

Case study 11 – Bury

Summary

Bury Metropolitan Borough Council

Housing rents service

LA stock size – 9,241

Key events

A poor/zero star service was found at the initial inspection of Bury's housing rents service in December 2001. The re-inspection found a much improved service and a good/two star judgement was given with promising prospects for further improvement.

Key improvements

- A project board and service improvement plan had been established.
- Customer facing services had improved.
- A 'step change' had been made in business planning.
- A SLA with housing benefit had 'transformed' the service.
- Housing had risen up the Council agenda.
- Performance management had taken on a far higher profile.
- Investment needs of the housing stock were being tackled.

Context

Bury is in the northern part of Greater Manchester. About 6 per cent of the population is from black and minority ethnic groups. The council has a stock of about 9,000 homes and was considering options for the future at the time of the first inspection. The Audit Commission carried out a comprehensive performance assessment (CPA) in 2002, in which Bury received an overall score of 'weak' with housing rated 'fair'. The council's Government Office rating moved up to 'above average' that year.

The starting point

Bury carried out a best value review (BVR) of the rents service between June 2000 and September 2001, and was inspected in December 2001. The review excluded Housing Benefit, advice and rent restructuring. It concluded that there was little external interest in providing the service, and that customers preferred the service to remain in-house. A revised improvement plan was drawn up in December 2001.

During 2001, major restructuring of the housing service began with the introduction of specialist teams of staff. The education service was separated off, while housing and social services staff remained in a single directorate. The rent service was managed via two directorates – finance and housing – and through four sections within the directorates.

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Conclusions of the first inspection

The inspectors found a poor/no star service with promising prospects. They reported that the service was fragmented and that there was a culture of passing tenants from one department to another. Information for tenants was poor: they were given no details about on rent setting and no regular rent account statements. There was no service plan or service level agreement between the housing and housing benefit departments, and performance management was almost non-existent. Some £1.2 million of former tenants' arrears were outstanding – about 5 per cent of the £20.5 million owed in rent each year.

The inspectors requested a review of working arrangements between the different sections and directorates. They said that the council should work with tenants to develop improvements, such as service standards, one-stop shops and easier payment methods. Urgent action was needed to reduce former tenants' arrears. Overall, they commented, 'the impression was of a service not designed for the convenience of its customers'.

The council's progress

Early in 2002, the council set up a project board to drive through a service improvement plan that encompassed the recommendations of the first inspection. The key priorities were:

- performance management;
- the relationships with housing benefits staff; and
- rent arrears.

In May 2003, the re-inspection report rated the service good/two stars, with promising prospects. The inspectors said that the customer focus of the services had much improved. Though there were still weaknesses, notably on equalities issues, the council had made a 'step change' in business planning, the collection of arrears and customer care. In particular, a service level agreement between the housing and housing benefit departments had 'transformed' the service.

There were still concerns that the council was not demonstrating value for money on arrears work and possession cases. But void turnaround was now the best in the Greater Manchester benchmarking group. Bury was the only authority in this group to reduce former tenant arrears.

The drivers for improvement

Reorganisation has begun to streamline the service and give greater emphasis to housing within the council structure. The Commission still has concerns, however, because re-structuring plans have been shelved while the new housing director, appointed in 2002, assesses the situation.

There is also evidence of a 'silo' mentality at lower levels of the council, though the inspectors reported that this had changed at senior level. But the realisation of housing's importance in CPA scores galvanised the council. It has admitted that the CPA score marked a watershed in the focus on housing. Performance management has taken on a far higher profile, with the deputy chief executive taking charge of this area. The lead member for housing chairs a performance working group within the housing advisory group. Each group includes six tenants.

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Co-ordination is achieved through a corporate performance framework. This cascades through the organisation to all staff via annual appraisals where targets are set.

The project team that was set up to respond to problems raised in the first inspection includes the most senior council officers and senior councillors. The team ensures that progress is closely monitored, and the presence of senior staff ensures that emerging problems can be dealt with immediately.

A customer contact project steering group is working to improve customer care standards, telephone and internet services and council information points. A housing options project board is evaluating what level of investment is necessary for the housing stock.

Councillors have taken a keen interest in housing. A dozen members visited other authorities to gain knowledge from their experiences. Portfolio changes have given a clear emphasis to the service.

Case Study 12 – Congleton

Summary

Congleton District Council
Housing and domestic services
LA stock size – 0 (LSVT)

Key events

Inspectors found poor/zero star housing and domestic services with promising prospects when they first inspected in December 2001. This had improved to a 'fair'/one star service with promising prospects by the time of the re-inspection report in May 2003.

Key improvements –

- Housing was given greater priority within the council.
- Increased understanding of the council's role as a strategic enabler.
- The budget was increased.
- A customer charter was developed.
- Consistent and appropriate decision making measures were introduced.
- There was greater member involvement, especially in the monitoring of performance.
- New IT was introduced.
- Improved information for customers had been produced.

Context

Congleton is a district authority in Cheshire. There are five main towns, plus a rural area that is mostly designated Green Belt. The council transferred its housing stock to Dane Housing (Congleton) Ltd in 1998. It has raised its Government Office rating from 'well below average' to 'average' in two years.

The starting point

After stock transfer the council moved its retained housing functions into the environmental services directorate. In 2001 it carried out a BVR of the service. However, this review did not fundamentally challenge the way that the service was delivered.

The housing service suffered from a recruitment freeze and found it difficult to recruit staff at more senior levels. However, a housing manager post was created, however, and was expected to add stability and direction to the service.

Conclusions of the first inspection

In December 2001 the inspectors visited and gave the service a poor/no star rating but with promising prospects for improvement. The inspection covered housing strategy and enabling, homelessness and housing advice, allocations and the waiting list, private sector renewal, energy efficiency, and care and repair.

