitored in particular the success of the action taken. Customers are in a position to benefit from independent advice on how to address difficulties with their financial position.
- 181 The council has articulated its approach to pursuing multiple debts. The corporate debt policy provides guidance for staff in the management of actions to be taken, the ranking of each debt in terms of priority and advocates a sensitive approach to the issue. It refers specifically to rent arrears and offers clear instructions on the write off of debt, and the use of outside contractors to pursue debt.
- 182 Former tenant arrears are effectively pursued. An external debt collection agency has recently been contracted to collect this debt on a commission basis, which offers the opportunity to reduce losses against this budget heading. At the time of the inspection the benefits of this arrangement had still to be confirmed.
- 183 The arrangements for the collection and administration of water rates vary. On a positive note, the council has negotiated the commission for collection of water rates which should produce a new benefit for the housing revenue account which has to be quantified. However, as charges are not separated from the rent charges there is a distorted picture of rent arrears which is an inappropriate means of charging customers.

Tenancy and estate management

- 184 In our previous inspection we found that one specialist staff member was in post, with good links to other agencies and there had been some positive results from the use of Anti-Social Behaviour Contracts.

- 185 There are more strengths than weaknesses in this area. The council has developed close strategic and operational relationships with partners and successfully implemented initiatives to respond to area based issues. Estates are generally maintained although there are examples of a lack of enforcement action to ensure tenants comply with their tenancy conditions in terms of maintaining gardens. However, IT systems are inadequate and initiatives are not formally assessed to gauge success.
- 186 Out-of-hours information for customers is lacking. Those tenants who are linked to the careline service can obtain some advice or be signposted to appropriate agencies. However, information is not consistently available regarding what complainants should do should they experience ASB at evenings or weekends, making it difficult to access support or advice outside of normal working hours.
- 187 ASB cases are monitored manually to review progress and the impact of actions as the system used lacks important functionality. All complaints are routinely reviewed by officers and team leaders on a fortnightly basis as well as trends in anti-social behaviour (ASB) complaints. However, there is no ability to prompt escalation in actions or to flag those that are overdue. In addition, action undertaken is not recorded on the house file. As a result the system provides only limited support to officers in carrying out their roles. Monitoring is cumbersome which increases the possibility that failed or inappropriate actions are missed.
- 188 Tenants are now well informed about the progress of ASB complaints. Files are updated regularly and formally closed when no further action is needed. Communication regarding progress is maintained until the case is resolved to the satisfaction of the complainant.
- 189 A cross tenure approach is taken to ASB. The ASB officer within the Community Safety Team focuses on the private sector; mixed tenure estates and links effectively with RSL partners. Accredited landlords can request details which assist in identifying the previous history of tenants before letting a property. It is evident that the council has developed a multi-agency approach to dealing with ASB in communities which assists in delivering effective solutions to whole areas.
- 190 ASB is addressed in a variety of innovative ways. The Education Resource in the Community (ERIC) bus which has been specially adapted provides education and resources throughout the community as well as raising awareness about ASB causes and effects. The programme for the ERIC bus is determined six months in advance and publicised locally. It provides a useful contact for communities mixing, reinforcing important messages and particularly the council's commitment to dealing with ASB.
- 191 The council is also actively involving young people. The schools project is a good example of a community initiative that has been well received and from which staff gain considerable satisfaction. This has helped to provide re-assurance to and educate school children through high profile initiatives.

- 192** The council has good mechanisms for local co-ordination and learning from experience. Multi-agency meetings take place monthly; the group includes many agencies including Social Services, the Police, the Estates Services Officers, the Youth Offending Team and education/welfare officers. It provides as formal forum to discuss operational issues, share intelligence and discuss the more complex cases in specific areas, which is positive practice.
- 193** Co-ordinated action has delivered the intended outcomes. Where hot spots are identified the council and its partners have implemented initiatives such as the streetsafe scheme which reduced the levels of petty crime and other issues such as the numbers of un-taxed vehicles in an area. A good example of action planning formalised and co-ordinated the roles of different agencies in responding to a dispersal order, where diversionary tactics assisted in addressing the issues associated with young people in a particular area. This has assisted in reducing the number of complaints and improved the lettable of homes in those areas.
- 194** There are good examples of continuous improvement in the ASB service. Officers are encouraged to work on improving processes and service responses. The new draft ASB leaflet is an example where visits to beacon providers influenced the content of the publication. It also highlighted weaknesses such as the discipline of attaching timescales and milestones to actions, which have now been addressed.
- 195** Communal areas in general are well maintained, but the condition or lack of fencing is an issue on some. The majority of the estates we visited were free of litter and grass was well maintained, contributing to a pleasant environment in which to live. The council is aware however that this is not replicated on all estates, particularly those where demolition is imminent or planned. We also noted that the lack of a fencing programme was evident which affects the overall appearance of some streets in particular.
- 196** New initiatives are being developed in response to consultation. Two Neighbourhood Management pilot projects have been launched in order to improve Street Scene type services. This reinforces the multi-agency approach and strengthens the focus on addressing crime generally and to tackle incidents of harassment and anti-social behaviour.
- 197** Action to address some aspects of anti-social behaviour could be more pro-active. Stakeholders were of the view that staff respond well to complaints of ASB but they could be more active in for example enforcing tenancy conditions regarding the state of gardens and ensuring tenants with a history of ASB were visited on a regular basis. This was confirmed in our visits to estates when it was apparent that enforcement was not applied consistently.
- 198** The outcomes from initiatives are not routinely assessed. As mentioned earlier, there is a range of positive measures in place but evaluating each in terms of their benefits and lasting effect is ad-hoc. As a result learning is not systematic and schemes are not being thoroughly evaluated.

