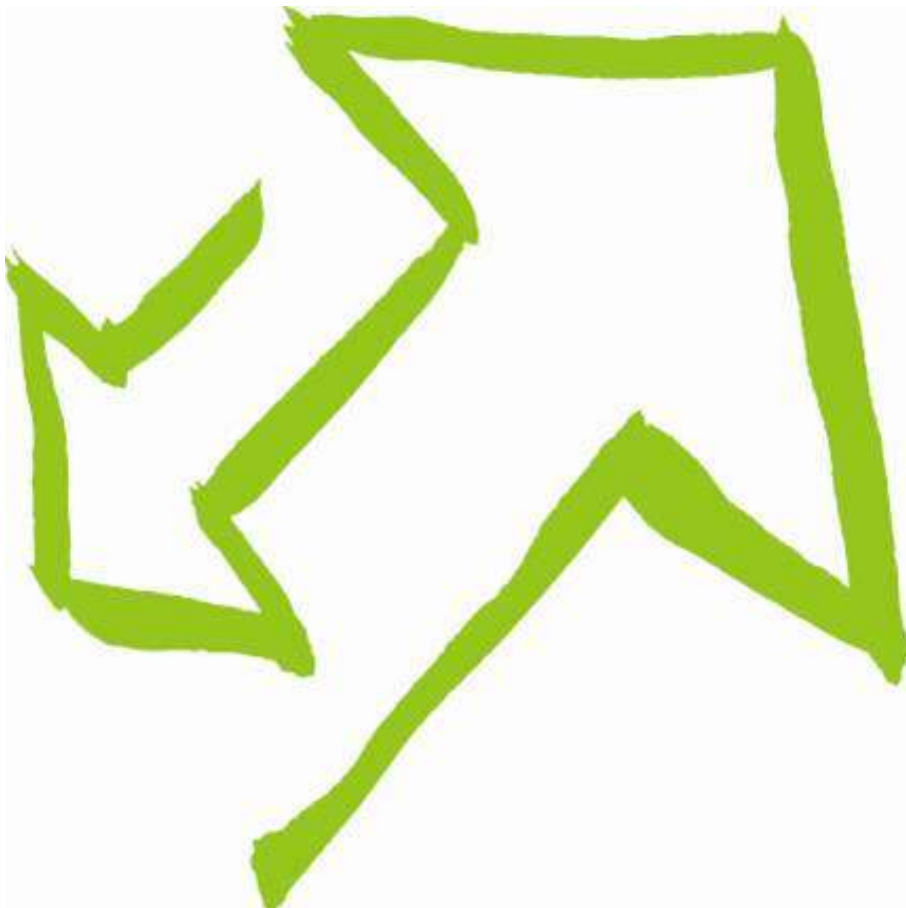


Strategic Housing Services

Northumberland Districts

January 2009



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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 district councils;
- judges the quality of the services for service users and their value for money;
- promotes further improvements in the services; and
- has cost no more than is necessary to safeguard the public interest.

The inspection has been carried out in partnership with Northumberland County Council and the six Northumberland District Councils, to assist them in planning their transition to unitary status from April 2009. Housing services carry significant risks for some of the county's most vulnerable service users if the transition from six providers to one is poorly managed. This piece of work was designed to assist the transitional unitary authority to identify good practice in the districts which will provide learning opportunities for the new authority. It was also designed to highlight any potential problems which have not been addressed in existing plans and the inspection was followed by advice and assistance work within the emerging authority by housing inspectors to disseminate our findings and support further planning.

The cross cutting nature of this piece of work and its timing mean that some of the traditional elements of housing inspection reports were not relevant. For this reason, no score has been assigned and our 'prospects for improvement' judgements in the second part of the report focus on forward-looking issues, such as plans for the future, capacity issues and risks, rather than considering track record.

Summary

- 1 Northumberland is the sixth largest of England's counties but has the smallest population. It is a county of contrasts, with pockets of significant deprivation alongside areas of prosperity and urban as well as remote upland communities. It has a low non-white population and a high percentage of older residents.
- 2 A transitional unitary authority is in place, which runs the County Council's services. This will take over services delivered by the six District Councils, including housing, on 1 April 2009.
- 3 We found a number of strengths in the service, including:
 - there are already some common approaches on equality and diversity issues and some progress has been made in engaging harder to reach customers;
 - county-wide strategic housing work is embedded and has had some success;
 - there is an emphasis on homelessness prevention rather than reactive work;
 - there are some evolving county-wide approaches to managing houses in multiple occupation and improving affordable warmth in the poorest quality housing;
 - although they are not yet delivering significant outcomes, the districts have begun to make use of planning tools to deliver new housing to meet needs; and
 - value for money approaches are beginning to develop.
- 4 However, there are some areas which require improvement. These include:
 - the quality of information provided for customers is inconsistent, there are few service standards in use, little use of customer feedback and some buildings are not compliant with legislation;
 - the quality of equality impact assessments and work on customer profiling is mixed and there are underdeveloped approaches to monitoring the delivery of equality and diversity objectives by contractors;
 - the current sub-regional housing strategy is too narrow for longer term use and the strategic approach to private sector housing, homelessness and housing advice is not robust;
 - there are weaknesses in the delivery of homelessness and housing advice services across the districts;
 - the districts are not making good use of all the tools available to improve private sector housing conditions; and
 - districts do not understand how the costs and quality of their strategic housing services compare with others.

Summary

5 Future plans have a number of positive elements:

- the transitional unitary authority has initiated a different leadership culture from the previous county council and a new vision is emerging;
- appropriate priority has been given to housing services, within the financial constraints in place, and unitary status offers a number of strategic opportunities which were not available to the districts; and
- significant progress has been made with preparations for the transition.

6 However, there are a number of barriers to improvement. These include:

- some plans are not yet robust and there has been slippage against plans in some areas;
- staff morale is low due to current levels of uncertainty across all seven authorities and there are weaknesses in training; and
- there are a number of risks in moving to a unitary model for delivering housing strategic enabling services which have not yet been addressed.

Recommendations

- 7 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs¹ 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 Councils share the findings of this report with customers and councillors; and take action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Bring services up to a minimum standard to ensure statutory obligations are met.

- Carry out a DDA compliance audit on every building where services will be delivered to the public or where staff will be based under the new unitary authority. Put in place resourced plans to bring all of these buildings into full compliance before the end of this financial year.
- Set up adequately staffed out of hours access arrangements to homelessness services in each district.

The expected benefit of this recommendation is:

- a service which meets minimum acceptable standards prior to the new unitary authority taking over management.

The implementation of this recommendation will have high impact with low costs. This should be implemented by February 2009.

¹ 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 Provide adequate and equitable access to services.

- Set up duty cover arrangements in each district to ensure homeless applicants are seen by a specialist on the day of presentation and that non-specialists are appropriately trained to identify which cases require immediate specialist input.
- Deliver targeted training for frontline staff on how to recognise and respond appropriately to cases of domestic abuse in those districts where this has not been done.
- Develop a clear and resourced plan to carry out equality impact assessments on every housing policy and service, prioritising those which are customer facing, within the first six months of the new unitary authority's operation.
- Develop a quality assurance system to ensure that equality impact assessments are of uniform quality before being published and that appropriate monitoring systems are in place to ensure that improvement plans are actioned.
- Develop, with customers, a clear and uniform set of leaflets to promote each housing service available. Display these prominently in all access points and advertise their content on the new unitary authority's website.
- Develop, with customers, a clear and uniform set of outcome-focussed service standards for each housing service and for dealing with all enquiries and complaints. Display these prominently in all access points, advertise them on the website and set up systems to monitor and report to customers and all key stakeholders on performance against them.
- Set up systems to carry out customer satisfaction surveys for each housing process, ensure response rates and results are analysed and reported to customers, senior managers and Councillors and use learning from this feedback to drive service improvement.
- Ensure the expanded ALMO extends its self-assessment against the CRE code in housing to take account of services being delivered to the customers it will inherit from Alnwick District Council. Ensure it updates its action plans to address any non-compliances, problems or issues which this identifies.
- Ensure plans for the new unitary authority's website provide comprehensive information on homelessness, housing advice, housing related support and all private sector housing issues and that the site is accessible to all sections of the community.
- Ensure plans for the new unitary authority take account of good practice in the districts, particularly in relation to access for deaf customers and the collection and use of customer profiling data in frontline contact.
- Review and consider expanding work with 'belonging' communities to ensure that those who are excluded are not further disadvantaged by the length of time it is likely to take to fully develop local fora on a locality basis.

The expected benefit of this recommendation is:

- a service which meets customer requirements prior to the new unitary authority taking over management.