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The inspectors found that the housing service was not given high priority within the council and that its strategic role was not well understood. Particular criticisms included:

- the council had not maximised receipts available for affordable housing;
- the council had not been active enough in responding to special needs groups and rural communities;
- the homelessness service was under-developed;
- the council was not meeting its obligations to homeless 16 and 17 year olds; and
- the approach to private sector housing was reactive and not strategic.

The inspectors recommended action on all these fronts. They were concerned at the lack of good-quality data on stock condition, which was needed to inform the council's strategic approach.

The council's progress

Following a re-inspection, a second report was issued in May 2003. This time they found a marked improvement in the priority given to housing within the council. Members and senior managers had much increased their understanding of the council's role as a strategic enabler.

Despite constraints on the council's budget overall, in recognition of failings in the housing service, this budget was increased by 4.5 per cent to £592,000. It was set to rise again in 2003/04 by £112,000 or 19 per cent.

Specific actions included the development of a customer charter setting out standards of service and the creation of a set of information leaflets. New operating procedures were introduced for cases of homelessness to ensure consistency and appropriate decision making, as were customer satisfaction surveys. A particular strength was the care and repair service, which the inspectors praised as a model of good practice that others could learn from.

This time the council's rating was one star/fair, with promising prospects. Progress was limited by continuing weaknesses, notably the lack of an up-to-date stock condition survey and slow progress in reviewing the allocations policy. The inspectors still found little evidence of a proactive approach to private sector renewal and a lack of emphasis on achieving broad outcomes. There was still no regular inspection of houses in multiple occupation, or any registration scheme. Nonetheless, plans were in hand to tackle some of the weaknesses found.

The drivers for improvement

The Council told the inspectors that the first inspection had prompted a realisation of the fact that it had a key strategic role to play in influencing developers and housing associations to ensure that the borough achieved an appropriate mix of affordable housing, of which there was a shortage. For some members, housing is now seen as the most important council function and they are keen to ensure that they play their role as effectively as possible.

The housing portfolio holder now receives regular updates on progress against the improvement plan, and is in contact with the housing manager at least weekly. The current holder attended training and seminars alongside housing staff.

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A new IT package has helped to develop systems and increased budgets will help with both strategic development and service delivery. The extra resources are being spent on filling all vacancies in the department, which the inspectors believed would bring a period of stability to the service, and on training that includes statutory homelessness responsibilities. New leaflets and other written materials for customers have been produced.

Case Study 13 – Ellesmere Port and Neston

Summary

Ellesmere Port & Neston District Council
Housing strategy and enabling
LA stock size – 6, 807

Key events

In July 2001, inspectors found the housing strategy and enabling functions at Ellesmere Port to be struggling. A score of poor/zero stars with promising prospects was given. This was raised to fair/one star with promising prospects following a re-inspection in April 2003.

Key Improvements

- The council had acted on the inspection recommendations.
- A more strategic approach had been developed.
- A draft private sector housing strategy had been written.
- The homelessness policy had been reviewed.
- The management and maintenance options appraisal was completed.
- A stock options report was completed.
- User information was collected to inform the housing strategy.
- Staff training was carried out.
- There was more effective work with external partners.
- Increased investment in improving the service.

Context

Ellesmere Port & Neston is a district in Cheshire, close to the Merseyside conurbation. In contrast with many districts in the north west, it does not experience low demand for council housing. The council owns about 7,000 homes. For several years prior to 2001 the council's housing strategy function had a series of poor ratings from the Government Office.

The starting point

Because of successive poor ratings from the Government Office, the council decided to prioritise its strategic housing and enabling role as a first year review. It completed a BVR in July 2000, recognising that its housing strategy and enabling service was weak. The service did not have its own specific staffing resources: it was carried out part time by the borough housing officer and other staff, at an estimated cost of £36,000; it did not have the information base available to it to inform a robust approach to strategy and enabling. In general, the council concentrated its housing work on managing its stock.

Conclusions of the first inspection

The July 2001 inspection report found that the strategic role was little understood and not valued at Ellesmere Port & Neston. The inspectors estimated that the council had lost a potential £180,000 in just one year through its poor Government Office rating, and far more over several years.

The Council lacked the building blocks to enable it to create an effective approach to strategy. It had not undertaken housing needs surveys or market analyses, even

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when it had a statutory duty to do so. It had little knowledge of the extent of homelessness or the housing and support needs of groups with special needs. Nor had most groups of stakeholders or customers been consulted with a view to developing strategies.

The council had a longstanding policy of maintaining low rents and no long-term sustainable strategy for the future management and maintenance of its stock. The council had assumed in its BVR that it would continue to provide the housing service in future and had not looked more fundamentally at its strategic role in housing over the longer term.

For all of these reasons the service was awarded a poor/no star rating. Initially the inspectors said it was 'unlikely to improve' but they were persuaded to increase this to 'will probably improve' when the council revised its action plan and began to make changes.

The council's progress

The inspectors returned in April 2003. This time they decided that the service was fair/one star with promising prospects. They praised the 'significant' progress the council had made in the intervening two years.

In particular, the council had acted on inspectorate recommendations to:

- develop a more strategic approach to delivering an affordable homes programme;
- draft a private sector housing strategy;
- develop a strategy to meet the needs of vulnerable groups;
- review the homelessness policy;
- review options for future management and maintenance of the council stock;
- complete a stock options report;
- undertake surveys to inform the housing strategy;
- increase staffing capacity to enable strategy work to be carried out; and
- work more effectively with external partners.

The council had worked hard to gather sound and reliable information upon which to base future housing strategy. However, it now faced the challenge of turning a vast amount of survey data and information into real intelligence that could be used to underpin future action and strategic direction.

