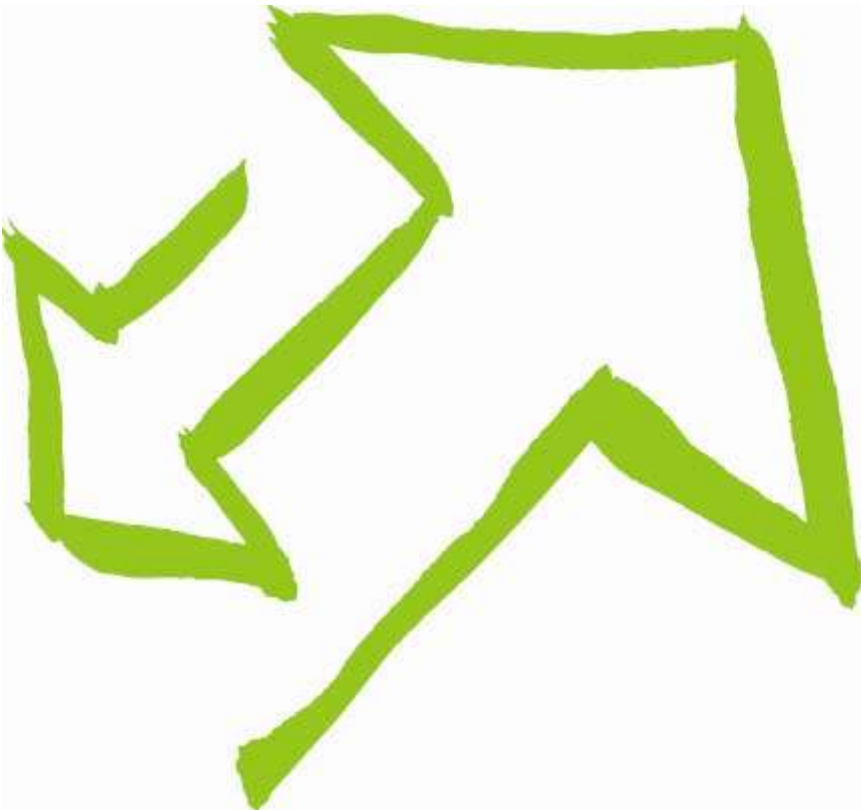


# Housing Management Services

Waverley Borough Council

Audit 2008/09

January 2009



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# Contents

<b>Local Authority Housing Inspections</b>	<b>3</b>
<b>Summary</b>	<b>4</b>
<b>Scoring the service</b>	<b>5</b>
<b>Recommendations</b>	<b>8</b>
<b>Report</b>	<b>12</b>
<b>How good is the service?</b>	<b>14</b>
<b>What are the prospects for improvement to the service?</b>	<b>39</b>
<b>Appendix 1 – Performance indicators</b>	<b>46</b>
<b>Appendix 2 – Reality checks undertaken</b>	<b>47</b>
<b>Appendix 3 – Positive practice</b>	<b>48</b>

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## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
  - any third party.
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# Local Authority Housing Inspections

- 1 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.
- 2 Within the Audit Commission, the Housing Inspectorate inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations and housing associations. Our key lines of enquiry (KLOEs) set out the main issues which we consider when forming our judgements on the quality of services. The KLOEs can be found on the Audit Commission's website at [www.audit-commission.gov.uk/housing](http://www.audit-commission.gov.uk/housing).
- 3 This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:
  - is proportionate to risk and the performance of the Council;
  - judges the quality of the service for service users and the value for money of the service;
  - promotes further improvements in the service; and
  - has cost no more than is necessary to safeguard the public interest.

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# Summary

- 4 Waverley Borough Council is providing a fair housing service for tenants which has uncertain prospects for improvement.
- 5 The service has a number of strengths. Most tenants benefit from easy access to services through a network of offices, an informative website, a quick response to telephone calls and high quality published information. The Council understands the condition of its housing stock and planned capital improvement work is delivered on time and within budget. Tenant satisfaction with responsive and empty property repairs is positive, homes are re-let promptly and the approach to gas servicing is highly effective. Performance in rent collection and management of anti-social behaviour is generally positive with an appropriate balance between enforcement and support. Overall there is a reasonable balance between the cost and quality of services. Tenant satisfaction with the overall service is relatively strong.
- 6 However, there are also weaknesses. The Council has not developed well-defined service standards to enable tenants to understand and challenge the quality of services provided. The approach to diversity within the housing service is under-developed, with limited understanding of the tenant profile. A high proportion of homes fail to meet the Government's Decent Homes Standard and, due to resource constraints, only a limited amount of preventative and cyclical maintenance work is being carried out. Standards of grounds maintenance and communal cleaning are inconsistent and sometimes poor and the published standard for responding to incident of anti-social behaviour (six days) is unambitious. The Council does not have a strong understanding of how its costs compare with others and there is a lack of a clear and detailed strategic approach to value for money in the housing service.
- 7 There are a number of barriers to improvement. The Council has been slow to address change in some key areas including implementing recommendations from the previous housing inspection and developing new strategies to deal with non-decent homes. Service action plans are inconsistent and in some cases lack clear and measurable targets. Some aspects of performance management within the housing service are weak and a learning culture is not fully embedded in the service. There are insufficient financial resources to deliver the level of improvement required to the condition of the housing stock and additional investment opportunities are not yet being fully maximised.
- 8 However there are some factors that should support improvement. There is increasingly strong leadership of the service and housing is a clear strategic priority for the Council and its partners. An effective approach is taken to financial and risk management and the service benefits from a stable and experienced workforce and positive use is made of partnerships to deliver services. Trends in key performance indicators are generally positive.

# Scoring the service

9 We have assessed Waverly Borough Council as providing a ‘fair’, one-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

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

	<b>Prospects for improvement?</b>					<b>‘a fair service that has uncertain prospects for improvement’</b>
Excellent					A good service?	
Promising						
Uncertain		⚙				
Poor						
	Poor	Fair ★	Good ★★	Excellent ★★★		

Source: Audit Commission

10 We found the service to be fair because it has a range of strengths including the following.

- It is easy for customers to access services through the website, telephone and reception facilities. The Council also produces high quality information about its housing management services.
- A comprehensive and up-to-date knowledge of stock condition is used to make investment decisions.
- There is a clear focus on health and safety issues with positive performance in relation to gas servicing, asbestos management, water supply and electrical testing.
- Tenant satisfaction with responsive and empty property repairs is relatively positive and homes are relet promptly.
- Overall performance in rent collection is strong with an appropriate balance between enforcement and support.
- An appropriate and proportionate approach is taken to tenancy management with effective use made of partnerships to take enforcement action and provide support for victims.
- There is a reasonable balance between costs and quality of services.

11 However, there are some areas which require improvement. These include the following.

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

- Service standards are not comprehensive or consistently challenging and there is no mechanism for monitoring performance in achieving the standards.
- Tenants are not yet fully involved in shaping the strategic approach to service development.
- The approach to diversity within the housing service is under-developed. Only a limited understanding of the profile of tenants is being used to tailor services and the equality impact of policies has not been sufficiently assessed.
- A high proportion of homes fail to meet the Government's Decent Homes Standard, only a limited amount of preventative and cyclical maintenance work is being carried out and some emergency repairs take too long to complete.
- The tenancy agreement is not up to date and there is not a comprehensive action plan for addressing gaps in meeting the Government's Respect Standard.
- Published service standards for responding to cases of ASB, harassment and domestic violence are unchallenging.
- Standards of grounds maintenance and communal cleaning are inconsistent and sometimes poor.
- The Council does not have a strong understanding of how its costs compare with others and there is a lack of a clear and detailed strategic approach to value for money in the housing service.

**12** The service has uncertain prospects for improvement because:

- the Council has been slow to address change in some key areas including developing approaches to address issues of non-decency in the housing stock and implementing key recommendations from the previous housing inspection;
- in some areas such as diversity and repairs appointments it has taken longer than planned to introduce change;
- service action plans are inconsistent and some lack clear and measurable targets;
- There is a lack of clear project planning in some areas and the lack of a robust improvement plan following the previous housing inspection meant that recommendations were not fully implemented;
- some aspects of performance management within the housing service are weak;
- a learning culture is not fully embedded in the service with no systematic analysis and learning from complaints;
- the capacity of tenants to help improve services is not being maximised;
- additional investment opportunities are not being maximised; and
- modern procurement arrangements are not being maximised to make the best use of capacity.

## Scoring the service

**13** However, there are a number of factors which should support improvement. These include the following.

- Housing is a clear priority for the Council with senior managers and councillors now taking a strong leadership role.
- An effective approach is taken to financial and risk management.
- Trends in key performance indicators are generally positive.
- The service benefits from a stable and experienced workforce and positive use is made of partnerships to deliver services.

# Recommendations

**14** To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs<sup>2</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council shares the findings of this report with tenants and councillors; and takes action to address all weaknesses identified in the report. The inspection team makes the following recommendations.

## Recommendation

**R1** Strengthen the focus on customer care by:

- developing and publishing a suite of measurable and challenging service standards in consultation with tenants;
- developing new methods of involvement to engage a wider range of residents in the management of their homes and ensuring that resident involvement structures are representative of the population;
- ensuring that complaints are systematically analysed to develop learning and that a compensation policy is introduced;
- engaging tenants in mystery shopping exercises and quality checking of empty properties; and
- developing an approach to financial inclusion.

**15** The expected benefits of this recommendation are:

- increased accountability to customers;
- a more responsive service; and
- increased tenant satisfaction.

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

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



## Recommendations

### Recommendation

**R2** Strengthen the focus on equality and diversity by:

- developing a greater understanding of the profile of tenants and using this understanding to shape service delivery;
- completing equality impact assessments on key areas of policy and service delivery and developing robust action plans to address any negative impact of policies and inform strategies on equality; and
- monitoring contractors compliance with their equality and diversity policies and codes of conduct.

**17** The expected benefits of this recommendation are:

- improved service to diverse groups; and
- assurance that services do not discriminate against any individuals or groups.

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

### Recommendation

**R3** Strengthen the approach to value for money within the housing service by:

- developing a robust understanding of how costs compare with peers;
- reviewing service contracts to ensure that they provide the optimum cost and quality;
- introducing value for money targets as part of performance management arrangements;
- ensuring stock investment decisions maximise the long term sustainability of the stock through preventative and cyclical maintenance programmes, within available resources;
- exploring opportunities for efficiencies through use of supply chain and shared procurement;
- introducing incentives for tenants to pay rent by the most cost efficient means;
- separating service charges from rents and giving a clear breakdown of service charges on rent statements and rent increase letters; and
- investigating the availability of additional income to support stock investment such as through energy grants.

**19** The expected benefits of this recommendation are:

- better services at reduced costs with efficiency savings enabling further improvements in services; and
- decision making based on informed data on cost and quality of services.