The implementation of this recommendation will have high impact with medium costs. This should be implemented before April 2009.

Recommendation

R3 Ensure a more robust approach to service delivery.

- Set up monitoring systems to track and demonstrate the effectiveness of homelessness prevention initiatives in each district.
- Set up service level agreements to govern the delivery of independent money and housing advice, where this is currently funded by the districts, to track effectiveness and ensure consistency.
- Enforce the range of referral protocols in place to ensure that equitable access for key groups is available across the county.
- Set up monitoring systems to ensure districts adhere to county-wide policies, such as HMO licensing and housing enforcement policies.
- Establish performance management systems to ensure waiting times for grants are tracked, all private sector housing action is recorded and outcomes, including complaints and customer satisfaction returns, are reviewed in order to establish whether objectives are being met and to drive service improvement.
- Establish clear standards for the quality of temporary accommodation and support across the county, resource plans to bring this up to standard within a reasonable time frame and develop systems for regular ongoing inspection to ensure uniform and reasonable quality is maintained.
- Establish clear procedures for identifying long-term empty properties and using a range of tools to bring them back into use for affordable housing.
- Take a more proactive approach to enforcing and supporting improvements to private sector stock:
 - provide sufficient resources to ensure grants and loans can be promoted and delivered consistently and at an adequate level county-wide; and
 - action the backlog of disabled facilities' grants immediately in April 2009, if districts do not action this in advance.

The expected benefit of this recommendation is:

- a service which meets customer requirements prior to the new unitary authority taking over management.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by April 2009.

Recommendation

R4 Develop a robust approach to the strategic enabling role in housing.

- Carry out a comprehensive needs analysis, within the framework of a joint strategic needs assessment. This should include the support requirements of all vulnerable customer groups, including homeless and potentially homeless applicants and those customers who do not access services because of barriers.
- Initiate research, with the Supporting People Commissioning Body, to explore the demand and need for domestic abuse services in areas where there is currently limited coverage and put in place plans to address any shortfalls in provision which emerge.
- Develop systems to keep needs information updated on an ongoing basis.
- Carry out a comprehensive stock condition assessment, which assesses decency levels in the private sector housing stock and takes particular account of where HHSRS category 1 hazards are present in homes occupied by vulnerable people.
- Develop a housing strategy with a strong and proactive vision for the strategic housing enabling service that:
 - takes account of the emerging vision for the new unitary authority and the need to create sustainable communities;
 - more clearly articulates a cross tenure vision for achieving and maintaining decency in the longer term;
 - includes a sophisticated vision around affordability across the county (i.e. taking account of location and quality factors, as well as cost);
 - makes better use of empty homes and continues to make good use of community land trusts to meet the need for affordable housing;
 - minimises the impact that second homes can have on the market in some areas;
 - makes better cross-border links (including by sharing market data more effectively) with Tyneside, Cumbria and authorities in the Scottish Borders; and
 - makes best use of the new unitary authority's role as strategic landlord for the unified ALMO and as strategic enabler for housing associations and other developers to achieve its aims.
- Ensure the new homelessness strategy addresses reduction in the use of temporary accommodation as well as the prevention agenda.
- Strengthen partnership working to ensure partners assist the new unitary authority to discharge its statutory duties to homeless people, to improve access to appropriate housing and to solve problems more effectively in a climate of scarce resources.

The expected benefit of this recommendation is:

- a robust approach to influencing the housing market to address need in the county.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2009.

Recommendation

R5 Enhance arrangements for the transition.

- Audit all the good practice in the districts and ensure it is built in to new arrangements.
- Develop a systematic approach to assessing and benchmarking costs and to carrying out VFM reviews across services.
- Review all transition and other plans to ensure they have a focus on outcomes, rather than outputs and have measurable targets and milestones to aid performance management and progress reporting.
- Confirm a fully resourced structure for the new housing service.
- Confirm an adequate budget for service delivery in the new housing service.
- Confirm adequate resources and delegated powers to manage the ALMO merger.
- Build bringing all staff and councillors up to a minimum standard into the equality and diversity training plan.
- Protect the CLG homelessness prevention grant for prevention initiatives in budgets on an ongoing basis.

The expected benefit of this recommendation is:

- smooth transition to the new unitary authority and a housing service which meets customer requirements.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by April 2009.

- 8** We would like to thank the staff of the Northumberland district councils who made us welcome and who met our requests efficiently and courteously.

Dates of Inspection: 13 to 17 October 2008.

Report

Context

The locality

- 9 Northumberland is the sixth largest of England's counties, at 501,301 hectares² and has the smallest population at 311,424, but this is due to increase to 322,568 by 2021³. It has 131,400 households, with an average size of 2.3 people. No settlements in the county are larger than 35,000 people but this disguises several contrasts:
- the north west is characterised by remote upland communities⁴;
 - small coastal towns predominate in the north east;
 - the south west, is characterised by commuter and farming communities; and
 - urban areas, where 46 per cent of the population lives, are concentrated in the former coalfield communities of the south east coastal plain.
- 10 There is a low non-white population of only 1.6 per cent, compared to an average for England of 10.5 per cent⁵. The black and minority ethnic (BME) population of the county has doubled over the last ten years, with over 1500 school students now being from BME communities⁶ and 1,310 migrant workers registering for National Insurance numbers between May 2004 and March 2008. Registration peaked in 2006 and has been falling steadily since then⁷. Eighty per cent of the county's population identifies with a Christian religion and 10 per cent has none.
- 11 The county's population is ageing, due to inward-migration of over 40's and outward-migration of younger people. There is a greater proportion of over 55's and a lower proportion of people aged 20 to 34 than in England as a whole. Over 65's make up 19 per cent⁸, but are forecast to rise to 27.56 per cent⁹ by 2021. Over 85's will rise even more steeply¹⁰. Disability is also a significant issue. The percentage of working age people with disabilities is 18.4 per cent¹¹, which varies between the districts¹².

² 1,940 square miles

³ ONS

⁴ 0.34 people per hectare

⁵ Wansbeck 1.7 per cent, Tynedale 1.6 per cent, Castle Morpeth 1.6 per cent, Blyth Valley 1.7 per cent, Berwick 1.5 per cent and Alnwick 1.4 per cent – source Nomis annual population survey 2007

⁶ Northumberland School Census 2008

⁷ 305 in 2006/07 and 225 in 2007/08

⁸ 59,700

⁹ 88,900

¹⁰ from 7,300 to 13,000

¹¹ below the regional average of 22.6 per cent but above the 17.9 per cent national average

¹² from 11.9 per cent in Tynedale to 22.8 per cent in Wansbeck - source Nomis population Survey 2007

- 12** Northumberland is a county of contrasts in prosperity. It is the least deprived in the North East and is only 87th out of the 149 county areas in England. However, Blyth Valley and Wansbeck are among the most deprived of districts¹³, with 57 per cent of Wansbeck's population living in the most deprived 10 per cent of super output areas in the country and significant pockets of deprivation also appear in more prosperous communities¹⁴. Unemployment rates are broadly in line with the national average and the figure for young people not in education, employment or training (NEETs) is below both regional and national averages¹⁵, but salaries are generally low¹⁶. Although 28 per cent of workers commute into Tyneside, averages are influenced by low wages and seasonal employment patterns in tourism, agriculture and forestry in rural areas.
- 13** Owner occupation and private renting are slightly higher than regional but lower than national averages¹⁷, with social renting being lower than regional but higher than national averages¹⁸. Compared with other parts of the region, Northumberland has more detached and fewer terraced properties. It has three authorised gypsy and traveller sites, providing 50 pitches, and several unauthorised encampments¹⁹.

The Council

- 14** In May 2008, 67 councillors formed the transitional unitary authority. They will run County Council functions until April 2009, when they will also take over district functions. This authority is controlled by the Liberal Democrat party. It has a leader and six executive councillors with cross cutting portfolios. A joint transitional forum of county and district councillors oversees the transition. Although housing is still outside the authority's remit, it has been attached to an existing portfolio and a working group of councillors with housing interests has been set up to give it a high profile during the transition.
- 15** A chief executive and second tier management team is in post and third and fourth tier posts are being filled from within the ring fence of the seven existing councils. At the time of this inspection, there was no structure in place below this level and the fourth tier Head of Housing post was filled in November, after the inspection was carried out.

The service

- 16** There are differences between the six councils delivering strategic housing services in the county in terms of ownership and management of housing.
- Alnwick District Council has retained its housing stock.
 - Berwick on Tweed Borough Council transferred its stock after this inspection.
 - Blyth Valley Borough Council set up an Arms Length Company (ALMO) in 2002.
 - Castle Morpeth Borough Council transferred its stock October 2007.

