

Inspection report

June 2004

South Lakes Housing (ALMO Indicative)

South Lakeland District Council

Contents

Summary	3
Scoring the service	4
Recommendations	8
Report	11
Context	11
The locality	11
The council	12
The Arms Length Management Organisation	13
The council's best value review	14
How good is the service?	12
Are the aims clear and challenging?	12
Does the service meet these aims?	12
How does the performance compare?	12
Summary	81
What are the prospects for improvement to the service?	12
What evidence is there of service improvement?	12
Does the best value review drive improvements?	12
Will the improvements be delivered?	12
Summary of projects for improvements	12
Appendices	12
Documents reviewed	12
Reality checks undertaken	12
List of people interviewed	12

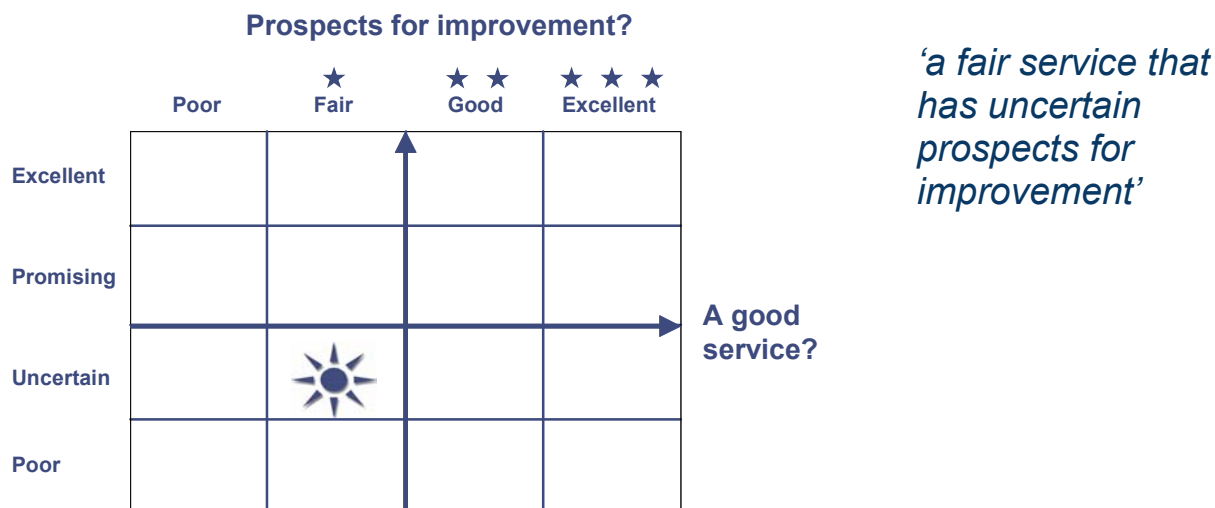
Summary

- 1 South Lakeland District Council (SLDC) is a district council in Cumbria county in the north west of England. The population is 102,000 of which only 0.4 per cent are from ethnic minority communities. Within the district there are 62 parish councils. The district covers an area of 1,551 square kilometres. The proportion of people of pensionable age (24.2 per cent) is much higher than the national average for England as a whole (18.4 per cent).
- 2 There is no overall political control of the council which has 52 councillors, 23 Liberal Democrat; 18 Conservative; nine Labour and two Independents. A leader and cabinet model of governance was introduced in October 2001. It employs 660 staff (FTE) across all services, with more than 140 engaged in delivering the housing service.
- 3 The council's net expenditure on general fund services and council housing in 2003/04 is £23.8 million. The council has a housing stock of 3,421 homes, and has 226 leaseholders.
- 4 The council carried out a best value review (BVR) of its sheltered housing service during 2000/01 and an inspection by the Housing Inspectorate took place in 2002. We published the report in 2002. The service was judged to be Fair (one-star) with uncertain prospects for improvement.
- 5 South Lakeland's Housing Strategy and Housing Investment Programme (HIP) have been rated as 'above average' by the Government Office for the North West. (GONW). The Audit Commission judged the council overall to be 'weak' in its Comprehensive Performance Assessment (CPA) in 2003.
- 6 The housing management service was awarded ISO 9002 in 1998 and achieved Investors in People (IIP) accreditation in November 2003.
- 7 The council established an Arms Length Management Organisation (ALMO) called South Lakes Housing (SLH) and delegated responsibility for providing housing management and maintenance services from April 2004. SLH will receive a management fee of £1.842 million for 2004/05. It will manage the council's £1.7 million budget for repairs and £2.3 million capital improvements budget. It employs approximately 140 staff with a range of contractors engaged in carrying out repairs, maintenance and improvement programmes to homes.
- 8 The Board consists of four tenants/leaseholders, four council nominees and four independent members. It operated as a shadow board between July 2003 and April 2004.
- 9 This was an indicative inspection to offer a judgement on the standard of the housing service before the full ALMO inspection in January 2005. If the standard of the Housing Service meets Government criteria, the council will access additional capital funding to improve the condition of its homes. The inspection to determine whether this standard has been achieved is scheduled for January 2005.

Scoring the service

- 10 We have assessed the 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.

Scoring chart¹: South Lakeland District Council: South Lakes Housing



- 11 In our view the council and SLH are focused on delivering improvements to the way in which the service is delivered and over the last twelve months have identified further areas for development. Customers told us that the repairs service had improved, there is a customer focused rent collection service and tenants are involved significantly in improvement process. Consultation in the lead up to the establishment of the ALMO was good. The estate management services are good and assist in maintaining a pleasant environment in which to live.
- 12 During our inspection we found the following positive aspects of the service:
- ◆ customers are the focus of service delivery and are involved in setting service standards, monitoring performance and agreeing targets;
 - ◆ customer satisfaction with all services is high and is increasing;
 - ◆ there is a good range of well written leaflets publicising the services available;
 - ◆ the council has a user-friendly web-site which is regularly updated to provide clear and relevant information to customers;
 - ◆ adaptations are carried out quickly to meet the needs of disabled residents;
 - ◆ customers are offered a choice of new fittings to their homes and satisfaction with improvements is high;
 - ◆ gas appliances are serviced during the summer months on an annual basis to minimise disruption to customers;

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

- ◆ there is a good range of options available in which to pay rent together with easy access to the housing benefit and advice service;
- ◆ the rent collection service offers a personal service to tenants and is used well to identify other tenancy related issues;
- ◆ estates are very well maintained and reflect secure by design principles;
- ◆ tenancy agreements are simple to understand and presented in a user-friendly format;
- ◆ the council provides a subsidised gardening scheme for elderly and disabled residents; and
- ◆ residents of sheltered schemes have access to a varied range of activities throughout the week.

13 However, there are a number of areas which require further attention by South Lakes Housing and the council:

- ◆ not all offices are easily accessed, opening hours are very traditional and have not been agreed with customers;
- ◆ it is not clear that leaflets are available in other formats;
- ◆ consultation with harder to reach groups is under-developed which is significant given the diverse nature of the area;
- ◆ the ALMO does not know whether its services are being used by all sections of the community due to an absence of suitable monitoring arrangements;
- ◆ the repairs service is not managed to ensure an appropriate response to emergencies and that all repairs are delivered cost-effectively;
- ◆ no attempts are made to re-charge tenants for damage to property;
- ◆ customers do not know what service to expect on grounds maintenance due to an absence of published service standards for cleaning of estates or buildings;
- ◆ the information available on property availability has not been improved due to a lack of progress in considering/developing choice based lettings (CBL);
- ◆ there is no satisfaction monitoring of anti-social behaviour (ASB) complaints and no feedback to customers to inform them of the outcomes to cases;
- ◆ leaseholders do not receive the service they are entitled to and are not receiving value for money;
- ◆ rent statements are not made available to enable customers to monitor their rent account;
- ◆ debt recovery is not carried out in a robust manner;
- ◆ there has been no publicity to increase take-up of benefits in the district;
- ◆ opportunities to work with partners to deliver cost savings and increase income are not fully explored;
- ◆ support plans are not developed for residents of sheltered schemes to ensure their needs can be met; and
- ◆ performance management does not ensure services are improving as performance is being monitored and not managed.

- 14 There are clearly both drivers for improvement as well as some significant barriers. Key drivers include:
- ◆ tenant participation is good and services are clearly focused on outcomes for customers;
 - ◆ the option appraisal process and the level of tenant involvement since has developed commitment from stakeholders to the ALMO;
 - ◆ sheltered housing accommodation has been improved to remove unpopular bed-sit type accommodation;
 - ◆ customer feedback is well used to inform service improvements;
 - ◆ the board of management and staff of SLH show high levels of self-awareness and are enthusiastic about the challenges facing them;
 - ◆ staff are encouraged to identify and implement best practice;
 - ◆ the council is well placed to deliver the strategic housing function; and
 - ◆ the council and the ALMO have made investments to improve their IT systems.
- 15 There are also a number of significant barriers to improvement to consider:
- ◆ the relatively high management costs and performance of the repairs service is an area for concern;
 - ◆ the training needs of the board members have not been adequately assessed and training has not been delivered as intended;
 - ◆ the Board and SMT undoubtedly have a range of skills but are relatively inexperienced in their new roles. They will have to demonstrate their awareness of how the organisation is performing and their ability to effectively manage performance;
 - ◆ the board has not developed a strategic approach to managing performance within the organisation;
 - ◆ the council and the ALMO have not challenged the way existing services are delivered and have therefore not identified potential improvements and inefficient working practices;
 - ◆ given the diverse nature of the district, opportunities to deliver services in partnership with other service providers have not been fully explored to reduce costs and make services more efficient;
 - ◆ performance management techniques are not being used to drive continuous improvement and the lack of SMART targets is a weakness in action plans;
 - ◆ there is a lack of information on how much services are costing to deliver and whether this represents value for money, both for those services delivered by and on behalf of the ALMO;
 - ◆ there is a low level of awareness of issues relating to equalities and diversity both within the council and the ALMO;
 - ◆ the risk management framework does not adequately identify contingency plans and effective ways to reduce the risk to the organisation; and
 - ◆ the council has not fully addressed the risks associated with the long term viability of the HRA.

- 16 We feel that the Board of Management, senior management team and staff used the indicative inspection in a positive manner and demonstrated a good level of self-awareness of the weaknesses highlighted above. The fact that there are some key barriers to overcome has resulted in our judgement of prospects for improvement within the service as uncertain. However, we recognise the amount of work which has been carried out within the last twelve months to ensure the service is moving in the right direction. We therefore consider the re-inspection date of January 2005 to be realistic and offers sufficient time to address many of the issues we have highlighted.

Recommendations

17 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. In this context, the inspection team makes the following recommendations:

18 We recommend that the council and South Lakes Housing:

Access, Diversity, Tenant Participation and Customer Focus

- ◆ examine and implement ways to engage a broader range of tenants, particularly those from harder to reach groups in consultation on the development of all aspects of the service. Opportunities for tenants to be involved should reflect the problems posed by the diverse nature of the area. To be completed by September 2004;
- ◆ develop specific milestones in the equality and diversity and action plan to demonstrate how compliance with the CRE code of practice for rented housing will be achieved by January 2005;
- ◆ address weaknesses related to service publicity highlighted in this report by December 2004;
- ◆ develop a training programme which addresses the lack of awareness of diversity and equalities issues amongst staff and board members by December 2004;
- ◆ review and agree the opening hours of public offices with customers and improve publicity regarding out of hours emergency numbers by September 2004; and
- ◆ ensure all leaflets are straplined for alternative language versions, braille, large print or audio by September 2004.

Service Delivery

- ◆ identify the ways in which the repairs service can be organised in a more efficient way to overcome weaknesses such as the lack of multi-skilled operatives, with a view to improving the service to customers;
- ◆ agree and publish a clear policy on re-chargeable repairs and report on its effectiveness to the board on a regular basis by September 2004;
- ◆ improve the accuracy of repair reporting to increase the numbers of repairs completed on the first visit by September 2004;
- ◆ implement the lettable standard and agree a suitable review date with customers by July 2004;
- ◆ develop a corporate debt recovery policy by September 2004;
- ◆ arrange for rent statements to be available to all tenants at a frequency agreed with customers by July 2004;
- ◆ improve the time taken to process housing benefit applications through the development of an SLA and by training housing staff to carry out verification work;
- ◆ with customers, review the flexibility of dates for direct debits and standing orders to ensure there are no barriers to using these options;
- ◆ develop service standards with clients for the cleaning of estates and buildings;

- ◆ improve the support given to new tenants by achieving the published targets for follow-up visits by July 2004;
- ◆ complete a review of the housing register appeals procedure by July 2004;
- ◆ agree timescales to complete a review of the appropriateness of a choice based lettings scheme in the District by September 2004;
- ◆ agree a procedure with clients to ensure information on the outcome from anti-social behaviour complaints is shared with the complainant;
- ◆ take appropriate action to ensure leaseholder service charges demonstrate value for money and comply with legal requirements by July 2004; and
- ◆ agree a protocol with partners to ensure support plans are developed for tenants in sheltered accommodation by December 2004.

Performance Management

- ◆ identify the action required to address weaknesses identified in this report regarding the levels of emergency repairs and the percentage of pre and post inspections by July 2004;
- ◆ develop a timetable to review support services to ensure the cost effectiveness of all services can be demonstrated by April 2005;
- ◆ identify service unit costs to enable a cost benefit analysis of all services to be carried out by September 2004;
- ◆ review the way in which targets are set, to establish a robust process to agree individual and team targets for all service areas;
- ◆ improve the reporting arrangements to ensure a more effective process to report on progress in meeting the decent homes standard by July 2004;
- ◆ thoroughly scrutinise the processes used to collect performance indicators to ensure the data provided is completely accurate;
- ◆ ensure the job evaluation process considers the use of personal and team targets for all staff; and
- ◆ review and agree how performance reports to the board and senior management team will be used to monitor and drive service improvements.

Governance

- ◆ identify how the board can demonstrate it is representative of the community it serves;
- ◆ review the risk management framework to ensure all risks are adequately identified and preventative measures clearly articulated by September 2004;
- ◆ review the options available to address the concern regarding the lack of financial skills at board level; and
- ◆ develop an appropriate training programme for the board and senior management team to address training needs and to develop skills particularly in relation to performance and financial management by July 2004.

Improvement Plans

- ◆ establish SMART targets for all improvement plans to enable a clear understanding of outcomes and measurement of success.

General

- ◆ take action to address all other weaknesses identified in the report;
- ◆ submit this report to the ALMO board; and
- ◆ report the findings and recommendations of this report to the council, staff, tenants and stakeholders, setting out proposals for addressing the issues and improving the housing management service.

19 We would like to thank the staff of South Lakeland District Council and South Lakes Housing, who made us welcome and who met our requests efficiently and courteously.

Mark Reynolds

Alan Brownson

Ian Harries

Mike Schirwing

Tenant Inspection Advisors

Alison Bodill

Maureen O'Hare

Nick Atkin

Lead Housing Inspector-Northern Region

Dates of inspection: 29 March - 8 April 2004

Email:

**m-reynolds@audit-commission.gov.uk, a-brownson@audit-commission.gov.uk,
n-atkin@audit-commission.gov.uk**

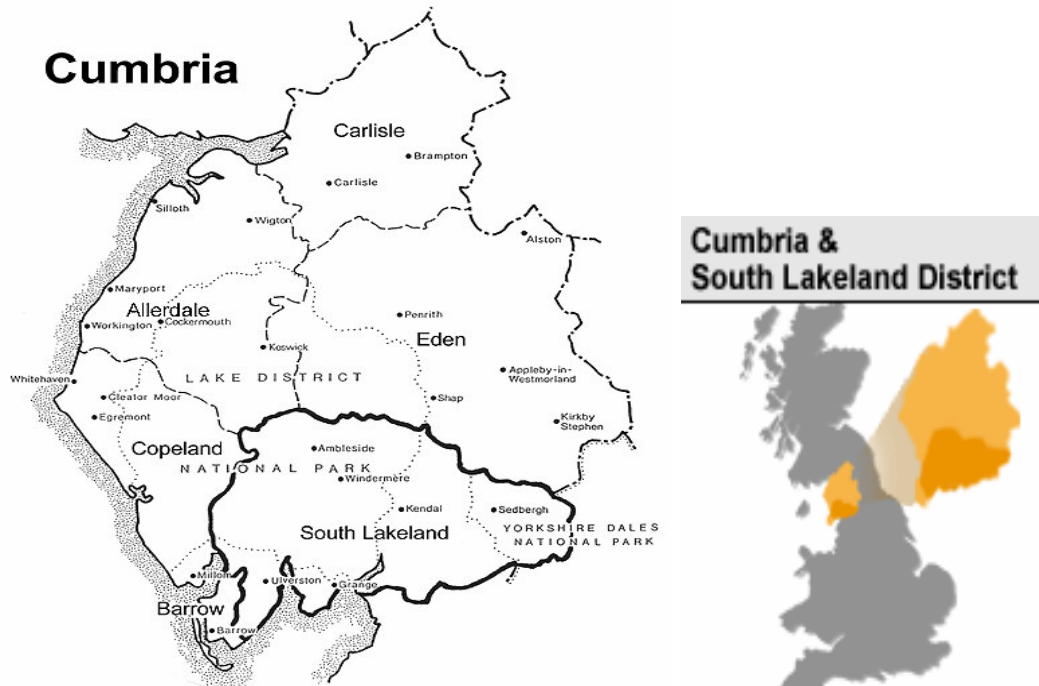
**For more information please contact
Audit Commission
Northern Region
Kernel House
Killing beck Drive
Killingbeck
LEEDS
LS14 6UF**

Report

Context

- 20 This report has been prepared by the Audit Commission ('the Commission') following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.

The locality



- 21 South Lakeland District Council is a district council in Cumbria County in the north west of England. Within the district area there are 62 parish councils. The District covers an area of 1,551 square kilometres and has a population of 102,000 of which only 0.4 per cent are from ethnic minority communities. The proportion of people of pensionable age (24.2 per cent) is much higher than that for England as a whole (18.4 per cent).
- 22 Much of the District falls within either the Lake District National Park or the Yorkshire Dales National Park, and includes the Arnside/Silverdale Area of Outstanding Natural Beauty. As a result, the area is a major centre for tourism.
- 23 Local unemployment is at 1.2 per cent (February 2003 claimant count rate) and is well below the national average of 2.7 per cent. The proportion of people employed in agriculture (4.4 per cent) and distribution (29.0 per cent) is relatively high in comparison to the rest of England (1.5 and 23.0 per cent respectively).
- 24 Average earnings in the district are low compared to the rest of England. At the same time house prices are high, resulting in unaffordable house prices for many local people, particularly those entering the housing market for the first time. This is compounded by the high proportion (up to 11%) of second homes in the area.
- 25 The level of deprivation is low (ranked 264 of 354 authorities in the index of deprivation). Only one ward (Ulverston East) is amongst the bottom 25 per cent of wards in the country for multiple deprivation.

- 26 Of the 49,675 dwellings in the Borough, over 91% are owner occupied and just 8.6% rented from the council, a Housing Association or a Registered Social Landlord. The average house price of £162,968 is above the regional average which is £108,000. The area has not suffered from neighbourhood abandonment, the main concern to the authority is the lack of affordable rented accommodation.

The council

- 27 There is no overall political control of the council which has 52 councillors, 23 Liberal Democrat; 18 Conservative; nine Labour and two Independents. A leader and cabinet model of governance was introduced in October 2001. The current Leader is a Conservative and seats on the cross party cabinet are in proportion to the overall council membership.
- 28 The council's net expenditure on general fund services and council housing for 2003/04 is £23.8 million, it has fixed assets of £195 million and it employs 660 full-time equivalent staff across all services.
- 29 The Audit Commission judged the council overall to be 'weak' in its Comprehensive Performance Assessment (CPA) in 2003. The housing diagnostic within the report focused on the council's approach to meeting the decent homes standard. The conclusion was that there was a low risk of service failure and/or poor outcomes. The Housing service was considered to be one of the better services delivered by the council.
- 30 The council is fully committed to developing its community leadership role. The council is providing practical leadership within the recently formed local strategic partnership (LSP), but this is in its early stages of development. The LSP is has recently completed the consultation on the Community Strategy to which the council's strategic plan will be linked.
- 31 The council's priorities as identified in the draft community strategy are:
- ◆ a Vision for Health - All individuals and communities within South Lakeland will be enabled and encouraged to achieve optimal health and well being;
 - ◆ a Vision for Affordable Housing - All residents should be able to access and/or retain good quality affordable homes suited to their needs. Recognising the high incidence of low incomes against high house prices, the priority must be the provision of affordable housing to rent;
 - ◆ a Vision for Community Involvement - The community in South Lakeland will play a positive role in informing and influencing the processes which determine how decisions are made and how resources are used. In particular ways will be found to enable young people, people with disabilities and minority groups to become more involved;
 - ◆ a Vision for Jobs, Skills and Regeneration – A healthy and diverse economy which promotes enterprise and innovation, maintains a skilled and educated workforce and contributes to the high quality of life of the area; and
 - ◆ a Vision for Transport – South Lakeland's communities will have access to services and leisure by safer and more affordable transport options, particularly through the development of public and community transport.

The Arms Length Management Organisation (ALMO)

- 32 The council commissioned a stock option appraisal in February 2001 to assess the most effective way of ensuring the necessary levels of investment to improve and maintain the Council's housing stock in future years. This led to the decision to set up an ALMO.
- 33 The council set up South Lakes Housing to undertake the landlord functions of its Housing Service to its stock of homes. The initial agreement with the ALMO commenced in April 2004 and is for 10 years. The functions delegated to are set out in their Section 27 application and can be summarised as:
- ◆ stock investment and repairs ordering;
 - ◆ tenant participation, information and consultation;
 - ◆ environmental protection and improvement;
 - ◆ rent collection, dealing with arrears and debt counselling;
 - ◆ estate management, caretaking and support services under Supporting People;
 - ◆ administration of the Housing Register;
 - ◆ managing lettings, voids and under-occupation;
 - ◆ enforcement of tenancy conditions; and
 - ◆ similar functions for leaseholders.
- 34 The functions retained by the council are delivered by the Strategy and Planning Department. They are:
- ◆ housing strategy and enabling; and
 - ◆ homelessness, housing advice and money advice.
- 35 There is no legal requirement to ballot tenants before establishing an ALMO. The council did ballot tenants in September 2003. Electoral Reform Services were appointed to act as an independent agent and scrutineer. Ballot papers with pre-paid envelopes were posted to 3314 eligible tenants and leaseholders. The overall rate of participation was 65.3 per cent. 88.4 per cent were in favour of the ALMO.
- 36 The company is managed by a board, which is made up of four tenant and leaseholder representatives, four council nominees and four independent representatives. The day-to-day running of the company is delegated to a senior management team, headed by the Chief Executive of South Lakes Housing. Approximately 140 staff transferred from the council to the ALMO.
- 37 South Lakes Housing has its headquarters in South Lakeland House in Kendal. At the time of the inspection the housing register service was delivered from the same building.
- 38 There are two other area offices, one in Ulverston which is approximately 25 miles west of Kendal and Ambleside which is approximately 13 miles north of South Lakeland House.
- 39 Within the area, demand for housing of all tenures is high. The demand for social rented accommodation is one of the major issues facing the council. The percentage of social rented accommodation is low at only 8.6 per cent of which seven per cent is council housing. There are over 3500 second homes in the area.

- 40 The council owned stock was broken down as follows following the completion of a stock condition survey in 2002. The figures included those occupied by leaseholders. There are 110 garages throughout the district for which there is very high demand. The stock is of traditional construction and there are no high rise blocks.

Archetype	Dwellings
Houses - Pre 1945 Small terraced	283
Houses - Pre 1945 Large terraced	439
Bungalows	451
Houses - 1945 to 1964 Small terraced	227
Houses - 1945 to 1964 Large terraced	784
Houses - 1965 to 1974	141
Houses - Post 1974	74
Low Rise Flats/Maisonettes - Post 1945	557
Low Rise Flats/Maisonettes - Pre 1945	34
Medium Rise Flats/Maisonettes	199
Sheltered Schemes/Hostels	439
Total number of properties	3,628

- 41 This is an indicative inspection which was requested by SLDC. It offers the opportunity to identify areas of strength and weakness before the full ALMO inspection in January 2005.
- 42 If the standard of the Housing Service meets Government criteria, the council will access an additional capital allocation of £0.3 million to 31 March 2005 and be allowed to seek a further £19.573 million if the ALMO demonstrates good progress.

The council's best value review

- 43 The council carried out a best value review (BVR) of its sheltered housing service during 2000/01 and inspections by the Housing Inspectorate took place in 2002. We published the reports in March 2002. The service was judged as fair (one-star) with uncertain prospects for improvement.
- 44 The council reviewed the remainder of the functions transferring to the ALMO during 2003/04, producing a final report in February 2004. The Housing Services subject to this review consisted of the following:
- ◆ rent collection and arrears recovery;
 - ◆ tenant participation;
 - ◆ customer focus and access to services;
 - ◆ value for money and performance management;
 - ◆ stock investment and repair;
 - ◆ allocation, relets and voids;
 - ◆ tenancy and estate management; and
 - ◆ sheltered housing.

- 45 This is the first inspection for these parts of the housing service.
- 46 The Housing Inspectorate framework for assessing excellence in housing management, which provides guidance to councils setting up ALMOs states:

'If a local authority's Housing Management Service is rated as 'good' or 'excellent' and a transfer to an ALMO follows, our inspection of the ALMO is likely to concentrate on the new organisation's governance arrangements and the quality of its strategic leadership. We would undertake a less intensive inspection of the housing management service to ensure that standards have been maintained and that actions recommended by the Inspectorate have been implemented'.

- 47 It is within this context that the current inspection has taken place and the overall assessment of housing management services in this report also draws on evidence from the previous inspection.

How good is the service?

Are the aims clear and challenging?