**20** The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2010.

### Recommendation

**R4** Improve performance in service areas by:

- ensuring that repairs appointments are made at the first point of contact;
- ensuring that detailed information on asbestos is provided to tenants where it is known to be present;
- ensuring that cleaning and grounds maintenance specifications meet the needs of individual estates and are robustly managed, within the resources available;
- reviewing the current tenancy agreement to ensure it meets the latest legislative requirements and considering the use of introductory tenancies;
- developing a comprehensive action plan for achieving the Respect Standard;
- clarifying the role of estate monitors in all aspects of the housing management service;
- linking estate management budgets to the estate walkabout programme ensuring that tenants are fully involved in expenditure decisions; and
- reviewing the aids and adaptations policies and procedures to ensure that there is a clear priority criteria for critical cases and that any waiting times are minimised.

**21** The expected benefits of this recommendation are:

- improved quality of service;
- more informed tenants; and
- services which are more responsive to tenants needs;

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

## Recommendations

### Recommendation

**R5** Strengthen performance management by:

- publishing up to date performance reports and targets on the website and in tenants newsletters;
- ensuring that performance reports on aids and adaptations takes account of the whole process from initial request to completion;
- implementing computer software which enables effective management of anti-social behaviour cases; and
- reviewing service action plans to ensure that tasks are measurable and that outcomes and cost implications of all tasks is fully explained and understood.

**23** The expected benefits of this recommendation are:

- increased accountability;
- a stronger basis for scrutinising the quality of service delivery; and
- improved performance.

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

**25** We would like to thank the staff of Waverly Borough Council who made us welcome and who met our requests efficiently and courteously.

**26** Dates of Inspection: 13 to 17 October 2008.

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# Report

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## Context

### The locality

- 27** Waverley has a population of 117,800<sup>3</sup>, and is located in 133 square miles of south west Surrey. Around three-quarters of its population live in the Borough's four market towns of Farnham, Godalming, Haslemere and Cranleigh, though there are also around 20 villages of varying size and character. The Borough is predominantly rural, with 30 per cent of its land covered by trees. Most of the borough is covered by environmental protection policies including Special Protection Areas, Sites of Special Scientific Interest, Special Areas of Conservation and the Surrey Hills Area of Outstanding Natural Beauty.
- 28** The borough has an ageing population, with a relatively high proportion of people above retirement age. Just over 21 per cent of Waverley's population is over 65 compared with the national figure of 18.9 per cent. This trend is set to continue, with above average increases in the over 65 and over 85 age groups forecast over the next ten years. The proportion of young people (0 to 15 years) is close to the national average (19 per cent). The Black Minority Ethnic (BME) population is well below the South East and national average (2.6 per cent of the population are non White British compared to the SE average of 8.7 per cent and national average of 13 per cent).
- 29** Waverley is on the whole an affluent area with low levels of unemployment. This is reflected in high house prices, the high level of car ownership and its comparatively low deprivation ranking (340 out of 354 local authorities, where 1 is the most deprived). However, there are pockets of relative deprivation, typically in the medium-sized social housing estates on the periphery of the main centres of population. The widening gap between incomes and house prices has created affordability issues for first-time buyers, some key workers and others on lower incomes. The area is just 35 miles from central London and is served by good strategic rail links but has a mainly rural road network and limited public transport options.

### The Council

- 30** The 2007 local elections saw a significant shift to the Conservative Party, with 33 new councillors appointed overall. The Council's 57 seats are now allocated as follows: Conservative Party (51); Liberal Democrats (3) and Independents (3). A cabinet model of governance is in place, comprising the Leader of the Council and nine other councillors, all from the Conservative Group. The Corporate Management Team consists of the Chief Executive and the three strategic directors who lead the three main departments (Resources; Community Services and Environment). The organisation went through a significant restructuring in 2006/07.

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<sup>3</sup> ONS mid year 2007

## Report

**31** The Council was rated as 'good' under the Audit Commission Comprehensive Performance Assessment in 2004. However, the decent homes diagnostic was rated at level C, showing a high need for improvement. The Council's audit and inspection letter (March 2008) showed an average level of improvement compared to similar councils but moderate performance outcomes, with only 18 per cent of performance indicators in the best quartile compared to an average of 33 per cent for district councils nationally. However, the use of resources assessment was three out of four, where four is the highest score. The general fund budget for 2008/09 is £14.2 million.

### The service

- 32** The Council owns and manages around 5,000 homes for rent. It also has an interest in around 500 leasehold properties and owns 735 garages and five shops. Most of the housing stock was built between 1945 and 1964. Improving the condition of the housing stock is a significant issue for the Council with only 47 per cent meeting the Government's Decent Homes standard in 2007/08. Tenants have twice rejected the possibility of transferring the ownership of their homes to another organisation, despite limited funds available for housing improvement. The Council is campaigning for changes in the Housing Revenue Account (HRA) subsidy system to help address this gap. Under current arrangements just under half (48 per cent) of the Council's rental income is paid to a central pool and redistributed elsewhere. The Council recognises that it does not have the resources required to meet the Decent Homes Standard by the government's target date of 2010.
- 33** The housing service is based within the Community Services Directorate. It employs 82 members of staff. In 2008/09 it has revenue funding available of £11.429 million and a capital programme of around £8.75 million.
- 34** Parts of the housing management service have been subject to inspection before. In 2003 the repairs and maintenance service was judged to be fair with promising prospects for improvement. This inspection has a wider scope and covers income management, tenancy and estate management and stock investment as well as the cross-cutting themes of access and customer focus, diversity and value for money.

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# How good is the service?

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## What has the service aimed to achieve?

**35** Housing is one of five key priorities within the Corporate Plan.

**'Working for more affordable housing to be built and managing Council housing well'.**

**36** Priorities set out in the Housing Strategy Statement cover the following themes.

- Facilitating the provision of subsidised affordable housing.
- Meeting Decent Homes Standard for all tenures.
- Sustainable Communities.
- Working with disadvantaged and vulnerable people.
- Continuing to reduce and prevent homelessness.

**37** The Vision for Waverley's Landlord Service is:

**'Working with tenants to manage, maintain and improve affordable homes in Waverley'.**

**38** The draft HRA business Plan sets the following key priorities for 2008 to 2013.

- Achieve 25 per cent improvements in the number of repairs carried out on a right-first-time basis by April 2009.
- Increase access and choice for our customers.
- Achieve a 'Good, 2 Star' rating from our Audit Commission Inspection in October 2008.
- Help to develop lasting communities.
- Improve quality of services.
- Focus on Decent Homes investment programme within our limited resources.
- Review our landlord management services, focussing on our core landlord business.
- Continue our efficiency review to reduce our overhead costs in all areas of our service.
- Review our service charges and fees to increase our income.
- As part of a robust asset management strategy, dispose of uneconomic vacant properties.
- Continue our review of 'hard to let' or expensive and inefficient sheltered housing schemes and carry out options appraisal for their future use.
- Work with our tenants to identify where changes and improvements are needed.

## How good is the service?

- Undertake a rolling programme of Value for Money reviews to ensure we are delivering the best possible service for tenants within our limited resources.
- Continue to review garage schemes and demolish schemes that are unsafe/uneconomic to repair and identify alternative uses for the sites.
- Continue to develop our performance culture.
- Set up a Local Housing Company.

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

### Access and customer care

- 39** Strengths marginally outweigh weaknesses in this area. It is generally easy for tenants to access services through the Council's website, telephone and reception facilities. The Council also produces high quality information about its housing services. It is easy to make complaints and overall tenant satisfaction is relatively high. However, service standards are not comprehensive or consistently challenging and there is not a compensation scheme for service failure. Tenant representative structures are not fully effective and tenants have not been fully engaged in developing services. The overall strategic approach to customer access is an area for development.
- 40** Housing management services are easy for tenants to access. All of the Council's four offices (the main offices in Godalming and locality offices in Farnham, Haslemere and Cranleigh) are centrally located near shops and public transport. They all meet the requirements of the Disabled Discrimination Act and offer hearing loop facilities. While locality offices are not open all working hours (for example, Farnham is closed on a Monday afternoon and all close for lunch) it is positive that they are open on Saturday mornings. Staff at all offices are polite, welcoming, knowledgeable and wear name badges. Tenant information boards promote activities such as estate walkabouts. Telephone response targets are challenging and are being achieved. A corporate target for calls to be answered within three rings (8.25 seconds) is being exceeded. Internal audit checks also confirm that the target of responding to letters within ten days is achieved. Good access arrangements help tenants get the support they need.
- 41** Effective access to services is provided through the Council's website. Information on the website is well presented; the homepage is inviting, clearly spaced out and content is in Plain English. There is a comprehensive housing section giving practical advice and contact information. Information is provided on all the key landlord services including paying rent, repairs, sheltered housing and adapting homes. Rent can be paid and repairs reported on line. There is information about the tenants' consultation group with dates of future meeting publicised. Information is updated regularly and it is easy for individual service managers to make changes. This means that information is relevant and helps tenants to understand the services provided by the Council.

- 42** The Council produces high quality information about its housing services. A wide range of leaflets have been produced explaining aspects of the landlord service. These leaflets are prominently displayed in office reception areas and can be downloaded from the website. An informative tenants' newsletter is regularly published. All publications are reviewed by a panel of tenants which helps ensure that the documents are interesting, relevant and do not contain jargon.
- 43** New tenants are provided with clear information about landlord services at the start of the tenancy. All tenants receive a clear explanation of their rights and responsibilities at the time they sign the tenancy agreement. Each tenant receives a welcome pack containing relevant information to make their tenancy a success. The tenants' handbook and compact refers to issues such as the contents insurance scheme and ways to get involved are publicised. A settling in visit by a housing officer to new tenants takes place after six weeks. This is important as it helps new tenants to develop a positive relationship with their landlord.
- 44** Flexible access arrangements are offered for the repairs service. Repairs requests can be made via a free-phone line to the Council's repairs call centre. Repairs can also be reported via the website. The Council and its contractor is currently working to overcome a computer problem which prevents appointments being made at the first point of contact but other aspects of the repairs reporting process are positive. The contractor rings tenants to make an appointment and customers receive a text message the day before a repair is to be carried out to remind them of the appointment. Tenants can choose between morning and afternoon appointments and allowance is made for school run times. Appointments are available from 8am. to 8pm. on weekdays and on Saturday mornings. This makes it easy for repairs to be carried out at times to suit tenants needs.
- 45** The complaints system is well-promoted and is easy to access. A new corporate complaints form has recently been introduced which makes it clear how the process is handled. It is easy to report complaints as the forms are easily obtained either in reception areas or online. Complaints are also encouraged through publicity in the tenants' newsletter. A check on a sample of recent complaints provided evidence that complaints are responded to promptly and where necessary appropriate action is taken to resolve problems. However, it is a weakness that apart from a formal annual report on complaints there is a not a systematic approach to ensuring that all learning from complaints is captured, limiting opportunities to improve services across the Council.