- 199 The system used to record cases of ASB and racial harassment lacks important functionality. Incidents are recorded on a shared drive with details, dates and responses recorded. However, there is no ability to prompt escalation in actions or to flag those that are overdue. In addition, action undertaken is not recorded on the house file. As a result the system provides only limited support to officers in carrying out their roles. Monitoring is cumbersome which increases the possibility that failed or inappropriate actions are missed.
- 200 The information leaflet about ASB does not refer specifically to service standards. More comprehensive information is included on the council's website. We were made aware of a working draft of an improved leaflet which includes service standards and better promotion of the council's stance.
- 201 The service has developed service level agreements with the environmental services and environmental health teams primarily to make sure that grounds maintenance is carried out to appropriate standards. Previous surveys confirmed that only 56 per cent of tenants were satisfied and 16 per cent dissatisfied with the grounds maintenance standard and street cleaning services.

Resident involvement

- 202 In our previous inspection we found that a tenant participation compact had recently been developed and that tenants had been involved in devising service standards. However, there were no specialist resident involvement officers in the housing department and tenants had not been offered training to enable them to participate in a meaningful way.
- 203 There is a balance of strengths and weaknesses in this area. The service has clear objectives which focus on community development, resources have been made available to deliver those objectives and progress is being made to involve a broader cross section of tenants in consultation. It is apparent that feedback has resulted in some service developments. However, consultation does not always ensure customers are involved in the initial stages of policy development and the outcomes of initiatives are not consistently reviewed to confirm outcomes for customers have been delivered.
- 204 The Service has set clear objectives for its tenant participation service and is increasing the resources available to support development. The intentions are to use resident involvement across the district to build community capacity and to inform, involve, engage and empower tenants. Last year an average of £14 per property was spent on tenant participation which is above the recommended good practice level of £8 per property set by the Chartered Institute of Housing. This is likely to increase this year in the run up to the ballot on stock transfer.
- 205 The progress made in this area is due to a large extent to the establishment of a dedicated tenant involvement team. This includes a manager and two liaison officers although one post is currently held vacant pending the development of proposals for the future management of the service. This has improved co-ordination of activities in this area and the successful implementation of new initiatives.

- 206** The quarterly newsletter is user focused and informative. 'Tenants Talk' is overseen by an editorial panel including tenants whose views are fundamental in deciding the content and format of articles. Tenants on the panel have received training to support the development of their skills for the role. Customers receive clear and interesting information about the council, the range of its services and why and how decisions have been made.
- 207** Options to involve tenants are varied and effective. These range from involvement in formal structures for consultation such as the tenant panel, the 25 resident associations to local meetings, focus groups, estate walkabouts or an editorial group. Meetings are well attended and are cross tenure with targets in place to increase the diversity of representatives. This provides a reasonable range of opportunities for customers to inform and influence policy decisions, whilst recognising that more can be done.
- 208** There is a clear action plan in place to target the involvement of difficult to reach groups. The plan is routinely updated and initiatives, including focus groups have commenced with offenders/ex-offenders, sensory impaired people and homeless people. Specific actions are planned or in some cases completed, for example changes to reception queuing arrangements were prompted by a focus group of homeless people. This has improved the range of feedback in particular from people who do not regularly influence service improvements.
- 209** The training programme developed for tenants is varied, well advertised and well designed. Following a skills audit of tenant representatives, a training programme was devised which includes joint training with Derwentside District Council. Life skills training, involvement of voluntary and charitable agencies and training modules are now delivered by housing staff. The programme has been popular and supports tenants as individuals and as part of groups to improve housing services and to encourage involvement in their local communities.
- 210** Tenant involvement is not consistently integrated into service design and delivery. Although clearly an important element of the service there are examples of initiatives that have limited attention paid to outcomes for customers. Monitoring and reporting of performance against service standards is an example.
- 211** Consultation does not consistently begin at the earliest stage in decision-making. We noted that customers were heavily involved in designing the improvement schemes and the resulting programme. However, many examples of projects or reviews were referred to where tenants have been involved in discussions on draft versions of standards or policies. This restricts tenants to commenting on proposals as opposed to what the proposals, changes or initiatives should be.
- 212** The plan to launch the new Tenants Compact offers the opportunity to improve the low level of awareness about its purpose. Of the 44 actions, in the previous plan the majority are on target or have been completed. Plans were outlined to launch the new compact in local areas at public events and were advertised widely. A recent survey revealed that only 23 per cent of tenants who responded knew of the existence of the previous Compact, which undermines its purpose and effectiveness.