The Government Office lifted its rating of the council from 'well below' to 'below' average.

The drivers for improvement

Ellesmere Port & Neston had never before seen the value of strategic work. The previous over-emphasis on the housing landlord role had led to a lack of focus on the strategic enabling function. But, at the time of the second inspection, inspectors found that this had changed and that there was increasing recognition of the importance of the strategic housing role.

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That has meant looking far beyond its own stock – though the long-term future for that also had to be closely examined. When it began to include other stakeholders in shaping the service, it set up a virtuous circle in which the improvement in attitude and approach was appreciated and led to further robust planning.

The council has also invested substantially to make the necessary changes. It put in an extra £250,000 after the first inspection, recruited three new strategy staff and undertook three major needs and stock surveys and a stock options study.

Because it was starting from a low base, the council's progress in achieving real results has not yet been fully realised, which is reflected in the 'fair' rating at re-inspection.

Case Study 14 – Hertsmere

Summary

Hertsmere District Council

Housing services

LA stock size – 0 (LSVT)

Key events

A poor/zero star judgement with uncertain prospects was given on Hertsmere's housing services, when inspected in January 2002. However, within 15 months these had risen to become a good/two star services with promising prospects for improvement.

Key improvements

- Council reorganisation giving housing greater priority.
- Strategic and capital objectives had been set out in a housing strategy.
- A customer charter had been developed and made available.
- A common housing application form was in use.
- Work on diversity and equalities issues had begun.
- Scrutiny committees had been developed.
- 'Traffic light' system flagging up any slippage in the revised BVR action plan was established.
- Commitment to achieve service improvements.
- Staff were becoming much more customer focused.

Context

Hertsmere is a district in Hertfordshire, north of London. The area is relatively affluent, but there are pockets of deprivation. About 7.5 per cent of the population are from black and minority ethnic communities, according to the 2001 Census. The council transferred its housing stock to two housing associations in 1994.

The starting point

Housing was part of the community services directorate. The service consisted of five staff. A planned reorganisation led to a freeze on job recruitment for a time, so only 2.4 of the full-time equivalent posts were occupied by staff on permanent contracts.

In January 2001 the council completed a BVR of housing services. This consisted of housing strategy, new social housing and housing needs operational services, including the housing register, homelessness and housing advice services. The last two were contracted out to Ridgehill Housing Association at a cost of £130,000 a year. An action plan to July 2003 was drawn up.

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Conclusions of the first inspection

The inspectors reported in January 2002. They found that the net cost of providing the housing service in 2000/01 was £93,500, compared with £36,500 the previous year.

They were critical of many aspects of the service. The time taken to make decisions on homelessness was well below the performance of the worst 25 per cent of authorities, they said. Homeless families were spending far too long in bed and breakfasts, and the use of accommodation in Slough acted as a deterrent to people applying.

The strategy and enabling functions were fairly strong. Enabling of new social housing was good, but there was no private sector strategy.

The inspectors said that the action plan did not contain specific, ambitious or stretching actions. They were concerned about the contract with Ridgehill, which had been renewed twice without competition. Until the year before, no monitoring of this contract had taken place.

The inspectors rated the service poor/no stars and unlikely to improve. Their recommendations included:

- reducing the length of time taken to make homelessness decisions;
- drawing up a new specification for the homelessness and advice contract, with monitoring built in, and subjecting the contract to market testing;
- reducing use of bed and breakfast accommodation;
- reconsidering the waiting list points system; and
- giving appropriate corporate priority to the strategic housing function.

The council's progress

The inspectors' second report in April 2003 reported that the council had been completely reorganised. Housing needs, homelessness and private sector housing functions had been merged into a combined service, within an external services directorate. The homelessness and there were 13 staff on permanent contracts in the housing service. The net cost of the service was £155,000.

The inspectors said that the housing service had developed its own strategic and capital objectives for the provision of a comprehensive housing service. These were contained in the housing strategy.

A customer charter had been developed and made available. A common housing application form was in use by the council and its two main housing association partners. Work on diversity and equalities issues had begun, but was still at a very early stage. Monitoring of the homelessness and advice service was in place, and performance on the length of time taken to make homelessness decisions had greatly improved to just below average. The Slough accommodation had been used only once in a year.

Hertsmere doubled the resources available for grants to address private sector unfitness and disabled facilities grants. A private sector strategy had been developed and a house condition survey had been commissioned.

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A more robust performance management system had been introduced, but further developments were partly dependent on better IT systems. All of this led to a fair/one star rating, with promising prospects.

The drivers for improvement

Following the first inspection, the council drew up a revised BVR action plan, which was agreed with the Audit Commission and Government Office. The council demonstrated that it was taking housing issues more seriously, and giving them high priority, in several ways. Outside consultants were used to build capacity. The council leader has taken over responsibility for the housing portfolio and, in the early months, monitored progress against the plan fortnightly. The role of scrutiny committees has been developed and members have begun to exercise their right to 'call in' information – which they are better able to do with the benefit of performance monitoring data.

The head of environmental health and housing monitors progress monthly and the executive quarterly. A 'traffic light' system has been brought in, which flags up any slippage in the plan.

The inspectors found real enthusiasm among councillors and staff, and a commitment to see the service improvements through. They reported that this had brought about a culture change in the service and that staff were becoming much more customer focused. The council has also established a corporate objective of coming 'best in class'.

Case Study 15 – Selby

Summary

Selby District Council

Rent Collection and arrears recovery

LA stock size – 3, 500

Key events

Selby improved their rent collection and arrears service from a poor/zero star rating with promising prospects in February 2002 to a fair/one star service with uncertain prospects by June 2003.