## How good is the service?

- 46** Tenant satisfaction is relatively strong. The results of the most recent (2008) STATUS survey are positive. Eighty-five per cent of tenants are satisfied with the service with only seven per cent expressing any dissatisfaction. Satisfaction of general needs tenants is recorded as 83 per cent and sheltered tenants 94 per cent. Eighty-three per cent are satisfied with the way they are kept informed. Seventy per cent are satisfied with opportunities for participation and 89 per cent are satisfied with main office hours.<sup>4</sup> There is a programme of ongoing satisfaction surveys undertaken across services. Satisfaction is measured on responsive repairs, disabled adaptations and newly let properties, all of which show relatively high levels of satisfaction. Satisfaction in these areas is routinely discussed with contractors and used to develop improvements. Early feedback from satisfaction surveys introduced for anti social behaviour cases over the last six months has led to some changes in case management procedures.
- 47** There is no compensation scheme for service failure. Although compensation is paid where a tenant has incurred costs as a result of a repair (for example, damage to a carpet or use of a dehumidifier) there is no policy for paying compensation for issues such as missed appointments. Without a clear policy setting out what level of compensation payment will be made and when, there is a risk that inconsistencies will occur.
- 48** The Council is not yet succeeding in promoting wide involvement of tenants in management of the service. The Council's main focus of tenant involvement centres on the Tenants' Panel which has been running for about 12 years. The Panel is represented on the Council's Overview and Scrutiny Committee and a joint group of tenants and councillors (the Landlord Services Partnership) meets regularly. This has a positive impact in ensuring that Councillors are aware of tenants' priorities. The Panel is able to call in contractors and has done this recently to call the grounds maintenance contractor to account for poor service. However, structures established over a decade ago are now in need of refreshing. Due to the low number of candidates, there have not been elections to the Panel for over ten years and there is a relatively low turnover. There have been a wide range of activities such as tenants' conferences, contractor workshops, and local meetings and some steps have been taken to broaden the methods of engagement - for example, the establishment of Estate Monitors and a database of 400 tenants has been established of people who are contacted for consultation exercises. However, there still remains more to do to ensure that tenant structures may not provide an appropriate level of challenge to the Council.

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<sup>4</sup> Figures have not been adjusted to take account of deprivation.

- 49** Tenants have not been fully engaged in developing services. Tenants have limited influence on shaping services. While the Landlord Services Partnership is a useful vehicle for consultation and has some influence on issues such as the choice of materials, reviews of rent letters and the lettings standard, there are few opportunities to participate in higher level decision-making. For example, tenants have not been directly involved in the selection of contractors or in determining levels of services within the grounds maintenance specification. The Chair of the Tenants Panel normally sits on the contractor selection panel for maintenance contracts over £100,000 but tenants are not yet more widely and routinely involved in determining contract specifications. A Tenant Compact lists some targets for increasing participation for 2007 to 2010 but this is not supported by a clear, measurable and up-to-date resident involvement strategy. It is therefore not clear exactly what the Council wants to achieve through its approach to resident involvement.
- 50** Service standards are not comprehensive or consistently challenging. Many of the landlord service standards are not measurable: for example, 'provide regular statements', 'strive to achieve the decent homes standard', 'maximise the number of repairs done right first time', 'aim to continuously improve energy efficiency'. These all set out what the Council wants to achieve but do not enable tenants to hold their landlord to account. However, corporate standards are more effective, with the customer care charter providing a strong framework from which to deliver housing services.
- 51** Arrangements for contacting the housing service out-of-hours are not comprehensive. Not all offices had a sign outside to explain how to contact the Council when offices are closed but this was quickly addressed during the inspection. Calls made to the repairs phone line out of hours are not automatically redirected. Tenants receive a recorded message telling them to ring another number which is not free (callers to the Council's main number are redirected to the out of hours call centre).
- 52** The overall strategic approach to customer access is an area for development. The Council has not developed a clear and overarching strategy to guide the future direction of access to services either at a corporate or a service level. This is significant, especially in the light of plans to rationalise cash collection facilities. It means that initiatives may be driven by individual officers rather than the overall business needs of the organisation and the requirements of its customers. An overarching strategy should ensure that corporate and service initiatives are linked and coordinated.

### Diversity

- 53** This is an area where weaknesses outweigh strengths. The Council is at an early stage in developing its approach to diversity. Limited understanding of the profile of customers is not being used to tailor services. The impact of policies on equality has not been sufficiently assessed and the approach to translation lacks clarity. Contractors' performance on equality and diversity issues is not sufficiently challenged. However, the service supports the needs of some vulnerable people and there is a clear corporate commitment to diversity.

## How good is the service?

- 54** The approach to diversity is in its infancy. The Council is at Level One of the Local Government Equality Standard. Steps are being taken to improve the approach to diversity with the Council having adopted a new corporate Equalities and Diversity (E&D) Strategy and Action Plan in July 2008. A housing E&D statement and Action Plan has been developed to provide focus on this area and corporate and housing steering groups have been established to drive forward improvement. However, so far this approach has yet to deliver significant outcomes.
- 55** The approach to diversity within the housing service is underdeveloped. While there has been some recent progress, the plans to develop and enhance the department's approach to diversity are at an early stage and need to be reviewed to incorporate a comprehensive set of SMART<sup>5</sup> targets. Some practical initiatives such as the development and analysis of tenant census information has yet to be undertaken with appropriate software in place to achieve this in 2009/10. Without clear and resourced plans it is hard to deliver improvement.
- 56** There is limited understanding of the profile of customers and the information held is not being used effectively to tailor services. The Council has a reasonable understanding of the age, gender and ethnic profile of tenants and there is also some knowledge of those tenants whose first language is not English. However, this information is not comprehensive and plans to complete a full tenants' census have still to be implemented. It is not planned to cover the full range of diversity strands such as religion and sexual orientation. The information that is held is not fully used, for example, information on language preference is not used to ensure appropriate translation of letters. There is no formal and regular monitoring of the profile of the Tenants Forum to ensure it reflects the demographics of the tenant population. Gaps in monitoring means that the Council fails to fully comply with the Commission for Racial Equality (CRE) code of practice for racial equality in housing.
- 57** The impact of policies on equality has not been sufficiently assessed. Equality impact assessments (EIA's) are undertaken annually on individual service improvement plans. However, EIAs are not undertaken on specific policies or procedures and therefore the Council cannot be sure that any of its procedures do not unfairly impact upon particular groups or individuals.
- 58** The approach to translation and interpretation from English lacks clarity. The Council subscribes to Language Line (a telephone-based interpretation service) but the service is not promoted in reception areas and training in its use has not been provided for several years. This means that key frontline staff are often not aware of how to use the service. Translation straplines are not included on many of the Council's publications and an inconsistent approach is taken to straplines on letters which explain that help can be provided if the reader has difficulty understanding the letter. This means that people whose first language is not English may find it difficult to access services and support.

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<sup>5</sup> SMART - specific, measurable, accountable, resourced and time-bound.

- 59** Contractors' performance on equality and diversity issues is not sufficiently challenged. Contractors are requested to provide copies of their equalities policies as part of tendering processes but there is no ongoing monitoring of contractor's performance on equalities issues. Although equalities and diversity is discussed at meetings with the repairs contractor, there is no measurement to ensure the contractor is complying with commitments set out in their equality policies. The Council's main responsive and voids maintenance contractor does not currently employ any female operatives nor any apprentices and targets have not been set by the Council to ensure that contractors reflect the profile of the communities they are working in. This presents a risk that contractors will not act in the best interests of the Council and its tenants.
- 60** The service supports the needs of some vulnerable people. Specialist staff are employed within the service to support vulnerable people. For example, a high level of support is provided to older tenants living in sheltered housing and there is significant investment in disabled adaptations. A Domestic Abuse Officer has ensured that there is an appropriate focus on this area and practical support to victims, such as participation in sanctuary schemes and the installation of additional locks, stronger doors and spy holes, helps to lessen the impact of domestic abuse. Two mental health support workers and a complex needs officer provide support to some of the most vulnerable tenants. There is also a reasonable approach to dealing with cases of racial harassment, with a clear protocol and procedures in place. However, the approach to managing domestic violence is not sufficiently explained within the tenants' handbook, possibly making it hard for victims to know what support is available.
- 61** There is a clear corporate commitment to diversity. The Chief Executive is the designated champion for diversity and is ensuring that there is a continual focus on the issue. Action plans are being driven forward through a corporate steering group. At a corporate level there has been some positive work to develop employment initiatives through the Waverley Training Scheme. Partnerships with external groups, such as the Disability Forum, older people and faith groups, are helping to shape the Council's approach. Staff and councillors are provided with training on equality and diversity issues. Mandatory training is provided to staff and forms part of the induction process. This is helping to ensure that there is a common understanding of the approach taken by the Council to equality and diversity issues.

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### Stock investment and asset management

#### Stock improvement, planned and cyclical maintenance, major repairs work

- 62** There is a balance of strengths and weaknesses in this area. The Council has a strong understanding of the condition of its housing stock and uses this to develop investment programmes which take account of sustainability. A high priority is placed on health and safety issues. A broad range of planned capital improvements are being delivered on time within budget. However, the majority of the housing stock does not meet the Government's decent homes standard and a short term approach is being taken to some investment decisions. Opportunities for tenants to shape the programme are not fully maximised, tenant satisfaction is variable and tenants are not provided with specific information about asbestos in their homes.

## How good is the service?

- 63** The stock condition database is comprehensive and up-to-date. An original survey undertaken in 2003 was updated in 2006 using agency surveyors, taking account of the Housing Health and Safety Rating Scheme (HHSRS). Currently the database has information based on internal and external surveys of 98 per cent of the stock. Information from significant responsive repairs and voids work is added to the database regularly although this process is not automated as there is not an interface between the housing management and the asset management computer software. Officers have a strong understanding of how to use the database, can use it to prioritise work and keep a regular review of progress in meeting the decent homes standard.
- 64** The approach to asset management takes account of safety and future viability issues. The Council has developed an asset management strategy which sets clear priorities based on a sound knowledge of stock condition and in part on tenant consultation. The strategy is used as a tool for planning future investment. It makes it clear that capital investment is targeted first at health and safety issues. It sets out the challenges faced in terms of condition and projected future demand. The strategy also places a priority on reviewing the future viability of sheltered housing schemes and as part of this it has recently decommissioned two unsustainable schemes. A draft sheltered housing strategy has been developed which provides an analysis of demand, need and supply of housing support. The asset management strategy also states that the Council will continue with its programme of selective demolition or refurbishment of garages and a garage redevelopment steering group is overseeing the implementation of a project plan. While it is positive that the Council is actively reviewing the future viability of its assets there is further work to do in terms of developing future plans for all individual sheltered schemes and garage sites.
- 65** A broad range of capital improvements are being delivered according to strategy and budget. In 2007/08 the capital work included 399 heating upgrades, rewiring of 498 homes and re-roofing of 56 properties. Detailed budget monitoring reports enable managers to track progress on expenditure effectively. The aggregate capital spend of £20.8 million for the three years 2005/06 to 2007/08 was exactly in line with budgets. The Council is predicting that the capital budget of £8.75 million in 2008/09 will be fully spent. This is ensuring that the money available to improve homes is being spent promptly and according to a clear programme.
- 66** Investment in energy efficiency measures is having a positive impact. The capital programme has placed a priority on improving the thermal efficiency of homes. An allocation of over £1 million per year has been made in heating upgrades over recent years and a programme of loft insulation upgrades (all properties have a minimum of 250mm loft insulation, exceeding the minimum required to meet the DHS) and cavity wall insulation has been completed. The energy efficiency rating (SAP) in 2006/07 is 68 which places the Waverley near the best 25 per cent of councils. This improves quality of life and helps to reduce the proportion of income spent on energy bills.