- 213 The increased activity in the area has not been reflected in surveys. In the 2005 Tenant Survey 56 per cent of tenants indicated that they were either very or fairly satisfied with opportunities for tenant participation, a decrease of five per cent from the 2002 survey. This is disappointing given the additional resources that the council has invested in this activity.

Is the service delivering value for money?

- 214 There is a balance of strengths and weaknesses in this area. The council has adopted zero based budgeting principles and resources have been re-aligned to reflect corporate priorities. Reports increasingly consider the cost and the quality of services and the cost effectiveness of the repairs service has improved significantly within the last 12 months. However, the new procurement strategy has still to impact consistently on the approach to letting contracts and there is very little knowledge amongst housing staff of the need to deliver efficiency gains.

How do costs compare?

- 215 The service as a whole compares favourably with others but not in terms of quality. Recent benchmarking results show the housing service is a low cost service offering reasonable performance but comparatively low tenant satisfaction. This has been reported to senior managers and elected members to inform discussions particularly on satisfaction levels.
- 216 Benchmarking is being used increasingly to compare the cost and quality of services. Data is available for a number of service areas which confirms how costs compare with similar organisations. Some, such as the repairs service, have used the details to identify areas where costs are higher and to justify the need to drive overheads down and performance up. The comparisons for others such as the homelessness service however have not been used to strategically manage resources. Although the council is considering the arrangements for the housing strategy team and its location within the department, there has been no analysis to date which compares the cost of the service with other organisations and whether the capacity is sufficient.
- 217 Benchmarking comparisons highlight median performance in terms of cost and quality of voids. The service is monitored on a regular basis to consider cost and quality elements. The reduction in the number of empty properties has impacted positively on the council's position.
- 218 Budgets have been reviewed to reflect corporate priorities. The 2005/06 budget was developed using a zero based budgeting exercise to ensure budgets and service priorities were properly aligned. This resulted in significant increases in the 2005/06 base budget for both resident involvement and repairs and maintenance.

- 219** The track record on spending capital budgets on time has been poor, but has improved within the last 12 months. Historically, due to the lack of a capital programme and the delays in letting contracts, budgets were underspent by up to 40 per cent, delaying improvement to homes. In 2005/06, this improved dramatically with a slight underspend of 0.5 per cent on the budget of £4.5 million. This is an acceptable level and one which reflects effective financial and project management.

How is value for money managed?

- 220** There are still a number of weaknesses within the council's approach to value for money. In a recent Use of Resources assessment, the council scored one out of a possible four, highlighting several areas for improvement. An action plan has since been developed which should assist in making progress in this area.
- 221** This is reflected in the fact that a corporate framework to inform procurement decisions has been approved but has still to be embedded. A new procurement strategy sets out the various stages to be followed before entering into a contract for the purchase of goods or services, the various options to be considered for service delivery and the need to make decisions based on cost and quality. However, there is an inconsistent approach to the letting of contracts as some staff are unaware of the content of the strategy.
- 222** Similarly, the council has not explored what the market can potentially deliver in terms of the responsive repairs service since the contract was last tendered over five years ago, relying on benchmarking comparisons to assess competitiveness of rates. This could identify further efficiency gains or confirm the existing service is providing value for money.
- 223** The procurement strategy lacks targets to support some aspirations. It outlines a commitment to publishing and promoting a 'Selling to the Council Guide' setting out how existing and potential suppliers can engage in procurement. This will include guidance on how smaller businesses and organisations, can engage in the procurement process. However, there are no specific targets relating to the development of apprentices or the use of local suppliers which undermines this objective.
- 224** The approach to value for money is not embedded within the housing service. Senior managers had received training on value for money but in our meetings with staff, it was apparent that targets for efficiency gains had not been developed at an operational level and had not been discussed with managers. Opportunities to involve staff in identifying ways of exceeding the council's target for efficiency gains of 2.5 per cent are being overlooked.
- 225** There has been limited action to improve the cost effectiveness of all services. We have highlighted the work carried out in the repairs service, which has reduced previous running costs. However, this approach has not been applied consistently across all housing services.