- 48 Inspectors look to see how a council has agreed the key aims for the service being inspected, how clear these aims are to the people that receive the service and whether these reflect the corporate aims of the organisation as a whole.
- 49 Aims need to be challenging, address local needs and support national objectives. This requires the council to consider and demonstrate how a service contributes to its wider corporate aims and community plans.
- 50 We ask an authority/ALMO two key questions in relation to all its services:
- ◆ has the organisation challenged the need for the service; and
 - ◆ does the service support corporate aims and the community plan?
- 51 During our previous inspection of sheltered housing, we found that the aims were clear and reasonably challenging, but there were some aspects that could go much further such as the service standards for Sheltered Housing tenants and addressing the needs of people from ethnic minorities.
- 52 During this inspection, we found that South Lakeland Council has developed a clear hierarchy of plans:
- ◆ the Strategic Plan (2003-06), articulates the vision for the area;
 - ◆ the Community Strategy (2004-24) which sets out a vision for the next twenty years, this has recently been developed by the Local Strategic partnership and the consultation period at the time of the inspection;
 - ◆ the best value performance plan which links to the strategic visions and records progress in meeting targets;
 - ◆ the housing strategy 2002-2006 which brings together corporate and community objectives within a national and regional framework;
 - ◆ the HRA business plan, a long-term plan for managing the Council's housing assets and financing the necessary investments; and
 - ◆ Service Improvement plans which set out the departmental goals to achieve the necessary improvements in service.

- 53 The Community plan sets out the high level themes which are referenced to the Strategic Plan:
- ◆ a vision for health;
 - ◆ a vision for community involvement;
 - ◆ a vision for jobs, skills and regeneration;
 - ◆ a vision for transport; and
 - ◆ a vision for affordable housing, which is articulated as:
 - ◆ all residents should be able to access and/or retain good quality affordable homes suited to their needs. Recognising the high incidence of low incomes against high house prices, the priority must be the provision of affordable housing to rent.
- 54 The council's housing strategy sets out the following priorities:
- ◆ to have an accurate understanding of housing condition, need, demand and supply in the district in order to enable residents to access and/or retain good quality affordable homes suitable to their identified needs.
 - ◆ to work in partnership in a holistic way to prevent homelessness;
 - ◆ to enable provision of a range of integrated accommodation and support services for identified needs in order to facilitate independent living; and
 - ◆ to work in partnership with stakeholders to deliver housing objectives.
- 55 The document contains some specific and challenging targets. The provision of 12 new purpose built homes for people with physical disabilities as well as the remodelling of the Birthwaite sheltered housing scheme are just two of the aims listed to be achieved within the four year life of the document. Both link to corporate objectives and the aims set out within the HRA business plan.
- 56 South Lakes Housing has listed the following as its strategic objectives:
- ◆ to deliver a three-star rated service;
 - ◆ to achieve the decency standard by 2009;
 - ◆ to contribute to environmental improvements and the reduction of anti-social behaviour;
 - ◆ to deliver good quality, safe, secure, affordable homes to all tenants;
 - ◆ to work in partnership with the council, tenants and leaseholders and others to deliver good quality cost effective services to tenants and leaseholders;
 - ◆ to develop and implement accountability to and effective communication with tenants, leaseholders and all other key stakeholders;
 - ◆ to respect diversity and promote equality of opportunity in relation to all aspects of the ways in which SLH is run and delivers its services;
 - ◆ to contribute to the social, environmental and economic regeneration of the District; and
 - ◆ to lead and motivate a team of staff capable of delivering SLH's objectives.

- 57 We consider that SLH has developed its aims to reflect those listed in corporate documents and that the specific targets link to corporate objectives. It is also apparent that they have been tailored to recognise feedback from their clients. For example a joint training session for the shadow board and tenants' committee was used as a way to review and shape the future plans for the new organisation. This is a useful way to review the strategic aims and link them to customer needs.
- 58 How the actions and targets will be delivered is articulated in both the SLH Delivery Plan 2004/05 and the Best Value Review of Housing Services Document 2004. The former provides the operational detail which offers the opportunity to address stakeholder aspirations. A service Improvement plan for year one of the ALMO clearly identifies the priorities for action in each service area. These have been distilled from the areas for improvement highlighted in the best value review. More detailed plans for each service area are listed in the BVR service improvement plan.
- 59 SLH commenced as a new organisation during the on-site period and does not have its own business plan. It uses the delivery plan and the council's own HRA business plan to outline its activity as a new company. The HRA Business Plan was rated as 'above average' by the government office north west (GONW) and the intention is to work towards the production of a document which is considered 'fit for purpose'.
- 60 We were told that in respect of updating the business plan, the intention is to commence this action following the completion of the best value review and once the indicative ALMO inspection had been completed in order to incorporate the findings from both processes in the new plan.
- 61 The housing strategy was rated as 'above average' by GONW in 2003/04, and this document is being reviewed with a view to achieving a rating of 'fit for purpose'. It clearly refers to the options facing the council and how these can be addressed. There is clear evidence of links with health, crime and disorder, transport and other corporate priorities. There is a sound basis for the objectives given the fact that recent stock condition and housing needs surveys have been completed.
- 62 We found that the plans articulated specific visions and that links are evident. The issue relating to affordable housing and more specifically affordable rented accommodation in the area comes out clearly as a priority for the council. These aims are relevant to national, regional and local needs and were clearly understood by staff and the ALMO board.
- 63 We found examples of how the corporate aims are delivered through the design of service specifications. For example:
- ◆ SLH use 'K' glass and high efficiency gas condensed boilers on all heating contracts and low energy lighting in all refurbishment specifications with a view to reducing carbon dioxide emissions; and
 - ◆ Grounds maintenance schemes and environmental improvement schemes take account of secure by design specifications and community safety preventative advice.

- 64 There are weaknesses with the plans. It is not always clear what the intended outcomes are for some objectives and it will therefore be difficult to measure success. Although we feel on the whole targets are stretching this has not been applied consistently to them all. For example one local performance indicator, H5/5 listed in the best value action plan relates to the percentage of all repairs requested by tenants completed with local target times. The target reduces from 95% to 94% this year. We were told that targets have been reduced in some areas as they were considered to be too ambitious. In some areas where one office was delivering on a particular performance indicator and another falling short, the management response was to lower the target for all areas. In addition, high level aims are not cascaded down to link with individual targets for staff.
- 65 During the inspections we held meetings with staff, tenants, leaseholders and spoke to a wide range of external partners and found that awareness of the aims of SLH was high. We were particularly impressed that almost all customers knew the ALMO was 'going live' on the 1 April 2004; they fully supported this development and were well informed as to how the service would be delivered by the new organisation.
- 66 Before the on-site period we carried out a postal survey of 227 clients. This asked a number of questions on all aspects of the service. It revealed that 84 per cent knew the council planned to set up an ALMO and 76 per cent stated that they were provided with information on why the change to South Lakes Housing was planned.
- 67 We found examples of how the impact of the ALMO's plans could be enhanced by more awareness of the aims and a closer working relationship, both with council departments and external stakeholders.
- 68 As we have mentioned earlier, the majority of the area is situated within two national parks. It is therefore important that the planned improvements to the stock are completed in a way which enhances the natural beauty of the area. However, there has been no dialogue with the national park authorities to discuss the plans and how their advice and possible financial assistance can assist to deliver those objectives.
- 69 Additionally, given the fact that half of the council stock has been sold, many estates are multi-tenure. There has been no thought given to how private sector renewal activity could be coordinated to improve particular areas where the ALMO is carrying out large scale renovation work.
- 70 In conclusion, we found the aims for the service are clear. Links are apparent between all plans, from the overarching strategic plan to the best value action plan. There is a good understanding of how the ALMO actions will contribute to the corporate aims of the council. However, target setting is not always sufficiently robust to ensure that the aims provide the degree of challenge needed to achieve excellent levels of service. By making the aims clear to all partners and linking them to individual staff targets, the impact of the ALMO's actions could be further enhanced.

Does the service meet these aims?

- 71 Having considered the aims that the council has set for the service, inspectors make an assessment of how well the council is meeting these aims. This includes an assessment of performance against specific service standards and targets and the council's approach to measuring whether it is actually delivering what it set out to do.

72 The assessment is based on the 'Framework for Assessing Excellence in Housing Management' issued by the Audit Commission's Housing Inspectorate in August 2001 and updated in March 2003. This focuses service inspection into four main headings:

- ◆ stock investment and repairs;
- ◆ rent collection, arrears recovery and debt counselling;
- ◆ estate management and allocations; and
- ◆ tenant participation and user involvement.

73 Also considered are the overarching issues of:

- ◆ access (to services);
- ◆ diversity;
- ◆ performance management; and
- ◆ value for money.

Access to Services

74 SLH delivers its housing services through three local offices. The main office is South Lakeland House in Kendal and there are two area offices at Ulverston where a range of council services are delivered and Ambleside which is predominantly a housing office. All have standard opening hours. The council has a good range of information available on its website which can be accessed by SLH customers.

75 During our previous inspection, we described the way that customers could access services as reasonable.

76 Positive aspects included:

- ◆ the reception facilities at Kendal were high quality and welcoming and the office had wheelchair access; and
- ◆ staff at the offices in Kendal were very polite.

77 Weaknesses included:

- ◆ the Council did not follow the Commission for Racial Equality Code of Practice for Rented Housing; and
- ◆ the general availability of housing service related information varied between offices.

78 The visits to the local housing offices during this inspection revealed the following:

- ◆ all offices had clear signage;
- ◆ all had ramped access;
- ◆ all had the translation service advertised;
- ◆ all had ample seating;
- ◆ all were clean and tidy;
- ◆ staff were friendly and courteous and wore name badges;
- ◆ child facilities were available in Kendal only;
- ◆ there was a good range of housing leaflets available in all offices;
- ◆ all had private interview rooms but two lacked IT access;

- ◆ all offices had information about the complaints procedure;
- ◆ there was an inconsistency in leaflet and poster displays relating to non-housing services;
- ◆ leaflets were not straplined for alternative language versions, braille, large print or audio;
- ◆ none had emergency out of hours number clearly displayed;
- ◆ none had access to Freephone facilities;
- ◆ staff were unable to advise on the use of the translation service;
- ◆ offices were open for traditional opening hours only; and
- ◆ none were DDA compliant.

Kendal and Ulverston Offices



- 79 In terms of documentation, a comprehensive well constructed service charter has been developed. This clearly details SLH's commitment to customers including timescales to answer telephone calls, responding to appointments and giving written notification of decisions. It was apparent that elected members, housing staff, and tenants are all involved in developing service standards, measures and targets. It is positive that the customers have been routinely consulted when developing such policies.
- 80 There is a good tenant's handbook available, produced in January 2002. This is a convenient sized folder detailing specific housing services plus a Service Charter and Good Neighbour Charter. The leaflets are well constructed and easy to read in plain English. They offer clear and concise information on all housing services available to residents, with contact details provided.

- 81 Tenants have their responsibilities clearly outlined. The repairs customers are responsible for are listed clearly on the back of the repairs and maintenance leaflet. The right to repair is referenced but this is not covered in depth. Customers are referred to housing offices where there is a list of 'qualifying repairs' available. The leaflet also gives examples of rechargeable repairs.
- 82 New tenants are given a range of information for example copies of the various tenancy agreements. They are clear, easy to understand and detail both the responsibilities of the tenant or licensee, and the council. Other information handed to clients includes a moving house leaflet, a leaflet on gas safety in relation to installation of services, rent payment methods and the ways in which tenants can become involved.
- 83 We looked at the District Wide Tenant Participation Agreement dated February 2002. It is user friendly and comprehensive. It clearly states how tenants and leaseholders can be involved with the SLH and the various mechanisms for involvement through Tenant Associations, committees, panels and informal methods of consultation.
- 84 The document states that, the council's objective, as stated in its Housing Strategy of 2003, is 'to work in partnership with tenants and residents to enable decision-making to reflect local needs in order to provide effective good quality housing services.' Although it does not state this is the basis on which Tenant participation has developed it is implied.
- 85 The web-site is updated regularly. We were pleased to note that the council's web-site contains news for users which is refreshed on a regular basis. There was a feature on the fact that the ALMO had gone live on the 1 April and a few days later, details of the grant approval to develop affordable homes in the area.
- 86 Customers in our postal survey confirmed high levels of satisfaction in terms of their experience of council services. This confirmed similar results to those obtained by the regular surveys carried out by SLH:
- ◆ 82 per cent confirmed that when contacting them by phone, the staff answered their call quickly;
 - ◆ 91 per cent thought that the staff were generally polite and helpful when dealing with a query or request;
 - ◆ 85 per cent found the housing office opening times convenient;
 - ◆ 78 per cent had been given a Tenants' handbook or welcome pack; and
 - ◆ 58 per cent thought it was very easy to contact the council, 29 per cent fairly easy.
- 87 Customers were very complimentary about the service they received. When we spoke to tenants by telephone or face to face, we received positive feedback about the way staff dealt with them and they obviously valued the personal service they received.
- 88 The public offices are available on a traditional office opening hours basis. We found that the opening times had not been agreed with customers and in some instances; the hours of opening were not clearly made available on the signage such as at the Ulverston office.

- 89 SLH is in the process of moving to its own office in Kendal and is considering options in Ulverston. We found that the smaller area offices at Ulverston and Ambleside did not offer the same high standards as the Kendal office. For example Ulverston has a private interview facility but it is too small for someone in a wheelchair. There is ramped access to the building but no dropped counter. It is therefore not welcoming for all customers.
- 90 A review of how services are delivered to reflect the local context has not been completed. Although we acknowledge that the rent collection service does overcome some of the difficulties in delivering a service to such a rural community, SLH has not completed a review of how services are accessed and whether existing options are the most appropriate for their clients.
- 91 A Freephone out-of-hours service was established when we were on-site. However tenants still only have access to three separate numbers in office hours that are not free to use. This potentially could encourage tenants to report more jobs outside of office hours. However, we understand that the Tenants' Committee rejected the proposal to extend the Freephone service to operate during office hours.
- 92 We found that some leaflets have not been updated. The customer information leaflet on repairs and maintenance is out of date. The method of reporting repairs is restricted to telephoning or visiting housing offices. We did find a separate leaflet however which advertises the emergency number. Usefully it also encouraged readers to make 'a friend or neighbour who suffers from a visual impairment' aware of the new number.
- 93 SLH does not offer appointments for all repairs. They are available for internal works under both routine and urgent works but only for priority two jobs and in special circumstances for priority three jobs. This contradicts the standards laid out in the repairs leaflet.
- 94 In conclusion, customers consider that access to Housing Services is good and that they receive a personal service. They have access to some good leaflets and have been involved in agreeing service standards. However, we feel that office opening hours are very traditional and they are not easily accessed particularly by clients in wheelchairs. The council and SLH has not considered whether the options to access the service are the most appropriate given the local context.

Diversity

- 95 During our previous housing inspection, we found that:
- ◆ there was no overall older persons Housing Strategy;
 - ◆ the council had not considered how to address the needs of people from ethnic minorities; and
 - ◆ the council did not follow the Commission for Racial Equality (CRE) code of practice for rented housing.

- 96 The population of South Lakeland can be broken down as follows:
- ◆ population 102,301;
 - ◆ ethnicity;
 - ◆ white 99.2 per cent;
 - ◆ BME communities 0.4 per cent;
 - ◆ Gender;
 - ◆ males 48 per cent;
 - ◆ females 52 per cent;
 - ◆ Disability;
 - ◆ Long term illness 18.5 per cent; and
 - ◆ Permanently sick/disabled 4.3 per cent.
- 97 The workforce employed by SLH is representative of the community it serves in terms of gender. However, none are disabled or from ethnic minority communities.
- 98 The BME population in South Lakeland is just under 0.44 per cent. Although the council has kept accurate information on lettings since 1999 so that it can identify where its BME tenants are, it does not have substantive data available to confirm the numbers of tenants who come from such communities. SLH recognise that more has to be done to confirm whether it has a representative mix of clients and to encourage applicants from under-represented groups to apply for tenancies and other services. This was highlighted during the best value review and listed as an objective in the action plan.
- 99 An indication of how the council has mixed success in obtaining adequate representation from ethnic minority groups can be evidenced as follows;
- ◆ the Citizens panel which is used for consultation purposes was drawn up by consultants on behalf of the council. Five out of 450 (1.1 per cent) are from ethnic minority groups;
 - ◆ the STATUS survey completed in 2001 had 1200 replies of which three (0.25 per cent) were from ethnic minority groups. The latter did not cause a reaction from the council as it was considered to reflect the low level of tenants from BME communities. However, the information available to the council does not enable this to be accurately verified.
- 100 The council is still unable to demonstrate it follows the CRE code of practice for rented housing. SLH intends to do so by January 2005. SLH has developed an Equality and Diversity Policy which has an attached action plan. However, this objective is not listed. We have been advised that this has been addressed following our feedback whilst on-site.
- 101 Similarly another objective is absent from the action plan. We were advised that SLH intends to achieve level one of the equality standard, but there are no details as to how this will be achieved. The lack of milestones or monitoring arrangements means that progress on both actions cannot be confidently predicted.

- 102 Progress in working with harder to reach groups has been mixed. There have been attempts to consult with various groups through meetings and focus groups at sheltered schemes, but SLH states in its best value review document that that more has yet to be done, for example to understand the needs of the BME community and younger people.
- 103 Work is progressing to address this matter. An officer from the council has been nominated to work with partners at a County level to develop an understanding of BME communities in the area with a view to developing services which reflect their clients' needs. In addition the best value action plan has a listed objective to consult the Race Equality Council and ethnic minority organisations to assess the needs of BME groups by April 2005.
- 104 Awareness of equality and diversity issues is low within the organisation. We were told that training for staff on diversity and equalities has been delivered on an ad-hoc basis. When we asked staff about the use of Languageline we found that they had not been trained in how to use it. There is no plan in place to address this weakness.
- 105 The same can be said of contractors. Trades operatives were not aware of the Languageline service. They do not carry customer information leaflets and are therefore unable to promote or access the service.
- 106 The ALMO does collect information to enable analysis of clients using the service. For example it does not have information on ethnicity relating to its allocations. It is therefore unclear as to whether allocations are reflective of the population as a whole and whether there are access issues or marketing issues which have to be considered.
- 107 Similarly there is no information on the take up of other services according to ethnicity, gender or disability or information available on complaints according to specific groups which would assist in highlighting whether there are issues for the council and SLH to investigate.
- 108 The board is not representative of the customers it serves in terms of particularly in respect of gender. When we spoke to board members they stated that they had not considered how to address this matter. Membership was determined following nominations from the tenants' committee, the council and responses to advertisements from individuals interested in serving on the board. They pointed out that their options were limited to an extent, by the range of applicants who applied for the positions.
- 109 We were pleased to note that the development of strategies has delivered outcomes. A review of sheltered housing schemes followed the publication of the Older Person's Strategy. This has so far led to the agreement to provide very sheltered accommodation and the development of a home improvement agency which is scheduled to be launched in September 2004. The council has also developed a young person's strategy.
- 110 There has been some progress in consulting with a broader range of tenants. Efforts have been made to engage younger people on estates in tenant participation. For example in Kendal and in Ulverston housing officers have liaised with youth groups set up by local councillors. This has assisted in making contact with young people and encouraged their feedback on a variety of issues such as facilities for young people on estates. A weakness however is that there is no specific target to address the under-representation of specific groups in terms of tenant participation.

- 111 The council makes some literature available in different formats. Sheltered agreements are printed in large type, and newsletters are available in a similar format which makes reading much easier.
- 112 The public offices which are used by SLH customers do not comply with the Disability Discrimination Act. As we mentioned in the section under access to services, none of the offices have automatic doors and Ulverston in particular is not easily accessed by a person using a wheelchair. Given the fact that moves to other offices are imminent, SLH has set aside a budget to address any necessary alterations to ensure DDA compliance.
- 113 The council actively promotes the reporting of racial incidents. Racial harassment leaflets and posters are available and visible in public offices which encourage residents to report incidents to the council. This is a positive move to promote the reporting of racist incidents within the district. However, we were advised that the council has not received details of an incident for over 18 months.
- 114 The service to install adaptations for disabled customers is good. Assessments by occupational therapists can be organised within a reasonable period and once a recommendation has been made, the work is carried out within a reasonable period of time as there is no backlog for adaptations.
- 115 In conclusion this is an area of weakness both for SLH and the Council. Whilst there is recognition by SLH of the need to address the issues listed above, progress since the previous inspection has been disappointing. The development of an older person's strategy has been well used to deliver tangible benefits for clients.

Tenant participation and user involvement

- 116 The current formal tenant participation structure is good. It includes four tenants on the SLH Board of Management and tenant board members are represented on each of the three sub-committees covering Policy, Finance and Human Resources. In addition there is a district-wide Tenants Committee and three Area Panels. There are 12 registered Tenants and Residents Associations and small groups of tenants can be represented by Village or Estate Voices. This effectively means that 37 per cent of tenants are represented through these groups or panels. All meetings are advertised and open to all residents.' The council/SLH management agreement makes it clear that the Tenants' Committee should be consulted on all decision making.
- 117 There is a general district wide Tenants Agreement (annually reviewed), a specific agreement for Sheltered Housing (recently agreed) and a specific agreement for one estate. These structures and agreements are ensuring that tenants are being kept at the heart of the decision making processes both at a strategic level and at scheme/estate level.
- 118 The Tenants Committee also has representation on the council's Community Services Overview and Scrutiny Committee which deals with most of the housing services. This gives tenants the opportunity to influence the council's decision making processes in addition to the other means available to influence SLH. This has resulted in more monitoring of anti-social behaviour cases and input into the decisions on cost savings on some contracts.

- 119 The wider tenant community have the opportunity to attend SLH Board meetings, Tenant Committee meetings, Area Panel meetings and a continuing Road show, all of which are advertised and regularly moved around the district to encourage local involvement. There are also opportunities to join ad hoc working groups and focus groups and take part in specific and general surveys of satisfaction. This has resulted in tenants not normally actively involved in tenant participation having more opportunity to contribute to the current and future delivery of services. We found that such opportunities had also been effective in raising awareness about the ALMO and the housing service in general.
- 120 Support for formal and informal participation is provided by a Community Participation Co-ordinator and a recently appointed Tenant Participation Officer. The latter was in response to a request from the Tenants' Committee for additional resources in this area of service. In addition job descriptions refer to 'encouraging, enabling and supporting tenant participation' which has resulted in numerous examples of such support being given in terms of starting up new groups or helping to improve tenant involvement in repairs and improvements. Involving tenants in the development of services is clearly part of the Council's/SLH's culture.
- 121 The council has provided ongoing support for tenants. Donations are made to fund support organisations such as the Cumbria Tenants and Residents Participation Forum, which provides training and support to South Lakeland DC tenants. This has resulted in independent peer advice being available to help build the capacity of tenants within the district and allows local tenants to compare services given by their landlord with other social landlords in the county.
- 122 In order to allow tenants to meaningfully participate the council/SLH provides a range of training. Tenants Committee members have received training on the Housing Revenue Account, budgets, housing law and introductory tenancies. This is helping to keep tenants well informed and increase their ability to influence policy making and resource allocation.
- 123 Support and assistance is given to tenants to form constituted groups. A small £50 grant is available at start-up and grants are available to groups based on the number of tenants represented. Childcare costs and other expenses such as travel are reimbursed. The availability of the support for tenants' representatives is well publicised. New tenants are given information on the various tenant participation arrangements that exist in their information packs. This is encouraging tenants not currently actively involved in tenant participation to consider getting involved.
- 124 Tenant representatives have been fully involved in selection processes. This initially commenced with the appointment of their Independent Tenants Advisor whom they have retained to advise them post option appraisal. This was followed by representation on the selection panel for the SLH senior management team and independent board members. Consequently they have had a significant influence over the appointment of the team managing their homes and the appointment of fellow board members.
- 125 Prior to the formation of SLH, tenants were actively involved in the Option Appraisal and selection of the final preferred option – they submitted their own report and recommendation to the council. External critical friends acknowledged that the council had successfully achieved higher levels of feedback than those achieved by other social landlords. Tenants were well informed of the options and their consequences and the council were clearly aware of what tenants wanted.

- 126 Outcomes from the recent Best Value Review of all housing services were informed by tenant involvement and consultation. Tenants were represented on the main challenge team and the scrutiny panels looking at specific service areas. Tenant representatives from the SLH Board and the Tenants Committee are now represented on the four Service Improvement Groups which are formulating implementation plans to address service areas which were identified as requiring improvement. This ensures that tenants are able to monitor progress against recommendations and influence further developments. Reports have been changed to a more user-friendly format to assist this process.
- 127 The production of the housing strategy and the HRA business plan involved tenants. The action plans for both these documents include general targets requested by tenants relating to improving tenant participation as well as specific targets relating to expanding and improving the repairs appointments system. This clearly demonstrates a high level of tenant involvement and influence over current and future priorities.
- 128 Tenants also have the ability to influence all publications and letters produced by the SLH. A group of around 25 tenants form the Tenant Readers Panel are consulted on all new publications. New literature and standard correspondence has the benefit of being checked by potential readers for its content and ease of reading. Publications are subsequently 'badged' as being approved by the Tenant Readers Panel.
- 129 Customers are also involved in monitoring performance. The Tenants Committee receives monthly performance indicator reports and bi-monthly updates on progress against the service plan. The council's Community Services Overview and Scrutiny Committee which includes tenant representation receives six monthly progress reports and Area Panels receive user friendly performance information on key aspects of the service.
- 130 In addition the council/SLH Management Agreement stipulates that SLH must provide an annual report to all tenants and hold an annual delivery meeting with the Tenants Committee. This all helps to keep tenants informed of the council's/SLH's progress and allows them to question lack of progress, suggest improvements or congratulate successes.
- 131 There are opportunities to share experiences with other tenant groups. SLH has engaged in promoting joint tenant participation initiatives with Two Castles Housing Association on the Rinkfield Estate which is helping social housing tenants of the two neighbouring landlords to raise issues of mutual concern.
- 132 Levels of tenant satisfaction are high. 89.2 per cent of tenants are happy with services received which is amongst the top performing authorities nationally. 74.9 per cent of tenants are happy with opportunities for participation, again this is amongst the top performing authorities nationally.
- 133 However despite all the positive aspects of tenant participation described above there are still improvements which could be made. At a strategic level for example tenants are not represented on the council's Environment Overview and Scrutiny Committee which covers services such as grounds maintenance, street cleansing, waste collection, recycling and other related items of interest to tenants. This is a lost opportunity for tenant feedback and involvement in improving future council services.