- 67** Effective arrangements are in place for the management of asbestos. A clear asbestos management plan is in place, supported by budgets of £70,000 for asbestos management and £250,000 for asbestos removal. A specialist contractor is employed (jointly with a neighbouring council) to carry out removal. The Council has invested in training surveyors on asbestos management and databases identifying the location and type of asbestos are well maintained. Data is currently held on 89 per cent of properties. The database is routinely updated and sent to contractors (positively, the database is also sent to the fire Brigade). It is however a weakness that tenants are not yet provided with details of their property record and four separate databases have still to be fully unified.
- 68** A robust approach is taken to servicing and safety checks. A contract is in place for the testing of hot and cold communal water systems. This is a comprehensive contract which addresses the risk of Legionella, including the cleaning and monitoring of temperatures of all sheltered housing schemes which the contractor visits quarterly. The Council is currently carrying out some sample risk assessments of domestic water tanks with a view to formulating a long term approach to Legionella prevention. A programme is in place to test the wiring of all properties every ten years. All mechanical equipment such as community alarms, fire detection equipment and lifts are covered by service contracts.
- 69** The majority of the housing stock does not meet the Government's decent homes standard (DHS). At the start of 2007/08 only 47 per cent of homes met the decent homes standard. The target to reduce the number of non-decent homes by 11 per cent in 2007/08 was missed with only a 3.5 per cent change. Although this situation does reflect the negative HRA subsidy system, it means that the majority of tenants are still living in homes that do not meet modern standards.
- 70** Lack of progress on decency has also been exacerbated by other factors. For example, a decision to change investment priorities in 2007 (with a commitment by the new administration to replace the windows in 1000 homes) deflected some resources from meeting the standards. Although the window programme provided improved insulation and comfort for beneficiaries, the decision resulted in windows to some 169 homes being replaced even though they will not fail the DHS until after 2010 while other elements, such as kitchens and bathrooms, already failed the decent homes standard but could not be replaced. Although this approach has delivered real benefits to some tenants and the Council believes it will help to maintain decency standards in the longer-term, it represents a change from the statement made to tenants prior to the transfer ballot in 2005 when the 'offer document' stated quite clearly that no windows would be replaced. The Council has begun to explore other funding options to help it improve decency levels (such as the transfer of empty properties to a housing association or local housing company) and there have been some disposals, including the closure of a sheltered scheme, a block of flats and four houses. However, this represents relatively limited outcomes since the failed ballot in 2005.

## How good is the service?

- 71** A short term approach is being taken to some stock investment decisions. There is only a limited amount of preventative and cyclical maintenance work being carried out. A commitment to undertake a five-year cyclical redecoration programme is not being maintained. Some repainting of external render is programmed for 2008/09 although it is a weakness that the work has not been carried out during the spring and summer months. There is expected to be no external redecoration programme in 2009/10 due to the limited revenue funds available. Estates show signs of a lack of regular investment in decoration with some paintwork in poor condition. The decision not to replace wooden doors at the same time as windows does not indicate a long-term approach to planning improvement: there will still be a need to carry out regular maintenance of doors although the requirement to redecorate windows will be reduced.
- 72** Opportunities for tenants to shape the programme are not fully maximised. Although tenants have some influence over the programme through representation on a joint officer, councillor and tenant panel (the Asset Management Group) this is relatively limited. The involvement of the Chair of the Tenants Panel on the selection panel for larger maintenance contracts is positive but could be broadened to involve a greater cross-section of tenants. The asset management strategy includes a five-year investment programme, but tenants are not informed about future works to their homes until the beginning of the financial year in which the work is to be undertaken. This means that tenants lack the ability to influence key asset management decisions and there is a risk that tenants cannot plan well in advance for future disruption.
- 73** Levels of satisfaction vary according to the type of work completed. Satisfaction surveys undertaken after work is completed show a high level of satisfaction with window replacement (98 per cent). However, with the exception of windows, satisfaction with capital improvements such as rewiring, kitchen and bathroom replacements is not routinely reported to Scrutiny Committee and this makes it difficult to track performance. Satisfaction with rewiring works was an area of concern to tenants at a focus group although surveys indicate that 98 per cent of tenants were satisfied in 2007/08. Problems with a roofing contract resulted in satisfaction levels of only 75 per cent in 2006/07.

### Responsive repairs

- 74** There is a balance of strengths and weaknesses in this area. Satisfaction with the repairs service is relatively high. Operatives are supported to undertake work right first time. Arrangements for inspecting work are broadly effective and levels and costs of repairs are reasonable. However, arrangements for diagnosing and ordering repairs are not fully effective and targets for carrying out repairs are not being met in all categories, with weak performance on completion of emergency repairs. Service standards for responsive repairs are not sufficiently detailed.

- 75** Satisfaction with the responsive repairs service is relatively high. The 2008 Status survey showed that overall 80 per cent of tenants are satisfied with the way the Council deals with repairs. However, satisfaction of sheltered tenants is significantly higher (91 per cent) than others (77 per cent). Satisfaction with individual repairs carried out is high: 93.6 per cent of tenants reported satisfaction in 2007/08. Satisfaction with the emergency out of hours service is also relatively strong at 95 per cent. Levels of satisfaction are increasing, perhaps reflecting some recent new practices introduced by the contractor such as the flexible appointment arrangements described earlier in this report. In quarter two of 2008/09 satisfaction levels were 96.9 per cent.
- 76** Repairs operatives have easy access to the appropriate materials and can obtain authority for additional work. All operatives carry a handheld computer (PDA) which records every time an item of stock is used. This is then routinely replaced which prevents the need to wait for delivery. Operatives are able to collect supplies from local builders' merchants and vans are kept well stocked. Further efficiencies are being achieved through collaborative work between the repairs contractor and window supplier which helps to ensure that operatives are equipped to undertake any repairs without have to wait for supplies to be delivered. Operatives are given automatic authorisation to carry out additional work to the value of £100 and where work is going to exceed this, supervisors are able to authorise more work without the need to leave the property. Operatives use cameras on their PDAs to send images showing evidence of the need for the work. This helps to ensure that jobs can be completed promptly and often in a single visit. The Council reports that 87 per cent of jobs are completed right first time (this is based on customer feedback).
- 77** There is an effective approach to undertaking post inspections of repair work. The Council has clear criteria for selecting which jobs to inspect. The criteria takes account of risk and ensures that value of work, record of operative, type of work is all taken into account. Eight per cent of jobs are post inspected, just below recommended practice of 10 per cent. However, more jobs are pre-inspected before work is ordered, although reduced from 26 per cent in 2007 to 12 per cent at the time of the inspection, the number of pre-inspections is still too high; this does not reflect best practice. Positively, there is an element of partnership in the way inspection work is undertaken with a member of the contractor maintenance staff based in the same office as the Council's staff and undertaking a proportion of the inspection work. This helps to develop understanding of the respective roles of the client and contractor.
- 78** Levels and costs of responsive repairs are reasonable. An average of 2.43 jobs was completed per property in 2007/08 at an average cost of £130. This is in line with national averages. Some steps are being taken to batch responsive repairs together. The Council has undertaken repairs days at each of the sheltered housing schemes. This involves the contractor spending a full day at the scheme and undertaking checks to water taps as well as carrying out other repairs identified by tenants and the scheme manager. It is expected that this approach will show a reduction in the levels of emergency and urgent call outs but the initiative has yet to be evaluated to establish the overall financial and customer benefits.



## How good is the service?

- 79** Arrangements for diagnosing the repair when it is reported are not fully effective. While it is easy for tenants to report repairs, mechanisms for ensuring that an accurate order is passed from the Council to its repairs contractor are not efficient. The use of a traditional schedule of rates with a wide range of separate codes to choose from also makes it more difficult for repairs to be ordered accurately. This is contributing to a relatively high number of jobs (14 per cent) being varied and may be why a high proportion of jobs need to be pre-inspected. The Council has in the past used diagnostic software to help specify repairs orders but has taken a conscious decision not to use these on the basis of value for money. Nonetheless, current practice means that some work may not be completed as quickly as it otherwise would be.
- 80** Performance in responding to repairs requests is not meeting target for all categories of work and is weak for emergency work. Performance in the last full year (2007/08) was weak with only 94 per cent of emergency, 87 per cent of urgent and 90 per cent of routine repairs being completed within target times. There has been some improvement in the first part of 2008/09 but only 89.12 per cent of emergency repairs were completed in target time in the second quarter of 2008/09: this is well below the target of 96 per cent (the Council does not believe that this represents an accurate reflection of performance). Performance in routine repairs is better with 94.45 per cent of jobs being completed within target in 2007/08 and has risen to 98.91 per cent during second quarter of 2008/09. This means that some repairs are not done promptly, presenting a risk to the safety of tenants and a reputational risk to the Council.
- 81** Service standards for responsive repairs are not sufficiently detailed. The measurable service standards are mainly limited to the three main repairs categories (24 hours for emergencies, three or seven day for urgent and 30 days for routine repairs). There is no service standard stating how long tenants might expect to wait for inspections to be carried out. Other standards, such as a commitment to maximise the number of jobs done right first time, are not measurable. This makes it difficult for tenants to hold the council to account for the level of service provided.

### Empty (void) property repairs

- 82** Strengths significantly outweigh weaknesses in this area. Empty properties are relet promptly and levels of satisfaction among new tenants are generally high. There is a clear letting standard and modern methods of procurement are delivering efficiencies. However, there are some minor gaps in customer focus.
- 83** Empty homes are let promptly. In 2007/08 the average re-let time was 28 days, an improvement from 35 days in 2006/07. Performance for the first half of 2008/09 is averaging 23 days. Clearly documented procedures have been developed which make it clear who is responsible for each action needed to relet properties. The procedures are easy to access via the intranet. Communication between the maintenance contractor, Homechoice (responsible for lettings) and estate management staff are effective, leading to the whole process being joined up and 'fast tracked'.

