

Affordable Housing

Torbay Council

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Local Authority Housing Inspections

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

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

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

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

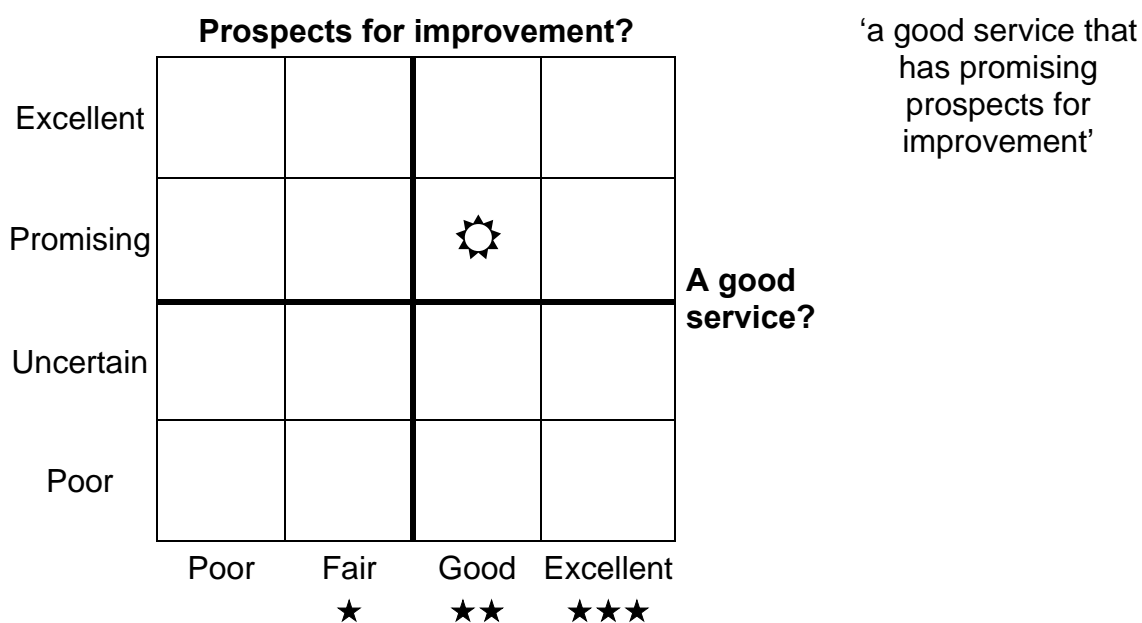
Summary

- 1 Torbay Council is a unitary authority in the south west of England. The population is 132,500 of which 3.2 per cent are from non-white British communities. There are a growing number of older people living locally and they represent 22.6 per cent of the population.
- 2 The area has low levels of unemployment but levels of pay are also low with a third of households having an income of £10,000 or below. The area has a higher than national proportion of the working age population claiming Job Seekers Allowance (just under three per cent), the highest claimant rate in the south west.
- 3 Housing prices in the district are currently averaging £177,702 compared to a regional average of £204,587. The average house price compared to mean earnings in Torbay is high and indicates an affordability gap which limits the number of local people who are able to buy their own home.
- 4 The Council is led by the Liberal Democrats who hold 23 of the 36 seats. However, the Council has a Conservative elected Mayor who is responsible for all executive functions and appoints the Cabinet.
- 5 The Council employs 2,500 staff across all services and it has a budget for 2006/07 of £96.5 million.
- 6 The Council transferred its housing stock to Riviera Housing Trust in 2001.
- 7 The inspection covered a broad range of services which contribute to the delivery of affordable housing including planning, private sector housing, housing strategy and enabling. This inspection did not include homelessness prevention due to previous inspection activity in this area.

Scoring the service

- 8 We have assessed Torbay Council as providing a ‘good’, two-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 9 We have assessed the service as being good because of the following positive factors.
- Strategies and policies are informed by both user and stakeholder involvement and consultation.
 - Partnerships are established and are having a positive impact on the service.
 - There is a clear strategic approach to delivering affordable homes, with clear targets in place and funding identified.
 - An explicit policy framework sets out how the role of the planning system contributes to the delivery of new affordable homes.

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.

- Delivery of the affordable housing programme is well managed through the use of a clear delivery plan.
 - The service has achieved savings which have been used to reinvest in areas of weakness, resulting in further improvements.
 - A number of projects are increasing the opportunities to secure more affordable homes in the private rented sector.
 - Effective work is being undertaken to improve the levels of thermal comfort of people's homes.
- 10 However, there are some areas in need of improvement.
- There is a weak corporate approach being taken to improve diversity and a lack of information about the needs of the local community.
 - Not all key strategies are fully aligned to meet identified needs, particularly around the affordable homes target.
 - There is no systematic approach to value for money, benchmarking has only recently started and at a corporate level, cost and performance information are not aligned.
- 11 We have assessed the prospects for improvement as promising because of the following drivers.
- There is a positive track record of delivering improvement and weaknesses identified in previous inspection reports either have or, in the case of the more recent Supporting People report, are being addressed.
 - Value for money is improving and the service is identifying significant savings to reinvest in priority areas.
 - Improvements are bringing clear benefits to service users, for example the number of new affordable homes built has increased.
 - The Council demonstrates that it is open to learning from others and that it is using examples from organisations that are strong performers to improve its own services.
 - The Council is investing in the service and, as a result, its capacity has increased.
 - Performance management is used effectively within the housing service to monitor performance and identify the need for corrective action.
 - Partnership working is bringing benefits to local people and to the Council, increasing its capacity and attracting external investment.
 - There is a strong and growing focus on the customer, which is being driven at a corporate level.

12 However, there are some barriers to improvement.

- Corporate systems for monitoring and reporting on complaints are underdeveloped.
- The Council is not reinvesting all housing capital receipts in its affordable housing priority.
- Councillor capacity is mixed and there is a lack of consistent support for the Council's affordable housing priority.
- Planning and housing do not work together as effectively as they could in all instances.

Recommendations

- 13 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 Achieve a better understanding of all aspects of the local community that improves the access to service users by:

- *undertaking research and making contact with all groups within the local community to establish their needs and feedback for future service improvements to meet this need;*
- *rationalising opening hours across services in line with consultation with service users;*
- *improving the experience of service users who visit the housing reception area to match that of the service offered through Connections; and*
- *reviewing and using complaints feedback to inform improvement and identify any differences in user experience.*

The expected benefits of this recommendation are:

- improved levels of user satisfaction; and
- evidence that all sections of the community such as older people, disabled and ethnic minorities have fair and equal access to services.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2007.

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 cost is over 5 per cent.

Recommendation

R2 Strengthen management and value for money within the Council by:

- *establishing VFM indicators and targets for performance;*
- *maximising opportunities for benchmarking to improve understanding of costs and to learn from the experience of organisations that are performing well;*
- *aligning performance management systems across all elements of the service; and*
- *developing a risk-based approach to human resource management.*

The expected benefits of this recommendation are:

- improved cost effectiveness of the service;
- enhanced capacity to improve and target VFM priorities; and
- remove discrepancies in the way that different parts of the service report outcomes.

The implementation of this recommendation will have high impact with low costs. This should be implemented by April 2007.