- 134 Current participation structures are not fully involving under represented groups. For example of 393 people surveyed on their views on the management of their homes only two were under 24 years of age. This means that certain groups of tenants are not being fully recognised when considering current services and planning future improvements.
- 135 Some surveys on planned maintenance work are still too general and consequently feedback is not tailored to the type of work being undertaken. This results in a failed opportunity to capture the views of the majority on the specific work undertaken and ensure that common issues are addressed before further work is undertaken.
- 136 Although tenants receive information and briefings about issues such as rent restructuring, service charges and anti-social behaviour they do not have influence over these decisions before the council makes its final decisions. This is effectively excluding tenants from contributing towards major resource decisions which can affect the level of services they receive.
- 137 The development of further local tenant compacts (agreements) at estate level has been impeded by a lack of staff resources. There is no specific target for further local tenant agreements to be completed but the district-wide tenants agreement is currently under review. There are also no plans for assisting tenants to create Estate Management Boards or form Tenant Management Organisations should they wish to. A failure to complete further local tenant agreements will reduce the likelihood of services being specifically tailored to meet the needs of local communities.
- 138 The council/SLH have not yet explored the full range of incentives possible to encourage tenant participation. Incentives which are available are not well advertised, such as crèche facilities. This may be acting as a barrier to some tenants, such as those with children who cannot arrange childcare at home, from participating in the formal tenant participation structures.
- 139 Internal communication regarding tenant priorities could be improved. We found that some staff are unaware of tenant priorities which therefore reduce opportunities for staff to identify ways to deliver those objectives.
- 140 Tenants generally do not yet have comprehensive details of the work plans and meeting dates for the Tenants Committee, Area Panels or Board of Management either in hard copy or via the website. This is making it difficult for the wider tenant community and the harder to reach groups to know what decisions are being made in their name or to allow them to choose to participate in up and coming meetings which may be of interest to them.
- 141 In conclusion we found this to be a strong area of service. During the inspection we found that there is a genuine desire on the part of the council/SLH to involve tenants in the planning, delivery and monitoring of housing services. SLH has acknowledged there is a need to be more effective in involving harder-to-reach groups and the wider body of tenants outside of the formal tenant participation structures.

Stock investment decisions and repairs ordering

- 142 The council has certain legal responsibilities as a landlord which include keeping in good repair the structure and exterior of dwellings and any installations provided for heating, sanitation and supply of services (Section 11, Landlord and Tenant Act 1985) and contributing to the Home Energy Conservation Act Strategy (HECA). The Government's 'Decent Homes' target also requires local authority landlords to bring their stock up to a defined standard by 2010, with a third of its homes reaching this standard by April 2004. SLH is responsible for ensuring the day-to-day delivery of services to meet these requirements and for procuring all refurbishment work, acting as an agent on behalf of SLDC.

Housing Strategy and Business Planning

- 143 The Housing Strategy statement and the Housing Revenue Account (HRA) Business Plan set out clearly the council's ambitions for housing in the district. Corporate objectives relating to the DHS and improving access to affordable housing are included within the plans.
- 144 The council has developed a housing revenue account business plan that has been commended by the Government Office North West (GONW). The council and the ALMO has plans to write a business plan which reflects its new status. This is scheduled to be reviewed in July 2004 which will include the outcomes from the BV review and the indicative ALMO inspection. In the interim the ALMO has adopted the council's HRA Business Plan published in July 2002.
- 145 The supporting action plan, however, is weak and does not incorporate key milestones, resources required and the link between each action and the strategic housing aims. This undermines the council's ability to monitor effectively the key actions set out within the plan.
- 146 The lack of affordable rented housing is a concern in the area. The housing strategy 2002 raises this as the most important issue for the council. The housing corporation has confirmed a grant allocation of £9.7 million over the next two years to assist in the construction and renovation of houses by RSLs. This should lead to the provision of an additional 150 houses in the area for rent.
- 147 The number of council houses in the district is reducing. Loss of houses through Right to Buy Sales (RTBs) has resulted in over 50 per cent of the stock being sold since 1980. However, sales are slowing down. These have reduced from 146 in 2001 to 79 in 2003. The council believes that this is because of the increasing price of property in the area which means that even with RTB discount, local tenants cannot afford to buy them.
- 148 The HRA Business plan has made realistic assumptions about the levels of RTBs. These are estimated at 100 per year. In 2003/04 there were 176 RTB applications. There were 80 completions including 23 brought forward from the previous year. There are 57 live applications being processed as at 6 April 2004. Accurate projections are essential in order to predict rental income and management costs.
- 149 Stock investment decisions need to be based on sound information on the current conditions of properties and clear priorities on what is to be achieved with the resources available. This has been done well by SLDC.

- 150 The council has assessed the demand for its properties. The last housing needs survey was carried out in 2002. This confirmed that homes are in high demand, a shortage of homes for first-time buyers and a growing elderly population. This means that the council has to recognise the implications for their client group such as having accommodation for the elderly and homes adapted for the disabled.
- 151 We found that the council has good quality and up-to-date information about the condition of its housing stock. There has been a rolling programme of stock condition surveys covering all stock since 1997. In 2001, the council commissioned external consultants to undertake a stock condition survey involving an assessment of the requirements to achieve the DHS. The information is sufficiently comprehensive to enable SLH to develop a tailored investment programme to meet the DHS or any other standard adopted.
- 152 The survey's final report of May 2002 revealed that 73 per cent of properties passed the decency standard at that particular time. It involved a 10 per cent representative sample survey based on different property types. The council also undertook an energy survey to gain information on energy ratings.
- 153 The council's housing stock is made up of traditionally built houses and flats. The condition of the housing stock is generally good and the majority of properties have benefited from the installation of central heating and double glazing in recent years. Energy efficiency measures have been installed in many properties which results in a higher than average SAP⁴ rating across its stock. This will assist in making homes easier to heat and reducing fuel bills for residents.
- 154 However the stock still requires a substantial funding investment in order to bring it up to a modern standard. The council has adopted a standard which is well in excess of the DHS. In particular, the council's standard incorporates a higher specification in relation to bathrooms, kitchens and central heating.
- 155 Stock condition data is currently held on an excel database which is very comprehensive. It includes details of where asbestos is present. It has been regularly updated by a programme of in-house surveys (20 per cent each year) resulting in 60 per cent of properties being surveyed to date. We saw detailed programmes of properties to be surveyed broken down by area and surveyor. Should this progress continue the ALMO should have a 100 per cent survey completed by 2005 which is commendable.
- 156 Adequate arrangements have also been put in place to ensure that the information held on the stock condition database is kept up-to-date and reflects subsequent work which has been undertaken. The database is updated manually following the completion of new works. This was a weakness identified in the CPA report last year.
- 157 This was being addressed whilst we were on-site by the introduction of a new database (PIMSS). We found the PIMSS database to be comprehensive which should provide a useful tool for SLH to identify and manage its stock condition data. The ALMO is also considering the use of handheld computers to automatically update the data.

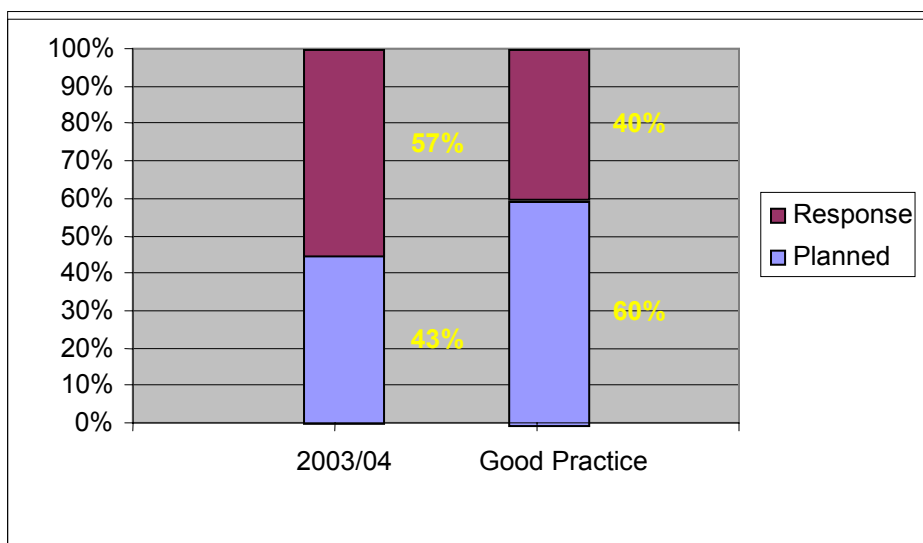
⁴ Standard Assessment Procedure

- 158 Surveyors expressed doubt at the robustness of the stock condition data which claimed 76 per cent decent homes achievement. Examples were given of estates that are in poor state of repair such as Castle Gardens, Maryfell and Harbrough where there are roofing, rewiring and render problems. It was noted that maintenance surveyors had not seen the stock condition data and had not been asked to inform the survey or validate the findings.
- 159 The council is conscious of how its purchasing decisions impact on the environment (green issues). SLH use K Glass and high efficiency gas condensing boilers on all heating contracts which helps to reduce CO₂ omissions. We were impressed to note that where possible timber windows are fitted and low energy lighting is included in all refurbishments.
- 160 The council's capital improvement programme reflects the corporate objective regarding community safety. SLDC have been working alongside user groups linked to the crime and disorder reduction partnership and adopt secure by design principles to all contracts. This ensures that improvement programmes assist in delivering other corporate objectives and increases community safety.
- 161 We found that the council does not have adequate arrangements in place to monitor progress in relation to meeting the decent homes standard. The annual best value performance plan is the only mechanism for monitoring progress towards meeting the standard. As a result councillors and staff have little awareness of the council's progress in meeting the DHS.
- 162 As part of the stock condition survey a separate assessment of the bed-sit accommodation was undertaken. In total there are 141 bed-sit properties of which 59 required improvements to meet the current DHS. These are being improved under a partnering contract to convert and improve bed-sit flats in the Birthwaite sheltered housing scheme. The modernised flats will reflect accommodation which meets the needs of customers.
- 163 The works required to achieve the DHS fall into seven natural 'strands':
- ◆ heating improvements;
 - ◆ bathroom improvements;
 - ◆ kitchen improvements;
 - ◆ window and door renewals;
 - ◆ electrical installation upgrading;
 - ◆ miscellaneous external building fabric repairs; and
 - ◆ modernisation of sheltered housing.
- 164 The BVR of Stock investment and repairs considered the views of tenants which informed the HRA Business plan and noted their priorities. In relation to capital investment these were:
- ◆ modernise all homes to provide better kitchens and bathrooms;
 - ◆ provide all homes with central heating and better insulation;
 - ◆ modernise older sheltered schemes; and
 - ◆ remodel bedsits.
- 165 The ALMO has used feedback from customers in designing improvement programmes. Tenant Committee members told us that residents wanted the elderly and disabled tenants to be prioritised when it came to improvements which has been taken into account in planned programmes.

- 166 The capital planned maintenance budget for 2002/03 was £1,195,000. The programme was delivered through 18 contracts tendered under traditional methods valued at £1,127,600 which were all completed at year end.
- 167 SLH has clear plans to achieve the DHS. If it is to meet its target of achieving decent homes by 2009, it has identified through its new stock condition data base (PIMSS) that it will need to invest:
- ◆ £856,000 per year on catch-up repairs;
 - ◆ £3.08 million per year on decent homes works through programmed renewals; and
 - ◆ £1.4 million per year on improvement works which go beyond the minimum decent homes standard but are part of the ALMOs commitment.
- 168 This is £26.8 million over five years or an average of £5.3 million each year for years one to five up until 2009.
- 169 It was therefore of significant concern that the capital budget for 2004/05 had not been agreed during the on-site period It had been provisionally agreed at substantially reduced figures to those in the ALMO delivery plan and the section 27 bid. This would significantly affect the council's ability to meet the DHS by the target date of 2009.
- 170 When we pointed this out, the council officers suggested that a report would be submitted to Cabinet to address this matter. We can confirm that the matter has now been resolved since we left site and the necessary monies have been approved.
- 171 Links to the local strategic partnership are under-developed. Until recently there was no structure in place to ensure that cross-cutting and service specific issues fed into strategy development. Action groups were established in March 2004 which are tasked with delivering specific corporate aims. It is still unclear however how the council intends to ensure that SLH is included in the process and contributes to the delivery of the LSP's objectives.
- 172 There has been no consideration to date as to how the investment on estates can be maximised. Some private sector housing renewal activity for example, could compliment the ALMO planned programmes. This does not necessarily have to be publicly funded; advice on loans for example could lead to successful outcomes. Given the mixed tenure profile of estates and the fact that a large number are within the Lake District National Park area, it is possible that refurbishment could have a detrimental impact on adjacent properties.
- 173 The council has not explored the potential for supplementary funding to achieve its objectives regarding affordable warmth and energy efficiency. The Housing Strategy included aims to improve energy efficiency and combat fuel poverty. This is a missed opportunity to lever in additional sources of funding to compliment planned programmes.
- 174 In conclusion, housing strategy and business planning is an area of strength. There has been a commitment to regular updating of data which offers a good basis on which to develop strategies. Investment plans recognise the need to deliver other corporate objectives. At a strategic level, links with the local strategic partnership are embryonic and SLH could lever in additional financial assistance to deliver its programmes.

Revenue funded planned maintenance and improvement programme

- 175 The Housing Services Group is responsible for carrying out the council's day-to-day responsive repairs service and planned maintenance works, as well as being responsible for the improvements programme and monitoring the operation of the repairs and maintenance (R&M) service.
- 176 Planned maintenance and investment in the long term is the most effective way that a landlord can maintain and improve properties. This planned approach will also result in a reduction in the cost of responsive repairs. An indicator of the level of planned work is the percentage split between planned and responsive expenditure, including work to empty homes funded from the revenue budget. The Audit Commission has issued guidance stating that councils should aim to spend approximately 60 per cent of revenue funded maintenance expenditure on planned works.
- 177 The revenue budget for 2004/05 is £1,766,500 including responsive repairs; relet repairs, service contracts, cyclical painting, and gas servicing. The council was of the opinion that the split between planned and reactive repairs is 75:25. However we identified that SLH is currently spending only 43 per cent of its revenue funded expenditure on planned works and 57 per cent on responsive work. £765,000, of the budget is spent on cyclical maintenance, painting, gas servicing and planned works to garages, together with priority four repairs. The balance of the budget is for responsive maintenance.



- 178 SLH has a comprehensive range of planned maintenance service contracts which are mainly outsourced with specialist contractors. Only servicing properties with radon gas is done in-house worth £1,000 from a £750,000 budget.
- 179 Tenants are actively involved in monitoring the quality of repair and maintenance programmes through attendance at on-site meetings. The quality of information, however, arising from tenant feedback on planned maintenance schemes is poor. The satisfaction form for each scheme is not individually tailored to the type of work undertaken.

- 180 The planned revenue funded cyclical maintenance budget for 2004/05 is £743,500. This is a reduction from £768,600 in 2003/04 and £911,000 in 2002/03. This is mainly due to a reduction in the cyclical painting programme which was over £0.5 million in 2002/03. It has been reduced in order to allow for more revenue contributions to be made to the capital programme (RCCO) and to compensate for the reduction in windows needing to be painted as a consequence of installing UPVC windows.
- 181 The servicing arrangements for solid fuel appliances is not efficient. There are 437 properties within the district using this form of heating. They are serviced on a responsive maintenance basis which is more expensive than a planned approach to servicing.

Capital funded Planned Maintenance

- 182 An effective planned approach to maintaining properties is not solely reflected in the level of revenue funded expenditure on planned maintenance. Capital funded investment can also be a significant part of a council's planned maintenance strategy. The council was awarded £1.8 million in additional capital through the Major Repairs Allowance (MRA) for 2004/05. The MRA is included in the total capital expenditure of £2.3 million.
- 183 SLH's service delivery plan sets out its objectives which include the following in relation to procurement:
- ◆ to achieve the decent homes standard by 2009;
 - ◆ to adopt value for money approaches to procurement;
 - ◆ to deliver the programmes with efficiency to the stated timescales;
 - ◆ to move to new forms of procurement;
 - ◆ to develop sound processes for the selection and monitoring of partners; and
 - ◆ to improve performance management and competition.
- 184 SLH's specific objectives for partnering are:
- ◆ reduce capital costs;
 - ◆ reduce construction time;
 - ◆ on time and within budget;
 - ◆ minimum defects;
 - ◆ improve quality and safety; and
 - ◆ increased tenant satisfaction.

- 185 The council has developed a mixed approach to procurement. Of the 16 planned revenue funded cyclical maintenance contracts 15 are outsourced. For capital funded planned maintenance the council has three partnering contracts carrying out 74 per cent of its annual servicing and maintenance programme for 2004/05. The rest of the programme will be carried out by small local contractors and the in-house team. The use of local contractors to support economic development is a positive measure.

“Procurement is undeveloped. Although it has recently adopted a procurement strategy the level of consultation with housing staff regarding the development of the strategy was limited. The development of procurement is poorly co-ordinated across the Council. The lack of a clear corporate approach to procurement is affecting the Council's capacity to maximise procurement opportunities in housing. There are presently no clear guidance notes to support officers to improve cost effectiveness in the purchasing of goods and services. There is, however, emerging evidence that there is a clear commitment to develop its approach to procurement in the commissioning of housing repairs and maintenance. Recent evidence of partnering pilots within the housing planned maintenance programme demonstrates a willingness to develop more innovative forms of procurement”. – CPA report 2003

- 186 The ALMO is attempting to improve its approach to procurement. A procurement group has been established which meets monthly. It is represented by tenants, elected member and staff from the ALMO and council. We found that the project management arrangements for the procurement working group are weak. Although there is a clear list of tasks for the group to complete, there is no timetable associated with the completion of the tasks. We understand this has been completed after on-site feedback.
- 187 As part of the Rethinking Construction initiative, the council embarked on its first partnering contracts in 2003. Different methods were used to establish partnering arrangements to carry out two areas of work.
- ◆ a heating and energy saving scheme (HESS); and
 - ◆ the Birthwaite sheltered housing remodelling partnership scheme.
- 188 The council entered into initial partnering arrangements without little consideration given to preparation in setting up the partnership. The service delivery plan states how it will learn from these early partnerships and for example establish supply chains. However the ALMO has not made any progress on this to date. It has not yet defined its partnering arrangements for either the responsive or planned works for next year.
- 189 To date the council's architect has led on partnering but the intention is that the SLH's own officers will take over this role in addition to contract managing all capital programmes, although there is no agreed timescale for this to happen. Partnering contracts have regular joint post inspections. One partnering contractor view was that project management and performance management by the council was very good.
- 190 Progress on the partnering projects is being monitored by conventional progress meetings and 'scored' by reference to key performance indicators. Initially only national indicators were defined, to enable comparison with other projects. Project-specific indicators have since been developed to enable a value-for-money analysis to be carried out. However they have not been used to date to inform decisions on the awarding of further contracts.

- 191 The council does not use project management software but because of the low number of capital contracts, performance is monitored manually. We saw evidence of performance reports that go to portfolio holder, council, ALMO Board and surveyors and Tenants representatives which were satisfactory.
- 192 The two contractors for the HESS scheme were selected based on previous performance for the council and cost. The programme covers heating installations or upgrades, mechanical ventilation, insulation, and glazing (including window replacement where necessary). In 2003/04, 100 properties dispersed throughout the district benefited from the works. The programme is carried out in two separate partnering contracts to a value of £510,000.
- 193 The capital programme has delivered the improvement of sheltered accommodation and high customer satisfaction. The Birthwaite sheltered housing remodelling partnership scheme is worth £1.37 million. A value-for-money assessment of quality and price submissions was made, using a two-stage process. This led to the appointment of a contractor to carry out a pilot scheme, to trial both the contractor's approach and the finished product. This was a useful way to review the performance of the contractor using feedback from customers to inform the assessment.
- 194 Satisfaction levels were assessed in two ways. Modernised units were used as show homes. An open day was held in August 2003 where customers' views were obtained and specific questionnaires assessed the level of customer care achieved by the contractor as well as the level of satisfaction with the design process. Results confirmed a very high level of satisfaction from all involved in the process. Residents we spoke to confirmed the work has taken place with full consultation and minimum disruption. This is an achievement as the work has progressed whilst residents remained in the scheme.
- 195 The partnering capital project on Birthwaite has delivered substantial cost savings estimated at £70,000. There is also evidence of true partnership working to make savings through changes to the specification which was suggested by the contractor.
- 196 There are however examples of stated intentions not being delivered:
- ◆ the delivery plan states that subject to satisfactory review, those contractors employed through a partnering arrangement will address strands of heating renewal, and the other sheltered housing modernisations. However contractors were not aware of this proposal which suggests it is an aspiration which has not been developed;
 - ◆ the delivery plan also states that work to kitchens and bathrooms, re-wiring, window and door renewal, will require new partnerships. The process will use the two-stage value-for-money selection process developed for the pilot schemes. This has not yet been sufficiently progressed; and
 - ◆ there are no supply chain partnerships in place and although the ALMO is actively seeking suppliers for delivering the DHS programme, there is no evidence that it is maximising the procurement potential through partnership approaches.
- 197 The council has not explored the full range of financial or professional assistance available to deliver regeneration in the area. Grant assistance for owner occupiers or to carry out environmental improvements on estates could be made available in certain instances from the Lake District National Park. Similarly advice on the use of materials to retain the characteristics of the Lakeland villages would be useful. To date neither organisation has discussed these options.

- 198 Tenant satisfaction with capital investment programmes is extremely high. In our postal survey when asked about planned improvements, 41 per cent thought the quality of work was good and 33 per cent excellent. One contractor employed by SLH for both kitchen renewals and bathroom renewals, was rated highly by tenants, with comments such as 'brilliant' to describe the work carried out. The following pictures are examples of completed schemes.

New Kitchen and Bathroom after planned improvement works



- 199 We found that SLH offers a wide choice of fittings to residents, they are able to influence decisions on planned programmes and that schemes reflect individual choice such as for appliances and layouts where possible. We carried out visits to completed schemes and spoke to tenants. Residents who had bathroom renewals, expressed delight with the finish and workmanship. All felt they had been offered the opportunity to choose materials and had received clear information on when the work would commence. Some tenants mentioned they had chosen lever taps, which were easier to use.

Responsive repairs

- 200 The responsive maintenance service is an area of significant weakness. The council transferred the direct labour organisation (DLO) operatives into the housing department in August 2003 in preparation for the establishment of the ALMO. However there was no view taken to determine if the service was delivering value for money before agreeing this option.
- 201 The Stock Investment and Repairs Scrutiny panel identified the following areas for improvement in the repairs service:
- ◆ a discount for void works;
 - ◆ improve targets on non-urgent repairs;
 - ◆ investigate the use of a voids team;
 - ◆ investigate multi-skilling and flexible working;
 - ◆ link the gas service system to network; and
 - ◆ train maintenance surveyors responsible for the gas contract to enable post inspection of the external gas contract.

- 202 The council's BVR of stock investment and repairs took place in 2003/04 and considered the views of tenants. In relation to the repairs service they were:
- ◆ expand and improve the repairs appointments system; and
 - ◆ maximise choice and consultation in the day to day delivery of repairs;
- 203 The BVR of stock investment and repairs considered the views of the Tenants' Committee in terms of priorities; these were:
- ◆ appointments for all repairs;
 - ◆ single point of contact for reporting repairs; and
 - ◆ improved links between planned and responsive maintenance.
- 204 Now that there is no longer a contractor/client split between the DLO and Housing there are no independent, regular checks of the repairs operative performance by managers. The CPA inspection in 2003 identified this as an area of weakness.

Arrangements for reviewing the efficiency of the responsive repairs budget are weak. There is, no systematic review of repair costs, to identify properties where the most money is spent and the most frequently used schedule of rates codes. CPA 2003

- 205 The responsive maintenance budget for 2003/04 is £645,000 and the average cost of repairs in 2002/03 was £77; this reduced to £65 in 2003/04. We established that performance management in the Responsive Repairs Service is poor.
- 206 Although monthly monitoring reports are produced routinely, there is no analysis made:
- ◆ in one area of Ulverston the number of jobs raised in one area is much higher than the other three. No analysis has been carried out to identify the reasons; and
 - ◆ another example is in relation to voids management. The cost of void work varies. In February 2004, the average cost of works to an empty property in Kendal south was £1089. In Kendal North it was £385. There is no evidence that this has been investigated to confirm that standards are consistent and that costs are justified.
- 207 The council maintenance monitoring report for September 2003 show that in the six month period April 2003-September 2003; only 89 per cent of all jobs raised were completed within timescales.
- 208 Details of the categories for repairs are

Category	Timescale to complete
P1 – emergency	Immediate to make safe and 48 hours to complete.
P2 – urgent	One week.
P3 – routine	Four weeks.
P4 – non-urgent	12 weeks.

- 209 The customer standards leaflet is unclear. This was designed with tenants' representatives but there is no explanation of which repairs fall into each category.

- 210 Appointments are not offered for all repairs. They are available for urgent priority two jobs and some routine priority threes. Evening or weekend appointments are not offered which contradicts the standards published in the customer leaflet.
- 211 The method of reporting repairs is restricted to telephoning or visiting housing offices. There are three different numbers for emergency repairs depending on the location of property. Repairs can only be reported through a freephone facility when offices are closed. This could encourage tenants to report more jobs outside of office hours. We established that out of hours work is not regularly monitored to confirm whether calls are genuine emergencies.
- 212 Emergency works are more expensive to complete. There is an uplift of £12.50 for out of hours call outs and a minimum charge of two hours. We were told that the number of out of hour's calls is low but we consider that the monitoring of the service is not highlighting trends and ways to reduce the call-outs.
- 213 The system to record repair requests does not encourage consistency. Group Assistants who take reports of repairs do not use diagnostic tools and have received no formal training to carry out their duties. Despite this, they have total control over how jobs are prioritised and those which are passed for pre-inspection. This is not a robust process to ensure consistency.
- 214 There is a dependency on pre-inspection to clarify repairs as opposed to a technical assessment using a diagnostic tool. It is one of the reasons that pre-inspections are so high (15 per cent in 2002/03). In the absence of diagnostic tools for both customer and group assistants and the lack of clear guidance manuals, the reporting element is bound to be open to individual interpretation and error.
- 215 This was confirmed when talking to staff. The quality of repairs identification is seen by operatives as an area for improvement. They felt that it has improved but there are still too many job tickets issued with insufficient or incorrect data.
- 216 Monitoring arrangements and poor procedures do not identify the impact of incorrect job descriptions. We were told that when a diagnosis was incorrect, an operative would raise another order. This increases the number of jobs completed within target which misrepresents the actual performance.
- 217 Variations are claimed to be low at less than ten per cent but this is not monitored or applied effectively. The total amount spent on variation orders in 2003/04 was £128,940, which demonstrates it is a significant budgetary issue. We saw examples of new orders being raised to compete a job as opposed to issuing a variation order. In some instances this has increased the numbers of emergency repairs being completed where they could have been classified as non-urgent.
- 218 Training plans do not address the lack of knowledge or awareness of important issues:
- ◆ staff are offered optional training but there has been no focus on customer care or training on equalities and diversity; and
 - ◆ repairs operatives are not trained on the responsive repairs policy and there is no clear guidance on what constitutes an emergency repair. Operatives on the out of hour's emergency call out rota reported that they frequently are called out to do work which is not an emergency.
- 219 New trades operatives do not receive an induction. There are no corporate briefings and although there are some examples of local supervisors producing briefings, these are intermittent and not consistent across the service. This is a weakness in the communication process as does not set out the values of the organisation to new recruits.