Key improvements:

- Two new council offices with good facilities were opened.
- Strong improvement in involving tenants.
- Work started with difficult to reach groups.
- An action plan for improvement had been revised.
- A performance monitoring officer role was created to ensure a corporate approach to improvement plans.
- Cross-departmental working has been introduced.
- A more proactive arrears service developed.
- The new IT system had improved access to information.

Context

Selby is a largely rural district that forms the southern tip of North Yorkshire. Coal mining has been the largest source of employment for many years. The area is relatively affluent. The black and minority ethnic population is about 1.7 per cent. The council owns 3,500 homes, of which 1,500 are sheltered housing.

The starting point

Rents was chosen for an early BVR as the council recognised that there were weaknesses in the service. Housing benefit was reviewed separately. An improvement plan for rent collection and arrears was agreed by the council in August 2000. Councillors rejected a BVR recommendation to end door-to-door rent collection for all but elderly and vulnerable tenants. The improvement plan set a series of targets for rent collection and arrears recovery.

The results of the first inspection

In February 2002 the inspectors visited and awarded Selby a poor/no star rating, with promising prospects.

The problems with the service included:

- rent arrears recovery deteriorating over a sustained period;
- lack of effective staff supervision and monitoring;
- failure to meet all statutory obligations;
- poor levels of tenant involvement;
- varying service standards;
- lack of action on equal opportunities; and
- failure to demonstrate value for money.

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The inspectors wanted to see the rent collection service linked to a strategy to move to cost effective payment methods. The council needed to implement rent restructuring. The inspectors wanted to see more challenging targets, as some would not lead to significant improvements, and also a corporate approach to debt recovery and rent collection methods that reflected positive practice from elsewhere.

The council's progress

At the second inspection, reported in June 2003, Selby achieved a one star/fair rating. However, prospects for further improvement were uncertain. The inspectors praised the appearance of the two council offices, which have private interview rooms, IT access and video conferencing facilities. Staff were 'friendly and smart', but standards of service varied. Some improvements went awry during the implementation. For example, when the first quarterly rent statements were sent out without warning, there had to be a large volume of enquiries from tenants that the CAB had to deal with.

Involving tenants improved strongly with three tenants' and residents' associations, plus a tenants forum. A 50-strong tenants panel acted as a sounding board for all council business. A young people's forum was underway, along with a race equality scheme aimed at ensuring effective engagement with minority communities. However, as the council did not always communicate well, getting the message across was acknowledged as a weakness, however: the council did not always communicate well. It had in hand plans to engage a consultant to advise on a communications strategy and the likely costs involved.

Performance indicators were generally good: Selby compared favourably with its peers on average weekly rents, management costs, rent lost through voids and re-let times. Rent collection rates, arguably the key indicator for the service, improved initially but then fell back. The arrears recovery service had made little progress. The action plan for improvement was revised to address concerns raised from the first inspection. But the inspectors said that no clear ownership existed to ensure that the plan was put into effect. The rents service was delivered via the revenues section of the corporate services directorate, not the housing department. This had led to a disjointed approach to arrears recovery.

Housing was not involved in drawing up the improvement plan and the inspectors believed that the department had 'washed its hands' of responsibility for this. No service level agreements existed between departments, which would have enabled housing to outline its expectations and agree with what work was received for the fee paid to the corporate services directorate.

The drivers for improvement

Although Selby's second inspection brought mixed results, the inspectors praised a growing ownership of problems within the council as a whole. It had recognised the weakness of its approach to performance management. It created a new organisational development directorate and appointed a performance monitoring officer to ensure a corporate approach to its improvement plans. A service performance agreement and improvement plan were agreed for the rent service with clear aims and targets. The strategic management team assesses progress monthly against the agreements and plans, and reports to councillors. Cross-departmental working has been introduced.

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The council had put in unspecified extra resources to improve the service, and promised further investment as needed. However, the cost of providing the service and rents had both risen to levels above Selby's peer average. The budget for the service fell from £218,000 in 2001/02 to £207,000 in 2003/04.

Revenue staff were moving towards area-based teams that mirror the patches used by housing. This is designed to allow individual target setting, effective monitoring and a more proactive arrears service. Rent collector posts were redeployed after most door-to-door collection was ended. These posts were switched to recovery, welfare benefits and debt counselling.

A new IT system was introduced in June 2003 to improve customer access to information, including allowing cash clerks to access rent accounts, not just balances. A new cash receipting system would link to other systems, helping staff to give better advice to customers.

Case Study 16 – South Derbyshire

Summary

South Derbyshire District Council

Sheltered housing

LA stock size – 3, 608

Key events

Inspectors found 'poor'/ zero star sheltered housing service with uncertain prospects when they were first inspected in June 2001. This had improved to a 'fair'/ one star service with promising prospects by the time of the re-inspection report in December 2002.

Key improvements

- Community wardens were now providing a high level of service.
- Customer care charter had been developed.
- There is now a programme improving the facilities and safety of the schemes.
- Members and senior officers are now committed.
- A monitored action plan was put in place.
- Partnership working had started.
- New staff were recruited with a 'can do' attitude.
- There has been a culture change in the housing service.
- Tenant involvement had got better.
- Improvements were being planned more strategically.

Context

South Derbyshire is a district council centred around Swadlincote, south of the City of Derby. The council owns 3,608 homes, 32 per cent of which are sheltered. At the time of the BVR there were five category two schemes, with a further 39 category one schemes. Some of the sheltered stock is unmodernised and this, together with the proportion of sheltered dwellings, makes some of the stock difficult to let.

The sheltered stock is supported by a control room that provides an emergency call service, South Derbyshire CareLine, to all sheltered tenants and to those in the private sector. In all, the service employed 31 staff, 21 of whom were wardens. There was a fixed service charge whatever the type of property and service. It met about one-half of the cost. Costs had risen by 20 per cent in two years.