Recommendation

R3 Strengthen the management and leadership of the service by:

- *developing and implementing a corporate approach to equality and diversity training for councillors; and*
- *reviewing the training and development needs of councillors involved in directing the Council's approach to affordable housing issues, and developing individual training plans.*

The expected benefits of this recommendation are:

- improved understanding of customer needs and equity in service provision among both officers and councillors; and
- councillors are better placed to support corporate priorities and drive performance and improvement.

The implementation of this recommendation will have high impact with high costs. This should be implemented by April 2007.

Recommendation

R4 Use this inspection report to drive improvement by:

- *developing an action plan to address all other weaknesses identified within the report; and*
- *reporting the findings to the Performance and Scrutiny Committee.*

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

The expected benefits of this recommendation are:

- to deliver improvements which address weaknesses and ensures that councillors are fully briefed.

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

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

Dates of inspection: 12 to 16 June 2006

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Report

Context

The locality

- 15 Torbay Council is a unitary authority in South Devon in an area known as the English Riviera. It is a popular tourist destination situated along 27 miles of coastline. Torbay is the tenth most populated council in the south west of England but is also the eighth smallest in area.
- 16 The latest population estimates for Torbay show growth in the number of people living locally with a resident population of 132,500.³ This figure can increase to over 200,000 during the summer tourist season. There are a growing number of elderly people within the local community which results in a higher number of older people and fewer young adults compared with the rest of England. Without inward migration to the area, the local population would be decreasing. The black and ethnic minority (BME) community is small comprising of just over 3 per cent of all residents compared to the England average of 12.5 per cent.
- 17 The district has a range of prosperity, with areas of affluence and areas of deprivation. The district has relatively low levels of unemployment and ranks 94th out of 354 on the Government's 2004 index of local deprivation,⁴ with 354 being the least deprived area. However, there are four wards in the district that are in the most deprived top 10 per cent and a higher than average number of people in receipt of benefits such as income support and incapacity benefit. Figures for June 2006 show that the area has a higher than national proportion of the working age population claiming Job Seekers Allowance (just under 3 per cent) which in turn was also the highest claimant rate in the Southwest. Tourism is the main employment sector which has a high proportion of seasonal and low paid part-time jobs. This contributes to average weekly wages falling below regional and national figures. In addition, house prices in the area (which average £177,702) are relatively high in relation to local income levels. This combination means that there are a large number of local people who can not afford to buy their own home on the open market.
- 18 The 2003 Housing Needs Survey suggested the need for 965 new affordable homes per year and compared the need to that of inner London. The report noted an oversupply of elderly designated and sheltered housing and proportionately high numbers of disabled people unsuitably housed.
- 19 The proportion of privately rented homes at 19.5 per cent is almost double the national average of 10 per cent. The proportion of social rented homes at 8.3 per cent is almost half the national average of 20 per cent for housing association and local authority properties combined.

³ 2004 mid-year estimates Office for National Statistics

⁴ ODPM index of local deprivation 2004

The Council

- 20 The Council's revenue budget for 2006/07 is £96.5 million, which includes £1.6 million for services related to this inspection. The Council is a major employer in the area and employs 5,000 staff.
- 21 Since November 2005 the Council has had a Conservative elected Mayor and Cabinet but with a Liberal Democrat majority, who hold 23 of the 36 seats. The remaining seats are held by Independents (five) and Conservatives (eight).
- 22 The Council's management structure comprises of a Chief Executive and three Strategic Directors who together form the senior management team. Beneath this there is a corporate management team comprising of three corporate directors and a number of senior managers.
- 23 The Audit Commission carried out a Comprehensive Performance Assessment (CPA) of the Council in 2002, when it was rated as 'poor'. Since then, the Council has improved and was assessed as 'fair' in 2004. The Council's auditors latest Direction of Travel statement found that the Council was 'improving adequately', with many priority services showing improvement, including housing. However, although service user satisfaction within some service areas is good, the overall satisfaction level with the Council overall is among some of the lowest levels in the country.

The service

- 24 The inspection covered a broad range of services which contribute to the delivery of affordable housing, including planning, private sector housing, and strategy and enabling. The inspection looked at how the Council works in partnership with others to deliver affordable housing and how well it understands the local housing market. Affordable housing can be defined as subsidised housing irrespective of tenure or ownership that is available to people who can not afford to rent or buy properties generally on the open market.
- 25 At the time of the inspection there was no single Housing Inspectorate key line of enquiry (KLOE) specifically covering all aspects of affordable housing. So, in undertaking this inspection we have drawn together all the relevant elements of the KLOEs covering strategy and enabling, private sector housing, homelessness and housing needs. Elements of the Council's planning service were also included in the scope of the inspection. Subsequently, a single KLOE for strategic housing services has been published.

How good is the service?

What has the service aimed to achieve?

- 26 The Council's vision for Torbay as set out in the Community Plan 2004/08 is
- 'A healthy, prosperous community, living, learning and relaxing in a safe and beautiful bay.'*

To achieve this, the Council has identified a number of key objectives and priorities. These include:

- making Torbay a safer place;
- improving health and social care;
- improving access to good quality affordable homes;
- improving the economy;
- valuing the environment;
- placing learning at the heart of the community;
- developing Torbay's culture;
- creating sustainable communities; and
- corporate improvement.

- 27 To support this 'The Future of Housing in Torbay', Housing Partnership Strategy 2003/06 has a mission which is to:

'Deliver improved access to good quality affordable homes and related services for the people of Torbay by way of a balanced, community based, and inclusive partnership.'

- 28 To achieve this the housing strategy partnership has set six targets:

- *'improving communication, participation and consultation;*
- *enabling, regeneration and affordable homes;*
- *contributing to sustainable communities;*
- *tackling homelessness;*
- *promoting healthy housing; and*
- *assisting independent living.'*

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

Access and customer care

- 29 The quality of access and customer care is mixed with a balance of strengths and weaknesses in this area. There are some positive aspects such as useful and informative publications, the number of ways that service users can access the service and a set of service standards agreed with service users. However, the quality of accommodation in the housing reception area is inadequate and the service is seeking feedback from users only in limited parts of the service.
- 30 Users can access the service in a number of ways. Service users can seek assistance and advice by telephone, in person, by email, and from the Council web site. The website contains a range of useful information that can be downloaded and the facility for some services to be accessed electronically. However, navigation around the website is not always clear and there is scope to increase the opportunity for an interactive service. A comprehensive out-of-hours service is provided and staff are able to contact specialist senior officers if required. This allows some flexibility, particularly for those customers who are in full-time employment during office hours and provides support to deal with emergencies out-of-hours.
- 31 The Council has a wide range of information leaflets that provide a useful source of information to service users. They are available at service reception areas, through the Council's website and local facilities such as libraries. Information about affordable housing locally is set out in a general housing leaflet, supplemented by a range of planning and private sector housing publications and benefits advice leaflets. There is also a good range of information leaflets about how private landlords and home owners can access grants to carry out repairs. This assists people to obtain the full information available to them and to be able to explore all the options.
- 32 The service is responsive to many aspects of user needs. Service standards have been agreed with users and compliance against these is monitored. Performance is measured against key targets such as the time staff take to respond to telephone calls and waiting times for interviews. This provides a useful tool for the Council to assess how effectively it is meeting the needs of local people and take the necessary corrective action.
- 33 Levels of satisfaction with the Council's complaint process are improving. The Council has a corporate complaints process through which service users can report any causes for concern about the services that they receive. Service users can also complain directly to a member of staff or use the on line form which can be completed through the Council's website. Satisfaction with handling of complaints moved into the best quartile although the level remained the same in 2004/05.