- 220 The level of emergency repairs is very high and exceeds published guidance. The Audit Commission recommends in its publication 'Learning from Audit, Inspection and Research, Housing Repairs and Maintenance' that the figure should be around ten per cent for emergency repairs, 20 per cent for urgent repairs and 70 per cent for routine repairs. Statistics for SLH's repair service show emergency and urgent repairs are extremely high. The September 2003 maintenance monitoring report shows that 79 per cent of jobs issued that month were done as priority one or two and less than one per cent were done as priority four.
- 221 Although this results in customers having a very good response to their requests for a repair which is reflected in customer feedback, the pressure on operatives means that genuine emergencies are not completed within target times.
- 222 Batching of repairs has not been used to improve the efficiency of the service. Sub contractors have been used on some occasions when the in-house team is overstretched. However trades staff told us they do have spare capacity and therefore this is an inefficient use of resources.

'When I am short of work I ask why we are using sub contractors' – Plumber (Kendal)

- 223 Minor repairs works and works to empty properties are not discounted and neither is the painting of empty properties. This would be a natural example of 'packaging' a particular aspect of service which could be market tested to ensure that value for money is being achieved. The potential to make savings on the budget is apparent given the fact that £293,902 was the total spent on this area of work in 2003/04.
- 224 The Audit Commission advised in 'Learning from Audit, Inspection and Research - Housing Repairs and Maintenance' that the minimum level for post-inspections should be ten per cent. SLH is achieving in excess of this, being 17 per cent in 2002/03 and 14 per cent 2003/04.
- 225 Monitoring of post inspection rates is ineffective. We were told that these have not been reviewed and are not formally monitored. This has resulted in variations in post inspection rates which vary from 28 per cent in some areas to only ten per cent in others.
- 226 The recent job evaluation has yet to deliver benefits. Multi-skilling has been broached with trades unions but there is some resistance to this. The Bonus system has been removed in favour of salary but this is still ongoing and subject to appeals on the job evaluation process. This may impact on intended improvements being delivered.
- 227 There are a number of value for money issues that are of concern:
- ◆ SLH has not considered alternative procurement options such as partnering either with the DLO as a separate body or with an external contractor for the responsive service. There has been no consideration given to market testing elements of the service such as works to voids or working with other RSL partners in the area to achieve savings;
 - ◆ decoration allowances are budgeted at £20,000 but there is no monitoring to determine whether the decoration vouchers (£70 per property) are being used appropriately;

- ◆ the schedule of rates (SOR) is high at approximately 1000 items. However this is used for monitoring purposes only and there is no uplift for urgent works compared to routine or non-urgent. However this in itself does not guarantee that value for money is being achieved; and
- ◆ there is no clear policy on rechargeable repairs. Surveyors we spoke to consider that many calls they attend to are rechargeable but not followed-up. SLH accept that it is a weakness but it is not prioritised in the team action plans.

228 Budget management is weak with area budgets for maintenance surveyors based on historical previous spend rather than zero based budgeting. Three out of four areas were under spent at February 2004. This approach does not ensure that budget allocations reflect previous investment in the stock.

229 There are some positive aspects to the Service. The council's BVR of stock investment and repairs in 2003 identified the following strengths:

- ◆ ongoing monitoring of satisfaction utilising an incentive scheme;
- ◆ consistently high levels of tenant satisfaction (98 per cent);
- ◆ monitoring and follow up action of complaints about repairs;
- ◆ tenant choice on aspects of responsive maintenance;
- ◆ efficiency savings by incorporating direct works with client officers – 80 per cent reduction in paperwork and reduced numbers of staff due to a revised process of invoicing;
- ◆ sense of ownership with the formation of area operational teams;
- ◆ improved lines of communication between tradespersons, surveyors and tenants via the introduction of mobile telephones;
- ◆ improved training for trades operatives (IIP); formation of health and safety groups including tenant representation;
- ◆ development of in-house team to work on adaptations;
- ◆ individual monitoring of adaptations works; and
- ◆ a target of 100 per cent return on satisfaction slips and 100 per cent satisfaction with completed works.

230 The management agreement recognises the need to inform customers. It stipulates that SLH has to provide an annual report to all tenants and an annual delivery meeting with the Tenants Committee. The Tenants' Committee can also be invited to ongoing progress meetings. This should ensure that tenants are given at least annual performance information.

231 There are good links at a neighbourhood level. Estate walkabouts are carried out with maintenance surveyors, tenants and elected members. Surveyors told us that they this has improved their communication with their clients.

232 SLH recognised that the emergency out of hour's service was a weakness and has entered into a new contract from April 2004 with Careline to deliver the service. We tested the service and found it to be delivered in a friendly and efficient manner.

233 The council and ALMO support apprenticeships and they are being given the opportunity to shadow private contractors used by the council to develop their skills. SLH Building Works division currently has eight apprentices (seven male, one female).

- 234 Trades operatives now ask tenants to sign to say that a job has been completed on the appropriate date for monitoring purposes, and positively satisfaction is measured separately through a prepaid satisfaction repair receipt issued on all jobs. This has been used to identify any poor performance and confirm satisfaction levels.
- 235 The efficiency of the service has been improved by the introduction of mobile telephones. Trades operatives report that communication has improved considerably. They contact surveyors for permission to do additional work or to request an inspection. Customers can also be contacted to confirm access arrangements. Given the geography of the area and the distance involved, this is a useful improvement.
- 236 Performance on keeping appointments is good. Appointments have been in place for over two years and the service is advertised in the customer leaflet. In February 2004, 60 appointments were made and 54 kept. There was 100 per cent achievement in three out of four areas.
- 237 The depot stores ordering process is robust. There is minimal stock holding and parts ordered on a just in time basis with very good delivery dates. Stocktaking has just been completed and operatives vans are regularly checked. This assists in identifying any abuse of the system.
- 238 Publicity on tenant's responsibilities in terms of repairs is good. This is available in the repairs and maintenance leaflet. A weakness however is the information regarding the right to repair where customers are advised to contact the housing office for further details. There is no reference to rechargeable repairs.
- 239 The IT software 'anite' has a flag to identify when a right to repair job is being raised to ensure correct prioritisation and minimise claims being made to the council.
- 240 Our postal survey of 227 customers revealed the following about the repairs service;
- ◆ 78 per cent thought they were given enough information about what would be done to complete a repair before the work started;
 - ◆ all thought it was easy to report a repair;
 - ◆ 88 per cent confirmed that the repair contractors turn up as arranged;
 - ◆ only 50 per cent said that the contractor showed some form of identification; and
 - ◆ despite the fact that 81 per cent felt that the repair had been done correctly at the first attempt 34 per cent had made a complaint about a repair.
- 241 When we spoke to tenants they were generally very positive about the repairs service

'I can only give a good report, excellent on the phone when reporting a repair, their workforce are good and nice people.' – Tenant

- 242 Repairs are reported to be improving according to tenants' committee members. They cited the introduction of satisfaction slips to gain feedback and the Freephone service which started in April as two successful and welcome developments.

243 In conclusion, this is a weak area of the service. Performance management is poor, the numbers of emergency repairs is too high and the classification of repairs is carried out inconsistently. The lack of appropriate systems to assist staff in diagnosing repairs has resulted in a high proportion of pre-inspections. Although customers are happy with the service, SLH cannot demonstrate it is delivering an efficient service which is delivering value for money.

Empty (void) properties

244 The average cost of repair to void properties in 2002/03 was £950. SLH has a low turnover of properties with approximately 350 becoming available for letting every year.

245 Void repairs are carried out by the Housing department's trades operatives from three area depots supplemented by external contractors. There has been no consideration as to the most efficient way to deliver this aspect of the service.

246 There is no single team for dealing with void repairs and no multi skilling. This means that in addition to different trades from the council's own workforce, SLH also use external contractors for gas servicing and house clearances. Although managers told us that this was not a problem, trades operatives told us that often they had a number of voids being processed and were being pulled off to do priority one repairs.

'We get pulled off them (voids) to deal with P1s and then they complain that it takes longer than planned to turn them round!' – Electrician (Ulverston)

247 Problems with empty properties are minimal. South Lakeland is an area of low crime and vandalism and there is no need to secure empty properties. Abandonment is rare and most tenants give the statutory four week notice when terminating the tenancy. Surveyors inspect before the tenancy ends and pass details to lettings staff to find a new tenant thus reducing void turnaround times. Void turnaround is currently running at 3.2 weeks against the council's target of 2.5 weeks. We were told that the delays are due to repair times as opposed to administrative procedures. We looked at ten random re-let house files and noted that all had been inspected and comprehensive proformas completed.

248 Keys for empty properties were not being managed in a secure manner. We checked ten files. In some instances keys had been in the depot four months after a property had been let. This is a security risk which was addressed after on-site feedback.

249 We found the standard of empty properties to be satisfactory. We visited a number of empty houses which were ready to let and witnessed an accompanied viewing. Properties were in a good state of repair. Where appropriate prospective tenants are offered decorating allowance. We were impressed by the way the accompanied viewing was handled where it was apparent that the needs of the customer were seen as an important aspect to the discussion.

250 Surveyors carry out 100 per cent checks on completed void works. However, the standard of voids was criticised by some tenants we visited in their homes. In one, the person said the state of the property was not to her liking in terms of the cleanliness of the property.

- 251 Decoration vouchers are offered but there is no check to determine if these are used effectively. It was recognised that some shops were allowing tenants to spend vouchers on household and garden items. This has been changed to ensure they are only redeemable on decoration materials. There is no check made to ensure the stores are complying with this by for example doing mystery shopping.
- 252 Although a lettable standard has recently been agreed with tenants' representatives it has yet to be implemented. This was one of the recommendations of the best value review. We understand the consultation is complete and findings are due to be considered by the Board in May 2004.
- 253 SLH monitors satisfaction on all relets and satisfaction of new tenants is high and gradually increasing.
- ◆ 90 per cent were happy with the tenancy start date in 2003/04;
 - ◆ 87 per cent though staff were helpful and courteous; and
 - ◆ 74 per cent were very happy with the overall service.

Examples of completed voids



Gas servicing

- 254 The council has a legal obligation to ensure a safety check of all its gas appliances is carried out every 12 months. This is delegated to SLH.
- 255 The gas servicing contract has been competitively tendered. It is a three-star contract to service approximately 2,700 properties each year. The contract sum for 2004/05 is £225,000 which equates to approximately £83 per property. This was an increase from the annual cost for servicing in 2003/04 of £203,287.
- 256 Sheltered Housing accommodation is served by communal boilers which are serviced under a separate three-star contract with an external contractor worth £17,500 per year. The current gas servicing contract to non-sheltered housing was established in 2003 following a tender process.

- 257 This service is very good and well managed. All servicing is targeted to be completed between May and October to reduce the number of breakdowns and to minimise disturbance to residents. When a fault is reported, arrangements are made to check when the annual service is due. If appropriate a service is done at the same time as the repair. This also applies to empty properties.
- 258 The performance on annual servicing rates is good. 99.9 per cent of appliances were serviced within the 12 month period in 2002/03 and 99.7 per cent 2003/04. This assists in ensuring tenants are safe in their homes and reduces the fuel lost through the use of inefficient appliances.
- 259 Tenant satisfaction on gas servicing is monitored and produced in monthly reports. The February 2004 statistics show of the 74 satisfaction cards which were received, 57 customers (77 per cent) thought the service was excellent and 16 good.
- 260 Performance monitoring of the gas servicing contract is effective. Any customer dissatisfaction is discussed with both customer and contractor. Monthly meetings between the contractor and council are used to review performance. Performance reports are provided to the ALMO board every month.
- 261 Our postal survey of 227 clients showed that 80 per cent of tenants said that the council had serviced their gas appliances in the last year and 69 per cent had got a copy of the gas certificate (CP12).
- 262 We carried out file checks and noted that gas certificates are stored appropriately in the depots and the contractor has a copy. These are also used to identify a current list of appliances to update the stock condition database. When we looked at empty properties we found that certificates had been left for new tenants.
- 263 Customers receive some useful advice through operatives and leaflets. When we shadowed operatives, a full explanation and demonstration of how to operate appliances was given to customers. Gas servicing is referred to in the repairs and maintenance customer leaflet which is helpful.
- 264 There are effective 'no-access' procedures in place and we identified that there are just ten properties currently outstanding for service in 2003/04 (0.3%) which is excellent. All ten properties have been referred to the Council's legal section for action. We were able to confirm that all ten had been serviced in the previous year 2002/03.
- 265 Although appointments are not offered for gas servicing the customer care aspect is good. The contractor 'cold calls' when working in an area. This is at the same time of the year as the previous service. If access is not available, a card is left with the contractor's number asking the tenant to contact them. This is done three times before the matter is referred to the council who send up to three letters before instigating legal action.
- 266 We were pleased to note that there is good communication between housing staff to share information on where access is a problem with a view to all staff assisting in making the necessary arrangements. Housing Officers have also recently been asked to identify customers with special needs so that the contractor can be informed and the computer database updated.

267 There are a few areas of weakness that need to be addressed:

- ◆ the IT system does not flag up outstanding gas services. This is a missed opportunity to improve the process;
- ◆ there is a lack of external validation and safety checks. Good practice suggests that there are independent checks performed on a sample of units but at present this is only be done by the contractor as part of a ten per cent quality check;
- ◆ appointments are not offered for gas servicing and there are no out-of-hours or weekend arrangements;
- ◆ customer satisfaction is monitored by the contractor, which could intimidate the customer completing the response; and
- ◆ the council considers that chimney sweeping is the tenants' repairing obligation. However there has been no analysis to confirm this is done regularly and the impact on repairs if it isn't done competently.

268 In conclusion, the gas servicing arrangements are well organised. The service can demonstrate value for money and is delivered to meet customer expectations. Satisfaction levels are high and we consider this aspect of the service to be very good.

Disabled adaptations

269 This is a service for which the council is responsible and to which SLH has a contributory role.

270 The head of property services took prime responsibility for the adaptations budget and organising works prior to the ALMO being established. An officer from SLH has now taken on this responsibility along with gas servicing and other cyclical programmes.

271 There has been a significant rise in the budget for HRA funded aids and adaptations. The budget for 2002/03 was £160,000, this was reduced to £130,000 in 2003/04, but for 2004/05 it is set at £259,000; a 100 per cent increase. Given the fact that there is a high proportion of elderly residents in the area and the level of capital resources available to the council, we feel this highlights the council's commitment to addressing the needs of vulnerable clients within the district.

272 The budget for adaptations is monitored for commitment and expenditure. Staff were able to confirm that as of February 2004 the total expenditure was £242,082 against the budget of £280,000. This included £150,000 from RCCO to fund major adaptations.

273 There are good protocols in place between Occupational Therapists (OT) in Social services and Health Services to ensure speedy assessment and reduce bed blocking. There is an informal process to deal with minor adaptations such as grab rails without OT assessment which speeds up the installation of adaptations. We were advised that assessments from OTs can be carried out on average within five weeks of initial contact which is good. Performance is monitored on a monthly basis by OTs in Social Services.

274 Waiting times for adaptations following an assessment are low. There is a target turnaround time of 25 days and all areas are achieving between 19 and 25 days. 202 minor aids and adaptations were installed between April 2003 and February 2004. In addition, 71 major adaptations were carried out using a range of internal and external contractors.

- 275 The ALMO has good information data on properties with adaptations. This has assisted in arranging the routine servicing of equipment and that appropriate allocations can be made. The data is linked to the housing management IT system.
- 276 SLH has a purpose made questionnaire that is sent to 100% of all tenants having had a disabled adaptation to measure satisfaction. The last survey showed that 82 per cent of customers thought the service was excellent, 18 per cent good.
- 277 Planned improvements can be tailored to meet the needs of customers. We carried out home visits and noted that during a bath renewal programme, the opportunity was taken to provide a walk in shower facility for a disabled tenant.
- 278 There is a useful customer information leaflet on aids and adaptations. It explains how adaptations are paid for and what can be done in detail.
- 279 Some housing management staff are not fully conversant with the policy for dealing with adaptations for disabled persons. We carried out some file checks and referred one case to the council where it appeared that allocations staff had not been sensitive to the needs of a new applicant when offering a property. As a consequence an OT had not been asked to do an assessment and the tenant was unaware of the assistance available to carry out any necessary works.
- 280 In conclusion, there are effective arrangements in place to carry out adaptations and planned programmes are flexible to ensure clients' needs are met. The service provision reflects the local context in respect of the proportion of elderly and infirm residents. The waiting time for adaptations is low, but staff knowledge of the system could be improved.

Rent collection, dealing with arrears recovery and debt counselling

Rent Accounting

- 281 SLH provide this service through teams of generic officers, made up of three Senior Housing Officers and six Housing Officers, based in the council's offices in Kendal, Ulverston and Ambleside. As well as allocations and estate management responsibilities, these officers are responsible for collecting rents, rent arrears and taking enforcement action against current tenants in four geographically based areas.
- 282 Rent arrears owed by former tenants are dealt with by a separate specialist team of two. Housing Benefits are dealt with by a centralised team of council officers based in Kendal although claims and enquiries can be made at any of the council's three caller offices. All three offices provide advice to customers on housing and welfare benefits. In addition the council provides grant funding to the local Citizen's Advice Bureau (CAB) to provide an advice and support service to the residents of South Lakeland.
- 283 The council has implemented a clear rent setting policy which complies with the government's rent restructuring initiative. The average council house rent in South Lakeland in 2003/04 was £52.56 for 48 weeks compared to the average housing association rent of £62.54.
- 284 Rent restructuring is being implemented in accordance with the government guidelines. Individual property target rents have been implemented with the aim of completing restructuring by 2012. The majority of rents reach their convergence target by April 2004. Only 35 properties will still be subject to transition after this date.

- 285 Tenants have been well briefed on rent restructuring which commenced in April 2003. A front page question and answer article appeared in the December 2002 edition of the Tenants' and Leaseholders' Newsletter. This is easy to understand and addresses most questions tenants were likely to ask. The February 2004 rent increase notification followed this up with a paragraph on 'How your rent increase has been calculated'. Included with the letter sent to each tenant was a leaflet which explained in more detail what rent restructuring is and how it will affect rents over the coming years. This ensures that customers are aware of changes to their rent levels and the reasons for increases.
- 286 Tenants have a wide choice of methods to pay their rent:
- ◆ payment in person by cash or cheque at any of the council's offices;
 - ◆ by telephone using a debit card;
 - ◆ cheque by post;
 - ◆ by direct debit;
 - ◆ standing order;
 - ◆ on-line through the council's web site;
 - ◆ through a bank; or
 - ◆ a rent collector who calls fortnightly to personally collect the rent.
- 287 A new payment method is being introduced in May 2003 which allows for payment of rent at any local post office.
- 288 Payment methods are adequately advertised. Details are available in the tenant's handbook, on the council's web site and on each tenant's rent card. A letter has been sent to each tenant to advise them of the new facility to pay their rent at their local post office. Posters also advertise this method.
- 289 The results of our survey reveal that the publicity is effective. Our postal survey of 227 tenants revealed that 77 per cent were aware of the different ways they can pay their rent.
- 290 Direct debit is the most cost effective method of collecting payments. But it is not promoted as the preferred method of payment. We recognise that new tenants are encouraged to opt for this method of payment at sign-up stage. However more can be done to actively promote and manage this method of payment. There are no posters promoting this option in the council's cash collection offices, and there are no incentives, management targets or initiatives to improve take up. This does not encourage customers to use the most cost effective method of payment.
- 291 The following table shows the main methods of how tenants prefer to pay their rent and how these preferences are changing.

Method	2003/2004 number	Percentage	July 2002/2003	Percentage
Office payments	32564	52%	22050	52.8%
Rent collector	11060	17.6%	7645	18.3%
Direct debits	10196	16.3%	5810	13.9%
Bank giro	732	1.2%	1535	3.7%
Telephone	589	0.9%	836	2%
Total	62680		41763	

- 292 A high proportion, over 52 per cent, choose to pay their rent in person by cash or cheque at the council's offices. The next most popular method is the rent collection service which shows a small decline over the two years. Payment by direct debit is the third most popular method of payment and is growing from a relatively low base. The new method of paying rent through the local post office is expected to have an impact on tenants' choices whilst supporting the continuing viability of small rural post offices.
- 293 Active management of these methods of payment is important to ensuring efficient, value for money payment choices are offered to tenants. We found little evidence of any detailed analyses of trends. This is a significant weakness in the way the rent collection systems are managed.
- 294 The rent collection service provides additional benefits to customers. Tenants who have their rent collected are extremely positive about the value of the service. They feel the collector is the eyes and ears of the ALMO and a person who can report repairs in their behalf as well as identify estate management issues. It is apparent that this service assists to overcome some of the service delivery issues faced in a large and diverse community.
- 295 A weakness however is that rent collectors rely on manual systems when collecting rent and the assessment of risks associated with this service has not been completed to effectively identify and develop appropriate safety measures for staff.
- 296 Information on the status of customer's rent accounts is poor. SLH does not issue rent statements to inform tenants on a regular basis of the position of their rent accounts. We were advised that they are planned to be introduced shortly. The Chartered Institute for Housing recommends that councils produce quarterly rent statements. Seventy three per cent of respondents to our survey felt that a rent statement would be useful to keep them informed of the rent position.
- 297 Rent collection procedures are quality accredited and compliance is independently validated. All staff are expected to follow the same procedures to ensure consistent treatment across the district. Reminders are scheduled to be sent when a tenant falls over two weeks into arrears and a visit is made after falling into four weeks arrears. However, our own examination of a small sample of files revealed that action to issue reminders is not always taken promptly at the two week period.
- 298 IT systems are not being used to full effect. Reminder letters are not generated automatically; no flags are set to indicate when a notice to seek possession expires. This means that valuable staff time has to be used to check long lists of debtors and prepare letters clerically.
- 299 The computer system is regarded by staff to be generally reliable and robust. It suffers from occasional screen freezes and times when the computer is not working. When asked, managers were unable to quantify the amount of lost time. SLH is therefore unaware of whether the systems are delivering according to contract and that they are efficient.
- 300 SLH has set annual targets for collection. Recent performance is shown in the table below.

Measure	2003-2004		2002-2003		2001-2002	
	Target	Out-turn	Target	Out-turn	Target	Out-turn
Proportion of rent collected (BVPI 66[a])	99.1%	99.39%* (*not audited)	99.5%	99.08%	99.5%	99.11%

- 301 Figures show that having missed the target in the two preceding years, the target was reduced and then achieved in 2003/04. Figures for 2003/04 are very recent and have not yet been validated by external auditors. If accurate, these figures show that performance has improved in 2003/04 compared with the previous two years.
- 302 Staff are not used to their full potential in the rent collection service. Officers collecting rent do carry out a number of other tasks as we have mentioned, but are not trained to carry out Housing Benefit verification work. This could provide a streamlined service, save customer's time and effort and speed up the time it takes to process housing benefit claims.
- 303 In conclusion, SLH has a wide range of methods of payment for tenants to pay their rent. It collects a high proportion of the rent owing and has adequate systems in place to support and monitor its collection performance. However, this is a good example of where performance is being monitored and not managed. Tenants are generally very satisfied with the service although more can be done to keep them informed of their rent account position.

Arrears recovery and former tenants' arrears

- 304 SLH's total available rent debit is £9,310,161 and it has current debt of £243,234 as at March 2004. The table below shows details of the current position and progress made in reducing debt.

Debt at Year end (£)	Current Tenants' arrears	Number of cases	Former Tenants' arrears	Number of cases
2003-2004 (*not audited)	£160,983	1064	£82,251	243
2002-2003	£128,348	376	£76,420	244
2001-2002	£96,835	624	£81,467	202
2000-2001	£97,817	617	£90,221	234

- 305 Current tenant rent arrears almost doubled in 2002/03. There has been some progress in reducing them 2003/04 but insufficient to return to the earlier levels. The figure for 2003/04 includes an estimated debt of £13,700 owed from Supporting People grant which is administered by the County Council and involves a large number of cases of a small amount. Negotiations are in progress with the county council to resolve discrepancies with Supporting People payments. Former tenant arrears have increased to 2002/03 levels after two years of improvements.