¹³ ranked 46th and 80th of 354 district areas

¹⁴ for example parts of Hexham Priestpottle and Alnwick Clayport fall within the 30 per cent most deprived super output areas in England

¹⁵ 10 per cent in 2006, against a national average of 10.3 per cent and regional average of 11 per cent – source CLG floor targets initiative

¹⁶ averaging £16,921 in 2007

¹⁷ 67 and 7 per cent

¹⁸ 22 per cent

¹⁹ source White Young Green for the NE Assembly Gypsy and Traveller Needs Assessment 2005

Report

- Tynedale District Council transferred its stock in December 1999.
 - Wansbeck District Council transferred its stock in February 2008.
- 17 In 2005 the six districts set up the Northumberland housing board, under the auspices of the local strategic partnership, to consider a range of sub-regional housing issues. This also includes representatives of partner agencies.

How good is the service?

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

Access and customer care

- 18 This is an area where weaknesses outweigh strengths. The quality of frontline access points and websites is mixed and some are not accessible. The advice and support offered is inconsistent and sometimes inadequate. There are few examples of SMART²⁰ service standards and only limited collection or use of customer feedback. Significant work has been done, however, in some districts, to improve accessibility for some groups.
- 19 Some buildings delivering front line services are not fully accessible. Although only one of the reception areas in use is not yet certified as compliant with the requirements of the Disability Discrimination Act (DDA) 1995 and work is pending to address this, several are still unwelcoming for pushchair or wheelchair users because they have heavy doors. Temporary accommodation in at least one district is also in breach of DDA legislation and no resources have been identified to address the issue. These problems may prevent some vulnerable customers asking for services to which they are entitled because they know their needs cannot be met. It also means there may be differences in the quality of access provided by the districts, which poses potential issues for uniform service delivery for the new unitary authority.
- 20 The quality of frontline access points is mixed. Staff are helpful and knowledgeable. Most offices are well signposted, accessible by public transport, have private interviewing facilities and hearing loops and advertise translation facilities. Service standards, however, are not always displayed and some carry only a limited range of information leaflets, many of which are not offered in community languages or alternative formats. Although we did find some excellent examples of accessible newsletters and leaflets, these were not the norm in five of the six districts. This means that some customers may be over-reliant on staff to tell them what services are available and what standards of service they should expect to receive. Customers living in the two districts that produce good quality publicity material are also significantly more likely to access services than those living in the four which have been reluctant to stimulate demand. In particular, lack of information on key subjects like the availability of grants to help poorer people improve their homes may mean that those most in need do not claim.

²⁰ Specific, Measurable, Achievable, Resourced and Time bound

How good is the service?

- 21 The quality of advice and support is inconsistent and is inadequate in some areas. For example, advice for customers with enquiries about disabled facilities' grants (DFGs) is weak, with only one district giving comprehensive information and three providing basic advice. Out of hours access to homelessness services is also problematic. There are no formal cover arrangements in five of the six districts, so service quality is dependent on the goodwill of unpaid specialist staff and the limited skills of untrained generic staff. In three of the districts, there is also no access to support for people placed in temporary accommodation until the next working day. These arrangements do not ensure an effective response for either disabled or homeless customers and means they can be significantly better served in some areas than others.
- 22 There are few examples of SMART housing service standards. Those which do exist have not been agreed with customers, they are often not being monitored and there is no feedback to customers. Most districts do not know how quickly staff respond to calls or whether complaints are dealt with quickly. This means the districts can rarely demonstrate that they have performed in line with any commitments that they have made. It also means customers and staff may be unsure about what level of service is acceptable and whether a complaint about the service received is reasonable.
- 23 There is limited collection or use of customer feedback. Satisfaction surveys are carried out in two districts around homelessness services but returns are low and not incentivised by, for example, a prize draw, so there has been little opportunity for learning from responses. No feedback is sought from customers who have accessed new affordable housing for rent or sale, so opportunities are also being missed to identify improvements in planning and regeneration systems. Satisfaction monitoring around private sector housing services is carried out only in some districts and only for some aspects of the service and is rarely reported or used for service improvement. There has also been no work to explore who is accessing services or to survey those who do not, in order to identify potential barriers to access. These weaknesses mean the districts are not able to demonstrate how effective some of their services are or to improve them on the basis of customer and potential customer feedback.
- 24 Websites are variable in quality. Although all have up to date websites with good search facilities, these are not always accessible to customers with language, sight, hearing or literacy difficulties or anyone with poor IT skills. Only two of the districts have accessible sites, with text-only options, read-speak software, font size changers, enhanced contrast settings and colour combinations. Even these offer a standard range of language options, which take no account of the community languages read in the area. There is also considerable variation between the districts in the quality of their housing-related content. Some provide comprehensive information on homelessness and housing strategy issues and downloadable documents, while others are less helpful. There are common gaps in information for gypsies and travellers and for customers requiring private sector housing services. This means customers receive different levels of service by visiting these websites and there are risks that some of the most vulnerable will fail to access services in some areas because they cannot use the sites.

- 25 some groups. For example, poor access for the deaf community was picked up as an issue during consultation around disability equality schemes, as was the fact that a distinct dialect of British sign language (BSL) is used locally, which complicates access to translation facilities. In response to this, two of the districts now provide a weekly BSL interpretation service and will be the first in the country to pilot on-line access to interpreters. A programme of deaf awareness training is also underway for staff in these districts and their third sector partners. This means deaf customers in these two districts have some parity of access with hearing customers and is an example of good practice which could be adopted across the new unitary authority.

Diversity

- 26 This is an area where weaknesses outweigh strengths. The quality of equality impact assessments (EIAs) completed to date is mixed, there is an underdeveloped approach to ensuring equality and diversity in the employment of contractors and consultants and the new unitary authority is not planning to adopt best practice from the districts in customer profiling. There are also some weaknesses in the current response to domestic abuse and there is inconsistent compliance with equality and diversity good practice in managing the retained housing stock. There are, however, several common approaches on equality and diversity issues, including equality impact assessment (EIA) methodology. Some progress has also been made in engaging harder to reach groups.
- 27 The quality of EIAs completed to date is mixed. We have seen examples of successful housing-related EIAs in two districts, which have been followed up by effective improvement plans and positive outcomes. Others, however, have poor improvement plans and unmonitored outcomes. There are also a number of key areas where EIAs have not been carried out yet, including the planning and private sector housing policies of several of the districts. A priority list of 30 EIAs will be carried out during the transition period, which relate largely to accessibility issues around relocated services and do not cover housing specific policies or processes. This means that, although the appropriate tools are in place for a robust approach, the new unitary authority will only understand the impact its new policies and systems have on vulnerable groups if quality assurance is improved and all service areas are covered within a reasonable timeframe.

How good is the service?

- 28** The councils have taken different approaches to customer profiling and decisions taken for the new unitary authority indicate that it has not adopted the best. Some district lettings systems, for example, collect and monitor data on all six diversity strands to ensure that they do not discriminate. The current choice based lettings (CBL) system, however, excludes sexuality monitoring, so it is impossible to determine whether barriers to access exist for some groups. The transitional unitary authority has also adopted the County Council's approach to focusing on strategic profiling of population groups, rather than using the data collected about individuals during customer surveys at a more operational level. This is despite good practice in some of the districts, where customer relationship computer programmes are populated with the communication needs and diversity profiles of customers. With this information staff are able to tailor their response to the specific needs of the individual. These systems are also used at a more strategic level to drive service improvement. For example, 40 per cent of complaints about grass cutting in one district were from disabled people but only 25 per cent of the local population is disabled, so the council is exploring how the service can be made more flexible in order to meet their needs.
- 29** There are some weaknesses in the response to domestic abuse. The county-wide, multi-agency strategic approach is robust. It is overseen by a partnership of senior officers from key agencies, managed by a shared co-ordinator and, although the domestic violence strategy is at the end of its life, it will soon be replaced by a broader violent crime strategy. At an operational level, however, frontline housing staff in three of the districts have had no formal training on the issue and information for survivors is variable. Also, although there is access to non-specialist temporary housing in two districts and there is a sanctuary scheme, there is only one refuge in the county. Floating support and measures to make existing homes safer can only be an interim response for some customers in this situation and limited provision of specialist accommodation in such a large geographical county may deter families from coming forward if they are unable to cope with a long commute to school, work or health care facilities.
- 30** Compliance with equality and diversity good practice in managing the retained housing stock is inconsistent. The landlord function in one of these two districts has carried out a self assessment against the code of practice for housing²¹ and has plans to address non-compliances. Because the other has not done this, however, it cannot demonstrate the extent to which it delivers equitable housing management services or how it intends to address any problems. This means that customers from BME communities in one area of the county can be more confident of equitable treatment than those in the other, which could present problems for the new unitary authority.