- 34 Reception areas for the affordable housing service are not consistently of a high quality. The 'Connections' (one-stop shop) service currently covering planning and housing benefits enquiries provides a good quality environment. General housing enquiries can be dealt with but if customers need to speak to a specialist officer, they will be referred to the housing reception (which is a short walk away in a separate building). The housing reception (located on an upper floor in a separate high street location) is small and lacks the facilities of a modern reception area. There are different opening times for each reception and it is not clear to the public which reception they should use. Although a lift is provided to the housing reception, service users with a disability would find it difficult to access with out calling for assistance (using the help bell). This is inconvenient and may deter some users.

Diversity

- 35 The Council's approach to diversity is weak. There is no clear corporate approach demonstrating how the Council will progress its diversity work or develop its understanding of the needs of minority groups. There are some examples of how the housing service is trying to address this but progress has been slow and further work is still required.
- 36 The Council has not developed effective measures to ensure that all users have fair and equal access to its services. There is a lack of an up-to-date and comprehensive approach that sets out diversity standards and delivery of services. At a corporate level the Council has only achieved level one of the Local Government Equality Standard (which uses a scale of one to five, five being the highest). Progress towards level two has been very slow. The diversity agenda does not have a high profile in the Council and there is no up-to-date action plan or social inclusion policy that demonstrates how and when the Council will reach level two of the equality standard and states how services will be delivered to meet the needs of all local people.
- 37 The Council lacks a comprehensive understanding of the diverse needs of the local community. There are gaps in the housing needs analysis for some groups such as gypsies and travellers, vulnerable people in private accommodation and older people. There are signs that progress is being made on an ad hoc basis, such as the pending Devon wide analysis of the needs of gypsies and travellers and the work being undertaken by the Supporting People team to assess provision for older people. At a corporate level, the Council has commissioned research which is currently looking at two areas, BME groups and people's sexuality, although there is no remit to cover any questions on affordable housing for either of these groups. There is a lack of a co-ordinated corporate approach to all elements of the diversity agenda and this could result in the service not being able to meet the needs of all members of the local community.

- 38 The Council has failed to embed its equalities and diversity training into day-to-day service delivery. The majority of housing staff have completed basic equalities training and a rolling programme ensures that this knowledge is kept up-to-date. Training has also been provided for councillors but there were low levels of attendance and senior officers reported that the quality of training for councillors was weak. Although staff are better trained to deliver affordable housing services, this approach has not been replicated with councillors. There is a lack of consistency in the way that the Council communicates with service users. Some publications provide information about the availability of alternative formats while others do not. The result is that some people could find it more difficult to access services and receive help.
- 39 The Council is complying with its statutory duty to carry out Race Equality Impact assessments. It has completed equality impact assessments (EIAs) for housing policies and has in place an action plan to address areas of concern. Although the EIAs led to change, they have failed to identify all weaknesses, such as the lack of straplines on published literature (which provide information to target groups on how to obtain information in an alternative format that is accessible). Measuring the impact that strategies may have on diverse groups helps to assess what improvements need to be made in order to ensure that all services are accessible and appropriate to all members of the local community.
- 40 The housing service is taking action on a one off basis to assist vulnerable people to access services. It has an 'assisted list' that specifically targets disability and vulnerability as part of its choice-based letting scheme. In addition, there are a number of individual projects that target specific groups, such as the work carried out by BME empowerment officers and outreach services for homeless and vulnerable people. At a corporate level, the Council's website has been revised to improve accessibility for people with sight impairment. This approach is helping to support some groups within the local community to find suitable accommodation.
- 41 The Council is supporting services aimed at providing accommodation with support for vulnerable people. It has a broad range of services in place and is currently re-commissioning services to provide a more focused and targeted approach. A recent initiative has been the development of a Sanctuary scheme for survivors of domestic abuse which has been funded jointly with the Crime and reduction partnership.

User and stakeholder involvement

- 42 This is a strong area for the Council. The service has consulted effectively with stakeholders and service users. There are a range of formal consultation and monitoring frameworks in place, both in terms of day-to-day services and the development of housing strategies. In addition, strategies and plans are being kept updated through on going consultation and this information is being used to shape service delivery. However, the weak approach to diversity as described in the previous section means that the Council is less successful in involving harder to reach service users.

- 43 Strategies and policies are informed by user and stakeholder involvement and consultation. The Torbay Housing Partnership (THP) constitutes the main vehicle for consultation on the housing strategy. The strategy has a clear commitment to improve consultation and participation. An annual housing strategy conference is held and focus groups are used to seek the view of both stakeholders and service users. The outcomes from the conferences have been fed into the strategic action planning process. As part of the strategic response to the regulatory reform order the Council consulted all grant applicants over the past three years. The resulting feedback influenced the Council's decision not to offer loans but remodel the existing grant arrangements. This helps the Council tailor services in line with user needs.
- 44 The THP is engaging with service users and has commissioned Shelter to carry out an independent survey. This type of survey is now used on an on going basis in homelessness and Supporting People services to assess what service users think of the service they receive.
- 45 There has been significant and ongoing community involvement in formulating the local planning framework for the area. A wide range of stakeholders, agencies and statutory bodies contributed to the preparation of the Local Plan (1995/11), supported by a range of consultation exercises and public meetings. Outstanding objections were heard by an independent inspector at the local plan inquiry in 2002, leading to the adoption of the local plan in 2004. In line with legal requirements, the Council has now published a statement of community involvement in the preparation of the Local Development Framework (LDF) which will replace the Local Plan in due course. This demonstrates clear linkages to the community plan and establishes how the Council will involve the community in formulating policies for the area, including people not easy to reach through conventional methods of participation. This helps ensure that the future planning of the area responds to community needs and supports wider community objectives.
- 46 The Council has invested additional resources in improving consultation with private sector landlords. As part of the Torbay housing partnership (THP) a private sector sub-group has been set up with private landlords and other key partners. The group produces a quarterly landlords' newsletter and works closely with the South Devon Residential Landlords' forum. Developing a close working relationship with private landlords is important given the significance of the private rented sector which accounts for approximately 20 per cent of all existing homes in the area.
- 47 The Council has not identified all hard-to-reach groups within the local community and is not targeting specific service users for feedback. This limits the opportunity for all service users to influence future service improvement.

Partnerships

- 48 Partnership working is strong. The Council is actively involved in a number of partnerships that are increasing the capacity and skills available to deliver improvements. Partnerships are well established and include neighbouring districts and cross-county partnerships. These partnerships have an impact on delivering affordable housing and reducing housing need. However, the Council is not carrying out systematic reviews of these partnerships to consolidate partnership working.
- 49 The Council has effective cross-border partnerships that contribute to the delivery of the housing strategy. Partnership working through the Devon Strategic Housing Group has produced additional resources for the Council to deliver affordable housing. The group regularly shares information and strategic priorities. The group is currently working up a training programme for senior housing and planning officers to ensure greater consistency and delivery across Devon. This initiative is one of several that are being driven by a Devon-wide approach resourced by all the Devon authorities, including Plymouth and Torbay. Working strategically in this way increases the capacity of the Council and ensures that its approach is appropriate on a regional as well as a local basis.
- 50 The Council works closely with partners to deliver its housing strategy through the THP. The partnership is drawn from local agencies and organisations in the Torbay area. The THP has a direct link to the Torbay strategic partnership (TSP) and is the main vehicle through which the TSP delivers its affordable housing targets. Within the main THP there are six sub-groups - each one monitoring the delivery of a key objective such as development and housing renewal. This approach has increased skills and capacity within the affordable housing service.
- 51 There is strong partnership working with the private rented sector. The Council is working with landlords to improve the accessibility of this sector, particularly for people in receipt of benefits or low incomes. Examples include the landlord forums and advice seminars which are all receiving positive feedback from landlords. This partnership work is being delivered through the THP's sub-working group on private sector housing. This approach is important as it provides advice and encouragement to private landlords to offer tenancies to people in receipt of benefit who would otherwise have to present themselves as homeless.
- 52 The Council is working effectively in partnership to provide supported housing services. There is a reasonable supply of supported housing within the district. There is a generic floating support service and some specialist floating support services. A flexible supported housing partnership is helping the Council to assist vulnerable people to remain living in their own home.