The starting point

The council undertook a review of its sheltered housing service during 1999-2001. An action plan was prepared proposing changes to staffing and to the service provided by the emergency alarm service. The plan also recognised the problems concerning service standards, facilities and charges.

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Conclusions of the first inspection

The service was inspected in June 2001. Inspectors concluded that the service was poor/no stars and was unlikely to improve. Tenants were paying the same rent and service charge but service levels were very different and were hampered by high sickness levels. In category 1 schemes, there were only occasional visits by wardens, but in the category 2 schemes, tenants were visited every weekday.

Falling demand had led the council to let some stock to unsuitable younger tenants. The condition and environment in some schemes were found to be poor and security was inadequate. There was very limited consultation and involvement of residents. Information supplied to tenants was poor, as were health and safety procedures and practices.

There was no clear vision for the service and no effective partnership working with the county, health and the voluntary sector. The initial improvement plan did not address these issues, but the council prepared a further plan in response to the inspectors' findings.

Inspectors recommended that the council:

- make the living environment safe, secure and supportive;
- cease to let sheltered properties to younger people with different lifestyles and to consult tenants about any changes to the allocation policy;
- define service standards at each scheme and ensure that charges reflect the service received; and
- develop a strategy for the service in partnership with other relevant agencies.

The council's progress

The Inspectorate visited the council for a second time in December 2002, some 18 months after the first inspection. The council had made considerable progress. A high level of service was being provided by community wardens, who had a clear role and were committed to providing a caring and supportive service, supported by an informative and easy-to-read customer care charter and regular health and safety checks. There had been full and sensitive consultation with tenants of two difficult to let, Category 2, bed-sit schemes. Both schemes have subsequently been closed and all the tenants successfully rehoused.

The stock is subject to a programme that will improve safety, install door entry systems to schemes with communal entrances, refurbish communal lounges and guest rooms and improve cleaning of windows and communal areas. The stark appearance of some schemes will be changed by improved landscape maintenance.

The commitment of elected members and senior officers to ensure improvements for those living in the district's sheltered housing and receiving support from the community alarm service was evident. This commitment had been translated into a monitored action plan. Partnership working with the county, health service providers and the voluntary sector, while in its early stages, showed promising signs of achieving joint working in the appropriate provision of housing-related support for vulnerable older people. However, inspectors were disappointed to find a lack of a clear vision for the service. Diversity and equality issues were not receiving priority and information leaflets needed revision. As a result, the service was graded as fair/one star with promising prospects for improvement.

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The inspectors recommended that the council have a draft vision in place by September and that it should then consult with service users. It needed to improve information and harmonise its complaints procedures. Data on satisfaction needed to be analysed by age, gender, ethnicity and disability. Finally, it needed to have a local strategic partnership in place by 2003.

The drivers for improvement

The inspectors found a shared understanding between members and officers. The council is facing up to its difficulties and has recruited new staff with a 'can do' attitude. These factors have led to a culture change in the housing service. The council has made major improvements to the way that it involves tenants and its staff which has led to considerably improved staff morale. Improvements are being planned more strategically. The council is contributing to the implementation of the Supporting People programme, administered by Derbyshire County Council.

Case Study 17 – Stockton on Tees

Summary

Stockton on Tees Unitary Authority

Landlord services/Tristar Homes ALMO

LA stock size – 13, 760

Key events

A fair/one star judgement with promising prospects was given on Stockton on Tees landlord services when inspected in March 2002. However, within six months a good/two star services, with promising prospects for improvement was then awarded in the ALMO inspection.

Key Improvements:

- Customer satisfaction had increased.
- Key performance indicators had risen.
- More repairs conducted by appointment.
- Better performance on gas servicing.
- There had been an improvement in the condition of empty properties.
- It had tidier and cleaner estates.
- New policies and procedures for both antisocial behaviour and rent arrears had been put in place, with clear targets.
- Diversity issues had been given a high profile.
- Rent payment methods had increased.
- New consumer consultation groups and customer satisfaction surveys were set up.
- Partnering contracts for planned maintenance had developed.
- There had been tenant consultation on the Decent Homes standard.
- Commitment to delivering improvements.
- Effective governance arrangements were in place.

Context

Stockton on Tees Council is a unitary authority in north east England. The unemployment rate is 6 per cent and the borough includes a designated Neighbourhood Renewal Area. A significant proportion of council tenants are elderly; one-third of voids are occasioned by death. The council is reducing its stock through sale or demolition, as it is suffering from failing housing markets in some parts of the borough and stock has become unsustainable. The Council has formed an ALMO (Round 1), Tristar Homes Ltd, to manage its 13,760 homes. Based on a reduced stock of 10,500, the council needs to invest £138 million in its properties to achieve the 'Decent Homes' standard by 2010.

The starting point

The council conducted a BVR of all of its landlord services, including maintenance, between July 2001 and February 2002. The review and accompanying consultation concluded that the council should form an ALMO and implement a continuous improvement plan. The review concentrated on a number of key result areas:

- good-quality homes;
- maintaining demand;
- customer satisfaction and choice;
- meeting housing needs;
- a culture of service improvement; and
- cost effective services.

Conclusions from the first inspection

The council's service was inspected first in March 2002. The inspectors concluded that while the aims of the service were generally clear, some of the ensuing targets were insufficiently specific. The review was insufficiently challenging, particularly in relation to competition for maintenance and central support services. They found the service to be fair/one star with promising prospects for improvement. The council was making progress in the introduction of new procedures, on improving tenant consultation and on improving the standard of estates through its warden service and its concessionary garden scheme. Inspectors made a wide range of recommendations concerning the basic housing services, including:

- improving the standard of lettable properties;
- widening the range of rent payment methods;
- involving tenants in the formulation of improvement programmes;
- achieving compliance with the gas servicing programme;
- reviewing the value for money achieved by the maintenance service, in particular, the size of the schedule of rates (SOR), the levels of emergency repairs, the use of the SOR for repairs prior to painting, the proportions of jobs that were pre-inspected, the low levels of post-inspection and the prices charged for work to voids; and
- adopting Egan principles¹ for the procurement of repairs.