²¹ revised by the Commission for Racial Equality in 2006 but now managed by the Equality and Human Rights Commission

- 31** There is an underdeveloped approach to ensuring equality and diversity in the employment of contractors and consultants. The North East Improvement and Efficiency Partnership has co-ordinated work across the region to improve equality and diversity in procurement, with some harmonisation of contract documentation. No examples emerged during this inspection, however, of good practice in ongoing compliance monitoring during contract periods, where services are delivered by third parties. This means districts are sometimes unable to demonstrate that services are being delivered in accordance with their equality and diversity policies because they have not set or tracked performance against targets. The new unitary authority will also inherit a number of contracts without effective monitoring systems in place.
- 32** Although there is an acknowledgement that work is still under developed, progress has been made in engaging harder to reach groups. This has been largely done with third sector partners, such as the Northumberland Voluntary and Community Sector Consortium (NVCS), which has used equality and human rights commission funding to develop a multi-cultural forum in one district. An Age Concern project identified gender differences in how information about services is exchanged, resulting in plans to target publicity at older men, who tend not find out about services from one another in the way that women more often do. The Northumberland strategic partnership's outreach style of needs assessment work with migrant workers is improving dialogue and providing immediate assistance to them in accessing services, as well as identifying gaps in provision. These and other initiatives mean the new unitary authority will begin with a reasonable understanding of how to communicate more effectively with some of its isolated communities.
- 33** There are a number of joint approaches in use on equality and diversity issues. The seven councils have worked closely together since common weaknesses were identified under the corporate performance assessment (CPA) framework. A successful joint funding bid for £80,000 over two years from the North East Improvement Project²² allowed them to buy in specialist consultancy support to develop processes. These have brought each of the districts up to level two of the equality standard in local government (ESLG) and the County Council to level three. They also provide a uniform baseline for the new unitary authority's approach.
- 34** Despite the weaknesses outlined earlier, there is a common methodology in place for carrying out EIAs. A broad range of managers have been trained to carry out assessments, which are 'owned' in their service areas, with support from specialist equality and diversity staff in each authority. A 'lighter touch' first stage has recently been developed, which identifies where full impact assessments are required and helps target the use of resources more effectively. Although there is little councillor involvement in quality assurance or formal customer and stakeholder consultation, these issues are currently being considered. This means there is some consistency across the organisations and across services about how the impacts of policies and processes are explored.

²²

each district also contributed £4,200

How good is the service?

Strategic approach to housing

- 35 This is an area where strengths outweigh weaknesses. County-wide housing markets have been defined, a strategic housing enabling role is already partly performed on a county basis and the sub-regional strategy has delivered positive outcomes. It provides a limited platform for strategic housing enabling on a longer term basis, however, and there have been some missed opportunities for strategic enabling.
- 36 There is a clear, strategic basis for current housing enabling work in the county. The Northumberland strategic partnership's sustainable community strategy's objectives include 'maintaining homes to a decent standard' and 'providing affordable homes' and its 35 priority performance indicators include delivery of affordable housing²³ and tackling fuel poverty²⁴. There is also a 2007 sub-regional housing strategy with more detailed objectives to:
- replace market failure with high quality housing in the right locations to help create successful, cohesive and sustainable communities;
 - ensure the type and mix of new housing provides choice, supports economic growth and meets need and demand, reflecting the diversity of communities;
 - improve and maintain existing housing so that it meets required standards; and
 - promote good management and targeted investment to address specific community and social needs.

The Northumberland housing board operates as a sub group of the Northumberland strategic partnership, involves a range of housing and developer stakeholders and sends representatives to other key partnership bodies, in place of district representatives. It has set up working groups with reasonably SMART action plans to deliver against its objectives and employs a sub-regional co-ordinator to improve cross-district partnership working and raise the profile of its objectives with funders. This means the new unitary authority will take responsibility for structures and strategies which are already in use.

²³ National Indicator 155 - targets of providing 96 extra homes in each of the next two years and 400 in 2010/11

²⁴ National Indicator 187 - target of reducing the percentage of homes occupied by people on benefits which have a SAP rating of below 35 from 8.7 per cent in February 2008 to 7.8 per cent by March 2011 and increasing those with a rating of over 65 from 26.7 per cent to 29.7 per cent

- 37** The sub-regional strategy has had a positive impact over the past year. There has been significant regeneration activity in the urban districts. The single housing investment programme (SHIP) has funded £5.72 million worth of work²⁵. This has mostly supported projects meeting objective one of the strategy²⁶. In addition, however, it has supported objectives three²⁷ and four²⁸. Other projects have also delivered outcomes against the strategy, including a regeneration scheme which has built 24 units of new affordable housing²⁹. Enabling teams have been built up in the rural districts to help deliver the strategy, but these have not yet impacted significantly on the output of affordable homes because this can be a long process. These examples illustrate how the sub-regional strategy has begun to address county-wide goals.
- 38** The strategy is too narrow, however, to be of long-term use. There is no county-wide population policy to provide the context for a housing vision, so the strategy is reactive, rather than attempting to influence the market in a more proactive way. The research on which it is based is also variable in quality and gives only a partial understanding of county-wide housing markets. Housing needs data from the six districts³⁰ contributed to a joint housing market assessment which identifies four overlapping housing markets³¹ with cross border links³². All of these markets are becoming less affordable, but weaknesses in needs information allow the Northumberland housing board to assume that static homelessness levels are due to the migration of younger and poorer people from the least affordable rural to the slightly more affordable urban areas. This has prevented it exploring barriers to access, such as perceptions among potential applicants that their home councils cannot rehouse them. Assessment of the needs of some other vulnerable groups, including gypsies and travellers and migrant workers, has also only begun since the strategy was written. This means it focuses on meeting only the most pressing needs of the highest profile groups and there has been a failure to address those of others, or to improve delivery of core services such as homelessness, housing advice and assistance to customers living in poor quality private sector housing.
- 39** At a district level, opportunities have been missed to boost strategic capacity. For example, large scale voluntary transfers have left some districts with insufficient staff to run an effective strategic enabling service and they have missed opportunities to work with the new associations to develop shared services. Also, despite it being highlighted as an opportunity three years ago in the first county-wide housing market assessment, the districts have not restrained demand on second homes by exploring restrictive covenants on development or maximising council tax on them to support other housing priorities.

²⁵ compared with only £1 million in the previous two years

²⁶ £1.9 million for regeneration of the Inner Terraces area in Blyth and £600,000 to bring private sector homes in four of the coal mining villages of Castle Morpeth up to the decent homes standard

²⁷ £565,000 for insulation work which should facilitate a reduction of £120,000 in the new unitary council's Warmzone contribution in future years, £600,000 for conversion of up to 20 small bungalows in Alnwick and Blyth and the remainder split between the districts to increase their expenditure on renovation grants

²⁸ £1million to tackle the backlog of disabled facilities' grants and £250,000 to begin phased replacement of hardwired Telecare equipment across the districts

²⁹ Wansbeck LIFE

³⁰ surveys carried out between 2004 and 2007

³¹ Urban/Coalfield, Commuter, Coastal and Upland/National Park

³² with Cumbria in the west, Tyne and Wear in the south and the Scottish Borders in the north

How good is the service?

Making the best use of existing housing

Homelessness and Housing Advice Services

- 40 This is an area where weaknesses outweigh strengths. Access to specialist housing advice and homelessness services is limited in all but one of the districts, a differential service is offered and there are weaknesses in partnership working. In most cases, performance is not managed proactively and data is not used to shape services. There is, however, a positive emphasis on prevention throughout the county.
- 41 The strategic approach to homelessness and housing advice services is not robust. The quality of the recent interim homelessness position statement is weak. It is based on a desktop review of existing district homelessness strategies, some of which are out of date. It is not supported by sufficient needs information, including about sections of the community which may not be using services because of barriers to access. It particularly neglects the prevention agenda and the new unitary authority's requirement to reduce the use of temporary accommodation. The actions identified in the statement do provide a short term focus for improvement until a comprehensive strategic review can take place in 2009 but no supporting action plan had been developed or resourced at the time of this inspection and stakeholder consultation had only just begun. Because a number of key actions around the design of the new service must be delivered in a very short time scale, this lack of strategic clarity means there are significant risks that services for some of the most vulnerable people in the county may be poorly planned or under resourced under the new unitary authority.
- 42 Access to specialist housing advice and homelessness services is limited in all but one of the districts. In several, there are no duty officer mechanisms in place and there are competing demands on most homelessness and housing advice staff. Although we found staff to be flexible and willing to make appointments at a range of venues to suit the customer, sometimes customers cannot be seen on the day of presentation and non-specialist, untrained staff act as gatekeepers to the service. Advice for those not in priority need is limited because of the shortage of affordable housing. Short supply of specialist supported housing for some groups also means that inappropriate placements sometimes have to be made, for example in the cases of survivors of domestic abuse. These barriers to access mean there is a significant risk that some customers will not receive the best advice and assistance available, their temporary placement may not meet their needs and the homelessness prevention and presentation figures recorded may be inaccurate in some of the districts.