- 226** The ordering process for responsive repairs is inadequate and leads to significant variations in expenditure. Job tickets do not take into account the cost of materials and therefore the final cost of the job varies on average by 48 per cent which is poor practice and is a barrier to effective budget management.
- 227** The council has been slow in considering the benefits of procuring debt collection externally. Former tenant arrears are still collected internally despite a report almost two years ago suggesting the procurement options should be considered. Although, the decision to externalise the service has now been taken, the possibility of joint procurement with neighbouring authorities or housing associations have not been considered which may be more productive.
- 228** Targets within the Annual Efficiency Statement (AES) have been exceeded. The document articulates the councils' high level targets. In total, the efficiency savings for 2005/06 and 2006/07 amounted to £750,000, which surpassed a challenging target of £542,000. This was achieved in a number of ways including savings on procurement and renegotiation of insurance policies, ensuring the authority is meeting the government's target of 2.5 per cent efficiency gains annually. Although customers have not been consulted on how savings will be spent.
- 229** Joint procurement arrangements have been used successfully, but have not been developed to their full potential. Energy supplies, vehicles and insulation measures have been purchased through procurement consortia, with savings up to 10 per cent generated. The partnering arrangements for the capital programme have confirmed that unit savings of up to 40 per cent should be delivered when the work starts in July this year.
- 230** Reports are increasingly outlining the cost and quality of services. Elected members have considered data which links the cost of services as well as satisfaction levels. In addition a number of contracts have been let after considering both criteria, resulting in the lowest price being overlooked in favour of a contract submission which potentially offers better value for money and reflects the approach advocated in the new procurement strategy.
- 231** Significant success has been delivered through inward investment. The council has used its statutory powers in housing and planning together with its asset base to achieve significant regeneration investment in the district. Capital receipts of around £7 million were generated from the sale of land last year which has funded regeneration schemes increasing the supply of affordable housing and on one scheme a multi use games area/play area and £500,000 for a community resource centre.
- 232** The review of office provision has delivered some savings. The council recently decided to close the Sacriston area office after assessing its usage and consulting with users. The running costs of £26,000 per year has been reinvested in other service areas, such as homelessness as well as freeing up staff to spend more time on the estate.

- 233** The restructuring of the direct labour organisation has produced financial benefits. This year the service avoided the need for subsidy from the Housing Revenue Account and a reduced cost base. Over £300,000 of non productive costs taken have been removed, multi skilling has been introduced and the joiner's shop has been closed. Other improvements have also been made such as Imprest stock on vans reducing the travelling time to collect materials.
- 234** The cost and quality aspects of some contracts have been reviewed. Following feedback on the performance and quality of services, the council now procures a number of services that were at one time delivered in house including gas servicing, legal services and void security. Considerable efficiency gains have been delivered in for example, void cleaning and security costs falling from £884 per unit to £202 per unit by using a new contractor.

Summary

- 235** There are a number of weaknesses which impact on the quality of the service to customers.
- 236** Despite the fact that there has been an improvement in the performance indicators for the repairs service and income management section within the last quarter, the trends over the last two years have been negative and are indicative of services which have a number of weaknesses.
- 237** The council has strategic information available on the profile of tenants, but there is insufficient data available to enable services to be delivered which meet the needs of individual tenants. As elected members do not receive regular reports on how services are being used and how satisfied users are, barriers for specific groups are not identified and trends in satisfaction levels discussed. The lack of service standards in all areas is also a weakness.
- 238** There is a lack of publicity regarding the availability of financial assistance for home owners and for residents who may require an adaptation to their home. Repairs are not carried out consistently within the published timescales, a high percentage of homes are below the decency standard and the details of asbestos in homes are not comprehensive.
- 239** However, the council provides a better range of information to customers and the web site increases the options available to access services. The service to homeless customers has a higher profile and regeneration initiatives have successfully improved estates reducing the numbers of unpopular homes whilst increasing the numbers which are affordable to local residents. Considerable progress has been made to the gas servicing arrangements and 99.2 per cent of appliances have been serviced within the statutory 12 months.
- 240** There is an increasing focus on delivering efficiency gains and the council has exceeded its targets in this area to date although the cost effectiveness of all services has still to be demonstrated.
- 241** Overall, therefore, we believe that the housing service provided by Chester-le-Street district council is a 'fair', one-star service.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 242** Progress has been made to address previous weaknesses, but the pace of change has been slow. The previous inspection was almost three years ago, since then consultants and monitoring boards have highlighted the need for improvements. This has happened to some extent at a corporate level, but not to the same extent within this service. The majority of activity has been within the last 12 months and some initiatives such as the development of service standards, the new Tenant handbook and a three-year capital programme have only just been implemented. The service is therefore unable to demonstrate a track record of sustained improvement.
- 243** There has been a positive response to customer feedback resulting in the implementation of new initiatives. Following consultation on the capital programme, the customer care procedure for the door and window replacement programme. Estate wide initiatives described in the tenancy management section of the report were developed following representations from local residents and partners, demonstrating a commitment to the delivery of priorities for residents.
- 244** The council had focused its resources to address issues for specific communities. Capital investment and partnership working have benefited estates with a history of difficult to let properties and problems with crime. Demolition and redevelopment programmes have been completed or are in progress. Revenue resources have been increased to improve the council's approach to homelessness benefiting the more vulnerable residents in the community.
- 245** Although most performance indicators are improving, they reveal a mixed picture and a lack of sustained improvement over the last three years. Appendix 1 confirms that of the 11 which provide sufficient data for comparison purposes, seven are improving, but three remain in the bottom quartile. Only two have deteriorated which indicates most are moving in the right direction. Unaudited reports show that at a corporate level, progress has been better with 82 per cent of PIs improving in 2005/06.
- 246** Progress is being made to identify efficiency gains, but this is a fairly recent development. SLAs were re-negotiated with internal service providers during 2005/06 which has impacted on budgets for 2006/07. The council was able to reduce the relevant budgets by just under £80,000 (approximately 18 per cent) enabling the savings to be used in other housing related areas. However, partnering arrangement is very new and targets at a service level have still to be agreed.