The council/ALMO's progress

The inspectors revisited the borough just six months later. They found that the newly (April 2002) established ALMO, Tristar Homes Limited, had made considerable improvements and that customer satisfaction had risen as a result. Overall performance on key PIs had risen, albeit from a low base. Particular improvements that were noted included:

- more repairs conducted by appointment;
- better performance on gas servicing, supported by revised procedures that are adhered to rigidly;
- a common voids standard and an improvement in the condition of empty properties;
- tidier and cleaner estates;

¹ Egan Principles introduce partnering to the supply chain and replace competitive tendering with long term relationships. The aims include reducing building costs and times by 10 per cent and defects by 20 per cent, developing new products, promoting sustainability and improving Health and Safety Standards.

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- new policies and procedures for both anti-social behaviour and rent arrears (with clear targets for each area team in the latter case);
- a high profile given to diversity issues;
- more rent payment methods;
- new consumer consultation groups and customer satisfaction surveys;
- the development of partnering contracts for planned maintenance; and
- consultation with tenants leading to enhancements to the Decent Homes standard.

However, inspectors still wished to see better facilities at the housing offices, a cost-benefit analysis of the collection of water charges, a reduction to peak time delays at the repairs' call centre and fewer emergencies and pre-inspections. Some issues surrounding value for money and procurement still needed to be addressed. The inspectors concluded that the service was now good/two star with promising prospects for improvement. They were nonetheless concerned about the council's ability to fund the necessary and future service improvement (concern regarding the sustainability of the Housing Revenue Account and the current extremely low cost base) and the continued ability of the ALMO to sustain the recent rapid progress.

The drivers for improvement

The inspectors found a common understanding and commitment to delivering service improvements and a positive relationship between the council and the ALMO, while maintaining a distinction from each other. Both organisations fulfil the spirit of Government guidance by operating in a distinctly arms length manner. The ALMO has effective governance arrangements in place, with the board displaying the capacity to lead the organisation. The council and the ALMO used the six months between the inspections to concentrate on improving basic housing services for its customers, such as the timeliness of repairs, the rate of rent collection and establishing the Company. The performance management framework is now developed to such a level that all stakeholders receive regular performance reports.

Certain improvements were outstanding, such as wheelchair access to housing offices, choice-based lettings, the use of multi-skilling and a revised schedule of rates by the repairs staff. Inspectors called for a further report on the outstanding value-for-money issues of the repairs service. Similarly, the value for money provided by the council's support services still needed to be market tested. Inspectors also expressed some concern about the organisations' ability to sustain such a rapid process of change.

Case study 18 – Three Rivers

Summary

Three Rivers District Council

Responsive repairs

LA stock size – 4, 100

Key events

The responsive repairs service received a poor/zero star score on the initial inspection. However, the re-inspection found a much improved service and a score of good/two stars with promising prospects was awarded.

Key improvements:

- All of the BVR targets had been met.
- Customer satisfaction was high and rising.
- 90 per cent of responsive repairs appointments made were kept.
- Most repairs were completed on time and within one visit.
- The call centre was now providing an effective service.
- Customer involvement had been much improved.
- Progress had been made on meeting the 'decent homes' target.
- A stock improvement plan had been drawn up.
- Members and staff demonstrated a willingness to change and were committed to improvement.
- There had been improved joint working between directorates.
- The council actively sought to learn from others.
- The architecture was now in place to effect improvements.

Context

Three Rivers is a district on the north west edge of London. The council owns about 4,000 homes, about one-half of which is part of an ex-Greater London Council overspill estate, that employed many methods of non-traditional construction. The council does not suffer from low demand both due to its location and because it only holds about 12 per cent of the area's stock. Until June 2003, the council expected to meet the 'Decent Homes' standard and, therefore, had no plans to transfer its stock (after a failed tenant ballot in 1989). However, as the council is debt free, it has had to revise its position in light of Government changes to the treatment of pooled capital receipts and the abolition of recycled Local Authority Social Housing Grant (LASHG). The council is, therefore, currently in the process of commissioning an independent stock options appraisal.

The starting point

In 2000/01 the council undertook a BVR of its responsive repairs service including day-to-day and void repairs, inspection, gas servicing and repair and out-of-hours standby repairs. The review was completed in November 2000 and the inspection took place in February 2001. The revenue budget for repair and maintenance was £2.4 million, 27.5 per cent being purchased through the council's direct labour organisation (DLO).

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The service was in the course of radical change. A corporate call centre was opened in September 1999. In March 2000 the council discovered that over 40 per cent of its homes had not received a gas service and by the time of the inspection this was reduced to 16 per cent. Many new staff, including the Director, were appointed in 2000.

The council chose repairs as an early BVR topic because it recognised that the service needed to be improved. The BVR concluded that the service needed to improve its quality, reduce delays, increase customer satisfaction and rationalise relationships with contractors.

Conclusions of the first Inspection

The inspectors' recommendations confirmed many of the key proposals emerging from the BVR in particular the need for a repair appointments system, up-to-date gas servicing and improvements to the quality and timeliness of repairs (the old contract was based on price alone). Also identified was the need for a system that ensured the completion of 'make safe' out-of-hours repairs, better repairs reporting at the local office, a revised complaints procedure and a void letting standard. Because of these omissions, the service was graded as poor/no stars.

