

# Strategic Housing Services

Northumberland County Council  
September 2010



---

# Contents

<b>Local authority housing inspections</b>	<b>3</b>
<b>Summary</b>	<b>4</b>
<b>Scoring the service</b>	<b>5</b>
<b>Recommendations</b>	<b>7</b>
<b>Report</b>	<b>9</b>
<b>Appendix 1 – Performance Indicators</b>	<b>40</b>
<b>Appendix 2 – Reality checks undertaken</b>	<b>46</b>
<b>Appendix 3 – Positive practice</b>	<b>47</b>

# Local authority housing inspections

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

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

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

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

---

# Summary

- 1 This inspection took place 13 months after the new unitary authority was established. Northumberland County Council took over the strategic housing responsibilities of the six former district and borough councils on 1 April 2009. A significant amount of re-structuring has been required to ensure that the strategic housing function is operating as a single service across the county.
- 2 The service is fair because housing issues have been prioritised, stakeholders are involved in strategy making, partnership working around delivery is strong and the Council is beginning to understand the county-wide housing market and make use of the data available. This has resulted in a supply of new housing to help meet need, improvements in energy efficiency in the private sector and effective homelessness prevention and lettings systems.
- 3 However, the vision for housing is not clearly articulated and weaknesses exist in the strategic housing framework. The needs and aspirations of some groups of local people are not well understood and services are not being planned or delivered to meet them. There have been limited outcomes in tackling private sector housing issues, other than energy efficiency, and performance in supporting some vulnerable groups has deteriorated.
- 4 The Council's prospects of improving the service are promising because the strategic housing team is strong, internal communication between relevant teams is effective, there are arrangements in place to manage the delivery of affordable housing and commissioning and procurement decision-making has improved. There are also clear plans and some resources in place to deliver more affordable housing and to improve support for some vulnerable groups.
- 5 However, there are some barriers to improvement including the negative impact of a range of management issues in the wider council, an under developed approach to delivering value for money and the risk that a focus on addressing energy efficiency issues in private sector housing might lead the Council to ignore other indicators of need in this sector.

# Scoring the service

6 We have assessed Northumberland County Council as providing a 'fair', one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

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

	Prospects for improvement?					'a fair service that has promising prospects for improvement'
Excellent					<b>A good service?</b>	
Promising		☀				
Uncertain						
Poor						
	Poor (level 1)	Fair (level 2)	Good (level 3)	Excellent (level 4)		

Source: Audit Commission

- 7 We found the service to be fair because it has a range of strengths including:
- housing issues have been prioritised by politicians and there is direction for the Council's strategic housing work;
  - stakeholders are involved in strategy making and partnership working around delivery is strong;
  - the Council is developing an understanding of the housing market and beginning to make use of the data available;
  - the supply of new housing is helping to meet need and some schemes are innovative;

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

- most of the social rented housing in the county meets the government's decent homes standard and energy efficiency is being improved in the private sector; and
- access to social housing is easy, choice is offered and homelessness prevention is effective.

8 However, there are some areas which require improvement. These include:

- a vision for housing has not been clearly articulated or integrated across key strategies and weaknesses and gaps exist in the strategic housing framework;
- the needs and aspirations of some groups of local people are not well understood and as a result services are not being planned or delivered to meet them;
- there has been limited progress in carrying out equality impact assessments (EIAs) in housing;
- there have been limited outcomes in tackling private sector housing issues, other than energy efficiency;
- performance in supporting some vulnerable groups has deteriorated; and
- the Council has been slow to take action on some issues.

9 The service has promising prospects for improvement because:

- the strategic housing team is strong and internal communication between relevant teams is effective;
- there are arrangements in place to manage the delivery of affordable housing and corporate risk and performance management arrangements are robust;
- the Council has begun to understand the provider market and commissioning and procurement decision-making has improved;
- there are clear plans and some resources in place to increase the delivery of affordable housing and staff are already acting on the findings of the new strategic housing market assessment (SHMA) and other data; and
- plans are in place to improve support for some vulnerable groups.

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

- restructuring and IT support issues in the wider Council negatively impact on the service;
- there are some weaknesses in performance management at service level;
- although there is some evidence of basic value for money (VFM) principles being adopted, this area is underdeveloped; and
- the focus on addressing private housing energy efficiency issues means the Council risks ignoring other indicators of need in this sector.