- 53 The Council has been working to improve the effectiveness of its relationship with Riviera Housing Trust (RHT), its LSVT partner. The transfer of housing stock took place in February 2001 to a local housing company, which was placed in supervision by the Housing Corporation in October 2002 until the summer of 2005. The relationship between the Council and the LSVT landlord did not fully develop during this period, but is much improved. Substantial efforts have been made by both parties at board, councillor and officer level. This has resulted in real outcomes such as significantly increased public grant for RHT to develop new homes and redevelop existing stock that currently is empty due to its state of repair.
- 54 The Council is routinely monitoring the outcomes of partnership working through its corporate performance management system. However, it does not carry out a review to measure if existing partnerships need updating or changing to deliver future improvements for the affordable housing service. There is a systematic approach to evaluating the on going successes of each individual partnership but a lack of a periodic review which would enable the Council to identify any gaps in partnership working or where services are duplicating provision.

Strategic approach to housing

- 55 This is an area where there is a mixed picture in terms of strengths and weaknesses. The Council has a reasonable understanding of housing needs based on up-to-date research, but there are still some gaps particularly around groups such as older people and gypsies and travellers. A 'fit for purpose' Housing Strategy and an adopted Local Plan are in place. Partnership and cross-service working are strong and supporting improved delivery of new affordable housing. However, not all strategies are aligned although work is under way to address this through the Local development Framework (LDF).
- 56 The Council demonstrates a good awareness of the scale and complexity of the problems it faces in meeting the affordable housing needs of the area. Despite its success as a holiday resort, Torbay has a number of social and economic problems that lead to a high level of housing need. The local reliance on tourism with associated transience, in-migration and low paid and seasonal employment creates specific and seasonal patterns of housing demand. A recent report⁵ placed Torbay as the fourth least affordable area outside of the South East for first time buyers. These factors impose significant challenges to the Council in meeting local housing need and it is important that key strategies take in to account the full range of housing need locally.

⁵ Joseph Rowntree, 'Can't work can't buy' 2004

- 57 Although housing needs information is used to assist the development of policy, the scale of identified need far exceeds the Council's ability to meet it. Torbay is largely built up and there is a lack of available sites to accommodate significant growth. The Development Plan (Local Plan and Devon Structure Plan) provides for an average building rate of around 288 new dwellings in total each year, of which 135 should be affordable. Given the identified need for 965 new dwellings a year, this means that the need for affordable housing is more than 13 times greater than the rate of planned delivery. This poses a major challenge for the Council.
- 58 The Council's strategic approach demonstrates how it is working to balance the housing needs of people who, due to their personal financial circumstances, have no alternative to social rented housing. The housing strategy identifies a clear mix of affordable homes to rent and intermediate housing to reflect the level of housing need identified. Determining how much of the new supply of affordable housing should be for social rent, and how much for other tenures and at what cost is important, particularly where many local incomes are falling below levels required to access the open market. Having a clear strategic approach increases the ability of the Council to negotiate with developers and continue the positive progress being made in delivering the most appropriate mix of tenure.
- 59 The Housing Partnership Strategy 2003/06 is the main vehicle for addressing affordable housing issues. Rated by Government Office for the South West as 'fit for purpose' and produced by the Torbay Housing Partnership, it establishes priorities and actions under the six themes of:
- improving communication, participation and consultation (with the private sector);
 - enabling regeneration of affordable homes;
 - contributing to sustainable neighbourhoods;
 - tackling homelessness;
 - promoting healthy housing; and
 - assisting independent living.

A number of linked action groups support each of these themes led by a corporate working party and steering group. A key strength of the strategy is that it is produced in partnership with other agencies. Roles and responsibilities are clearly defined. A separate Affordable Housing Action Group has been set up specifically to improve delivery. There is ownership and buy-in from partners for what the Council wants to achieve.

- 60 The Council is linking its strategic approach in the private housing sector to affordable housing. The Housing Strategy embodies a private sector renewal strategy. This is supplemented by a financial assistance policy, adopted in 2005. The strategy builds on the findings of the 2001 house condition survey, updated in 2005 and aims to deliver ODPM decent homes target and targeting activity to assist vulnerable people. The financial assistance policy has been altered to allow greater flexibility. This private sector strategic approach is producing positive outcomes for local people which are discussed later in the report.
- 61 The Council has a good track record in linking regeneration funding streams to delivery of affordable homes. Winner Street Heritage Economic Regeneration Scheme (HERS) and the Torquay Harbour Heritage Regeneration scheme are two examples where renovation grant, social housing grant and HERS funding has been linked to positive effect, producing an improved environment that includes new affordable homes. This is helping the Council to maximise opportunities for use as affordable homes.
- 62 A clear and explicit policy framework sets out how the role of the planning system contributes to the delivery of new affordable homes. The adopted Local Plan makes provision for a total of 1,350 new affordable dwellings over the plan period 1995-2011. Around a third of these (422) will come from 14 allocated sites. The remainder (928 dwellings) are to be negotiated from 'windfall' sites, based on a target of 30 per cent affordable homes on sites of more than 15 dwellings or 0.5 hectare. Supplementary Planning Guidance (SPG) produced in 2003 further clarifies policy requirements.
- 63 There is strong cross-service and partnership working at a strategic level. There is a shared understanding among staff of affordable housing issues across services and a good awareness of respective responsibilities. A range of mechanisms is in place to promote close liaison, share information and assist policy development. Planning and housing services are represented on the Housing Strategy working party and task force, the former with councillor involvement. Planning, legal, estates and housing staff regularly contribute to forums and working groups with RSLs and other partners. A senior officer in the planning service acts as the key point of contact for consultation and co-ordinates joint action between planning and housing services. There have been a number of redevelopment opportunities that demonstrate this joint strategic approach, such as the South Devon College site in Torre.