- 43 A differential service is offered. The approach to prevention is patchy across the county, with all but one of the districts unable to demonstrate the impact of advice services. There is mixed performance in the use of hostel accommodation, with half of the districts performing at levels below the national average in 2006/07. Support provided to customers in temporary accommodation is of variable quality, both at the point of emergency admission and in terms of ongoing contact during the assessment of homelessness cases. The quality of temporary accommodation is also mixed, with one of the three schemes we visited being of a low standard. We also found that, where attempts were being made to meet customers permanent rehousing needs by offering floating support instead of poorly located supported accommodation, they were being given insufficient security of tenure³³. These various anomalies mean that customers presenting in neighbouring districts could receive a different quality of service, despite each council having the same statutory duties. They also present a number of challenges in creating a unified service which is likely to be delivered by the same staff in the same locations for some time after the new unitary authority is set up.
- 44 In most cases, performance is not being monitored or managed proactively. Performance data is collected but is not being used locally to highlight trends or shape service provision in five of the six districts. Where services are delivered by third parties, monitoring does not always take place, due to lack of capacity within strategic housing teams to attend meetings or carry out qualitative checks and partner surveys. Unchallenging targets are set in some areas with, for example, one district setting a 40 day standard for assessment and a 56 day standard for reviews. Although national standards are no longer in place, these represent long waiting times under difficult conditions. There is a degree of complacency in some districts about performance because five have experienced a decrease in applications, all have low levels of repeat homelessness and all but one has been able to stop using bed and breakfast accommodation. This failure to proactively monitor trends or explore the reasons behind them, however, could be contributing to the continuance of some of the barriers to access outlined above and may mean the service is not meeting the needs of those it is intended to serve.
- 45 There are weaknesses in elements of partnership working across the county.
- Independent housing and money advice services are being funded in every district to boost capacity but only one has service level agreements in place around delivery, so most are not maximising their strategic role by ensuring comprehensive access to these services or monitoring how effectively they are being delivered.
 - Only one district has a functional homelessness forum and the absence of such a network limits opportunities to innovate and develop shared solutions in a climate of scarce resources.
 - Although one district has a working group to reduce the use of temporary accommodation, the partners involved are not confident that it is productive and no partners are involved in strategically addressing the issue in the other five districts.

³³ using assured shorthold tenancies rather than assured tenancies with support

How good is the service?

- There is a new multi-agency protocol in place for assessing the needs of young people, but there is only limited use of the range of protocols already in place, with low awareness by frontline staff about how they should handle some vulnerable cases and only one district having established clear referral routes for groups not covered by these protocols, such as survivors of domestic abuse.
- There is a mixed approach to the use of nominations, with formal and effective systems in some areas and less formal arrangements in others, meaning that some districts are unable to demonstrate that they are making best use of the limited affordable housing which may be available to them.

In general, therefore, the districts are not maximising their opportunities to use partner agencies to assist them in discharging their statutory duties and are not sharing learning well to drive service improvements.

- 46 There are, however, a number of positive aspects to service delivery in the districts. In particular, the homelessness, housing advice and lettings staff we met were knowledgeable, committed and customer focussed. Most districts have adequate processes in place to make and review homelessness decisions. There are some examples of successful partnership working, with a robust response to the provision of temporary accommodation and support during recent flooding in two of the districts, for example, and a number of successful supported accommodation projects run by partner agencies to help the districts meet need. Lettings systems generally support rehousing for homeless applicants who are in priority need. In most cases they receive the highest priority and historical rent arrears are dealt with positively. One district has adopted a CBL system which has improved transparency and the availability of support staff to assist with bidding has helped ensure all vulnerable applicants are considered for properties which might best meet their needs. The outcome of these positive elements of service delivery is that, even in areas of limited housing stock and low turnover, those in priority need are being rehoused.
- 47 There is an emphasis on homelessness prevention throughout the county. Two districts have specialist teams in place, several have systems to identify potential homelessness among rehousing applicants and there is one arrangement with an LSVT association to notify its district where legal action is pending against tenants. Good use is being made of government grants to support prevention initiatives like family mediation to prevent relationship breakdowns and reduce homelessness among young people. There are three rent deposit schemes in operation and the grant is also being used to support bonds or help clear rent arrears in those districts without them. Two districts also use discretionary housing benefit payments, while encouraging the private tenants affected to apply for social housing to improve their security of tenure. This culture of prevention is a robust foundation on which to build the new unitary authority's homelessness strategy and service.

Private Sector Housing

- 48 This is an area of weakness. There is little understanding of need in private sector housing, the strategic approach is not robust and there is a lack of emphasis on bringing long term empty properties back into use. The districts do not make use of all the tools available to improve private sector housing conditions and DFGs are not administered effectively. Proactivity in developing relationships with private landlords is also limited. However, some action has been taken to ensure the safe management of houses in multiple occupation (HMOs), a county-wide approach to affordable warmth is being established and one district has started a campaign to address low decency levels.
- 49 The strategic approach to private sector housing work is not robust. No private sector housing strategies are in place and inclusion of these issues in general district housing strategies is variable. Some districts do not have private sector renewal policies and others are out of date, in that they do not reflect either the most recent information available about stock condition or the need to respond to critical legislation like the Housing Act 2004. There is also a lack of monitoring to ensure that sub-regional policies, such as the HMO licensing policy and housing enforcement policy, are being adhered to in the districts. This means that, where strategic decisions have been taken to reduce disparity between the services being delivered in neighbouring districts, consistency of quality is still not demonstrable.
- 50 The understanding of stock condition and needs information is weak. Most district surveys are over five years old. A two year old stock condition assessment confirms that there is insufficient data to estimate the numbers of unfit dwellings or the cost of repairs more recently than 2001 and it was unable to predict whether targets will be met because no data was available about the speed at which stock is being made decent or about levels of vulnerability. Emerging county-wide research on migrant workers also illustrates how needs information is weak by indicating, for example, a number of previously unidentified gaps in the strategic approach³⁴, despite the fact that this has been a significant group in the county for over five years. Gaps in understanding mean the new unitary authority does not have a robust foundation on which to build a private sector housing strategy.
- 51 These weaknesses have been exacerbated by poor performance management in this area. Information about action taken is not always recorded or reported and outcomes are not reviewed except in the Home Improvement Agency (HIA). Performance in key partnership processes, such as the system to assess and deliver DFGs, is not monitored on an 'end to end' basis. This means the agencies only take responsibility for their own elements of it and do not track customer experiences through the whole process, in order to improve it. There is also a general failure to track the impact of initiatives so, for example, although BRE data provides a baseline, districts cannot demonstrate which approaches have been effective in reducing the numbers of vulnerable households in non decent housing. These weaknesses not only make it difficult to assess whether service objectives are being met or value for money achieved, but also mean there is limited learning to feed into service improvement.

³⁴ including landlord accreditation schemes, working with employers to improve bonded accommodation, developing more rent deposit schemes and improving housing advice services

How good is the service?