	Current Tenants' arrears as a % of the Annual rent Debit		Rent Arrears Debt written off
	Target	Out-turn	
2003-2004 (*not audited)	1.2%	1.69%	£22,874 (estimated £6,700 additional awaiting action)
2002-2003	1.0%	1.3%	£45,463
2001-2002	1.0%	2.0%	£37,544

- 306 The above table shows there has been a small deterioration in rent arrears collection performance when expressed as a percentage of the annual rent debit. Performance has consistently fallen short of the targets set. The 2003/04 figure improves to 1.4% if arrears of Supporting People payments are taken into account. The amount of rent debt written off as irrecoverable has reduced in 2003/04 although not by as much as the bare figures show. An estimated additional £6,700 of debt is awaiting action and has not been progressed. We were advised that this was due to the absence of one officer through sickness.
- 307 Debts are monitored and considered on a weekly basis. Action on debts up to £300 are followed up by the Housing Officers, further action on debts over £300 are considered by the Senior Housing Officer. The Head of Housing checks action and progress on debts over £500 on a monthly basis.
- 308 Our examination of procedures, a small sample of cases and subsequent checks revealed that:
- ◆ there is no analysis carried out to fully understand and identify trends, hotspots and causes of debt;
 - ◆ there is no detailed profiling of debt to analyse and profile debt levels, for example to determine if low level debt increasing;
 - ◆ no incentives are offered to encourage tenants with low level debt to maintain a clear rent account – over £20,000 of current tenant arrears related to debt less than £100;
 - ◆ whilst the quality procedures are followed, actions are not always taken on time; and
 - ◆ checks to ensure follow up action is taken are not carried out as frequently as planned.
- 309 SLH's performance in reducing debt could be better:
- ◆ rent recovery procedures, in practice, do not commence until arrears are on average over £300. Given the fact that some clients are on low incomes, this will be a considerable sum to them;
 - ◆ 86 per cent of cases relate to arrears which are less than £300. This represents 45 per cent of the debt;
 - ◆ enforcement action is not always progressed speedily. The rent recovery procedure requires the approval of the Head of Housing and the portfolio-holder before legal action is commenced for eviction. This can delay processes and could be speeded up by delegated responsibility; and
 - ◆ all the respondents in our postal survey confirmed that at some stage they had fallen into arrears with their rent. Positively, all confirmed that staff were able to advise them how to pay off their arrears.
- 310 Staff are clear about their roles in arrears recovery. All are experienced officers and procedures are documented in quality manuals which are readily available on-line. Individual additional staff training is identified through annual job consultations and staff consider that they receive the training that they need. Senior Housing Officers present their own cases in court.
- 311 There could be more focus on driving improved performance. Although staff are aware of service aims and targets are widely known, monitoring of performance could be more focused on driving improvement. Staff do not have individual collection targets. Performance is currently reported both against the district wide target and within that against four separate areas.

- 312 Whilst performance information in the form of monthly performance reports is readily available to all staff and discussed at monthly team meetings, there was no evidence of any change in activity or targeting of work to drive up performance falling short of projected targets. This does not identify where performance is slipping and the necessary remedial action.
- 313 The council does not have a corporate debt collection policy or anti-poverty strategy to guide staff on the collection of debts. A common sense approach is adopted by the staff we spoke to, who check for other council debts when making a repayment arrangement with a tenant who has fallen into arrears. Without a documented policy there is a danger of inconsistent treatment depending on the officer dealing with the case. For example:
- ◆ separate debts owed by the council are not treated as one and action may be duplicated. Where payment is made it is essential to clarify which debt takes priority;
 - ◆ there is no guidance on what is considered to be a reasonable level of repayment, it is left to the discretion of the individual member of staff; and
 - ◆ currently financial regulations provide guidance on who is authorised to write off particular amounts, but there is no guidance on the typical circumstances when it is appropriate to consider to write off a debt.
- 314 Our examination of a small number of cases confirmed that follow up action is consistent between the three ALMO offices although not always taken promptly. There is considerable discretion for officers dealing with cases where arrangements to repay debts break down. The emphasis is on securing an agreement with the tenant which is sustainable.
- 315 As officers have a presence in the community by collecting rents, intelligence is good. However there is a very traditional approach to rent recovery. Staff only contact their tenants during normal office hours to discuss rent arrears. This limits their ability to contact all clients with arrears.
- 316 The ALMO is prepared to take legal action in appropriate circumstances and in accordance with its documented procedures. Ninety eight notices of an intention to seek possession were serviced in 2002/03 and 130 in 2003/04. Thirty four court cases had been taken for rent arrears in 2002/03 and 31 in 2003/04. Local courts are generally felt to be sympathetic to tenants in rent arrears and only approve evictions as a last resort. Nevertheless seven evictions had been carried out in the current year, six in the last six months which related to rent arrears. A weakness is that the local courts do not have a user group.
- 317 SLH staff are active in preventing debt. When tenants sign up for a new tenancy, they are offered advice on Housing Benefits and other welfare benefits and encouraged to make a claim if tenants appear to be entitled. This ensures that customers are offered advice on ways to maximise their income.
- 318 In conclusion, there are low levels of arrears and officers have a clear understanding of procedures and who their customers are. However, SLH is not meeting its own targets and insufficient action is being taken to drive performance. There is a lack of understanding of the nature of the debt which would enable more effective targeting of action.

Housing benefit, welfare benefits and debt counselling

- 319 Almost two thirds of the council's tenants (2,082 at 28 March 2004) receive help with paying their rent from the government's Housing Benefit scheme administered by SLDC. This amounts to £4.5 million grant each year. With so many tenants dependent on this support to pay their rent either in full or in part, it is important that claims are determined quickly and accurately the quality of the Housing Benefit service has a significant impact on the income from rent.
- 320 Performance on benefit claims is meeting targets. In 2002/03 claims in South Lakeland were being processed relatively quickly, meeting government targets for good performing councils. Performance in 2003/04 has been maintained and is above the average district council although progress has not been made in line with top performing district councils.
- 321 The council has invested in new systems to improve performance. The introduction of document imaging and workflow management systems aimed at long term improvements are said to have had an impact on processing times. This means that in South Lakeland claimants receive their benefit entitlement quickly and rent arrears are not building up over long periods whilst the claim is assessed.
- 322 There is no agreement in place to ensure the communication of timely information between SLH and the HB section. It is considered to be good practice to formalise these arrangements in the form of a service level agreement between the two council departments to ensure that both know what is required, through the agreements of service standards. Such an agreement is even more important when the rent service is being delivered by an organisation operating at arms length from the council. We understand that an agreement is being drafted.
- 323 Access to Housing Benefit information and advice is good although there is no structured approach to improving the take up of benefits by targeting activity at particular areas or particular client groups. Positive aspects of the service which improve access to information include:
- ◆ a leaflet to promote housing benefit is included with the letter sent to all tenants about the annual rent increase and on the notification of new council tax rates;
 - ◆ various methods to promote housing benefit information including the council's office network, the council web site, leaflet racks and posters in the council's and other voluntary and statutory agency offices;
 - ◆ trained customer services officers who provide advice and information to callers and will visit customers unable to attend the office;
 - ◆ housing officers will provide basic advice and information on housing benefits and welfare advice to tenants as part of their rent collection duties; and
 - ◆ service level agreements between the council's benefits service and the Pensions Service and Job Centre Plus to promote each others services with people attending surgeries or in the general day to day activities.
- 324 A weakness however is that the success of this promotional work is not evaluated.
- 325 Tenants with multiple debts and those in need of specialist advice are referred to the Citizen's Advice Bureau (CAB). The council has good working relations with the CAB, provides it with annual grant funding and meets regularly, at least quarterly to discuss issues.

- 326 However, the council is unable to quantify the benefits that it receives from the funding and how this contributes to the achievement of the council's objectives. There is an absence of specific and measurable targets. The grant is regarded as core funding to enable the CAB to employ staff and maintain an office network to deliver advice and advocacy services within the district. There is no requirement to undertake any specific benefits take up activity or indicators to measure the amount of debt advice to be provided.
- 327 More could be done to promote the CAB service. Some customers are referred for assistance and advice by council officers. However, some letters relating to rent arrears only refer to the CAB as a point of contact for tenants needing independent advice. Not all the council offices display posters which promote the CAB, show where their offices are located and the days and times that they are open. Some customers are therefore unaware of the assistance they could access.
- 328 Our survey of 227 tenants revealed that customers felt that they received a high level of support with 91 per cent of respondents stating they had received advice on benefit entitlements and 82 per cent knew who to contact for advice. However management information is not gathered analysed or used to ensure that the take up of benefits is maximised.
- 329 In conclusion two thirds of tenants receive help with paying their rent through the housing benefit system where performance is above average. There are various promotional campaigns to raise awareness of entitlement to housing benefit and improve the take up of welfare benefits generally. However, this work is not effectively structured, evaluated, measured or managed.

Estate Management, Grounds Maintenance and Estate Cleaning services

- 330 The council/SLH management agreement states that SLH is responsible for grounds maintenance and cleaning of communal HRA land. A service level agreement, effective from the 1 April 2004 confirms that SLH use the council's Customer Services department for managing and monitoring the grounds maintenance service and play grounds. It also broadly outlines the relevant responsibilities and accountabilities of SLH and the customer services department. A separate contract exists between SLH and the Customer Services department for the cleaning of HRA communal areas.
- 331 Responsibility for overall estate management rests with the Housing Services Group of SLH. The team is lead by the Head of Housing who has a team of three senior housing officers, each with two housing officers managing estates within defined geographic patches and a Supported Housing Manager, 15 resident scheme managers, 12 mobile scheme managers and ten cleaners, manage and cleaning the sheltered housing schemes.
- 332 The housing estates, communal areas and garage areas managed by SLH are clean, tidy and well maintained. A tour of estates and a review of council/SLH records showed there to be relatively few problems with graffiti or abandoned cars. All garages are in high demand. Records show that the council/SLH respond quickly to deal with these issues when they arise.
- 333 The systems in place to manage estates are accredited to ISO 9001:2000 and a recent external audit found the systems to provide 'substantial assurance'. This provides tenants and the council with a good measure of confidence in the standard of procedures operated by SLH.

- 334 Good use is made of rent collectors to inspect estates. They conduct regular fortnightly estate inspections when visiting clients to collect rent. Estate inspection records are kept and clearly show that repairs to communal areas, unauthorised parking and removal of litter are all picked up and importantly, actioned. This makes good use of staff resources and ensures that the estates are regularly inspected. A good standard of estate management is evident.
- 335 In addition ad hoc estate walkabouts are conducted with local tenant representatives, local councillors and sometimes representatives of other agencies e.g. the police or relevant council departments. These walkabouts record all relevant estate management problems and regular follow up meetings monitor progress against actions identified until all outstanding issues are resolved satisfactorily. Problems identified tend to be fairly minor such as the need for additional litter bins and the need for repairs to communal areas.
- 336 The council has responded to local circumstances. Where tenants have reported particular problems in communal areas of flats, cleaning contracts have been amended to provide additional services. This has ensured that estates are being kept clean and tidy.
- 337 The council has recognised the difficulties experienced by some residents in maintaining their gardens. A subsidised gardening scheme is available to the elderly/disabled who are unable to maintain their own gardens at an annual cost of £50 to the tenant. The council pays £200 towards the cost. Additional free help is sometimes available from the Probation Services' community service or from Age Concern after referral by SLH staff. This is helping to address the problem of overgrown or untidy gardens on estates where this is occurring.
- 338 Sheltered housing schemes were found to be attractive, tastefully landscaped, well maintained and cleaned to a good standard. Annual scheme inspections are attended by scheme managers and tenants.

Picture showing new 'cool touch' radiators to sheltered scheme and landscaped gardens



- 339 There are 23 play grounds on HRA land. We were told that there are daily health and safety inspections and weekly repair inspections by the council's customer services department, parks team. The ones we saw were well maintained. This is providing a clean and safe environment for children to play.
- 340 Some standards relating to grounds maintenance, graffiti removal, etc are set out in the Tenants Handbook and on the council/SLH website. For example general grassed areas are subject to 16 cuts per annum, sheltered housing grassed areas are subject to 16 cuts and grass cutting removals per annum, and offensive graffiti must be removed within 24 hours. This helps to inform customers what the relevant standards are for keeping their estate clean and well maintained and assess the delivery of those standards.
- 341 SLH also has a procedure in place to capture lessons from informal complaints which is checked by the senior management team and an external accreditation agency on a quarterly basis. This includes comments on estate management and cleanliness, both of which were issues identified by the Best Value Review of Housing Services as areas for improvement.
- 342 When we spoke to tenants, they felt that that estate management standards and estate cleaning standards could be improved. However our inspection found that despite these aspirations the general standard of estates and communal areas was already good.
- 343 There was also evidence that grounds maintenance and estate cleaning services were positively contributing towards the local Community Safety Partnership's objectives. For example, trees were being pollarded and shrubs kept short to increase visibility on estates and thus reduce the opportunities for anti-social behaviour or criminal activity. Anecdotal evidence on estates confirmed that tenants felt safer as a result.
- 344 Decisions on some environmental improvement budgets are devolved to area level. There is a district-wide budget of £40,000 available for estate environmental improvements. This money is available to the Area Panels to spend in their areas. Kendal area panel has £20,000 and Ulverston and the Lakes area panels £10,000 each. This money has helped to provide small landscaping and seating improvements around the district for the benefit of tenants and residents.
- 345 There is confusion amongst some housing staff as to who is responsible for maintaining certain areas of land. Hard copy maps are available within the Council but are not immediately available to staff dealing with enquiries. This delays the response time to enquiries.
- 346 A new Geographic Information System identifying which land is owned by the HRA and which land is covered by grounds maintenance contracts is being developed but is not currently available to housing staff. When complete it will be available on the internet for staff and tenants to identify who owns, manages and maintains particular areas on estates.
- 347 Whilst there are published standards for grounds maintenance, maintenance of play areas and graffiti removal, there are no published standards or performance targets for tenants on the cleaning of communal areas or street care generally. This makes it difficult for tenants to know whether specified cleaning standards are being delivered.
- 348 The current grounds maintenance contracts are traditional number of cuts per annum contracts and prices have not been tested in open competition since 1996. A limited price comparison did take place between the then two grounds maintenance contractors in 2000.

- 349 The council approved plans to enter into partnering arrangements in 2003 but this is not expected to take effect until the end of 2004. SLH has been party to these discussions through the Housing Portfolio Holders advisory group. There are also proposals to change the contract at the same time to a performance contract based on an acceptable height for the grass. These improvements have yet to be realised and therefore SLH cannot currently demonstrate that it is getting good value for money from this service.
- 350 The arrangements for estate walkabouts are unclear. The Tenants Committee did not have clear information on the next round of estate walkabouts. They were unaware of when they would be taking place and how often they were to be done. In addition there is no clarity as to how they are to be involved in the monitoring of the outcomes. Estate walkabouts are not advertised to all tenants on the estate. These current deficiencies will undermine the effectiveness of this initiative.
- 351 We were told that this is in part being addressed by the Community Participation Co-ordinator who is putting together a draft programme of estate walkabouts for the current year. This offers the opportunity to address some of the weaknesses identified in the current arrangements but there are no current plans to publish items raised and dealt with in order to demonstrate clear outcomes as a result of the walkabouts.
- 352 Although tenants are involved in monitoring services, the current range of national and local performance indicators does not comprehensively cover the range of tenant concerns. For example some service areas e.g. anti-social behaviour are monitored in terms of numbers of complaints and time of response but not in terms of satisfaction with the service provided. Others cover response time and satisfaction but not numbers. It is therefore not currently possible to comprehensively monitor progress against tenants' current priority concerns.
- 353 Estate walkabouts are ad hoc and not all tenants are informed of when they are likely to take place, only local tenants representatives. In addition not all relevant agencies are invited to participate in the walkabouts e.g. the police, highways, street care etc. This means that not all the issues raised are witnessed by the relevant departments/organisations who rely on SLH staff, to record issues and pass them on. We are however aware that this does happen.
- 354 Monitoring meetings between SLH, the council's customer services department and relevant contractors do not take place regularly. SLH has only recently clarified that it is ultimately responsible for HRA land maintenance and cleaning. There are no arrangements in place to have regular meetings with council colleagues to ensure the SLA is being delivered to the required standard. SLH do however propose to review the SLA within the next 12 months.
- 355 Satisfaction surveys to monitor feedback on grounds maintenance are infrequent. The last survey was done carried out in 2001/02 which revealed that nine per cent of residents were unhappy with some aspects of the service. The lack of surveys since prevents comparisons to be made.
- 356 In conclusion we found that estate management; grounds maintenance and estate cleaning services are effective and are delivering a good standard although tenant's aspirations are for even higher standards. However, there are still a range of potential improvements to be achieved including refining management arrangements between SLH and the council's customer services department and publication of service standards for cleaning estates and buildings.

Managing lettings, voids and under-occupation

- 357 This is a high demand area for social housing and the housing register has been growing (currently 2,275 on the register, up from 1,693 four years ago) while the number of properties available for re-letting has been decreasing (currently 315, following reductions over the past three years). Consequently we would expect to see an efficient and effective registration, re-letting and void management service in place. The council's own recent Best Value Review of this service area identified the need for a quality letting standard and the introduction of choice based lettings as being high priorities for local tenants.
- 358 The council/SLH have a clear and understandable housing register and lettings policy, reviewed within the last 12 months and a draft lettable standard for empty properties awaiting ratification. Applicants can register at any of the council's three housing offices or by post. Applicant's registration details are reviewed annually. Information on waiting times for certain areas is now available on request. This has helped improve the range of information available to applicants.
- 359 A range of additional positive measures are already in place to improve the allocation/relet/void management process. This includes:
- ◆ a comprehensive sign up and tenants welcome pack;
 - ◆ easy to understand tenancy agreements;
 - ◆ support for vulnerable new tenants;
 - ◆ accompanied viewings;
 - ◆ follow up visits after the tenancy has started,
 - ◆ a decoration allowance scheme;
 - ◆ satisfaction survey for re-lets; and
 - ◆ local lettings on one estate.
- 360 Choice based letting is being considered. We were able to evidence that the above initiatives have improved the re-letting process and consequently levels of satisfaction with the service.
- 361 Housing allocation procedures have been awarded ISO 9001:2000 accreditation and a recent external audit found the council's/SLH's procedures to provide 'substantial assurance'. This should provide managers and tenants with a good measure of confidence in the procedures to allocate homes.
- 362 Post letting surveys show that since May 2003 tenant satisfaction with the letting process has been consistently around 95 per cent, some five per cent more than the performance target. There is a good level of response to this survey helped by offering the incentive of a prize draw. This information which has been collected for a number of years helps the council/SLH to identify problems with the re-let process and take appropriate action to improve the service. There are no surveys carried out of customers who have been unsuccessful with their applications for housing to identify whether they felt they were treated fairly for example.
- 363 Our own postal survey showed lower levels of satisfaction, but still a large majority, feeling that the housing offered was suitable for their needs. 81 per cent of the residents replying said that their new home met their needs in terms of location, 79 per cent confirmed it was of adequate size and had sufficient facilities and 87 per cent said they had been given the opportunity to view the property before moving in.

- 364 The council/SLH regularly collect a range of performance indicators including average re-let times, monthly and annually and compare these against target times. This information is made available monthly to officers, councillors and tenants. This allows SLH and its customers to regularly and consistently monitor performance.
- 365 Nomination arrangements are in place with local Housing Associations which give the council/SLH rights to nominate 100 per cent of new lettings and 80 per cent of all subsequent vacancies. This is helping the council/SLH to re-house more applicants than would otherwise be the case.
- 366 However there are areas which can still be improved. Our postal survey, for example, identified that only 35 per cent of respondents had been shown how to use the different appliances in their own home. This represents a missed opportunity and if addressed would help to improve satisfaction levels with the service.
- 367 In addition the lack of progress on introducing a Choice Based Lettings Scheme is resulting in applicants still being offered properties which don't meet their requirements for location, size and facilities. The introduction of such a scheme should result in a change of emphasis towards the applicant applying specifically for properties which ostensibly meet their realistic requirements within the constraints of a high demand, low vacancy area.
- 368 For those applicants who are refused registration or are refused consideration for vacancies etc. the current details on possible appeals processes are under-developed and not sufficiently clarified. This is currently leading to a situation where applicants are not fully aware of their rights and possible avenues for further consideration and redress.
- 369 Information to customers on the housing waiting list could be better. There is an annual review of applicants on the waiting list where clients are given an update on their position, but information at other times is only given on a reactive basis. This doesn't ensure that prospective tenants know whether they are likely to be successful in being offered a property in the short term.
- 370 The lack of a joint register with housing associations and potentially other landlords in the area is resulting in a restriction in choice and a less than effective method of addressing housing demand in South Lakeland.
- 371 Opportunities to work with partners have not been considered. There has been no joint working on void standards with local housing associations which could highlight cost savings, for example, by joint procurement of empty property repairs and improvements.
- 372 A random review of house files for recently re-let properties showed that every property needed extensive work and 90 per cent had decoration allowances granted from £50 to £150 suggesting that the properties were either in poor condition or had been subject to tenant abuse. This highlights that current procedures do not ensure that all properties are inspected prior to being vacated which would ensure that outgoing tenants know what they are required to do to the property prior to leaving. Cost savings are therefore not being realised and the speed in which properties could be made available for re-occupation is not being reduced. We understand that the procedure has now been revised to make pre-inspections part of the void management process.

- 373 SLH's own performance monitoring systems are clearly showing a failure to meet re-let targets and in recent years performance has deteriorated. The current target is 2.5 weeks. Annual comparisons show re-lets taking between 2.7 and 3.2 weeks and more recent monthly monitoring shows all management areas failing to meet the target. This is leading to applicants having to wait longer periods prior to occupying their new homes.
- 374 Performance monitoring is not being carried out on nominations to housing associations until the end of the year. The council is therefore unable to demonstrate that it is getting the agreed number of offers for nominations from its partners. Applicants could be missing the opportunity to be considered for all suitable social housing vacancies in the district.
- 375 Post tenancy start date follow up visits are not always being carried out. For example in Ulverston around 70 per cent of visits are carried out whilst in Kendal it is only around 20 per cent. This represents a missed opportunity to ensure that all new tenants are happy in their new homes and are able to sustain their tenancy. SLH advised us that it intends to achieve 100 per cent follow up visits to all new tenants by June 2004.
- 376 The garage waiting list is not currently computerised. Instead the information is recorded on a word processing document. This is hampering the efficient and effective administration of the garage waiting list and subsequent lettings.
- 377 Another barrier to the efficient administration of housing registers and subsequent lettings is the lack of an interactive website which allows applicants to see what is available and make their applications for potential vacancies on-line.
- 378 The current administration of mutual exchanges does not cross match mutual exchange applications with transfer applications. This represents a missed opportunity to help people move more quickly as there may be, for example, transfer applicants who could mutually exchange rather than wait for a suitable empty property to become available.
- 379 In conclusion the register, letting and void management service is reasonable but could benefit from a range of additional improvements to its service, most important of which are the introduction of the lettable standard, a choice based lettings scheme, better management of nominations to housing associations and better use of IT systems.

Enforcement of tenancy conditions

- 380 The local Community Safety Partnership, of which the council is a member, has identified tackling anti-social behaviour as one of its priorities.
- 381 The council/SLH have been active in addressing enforcement of tenancy conditions and have a range of measures in place to help achieve this. Despite this the Best Value Review identified room for improvement in this area and confirmed that tenants want to see dealing with anti-social behaviour as a high priority.
- 382 Tenancy Management procedures have been awarded ISO 9001:2000 accreditation and a recent external audit found the SLH's procedures to provide 'substantial assurance'. This should provide tenants with a good measure of confidence in the procedures to deal with nuisance neighbours.

- 383 The council/SLH have sound protocols in place to improve the exchange of information between the council, police and social landlords. This is a useful framework to ensure that potential anti-social behaviour is dealt with in an effective and co-ordinated manner when identified as being of a potentially serious or repetitive nature.
- 384 There are a range of positive initiatives in place to help improve tenancy enforcement. These include the use of an independent mediation service, legal powers to tackle anti-social behaviour, floating support for vulnerable people, ad hoc estate walkabouts, fortnightly estate inspections, and the removal of offensive graffiti within 24 hours. This range of measures is helping to provide an effective response to anti-social behaviour.
- 385 There is clear evidence that both estate walkabouts and estate inspections do pro-actively highlight examples of nuisance or anti-social behaviour. However, most cases are brought to the attention of housing staff through the normal channels to which SLH then reacts. This demonstrates that SLH is responding both proactively and reactively to anti-social behaviour.
- 386 There are clear guidelines for staff and tenants on how the council/SLH will react to complaints regarding anti-social behaviour. Nuisance behaviour is categorised into one of three categories 'routine', 'serious' or 'serious – harassment'. There are clear targets outlined in the quality accredited procedures which require a response to both types of serious case immediately if possible or in any event within a maximum of two working days. Routine cases need to be actioned within ten working days.
- 387 Similar information is outlined in the Tenants Handbook. In addition the council/SLH have published a Good Neighbour Charter which clearly set out what the council commits itself to and what shall be done in response to anti-social behaviour. This is a useful way to outline the standards expected of all parties.
- 388 Details of performance and trends are widely available. All cases are recorded on SLH's housing management computer system which allows regular monitoring to take place. Details on numbers and speed of response to anti-social behaviour cases are collated and reported in a monthly digest of information which is made available to councillors, SLH's Board of Management, the Tenants Committee and in public reception areas. This gives a clear picture to all stakeholders on current levels of, and speed of response to, anti-social behaviour.
- 389 Procedures are being followed. We carried out an examination of a sample of house files. This confirmed that current policies and procedures are being complied with. This suggests that a consistent service is being delivered to tenants irrespective of which area they live in or which officer is dealing with their case.
- 390 The council/SLH have been making use of both Acceptable Behaviour Contracts (ABC) and Anti-social Behaviour Orders (ASBO) where appropriate. In April 2004 there were two ABCs in place but no ASBOs. We were able to confirm that there had been a range of informal action over the last year such as two cases referred for mediation, 71 warning letters sent and 34 'problem' tenants visited. Importantly SLH have a clear idea of how many cases they are dealing with and how they have responded to each one.