# Recommendations

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

### Recommendation

**R1** Improve the strategic approach to housing by:

- developing a clear vision for housing in the county, gaining support for it from all stakeholders and integrating it across key Council and partnership strategies;
- developing new or revised strategies to address the various weaknesses and omissions identified in this report; and
- carrying out equality impact assessments on each housing strategy and policy currently adopted and developing a monitoring system to ensure this happens prior to the adoption of new ones in future.

The expected benefits of this recommendation are:

- creation of a robust and transparent strategic framework for housing services in the county; and
- development of strategies and policies that meet the need of the county's diverse communities.

The implementation of this recommendation will have high impact with medium costs. It should be implemented within twelve months.

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

### Recommendation

**R2** Improve the capacity of the housing service by:

- putting in place a SMART action plan to contribute to improvements in housing related support services for vulnerable people to help them maintain their homes and live independently;
- establishing the IT requirements of the housing service and putting in place a SMART action plan to address them;
- putting in place robust systems for managing performance within the housing service, including for setting and monitoring individual objectives; and
- establishing systems for benchmarking performance, quality and cost in each of the service areas managed by the housing team as a precursor to developing more extensive methodologies for demonstrating value for money at a corporate level.

The expected benefit of this recommendation is:

- creation of a robust and transparent operational framework for managing housing services in the county.

The implementation of this recommendation will have high impact with low costs. It should be implemented within three months.

### Recommendation

**R3** Improve the capacity of the housing service by addressing corporate weaknesses:

- embedding a strategic approach to VFM by developing a framework; and
- developing a robust approach to addressing complaints.

The expected benefits of this recommendation are:

- ability to explore, address and demonstrate value for money in service delivery; and
- ability to speedily and effectively address weaknesses in services identified by customers.

The implementation of this recommendation will have high impact with low costs. It should be implemented within three months.

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

Dates of inspection: 24 to 28 May 2010.

---

# Report

---

## Context

### The locality

- 12 Northumberland is England's most northerly and most sparsely populated<sup>i</sup> county, although it is the sixth largest<sup>ii</sup>. It has an urban concentration in the south east and low population density in the rural north and west. Although 46 per cent of its population lives in less than 5 per cent of the land area, none of the county's seaside or market towns have a population of more than 36,500. One third of local people commute outside of the county for work.
- 13 People in Northumberland are older than national and regional averages, with those of working age representing only 59.8 per cent of the population<sup>iii</sup>. Projections indicate that there will be a significant increase in the number of older people in the area by 2031, with no corresponding increase in the younger population. Council data suggests that younger people are leaving the county for a range of reasons, including: unaffordable house prices; access to further or higher education; and the search for better-paid or more secure jobs.
- 14 Black and minority ethnic communities make up 2.3 per cent of the population<sup>iv</sup>, and almost half of this group lives in the south east of the county. The largest ethnic minority grouping is Asian or Asian British<sup>v</sup>. White British people represent 96.2 per cent of the county's population.
- 15 Although Northumberland is the least deprived area in the region, it is the 87th most deprived of England's 149 county council areas. Fifteen of the lower super output areas (LSOAs) in its urban south east are among the most deprived 10 per cent in the country and 22,987 people<sup>vi</sup> live in these neighbourhoods. The current recession has led to a significant increase in the number of people of working age claiming job-related benefits<sup>vii</sup>. Although at lower levels than elsewhere in the region, a significant number of people also need help with basic living costs<sup>viii</sup>.

---

<sup>i</sup> 311,000 per the 2008 mid-year survey

<sup>ii</sup> 1,957 square miles

<sup>iii</sup> children make up 17.2 per cent and 23 per cent are retired

<sup>iv</sup> mid-year estimate 2007

<sup>v</sup> 2,900 in 2007

<sup>vi</sup> 7.4 per cent of the county's population

<sup>vii</sup> up from 2.6 per cent in January 2008 to 4.5 per cent in January 2010

<sup>viii</sup> in November 2009, 16.3 per cent of the county's households were in receipt of Housing Benefit compared with 22.5 per cent regionally and 18.3 per cent nationally and 21.2 per cent received Council Tax Benefit, compared with 28.7 per cent regionally and 22.3 per cent nationally

- 16 The housing market in Northumberland has seen a significant drop in sales but not in prices since the recession began<sup>i</sup>. Average selling prices have remained static<sup>ii</sup> over the past two years, following a 91.91 per cent increase between 2002 and 2007. This means the annual income required to buy an average home is still more than double the average local income<sup>iii</sup>. There are 10,000 people waiting for social rented housing in the county and only 15 per cent of these are housed each year.