- 52** There are a number of weaknesses in how DFGs are administered in the districts. Each takes a different approach, with some offering significantly more information and support to applicants than others and only one making effective use of the county-wide home improvement agency³⁵ which delivers a complete service, including income maximisation advice. There have been no needs analyses done on DFGs, so budgets tend to be based on historical spend and resources do not meet demand. In five of the six districts, budgets for 2008/09 were fully committed by the middle of the year. This means that a number of disabled customers on low incomes have to wait for adaptations to which they are entitled. It also means that the new unitary authority will begin its life with a sizeable backlog of cases requiring action, it will have no clarity about future needs for budget-setting purposes and there has still been no service model developed for delivery by the unified authority.
- 53** The districts do not make use of all the tools available to improve private sector housing conditions. Inadequate resourcing means all provide a reactive and poorly advertised enforcement service and low numbers of either formal or informal notices are served in all but one district. None provides loans or equity release options and the use of grants has declined over the last five years³⁶, with one district only recently reintroducing them after seven years with no provision. The level of support offered and criteria for decision making also vary considerably between the districts. This means that many vulnerable people living in poor quality housing do not receive the help they need. There is also a significant risk that any delays in developing a single policy or poor staff training could result in customers who live in neighbouring areas continuing to receive different levels of service under the new unitary authority. Failure to adequately resource the service will mean continued failure to act against the owners of properties in poor condition which are often occupied by vulnerable people.
- 54** A proactive approach to developing relationships with private landlords is not always taken. There has been little work done with the large estate land owners to address decency and affordability issues in their stock. There is no use of private sector leasing schemes to support homelessness services. Only three of the districts have developed either landlord accreditation schemes or landlord fora to help them work with smaller providers and even here there is limited participation by landlords. This tends to be because schemes offer them limited business incentives, there is some confusion about whether and how they can benefit in terms of grant funding and those landlords who are involved consider structures to be consultative, rather than participative. The accreditation scheme is not as effective as it could be because quality checks on both property condition and tenancy management processes are limited. Failure to engage effectively with landlords means the districts have only limited scope to influence the quality of private renting in their areas, despite so many being reliant on this sector to house vulnerable, homeless and potentially homeless applicants.

³⁵ only 96 of its 616 clients since April 2006 are from other districts and these have made direct contact with the agency

³⁶ renovation grant spending has reduced from £441,364 on 57 properties in 2003/04 to £297,324 on 21 properties in 2007/08 against a more modest increase in the use of minor repair grants in the same period from £131,468 on 70 properties to £212,323 on 77 properties

- 55** There is a lack of strategic emphasis on bringing long term empty properties back into use. Although over half of the empty properties in the county have been vacant for over six months, none of the districts has formal strategies in place to reduce these figures and none uses empty dwelling management orders (EDMOs), which were designed to tackle the problem, because they have insufficient funds and staff resources. There has been some success, with two districts monitoring occupation levels and three bringing small numbers of properties back into use³⁷ which means there is some good practice on which the new unitary council will be able to build, but the impact on reducing empty property levels has been small.
- 56** Some action has been taken to ensure the safe management of HMOs. Although the districts have few HMOs which meet the government's definitions for inclusion in licensing schemes they are working to a common licensing policy and systems for identifying potential HMOs are in place, including through sharing information with the Northumberland Fire and Rescue Service. One district has served a notice as a result of such information and another has closed a HMO, under a prohibition order. This common approach means that problems are being identified and addressed and the new unitary authority will have a robust basis for delivering this service county-wide.
- 57** A county-wide approach to affordable warmth has begun to be established. Most of the districts are taking action to improve energy efficiency and reduce fuel poverty. The 'Warmzone' initiative³⁸ is targeting areas with a high proportion of properties where there is a SAP³⁹ rating of below 35, based on the BRE data, using SHIP funding. Two districts, in particular, have been proactive in targeting publicity about the scheme towards the areas where they know stock has the poorest energy efficiency and where they believe there to be pockets of deprivation. A leading fuel poverty charity⁴⁰ has recently reviewed these district approaches and made recommendations about the gaps it has identified. This means that, not only are some local people benefiting from work around energy efficiency now, but a robust basis exists on which to build the new unitary authority's affordable warmth strategy.
- 58** One district has begun a proactive campaign to address the problem of low decency levels in private sector housing. It makes good use of the HIA and is working with it to identify vulnerable households, using housing benefit data, and target publicity towards them. It then identifies the best intervention for each household, focusing on category one hazards⁴¹, energy efficiency and adaptations issues. Referrals are made to relevant agencies, such as the handyperson service or 'Warmzone'. This district is also running publicity events for owner occupiers and landlords in its regeneration areas to highlight the opportunities available to them via grants to improve the condition of their properties. These initiatives represent a systematic joined-up approach to improving housing conditions for vulnerable people, rather than the reactive approaches used elsewhere, and are models which could be adopted county wide under the new unitary authority.

³⁷ the enabling fund in one district has supported a 'purchase and repair' scheme for 14 properties and the other two districts have targeted grants towards landlords with unfit stock, bringing a further 49 properties back into use

³⁸ National initiative which brokers funds from a range of agencies to improve energy efficiency in areas with concentrations of households experiencing fuel poverty

³⁹ Standard Assessment Procedure, which measures thermal comfort in domestic premises

⁴⁰ National Energy Action (NEA)

⁴¹ under the housing health and safety rating system (HHSRS)

Enabling the provision of more housing to meet needs

- 59 This is an area where strengths outweigh weaknesses. There is an understanding of the new housing required. Effective partnerships are in place, some districts make good use of planning tools to deliver new housing to meet needs and pipeline negotiations are ongoing, even in the less successful districts. These initiatives have not yet delivered significant numbers of affordable homes however and some districts do not have the capacity to deliver the numbers required.
- 60 Each district generally understands the new housing required in its communities. They have carried out needs surveys and work with parish councils, where these exist, to establish local perspectives. They have core strategies⁴² or affordable housing policies which require between 30 and 50 per cent of new homes, on each site above a threshold size, to be affordable⁴³. These have been consulted on, to some extent, with stakeholders. Most define affordability in terms of local incomes, with limits also placed on resale values to ensure properties remain affordable in future. Each district has carried out a strategic housing land availability assessment (SHLAA) to identify sites with potential for house building over the next 10 to 15 years. This means that most districts have a robust basis for making strategic decisions about the need for affordable housing and can respond effectively to planning challenges.
- 61 There are a number of effective partnerships in place to deliver new housing to meet needs. Housing association partners receive clear information about development requirements and consistent planning advice from the districts. There is also evidence that the districts support them in accessing Housing Corporation grant funding and overcoming parish council objections to development which meets need. Strong relationships exist with community development trusts⁴⁴, which are beginning to deliver affordable housing by converting existing buildings. These partnerships are a solid foundation on which the new unitary authority will be able to build.
- 62 A number of planning tools are in use to increase the output of affordable housing. For example, the three rural districts have made good use of section 106 agreements⁴⁵ and rural exception sites to meet specific needs in a range of tenures. This has included restricting lettings and sales to key workers or people with a local connection and imposing caps on future re-sale prices. Developers are typically required to pepper-pot affordable units around developments to support balanced communities and the affordable housing schemes we visited during this inspection had been designed to a high standard. Two districts have also used their significant enabling budgets to support the acquisition of land by community development trusts and to support purchase and repair schemes by housing associations. These approaches are beginning to have an impact, with most of the districts having now delivered affordable housing.

⁴² a development framework for the next 10 years

⁴³ Using a standard definition, based on a comparison between the averages of incomes in the lowest 25 per cent and the averages of house prices in the lowest 25 per cent

⁴⁴ a mechanism for democratic ownership of land by the local community, which takes responsibility for developing it

⁴⁵ Town and County Planning Act 1990

- 63** Although the urban districts have been less successful they have a number of initiatives currently in the pipeline. They have been awarded 'growth point' status and are awaiting approval of a £3 million bid for a three year programme of infrastructure development. This will give them the potential to build 20 per cent more new houses than the regional spatial strategy envisaged. Two of these districts and the County Council are also members of the South East Northumberland and North Tyneside Regeneration Initiative (SENTRI), which is a public private partnership working to regenerate town centres⁴⁶. It is in the early stages of agreeing planning permission for a large mixed tenure residential site, including an extra care scheme for older people, which will be developed when market conditions improve. The third district is also in discussions about the future of two former coalmine sites which have the potential to provide 500 homes, including affordable housing. This means that, in the urban south of the county, councils are also working proactively with developers and partner agencies to meet housing need.
- 64** These initiatives have not, however, delivered significant numbers of affordable homes yet. Many developments have been small, so affordable housing policies do not apply to them. Land prices mean there is also limited profitability on some sites, so developers have sometimes been able to negotiate reduced quotas on the basis of economic viability. Housing associations are also sometimes deterred by the inflexibility of local connection rules, which can restrict lettable. Most significant, however, is the fact that affordable housing policies have only been adopted in the last twelve months and only two of these were based on pre-existing informal quotas, so the requirement to deliver affordable housing is relatively new. Between 2004 and 2008, 3,723 new homes were built in the county, but only 12 per cent⁴⁷ of these were affordable. There was a significant variation in the performance of the districts during this period, but even the best performer only delivered 21.5 per cent affordable housing.
- 65** Some districts cannot demonstrate the capacity to deliver against their affordable housing requirements. They have set targets which would deliver slightly higher unit numbers than the global target set by the Northumberland strategic partnership, but these are still lower than the numbers required. In one district there has also been a successful legal challenge against its affordable housing policy⁴⁸ which means it has reverted to an earlier interim policy which is less exacting and is likely to deliver fewer units than forecast. There is also one district which has set an affordable housing target but has no policy or mechanisms in place to support this, so the development of affordable housing is being driven largely by housing association development activities and it has not yet responded to the likelihood that this will reduce in the current economic climate. This means that the new unitary authority may begin its life with unachievable targets having been set by its predecessors.