- 64 Key strategies are not fully aligned to meet identified need. The Local Plan and related SPG target of 135 new affordable homes a year is based on the previous housing needs survey in 1997 which is now out-of-date. There have been delays in the preparation of revised Supplementary Planning Documents (SPD) to better reflect current understanding of need and development opportunities. There is also a lack of clarity between the corporate plan and the housing strategy over the proportion of shared ownership homes that the Council is seeking to achieve. Incorporating updated housing needs findings within the Local Plan would have delayed its adoption, and hence its ability to secure affordable homes through the planning system. However, the absence of a fully aligned planning framework means that at present the Council cannot be sure that it is maximising delivery through co-ordinated action.
- 65 The housing strategy lacks clarity on how the Council will address some key strategic areas. It does not set out how the Council will meet the needs of a local population that is growing older. The Torbay Supporting People team currently has a draft policy, based on research recently completed on provision for older people. The current lack of sufficient information in this area is acknowledged by the Council but current strategies do not include a response that clearly states how the Council is meeting this need.
- 66 Not all actions in the Housing Strategy are supported by SMART⁶ targets and some key strategies are missing. The Housing Strategy's objective to '*maximise the number of affordable homes delivered by effective use of funding opportunities and the planning system*' does not set specific targets or measures of how success will be measured. There is no empty homes strategy, despite recognition of the key role of the private housing stock and potential levels of under-occupancy. Action to address this is now in their work plan. There is no social inclusion strategy or specific arrangements with partner RSLs to review and where appropriate reconfigure the existing housing stock. As a result, the Council cannot be sure that it is meeting its stated objective of maximising opportunities to improve access to affordable homes.

Enabling new housing

- 67 This is a strong area for the Council which has greatly improved its performance over the past year and the Council is making good use of the Local Plan. However, the Council has not consistently met its targets to enable new affordable housing in the recent past.
- 68 The Council assesses changes in the patterns of housing need for different types of new homes through its monitoring of the housing register. A new choice-based lettings system has enabled more than 4,000 local people to register their housing need - a threefold increase over the last three years. The latest information identifies a growing demand for one bedroom properties. This helps the Council tailor delivery to changing housing needs and the Council is using this information to influence future development programmes.

⁶ Smart, measurable, achievable, relevant and timely.

- 69 There is a strong commitment to improve delivery through the emerging Local Development Framework (LDF) and Supplementary Planning Documents (SPD). In response to the findings of an Urban Capacity Study the Council is promoting a higher rate of housing growth of 500 dwellings a year through the Regional Spatial Strategy, partly to improve delivery of affordable housing. To reflect the limited availability of larger sites, it is also seeking to significantly reduce site thresholds to two dwellings and to set variable rates of contributions, according to the scale of development. The Council has produced draft SPD on this issue which is currently out to consultation. In addition, high densities are promoted to maximise development opportunities within available sites. This demonstrates a good understanding of local market conditions and a commitment to improved delivery.
- 70 Sound systems and processes are in place to support negotiated contributions through the planning system. Delays are minimised by fast-tracking legal agreements (S106) in tandem with planning applications. This is supported by pre-application protocols, strict targets for legal input (enforced through a service level agreement) and the use of standard clauses and agreements. Efficient processing of S106 agreements contributes to the Council's good performance on major applications (84 per cent in 13 weeks in 2005/06), placing it among the top performers nationally. High densities are promoted, with a number of schemes achieving more than 100 dwellings per hectare. This level of planning performance encourages developers to work locally to deliver new affordable homes.
- 71 Systems for monitoring commuted sums are in place to ensure they are spent in accordance with the terms of the agreement. Given the shortage of available sites the Council has been strong in only agreeing to the use of commuted sums where on-site provision is not appropriate. Specialist expertise is retained to assist in viability discussions with developers and provide technical input into the revised SPD. Before agreeing to a commuted sum the Council requires an open book approach by developers to ensure that affordable contributions are maximised against development viability. Around £1.2 million in commuted sums has been secured since 2003/04. This approach is contributing to effective delivery of affordable housing.
- 72 Delivery of the affordable housing programme is well managed through the use of a clear delivery plan. The affordable housing programme provides a broad mix of affordable housing to meet the needs of different groups. There is a clear split target of 75 per cent of all new affordable homes should be for rent and the remainder some form of intermediate housing such as shared ownership. This supports the needs analysis that the Council has and the profile of people using the choice-based lettings system. The development programme indicates that this balance is being achieved. It is important that the correct balance of affordable homes to rent is delivered due to the difficulties local people experience in affording to buy a home.

- 73 The Council promotes awareness and better understanding of affordable housing issues within the community. For example, to address ongoing local opposition to socially rented housing within parts of the local community, the Council publishes articles in the local press. Despite this, the level of ward councillor commitment is variable, resulting in opposition to some new affordable schemes and delays in obtaining consent. Councillor training on the subject is limited and there is scope for staff to more proactively involve councillors at an early stage to ensure smooth handling of proposals. This would help reduce uncertainty and risk.
- 74 The Council has failed to meet its delivery target over the past three years - although the rate of enabling new affordable housing is increasing. Since the adoption of the Local Plan in 2004, completions have increased and in 2005/06 exceeded the target of 135 dwellings a year for the first time. Ninety one new homes were completed in 2003/04, 48 in 2004/05 and 153 in 2005/06. Over this three-year period, nearly 90 per cent were for rent - exceeding the Council target of 75 per cent. A further 301 new affordable homes are in the pipeline over the next two years, although an increasing proportion of these are for shared ownership and will fall short of the 75 per cent rented target. This highlights the challenges the Council faces in both increasing the supply of affordable housing as well as securing homes in the right tenure to match identified need.

Private sector housing

- 75 This is a strong area for the Council which it is continuing to develop. The Council has an up-to-date stock condition survey of private homes which it is using to target its approach to maximising the housing that is available. It has prioritised work to houses in multiple occupation (HMOs) to reduce the risk of people having to leave and become homeless, targeting work that will improve energy efficiency, making homes more cost effective to heat and meet decency standards. Further work is required to update its approach to bringing empty homes back in to use and establish an accreditation scheme for private landlords.
- 76 The Council has comprehensive information which it is using to tackle poor conditions in the private housing sector. The most recent stock condition survey completed in 2005 included 500 mobile homes on the 7 local sites. Work is currently underway to agree ways to improve the decency standard of mobile homes and the standard of the sites in general.
- 77 The Council has responded to the Regulatory Reform Order. It has agreed a financial assistance policy which does not offer loans but has put in place tougher conditions for grant repayment. For example, if a home is sold within ten years of receiving a grant the capital has to be repaid. As part of the new policy the Council is placing legal charges on improved homes and is forecasting that it will recoup approximately 70 per cent of grants which in turn will be recycled.

- 78 The Council's work in the private sector is producing positive outcomes for local people. These include 130 new privately leased homes for homeless people in the past twelve months (managed by a partner housing association), 98 new landlords are part of the Council's rent deposit scheme since October 2005 and 64 tenants joining the voluntary savings deposit scheme. In total, 326 households who were in housing need have been rehoused in the private sector during 2005/06. The financial assistance policy also provides for the Council to have nominations rights where private landlords have received grants. Currently, there are two schemes in the pipeline - one scheme with nine flats where groundwork has started and negotiations with planners are at an advanced stage and a second where six properties have planning permission and are awaiting building regulations approval. The work is helping the Council to secure more affordable homes within the existing stock.
- 79 There is a clear framework in place for the delivery of disabled facility grants (DFGs), which prioritises cases jointly with key partners. The budget to provide DFGs is sufficient to meet the level of applications being made. A key partner in this arrangement is the Home Improvement Service (an in-house team) who over the past three years has helped on average over 80 people a year to carry out adaptations to their home which has allowed them to retain their independence.
- 80 Work in the private sector is being targeted at priority areas where the stock condition information is highlighting poor condition or where services are identifying levels of deprivation and vulnerability. A key part of this work has been the Council's successful partnership with a neighbouring council on energy efficiency. The work that has been carried out in Torbay has increased external funding in this area from £400,000 to over £1.3 million, the most successful in the south west region. Between June and December 2005, this resulted in over 1,103 low income and vulnerable households receiving a grant to improve the thermal comfort of their home. This assists people to heat their home efficiently, at less cost and contributes to the number of homes that will meet the government's decent homes standard by 2010.
- 81 The Council is responding promptly to changes in legislation and has prioritised its work in the assessment of houses in multiple occupation (HMOs) in advance of 2006 licensing requirements. The Council already has a voluntary registration scheme in place for HMOs and has built on this to complete an assessment for future compulsory registration. The Council led on a Devon wide common licensing application form and is working well with private landlords to achieve compliance with the new statutory requirements in order to avoid enforcement action. This helps to ensure statutory requirements will be met, residents' safety improved and reduces the risk of HMOs being closed and residents being made homeless.