### The Council and the service

- 17 Northumberland County Council (NCC) took responsibility for the strategic housing function from six former district and borough councils when it became a unitary authority in April 2009. It employs 14,365 people and has 67 elected councillors<sup>iv</sup>. It has adopted a 'leader and cabinet' model of governance and is currently run by a minority Liberal Democrat administration.
- 18 A cross-party working group of councillors leads the Council's work on housing. This sits alongside another group that leads on the preparation of the local development framework (LDF)<sup>v</sup> and planning strategy issues.
- 19 Services are organised into four groups, with housing managed in the 'Place' group. The group's executive director sits on the Council's strategic management team.

---

### Vision and strategic approach - How effectively do the Council and its partners strategically plan work to balance the housing market and develop sustainable communities?

#### Is there an overarching and shared vision for housing which links to wider ambitions for the community and is championed?

- 20 The Council is performing adequately in this area. There is political support for the prioritisation of strategic housing issues and the Council involves stakeholders in strategy making. Although there is some consensus about the emerging vision, however, this has not yet been clearly articulated or integrated this across key strategies.
- 21 A shared vision for housing is being developed. This focuses on the need for more affordable housing and there is widespread recognition that the emerging core strategy must take a mixed approach to stimulating provision in different parts of the county because a complex range of market conditions and types of need exist. Planners recognise that they have the scope to be more strategic than was possible in the former districts and councillors are also developing a county-wide perspective through workshops to discuss needs data and visits to strategic sites. This means that strategic housing staff are better able to develop a vision in partnership with those who are key to adopting and delivering it.

---

<sup>i</sup> in 2008, house sales were 52.4 per cent of the previous year's total

<sup>ii</sup> at around £140,000

<sup>iii</sup> £40,076, compared with £19,573 in September 2009

<sup>iv</sup> 26 Liberal Democrats (including 1 independent), 19 Conservatives (including 2 independents), 17 Labour and 5 Independents

<sup>v</sup> a collection of policies which outlines how development will be managed in an area and which must be subject to significant consultation by local people

- 22 There is political support for the prioritisation of housing issues. Councillors recognise that housing is key to the sustainability of the county's communities. The cross-party Housing Strategy Working Group<sup>i</sup> has a consensus on most issues and several key councillors are also active on the geographically-based homelessness forums. This means that the Council is likely to maintain a focus on housing issues as central to policy making.
- 23 The Council involves stakeholders in strategy making. Its Strategic Housing Partnership includes all key partners<sup>ii</sup>, has driven the commissioning of the strategic housing market assessment (SHMA) and will 'own' the 2011-2016 housing strategy. There has also been a 'visioning' day on rural housing issues for staff and partners, which included open and frank discussions about what is deliverable. This means key figures are exploring the options together and are beginning to think strategically, on a county wide basis, about meeting elements of housing need.
- 24 Although housing is clearly a priority and there is some consensus about a vision, the Council and the Local Strategic Partnership (LSP) has not yet clearly articulated or integrated this across key strategies. The sustainable community strategy (SCS) 2008-11<sup>iii</sup> includes three housing related objectives among its 28<sup>iv</sup> but the local area agreement (LAA) priority indicators set by the LSP and additional local indicators which track the delivery of these objectives have limited coverage of housing issues<sup>v</sup>. They particularly exclude indicators of success in supporting independent living<sup>vi</sup> and private sector stock condition issues, so progress against these is not regularly reported. A one-year interim housing strategy is in place and its five clear objectives<sup>vii</sup> reflect an understanding of diverse needs and are in line with regional and national priorities. The fact that they have not yet informed a longer term housing or core strategy<sup>viii</sup> or been incorporated meaningfully into the SCS and LAA, however, means the emerging vision for housing is not yet clearly established at the heart of the strategic framework.

### Are all key stakeholders, partners and the wider community actively engaged in shaping the strategic approach to housing?

- 25 The Council is performing well in this area. Partnership working is strong at local and regional levels to deliver housing priorities and there has been some successful community engagement in strategy making. There are, however, weaknesses in understanding the needs of local people and tailoring services to meet them.