⁴⁶ £13 million has already been secured through English Partnerships to support sustainable communities in these areas

⁴⁷ 452

⁴⁸ because it is not supported by an economic viability assessment

How good is the service?

Is the service delivering value for money?

- 66 This is an area where weaknesses outweigh strengths. Although efficient approaches are beginning to develop, there is a limited understanding of costs and little benchmarking of cost or quality in housing services, which is essential to value for money (VFM) approaches.

How do costs compare?

- 67 Districts do not understand how the costs and quality of their housing services compare with others and are not using this data to drive improvement. There are pockets of good practice⁴⁹ but housing services are generally not delivered on the basis of a good understanding of costs. Costs and the processes behind them are not systematically compared with those of other providers. Assessments are not carried out to determine whether the balance of cost and quality delivered represents VFM. This means the new unitary authority does not have a robust basis for making decisions about where efficiencies could be delivered in housing without loss of quality, or about where increased investment is needed to improve outcomes.

How is value for money managed?

- 68 Elements of efficient working are developing. The Audit Commission's March 2008 use of resources assessments gave five of the seven councils a score of three out of four on efficiency issues and previous housing inspections have noted success in some districts in attracting inward investment. The shared services agenda, which can improve economies of scale by one organisation providing a service on behalf of several, has not been adopted on a significant scale but partnership working has enhanced capacity. The Northumberland housing board has provided a platform for increased SHIP investment and the joint growth point bid should pump prime further investment. Individual districts are also using government grant on a 'spend to save' basis by targeting investment towards homelessness prevention projects and energy efficiency measures. These will generate longer term savings for customers and for the new unitary authority. This means that not only are some housing services maximising the impact of the limited funds they do have, but there are partnership working skills in the sub-region which can continue to help boost inward investment in future.
- 69 There is a significant example of poor partnership working, however, where VFM considerations have been ignored. The HIA is designed as a partnership vehicle to make best use of resources and deliver a holistic service of a uniform quality across the county. Only one district uses it, however, with the others providing grants using individual systems. This means opportunities have been missed to deliver economies of scale or enhanced services and vulnerable people who might benefit may be missing out.

⁴⁹ for example, the County Council has benchmarked its computer services extensively in terms of cost and quality across a range of indicators and can demonstrate VFM

What are the prospects for improvement to the service?

What is the quality of future plans and does the service have the capacity to improve?

- 70** This is an area where there is a balance of strengths and weaknesses. The transitional unitary authority has initiated a new and positive leadership culture and its vision is emerging. Appropriate priority has been given to housing services and unitary status offers a number of strategic housing opportunities which were not available to the districts. Most of the new unitary authority's proposed business processes are built on County Council ones which the Audit Commission has previously judged to be robust. Significant progress has been made with preparations for the transition in housing, with many plans built on robust learning about what works well. Some planning in the wider transitional authority, however, is less robust. There are a number of areas where the transition is behind schedule or where plans were still unclear at the time of this inspection. Staff morale across the districts is low and there are weaknesses in training. There are also a number of risks in moving to a unitary model for delivering strategic housing services which have not yet been addressed.
- 71** The transitional unitary authority has initiated a positive leadership culture. Councillors have a cross-party approach to creating policy. The new senior management team is developing a partnership approach with councillors and the chief executive (CEO) has set the tone for an open culture by being accessible to staff from all seven authorities during his first few weeks in post. There is an emphasis on evolutionary transition, rather than revolutionary transformation, and an over riding commitment to ensure that services run smoothly once the new unitary authority takes over. This approach is illustrated, for example, by the decision that existing district teams will continue to provide frontline advice, support and needs assessment for the new CBL scheme and the ALMO's role will be expanded to manage quality across all the districts, rather than one. This will minimise the disruption in service delivery for customers, provide a reasonable approach to making best use of resources and existing expertise and gain the support of staff who are uncertain about their futures.

What are the prospects for improvement to the service?

- 72** The vision for the new unitary authority is emerging. It is based on the concept of 'taking the lead in making the county an even greater place'. There has been a pragmatic approach to taking on board elements of the previous vision, which was outlined in the original bid for unitary status. For example, the transitional authority has revised plans for local accountability because councillors want a model which gives more power to elected town and parish councils⁵⁰, rather than the voluntary sector partnerships originally envisaged. Similarly, it is reconsidering whether to retain six planning committees for local accountability. The senior management team has also revised the original draft structure because this was designed with only a limited understanding of the resources that would be available. This flexibility means that, while there is clarity about general direction, there is also scope for new priorities and pressures to be taken into consideration.
- 73** High priority has been given to strategic housing services in the new unitary authority. Although this currently takes the form of a narrow focus on developing affordable housing, meeting the needs of older people and regenerating pockets of poor quality private sector stock, housing is a clear priority for each of the political parties. This is also reflected in the fact that housing services are only required to make a fifteen per cent efficiency saving as a result of the move to unitary status, while lower risk services have to deliver 20 per cent. A cross-party councillor working group on housing is beginning to make key decisions for the new unitary authority. Links are developing between this group and the Northumberland housing board, which will continue as a strategic partnership in future. This means housing will be a high profile service in the new unitary authority.
- 74** Unitary status offers a range of strategic opportunities for the service which were not available to the districts. For example, there is scope for the ALMO to become a delivery vehicle for building and managing affordable housing in future. It has achieved 'approved developer' and 'approved manager' status under the national affordable housing programme so it will be well placed to develop affordable housing if the new unitary authority makes the decision to use some of its land in this way. The current economic climate also presents opportunities for the unitary council to exploit the return to the market of second homes in some areas, via initiatives like 'rent to buy' schemes, to address affordability problems. The new unitary authority will also have opportunities to improve efficiency through the delivery of shared services. Three of the districts, for example, have signed only one year agreements with housing associations to provide homelessness services, so efficiencies could be realised quickly in this area. These and other opportunities mean the new unitary authority has the capacity to develop a broader vision to address housing need than has previously been possible.

⁵⁰ grouped into three areas and 27 localities

What are the prospects for improvement to the service?

- 75** Most of the new unitary authority's proposed business processes are built on County Council ones which the Audit Commission has previously judged to be robust. Last year's corporate performance assessment, for example, particularly noted that: corporate, service and financial planning were well integrated; risk management was improving; there was good use of partnership working to enhance capacity; the council was effective in managing human resources (HR), information technology (IT), assets and projects; it was successful in attracting external funding; and it had a robust approach to procurement. The County Council also has a track record of low staff sickness levels and the achievement of significant efficiencies. A number of enhancements are being made to its processes as part of the transition. These include: a recruitment and redundancy protocol between the councils to ensure consistency and reduce the potential for expertise being lost during the transition; enhanced risk management processes; councillor training to build competency for their new roles; and a high capacity communication network to integrate IT and telephone systems, which will allow all staff to access all systems from any location and support seamless service provision. These approaches mean the new unitary authority is likely to be managed effectively.
- 76** Significant progress has been made with preparations for the transition. The joint implementation team has a robust approach to project managing change over an 18 month period. It has set up 16 'cluster' groups of officers from the seven councils, each of which covers a work stream. Their role is to identify existing good practice and design future arrangements accordingly. One example is that of the performance management cluster, which has extended the County Council's arrangements to include district services, integrating service planning and retaining existing IT software. Another is the equality and diversity cluster, which is developing a new corporate equality scheme and setting up internal arrangements to support it. This approach should ensure that key business processes function effectively from the outset in the new unitary authority.
- 77** Plans for the transition in housing are well advanced and are built on learning about what works well in the districts and elsewhere. Housing is one of the 'accelerator projects', set up in high priority service areas, which have received additional resources and support throughout 2008/09. The Northumberland housing board is leading this work and has divided it into work streams which are being led by groups of specialists. Examples include:
- the affordable housing work stream. This is developing a county-wide core strategy, affordable housing policy and detailed planning guidance on how these will work by mid 2009. They will be based on strategic land availability assessments and will take on board the findings of a proposed strategic housing market assessment (SHMA). Community involvement is scheduled to ensure they reflect local priorities. District systems and good practice from elsewhere are also being reviewed. This approach should ensure consistency and effectiveness in the new unitary authority's systems and put in place clear approaches on issues such as design quality, appointment of partner developers, the use of affordable housing quotas and section 106 agreements;

What are the prospects for improvement to the service?