- 82 The service has a strong focus of working with key stakeholders. It has worked well to develop a strong relationship with private landlords which has produced a number of positive outcomes. Private landlords have a positive view of the Council and this has resulted in a successful private sector leasing scheme for people who are homeless as well as a rent deposit and savings scheme. Another important stakeholder in this area of work is the local fire service. A joint protocol has been developed through which HMOs are referred, where the fire service have safety concerns. The Council is working with fire officers to encourage landlords to carry out improvements without tenants having to leave their home. This approach within the private sector is helping to maximise the number of affordable homes that are available.
- 83 The Council is working well to publicise the support that is available to increase the amount of affordable homes within the private sector. The service works well with the Council's community wardens, providing training and using them as a way to let people know when surveyors will be working in their area to survey the private homes to assess decency. This is a useful way of ensuring that Council staff who are regularly in contact with the public are aware of assistance that people can access and informing local residents when the Council is targeting work in their local community.
- 84 The strategic approach to managing empty homes is out-of-date and requires further work. The approach taken has not been proactive or persistent. The most recent stock condition survey estimates that there are approximately 100 empty homes in the area, but this is only an estimate and the Council does not know where these empty homes are. It is not using details from the local council tax register to identify empty homes and is failing to maximise all opportunities to bring back homes into use.
- 85 The Council has not yet developed all opportunities to improve the supply of good affordable housing in the private sector. It does not have in place an accreditation scheme for private landlords which could help people wanting to access private rented accommodation and help to establish management and maintenance standards for the sector. The Council does not have a 'handy person' scheme, which could offer help from a trusted source for vulnerable people. This type of scheme provides contractors for routine maintenance work to remedy small faults that could cause homes to deteriorate. Given the age of the local population, this is a notable weakness.

Is the service delivering value for money?

- 86 This is an area where there are both strengths and weaknesses although value for money (VFM) is generally improving within the service. Over the past year, the service has successfully reduced its costs by more than £0.5 million at the same time as improving performance. However, there is a lack of a systematic approach to VFM, benchmarking has only recently started and at a corporate level cost and performance information are not aligned, which is limiting a full examination of VFM in terms of performance management.

- 87 The service has achieved savings which have been reinvested in areas of weakness, resulting in improvements. Through a proactive approach and changes to the procurement of temporary accommodation, the Council achieved significant savings in 2005/06 amounting to £205,948 which equated to just under 10 per cent of budget. The savings generated have been re-invested and they support wider improvement through the creation of new posts, such as a customer services advisor (specific to housing), a renewal surveyor working in the private sector and the publication of new information leaflets. Further savings are projected for 2006/07. The housing service is successfully using VFM as a vehicle to reduce cost and deliver improved outcomes for service users.
- 88 External funding is being used to drive improvement. To improve delivery of affordable housing, Planning Delivery Grant is used to part fund the use of a consultant to undertake viability appraisals on new affordable housing proposals, negotiate with developers and advise on the new SPD. In 2006/07 the Council successfully increased its funding allocation from the Housing Corporation to £11.7 million for 2006/8 to deliver 298 affordable homes, an increase from £6.8 million in 2004/5 to deliver 152 homes. External funding is helping the Council to deliver improvements at no additional cost.
- 89 Effective and wide ranging partnership working is releasing efficiency savings in the form of increasing staff capacity and producing initiatives that are helping to capture learning on affordable housing. The Council jointly procures some elements of the service, such as research of housing needs, a choice-based letting scheme and a joint scheme on energy efficiency work. At a corporate level the Council jointly procures ICT facilities. This approach to joint procurement is enhancing capacity and opportunities to bring in improved ways of working which is helping to deliver improvement within the service.
- 90 The Council responded to the high cost of its home improvement service and effectively brought the service back in house in April 2005. A Schedule of Rates is now used for all routine Disabled Facilities Grant work which is helping to raise the quality of work and the speed of service delivery. All estimates are assessed for value for money. Grant applications submitted with higher than average costs are given further examination. Where it is not cost effective to carry out the adaptations, then applicants are encouraged and supported to move to a new home which is better suited to meet their specific need. In 2005/06 the in-house service has produced savings of £35,000.
- 91 The recent re-structuring of the service has increased capacity without significantly adding to overall costs. The savings achieved through the introduction of a flatter management structure have allowed staff resources to be better targeted at priorities such as strategy and enabling, including the creation of a new post of Affordable Housing Officer.

- 92** At a corporate level, VFM awareness is growing. A corporate efficiency group has been established to look at ways of improving cost effectiveness and share good practice across the Council. The Council recently carried out a fundamental review of all services. This scored the contribution of different service activities according to their contribution to strategic priorities and impact on the locality, using a strategic locality grid. Services that score low in each dimension are identified for rapid reviews. This process contributes to VFM by ensuring that resources are targeted at priorities.
- 93** The Council lacks a systematic approach to VFM and there it is not an explicit corporate priority. Comparative cost and performance information are not reported together so senior managers and councillors are not able to systematically challenge cost effectiveness or identify how this could be improved over time. The Council is failing to use relevant housing benchmarking data to identify service improvements or reduce costs. As a result, the Council does not know whether it's affordable housing services are expensive compared to other councils, which is a key element in demonstrating value for money.

Summary

- 94** We have assessed the Council's approach to the provision of affordable housing as a good, two-star service. The Council has a strong strategic approach to the delivery of affordable housing based on consultation and places affordable housing as a key priority. This is enhanced by established partnership arrangements which are increasing capacity within the service.
- 95** Work in the private housing sector has been focused on areas that are having an impact and helping to improve the quality of the housing stock, particularly around thermal comfort and HMOs. The affordable housing programme is well managed and there are sound systems in place to support its delivery through the planning system.
- 96** However, there are some weaknesses where the service needs to improve. Progress on diversity has been slow and the Council lacks focus in this area. The approach to the private sector has not yet been fully developed, lacking an updated strategic approach to the management of empty homes, a landlord accreditation or handy person scheme. In addition, value for money within the service is underdeveloped and lacks a systematic approach.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 97 The Council has a strong track record over the past two years of delivering improvements to the affordable housing service and strengths outweigh weaknesses. Improvements are delivering benefits for local people and actions are being taken to tackle weaknesses highlighted in previous inspection reports. However, less than half of the targets in the Housing Strategy have been delivered and some targets are unrealistic and overambitious.
- 98 The Council has addressed many of the weaknesses identified in previous inspection reports. Corporately the Council is one of the four most improving county/unitary councils in the country, with a CPA score over the past three years that has risen from poor to fair. This level of improvement is also reflected at service level where the pace of change has been significant, particularly around homelessness and advice services. The Audit Commission's homelessness and advice inspection resulted in 12 headline recommendations. Eight have been partly or completely achieved and work is underway on the remaining four. More recently, the Council had a Supporting People inspection. This made five headline recommendations. In the past five months the Council has met its March 2006 deadlines for action and is achieving progress against those with a summer 2006 deadline.
- 99 Performance in a number of key areas is improving. These include:
- an improving benefits system with current turnaround times for claims at 33 days (an improvement from former performance of 45 days) which helps people in housing need to access accommodation more quickly;
 - an average SAP rating of 45 in 2003/04 which has increased to 55 in 2005/06 which is contributing to decency standards and issues of fuel poverty;
 - increasing the delivery of affordable homes from 48 in 2004/05 to 153 in 2005/06, which resulted in the Council meeting its delivery target last year;
 - through effective partnership working, almost doubling the grant funding for new affordable homes to £11.7 million to allow a further 298 new affordable homes to be delivered;
 - increasing the amount of Planning Delivery Grant (top performance nationally) to fund external expertise; and
 - improving value for money to achieve significant savings which are being recycled to increase capacity within the service.