- 247 The performance of some service areas has deteriorated since the last inspection. The performance indicators (PIs) for the responsive repairs service and the income management section reveal negative trends. Although recent monitoring reports show a much better performance in terms of rent collection and a general improvement over the year in completing repairs, neither can demonstrate sustained progress over the last two years.

How well does the service manage performance?

- 248 The high level aims for the housing service are clear, are outlined in the community strategy and linked to the corporate plan. The objectives reflect local and national objectives such as improving the quality of homes and reducing homelessness. Of the 14 priorities listed, one is to achieve greater quality, choice and efficiency in the district's housing provision; this includes more affordable housing, homes which are energy efficient and providing services to meet the diverse needs of the communities.
- 249 The main focus of activity and the driver behind objectives has been the need to address weaknesses across all services. The higher level tasks are listed in an improvement and recovery plan phase two. This includes some specific and measurable tasks as well as broader objectives such as understanding the needs of the community which as we have described earlier is being addressed.
- 250 Key strategic documents are not being updated with partners. Strategies for the homelessness service and the housing service articulate objectives to address local and national priorities such as more preventative work and affordable housing, but they are not routinely monitored through their partnership groups. This limits involvement from stakeholders and the ability to draw on their experience and views on priorities for action.
- 251 Involving hard-to-reach groups in service planning is an area for development. As mentioned previously, the council has implemented improvements following feedback from customers but officers acknowledge that there is a need to establish closer links to reflect the diversity of residents in the area when developing plans.
- 252 Although service plans and team plans articulate the main objectives for each service area, there are some weaknesses. There is only one milestone for each action which makes it difficult to assess interim progress and the outcome or measure of success focus for each action focuses on process as opposed to the intended benefits to customers.
- 253 Limited use is made of satisfaction measures to influence service improvement plans. Where satisfaction surveys indicate an area where services need to improve, operational staff could not highlight their involvement in developing a response such as an objective in the action plan. This suggests that service improvements are not consistently informed by customers.

- 254 Targets within the annual efficiency statement have been exceeded without exploring all possibilities. Positively, the council has developed an AES which identifies efficiencies made over the last year and identifies how the corporate target of 2.5 per cent efficiency gains for the next year will be met. The target of £542,000 for 2005/06 was exceeded by 38 per cent. The partnering arrangements for the capital programme are likely to contribute a significant proportion to the overall target for this year, but options to involve operational staff in discussions are being overlooked.
- 255 Corporately the council has developed a performance management framework which has still to be embedded across the organisation. Within the housing service systems are in place to monitor performance on a regular and frequent basis. The rate of progress particularly over the last 12 months has been scrutinised through team meetings, one-to-ones and performance clinics which consider progress against action plans and financial expenditure. It is apparent that the clinics have resulted in the delivery of many actions on time and within budget within the last 12 months.
- 256 However, the information being monitored is not comprehensive. We have listed examples in the report where the lack of data weakens the ability to manage and improve services. This includes call centre monitoring information and the number of jobs completed at the first visit. The problems associated with the batched repairs also point to a lack of effective management in this area, although we acknowledge this is being addressed.
- 257 Staff do not have specific targets to measure their performance. Teams have targets which are linked to BVPIs and local indicators. However, as none are specifically tailored, measurement of progress or success is difficult to quantify.
- 258 Quarterly monitoring reports vary in style and content within the council and could be more user friendly. The report to Overview and Scrutiny Panel is very detailed but it is difficult for readers to identify the main issues. Although there is helpful commentary on the statistics, it is not easy to recognise the areas where performance is of concern. Others such as the corporate performance report are clearer, but do not provide trends in performance or identify the necessary remedial action when PIs are deteriorating. This undermines the monitoring process and may explain why some services such as income management and repairs have not improved consistently.
- 259 The reporting of performance to tenants is limited to the tenant's panel. Regular reports are presented to the group which is made up of tenant's representatives but this does not ensure the information is shared with a wider audience. The nature and content of performance information to a broader audience has still to be established.
- 260 Benchmarking is used increasingly to compare costs and identify best practice. Team leaders, support services officers and policy and performance officers use HouseMark on a regular basis and information on costs is readily available. Benchmarking information has been used in performance clinics to identify areas where service costs can be reduced such as responsive repairs and how the quality of the service is still an issue.