- the CBL work stream. This is managing the development of a county-wide CBL system by March 2009. It is learning from the system already in operation in one district but enhancing it by, for example, increasing the priority given to applicants threatened with homelessness or requiring move-on from supported housing. A consultation framework has been agreed by the project board and the scheme should be delivered on target; and
- the empty properties work stream. This is being led by one of the districts and includes plans to develop an empty property database and a more proactive approach to tackling the problem, using the range of tools now available. This is also on schedule for completion during 2009.

In addition to these specific work streams, Northumberland housing board is developing new homelessness and housing strategies and a series of sub-strategies⁵¹. It also has an ongoing input into key pieces of medium term partnership work, such as the development of a multi-agency older persons' strategy. This means the new unitary authority will inherit a number of partially completed pieces of work which should allow it to develop a broader vision for the strategic housing role in future.

- 78 Some planning for future access arrangements has been effective. This will be improved through a 24 hour contact centre, there will be evening and weekend opening in some library access points and most customers will also be able to continue using their current reception areas. Specialist consultants and neighbouring authorities have helped cost and plan the implementation of a customer relationship management (CRM) system to record and manage customer contacts and this is running smoothly. These approaches mean that some of the risks inherent in redesigning frontline services have been addressed and are being managed.
- 79 Other elements of access planning, however, have been less thorough. Consultation has been carried out with a 500 strong peoples' panel about opening hours and service standards and a group of 20 customers is involved in designing the new website, but there is no customer involvement in the project board, which is where decisions are taken. The locations of the nine main reception points, 10 secondary points in libraries and two further satellite points are based on an analysis of population density and deprivation levels but there has been no research into the needs of people who do not regularly use services. Plans also exclude reviews of key issues like cash collection, despite the fact that significant efficiencies can usually be made in this area without loss of service quality. Lack of detailed planning also means it is not yet clear, for example, whether data from existing CRM systems will be transferred to the new one, when or how leaflets and other frontline information will be redrafted or when some of the new access points will be opened⁵². This means there are risks that new services will not run smoothly, will not be based on the needs of all customers or optimise VFM.

⁵¹ including a vulnerable persons' housing strategy, a housing revenue account (HRA) strategy, a private sector housing strategy, a county-wide approach to delivering telecare and a county-wide approach to delivering grants and loans

⁵² several are not due to open until after April 2009

- 80 A number of other plans are under developed. Although the service plan model being adopted across the transitional unitary authority is sound, several of the transition plans we reviewed are still underdeveloped. Common weaknesses include a focus on outputs, rather than outcomes and a failure to set measurable targets and milestones to aid performance management and progress reporting. This was also true of many of the district and county plans we reviewed, including key documents like the County Council's procurement strategy, which will be the basis for that of the new unitary authority. Some plans were not in place at all, such as an improvement plan following one district's 'poor' rating during a 2006 housing inspection. These weaknesses indicate shortcomings in strategic capacity which may impact on the transition and on the performance of the new unitary authority.
- 81 There are a number of areas where the transition is behind schedule or where plans were still unclear by October 2008. For example:
- there is a lack of clarity about the future structure of the new authority's strategic housing services. There is sufficient headroom under the head of service salary for several senior posts and a draft structure produced by the Northumberland housing board should provide a robust service, retain skilled staff from the districts and allow local delivery of frontline services. The resources available to staff the team have not been confirmed, however, despite there being only five months for recruitment and training;
 - there is also no clarity about the resources which will be available in future to deliver the service. Analysis of current expenditure will inform budget setting but this does not address the under-resourcing issues outlined earlier in this report, both in terms of staffing and budgets for service delivery. This means that, even with the economies of scale that county-wide delivery should allow, there is some risk that there will be insufficient funds to deliver the service on the basis of a 5 per cent budget cut;
 - although a decision has been taken to bring all of the retained housing stock into one ALMO, it is not clear whether sufficient specialist resources will be available to achieve this in the timescale necessary. This will require the development and implementation of an extensive communication strategy to co-opt the support of staff and customers, significant redesign of the ALMO's governance arrangements, renegotiation of some of its contracts and changes in its monitoring arrangements. Also, there are no delegated powers to allow speedy decision making on key issues. This means there is some risk that deadlines may be missed; and
 - there is no formal framework to guide managers in how they should secure VFM in planning and delivering their services. This means they are being expected to make budget cuts without a clear or consistent methodology to review whether performance and service quality justifies more or less investment in each area.

What are the prospects for improvement to the service?

- 82 Staff morale is low across all seven authorities. In some areas, staff are attempting to deliver already under-resourced services in an environment where colleagues have sometimes left without being replaced. Many are also contributing to work around the transition, which is time consuming. There is uncertainty about the future of many jobs, with delays in designing structures, savings of £55 million required over the next three years and several hundred redundancies expected⁵³. Although positive messages are being given about the opportunities presented by the transition, managers may not be able to sustain staff good will, or their retention, to mitigate risks of some services failing before April 2009.
- 83 There are weaknesses in training. For example, the quality and quantity of equality and diversity training for councillors and staff in the districts varies significantly and the County Council's current training is not compulsory or embedded in personal development planning. Twenty five per cent of the County Council's staff have not completed its equality and diversity training and future plans are unclear. The new unitary authority's equality and diversity training plan is not due for development until March 2009 and there is currently no intention to use this to bring all staff up to a minimum standard. The transitional unitary authority is also failing to ensure that its councillors' more generic training needs are met. Less than half have attended induction sessions or other briefings designed to help them understand the council's business, the changes underway and help develop the skills needed to discharge their responsibilities effectively. This means that there will be inconsistencies in understanding and there are significant risks of direct and indirect discrimination and lack of sensitivity in service delivery on the part of both staff and councillors.
- 84 There are a number of risks in moving to a unitary model for delivering strategic housing services that have not yet been addressed. For example:
- the districts have access to an annual government grant which the new unitary authority has given no indication that it will protect. This totals £250,000 and is not ring fenced, although it is intended for use on homelessness prevention initiatives. There is a risk that this might be used to fund other priorities in an environment where immediate efficiencies have to be made, rather than to support longer term savings through prevention work;
 - the ALMO may not be able to maintain a decent housing stock after 2010. The retained housing stock in both districts is decent and can be maintained in this condition for the next two years. There is no clarity, however, about what impact the government's review of the housing revenue account (HRA) subsidy will have on the new unitary authority and it has not decided how it will use its capital resources in future. This means that, despite historical resistance by customers to stock transfer and despite councillor commitment to retaining ownership of a company that can develop new affordable housing, it may be forced to reconsider transferring its stock in the medium term;

⁵³ the original unitary bid proposal required £18 million savings, but economic conditions have impacted on this figure

What are the prospects for improvement to the service?

- the new unitary authority has not been included in negotiations of the pending stock transfer in one district. This means it does not know whether the arrangements it will inherit represent VFM. Also, the strategic housing team in that district will be small and there is a significant risk that the new unitary authority or the Northumberland housing board will have to devote resources to ensuring that transfer promises are kept and that the remaining housing services are being delivered effectively in the period until the new unitary authority takes over;
- the current economic climate may impact on the new unitary authority's ability to fully exploit the potential of its growth point status. This funding is intended to remove barriers to development in areas where the future viability of some communities is threatened. There are, however, three growth points approved in the North East and there is a risk that developers may lack the capacity to invest in them all in the current climate. Although the Northumberland Housing Board has begun to consider how it can respond to the effects of the economic down turn, this is largely outside of its control; and
- people may not identify with the 27 localities identified in the engagement model, particularly in rural neighbourhoods where these represent large geographical areas. In view of the fact that work with communities of interest and customer profiling are underdeveloped, the predicted two years it will take for customer fora to be fully established in some of these localities presents a significant risk that some isolated individuals and groups may have limited opportunities to influence decision making in the intervening period.

Appendix 1 – Reality checks undertaken

- 1 Before going on site and during our visit, we reviewed a range of relevant documents, including a number which the various councils and their stakeholders felt would be helpful in reaching our judgements.
- 2 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 the quality of the service being delivered in practice. They included customer, staff and partner interviews, file checks, visits to various neighbourhoods and housing schemes, and mystery shopping of service access points.
- 3 We also interviewed key people involved in leadership of the prospective authority, including senior staff and councillors.

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