- 84** Effective use is increasingly being made of pre-termination inspections with 22 per cent of all vacant properties being inspected while the outgoing tenant is still living there. This enables the contractor to prepare for the work and Homechoice to start the advertising process. Information on room sizes and photographs are emailed from the property to enable advertisements to be placed on the Choice Based Lettings system earlier than before. Homechoice are also advised of the expected completion date and extent of work to be carried out. Effective key management is in place and this help to ensure work and gas and electrical tests are not delayed. This both increases income and reduces the time that those in housing need must wait for a property to become available.
- 85** Levels of satisfaction with new properties is generally high. The lettings process is customer-focused. All new tenants are contacted by telephone by the Council shortly after moving in and these calls record that 91.6 per cent of tenants are satisfied with their new home. The contractor provides a welcome pack which includes cleaning materials and tea and coffee. All rooms are fitted with energy efficient light bulbs and air fresheners are provided. The Council is complying with recent legislation through including an Energy Performance Certificate with the welcome pack. This approach is important in getting the relationship between landlord and tenant off to a positive start.
- 86** The lettings standard is very clear. It describes the standard that tenants can expect both inside and outside the property. There is a detailed 15 point description of the cleaning standard. The standard was developed with some consultation of tenants (use was made of a questionnaire). The lettings standard is provided to tenants at the time they view the property, helping to ensure that the Council is accountable for providing a consistent standard. Overall, the quality of properties is reasonable, some lack of attention to detail was identified in one property during inspectors' reality checks and this was addressed promptly.
- 87** Modern methods of procuring voids repairs work are securing efficiencies. The Council has entered a partnership arrangement with its contractor which means the Council pays the same lump sum (£1,370) for each empty property. The cost compares reasonably with similar organisations and is based on the previous year's costs. This approach reduces the need for laborious detailed and costed specifications to be prepared for each property. Both the Council and contractor have specialist voids surveyors and operatives. This helps to ensure consistency and duplication in inspections is avoided.
- 88** A pragmatic approach is taken to bringing homes up to the decent homes standard if they become empty. Where work is scheduled to be undertaken during the year, it is brought forward and completed as part of the voids process. This has the double benefit of providing easy access to the contractor and minimising inconvenience to tenants.
- 89** There are some minor gaps in customer focus in voids management. There is not an on going mechanism for involving tenants in random inspections of void properties, although this has previously been piloted and a full programme is planned. The Council issues decoration vouchers, but the lettings standard does not make it clear under what criteria is used and how much is offered. This presents a risk that an inconsistent approach may be taken.

## How good is the service?

### Gas servicing

- 90** Strengths significantly outweigh weaknesses. Annual gas servicing is carried out effectively and access is gained efficiently. Records are well maintained and work is audited. There is a customer-focused approach to the service.
- 91** Performance in gas servicing is strong. In 2006/07 99.86 per cent of gas appliances were serviced within 12 months and in 2007/08 performance remained high at 99.82 per cent. At the time of this inspection, there were no outstanding gas checks. This level of performance has been achieved through clear procedures and by starting the access arrangements procedure 12 weeks before the service is due. The Council has not used legal remedies to gain access over the past five years.
- 92** Gas servicing records are maintained efficiently. Copies of gas safety certificates are easily accessible both in hard copy and on computer. The Council has access to the contractors' computer systems and can check records and performance quickly and efficiently. Random checks undertaken as part of the inspection found safety certificate records were easy to find and were up-to-date.
- 93** There is a customer-focused approach to gas safety. Gas servicing is carried out by appointment and weekend appointments are offered (although evening and weekend appointments are not publicised). Appointments can be made via the contractor's website. New tenants are provided with clear information about the importance of servicing and this is also promoted on noticeboards in reception areas and in the tenants' newsletter. As an additional safety measure, the gas contractor is responsible for servicing smoke alarms and has undertaken safety checks of immersion heaters during a single visit to the property. An element of energy advice is also offered by the contractor to tenants. Leaseholders have been offered gas servicing by the contractor although take up has been low. A strong customer focus helps ensure that gas servicing protects the safety of all residents.
- 94** The work of the contractor is routinely audited. A 10 per cent sample check of servicing work is undertaken by an independent contractor. Performance on gas servicing is also closely and frequently monitored by managers and councillors with a specific key performance indicator being reported to the Overview and Scrutiny Committee every quarter. This helps to ensure that legal obligations are being met.
- 95** There are few weaknesses in this area, but procedures do not make it clear what legal remedies will be used if necessary. This may have the impact of delaying access arrangements.

### Aids and adaptations

- 96** There is a balance of strengths and weaknesses in this area. A high level of resources is invested in the service which reflects the tenant profile. Adaptations are well promoted and the backlog of work is relatively low. However, performance management arrangements and service standards are not robust, the criteria for undertaking adaptations are not based on need and processes have not been fully challenged.

- 97** The Council invests a high level of resources in aids and adaptations. A budget of £520,000 is allocated from the Housing Revenue Account for major and minor adaptations. Two community housing officers are employed to carry out initial assessments and to support tenants through the process of having adaptations installed. The Council also funds a private Occupational Therapist (OT) to carry out assessments for minor works and urgent major works. An in-house technical surveyor draws up specifications and provides technical advice and support. During 2007/08 this resulted in 158 major and 295 minor adaptations being completed. Current expenditure on adaptations is in line with budgets. At October 2008 £222,000 has been spent from an annual budget of £520,000. The level of resources reflects the profile of Waverley's tenants with over 50 per cent having some disability and 26 per cent being over the age of 75.
- 98** The availability of adaptations is well-publicised. The tenants' handbook explains that adaptations can be provided and lists a telephone number to ring. A new adaptations leaflet has recently been produced which explains how to apply and the eligibility criteria. The Council has also used its repairs days at sheltered schemes to undertake minor adaptations. The private OT visits the schemes in advance of the days to identify any possible work so that this can be carried out while the operatives are on site.
- 99** The backlog of disabled adaptations is relatively low but some tenants wait too long for work to be completed. There are currently 15 tenants awaiting major adaptations and of these five tenants have been waiting between six and 12 months and three for over a year. Average waiting time from application to completion is 8.84 months: including an average of seven months for an assessment to be made by an occupational therapist. Average time for completion of minor works is five weeks. The Council has recently introduced a new repairs category which requires the contractor to complete minor works within 14 days (in 2008/09 this target is being met in 85 per cent of cases). Satisfaction with adaptations is high. 97 per cent are happy with the installation meeting their needs and 100 per cent happy with overall service.
- 100** Performance management arrangements and service standards for adaptations are not fully robust. The time taken for completion of adaptations from the point they are first requested is not formally reported or monitored. Performance reports only record the time taken from when the surveyor first receives the request, or from when the order is placed with the contractor. This does not take account of the significant time taken to undertake OT assessments where these are referred to the County Council. Service standards contained within the leaflet are vague and unchallenging: for example 'we will do minor aids and adaptations within two months (sometimes after an assessment from our OT)'. This standard is inconsistent with another related standard published as part of the Landlord Service Standards which aims for an average turn around time of 30 days for minor adaptations. There are no specific standards stating how long tenants can expect to wait for a visit from a Community Housing Officer. This means that tenants are not informed of how long the whole application process will take.

## How good is the service?

- 101** The criteria for undertaking adaptations are not based on need. Adaptations are undertaken on a date order basis. There are no specific criteria setting out if and when critical cases such as bed blocking cases may be given priority. This presents a risk that an inconsistent approach may be taken in critical cases by the Council and its partners.
- 102** The Council cannot demonstrate that it achieves value for money from its aids and adaptations service. The process of applying for aids and adaptations is made relatively complex, partly due to the large number of people involved in the procedure; community housing officer, private and county council occupational therapists, in-house surveyor and contractors. Although procedures have been revised in 2005 and 2008, there has not been a fundamental challenge of the service to identify any possible wastage of time or resources. It is positive that modern procurement practices are being used in some elements of shower installation where the contractor is responsible for some of the design but this approach has not been adopted across the whole process. It is also positive that where possible, parts and equipment such as stair lifts and shower cubicles are recycled. However, the Council cannot yet be sure that it is maximising the resources available to provide a prompt and efficient adaptations service.

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## Housing income management

- 103** Strengths marginally outweigh weaknesses in relation to housing income management. Overall performance in rent collection is strong and staff are guided by clear policies and procedures. Tenants receive useful information about paying rent and there is an appropriate balance between enforcement and support. However, the service is not sufficiently customer-focused. The most cost effective payment methods are not being effectively promoted, the approach to financial inclusion is in its infancy and service charge administration is not fully effective.
- 104** Overall performance in collecting rent is strong. Performance in all key indicators is within the best 25 per cent for district councils. In 2007/08 the Council collected 98.6 per cent of the annual rent debit. Current rent arrears represented 0.98 per cent of total estimated gross debit. The number of tenants with high arrears is reducing with only 2.04 per cent owing seven weeks or more rent. Total former tenant arrears represent 0.55 per cent of gross debit. This indicates that prompt and proactive action is taken to prevent large debts arising which causes income loss to the Council and long term hardship to individuals.

- 105** Staff are guided by clear policies and procedures which are consistently carried out. The housing income management service is delivered by a specialist team within the housing service. Staff demonstrate a clear understanding of policies and file checks indicate that these are followed consistently and that record keeping is effective. Policies make it clear how enforcement action should be applied. There is a strong focus on sustaining tenancies with an emphasis on personal contact with the tenant and an element of flexibility over the arrears escalation process. This is supported by computer software which is running weekly recommendations as prompts for the next stage in the process, including the production of standard letters. This approach is helping to reduce the administrative burden to strengthen consistency across the service.
- 106** Tenants are provided with effective information to help them pay their rent. The importance of rent payment and payment options, together with information about benefit entitlement, is fully explained at the sign-up procedure. Prospective tenants are also encouraged to seek benefit advice at the viewing stage. The rent statements are issued quarterly (although this is a recent development with statements issued for the first time in September 2008) and rent arrears letters have useful information about sources of welfare advice. There is also a recently produced rent leaflet that is given to tenants at the time of sign up. Results from the latest Status survey shows that 80 per cent of tenants are satisfied with the advice available on rent payments and 79 per cent are satisfied with how enquiries are dealt with. This is helping residents to understand their rent payments and sources of welfare advice.
- 107** There is an appropriate balance between enforcement and support. A corporate debt advice policy makes it clear what approach the Council takes to multiple debts. Relationships have been developed with a range of local agencies that provide independent advice and support to those facing problems of debt and tenants are also signposted to the National Debtline. The Council has recently launched a campaign in response to the economic climate entitled 'don't lose your home' with prominent information displayed on the website and other media. During 2007/08 a total of seven tenants were evicted for rent arrears. This total is lower than similar organisations and places the Council in the best twenty-five per cent of benchmarked organisations.
- 108** Relationships with Housing Benefit help prevent arrears. The rents team meets regularly with the housing benefit department to discuss performance and issues of mutual concern. Staff have access to live benefit information and regularly discuss individual claims. Both departments undertake joint training on welfare issues and there is a formally monitored service level agreement with the housing benefit department. Work with the benefits service has seen residents receiving discretionary payments of £12,000 during 2007/08. Effective partnership working between housing benefit and housing departments helps residents to access benefits and reduces the debts to the Council.