- 391 The use of a mediation service is a relatively new enhancement to the range of options available to tackle anti-social behaviour. This new independent service, known as RESOLVE, partly funded by the council/SLH and other agencies has already recruited 12 local volunteers to provide mediation. SLH staff have been offered training on mediation services. This service is already helping less serious cases of anti-social behaviour to be dealt with in a more conciliatory and less costly way, avoiding the use of more confrontational and costly individual or joint responses by law enforcement agencies including SLH.
- 392 Other initiatives are being developed. SLH are funding Impact Housing Association to provide floating support workers to help new and existing vulnerable tenants. Their brief is to provide support to vulnerable tenants with a view to preventing problems associated with sustaining a tenancy and in the long term, greater confidence and independence for those residents.
- 393 There is a commitment to tackling serious cases of ASB. SLH has sanctioned the use of both external professional witnesses and the use of camera surveillance. This emphasises the importance with which such anti-social behaviour is viewed and the lengths to which the council/SLH will go to, to find a resolution to the problem.
- 394 In addition there is evidence of good operational links between the police, social services, youth services and local social landlords, including SLH staff, at an estate based level to tackle hot spots of anti-social activity. A good example of such working has been on the Honey Pot Estate where a number of problems were identified. Joint working has enabled the more serious problems to be addressed which has delivered benefits for the local residents.
- 395 There are a range of leaflets and some posters available in council/SLH offices covering racial incidents (separate leaflets from the council and the police), homophobic incidents (a police leaflet), abuse of vulnerable people (joint leaflet from NHS and Social Services) and domestic violence (separate leaflets from the council and the police). ISO accredited procedures cover Housing Advice which include guidance to staff on how to give advice on domestic violence and harassment (racial or otherwise). Such publicity makes it clear to tenants that the council/SLH are opposed to such behaviour and will take action to prevent its reoccurrence and provide consistent guidance to staff on how to deal with such occurrences.
- 396 The levels of crime and anti-social behaviour are low. There are no security arrangements on estates such as neighbourhood wardens, super caretakers or use of fixed closed circuit television cameras as this has not yet been considered necessary either by the council, SLH or tenants.
- 397 Introductory Tenancies are used as a tool to assist in enforcing tenancy conditions against new tenants. These set out the reasons why SLH would seek to regain possession of homes from new tenants where they are committing anti-social behaviour.
- 398 However we still identified a number of areas where there is scope for improvement.
- 399 The Community Safety Strategy and Partnership operates in a very strategic way and is police led, both in terms of initiatives and performance reporting. Little mention is made of housing's contribution to tackling community safety particularly in hot spot areas. There is a missed opportunity for SLH to raise its profile within the community and demonstrate the effectiveness of the community safety work it is involved in.

- 400 Despite having protocols in place to exchange information housing and police officers have confirmed that there is insufficient guidance available on when one organisation should contact another to see if they are both dealing with the same case. This raises the possibility of several organisations dealing with individual reports of anti-social behaviour and not identifying when joint working is necessary to deliver a satisfactory solution.
- 401 Staff identified potential improvements at an operational level. Some felt that regular meetings at an area based level to deal with local information exchange and joint working would improve efficiency. It is evident that there are opportunities to improve joint working relationships across a range of agencies at a more local level.
- 402 IT systems could be used more effectively. SLH's housing computer system does not record ABC cases, whereas ASBOs or injunctions are logged. Consequently staff do not readily have a complete picture of action being taken. We understand that this has been addressed since we left site.
- 403 There are other weaknesses in performance systems. There is no monitoring of ASB cases to determine satisfaction levels for complainants and views from alleged perpetrators to assess the outcomes to cases. This is now becoming more common amongst excellent organisations. In addition there is no evidence of structured performance monitoring taking place on the RESOLVE mediation service or the IMPACT support service for vulnerable people. SLH managers are therefore unable to assess how well these services are working and whether they are delivering value for money.
- 404 In addition there is no specific monitoring of Introductory Tenancies being undertaken to assess whether such action is indeed having the desired effect of ensuring that new tenants adopt a culture of conforming to their tenancy conditions.
- 405 The council's leaflet on racial harassment could be clearer. It suggests that the council is willing to take complaints about racial harassment, where this has involved one of its own staff. The leaflet does not make clear what support the council is offering victims of harassment. This can give conflicting messages to potential victims of racial harassment and would benefit from further clarification.
- 406 Additionally some of the council/SLH leaflets provide potentially confusing information. The Tenants Handbook makes it clear that 'serious' cases will be responded to with two working days and 'routine' cases with ten working days. The accompanying Good Neighbour Charter refers to anti-social behaviour involving threats or actual violence being responded to within 24 hours and 'minor' problems within ten days (no mention of the word 'working' before days). This is potentially causing confusion amongst both staff and tenants.
- 407 New initiatives have not been supported by training for staff. Efforts to tackle anti-social behaviour and more specifically to tackle domestic violence, homophobic harassment or racial harassment could be under-mined if staff are unable to respond skilfully to such cases and the needs of victims.
- 408 SLH's ISO accredited procedures which cover harassment appear to be directed at tackling potential harassment in the private housing sector and do not advise staff on what sort of action to take to support victims of harassment within their own stock e.g. use of community alarms, measures to improve security of the home or referrals to other agencies such as victim support. There is a missed opportunity here to make it clear what support will be given to victims of harassment as well as what actions will be taken against perpetrators.

409 In conclusion, despite the fact that crime levels are low in the district, there are a range of good initiatives in place to tackle anti-social behaviour and support residents. However at an operational level there is a lack of internal guidance, training, tenant information, performance monitoring and joint working at a local level.

Similar functions for leaseholders

- 410 There are currently 226 leaseholders as at 1 April 2004 which is approximately seven per cent of the council's stock making it a significant area of service. Income from service charges to leaseholders is approximately £40,000 per year.
- 411 We found that SLH is responding to new legislation and establishing new procedures for leasehold management from 1 April 2004. Procedures for dealing with Leaseholders in improvement programmes are in place. The Anite IT software identifies which properties are leasehold and in large improvement schemes public consultation is held before works commence. Leaseholders are offered choice on planned schemes, for example in choice of colour to doors.
- 412 Communication with leaseholders has been limited in the past. Leaseholder surgeries have not been arranged and there is no specific leaseholder customer information packs.
- 413 A Leaseholder forum was established during the consultation process for the options appraisal. A key outcome from this is the establishment of a new forum which is due to have its first formal meeting in April 2004.
- 414 Customer care in dealing with leaseholders is positive in terms of phased payments and key contact person. Service charge bills are manually collated and invoiced each year with the opportunity to pay in six instalments. An officer is named on all letters so that there is a single contact person to deal with enquires. We confirmed that leaseholders were consulted about changes to service charge collection in 2003.
- 415 Procedures are in place to handle debt. If a leaseholder is in arrears, up to two informal letters are sent before formal action is taken.
- 416 The council do not carry out safety checks on leaseholder's gas appliances to ensure that they are sound. Whilst there is no obligation for the council to provide this service, it would have two distinct benefits:
- ◆ it would provide an additional service to leaseholders; and
 - ◆ it would minimise risk for other tenants in the flats.
- 417 The council is also failing to check that leaseholders are actually servicing their own appliances as it is not a term in the lease.
- 418 Despite these positive aspects of the leaseholder service we do have some significant concerns. Leaseholder service charges are not achieving value for money and are potentially not complying with legal requirements. The council carried out a review of service charges in August 2000 and set a fixed three year annual charge levied across all leaseholders and tenants with service charges. We understand that this has been investigated since we left site and the service charges do reflect actual costs.
- 419 In 2003/04, tenants or leaseholders in a small block of flats (four flats or less) paid £145.84 per year those in a large block of flats £302.36 per year. There is no accurate basis for these charges as actual costs incurred in maintaining the flats are not closely monitored. In addition the council has not previously charged for capital expenditure which leaseholders are obliged to pay for.

- 420 Leaseholder files and documentation we inspected show that ODPM guidance was not being followed. The council is obliged to give the leaseholder clear information about how service charges are calculated and what responsibility they have for communal maintenance such as roof repairs. It should also give a five-year guarantee that these charges will not exceed specified amounts. One file we saw confirmed that a leaseholder was being charged more than the amount she had been promised when the flat was purchased. SLH agreed to take legal advice on this as a matter of urgency.
- 421 Leaseholders can have problems in ensuring works are completed within published timescales. We investigated a complaint about the delay in repairing a roof. The repair was first reported in January 2003 and was not completed until November 2003. We also noted other complaints relating to the completion of works. We acknowledge that in some instances, practical considerations can cause delays.
- 422 There are no performance targets for leaseholders in place. For example local PIs don't include overall satisfaction with leaseholder service. This means that the ALMO will find it difficult to gauge ongoing progress against leaseholder priorities and this area of the service will be seen as a low priority.

Support services under Supporting People

- 423 Good progress has been made to provide accommodation to meet customer expectation. Unpopular bed-sit accommodation is being redeveloped into much needed very sheltered housing units. In additions some additional floating support provision has been developed to provide assistance to customers and improve the quality of their lives.
- 424 During our previous inspection of the sheltered housing service, we found both weaknesses and strengths.
- 425 Positive aspects included:
- ◆ there were high levels of customer satisfaction with the overall service, and, more specifically, the service provided by scheme managers and the dispersed alarms service;
 - ◆ the council had moved away from the traditional role of wardens to scheme managers acting as advocates co-ordinating services for independent living; and
 - ◆ there were examples of high quality accommodation.
- 426 Weaknesses included;
- ◆ performance in an answering emergency alarm calls fell short of industry standards, putting customers at potential risk;
 - ◆ some accommodation fell short of reasonable standards, as tenants may have had to share bathrooms or live in bed-sit accommodation in schemes without lifts; and
 - ◆ performance management systems were under-developed, leading to gaps in monitoring of service quality.

- 427 Recommendations included that the council;
- ◆ develops a clear, overall strategy for older peoples' services that addresses national priorities and delivers services in partnership with other statutory and voluntary providers on a flexible basis maximising choice for users; and
 - ◆ develops links with related service providers to ensure the maximum use of available services, including welfare benefits advice.
- 428 SLH has 520 sheltered housing units within 14 schemes in urban and rural areas spread across the borough. The support service is provided by scheme managers who come under the control of the supported housing manager. SLH is responsible for the care and maintenance of the buildings and the external areas.
- 429 Thirty one residents living in four schemes benefit from additional floating support. This is a relatively new service set up in 2003 with funding provided by Supporting People grant and delivered by two external agencies, Age Concern and Cumbria Care (Social Services).
- 430 Remodelling works are in progress to provide high quality sheltered accommodation. Although a small number of bed-sit type accommodation remains within some schemes, plans are in place to change many into very sheltered accommodation schemes. We visited the Birthwaite scheme which is being converted into 20 one and two bedroomed self contained flats. Residents have remained in the scheme whilst work progressed. This is being carried out sensitively and to a high standard.
- 431 The council operates an emergency alarm call system for 150 residents in its general properties. In partnership with Health, Social Services, and the Alzheimer's society a pilot project with four clients suffering from dementia is being undertaken using a range of dispersed alarms to ensure their well being whilst living independently.
- 432 We visited a number sheltered schemes and found them clean, tidy and generally of a high standard. Residents were very positive about their living accommodation and the standard of service they are receiving. Scheme managers are enthusiastic and dedicated arranging a variety of weekly educational, social and physical activities such as computer courses, bingo and T'ai Chi for the benefit of their residents. All the schemes have regular newsletters for tenants, mainly produced by the tenants themselves.
- 433 We found a high standard of grounds maintenance around sheltered schemes. The surrounding areas were landscaped and grassed areas were well maintained.
- 434 A new sheltered housing agreement has been developed with the participation and support of tenants and is currently being introduced. It is comprehensive and includes:
- ◆ customer care standards;
 - ◆ performance indicators and targets;
 - ◆ details of how the grounds will be maintained and how to report a problems;
 - ◆ repairs and maintenance;
 - ◆ aids and adaptations;
 - ◆ what to expect from the scheme manager;

- ◆ communal facilities and social activities;
- ◆ welfare benefit advice and information;
- ◆ how tenants can get involved;
- ◆ community alarm system; and
- ◆ service charges and monitoring.

- 435 Tenants have been involved in the development of local PIs. The council responded to criticisms in the previous report by initially developing local PIs for sheltered accommodation. This has been developed on a broader basis. All KPIs have been agreed with tenants and any local PIs to add meaning to the reporting process.
- 436 Tenants do not know how service charges are broken down. Whilst service charges are shown separately, neither the agreement nor the rent book show how much of the charge relates to housing related support and how much relates to the management of the estate. Funding for these elements come from separate sources and in some cases the tenant is charged for the service. It is a requirement of the Supporting People programme that details of service charges are clear for tenants.
- 437 Positively, SLH has identified all those tenants who need to make payment towards their sheltered accommodation service charges. Each has been visited to explain this to them and their entitlement to a means tested 'Fairer Charging' assessment.
- 438 Support plans have not been developed for sheltered housing tenants. The ODPM expects service providers to have these plans in place by April 2004. We noted that planning is at an advanced stage, but none of the 500 plus sheltered housing tenants has a support plan in place. A plan would ensure that housing related support is identified following an appropriate assessment and documented for further reference.
- 439 Tenant satisfaction rates are high, 93 per cent of residents are satisfied or very satisfied with the service. Satisfaction levels are not however measured periodically to determine whether there have been changes over time.
- 440 Tenants are involved in specific estate walkabouts. Each year each scheme has an estate walkabout which involves local councillors, council managers, scheme managers and tenants. Areas in need of improvement are identified and an action plan is drawn up. Progress monitored at the monthly meetings and reported to tenants.
- 441 Good use is made of assessment frameworks to validate standards. Sheltered housing services benefit from having procedures accredited and verified under a quality framework – ISO 9001. They have assisted the council in their own self assessment under the ODPM's own quality assessment framework where they assess themselves overall as achieving level C (meeting basic standards) but in some elements achieving level B.
- 442 We noted that there are some innovative developments in some schemes to improve the quality of life for residents by reducing the fear of crime. These include improved door locks and video door entry systems in four schemes which allow tenants to view who is calling before allowing access to their home.

- 443 Scheme managers consider that communication with the rest of the organisation is good. All are linked by e-mail and consider they are provided with regular and timely information. Monthly meetings are held where performance and other issues are discussed. They are positive about the performance management system which requires them to make monthly returns. Collated results are fed back and displayed in the sheltered schemes for residents. Positively many are made available in large print.
- 444 The performance of the Call Centre is falling short of the agreed standards. The target is to answer 98.5 per cent of calls within 60 seconds. This is regularly monitored and, although improving, is not meeting expectations.
- ◆ performance 2002/03 was 91 per cent; and
 - ◆ performance 2003/04 was 97 per cent (final weeks based on estimates).
- 445 The call centre contract has been tendered to test the market. This has reduced the cost of the service significantly from £26,000 to just over £6,000. Maintenance costs have also been reduced to save £8,000 per year. From 12 April 2004, a new contractor will take over responsibility for the service. An assessment of previous performance has been undertaken and SLH council is confident that performance will improve based on previous track record. The standard expressed in the new tenant's housing agreement refers to a standard of 90 seconds. This has not been revised to reflect the new target.
- 446 Personal response times to sheltered housing are not challenging. Call outs are measured in terms of the average time taken. All areas perform well within the target time of an average of 30 minutes. Actual performance averages at just less than 15 minutes and has fluctuated around this level for a number of years. This is not a stretching or meaningful target.
- 447 In the sheltered housing agreement, an undertaking is given to respond within a maximum of 40 minutes. Whilst this is set at this level to take account of distances mobile scheme managers need to travel, local response rates could be set to reflect particular circumstances.
- 448 Training needs and individual performance is regularly reviewed. Scheme managers discuss their performance at the six monthly job consultation meeting and training needs are identified. We were able to confirm that all scheme managers have undergone Health and Safety training and some have had additional training in a variety of topics including lone working, mental health and disability awareness.
- 449 The needs of customers are regularly reviewed. Front line housing staff attend quarterly operational meeting with social workers to consider housing needs from individual people with special needs. The development of support plans will strengthen this process.
- 450 The council has a range of literature available to raise awareness of the schemes. Leaflets are available to market the service explaining accommodation on offer at each of the 14 schemes. Prospective customers and their families are therefore briefed options available to them.
- 451 Benchmarking of sheltered housing costs is underdeveloped. Consequently the service does not know how efficient it is. This weakness could impact on the long term sustainability of the service. The Supporting People funding is reliant on a robust review of the service and its costs. The review of sheltered schemes is programmed for next year.

- 452 Some tenants raised concerns about elderly and infirm tenants who may no longer be physically able to tend their gardens and do not have relatives to help them. The council do provide a subsidised garden service for an annual charge of £50. However there are no gardening services which are free of charge or free following a means test.
- 453 There is little measurement of the standard or quality of service provided through the floating support scheme. It is delivered to 31 residents living in sheltered schemes. The only monitoring is through time sheets submitted by the contractor. It is therefore apparent that SLH is unable to demonstrate whether their customers are receiving the intended benefits from the service.
- 454 In conclusion, the council provides high quality support services for its residents. Satisfaction levels are high. Performance management could be used more to stretch performance. The significant weakness with this service relates to the lack of information on comparative costs. This will impact on the review which is planned for next year.

Performance management

- 455 We discuss performance monitoring issues in service areas above. This section is designed to give an overall assessment of performance management. This also helps to decide 'prospects for improvement'.
- 456 During our previous inspection, we found that the overall systems that monitor the performance of the Sheltered Housing Service were under-developed
- 457 Positive aspects included:
- ◆ monthly team meetings for all Scheme Managers and Mobile Scheme Managers within four area teams; and
 - ◆ the management of supported housing staff was strengthened by the appointment of a Supported Housing Officer with direct line management responsibility for Scheme Managers and related staff.
- 458 Weaknesses included:
- ◆ Council members had little performance management information for sheltered housing, other than customer satisfaction data, on which to monitor service delivery; and
 - ◆ there were few local performance indicators and targets for sheltered housing and most information was given for the housing service as a whole.
- 459 We recommended that:
- ◆ in consultation with sheltered housing, customers and partners, develop a suite of local performance indicators that measure service performance and allow for comparison; and
 - ◆ the council develops appropriate structures to consult and involve sheltered housing tenants in service design and delivery, and ensure the provision of adequate service cost and performance information to customers.
- 460 SLH has developed a clear performance reporting framework, but this has yet to be implemented. The delivery plan outlines the performance information to be covered in reports, the frequency of reporting and by whom. This commences at board level and includes the tenants' committee, management team, staff and council. Where performance is below a target, the agreed process is to report to the board with agreed remedial action and then monitor on a cyclical basis to ensure the improvement is delivered.

- 461 Since the sheltered housing report was published, 24 local performance indicators and 26 'quality system' related indicators have been developed with tenants. These were originally included within the best value performance plan, but due to the numbers involved they are now monitored separately by SLH. This has enabled customers to be involved in monitoring performance on aspects of the service which they feel are of interest to them as well as how services are performing against agreed deadlines.
- 462 Commitment to tenant involvement in monitoring performance is evident. The application for ALMO status clearly identifies that there will be a minimum of four meetings per year with the tenants' association and that tenants will be involved in service reviews. When we spoke to tenants, they confirmed that in the past they had received regular updates on performance and were confident that this would continue.
- 463 The best value review concluded the quality of performance management must improve and adequate resources had to be directed to achieve and sustain this. The view was that there was a need to address weaknesses such as a requirement for more commentary and analysis to explain and remedy variations in performance.
- 464 Sheltered schemes have introduced performance management systems. Performance is reported on a monthly basis. Managers felt that they were better informed as a result. Reports are displayed in all schemes for tenants, often in large print for the benefit of those who have difficulty reading standard size print.
- 465 The council has invested in new software to improve the accuracy of performance reporting. A number of performance indicators (PIs) across the council have been qualified in the past. Housing is considered to one of the better performing arrears in terms of accuracy. The intention is that the new system will deliver more consistency on the collation of data and clarity on the definitions of PIs.
- 466 Performance processes in relation to day to day housing management operations are good. For example:
- ◆ annual job consultation takes place (staff appraisal) with every member of staff. There are team targets to achieve but not individual targets although we were advised this is to be introduced by May 2004;
 - ◆ delivery plans that have picked up all the elements of service improvements from the BVR and Service Delivery plan;
 - ◆ there is a training plan in place and a programme of training events that all managers and staff attend;
 - ◆ monthly senior management team meetings are in place and the Housing manager has weekly one to one meetings with the Chief Executive;
 - ◆ there is weekly staff training session (Wednesday mornings);
 - ◆ the current monthly Performance information report was agreed with tenants. It is presented to tenants and also the Board with a covering one page report which pulls out the key variations and issues;
 - ◆ ISO 2001 quality procedures are in place; and
 - ◆ the housing service achieved Investors in People (IIP) accreditation in November 2003.

- 467 There is good use of the formal complaints system to identify issues which require changes in policy or procedure. These reviews take place on a six monthly basis following an ISO quality audit. This offers the potential to learn from previous mistakes.
- 468 Informal complaints could be reviewed more often. Reports have been presented to the housing portfolio holder and tenants' committee which summarised issues raised through informal complaints. It was evident that improvements have been implemented following the feedback, for example the repairs satisfaction slip. However, the review happens on an annual basis which weakens the process and lengthens the time to respond to suggestions.
- 469 In terms of performance management of capital schemes SLH does not use project management software. However, due to the relatively low number of capital contracts, performance is monitored manually. We saw evidence of performance reports which had been submitted to the housing portfolio holder, council, ALMO Board, surveyors and Tenants reps which ensured all stakeholders are updated on progress.
- 470 Progress on partnering projects is being monitored by conventional progress meetings and is also being 'scored' by reference to key performance indicators. Initially only national indicators were used, to enable comparison with other projects. The council identified the need to use key performance indicators to assess the performance of the pilot partnering contractors. The intention is to use these to inform the decision on the continuation of contracts.
- 471 An improved system to monitor sickness within the organisation has been introduced. Although the levels of sickness are not a major issue; the percentage of days lost to sickness is low at 2.4 per cent and falling, senior management have recognised the need to have a more robust process in place. This includes the introduction of a return to work interview form and monthly reports on absence levels.
- 472 SLH has ambitions to remain amongst the top performing authorities but performance management is not leading to continuous improvement. There are a number of examples of where performance has slipped, for example in reducing rent arrears and where according to last years PIs, performance is among the best in the country. We found that processes could be improved to deliver better performance, but there has been limited analysis carried out to identify how services could deliver improved performance.
- 473 The reporting of performance trends to staff is inconsistent. There are a number of examples of where staff are not made aware of how their performance is falling short of targets. Performance on follow-up visits for example is not monitored effectively and consequently performance varies in the different office areas. Surveyors confirmed that out of hours work is not regularly monitored and analysed. Consequently, staff do not have the full range of information to encourage improved performance and managers are not driving improvement.
- 474 Performance management in the responsive repairs service is weak. Emergency repairs are not always completed on time as we have discussed earlier. In addition, although monthly monitoring reports are produced routinely, there is no analysis made. For example the number of jobs raised in Ulverston was much higher in one area than the other three, but no research or action was taken to identify the reasons.

- 475 There are no procedure manuals for repairs reporting. Staff do not use diagnostic tools to assist in recording repairs. They were knowledgeable and understood which repairs were the tenants' responsibility, but this relies heavily on their personal knowledge and does not ensure a consistency in repair reporting.
- 476 The performance monitoring arrangements for the board are in the early stages of development. Performance has been monitored on a monthly basis by the board but this has not been carried out effectively. We found that knowledge of the company's performance was limited as board meetings have concentrated on setting up the ALMO and not how the service is performing. Agendas clearly record the discussions that take place but do not stipulate deadlines for agreed actions. The intention is that the Finance sub-committee will take responsibility for performance monitoring from April 2004 onwards to relive some of the pressure on the Board.
- 477 Although we recognise that job consultations are carried out on an annual basis, they do not include individual objectives or targets that link individual performance with higher level aims and objectives. Consequently staff are unable to identify how their performance is linked to the organisation's targets.
- 478 SLH is not using performance information to assist other partnerships. For example there is no reporting to the Crime and Disorder Reduction Partnership (CDRP) to help create a comprehensive picture of anti social behaviour in South Lakeland. This does not assist the CDRP to work effectively to identify and tackle any crime hot spots in the district efficiently and effectively.
- 479 In conclusion, whilst a good level of performance has been achieved by the housing service in terms of performance indicators, it is apparent that SLH could deliver better results. There are well-established processes and procedures in place, but it is apparent that in some instances the lack of analysis and absence of individual targets is a barrier to continuous improvement. The evidence suggests that the senior management team and the board are not driving performance within the organisation. Performance is being monitored but not managed.

Value for money

- 480 During our previous inspection, we found the council has not demonstrated that the sheltered housing service provided value for money, and there was evidence of anti-competitive practice in the procurement of refurbishment works.
- 481 We recommended that the council should:
- ◆ take steps to demonstrate cost-effectiveness of all elements of the service including the control centres.
- 482 SLH has yet to identify how all services deliver value for money and in particular the repairs service. As we mentioned in the section on revenue funded planned maintenance, only 43 per cent of its revenue funded expenditure is being spent on planned works and 57 per cent on responsive work. In addition, performance is not benchmarked against external provider's performance and cost.
- 483 The decision to merge the former direct labour organisation (DLO) with the housing service did not follow an objective, competitive assessment. The council has not considered alternative procurement options such as partnering either with the DLO as a separate body or with an external contractor for the responsive service. The partnering contractor for capital works provides this kind of arrangement for another social landlord but this has not been explored as an alternative.

- 484 Opportunities to determine budgets according to need have not been explored. Budgets for repairs are apportioned on an area basis with levels being set according to previous spend rather than zero based budgeting. Previous investment in properties is therefore not reflected in the budget setting process.
- 485 Arrangements for reviewing the efficiency of the responsive repairs budget are weak. There is, no systematic review of repair costs, to identify properties where the most money is spent and the most frequently used schedule of rates codes. Consequently, areas of waste are not being identified.
- 486 SLH does not pursue tenants when they have damaged their home. Staff confirmed that a significant number of repairs are rechargeable but this is not followed up by re-claiming the costs from the client. Tenants therefore have to pay a proportion of their rent for damage caused by irresponsible behaviour.
- 487 The cost effectiveness of maintaining area offices has yet to be demonstrated. SLH is keen to establish a new base in Kendal and Ulverston, which may result in accommodation savings. However, the future and cost effectiveness of offices in Ambleside and Ulverston has not been reviewed.
- 488 External assessment of the training programme highlighted some weaknesses. The IIP assessor suggested that the cost effectiveness of training is not being considered effectively. Staff are attending courses, but there is no subsequent review to determine whether they delivered the intended benefits.
- 489 The decisions as to the most appropriate management arrangement for sheltered schemes have been politically influenced. Although the most recent scheme to be considered has been transferred to a partner RSL to manage, we were told that the decision relating to Birthwaite was heavily influenced by politicians and not by the findings of the option appraisal. This is not a cost effective way to deliver improvements for rate payers.
- 490 The performance monitoring arrangements for partner RSLs could be more effective. Although we were advised that nominations to RSLs exceed the agreed percentages, monitoring is only carried out on an annual basis. Therefore the council is not aware until the year end whether the nomination agreements are delivering value for money and assisting in offering much sought after accommodation for local people.
- 491 Grants are offered to voluntary organisations with no conditions attached. The council offers a grant of £70 thousand to CAB on an annual basis. However, there is no service level agreement in place to enable an evaluation of whether the council and its residents are benefiting from this investment.
- 492 Procurement is undeveloped and is poorly coordinated across the council. The lack of a clear corporate approach to procurement is affecting the council's capacity to maximise procurement opportunities in housing. There is an absence of clear guidance notes to support officers to improve cost effectiveness in the purchasing of goods and services.
- 493 There is a general lack of information on the cost of services. It is apparent that SLH does not know how much services cost to deliver. For example, although the rent collection service is very popular with customers, there is has been no analysis carried out to quantify the cost of the service and share this information with the board and tenants. It is not possible therefore to complete a rational assessment of value for money.