However, inspectors also concluded that there were excellent prospects for improvement. The council was commended for choosing a high-value, poor-performing area for review and subsequent inspection. The 4Cs had been followed and the council had a detailed action plan. It had already made some progress against the plan's targets and had a clear set of objectives and targets over the two years.

The council's progress

The Inspectorate revisited the council in December 2002 and concluded that the service was now good/two stars with promising prospects of further improvement. Average responsive repair cost per dwelling had not risen, yet all of the targets contained in the best value review had been met. In particular:

- customer satisfaction, as measured by telephone surveys, was high and rising;
- appointments are now made and kept for 90 per cent of responsive repairs;
- most repairs are completed on time and within one visit;
- it is easier to get through to the call centre;
- gas servicing was up-to-date;
- customer involvement is much improved; and
- the council is on course to meet the 'decent homes' target.

The Government Office's rating had gone from below average to well above average, in part because of a clear stock improvement plan based on a recent stock condition survey.

Inspectors wanted to see further improvements, notably concerning consistent application of the lettable standard, the timeliness of void and responsive repairs and the extent of tenant involvement to the extent that customers become the primary driving force shaping service delivery.

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The drivers for improvement

How did the council make such rapid improvements? First, the change process was already underway at the time of the first inspection. A new team was in place and members and staff were committed to improvement. They received good training and structured and comprehensive annual appraisals. A thorough BVR had been carried out and a clear improvement plan drawn up. The inspection found that staff had a clear lead and confidence in senior management.

The second inspection found ownership of problems and willingness to change present at all levels. There was improved joint working between directorates. The council actively seeks to learn from others and is considering the development of partnering contracts. It continues to develop its IT systems, including the development of an integrated asset management database. It is developing IT links to its contractors.

Continuous improvement is integrated into the political and management processes.

None of the changes to the maintenance service are revolutionary. A number of other councils have appointments systems, clear and agreed lettable standards, much of their repairs are 'right first time' and they expect to meet the 'decent homes' target. What distinguishes this council from many others is that it has the architecture in place to effect improvements identified by its own reviews or by external agencies, such as the inspectorate.

Case Study 19 – Tower Hamlets

Summary

London Borough of Tower Hamlets

Repairs Service

LA stock size – 24, 500

Key events

The inspection rating for the repairs service at Tower Hamlets increased from a poor/zero star service with promising prospects to a fair/one star rating, with uncertain prospects for improvement within ten months

Key improvements:

- The improvement plan had been followed.
- A programme had been put in place to deal with the repairs backlog and meet the Decent Homes standard.
- Information to tenants had improved.
- An 'in-house' on-line repair diagnostic tool had been developed.
- There had been strong commitment to partnering among senior staff.
- Introduction of resident Area Repair Panel.
- Performance information was now communicated well.
- New policies on equalities had been implemented.
- There is a willingness to be innovative.

Context

Tower Hamlets is an east London borough that hosts many of the country's largest regeneration programmes. Levels of deprivation are among the highest in the country. More than 40 per cent of the population are from black and minority ethnic communities, of which almost 34 per cent are Bangladeshi. The council has about 24,500 tenanted homes plus 11,400 leasehold. The council's rented stock is forecast to fall due to further sales through the RTB scheme. Of the stock available, 95 per cent consists of flats and maisonettes.

The starting point

During the 1990s Tower Hamlets Council had been divided into seven autonomous neighbourhoods. This resulted in varying standards in practice and performance. From 1999 the council was reorganised into directorates, and responsive repairs were carried out by four external contractors, using a variety of sub-contractors. In 2001 four area repair panels were set up under the Tenants' Compact to monitor the service.

The council completed its BVR of the repairs service in June 2001. The review covered responsive and cyclical repairs, but not planned maintenance or voids. The service budget for 2001/02 was £23.9 million.

A history of insufficient resources to cover investment needs had left the stock in poor condition. The Council said that the stock was continuing to fall into disrepair because current investment could not keep pace with the deterioration.

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Conclusions of the first inspection

The inspectors reported in February 2002. They rated the service as poor/no stars but said that it would probably improve. The inspectors found that many aspects of the service were unsatisfactory: some repair work was poor quality, customers had to make too many repeat calls chasing repairs, too few repairs were completed on the first visit and appointments were not always kept.

Satisfaction with the service from customers and staff alike was low. Many staff thought the service was getting worse. Tenant involvement in the service was 'in its infancy'.

The inspectors said that far too many repairs were carried out as emergencies. At the time of inspection the council was projecting a potential £2.9 million overspend. Although a number of measures taken to ensure budgetary control were recognised, the inspectors felt that the service was being crisis managed.

On the other hand, the service was available to callers 24 hours a day and had a dedicated Bengali-speaking line. Other positive features included:

- courteous and helpful staff and operatives;
- development of an 'in-house' on-line repair diagnostic tool;
- strong commitment to partnering among senior staff;
- introduction of resident Area Repair Panel; and
- customer satisfaction measured across different community groups.

The inspectors thought improvement was likely because there was a strong desire among staff and contractors to do so. The BVR was based on an honest appraisal of the situation. There was good progress against the improvement plan and the Council had a track record of implementing change.

The Council's progress

When the inspectors returned in December 2002, they found that the council had stuck to its improvement plan and that there had been little divergence from it, although some improvements affecting customers had not been delivered.

The council had embarked on an ambitious programme to deal with the repairs backlog and meet the Decent Homes standard. This would involve stock transfer, if tenants agreed. However, the inspectors felt that the council had not carried out risk assessment of the potential effects of this programme on the repairs service, which affected the council's prospects for improvement.

Information to tenants had improved. They were regularly provided with performance data, together with explanations about the service provided. Performance information was also displayed in area offices. Contractors reported their performance directly to area tenant boards. New policies had been introduced to address equalities legislation – though black and minority ethnic communities were still not fully engaged in helping to shape services. The inspectors found that the responsive repairs service had improved significantly. However, the level of emergency repairs was still unacceptably high and reorganisation of the service had taken a very long time, leading to frustration for staff. The total budget for 2002/03 remained at £23.9 million.