## How good is the service?

- 109** Rent accounts are set up in a timely manner and are accurate. Rent accounts for new tenants are set up on the same day as the sign-up takes place. This ensures payments are credited to the right account and assists in the prevention of rent arrears. Where credit balances accrue these are investigated whenever a query is raised by a tenant. Refunds are made where appropriate with correct authorisation and within timescales.
- 110** The approach to court work is effective. The use of in-house staff for pre-court work ensures timely action is instigated. Currently all court work, including document preparation, are dealt with by income collection staff supported by a dedicated legal officer. The Council is also an active member of court user groups and has been actively working with other court users to tackle underperformance within the court system. This ensures prompt action when arrears accrue.
- 111** There is a mixed approach to how income collection services are being shaped around the needs of vulnerable residents. The Council refers tenants to social services, the Housing Options Team and the Community Mental Health prior to eviction with all escalation of the arrears process subject to managerial approval. The computer system flags up some communication issues for example where sight or literacy are a problem. However, leaflets do not contain straplines in community languages and there is no automatic production of letters in larger print or alternative formats. Effective and fair income collection services need to ensure that they respond to the needs of all residents.
- 112** The rent service is not sufficiently customer-focused. Some service standards have been developed but generally these are just statements of intent for example 'write to you if you fail to pay your rent' and do not include measures such as how quickly contact with tenants will be made. Rent service standards are not measured or reported other than through the complaints system and internal monitoring of work performance. Tenants therefore do not know whether they are receiving the publicised service levels. Although the Status survey asks some general questions about the rent service, regular satisfaction surveys of people who have recently used elements of the service are not undertaken. The Council does not use information it has on the profile of tenants to understand and target particular types of arrears action. These gaps mean that tenants are not well-placed to judge the performance of the service. Opportunities to shape services around the needs and aspirations of tenants may also be missed.
- 113** The Council is not effectively promoting more cost-effective methods of rent collection. Although a broad range of payment methods are offered including by cheque, electronically by debit card, in cash in local offices and via the website there have been few initiatives to promote direct debit: the most cost efficient method. A one-off prize draw has been offered (and a second is planned) but overall little proactive work has been done to encourage payment by this means. The most common method of rent payment is cash payment at offices which currently costs £3.30 per transaction. Following a recent review of cash collection arrangements there are plans to close cash offices and promote other more efficient payment methods including payment at retail outlets.

- 114** The Council's approach to financial inclusion is in its infancy. Options for tenants faced with debt are relatively limited as there are no credit unions operating locally. This may ultimately leave tenants with less money to manage their household bills including the rent. A robust approach to financial inclusion helps tackle poverty and deprivation by ensuring that people on low incomes can access suitable financial products (such as bank accounts and low interest loans) without being exploited.
- 115** The approach to service charge administration is not fully effective. The Council does not separate service charges from rent income and does not record separate performance for its collection or identify individual elements of charges. Insufficient information is provided on the breakdown of service charges on rent statements and rent increase letters. This makes it difficult for tenants to be sure that they are receiving value for money from the services they receive.

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## Tenancy and estate management

### Tenancy management

- 116** There is a balance of strengths and weaknesses in tenancy management. An appropriate and proportionate approach is taken to managing tenancies. The Council works well with partners to take effective action to tackle anti-social behaviour (ASB) and to prevent incidences occurring. However, service standards are not challenging or well publicised. with an unambitious timescale of six days for responding to cases of ASB The tenancy agreement is not up-to-date and the Council is not yet in a position where it can sign up to the Government's Respect Standard. Performance in ASB case file management is ineffective.
- 117** An appropriate and proportionate approach is taken to managing tenancies. The borough experiences relatively low levels of nuisance and anti-social behaviour. Nevertheless, the Council takes a proactive approach which is demonstrated by positive outcomes. Enforcement and legal action against perpetrators of ASB is used as a last resort but there is a track record of the Council taking action where necessary. Four injunctions, two evictions, two crack house closures, five notices of seeking possession and one demoted tenancy indicate a proactive approach. Policies are followed which ensure that action plans are agreed with complainants including timescales for future contact. This demonstrates that the Council takes incidents of ASB seriously and is prepared to take a strong stance on anti-social behaviour where this is called for. Surveys of tenants undertaken after ASB cases are closed are relatively positive with 67 per cent of tenants recording satisfaction.
- 118** The Council is working effectively in partnership with other organisations to tackle ASB. The Council works with a wide range of agencies including the Co-ordination and Delivery Group (CADG), part of the Safer Waverley Partnership. There are also a number of joint working initiatives with the Police and the County Council which have led to acceptable behaviour contracts (ABC) and anti-social behaviour orders (ASBO's) being used. Working in multi-agency partnerships ensures ASB is tackled in a joined up way and maximises the effectiveness of community resources.



## How good is the service?

- 119** There is a positive approach to addressing domestic abuse. There is a dedicated part time officer working within the housing service addressing domestic abuse (DA) and offering support to victims and training to staff. There has also been regular advertising of the service in tenant and other newsletters and a service specific leaflet has been produced. Support is given to victims to access legal advice and alternative housing where this is appropriate. There is clear case management of DA cases with action plans drawn up with, and signed off by, victims. There has also been support through two sanctuary schemes and a safe house is available for emergency situations. This helps reduce the risk of abuse and provides valuable support to vulnerable people.
- 120** Information about tenancy management and ASB services are clearly communicated. The Council's policy is explained to new tenants at the sign up stage and again at the settling in visit. There are a range of leaflets which provide information about ASB, including how to report it and the processes that will be followed. Some promotion of action on ASB is undertaken. This has included having regular articles in the tenants newsletter and in partnership with the police, with a press release issued about the closure of crack houses. This ensures that the wider community knows the sanctions that are used where necessary.
- 121** An emphasis is placed on prevention of anti-social behaviour. Initiatives undertaken include the following.
- The Council funds mediation provided by a voluntary organisation. This was used on 13 occasions in 2007/08 to encourage tenants to discuss their problems and reach mutually agreed solutions.
  - Diversionary activities are developed through the multi-agency Community Incident Action Group (CIAG) which has led to some activities including pizza evenings in Haslemere and Farncombe and an 'All About You' initiative targeting 14 to 19 year olds in rural villages and providing easy access to services such as housing advice, Connexions, education and training. The ASB officer is also a member of the steering group for 'Prevent and Deter' for 8 to 13 year olds. The group accesses the services of a Youth Worker to provide support and diversionary activities for young people.
  - A Complex Needs Officer is employed to support tenants to maintain their tenancies. The postholder provides a level of floating support above that available from housing officers; this includes support to victims of ASB.
- 122** Service standards for tenancy management are not challenging. The Council's published standards for responding to cases of ASB, harassment and domestic violence is six days. The standard states that tenants should also report serious cases to the police or social services. However, this conflicts with the ASB policy which states that meetings will be arranged with an officer within one working day in 'very serious' cases, though what constitutes a very serious case is not clearly defined. The lack of a clear and well publicised emergency response standard for dealing with reported cases presents a significant risk to victims and a reputational risk to the Council.

- 123** The tenancy agreement is not up-to-date. The current tenancy agreement is dated November 1999. It has not been updated to take account of recent legislation, for example, the introduction of civil partnerships, although there are clauses for dealing with nuisance, harassment and anti-social behaviour. The Council's decision not to use introductory tenancies has not been reviewed. Without a review the Council cannot be sure that its tenancy agreement is equitable and will stand up to legal challenge.
- 124** WBC has not yet signed up to the Respect Standard for housing management. While there has been some consideration of the standard the Council has not yet got in place a comprehensive action plan for addressing areas where work remains outstanding. The Respect Standard is a useful way for organisations to consider their approach to dealing with ASB.
- 125** Performance in ASB case file management is ineffective. The audit of record files found missing evidence and failure to follow the procedures. Records are all kept manually and use is not yet being made of IT systems (although the software has been purchased). There are no performance indicators to demonstrate how well the Council responds to reports of ASB. Without use of modern and bespoke file management systems it is difficult to effectively manage performance and this may make it difficult for the Council to pursue ASB action effectively and for any issues of under performance to be addressed.

### Estate management

- 126** Weaknesses outweigh strengths in this area. Although the appearance of estates is generally positive, standards of grounds maintenance and communal cleaning in areas outside the public view are inconsistent and sometimes poor. Service standards for estate management are underdeveloped and the role of tenants in monitoring the quality of estate management is unclear. However, recently introduced estate inspections are beginning to raise the profile of estate management.
- 127** Standards of grounds maintenance and communal cleaning are inconsistent and sometimes poor. The condition of communal areas in flats is inconsistent and in some cases unsatisfactory. A number of communal areas in and around flats were in poor condition with general dirt, fly tipped rubbish and a build up of moss on paths and common areas. Some of these issues present clear health and safety risks to residents. There are more positive examples in particular on sheltered housing schemes or where tenants complete their own cleaning. The Council is addressing these issues and has made a temporary arrangement with its responsive repairs contractor following the dismissal of the cleaning contractor earlier in 2008. These issues will make the experience of some people living in blocks of flats unsatisfactory.

## How good is the service?

- 128** Service standards for estate management are not clear. There are few standards relating to estate management and these only cover the time it will take to respond to any queries. Commitments to carry out estate inspections or to involve tenants in determining the service level to be provided are not contained within the landlord service standards. This was clearly illustrated during a meeting of the Tenants' Panel which showed that tenants are unclear about the specification, including the length of grass and whether it includes collection of grass and tree maintenance. Tenants have not been involved in agreeing the grounds maintenance specification. Performance against those service standards that are in place are not publicised widely or in a coordinated way. This creates a lack of accountability and ownership of the service to tenants.
- 129** The role of tenants in monitoring the quality of estate management is unclear. The Council has introduced a system of 'estate monitors'. Approximately 30 tenants have volunteered to act as estate monitors and to report cleaning and grounds maintenance issues to the Council or its contractors. Although this has the potential to be a positive initiative, it is being undermined because the procedures supporting the arrangements are unclear. The tenants compact refers only to the monitors having a role in overseeing cleaning and does not cover other roles such as grounds maintenance and does not make it clear that there are two types of monitors for these different contracts. It is also unclear whether monitors are expected to report issues to estate management staff or directly to contractors. Some steps have been taken to clarify roles including production of an information pack but tenants were still uncertain about their roles. Without a clear definition or role there is a risk that this initiative will be unsuccessful.
- 130** The appearance of estates is generally positive. In contrast to communal areas which are not in the public view, public open spaces on council estates (which are maintained through the general fund and not the HRA) are reasonably well maintained and there was no evidence of any abandoned vehicles or graffiti during our inspections. The borough has a high number of trees and special management arrangements ensure that health and safety work is carried out at no cost to individual tenants. The 2008 Status survey results are positive with 87 per cent of tenants saying they were satisfied with their neighbourhood as a place to live.
- 131** Estate inspections are beginning to raise the profile of estate management. Regular quarterly estate inspections are carried out with tenants, ward councillors, contractors and stakeholders. These events are publicised in advance in reception areas and on the website. A record of action to be taken is made. This approach has recently been supported with the introduction of a budget of £69,000 for estate improvements, devolved to the five housing management officers. However, there are no formal arrangements for residents to put forward suggestions or bring forward their own schemes, the budget is not directly linked to tenant involvement and outcomes from walkabouts are not widely advertised. This means that the benefit of devolving estate budgets may not be realised and there is a risk that the Council could spend money on items which are not tenants' priorities.

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### Is the service delivering value for money?

**132** There is a balance of strengths and weaknesses in this area. Value for money (VFM) is a clear corporate priority and there is a reasonable balance between cost and quality of service. Significant efficiency savings have been delivered and the Council is directing available resources towards housing. Modern procurement practices are being used in some areas. However, the Council does not have a strong understanding of how its costs compare with others and there is a lack of a clear and detailed strategic approach to value for money in housing services. Service reviews have been slow to maximise efficiencies. The Council is not maximising efficiencies in the repair service and there is some scope to further reduce expenditure.