- 494 The cost of repairing voids is another example. There has been no consideration given as to whether this aspect of the service could be delivered by a dedicated team or in partnership with for example an RSL operating in the area. There will be examples of work of a similar nature being carried out in neighbouring areas. Given the size of the area, there will be significant opportunities to identify cost savings to a number of organisations. Since we left site, we understand discussions have taken place with an RSL with a view to developing a partnership arrangement.
- 495 However, there is evidence that there is a clear commitment to develop a more effective approach to procurement in the commissioning of housing repairs and maintenance. Recent evidence of partnering pilots within the housing planned maintenance programme demonstrates a willingness to develop more innovative forms of procurement.
- 496 SLH has made some progress in demonstrating value for money:
- ◆ the bonus system has been removed in favour of salary following a recent job evaluation process. However, the process is not complete as appeals have been submitted by some staff;
 - ◆ technical fees were charged on a rechargeable basis on the HRA but now are done on a 'pay as you go' approach;
 - ◆ the depot stores process is robust. There is minimal stock holding with materials ordered on a just in time basis with very good delivery dates;
 - ◆ the gas contract is a three star contract and includes for responsive maintenance on breakdown within the contract sum. This allows the ALMO to plan its revenue spend more effectively and provides a speedier service to tenants;
 - ◆ the partnering project on Birthwaite sheltered housing scheme has delivered substantial cost savings estimated at £70,000. There is evidence of true partnership working to make savings through changes to the specification which were suggested by the contractor;
 - ◆ the new out of hours service which was launched in April 2004 was competitively tendered;
 - ◆ there is a mixed approach to procurement on planned revenue funded cyclical maintenance, where fifteen out of sixteen contracts are outsourced; and
 - ◆ tenants and SLH staff considered a range of costed options for improving support to tenants and agreed the most appropriate option to deliver the intended outcomes.
- 497 Significant progress has been made to reduce the cost of support services. Prior to the development of service level agreements for support services, the previous costs were negotiated down from £279,000 to £79,000. Further work is planned within the next 12 months to analyse the service quality and future service provision with a view to determining whether the services deliver value for money.

- 498 SLH is committed to benchmarking its services against other providers. An example is where the ALMO is benchmarking its in-house maintenance service against the private sector e.g. in adaptations. Comparisons are carried out by working with social services OTs from other councils and services delivered to housing associations. SLH has been assisting in the completion of the Action Plan for Integrated Community Services. Membership of HouseMark offers the opportunities to analyse costs and draw conclusions as to where improvements can be made.
- 499 In conclusion this is an area of weakness for the council and SLH. There has been some progress in reviewing the cost effectiveness of services and the benefits of partnering have been demonstrated on individual schemes. However, SLH has got very little information on the cost of the services it delivers. Given the costs associated with delivering services in a large rural area, there has been little thought given to how services could be procured in a more cost effective manner by working in partnership with similar organisations.

How does the performance compare?

- 500 In order to judge the quality of a service, it is important to compare the performance of that service against other suppliers across a range of sectors. The aim is not exact comparison, but an exploration of how similar services (or elements of services) perform in order to identify significant differences, the reasons for them, and the extent to which improvements are required..
- 501 Where possible, we have compared the council with other councils in its Audit Commission family group (councils with similar general characteristics, referred to as 'nearest neighbours'). We have also compared the council with the best and worst performing 25 per cent of metropolitan councils for that indicator.
- 502 We have included details of performance indicators for 2003/04 in the tables below. The statistics have been supplied by SLH and have not been audited to confirm their accuracy.

Stock Investment – How does the service compare with the top 25 per cent?

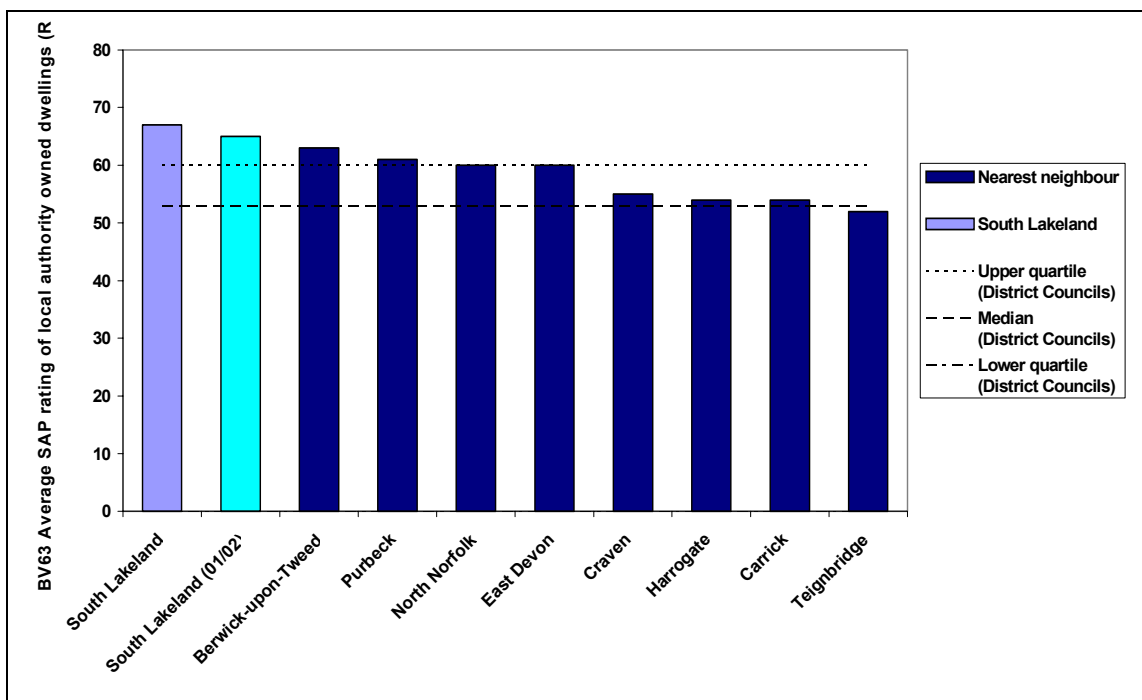
The summary table below details the relevant performance indicators for stock investment. This shows that in 2001/02 SLDC had two indicators which placed it amongst the top 25 per cent performing authorities. This performance improved for two of the three in the following year. Similarly, the one indicator which demonstrated average performance decreased last year.

STOCK INVESTMENT AND REPAIRS				
Performance indicator	South Lakeland Council 2001/02	South Lakeland Council 2002/03	South Lakeland Council 2003/04	Improving?
BVPI 63 Average SAP rating	65	67	67.5	YES
BVPI 72 Percentage urgent repairs completed specified time	93	94	93	NO
BVPI 73 Average days to complete other repairs	10	13	9.1	YES

Key: Top performance Average performance Poor performance

BVPI 63 Average Standard Assessment Procedure (SAP) rating of local authority owned dwellings

503 The chart below compares South Lakeland District Council to its nearest neighbours. The average SAP rating has risen from 65 in 2001/02 to an average of 67 in 2002/03 which is amongst the top 25 per cent of authorities in England in 2002/03. This performance has improved slightly again this year to 67.5 as illustrated in the table above.



BVPI 184a - LA homes non-decent at start of year

504 The authority has not submitted details for this performance indicator in the past due to an unsuitable system to collect the data. This has now been addressed. The unaudited data shows that the percentage of non-decent homes at March 2004 was 24%. The absence of data for the previous year prevents comparisons being made.

BVPI 184b - Change in proportion of non-decent homes (negative means deterioration)

505 Similarly, details for this performance indicator have not been submitted previously. We were advised by SLH that there had been a 33 per cent improvement in the numbers of homes meeting the decency standard in 2003/04.

Rent Collection

506 The table below is a summary of the performance indicators for the rent collection service. This shows that in 2001/02 two out of the three indicators placed South Lakeland Council amongst the top 25 per cent performers in England. However, one indicator relating to the percentage of rent lost was in the bottom 25 per cent.

507 Figures for this year which have been supplied by SLH show that performance has continued to improve for two of the indicators but the percentage of arrears has increased to 1.4%.

RENTS				
Performance indicator	South Lakeland Council 2001/02	South Lakeland Council 2002/03	South Lakeland Council 2003/04	Improving?
BVPI 66a Percentage rent collected	99%	99.2%	99.39%	YES
BVPI 66b Percentage of arrears	1.0%	1.3%	1.4%	NO
BVPI 69 Percentage rent lost through homes becoming empty	2.1%	No available due to software problems	1.76%	YES

508 We questioned the fact that rent collection has improved but the percentage of arrears has deteriorated. SLH advised us that the statistics for 2002/03 on BVPI 69 were inaccurate because of reporting difficulties on Anite. It considers that statistics for 2003/04 are accurate but therefore can't be compared with the previous year. Reported rent collection has increased as stated.

Estate Management and Allocations

509 The table below illustrates SLDC's performance in terms of average weekly management costs and the length of time taken to relet a property. The costs are amongst the highest nationally when compared with all councils. However, the average time to relet properties places the authority amongst the top 25 per cent performance for councils. Figures supplied by SLH show performance on both indicators has slipped within the last year.

ESTATE MANAGEMENT AND ALLOCATIONS				
Performance indicator	South Lakeland Council 2001/02	South Lakeland Council 2002/03	South Lakeland Council 2003/04	Improving?
BVPI 65a Average weekly management costs per home	£13.92	£14.84	£18.03	NO
BVPI 68 Average re-let time (days)	18	19	23	NO

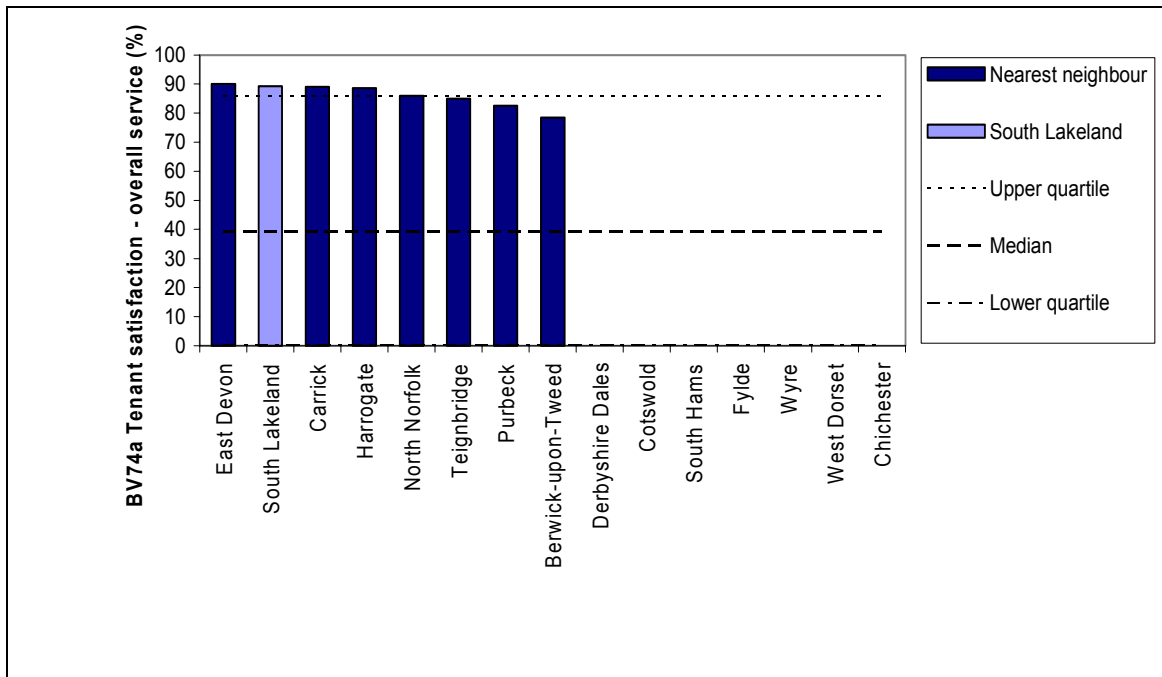
Tenant Participation and satisfaction

510 The performance indicators in this area show high levels of satisfaction from tenants which placed the authority amongst the top 25 per cent compared with other Councils in 2001/02.

TENANT PARTICIPATION AND INVOLVEMENT				
Performance indicator	South Lakeland Council 2001/02	South Lakeland Council 2002/03	South Lakeland Council 2003/04	Improving?
BVPI 74 Tenant satisfaction overall service	89.3%		89.2%	No
BVPI 75 Tenant satisfaction opportunities for participation	73%		74.9%	Yes

BVPI 74a - Percentage of tenants satisfied with overall landlord services

511 This graph illustrates how SLDC compares with its nearest neighbours, which again demonstrates the high satisfaction levels among its clients in 2001/02.



512 There are examples of benchmarking has been used to compare performance with other authorities;

- ◆ the council has benchmarked itself against Northern authorities on BVPI 63 - Energy efficiency and at 64.5 SAP rating is third best performer in GONW area; and
- ◆ for BVPI 73 - average number of days to complete non-urgent repairs - it averaged 10 days the best performer in GONW area.

- 513 The annual audit letter for 2002/03 does highlight some reservations relating to the accuracy of PIs and the systems in place to collate them. Although the problems are considered to be greater in other service areas, those relating to housing management services are highlighted in red in the table below. So, although the data shows that the service compares with other top performers, the unsatisfactory process to produce the data undermines confidence in the results.

Reservations	No of indicators	Indicators
There is no system in place to collect data for these indicators.	8	BVPIs:11(b), 16(a & b), 17(a & b), 170(a), 174, 175 and 184(b).
The council cannot produce these indicators.	2	BVPIs:114 and 185.
The council does not have a satisfactory system for collecting the data to produce these indicators.	8	BVPIs:12, 64, 66(a), 78(a, b & c),109(a, b & c), 179,1 83(b) and 184(a).

- 514 In conclusion, we find that the comparisons demonstrate that South Lakeland's housing management services compares well with other authorities with seven out of ten indicators placing SLH amongst the top performing authorities in 2001/02. This performance continued in 2002/03 with in most instances a continued improvement being demonstrated. However, performance has slipped in five areas within the last year and therefore the rankings may change when national comparisons are available later this year.

Summary

- 515 We consider the housing management service provided by South Lakes Housing to be a **'fair', one-star service**.
- 516 South Lakes Housing has clear aims which are linked to the council's strategic objectives. There is a clear focus on delivering services which are tailored to meet the needs of customers in a large rural area. The level of involvement with tenants is strength and there are some examples of good service delivery such as gas servicing and adaptations. Estates are managed to provide a pleasant and safe environment in which to live.
- 517 However, we do have concerns over certain aspects of the service. In particular, the responsive repairs service is not being managed in an efficient manner. Performance management is not driving improvements such as in the rent service, which is reflected in the results for some PIs. The service to leaseholders is an area for concern and SLH is unable to demonstrate that it is achieving value for money in almost all its services.

What are the prospects for improvement to the service?

What evidence is there of service improvement?

518 In order to inform our judgement about whether improvements had taken place since the previous inspection, we looked at progress made against the recommendations in our previous inspection reports. Our assessment of the progress made against the Sheltered Housing Service is set out in the following table:

Sheltered Housing March 2002

Recommendations in previous inspection reports	Achieved?
Develop a clear, overall strategy for older people's services that addresses national priorities and delivers services in partnership with other statutory and voluntary providers on a flexible basis maximising choice for users.	Green
Develop links with related service providers to ensure the maximum use of available services, including welfare benefits advice.	Yellow
Devise a plan to promote and extend the use of the dispersed alarm service to other council and non-council customers, as part of the council's strategic role.	Yellow
Review, with reference to the needs of all customers, available information and literature.	Green
Takes steps to demonstrate cost-effectiveness of all elements of the service including the control centres.	Red
In consultation with Sheltered Housing, customers and partners, develop a suite of local performance indicators that measure service performance and allow for comparison.	Yellow
Develops appropriate structures to consult and involve Sheltered Housing tenants in service design and delivery, and ensure the provision of adequate service cost and performance information to customers.	Yellow
Report the findings of this report to the council and Tenants Committee and detail proposed actions.	Green

Key-Achieved, Partly Achieved, Not achieved

519 From the table above we can see that action has been taken and some progress made against all but one of the recommendations. This one to be addressed relates to the ALMO being able to demonstrate cost effectiveness for its services which has been discussed earlier.

520 The development of the older person's strategy has delivered outcomes.

- ◆ a review of sheltered housing schemes followed the publication of the Older Person's Strategy. This has so far led to the agreement to provide very sheltered accommodation and the development of a Home Improvement agency which will be launched in September 2004;
- ◆ sheltered housing services are being remodelled to meet changing demand. Birthwaite is in the process of being developed into a very sheltered scheme; and
- ◆ ownership of Rowan Court has been transferred to a partner RSL to be reconfigured into very sheltered housing.

- 521 The young person's strategy has led to the development of plans and some outcomes. A supported housing scheme has been developed in Kendal for young people. A Cumbria-wide joint assessment protocol between housing authorities and Social Services to assess the needs of homeless young people is due to be completed in June. This offers the potential to improve the existing services for this particular client group.
- 522 During the inspection we found some good evidence of service improvements as SLH has acted upon feedback from consultation on the best value review. Swipe cards have been introduced to improve ways to pay rent and a work to develop a quality letting standard is almost complete. The ALMO also identified some 'quick wins' where improvements were implemented as the best value review continued.
- 523 There are examples of some useful improvements in tenant participation and customer focus. A leaseholder club has been formed and a dedicated resource to support the work of the Tenants Committee has been agreed. This will help the SLH to ensure that customers are the heart of service improvement.
- 524 Publicity on successful outcomes is good. We were able to see that newsletters to tenants and press releases have been used to highlight success. Whilst we were on-site, features on local television news bulletins referred to a significant allocation of housing corporation grant and the launch of the ALMO.
- 525 The council has completed the majority of priorities identified in the HRA business plan particularly the repairs service. This has led to the expansion and improvement of the repairs appointment scheme and increased the choice and consultation in the delivery of planned programmes and day to day maintenance. It was apparent from speaking to customers that tangible benefits have been delivered.
- 526 The ALMO has used formal and informal feedback from residents to inform service improvements. Service improvement teams have considered a number of issues which have resulted in new initiatives being developed such as:
- ◆ a mediation service;
 - ◆ more choice on planned maintenance schemes;
 - ◆ a new tenancy agreement; and
 - ◆ a repair satisfaction slip.
- 527 A criticism however, is that the process to use informal feedback is not sufficiently developed to ensure that comments are reviewed on a regular basis to ensure service improvements can be implemented where appropriate without delay.
- 528 Some of the weaknesses identified in the recent CPA inspection have been addressed, others programmed for action:
- ◆ SLH has employed an IT officer, one of the identified tasks is to provide a more integrated system which removes the need for the manual updating of data; and
 - ◆ the introduction of a new stock condition database and reporting facility has improved reporting on stock condition.

- 529 There are areas where the service is not improving:
- ◆ the responsive repairs budget for 2004/05 is set to only achieve a 43:57 split between planned and responsive repairs;
 - ◆ housing benefit claims processing is not improving as quickly as other councils. However improved IT support and automated systems have been introduced to make benefits administration more efficient; and
 - ◆ some of the national performance indicators show a dip in performance for example there has been a rise in rent arrears over the last year.
- 530 In summary, considering the work involved in establishing the ALMO and the fact that the best value review was being carried out at the same time, there have been a number of improvements delivered. Customers we spoke to during the confirmed that they had benefited from the new initiatives. An area for concern is the deterioration in performance which is reflected in some national PIs.

Does the best value review drive improvements?

- 531 Our judgements here relate not just to the existence and quality of current plans but also how they were arrived at. Before the ALMO inspection starts, authorities or their ALMOs must carry out best value reviews of all services which transfer to the ALMO. A best value review should produce an improvement plan that sets out what needs to improve, why, and how that improvement will be delivered. It should contain targets which are not only challenging but also designed to demonstrate and ensure the continuous improvement necessary to put the service among the top 25 per cent of councils within five years.
- 532 In our previous inspection of the sheltered housing service, we found the council could have used the 'four Cs' much more as a tool and an opportunity. The council's approach to competition and lack of use of comparative data frustrated potential improvement.
- 533 Positive points were that:
- ◆ the council undertook a broad range of consultation of its customers; and
 - ◆ there was good use made of benchmarking clubs were used to compare performance.
- 534 We identified some weaknesses:
- ◆ potential service improvements were not carried forward and implemented;
 - ◆ the council did not sufficiently consider the competition element of best value in the review and it was its weakest element; and
 - ◆ there was limited use of performances indicators to compare performance.
- 535 We recommended that:
- ◆ the council took steps to demonstrate cost-effectiveness of all elements of the service including the control centres.
- 536 The best value review was completed in March 2004 and identifies strengths and weaknesses in existing systems and services. An action plan incorporates specific timescales in which to implement the stated improvements.

537 In general terms, we found that the BVR was used well to identify weaknesses and strengths. There was significant stakeholder involvement drawing on staff resources, customers and external consultants. The best value challenge team was made up of senior staff from the council and the company together with a representative of the tenants' committee and the housing portfolio holder. A chief executive of a housing association acted as a critical friend.

538 The review covered the following areas:

- ◆ rent collection and arrears recovery;
- ◆ tenant participation and customer focus;
- ◆ stock investment and repair;
- ◆ tenancy and estate management;
- ◆ sheltered Housing; and
- ◆ cross-cutting themes.

539 The review had been scoped within the wider context of the council's overarching approach to future service delivery within the developing regional agenda. For example, the community plan highlights the lack of rented housing as an issue in the area. This is seen as the biggest challenge in the area.

Challenge

540 Challenge was used effectively within the BVR to identify service improvements. Consultants were used to support the process and 'critical friends' from inside and outside the council were involved. The challenge process involved in-depth and clear analysis of the issues, alongside an assessment of what a successful service should look like. This led to the identification of clear drivers for change.

541 However, it was not used to examine whether the traditional aspects of the service could be delivered in a more efficient way such as the rent collection service and allocations. As a consequence, services have not changed and potential improvements and more efficient working arrangements have not been identified.

542 The review was sub divided into a number of smaller areas each with its own review team, termed a Scrutiny Panel. Each Scrutiny Panel completed self-assessment questionnaires and undertook a benchmarking study through an examination of best practice. In the context of their increased awareness of good practice each team carried out a SWOT analysis of their review area. This in turn was presented to the Best Value challenge team for further challenge. We believe this assisted in highlighting areas of weakness and raising awareness of the key elements of a good service.

543 Prior to the review commencing, the council commissioned consultants to assist in carrying out a comprehensive review of the options for the future of the council's own housing stock. Funding was also made available to South Lakeland District Council Tenants' Committee to hire an Independent Tenants' Adviser (ITA), to work with and for the Tenants' Committee. The ITA facilitated a range of workshops for tenants to encourage them to challenge the draft improvement action plans. This work assisted in encouraging staff and stakeholders to examine service delivery. Tenants developed their own views on how the service should be delivered.

- 544 The options appraisal has been used as a tool to determine the most appropriate way to deliver the housing services. It is apparent that tenants have been closely involved with the ITA maintaining close contact with the options consultant to provide critical analysis for the tenants' perspective.
- 545 The challenge element did not consider whether services could be delivered more effectively by external agencies. We identified examples of how the council could work with partners. RSLs in the area are carrying out similar repair works to their properties. Other stakeholders are carrying out grounds maintenance, sometimes on sites adjacent to land owned by SLH. However, opportunities to combine contracts or deliver works on behalf of others were not considered. The review concentrated on how the service could be improved using the existing providers which therefore does not represent a thorough application of the challenge element.

Consultation

- 546 Best value requires that service users and other key stakeholders are consulted in terms of service standards and the methods of service delivery they would wish to see implemented.
- 547 The council used a wide-range of consultation exercises during the review. For example, door-to door-surveys, newsletters, use of informal complaints and specific consultation meetings. The best value review states that :

'The Independent Tenants' Advisers, who have worked in support of the Tenants' Committee since the commencement of the Stock Options review commented that the Council has more feedback from tenants on its housing services than any other social landlord that they know of.'

- 548 The consultation exercises highlighted a number of improvements clients wanted to address. The different consultation methods tended to highlight concern with similar issues;
- ◆ tackling anti social behaviour and enforcing tenancy conditions more strictly;
 - ◆ modernising all homes to provide better kitchens and bathrooms;
 - ◆ providing all homes with central heating and better insulation;
 - ◆ modernising older sheltered schemes and remodel bed sitters into one or two bedroom flats;
 - ◆ providing support to young and vulnerable to help them set up and maintain their homes; and
 - ◆ providing more car parking.
- 549 The council has acted upon consultation with residents. There are examples within the BV review of how improvements have been implemented such as development of a 'Quality letting standard' and additional resources to support tenant participation.
- 550 However, despite the fact that a range of consultation methods were used, there is recognition that there are areas for improvement. For example, hard to reach groups have not been identified. We noted that in the improvement plan, a leaseholder group was established in January 2004 and there are clear outputs identified for the group.