- 261** Staff are encouraged to challenge custom and practice, but there has been very little analysis of processes to date. New staff particularly have encouraged existing approaches to be considered, which has improved service performance for example in the homelessness service. Although training on process mapping has been commissioned, this will take time to have an impact on the review of processes within the department.
- 262** There is reliance in some areas on accountants to confirm expenditure against budgets and financial profiling has been weak. Staff are aware of their specific budget allocations but as they have struggled with the new finance system they rely on finance staff to confirm spend profiles. Budgets have not been spent on time and within acceptable parameters until the last 12 months. This is being addressed and the fact that budgets were well managed last year demonstrates progress.
- 263** This reduces the effectiveness of the management arrangements and can lead to delays in identifying mistakes such as miscoded invoices. We understand that further training is planned to address this issue.
- 264** Risk management is effective at a strategic level, but yet to be fully embedded within the service planning process. All senior managers have been trained on managing risk and all major projects such as stock transfer are risk assessed. When developing team plans however, staff do not routinely consider risks and are overlooking the requirement to identify and manage risk associated with their operational activities.
- 265** Managers and elected members demonstrate leadership and the willingness to take difficult decisions. New staff in particular are addressing previous weaknesses such as in the responsive repairs service. Elected members highlighted the decision to pursue stock transfer as one which was unpopular with some of their colleagues and residents but made in the interests of delivering improvements in living conditions. Budgets have also been re-aligned to reflect changing priorities such as the adaptations service.
- 266** Staff are increasingly making use of a number of mechanisms to learn and share learning across the housing service. Membership of sub regional partnerships has identified improved ways of working and encouraged discussion on best practice. Others use web sites to monitor developments in specific service areas which has assisted in developing their knowledge in those areas and resulted in new initiatives such as the accredited landlords' scheme.

Does the service have the capacity to improve?

- 267** The council cannot confirm how it will deliver the required improvements to its housing stock. Until the transfer proposals are resolved, resources are insufficient to improve the quality of the homes to the standard agreed with customers. If tenants vote in favour of transfer, the decent homes standard will not be met until 2011. Failing that, other options would have to be considered, which will still delay improvements at least in the short term and increase pressure on existing staffing levels in order to implement the various options.

- 268 Improvements have been made to IT systems, but there are weaknesses. Staff experience problems in producing some management reports either due to the lack of functionality or training needs. Others such as the ASB database do not provide the ideal support for staff and the fact that asset management systems are not integrated means there is a reliance on manual updating which is inefficient.
- 269 Although there are corporate targets for sickness absence, they are not translated into departmental targets. Sickness levels are relatively high in some service areas, the property services team for example loses 8.2 per cent of working days to sickness compared with 3.1 per cent across the housing management function. Although the performance information is readily available at a service level, it is not used to benchmark trends and drive improvement in this area.
- 270 Short term financial plans are in place. This year the Council has agreed its first three-year capital strategy which sets out medium term investment plans for all service areas. The intention is to review the plan annually as the announcements about capital allocations are made. This has enabled the publication of the three year improvement programme offering more certainty to tenants as to when their homes are to be improved.
- 271 Various options have been pursued to improve capacity within the organisation. At a corporate level management development programmes have been developed and the council has managed to fill key strategic posts which were previously occupied by interim directors. Re-structures have been completed and additional staff employed such as an additional tenancy enforcement officer and an asset manager. Consultants have been used to both add capacity over the short term and to bring specialist knowledge and experience in key topic areas such as stock options appraisals and stock transfer.
- 272 Vacant posts in specific areas have impacted to some extent on the rate of progress. The post of partnership manager for example in the strategic housing team is vacant. The section comprises of only three other members and therefore this has stretched resources and the ability to develop the work of the team, particularly in managing the strategic housing partnership. The decisions on homelessness applications are also delayed when staff are on leave due to a lack of cover and similarly, the homelessness forum is not fully effective.
- 273 Repair operatives have been trained to improve their skills and knowledge. All are multi-skilled having completed external and internal training. All electricians for example are CORGI registered which provides a high level of flexibility and has reduced the need for a number of trades involved in completing repairs on a property.
- 274 Research has been commissioned to map the services provided by the voluntary sector. Consultants have been tasked with identifying the range of services provided in the area with a view to sharing the details with stakeholders and maximising the linkages to and the potential of existing agencies.