The inspectors' verdict was that the service was fair/one star, with uncertain prospects for improvement.

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The drivers for improvement

Tower Hamlets already knew that its service was poor before the inspectors arrived. The BVR provided a good starting point for change because it was conducted well and honestly. As the inspectors noted, the council had already managed to successfully implement, including the switch from autonomous neighbourhoods to more traditional directorates, and the move from multiple internal and external service providers to just four external contractors.

A particular difficulty for the council was that past disputes and industrial action over changed staffing conditions had led to a cautious approach to implementing change. Extensive consultation on the latest changes meant that they had taken a year to implement. Staff were frustrated by this and it affected performance, but the inspectors found it had not resulted in low morale.

Some performance issues resulted from the council's willingness to innovate. The introduction of choice-based lettings for all properties in 2002/03 affected void turn around times formerly in the top quartile for London.

Case Study 20 – Wear Valley

Summary

Wear Valley District Council

Repairs and maintenance

LA stock size – 5, 500

Key events

On the initial inspection, the repairs and maintenance service scored 'poor'/zero stars with uncertain prospects for improvement. Only six months later, the service was awarded 'fair'/ one star but with uncertain prospects for improvement.

Key improvements

- Commitment to responding to the inspection and adopting a customer focus.
- Conditions survey of the stock was completed.
- Options appraisal had been done.
- Tenant engagement had been made more meaningful.
- Members were appraising performance.
- Tenants' choice in planned maintenance work had been introduced.
- A website for reporting repairs had been set up for customers.
- A repairs call centre was established.
- IT systems were implemented that linked to customer satisfaction measures.
- Capital programme was agreed in advance.
- SLAs were put in place between housing and other departments.

Context

Wear Valley is a rural district on the western side of County Durham. It suffers high levels of deprivation and a declining population. The council itself is one of the largest local employers. It owns 5,500 homes and experiences low demand for council housing. The housing department faces the prospect of having to make £2.5 million worth of savings over ten years. In addition, Housing Revenue Account income will fall by £700,000 in 2003/04 as a result of the Government finance regime.

The starting point

The council carried out a best value review (BVR) of its repairs and maintenance service in 1999. In August 2001 the council re-structured the service to amalgamate housing, technical services and the works department. A new housing committee chair and director were appointed. Changes in senior management were crucial to building up momentum for change.

Results of the first inspection

In November 2001 the council received a poor/no star rating with unlikely prospects for improvement. The inspectors found that levels of tenant involvement were poor and expectations were low, meaning that there was little challenge to current service provision. There was little information for tenants on what standards they could expect from the service.

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The council had no track record of tackling equalities issues and did not comply with the Commission for Racial Equality Code of Practice in Rented Housing. There were several problems associated with low demand. Empty homes available for letting were in a poor condition and there was a piecemeal approach to dealing with surplus stock, which wasted resources.

PIs showed that the service was performing poorly, but there was little monitoring or action to tackle weaknesses. In general, there were inefficient working practices and a lack of focus on outcomes for customers.

The council's progress

As well as service improvements the council has made progress in preparing the service for the future. In April 2002 it completed a condition survey of its own stock. This was followed by an options appraisal, which concluded that stock transfer was the only viable way forward. Councillors had reservations, but accepted that this was the only financially viable option. The inspectors returned in June 2003. This time they found a fair/one star service, but prospects for improvement were still uncertain.

The council had taken action to engage with tenants in a more meaningful way. Customers were taking part in inspections of voids. Focus groups were held and the results reported to councillors. A customer panel met quarterly, and two members were included on the housing committee as non-voting members. The panel began conducting annual appraisals of the housing director's performance.

The inspectors praised the introduction of tenants' choice in planned maintenance work, which brought high satisfaction ratings. A new customer guide to repairs was produced in consultation with the customer panel – though some information was still missing. An easy-to-use website allowed customers to report repairs, though the information was somewhat out of date. A new repairs call centre improved the service, offering appointments for 85 per cent of repairs. Rents and allocations were due to be added to the system by the end of 2003, but other aspects of IT remained a problem. Systems were not integrated and some lacked the capacity to allow easy access to management information. This was hampering the move towards performance management. Forward planning remained a weakness.

The drivers for improvement

The starting point for improvement was accepting the problem. Advised by a new management team, the councillors recognised the findings of the first inspection as accurate. They also took responsibility for the situation and pledged to put it right. At the same time the council vowed to put customers first. The council took a view that it needed its customers more than they needed the council.

Putting the customer first meant that the council has had to overturn some long held traditions, including the belief that the housing stock should stay with the council. In addition, negotiations with the trade unions over changes to working practices and jobs have not been smooth and some staff say morale is low. The repairs service is currently undergoing market testing. Old IT systems have caused problems for the council in its efforts to begin a culture of performance management. A new IT system linked to customer satisfaction measures has been implemented. An overspend, coupled with continuing budget difficulties mean that resources are stretched – although the inspectors found waste in some areas. All of these factors have slowed the pace of change.

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Nevertheless, the council has been able to show improved PIs and a much sounder customer focus in the service. The housing department produces a monthly report on performance, though much more needs to be done to track trends and actively manage the data and performance. Personal development plans are in place for all members of the workforce.

In 2003/04 the capital programme was agreed in advance for the first time in 20 years. Service level agreements are in place between housing and other departments. The inspectors recognised the determined effort that the council had made at senior level to respond to previous inspection findings, although they urged it to use a variety of management styles to implement change. They were not convinced that the council had the capacity to deliver step change, but acknowledged its willingness to do so.