- 100 The Council has also improved the accessibility of the service to users and many aspects of customer service. As outlined earlier, these include re-locating the service to a more central location, the introduction of choice-based lettings, the publication of a range of information leaflets and an appointments system in response to user feedback.
- 101 The Council is not achieving all that it has set out to do in delivering its priority of affordable housing. The current Housing Strategy, though 'fit for purpose', is overly ambitious in relation to the resources available for delivery. To date the Council has met only 47 per cent of the targets set in the Housing Strategy. The Council recognises that it needs to be more realistic in future about its contribution to balancing the local housing market and in the targets it sets in the new Housing Strategy, which is due to be drafted later this year.
- 102 There is a mixed picture in terms of improvement against best value performance indicators for 2004/05. In areas such as bringing unfit homes back into use performance is not improving and falls in to the bottom 25 per cent of councils. Other key areas - such as the time homeless people spend in a hostel has improved from the worst 25 per cent to average performance. Bringing back empty homes in to use performance remains in the best 25 per cent of councils. Out of eight planning indicators, four are in the best 25 per cent and five are showing improvement. However, satisfaction with the planning service falls in the worst 25 per cent and does not show any degree of improvement.

How well does the service manage performance?

- 103 Performance management is a mixed, although improving area where strengths now outweigh weaknesses. The Council has invested in an effective electronic system to collect and monitor performance information and mechanisms are in place to regularly report this to councillors and senior managers. However, performance management is not fully embedded or used to systematically drive improvement across the organisation although there is evidence of good practice within the housing service in this area.
- 104 The Council is making clear links at a strategic level between the delivery of affordable housing and economic vitality. Staff and the lead councillors are clear about the importance of providing affordable housing and the contribution they make to economic and social well-being of the area. The new political administration and recently elected Mayor have reinforced the importance of affordable housing as a Council priority. As a result, there is corporate ownership and leadership of the affordable housing agenda and a clear vision of what the service is aiming to achieve.

- 105 Mechanisms are in place to translate corporate ambitions into actions for the service. An established business planning framework translates corporate and strategic ambitions into actions and targets for delivery. This is supported by a competency framework that is managed through a staff appraisal system (RADARs), regular team and one-to-one meetings with staff. The recently appointed Chief Executive issues a weekly newsletter to all staff and jointly holds road shows with the elected Mayor. This is improving communication of corporate priorities and enhancing staff understanding of the process of organisational change. As a result, teams and individuals are clear about priorities and their contribution to delivery.
- 106 The Council is improving its ability to record and monitor performance information accurately – both corporately and within the service. The Council's electronic system for recording performance information (SPAR) allows data to be systematically collected and reported to senior managers and councillors. All staff have access to the system and reports can be easily generated according to individual service needs. To date the corporate priority has been to ensure managers have access to the right information at the right level and the system's role in driving wider improvement has not yet been exploited. Nevertheless, it provides a sound basis for future development.
- 107 Performance management is used effectively within the housing service to monitor performance and identify the need for corrective action. Detailed management reports are produced on many aspects of performance, including the outcomes of key partnerships. Action plans attached to the main strategies set out targets under each of the separate priority headings. Performance is reported through the SPAR system to senior managers and councillors. Progress against actions in the Housing Strategy is monitored by the Torbay Housing Partnership, although there is scope to improve consistency of reporting between the different sub-groups. For example the Affordable Housing Action Group reports to the Partnership electronically using an Action Plan monitor while some sub-groups provide a verbal update on a periodic basis.
- 108 The housing service is beginning to capture feedback from users to identify areas for improvement. Building on its work in Supporting People, the service has introduced mechanisms to regularly obtain feedback from users across all parts of the service, led by a staff customer access group. This has resulted in many improvements that specifically benefit users, for example changes to the reception area and the introduction of a new appointments system. This is providing a route through which service users are able to help identify future improvements to the service.
- 109 The Council has visited councils that are performing well in affordable housing to learn and improve services within Torbay. Learning is applied to improve outcomes for users. For example, the rent deposit and savings scheme and providing support for vulnerable single people through grant funding a specialist provider backed by a long-term lease agreement.

- 110 Risk management is underdeveloped - both corporately and within the service. The housing service has recently undergone an intensive period of change and further initiatives are in the pipeline. These include corporate plans to review customer access, a review of accommodation and the incorporation of housing into the customer relationship management (CRM) system. The service has not reviewed service improvements to date or consolidated future actions within a coherent plan, which sets out what the service intends to do, who is responsible, the resources needed and how progress will be monitored. As a result, the Council cannot be sure it will sustain a clear focus on all emerging issues.
- 111 At a corporate level, performance management is not fully embedded or used to drive wider improvement. There are no corporate systems in place to systematically share good practice. Systems of financial and performance management are not aligned, although there are plans to do this within the SPAR system. Value for money information is not routinely used to challenge service delivery or question the appropriateness of the level of service compared with its cost. Not all actions in the Housing Strategy have SMART targets. There are examples of duplication and inconsistency of data collection between services, for example the production of different figures for affordable housing completions by housing and planning services. This demonstrates that the Council is not yet systematically using performance information to co-ordinate actions or drive improvement. This limits effectiveness.
- 112 Corporate systems for monitoring and reporting on complaints are underdeveloped. Information on complaints is not regularly reported to the corporate management team and councillors or used to promote learning within services and across the organisation. Changes to the handling and recording of complaints are under discussion to allow them to be used in this way. Currently, this limits the Council's ability to systematically improve its service to customers.

Does the service have the capacity to improve?

- 113 There are more strengths than weaknesses in this area. The Council has increased its capacity through partnership working and investment in the service. Funding is in place up to 2010 to deliver new affordable homes. However, there is some ambiguity among councillors in supporting affordable housing which is weakening political support and work force planning is underdeveloped.
- 114 The service is now fully resourced, with an appropriate skills mix and well motivated staff. Additional resources have been allocated many of which have been funded through savings made. A number of additional posts are now operational or recently appointed to assist focus on key strategic areas; for example, within the housing standards team to increase the contribution made by the private housing sector to affordable housing. This is key to future improvement as development opportunities are limited and private housing forms the largest percentage of accommodation available locally.