- 275** Sub-regional working arrangements are reducing costs whilst improving knowledge. There are some examples where the council has agreed to share resources and expertise such as in procurement. This has the added benefits of minimising the overhead costs and increasing the likelihood of joint procurement arrangements.
- 276** There is an increasing focus on delivering cost effective and quality services, which is reflected in the new procurement strategy. A number of actions have been completed to provide increased value for money such as in the repairs service, the collection of former tenants' arrears and the letting of contracts on a cost and quality basis. The development of new partnering arrangements offers the potential for further efficiency gains, but in some areas traditional approaches to procurement are still being used such as in the adaptations service.
- 277** Officers and elected members have developed an effective operational relationship. It is evident that senior managers work closely with senior members who are supportive of the action being taken to improve the service and have committed additional resources when justified for example in the homelessness service.
- 278** Partnerships are improving the supply of affordable housing and delivering regeneration initiatives. The council is working effectively with a range of partners although we have highlighted some areas where strategic partnerships are under-developed. However, the track record in completing estate based schemes and multi-agency working raises optimism regarding future progress.
- 279** There is a clear corporate commitment to training. A number of staff are benefiting from professional development or have attended one off courses following discussions at one to one interviews which has improved knowledge within the organisation. Although the training budget is managed corporately, this has not caused any significant barriers to staff accessing courses which support business objectives.
- 280** Senior managers are accessible, are beginning to have an impact and empower employees. The senior management team within the department is relatively new with some being in post for only six months. However, staff were positive regarding the direction of the organisation and their ability to influence improvements.
- 281** Internal audits are effectively programmed and have identified areas for improvements. The latest report on income management assessed compliance with legislation and council policy and overall indicated strong controls. Recommendations are made and monitored for compliance.
- 282** Inward investment is used successfully to facilitate desirable areas without the need for significant public resources. By significant demolition of low demand properties coupled with inward investment and new build by partner agencies, two regeneration schemes have been completed and another in progress. The Council has recently secured £3 million worth of Single Housing Investment Pot (SHIP) resources for investment in low demand former coalfield villages within the District. This is part of the Council's longer term commitment to the regeneration.

Summary

- 283 Although considerable progress has been made in most service areas since the last inspection, the pace of change has been slow and confined mainly to the last 12 months. As a consequence the housing service has still to establish a track record of sustained improvement in all service areas.
- 284 The council has still to confirm how it will deliver the decent homes programme to its customers; the standard agreed with tenants is not sustainable.
- 285 Some services such as responsive repairs and income management have yet to demonstrate improved performance over the longer term, which is hampered to some extent by systems or procedures.
- 286 Although the performance clinics have been used effectively to drive improvements, monitoring reports are detailed, but are of an inconsistent standard and do not direct the reader to the key issues. There are examples of IT systems limiting the ability to effectively manage and monitor performance.
- 287 There has been a focus on addressing the needs of communities which has resulted in cross tenure regeneration schemes which have produced more sustainable communities and an improved mix of affordable housing.
- 288 The capacity of the organisation to deliver improved services is being enhanced through partnership working and the levels of inward investment. The management team, though relatively new is beginning to have a positive impact on the direction and culture of the department.
- 289 The aims for the service are clearly articulated in strategic documents as are the council's targets to deliver efficiency gains. However, the fact that some action plans are not regularly monitored or updated with stakeholders is a weakness.
- 290 We therefore, consider that the prospects for improvement are 'uncertain'.