### How do costs compare?

**133** High-level cost comparisons indicate that landlord services costs are lower than similar councils. The Audit Commission's VFM profile tool<sup>6</sup> shows that average weekly management costs of £15.37 and maintenance costs of £12.51 place the Council in the lowest quartile for expenditure with similar 'near neighbour' councils. However, there are also only a few areas where the Council is delivering above average performance in housing management services.

**134** The Council does not have a strong understanding of how its costs compare with others. It is a member of a national benchmarking club but it is not using the information available from this source to understand its costs. There has not been a culture of a cost centred approach to budget management and until recently staffing costs have not been disaggregated from central budgets. This has made it difficult for the Council to have a full understanding of the actual costs of running housing management services. For example, the full costs of providing services at each sheltered housing scheme were not contained in a single budget. Without a full understanding of costs, it is difficult to make meaningful comparisons with other landlords.

### How is value for money managed?

**135** VFM is a clear corporate priority. The Corporate Plan places a high priority on value for money and there is a growing culture of value for money in the organisation. For example, the Council is moving towards an open book accounting arrangement with its single repairs contractor. The annual budget round involves challenging 'star chamber' meetings where Heads of Service must demonstrate efficiency savings. The growing performance management culture within the organisation places more accountability on individual budget holders. Procurement decisions within individual departments are guided by a clear corporate procurement strategy.

**136** There is a reasonable balance between cost and quality. The overall management and maintenance costs compare favourably with similar councils and generally tenant satisfaction with services is positive. In a range of areas, the Council demonstrates that tenants are satisfied with the services they receive.

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<sup>6</sup> The VFM profile tool enables cost and quality comparisons to be made with other councils via the Audit Commission's website.

## How good is the service?

- 137** Significant efficiency savings have been delivered within the housing service. The housing service makes an effective contribution to the Council's overall annual efficiency savings. The Council is aware of the need for continuous efficiencies and has been changing management arrangements to deliver them. Savings of £181,780 were achieved in the HRA in 2007/08. More significant savings of £963,920 have been made in 2008/09 through reducing senior management structures and reducing the size of the sheltered housing staff team.
- 138** The Council is directing available resources towards its strategic priority of housing. The Council's commitment to improving the housing stock is demonstrated by the decision taken to reinvest all of its available capital receipts into new and existing affordable housing. During the past two years this has resulted in all capital receipts being spent on the decent homes programme with £2,238,282 used to supplement the programme in 2007/08 and £380,000 in 2008/09.
- 139** Modern procurement practices are being used in some areas. The Council uses the South East Centre for Excellence Business Portal to record all key contracts and the portal is used to explore opportunities for joint procurement. The Council has also approached a major housing purchasing consortium over window procurement. This demonstrates that a broad range of options are explored before contracts are let. Procurement efficiencies from adopting the Measured Term Contract (MTC) approach for housing maintenance are estimated at £45,700 for the three years ending in 2007/08. The introduction of a lump sum payment for all voids work cuts out the need for detailed, costed specifications to be prepared and sharing the role of inspections between the Council and the contractor cuts out duplication. Although a full evaluation of the cost benefits of this approach has still to be carried out, this demonstrates that the Council is open to new ways of working which can prove more efficient.
- 140** Service reviews have been slow to maximise efficiencies. The review in sheltered housing services resulted in savings of £267,000. This is being followed by a rolling programme of value for money service reviews in 2008/09 with a review of cash collection services identifying efficiencies of a least £80,000. A review of grounds maintenance services is also planned for 2008/09. While it is positive that services are subject to review, the Council is not realising efficiencies as quickly as possible. For example, although it has recognised that savings can be made by encouraging alternative forms of rent payments, plans to implement this are cautious. Equally while the review of sheltered housing led to some gains, it is not clear that savings were fully maximised: while many councils have now moved to peripatetic warden services, Waverley still retains two members of staff at each scheme and a further review is now being undertaken in 2009/10. However, although savings have not been maximised, it is positive that the review was handled sensitively, maintained the confidence of tenants and their relatives and did not result in significant redundancy payments to staff.

- 141** There is a lack of a strategic approach to improve value for money within the housing service. Although there is a broad corporate lead and direction provided on value for money, there is a lack of detail of how value for money will be achieved within the housing service. The draft HRA business plan sets a broad framework and makes many references to value for money including plans to carry out some service reviews in 2008/09. However, this is not supported by a robust strategy and plan with details of long-term targets for achieving value for money across all services. Furthermore, individual staff and teams are not set any targets for achieving value for money. Without a well-developed approach, the Council cannot be confident of maximising efficiencies across all housing services.
- 142** The Council is not maximising efficiencies in the repairs service. Supply chain procurement arrangements are underdeveloped. This means there is a risk that contractors rather than the Council could be benefiting from bulk purchasing arrangements. The proportion of overall revenue expenditure on responsive repairs compared to planned work is very high (85 per cent). In some cases the Council is undertaking single or minimum cost work to reach the minimum decent homes standard. Although this work is charged at the same tendered price as large scale work it does not represent the most efficient method of procurement. Some service contracts for fire equipment have not been competitively tested for some years and may not represent value for money.
- 143** Limited use is being made of joint procurement. Although joint procurement has been explored for windows it was not found to be the most cost effective option. However, with the exception of energy supplies, joint procurement with other landlords is not being used in other areas such as kitchen and bathrooms work or servicing contractors. Given that there are other Councils and landlords in the area using many of the same contractors, there is scope for efficiencies to be achieved through exploring shared purchasing.
- 144** There is some scope to further reduce expenditure and maximise income. Since the withdrawal of some Supporting People grant for sheltered housing services, the Council has continued to fund approximately £80,000 of support services from the HRA. This is funding that could be spent on improving the condition of properties.

# What are the prospects for improvement to the service?

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

- 145** There is a balance of strengths and weaknesses in relation to track record. Trends in key performance indicators are generally positive and tenants have noticed improvement in some areas. There is an emerging record of delivering efficiencies and value for money and overall leadership of the service has been strengthened but more remains to be done to embed a value for money approach within the housing service. However, recommendations from the previous housing inspection were not fully implemented and the Council has been slow to develop approaches to tackle high levels of decency within its stock. Progress in embedding diversity and improving repair response times has been slow.
- 146** Changes in senior management have accelerated trends in improvement. Although trends in improvement have not been consistent over the last three years, there are positive signs that improvement is becoming more embedded. The appointment of a new Chief Executive and restructuring of the management team in 2007 is now delivering improvement. This is particularly evident in relation to the development of a corporate performance management culture and a more corporate drive towards value for money.
- 147** Trends in key performance indicators are generally positive. There has been notable improvement in some areas, particularly in the time taken to relet properties (reduced from 35 days in 2006/07 to 28 days in 2007/08). Some strong performance has also been maintained or improved upon. For example the percentage of rent collected increased from 98.35 in 2006/07 to 98.59 in 2007/08 and the percentage of tenants who are over seven weeks in arrears has reduced from 2.67 to 2.04 over the same period. Performance in completing all types of repairs within target has improved over the last two years but the level of performance is still not strong and the degree of improvement has been inconsistent with contractor performance problems in 2007.

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

- 148** There are some aspects of the service where tenants will have noticed improvement. This is supported by the fact that overall tenant satisfaction has increased from 81 per cent in 2003 to 85 per cent in 2008 (there was a sharp decline to 78 per cent in 2006). Tenants at a focus group generally felt that the direction of travel within the housing service had been positive over the last few years. Areas where improvements have been delivered include the following.
- Gas servicing performance.
  - Quality and range of options for accessing services and communicating with the Council.
  - Free phone number for reporting repairs.
  - Investment in energy efficiency measures.
- 149** There is an emerging track record of delivering efficiencies and value for money. The service is being managed against a context of limited available funding and there is an increasing corporate drive to deliver value for money. Corporate and service management structures have been reorganised to deliver efficiencies. Savings in the management of sheltered housing have been delivered as a result of a review. However, a strategic framework for ensuring a long term approach to value for money in the housing service has still to be developed and savings from service reviews have not been fully maximised.
- 150** Recommendations from the previous housing inspection were not fully implemented. Some weaknesses identified in the 2003 report have not been effectively addressed. Recommendations on the development of service standards, office opening times and ensuring language line is available and targeting satisfaction monitoring at hard to reach tenants were not fully implemented after the inspection and in some cases steps are only now being taken to implement these improvements. This means that the Council has missed an opportunity to implement change sooner.
- 151** Although change has been implemented, in some areas it is slow to have an impact and good practice has not been embraced. For example, it has taken longer than planned to introduce an appointment system for repairs and this is still not fully effective. Although service standards have been introduced over the past year, these are not sufficiently detailed to be an effective tool in driving improvement. Tenant involvement in strategic decision-making remains an area for wider development. In some areas, the Council has not adopted best practice: for example:
- the tenancy agreement has not been reviewed and updated since 1999, despite changes to the legal framework;
  - the Respect Standard has not been adopted; and
  - financial inclusion is not yet being promoted.



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

- 152** The Council has been slow to develop approaches to address decency within its housing stock. There was a lack of clear leadership within the Council following the stock transfer ballot in 2005 due to the absence of a dedicated Chief Executive Officer for a year and a change in political leadership. As a result policy decision-making was fractured and while proposals to develop solutions (such as trickle transfer and establishment of a local housing company) have been explored but have yet to lead to any outcomes. As a result, progress in improving the condition of the housing stock has been slower than planned. A target to reduce the number of non decent homes by 11 per cent in 2007/08 was missed with only a 3.5 per cent change. This performance is reflected in lower levels of tenant satisfaction with the condition of the home which has reduced from 81 per cent in 2006 to 77 per cent in 2008.
- 153** The Council's progress in embedding diversity has been slow. The Council is still at Level 1 of the Local Government Equalities Standard. Historically the Council had been slow to embrace diversity and planning has been underdeveloped. The speed of progress has improved and there is now a clear strategy for improvement. There is a target to achieve Level two by 2009/10. However, this new programme cannot yet point to positive outcomes.

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## How well does the service manage performance?

- 154** There is a balance of strengths and weaknesses in this area. Housing is a clear priority for the Council and its partners and leadership is increasingly providing a clear direction for the service. There is an improving approach to strategic management and an effective approach is taken to risk management. Corporate performance management arrangements are generally positive. However, service action plans are inconsistent, target setting for individual teams and staff are not fully robust and performance management in the housing service requires further development. Project planning is not fully effective and a learning culture is not fully embedded. The approach to tenant involvement in performance management is mixed and there not yet a clear track record of taking difficult decisions.
- 155** Housing is a clear priority for the Council and its partners. The corporate plan 2008 to 2011 places a high priority on housing: 'subsidised housing - working for more subsidised affordable housing to be built, and managing council housing well' is listed as one of five priorities. The Waverley Strategic Partnership has adopted the themes of the Surrey Sustainable Community Strategy: this places housing, health and well being and safer and stronger communities as three out of the six priorities.