- 115** Systems are in place to track and monitor the spending of commuted sums received towards new affordable housing through the planning system. However, the Council recognises that this process needs to be more systematic and is planning to create a new post of S106 Monitoring Officer (part funded by commuted receipts) to take a more proactive role in monitoring compliance. This will help to deliver increased financial capacity towards the development of new affordable homes.
- 116** The relationship with the Council's LSVT partner is improving. Since the LSVT housing association has moved out of Housing Corporation supervision there has been a renewed focus on improving this relationship. Although there remain areas for improvement, such as the quality of some planning submissions, the two organisations are working closely to deliver Council objectives. A key outcome has been a large allocation in 2006/07 to remodel some of the LSVT's existing stock to provide a higher density development of affordable homes.
- 117** In response to the high level of identified need, the Council is taking positive steps to ensure that it is capable of maximising delivery of new affordable homes through the planning system. In response to updated research through an urban capacity study, it has identified the scope to both accommodate further housing growth through the Regional Spatial Strategy (RSS) and reduce the existing site thresholds for affordable housing in line with the size of sites coming forward for development. A new draft SPD is shortly to go out to consultation to clarify this and provide greater clarity about developer contributions. This is an important building block to improve future delivery and demonstrates the Council's strong commitment to its priority of affordable housing.
- 118** Key building blocks are being put in place to support improved delivery of affordable homes and reduce the affordability gap. This work is underway through the development of the LDF. An employment land review is informing the LDF and supporting the emerging 'prosperity' theme from the Torbay Strategic Partnership. This is accompanied by work to review and update the Community Strategy which is also looking at ways to diversify the local economy and reduce the affordability gap through enhanced prosperity. The RSS has a higher level of housing growth of 500 homes a year and this is supported by the draft SPD with lower site thresholds and variable contributions to reflect available sites and capture commuted sums from smaller developments anticipated to come forward. There is a good understanding of the factors that contribute to affordability and a corporate approach to addressing them.

- 119** Partnership working is bringing benefits to local people and to the Council. Through effective partnership working the Council is increasing capacity, attracting external investment and helping to meet both national and local priorities as well as improving some service weaknesses. The earlier section on partnerships highlighted a number of established arrangements that are contributing to the service but there are also new partnerships developing. The Council is working with local agencies, setting up a 'not for profit' company to provide new premises from which joint services will be delivered to people in housing need. Most of the funding needed is in place and the Council is also involving the private sector in this partnership. Plans are about to be submitted for planning permission. This approach should increase capacity within the local advice services and support delivery of VFM.
- 120** Resources are in place to support a growing programme of new affordable housing. The Council has secured resources for delivery of 298 new affordable homes up to 2009/10 through Housing Corporation funding. This programme is supported by an ongoing contribution from capital receipts, 50 per cent of which are ring-fenced towards affordable housing. The Council has also secured nearly £660,000 in commuted sums from 2003/04 to date through the planning system, and a further £0.5 million is in the pipeline.
- 121** There is a strong and growing focus on the customer which is driven at a corporate level. The housing service has responded positively and established a customer access group to deliver a more customer-focused service. The Council has an ambitious agenda to change the way it delivers services to customers and improve user experience. Over the next year, it is planning to introduce the customer relational management system to all services, invest in technical improvements to telephony systems, review of accommodation to rationalise front office/back office activities in line with customer needs and re-engineer business process to improve performance. Funding is in place and a new Director of Communications is in post to oversee the project. The Housing service is due to become part of this process in 2007/08. The Council is well placed to improve customer access and experience of the service.
- 122** There is strong leadership of the Council and the service. New staff and political leadership are driving change in the culture of the Council. The new political administration and recently elected Mayor have reinforced the importance of affordable housing and the contribution it makes to the future prosperity of the area. There is corporate ownership and leadership of the affordable housing agenda. This is important in co-ordinating the actions of the Council and its partners in supporting delivery.
- 123** Councillor capacity is mixed and although development opportunities are being offered, only a small number of councillors are participating. In particular, there are low levels of awareness around diversity and not all councillors demonstrate support for the Council's affordable housing priority, particularly rented affordable housing. It is important that councillors fully understand and support key corporate priorities if they are to drive through future service and improvement.

- 124** Human resources management is underdeveloped and the Council has not completed any work force planning. There is a lack of a management development programme, although staff are provided with facilities for professional development opportunities. Although the services included in this inspection are not experiencing recruitment and retention difficulties it is important to plan for the future to provide development opportunities, enhance skills and retain the necessary expertise.
- 125** The Council is missing several opportunities for the planning service to contribute more effectively to the delivery of new affordable housing. For example, in the face of local opposition, planning officers do not consistently involve local councillors in early discussion on proposals before they are considered by the planning committee to make them fully aware of the issues and address areas of concern. Planners and housing officers sometimes fail to agree the layout and design of a scheme prior to its presentation to the Planning Committee. This has resulted in the refusal of proposals, contrary to officer advice. Not only does this reflect badly on the Council's corporate commitment to deliver affordable housing but also creates additional work for senior managers in resolving outstanding issues. This limits effectiveness in delivery and adds to costs.

Summary

- 126** We have concluded that the prospects for improvement in the service are promising.
- 127** There is a positive track record of delivering improvement. Weaknesses identified in previous inspection reports have largely been addressed. Improvements are bringing clear benefits to service users. Over the past three years, the Council has successfully improved performance in a number of key areas including increasing the numbers of affordable homes built. Corporate plans clearly state that affordable housing is a key priority and the Council is keen to learn from other organisations that are doing well in delivering affordable homes. Action plans are in place at a service level which will deliver improvement.
- 128** There is strong partnership working in place that is increasing capacity and performance management is used effectively within the housing service to monitor performance and identify the need for corrective action. There is a new corporate focus on customer and this should help to improve access to the housing service.
- 129** However, there are some barriers to improvement. There have been some areas of slippage in meeting targets set within plans and previous targets have been too stretching. There is a weak corporate approach to progressing the Council's diversity agenda which is having an adverse impact on the service. Although there is corporate ownership and leadership of the affordable housing agenda there is a lack of understanding and support by some councillors for the affordable housing priority.

Appendix 1 – Performance indicators

Performance indicator	Torbay 2002/03	Torbay 2003/04	Torbay 2004/05	Best 25% of unitary councils 2004/05
BVPI 62 Percentage of unfit dwellings made fit or demolished	4.3%	2.5%	3.31%	4.69%
BVPI 64 Number of vacant dwellings returned to use ⁷	0%*	6%	0%	56.25%
BVPI 106 Percentage of new homes built on previously developed land	59%	76%	84%	94%
BVPI 109a Planning applications: percentage of major applications determined within 13 weeks	34%	55.38%	82.98%	69.01%

⁷ *These figures were qualified by auditors as doubts were expressed about the method of calculation of this indicator.

Appendix 2 – Documents reviewed

- 1 Before going on-site and during our visit, we reviewed various documents that were provided for us. These included:
 - the Council's self-assessment;
 - the Local Plan;
 - the Housing Strategy;
 - Community Plan;
 - private sector housing renewal strategy;
 - housing needs surveys;
 - private sector stock condition survey;
 - Corporate Improvement Plan; and
 - performance reports.

Appendix 3 – Positive practice

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

Rent deposit scheme

- 1 Rent deposit and savings scheme for homeless people housed in the private sector.

Partnership working

- 2 Torbay strategic housing partnership.