Appendix 1 – Performance indicators

Indicator	2003/04	2004/05 target	2004/05 actual	2005/06 target	2005/06 To date	National Quartile position 2004/05	Current status of performance Improving/ deteriorating
BVPI 62 – Proportion of unfit private sector dwellings made fit	16.1%	16.5%	18.5%	N/A	N/A	Upper	No longer BVPI from 2005/06
BVPI 63 – average SAP rating-LA homes	59	63	49	50	64.9	Bottom	Improving
BVPI 64 –Non LA vacant returned to use or demolished	0	4	0	7	6	Bottom	Improving
BVPI 66(a) Rent collected	97.47%	98%	97.19	97.4%	97.5%	Bottom	Improving
BVPI 66 (b) Number of LA tenants > 7 weeks arrears	N/A	N/A	N/A	N/A	5.69%	N/A	N/A
BVPI 66 (c) % LA tenants in arrears with NOSPs	N/A	N/A	N/A	N/A	11.49%	N/A	N/A
BVPI 66 (d) % LA tenants evicted as a result of rent arrears	N/A	N/A	N/A	N/A	0.46%	N/A	N/A
BVPI 74(a) - Tenant satisfaction	77.82%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07
BVPI 74(b) - Tenant satisfaction-BME	50%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07

Indicator	2003/04	2004/05 target	2004/05 actual	2005/06 target	2005/06 To date	National Quartile position 2004/05	Current status of performance Improving/ deteriorating
BVPI 74 (c) - Tenant satisfaction, non BME	77.9%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07
BVPI 75 (a) - Tenant sat-participation	58.22%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07
BVPI 75 (b) - Tenant sat-participation-BME	100%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07
BVPI 75 (c) - Tenant sat-participation Non BME	58.1%	N/A	N/A	N/A	N/A	N/A	Next survey to be conducted 2006/07
BVPI 164 – CRE code practice	No	Yes	No	Yes	No	Bottom	Do not comply
BVPI 183 (a) Ave stay in B&B	1 wk	1 week	2 weeks	4 weeks	0 weeks	Median	Improving
BVPI 183 (b) – Ave length stay in hostels	0	0	0	0	0	Upper	Stable
BVPI 184 (a) - % LA homes non-decent	9.31%	57%	22.12%	18%	25%	Median	Deteriorating
BVPI 184 (b) - % change in non-decent	- 168%	16%	- 138%	18.2%	44%	N/A	Improving
BVPI 185 – appointments made and kept	86.3%	87%	91.39%	N/A	91%	Upper	Improving
BVPI 202 The number of rough sleepers	N/A	0 – 10	4	0 – 10	3	Upper	Improving
BVPI 203 (New 2004) - % change in the average number of families in TA	N/A	N/A	- 13.6%	- 5%	- 43.5%	Upper	Improving

Appendix 2 – Previous recommendations

Recommendation	Progress
<p>Strategy and enabling</p> <p>Focus on using the intelligence gained from the stock condition and housing needs surveys to achieve early deliverables that customers will notice.</p>	Complete
Identify gaps in housing provision for a wide range of client groups, and take forward actions to ensure that these gaps are filled.	Complete
Develop partnership working to a higher level to ensure that not only does dialogue takes place, but that measurable outcomes are generated as a result of partnerships.	Complete
Use the housing revenue account business planning framework to develop a clear, costed, strategy for the future management and maintenance of the council's housing stock.	Complete
Increase the capacity of the enabling function by developing proposals for the potential separation and strengthening of the strategic housing functions.	Complete
<p>Community Housing Services - Private Sector Housing</p> <p>Introduce and monitor specific service standards or a customer charter to let customers know what standard of service they can expect.</p>	Complete
Develop a more strategic approach to private sector housing, evaluating and introducing initiatives to help owner-occupiers via means other than capital grants.	Partial
Develop a HECA database to enable accurate monitoring of progress and modelling of future investment proposals.	?
Work with RSLs and other council departments to improve their input into HECA.	?
Introduce a more systematic process for reviewing the approved contractors list, linking customer feedback to the retention of contractors on the list.	Complete

Recommendation	Progress
Develop more robust approaches to policies for area-based grants targeting, including objective criteria for enhancement and anticipated outcomes of targeting, with performance reporting.	Complete
Evaluate and clarify the service provided to applicants for the fee charged and formalise this by means of a service level agreement with applicants.	Complete
<p>Community Housing Services - Homelessness and Housing Advice</p> <p>Introduce quality control systems to ensure consistency and quality of homelessness decision-making and housing advice.</p>	Complete
Develop a joint protocol with Social Services to ensure implementation of parallel duties under Housing Act and Children Act towards 16–25 year olds.	Complete
Engage the voluntary sector, RSLs and service users to identify gaps in accommodation provision and develop a strategy aimed at filling those gaps.	Complete
Work with partners to audit housing advice provision in the borough and develop a strategy to ensure high quality independent housing advice for those who need it.	Partial
Work with partners to find out more about outcomes achieved for non priority homeless households.	Partial

Appendix 3 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - corporate strategies;
 - policies and procedures;
 - performance reports;
 - service reviews; and
 - publicity material.

Appendix 4 – 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:
 - inspections of estates;
 - visits to the offices;
 - file checks;
 - inspections of empty homes; and
 - interviews and focus groups with tenants and staff.