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

- 156** Leadership is providing an increasingly clear direction for the service. A Housing Improvement Board, chaired by the Chief Executive and attended by the housing portfolio-holder, provides a corporate focus to service development. Service Action Teams established to implement recommendations following a mock inspection carried out in 2007 mirror each of the Audit Commission's Key Lines of Enquiry. The Board monitors the work of these teams. As a result, performance management is now more centrally coordinated and there is a strong focus placed on performance by corporate management team. Financial management and budget setting has also become a robust and challenging process. Improving leadership provides clarity about future direction for the service.
- 157** However, there is not yet a well-developed track record of taking difficult decisions. Through a programme of service reviews, the Council has identified areas where efficiencies can be made. The review of sheltered housing has resulted in significant savings through the reduction of sheltered scheme managers from 31 to 18 and been sensitive to the wishes of existing beneficiaries and their relatives. However, the opportunity for efficiencies may not have been maximised as staffing levels at sheltered housing schemes are still high compared to other landlords and a further review is planned in 2009/10. Equally the Council has been slow to move to demonstrate hard decisions in terms of the future of its housing stock: for example there has yet to be an agreed approach to dealing with homes that it will be uneconomical to bring up to the decent homes standard, although decisions are being taken to dispose of individual properties as they arise.
- 158** There is an improving approach to strategic management of the service. The Financial Strategy (updated in July 2008) sets out very clearly the future approach being taken to aim to balance the HRA. It provides a clear analysis of the Council's approach to the financial pressures and constraints and defines its policy in relation to use of balances. The Council's draft HRA Business Plan (2008 to 2011) also gives a strong position statement and provides some clear ambitions for the service. However, the plan has not yet been formally adopted.
- 159** Effective financial management systems are embedded within housing. Housing services have regular support from finance staff and receive regular budgetary information to help them manage the service. Finance staff meet budget holders on a monthly basis to monitor the performance of budgets. Overall expenditure has been in line with budgets with £20 million spending on capital projects over three years coming in within £1000 of budget. There is a developing approach to the usage of budgetary information to manage expenditure. Managers are now given information on the staffing budgets of their departments. They are then given targets to reduce costs by managing vacancies. This is contributing to managing within the financial constraints faced.
- 160** An effective approach is taken to risk management. Housing risks are reviewed and managed through the Council's Risk Management Group. The group reports quarterly to the Heads of Service team and to the Corporate Management Team. The draft HRA Business Plan sets out the key risks to the service. For example, steps have been taken to address identified weaknesses in data quality. This demonstrates that the organisation is self aware of risks and takes steps to mitigate them.

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

- 161** Corporate performance management arrangements are generally positive. A performance management framework sets out the responsibilities of councillors, managers and staff in delivering priorities and targets. A wide range of local performance indicators for housing enable managers and councillors to keep a clear understanding of levels of performance and a broad range of relevant and challenging targets have been set for the service. Councillors, managers and staff all demonstrate an understanding of levels of performance. Staff are well-informed through mechanisms which include a fortnightly cascade briefing, a weekly email from the Chief Executive, and annual appraisals with six monthly reviews.
- 162** However, some aspects of performance management within the housing service are weaker. In many areas of the service, service standards have either not been set or are not measurable. Performance management of ASB cases is not fully effective and weaknesses in performance reporting of aids and adaptations are also highlighted within this report. Without effective performance management arrangements it is hard to identify under-performance quickly and/or ensure that good standards of service are maintained.
- 163** Target setting for individual teams and staff are not fully robust. While there is a regular programme of appraisal the target setting process is underdeveloped with staff not able to identify SMART service targets or see where their objectives link into wider corporate goals. Targets have not been specifically set for improving value for money. This makes it difficult to ensure that corporate goals will be delivered through the performance and actions of individual teams.
- 164** Tenant involvement in performance management is mixed. Two tenants from the Tenants Panel sit on the Overview and Scrutiny Committee which reviews housing performance. The Panel receives agendas of the Overview and Scrutiny Committee which enables tenants to discuss issues prior to meetings (a tenant has been invited to the Council's Performance sub-committee). Tenants are able to challenge the performance of contractors through the Tenants' Panel. However, formal reports setting out how the Council is performing against its own targets and national performance levels do not form a regular part of the tenants' newsletter. The website includes performance reports for the previous year (2007/08) but an opportunity is being missed to show the latest quarter's performance and to give comparisons with other landlords. This limits the opportunity for tenants to challenge current performance.
- 165** Service action plans are inconsistent. Plans for 2008/09 have been completed to varying standards. Generally, plans appear vague, for example a task within the housing Income plan to 'maximise income thus avoiding eviction' is too wide to be of value. Actions listed in the Maintenance Action Plan do not include target completion dates or milestones and there are not clear links to corporate priorities. Similarly, the diversity action plan lacks clear targets. However, the approach to service planning is being strengthened. For 2009/10 plans there is a requirement to involve staff at all levels. This has happened in housing where they have contributed to the development of aspirational service plans which will be refined through the Corporate Management Team and budget setting process. Without clear plans, which are 'owned' by staff there is a high risk, that corporate ambitions will not be achieved.

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

- 166** Project planning is not fully effective. Although there is an overarching plan to extend partnering arrangements with the responsive maintenance contractor by April 2009, there is a lack of a detailed project plan setting out how this will be delivered. This presents risk that new payment mechanisms will not be introduced within the proposed timescales. Following the last housing inspection in 2002/03, the failure of the Council to develop a robust and coherent improvement plan led to some recommendations not being implemented.
- 167** A learning culture is not fully embedded in the service. While there are examples of the Council visiting other landlords and identifying new ways of working, such as in tenant involvement and repairs ordering arrangements, there are also cases where opportunities for learning have not been maximised. Complaints are not systematically analysed to develop learning (although there is some learning from repairs complaints). Benchmarking has not been fully used to understand why costs differ from other organisations. Without a systematic approach to learning the Council will not maximise the benefit of others experience.

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## Does the service have the capacity to improve?

- 168** Weaknesses outweigh strengths in this area. Plans to address gaps in funding are at an early stage and additional investment in the housing stock is not being maximised. IT systems are not being used to their full capacity and modern procurement methods are not being fully used. Current staffing structures have not been fully challenged. However, the service benefits from a stable and experienced workforce and positive use is made of partnerships to deliver services.
- 169** Plans to address gaps in funding are at an early stage. The Asset Management Plan makes it clear that the Council will not be able to meet the Government target of bringing all homes up to the decent homes standard by 2010. Investment in housing maintenance is being further reduced in some key areas, particularly cyclical maintenance. The ambition to establish a local housing company has yet to be developed into a clear plan. This means that the long term sustainability of the housing stock is uncertain.
- 170** Additional investment in the housing stock is not being maximised. Although effective rent and voids management help towards maximising revenue income, there are areas where further income could be attracted. For example, the level of energy grants received to supplement the boiler replacement and insulation programmes appears low. Overhead costs such as rent collection costs have not been reduced as quickly as they could have been. This reduces the Council's ability to invest in improvements to the housing stock.
- 171** Computer systems are not being used to their full capacity. The lack of interfaces between responsive maintenance systems and the stock condition database means there is more laborious manual transfer of data than is necessary. Manual recording of anti-social behaviour performance management reporting is also inefficient and limitations in the current software means that full use is not being made of information held on the profile of tenants. It is however positive that some interfaces have been introduced in areas where they are considered to bring the most benefit such as with heating, day to day and voids contractors.

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

- 172** Modern procurement arrangements are not being maximised to make the best use of capacity. Although there is a corporate procurement strategy, this has not been used to shape an individual procurement plan for the housing service. Opportunities for collective procurement with other landlords have not been fully explored and use is not being made of supply chain procurement methods to ensure that the Council gets the greatest advantage from its purchasing power.
- 173** Current staffing structures have not been fully challenged. Although, efficiencies have been delivered through senior management restructuring and the reviews of sheltered housing and tenancy and estate management, opportunities for further savings throughout the organisational structure have not yet been carried out but are planned. It is anticipated that some opportunities will arise through retirements but comprehensive succession planning has not yet been developed and the appropriateness of current staffing structures has not been fully challenged. This means that the landlord service cannot be sure that resources are directed appropriately at priorities.
- 174** The capacity of tenants to help improve services is not being maximised. Although partnership working with tenants through for example, the Tenants Panel and the Landlord Services Partnership, has allowed the Council to develop an understanding of tenants' priorities this has not resulted in tenants being significantly involved in strategic decision making. Without further capacity-building, this presents a risk that strategic and investment decisions about the future direction of the service may not accurately reflect the needs of customers.
- 175** The service benefits from a stable and experienced workforce. Staff demonstrated a strong level of commitment and morale is a positive feature. Changes in leadership have been made effectively and staff have confidence in senior management. Staff report that internal communications work well and that there are good opportunities for two-way feedback. Staff have access to a wide range of opportunities for training and development including the opportunity to gain professional qualifications. A well motivated, skilled and knowledgeable workforce is essential to delivering the Council's objectives.
- 176** The Council makes positive use of partnerships to deliver services. This includes working with the police to address problems of youth anti-social behaviour, a shared community development worker post with a neighbouring council and sharing capacity with the maintenance contractor in carrying out repairs inspections. This is important as it reduces the need for duplication and makes best use of limited skills and resources available.

# Appendix 1 – Performance indicators

<b>Performance indicator (BVPI ref)</b>	<b>2005/06</b>	<b>2006/07 (DC top quartile in brackets)</b>	<b>2007/08 (unaudited)</b>
63 Average SAP rating	68	67 (72)	68
66a Percentage rent collected	98.54	98.35 (98.81)	98.59
66b Percentage tenants with > 7 wks arrears (gross)	3.39	2.67 (3.43)	2.04
66c Percentage tenants in arrears with NoSP served		5.80 (13.61)	8.57
66d Percentage LA tenants evicted for rent arrears		0.22 (0.17)	0.14
74a Percentage tenants satisfied with overall service	81	78	78
75a Percentage tenants satisfied with TP		65	65
184a LA homes which were non-decent at start of year	57	57 (10)	53
184b Change in proportion of non-decent homes		9 (32.9)	3.5
212 Average re-let time (days)	35	35 (25)	25

# Appendix 2 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included the following.
  - Focus groups with staff, tenants and contractors.
  - Interviews with staff and partners.
  - Viewing property improvements and repairs.
  - Inspection of ready to let properties.
  - Shadowing staff carrying out their activities.
  - Observation at locality office receptions.
  - Estate inspections.
  - Talking to tenants.
  - Observation of meetings and tenancy sign up.
  - Various file checks.
  - Review of web site, leaflets; and mystery shopping.

# Appendix 3 – Positive practice

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

(Seeing is Believing)

## **Distribution of asbestos register to the fire service.**

- 1** Waverley Borough Council provides a copy of its asbestos register to the fire services each time it is updated.

## **Multi agency approach to tackling anti-social behaviour.**

- 2** The Council's positive approach in working with the police, Alcohol Drugs Advisory Service, Child Protection services and others resulted in the successful use of a Crack House Closure notice to tackle a long term problem of anti-social behaviour. The case is highlighted in a Home Office guidance document.<sup>7</sup>

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<sup>7</sup> Home Office publication: Part 1 ASB Act 2003 - Notes of Guidance. Closure Orders: Premises Associated With Persistent Disorder or Nuisance. November 2008.



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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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