Competition

- 551 Best value requires local authorities to embrace fair competition as a means of securing efficient and effective services.
- 552 Many aspects of specific services are already outsourced such as planned maintenance, grounds maintenance, property valuations, floating support and the call centre. The review highlighted areas where external providers are better placed to provide some services but as discussed in the challenge element, this has not been explored.
- 553 The ALMO recognises the need to address the competition element of the review, but to date this has not been completed satisfactorily. We recognise the fact that there are some barriers to this being carried out, such as the inability to drill down to individual service costs and the absence of a procurement strategy. The SLH board has already established a procurement working group and a procurement policy is being developed.
- 554 Tenants do have not been involved in the testing of services for value for money. They have not examined partnering arrangements, competitive tenders or benchmarking of costs. This seriously weakens the contribution of competition to the BVR process and may result in tenants paying more for services than is necessary.
- 555 We were advised that a framework will be developed to review all aspects of service cost during the first year of the ALMO, complementing the individual service reviews. The criteria for analysing each element will be taken from the procurement plan which the ALMO has adopted from the current council policy.
- 556 The best value review states that in order to ensure opportunities for competition and value for money it will be necessary to support local businesses and to help build up the availability of skills/ resources. There will be efforts made with new partners to create more opportunities for training and apprenticeships. We were able to see that apprentices are employed by SLH but it is clear that there is recognition of the need to support the local economy in the way improvement works are procured.

Comparison

- 557 Best value requires that service providers compare themselves against other providers of similar services to both understand how their services compare and to learn how they might better provide those services, for example, by implementing any best practice observed.
- 558 Within the BVR of Housing Services the compare element has been used well to identify weaknesses and learn from good practice. This was done in a number of ways. Each of the Scrutiny Panels carried out an investigation into best practice for their review area, particularly by learning from Audit Commission, Chartered Institute of Housing and 'Beacons' reports. SLH is also an active member of the Housemark benchmarking club.
- 559 Performance indicators and processes were compared in the review. The analysis of performance indicators has been covered earlier in the report. The review confirmed to staff that in some instances performance was one of the best in the area. Examination of the specific process highlighted areas for improvement which were then prioritised and included in the action plan. Some were implemented immediately.

Improvement Plans

560 A BVR should produce an improvement plan that sets out what needs to improve, why, and how that improvement will be delivered. It should contain targets which are not only challenging but also designed to demonstrate and ensure continuous improvement necessary to put the service among the top 25 per cent of councils within five years.

561 The Action plan contains 155 actions, many of which are service specific but others are linked to strategic aims. Usefully, the plan identifies the quick wins which should assist in delivering tangible benefits to clients at an early stage. How is this monitored?

562 There are weaknesses in the plan which will make monitoring of progress difficult. For example an action relating to the rent collection service is as follows:

Reference	Task	Output	Outcome
RC15	Introduce realistic and achievable rent arrears targets for local offices and individual staff.	Targets set	Improves performance management.

563 The output and the outcome are vague. The opportunity to clearly demonstrate the success of the actions by demonstrating the impact on the service has been missed. With outputs articulated in such a manner, staff and reviewers will have no way of knowing whether the intended targets have been met.

564 Other weaknesses include:

- ◆ a lack of milestones to track the progress towards a particular objective;
- ◆ clarity as to how the progress is to be reported to stakeholders; and
- ◆ resource implications are not clearly articulated to enable the reader to identify the cost or time required to complete an action.

Summary of BVR process and related plans

565 Overall we conclude that the best value improvement process was customer focused and has been used to identify service weaknesses, identify best practice and learn from other organisations. There is a need to address some of the weaknesses listed above, particularly to demonstrate the competitiveness of the various services and to consult with a broader range of customers. The action plan clearly addresses the areas of weakness but the absence of SMART targets reduces its effectiveness.

Will the improvements be delivered?

566 Inspectors look for evidence that a council, and its Arms Length Management Organisation, will deliver what it has set out in the improvement plan. We look for a track record of managing change within the council and, ideally, within the service itself. The plan should also have sufficient support from councillors, management, staff, service users and other stakeholders, particularly those responsible for delivering it.

567 In our previous inspections we found that:

- ◆ the council had a relatively new corporate management team, which demonstrated a commitment to positive change and improvement;
- ◆ there was evidence through performance indicators that the council performed very well on some aspects of landlord services; and
- ◆ improvement plans lacked SMART targets and some actions were not challenging.

568 We also look at performance management arrangements. Successful councils have sound performance management systems and effective financial management including flexibility to move money and people to tackle the most important problems. They have clear lines of accountability for action and have the skills to build effective partnerships to help bring about improvements.

569 The Audit Commission's Corporate Governance report, undertaken as part of its CPA, commented that

The Council's performance management system is under-developed and inconsistently applied

Commitment to service and to improvement amongst members and officers

570 We found that the way in which the council completed the housing stock options appraisal has resulted in all stakeholders being committed to the ALMO option.

571 The roadshow format developed for the option appraisal is to be continued to encourage further general tenant involvement. This offers the opportunity to share information with tenants not involved in the established tenant and resident meetings and increase opportunities to consult with them.

572 The board and senior management team used the indicative inspection in a positive manner. There was a good level of self-awareness and, it was apparent that staff intended to use the process to identify further areas for improvement and prepare for the ALMO inspection in January 2005. This resulted in a positive experience for those involved.

573 There is strong political support for the ALMO. We were advised that initially the preferred option for politicians was stock transfer, tenants preferred the ALMO option. This was accepted as the option and we noted the sense of commitment to the new organisation from elected members.

574 Board members were of the opinion that party politics did not hinder the business process and were enthusiastic to drive the business forward. Council nominees told us that they were used to working in a collaborative manner as there had been no overall control of the council for some years.

575 Politicians are to be involved in monitoring the performance of the ALMO at estate level. The previous portfolio holder for housing used to attend estate walkabouts. Councillors stated that there is an expectation that the new portfolio holder will attend most of the estate walkabouts as well as the relevant ward member.

- 576 Unions have been consulted on the ALMO proposals. Board members were of the opinion that they had developed a good relationship with union representatives and that this would continue. Union representatives similarly felt that where they had not been happy with for example notifications of meetings, this had been addressed when they made their views known.
- 577 There has been investment in IT systems to address specific weaknesses. New software has been purchased by the ALMO to improve financial reporting. There is recognition that managers have not been able to access information to confirm expenditure and commitment. From April 2004, the new software offers the potential to overcome this issue.
- 578 Staff are enthusiastic about the opportunities offered by the new organisation. When we conducted interviews and focus groups, it was apparent that staff were motivated and looking forward to delivering improvements. We noted that sickness levels are very low and are continuing to fall. This is will be of assistance in delivering improvements and addressing capacity issues within the organisation.
- 579 The Board are committed to developing a relationship with staff. Two 'getting to know you' sessions have been held to enable staff and board members to meet and discuss areas for concern. We were told that the sessions were well received by staff members. The fact that the housing service has recently received the Investors in People accreditation is recognition of the way communication is handled within the department.
- 580 There is a good range of training courses provided internally and externally. For example the Wednesday morning training sessions over the last 6 months have covered a number of topics such as tolerated trespass, use of Anite general enquiry screens and equalities. This is helping to ensure that staff have the knowledge to deliver a good level of service.
- 581 SLH is to appoint an officer to address weaknesses in performance management. The performance officer will be responsible for monitoring progress against the improvement plans as well as researching benchmarking data and reporting to the board on all matters relating to the performance of the ALMO.
- 582 Training has been delivered to improve the gas servicing programme. A member of staff has gained the necessary qualifications to carry out gas inspections which should enable SLH to address a weakness identified earlier in the report regarding independent validation and safety checks.
- 583 The shadow board meetings have been well-attended by some members. Since the shadow board was established in July 2004, board meetings have been every month with training sessions sometimes every week. We noted that board members have made a number of requests to improve the way in which the organisation operates such as:
- ◆ financial information to be presented in a more user-friendly manner;
 - ◆ training on the HRA budget and performance monitoring;
 - ◆ meetings to be held in different parts of the district; and
 - ◆ letters of appreciation sent to staff (general and individual) to recognise good performance.
- 584 However, minutes confirm that one council nominee missed 50 per cent of the meetings. We were also made aware of the fact that some members did not stay until the end of the meetings. This undermines the effectiveness of the sessions and will reduce individual understanding of particular issues.

- 585 The board is unable to demonstrate a robust approach to monitoring performance. This was covered earlier in the report under performance management. The effectiveness of the performance reporting framework has not been tested as the board has concentrated on the tasks involved in establishing the ALMO. The board is therefore not fully aware of progress on implementing improvements. The intention is that the finance sub-committee will be responsible for performance monitoring from April 2004 onwards.
- 586 Opportunities to develop a better and more cost effective service have not been fully investigated. There are a number of partners in the area who are delivering or procuring similar services. Officers and elected members have not shown a willingness to investigate the benefits from working in a more collaborative way to identify more efficient and cost effective services.

Capacity and capability amongst officers to deliver

- 587 SLH officers have the potential to benefit from the council's approach to improvement. A team of officers has been established which has developed an improvement plan to address all weaknesses highlighted in the CPA report. External support from the ODPM has also been made available to monitor and support progress. Staff from the ALMO will continue to be included in this process.
- 588 There has been recognition of the need for independent financial advice. One of the members of the senior management team has a background in accountancy and private sector business. He has been working on behalf of the ALMO for the last 12 months to analyse costs and challenge existing budgets and service charges. This has already led to the reduction in service charges which we highlighted earlier in the report in the value for money section.
- 589 Councillors showed an awareness of recent improvements to services. They were able to confirm what had been carried out to improve properties and the estate environments as well as highlighting areas which still need to be addressed. It was apparent that they focused on the outcomes for local residents.
- 590 External assessors identified strengths within the housing team. The IIP report lists a number of strengths in the housing service. The assessor considered that there is considerable commitment to the development of staff and in particular the weekly training sessions.
- 591 The council has successfully bid for grant monies to deliver strategic objectives. Whilst we were on-site, news of funding through the approved development programme confirmed a grant from the housing corporation of £9.7 million to build up to one hundred and fifty homes for rent over the next two years. This is a significant boost for the area which will assist in alleviating some of the problems caused by the lack of affordable rented accommodation.
- 592 The council is working with voluntary sector partners to bring in additional funding. Officers are working with the local CAB on a grant application. This is aimed at increasing the capacity of CAB to do more work aimed at the take up of benefits. This will be targeted at the elderly and disabled people living in the more rural areas of the district. If successful this should lead to an increase in the disposable income for those in greatest need.
- 593 The CPA diagnostic identified that the council did not have the skills in-house to enable it to analyse the stock condition database in order to chart progress towards meeting the DHS. Since then the council has procured a new software package which should ensure that this is now possible.

- 594 We found that the board members have a good range of skills. This includes those with a background in housing policy, property surveying, cost management and human resource management as well as members who have been heavily involved in tenant participation and have considerable experience of chairing housing committees. This demonstrates the potential for developing into an effective board of management.
- 595 Board members are aware of the weaknesses within the organisation. Minutes from previous board meetings confirm that discussions have taken place as to how to address the lack of financial expertise at board level. Consideration is being given to the possibility of co-opting a suitable candidate on to the board when required. We noted that members took a keen interest in the feedback when we were on-site and concern as to how the weaknesses could be addressed as a matter of urgency. We understand for example that a visit has been arranged to discuss how another ALMO board operates and training on performance monitoring has been booked.
- 596 The board and the SMT recognise the importance of developing their effectiveness. The board had been meeting in a shadow capacity for nine months prior to the ALMO going live. Members were aware of the fact that performance monitoring was an area for development.
- 597 The training programme for the board members has not been well developed. Initially the ITA was responsible for training the board and a number of training sessions were delivered, but training needs have not been robustly identified. This was acknowledged when talking to members. It was also apparent that the momentum has been lost in terms of the training programme.
- 598 Communication is delaying service delivery. There are examples of where staff do not have the necessary information to deliver the service. Group assistants have a limited knowledge of who to contact about estate cleaning and grounds maintenance. Consequently time is lost trying to ascertain who is responsible for carrying out the necessary work to keep estates clean and well maintained. Council cashiers did not know about the introduction of swipe cards to enable tenants to pay their rent the post office.
- 599 Progress in delivering the intended improvements has been delayed. When we were on-site, the council had not agreed the capital programme for 2004/05, due to the fact that it was waiting for a decision on two significant grant applications. As a consequence, ALMO officers were unable to commence the full improvement programme due to a shortfall of almost one million pounds. Whilst we note that this matter has now been resolved, we were concerned to note that the board were not aware of this issue.
- 600 SLH is aware that the capacity of the construction industry could act as a barrier to achieving decent homes. Although officers have had experience of partnering arrangements, its full potential has not been realised. For example there has been no attempt to discuss capital programmes to ensure continuity of works, reduce overheads and deliver savings.

Clarity of arrangements to refine improvement plans in the light of feedback/experience

- 601 A good relationship exists between staff from the council and the ALMO. We understand that officers from both organisations will work on the revisions to the HRA business plan, which is scheduled to be revised in July to reflect the ALMO status. Other documents which are listed in the delivery plan for an annual review is the housing strategy and the delivery plan itself.

- 602 The delivery plan describes the obligations on SLH and the minimum expectations the council has such in terms of governance. To enable a smooth transition to the new company the board has adopted a range of council policies which have been developed with tenants over time. These include rents and service charges, estate management customer care and right to buy.
- 603 The management agreement follows the template documentation and stipulates that SLH will provide all relevant information reasonably requested and comply with the performance management regime. No additional provisions have been made which would impact on the freedom of the ALMO to conduct its own affairs.
- 604 Some amendments to the template are designed to improve communication with tenants. A new clause stipulates that the annual performance plan will be submitted to the tenant committee and another that the ALMO will consult with the same committee as a precursor to making a budget decision relating to surpluses. Both are designed to include the tenant committee in the monitoring arrangements.
- 605 Monitoring arrangements for the ALMO are well developed. A twelve month timetable of meetings between council officers and representatives from SLH has been agreed. The intention is that performance against the delivery plan and performance indicators in general will be scrutinised on a quarterly and monthly basis respectively.
- 606 The council has adequate resources in place to deliver the strategic housing function. The Community and Housing group has three teams to deal with housing renewal, housing advice and strategy development. This puts the council in a strong position to continue to develop strategic housing initiatives and to ensure the ALMO is effectively monitored.
- 607 It is apparent that staff have been encouraged to visit other organisations to identify best practice and that importantly some of those ideas are then implemented:
- ◆ a leaflet on rent restructuring was introduced after visiting other councils and identifying user friendly formats for customers; and
 - ◆ grounds maintenance staff have visited excellent councils to acquire additional knowledge and are now proposing to move to performance based contracts and introduce a new service charter.
- 608 There is good evidence of how the service responds to tenant feedback. This is undoubtedly a strength within the organisation. For example a re-let survey which is reviewed regularly has identified shortcomings such as the condition of properties and this is now being addressed by a new lettable standard.
- 609 Arrangements to review support services have not been agreed. Service level agreements have been signed for all support services, but a timetable detailing when each agreement will be reviewed is not available. Given that fact that all services have to be reviewed within the first twelve months of the ALMO being in operation, this is a significant risk. We understand that this has been addressed since we left site.
- 610 The council has learnt from previous experience when considering the renovation of sheltered schemes. Following an options appraisals one sheltered scheme has transferred to a partner RSL to deliver the necessary improvements and the most cost effective solution. Previous decisions had been based on political views and not the conclusions of the appraisals.

- 611 The ALMO has not developed a robust risk management framework. High risks are identified and remedial action listed. We feel that in most instances the remedial action describes a response to service failure as opposed to specifying prevention measures. We understand the risk management plan is to be reviewed as part of the business planning process this year.
- 612 The council has adopted a clear but limited approach to meeting the DHS. Its plans to deliver the DHS focus predominantly on its bid to access ALMO funding. It has not presently identified sufficient resources to meet DHS if the bid is unsuccessful. The level of risk, however, is lessened by the relatively good condition of the housing stock and the potential to redistribute existing resources.
- 613 The council has not addressed the long term viability of the HRA. Projections show that by 2009 the HRA would fall below the recommended level of reserves of £500,000. However this is not an issue which has been satisfactorily considered and is not listed as a risk in the risk management framework.
- 614 Plans to rationalise the service have yet to be discussed with the board or customers. SLH currently delivers its service from three offices. The one at Ambleside is seen as a council one stop shop by residents but is basically a housing office. SLH has yet to determine whether additional income could be levered in by delivering some services on behalf of the council. Opportunities to work with other RSL partners to rationalise services or identify alternative options such as area surgeries have not been considered.

Summary of prospects for improvements

- 615 There are clearly both drivers for improvement as well as barriers.
- 616 We found the following drivers for improvement:
- ◆ the board and staff of SLH show high levels of self-awareness and are enthusiastic about the challenges facing them;
 - ◆ staff morale and commitment highlighted by the effort involved in developing the ALMO and competing a best value review at the same time;
 - ◆ tenant involvement is good and services are clearly focused on outcomes for customers;
 - ◆ the option appraisal process and the level of tenant involvement has developed commitment from stakeholders to the ALMO;
 - ◆ the council is well placed to deliver the strategic housing function;
 - ◆ staff are encouraged to identify and implement best practice;
 - ◆ there has been investment in IT systems to improve capacity;
 - ◆ there has been good progress in addressing the recommendations in the previous inspection report on sheltered housing;
 - ◆ the board and senior management team know where improvements are required following the best value review and this inspection; and
 - ◆ there is good use made of customer feedback to inform service improvements.

617 However, we noted the following as barriers to improvement:

- ◆ the relatively high management costs and performance of the repairs service is an area for concern;
- ◆ the training needs of the board members have not been adequately assessed and training has not been delivered as intended;
- ◆ the board and SMT are relatively inexperienced and have yet to demonstrate their awareness of how the organisation is performing and demonstrate the ability to effectively manage performance;
- ◆ the board has not developed a strategic approach to managing performance within the organisation;
- ◆ the council and the ALMO have not challenged the way existing services are delivered and have therefore not identified potential improvements;
- ◆ given the diverse nature of the district, opportunities to deliver services in partnership with other service providers have not been fully explored to reduce service costs;
- ◆ performance management techniques are not being used to drive continuous improvement and the lack of SMART targets is a weakness in action plans;
- ◆ there is a lack of information on how much services are costing to deliver and whether this represents value for money, both for those services delivered by and on behalf of the ALMO;
- ◆ there is a low level of awareness of issues relating to equalities and diversity both within the council and the ALMO;
- ◆ the risk management framework does not adequately identify contingency plans and effective ways to reduce the risk to the organisation; and
- ◆ the council has not fully addressed the risks associated with the long term viability of the HRA.

618 In our view there are some significant barriers for improvement which are of concern and significantly outweigh the drivers. We have therefore have judged that South Lakes Housing has **uncertain** prospects for delivering improvements in its services.

Appendices

The purpose of a best value inspection is to make two judgements. The first is how good is the service being inspected? The second is what are the prospects for improvement? We carried out a range of activities to enable us to reach our judgements.

Documents reviewed

Before going on-site and during our visit, we reviewed various documents that the council and SLH provided for us. These included:

- ◆ Housing Strategy 2002-2006 and Housing Investment Plan;
- ◆ Housing Revenue Account Business Plan 2002;
- ◆ SLH Delivery Plan 2004/05;
- ◆ SLDC Best Value Review of Housing Services 2004;
- ◆ Policy and Procedure Manuals;
- ◆ Tenant Participation Strategy;
- ◆ Performance Information and Customer Survey Results; and
- ◆ SLH Documentation, including Board Minutes, Training Plans and Section 27 Application.

Reality checks undertaken

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. We also followed up on issues relating to the management of the review and the improvements flowing from it. Our reality checks included:

- ◆ visits to decentralised housing offices;
- ◆ focus groups with tenants and staff;
- ◆ interviews with council and ALMO staff, board members and councillors;
- ◆ postal and telephone surveys of tenants;
- ◆ observation of front line staff in local offices;
- ◆ visits to properties where major works had been completed; and
- ◆ estate inspections and visit to sheltered schemes.

List of people interviewed

Andy Bell	Maintenance Surveyor-SLH
Bev Townley	Housing Officer-SLH
Brian Evans	Store Manager SLH
Chris Fiddler	Assistant Director-Environmental Health-SLDC
Colin Hodgson	Portfolio holder for Housing- South Lakeland Council
Colin Mulhenny	Housing Services Group British Gas
David Payne	Tenancy Support and Mediation Officer-SLH
David Stubbs	Head of Housing Services-SLH
Debbie Marsden	Tenant Participation Officer-SLH
Evelyn Wilson	Group Assistant-SLH
Gary Ronson	Head of Finance-SLH
Gordon Aitkin	Supported Housing Manager-SLH
Helen Smith	Chief Accountant-SLDC
Ian Elleray	Housing Strategy Manager - South Lakeland Council
Inspector Spedding	Police representative- CRDP
Jenny Draper	Community Safety Manager-South Lakeland Council
Jez Such	CAB-Kendal
Jo Marsden	Group Assistant-SLH
Joanna Hird	Benefits advice officer-South Lakeland Council
John Dyer	Policy and Performance Manager- SLDC
John Stanton	Chair of ALMO Board and Independent Board Member
Kelly Postlethwaite	Group Assistant-SLH
Kevin Earl	Supporting people officer- South Lakeland Council
Laurence Conway	Cleansing and Transport Services Manager-SLDC
Lindsey Moorhouse	Housing Officer-SLH
Lisa Chant	Senior Housing Officer-SLH
Louise Matthews	Group Assistant-SLH

Lynn Huxley	Senior Housing Officer-SLH
Maureen Baldwin	Housing Officer-SLH
Mike Williamson	Contract partnership Manager-SLH
Patrick Kelly	Housing Services Group British Gas
Paul Tiplady	Chief Officer-Lake District National Parks
Pauline Keely	Group Assistant-SLH
Peter Thomas	Chief Executive SLH
Philip Cunliffe	Chief Executive- South Lakeland Council
Simon Hughes	Senior Housing Officer-SLH
Simon McVey	Benefits Manager-South Lakeland Council
Sue Boulton	Business Support Manager-SLH
Sue Mallinson	Supporting People Officer- South Lakeland Council
Susie Duffy	Community participation Coordinator- South Lakeland Council
Tom Lynch	Repairs Operations Manager- SLH
Trevor Woodward	Head of Property Services-SLH
Vince Carter	Housing Officer-SLH
Council Board Members Focus Group	Cllr Charles Batteson Cllr Gwen Murfin Cllr Roger Bingham Cllr Sonia Lawson
Independent Board Members Focus Group	Chris Jones John Stanton Peter Thompson
Tenant Board Members Focus Group	Ian Metcalfe John Short Joan Chadwick
Repairs and Planned Maintenance Surveyors-focus Group	
Tenant representatives focus group	
Building team -focus group	
Sheltered scheme managers and caretakers-focus group	

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).

Positive practice is something which makes a service more effective and ultimately, more able to deliver what the customer wants. The positive practice found during our inspection by South Lakes Housing is summarised below:

- ◆ rent collectors provide a personal service to customers whilst delivering other aspects of the service such as reporting repairs and estate management issues;
- ◆ leaflets offering information on disabled adaptations are widely available;
- ◆ performance information is displayed in large print in sheltered accommodation; and
- ◆ gas servicing is carried out during summer months to minimise disruption to tenants and reduce breakdowns during the winter.

Improving public services

The Government has placed a duty upon local councils to deliver services to clear standards – of cost and quality – by the most economic, efficient and effective means available.⁸ Best value is a challenging framework that is designed to improve local services. Councils are required to assess their own performance and put in place measures to ensure continuous improvement in all of their services.

Councils must show that they have applied the 4Cs of best value:

- ◆ **challenging** why and how a service is being provided;
- ◆ **comparing** their performance with others' (including organisations in the private and voluntary sectors);
- ◆ embracing fair **competition** as a means of securing efficient and effective services; and
- ◆ **consulting** local **taxpayers**, customers and the wider business community.

The Government has decided that each council should be scrutinised by an independent inspectorate. The Audit Commission performs this role.

The purpose of the inspection, and of this report, is to:

- ◆ enable the public to see whether best value is being delivered;
- ◆ enable the council to see how well it is doing;
- ◆ enable the Government to see how well its policies are working in practice;
- ◆ identify failing services where remedial action may be necessary; and
- ◆ identify and disseminate best practice.

⁸ This report has been prepared by the Audit Commission ('the Commission') following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.

Arms Length Management Organisations (ALMOs)

The Government introduced the concept of Arms Length Management Organisations (ALMOs) in its Housing Green Paper 2000: 'Quality and Choice: *A decent home for all*' and was re-affirmed in the Sustainable Communities Plan in February 2003.

ALMOs are companies set up by a local authority to manage, maintain and improve its housing stock. The local authority remains as the landlord and council tenants remain secure tenants of the authority. An ALMO does not trade for profit and is managed by a board of directors comprising council representatives, elected tenants and independents, usually on a third/third/third basis.

The Government decided that local authorities pursuing this option can secure additional capital funding if the new arm's length body has received a 'good' rating from the Audit Commission's Housing Inspectorate.

To access this additional funding an authority must:

- ◆ have established an arm's length management organisation to manage its housing stock and associated investment;
- ◆ have demonstrated a high level of performance as measured against the best value national housing indicators and a 'good' rating following a Housing Inspection;
- ◆ have demonstrated sound financial planning, management and long-term financial viability through a high quality business plan; and
- ◆ have provided a clear plan showing how it proposes to move to a structure of rents and a lettings scheme that is in line with the reforms agreed following the Housing Green Paper.

In July 2000 the Government announced the resources it would make available to such authorities. To secure improvements to around 90,000 homes, £160 million is available in 2002/03 and a further £300 million in 2003/04. In 'Sustainable communities: building for the future' the Deputy Prime Minister announced an additional £1.4 billion for ALMO expenditure to April 2006. With this funding local authorities and their ALMOs are expected to achieve the Decent Homes Standard for their housing stock by 2010.

The Housing Inspectorate has recently published revised guidance on the inspection of ALMOs.

- ◆ 'ALMO Inspections and the delivery of excellent housing management services' (Audit Commission – March 2003)
- ◆ 'Learning from the first housing ALMOs' (Audit Commission – May 2003)