---

<sup>i</sup> which will shortly also take responsibility for housing-related support issues

<sup>ii</sup> for example, private landlords, the homes and communities 'Homes And Communities' agency (HCA) and the home builders federation Home Builders Federation (HBF)

<sup>iii</sup> this is currently being refreshed. The emerging strategy is based on five drivers - place shaping, stronger communities, economic prosperity, health and wellbeing and families and children and five 'big partnership issues' - responding to climate change, affording equality of opportunity, narrowing the poverty gap, supporting vulnerable people and fostering confident young adults

<sup>iv</sup> maintaining homes to a decent standard, providing affordable housing choice and supporting independent living  
<sup>v</sup> the 35 priority indicators only include NI187 (fuel poverty) and NI155 (affordable homes delivery), with NI 147 (care leavers living in suitable accommodation) used as a local indicator

<sup>vi</sup> most notably NI 141 - vulnerable people achieving independent living, but also NI 142 - vulnerable people living independently with support, NI 143 - offenders living in settled accommodation and NI 145 - adults with LD living in settled accommodation

<sup>vii</sup> rejuvenating the housing stock; providing choice through the type and mix of new housing; improving and maintaining existing housing; addressing specific community and social needs; and reducing the impact of climate change

<sup>viii</sup> both of which are still in development

- 26 The Council has regularly involved partners in developing its approach over the past year, sometimes in innovative ways. For example:
- it has used delivery chain workshops to prioritise objectives and identify partners to take responsibility for delivery. This has proved to be a cost-effective way of involving partners on a specific issue because it is based on one session rather than a series of meetings. It has been used at an operational level, for example, in considering how to reduce waiting times for disabled facilities' grants (DFGs) through better partnership working. More strategically, it has also been used to consider homelessness strategy objectives and plans are in place to do the same around the issues of empty homes and local standards;
  - the homelessness and private sector landlord forums have productively involved partners. Examples include the use of a steering group of private landlord forum members to help develop the landlord accreditation scheme and the use of the homelessness forum to help shape both the common allocations policy and the homelessness and housing options review. Plans are also in place for homelessness forum members<sup>i</sup> to be involved in evaluating tender submissions for delivering a new housing options service<sup>ii</sup>; and
  - a county-wide Social Housing Partnership has recently been set up, independently of the Strategic Housing Partnership. Meetings are designed to allow housing associations to network and to contribute their views on development or housing management issues, encouraging participation by smaller and more specialist associations as well as larger partners. This group has discussed the investment plan and will be a consultative forum for the 2011-2016 strategy.

This means a range of cost-effective and appropriate means have been used to allow local partners to influence plans and policies and to co-opt their support.

- 27 Partner agencies also receive support from the Council in achieving their strategic objectives. For example, it is currently leading on the re-submission of a European Regional Development Fund (ERDF) bid for energy efficiency work in stock managed by the arms length management organisation (ALMO) and is supporting a funding bid by an association for a worklessness project. This approach helps foster a climate of partnership working around common goals.

---

<sup>i</sup> including service users

<sup>ii</sup> June 2010

- 28 There is effective partnership working at regional and sub-regional level to develop and deliver housing priorities. The Council plays a strong role on the executive of the North East Housing Board and has been involved in developing regional guidance<sup>i</sup> and carrying out regional research<sup>ii</sup>. At a sub-regional level, the Strategic Housing Partnership takes a county-wide strategic lead on housing issues and includes representatives from adjacent authorities, as well as all the stakeholders working in the county. There is also a close relationship with the National Park, particularly on planning issues. A joint officer working group has been in place since before the unitary council was established, with staff contributing data to help the park develop its core strategy and it supporting the Council to deliver the strategic housing land availability assessment (SHLAA)<sup>iii</sup>. These approaches mean county policies and plans are likely to remain aligned with those of key partners at regional and sub-regional level.
- 29 The Council has successfully involved some communities in strategy making. For example, a steering group of local people has helped shape regeneration work in the Cowpen Quay area and neighbourhood planning in Cramlington has involved local people. The county's 27 community fora have also been offered the opportunity to input into the housing strategy and core strategy, with housing and planning staff having visited almost half of these to date to outline the issues and canvass views. This has impacted, for example, in funds being committed to develop a position statement for a particularly proactive forum which will inform the refresh of its parish plan, feed into spatial policies and be reflected in the core strategy. Although rather late in the process, the Council is now developing engagement plans for both the LDF and housing strategy. It also recently began using web-based software which allows it to consult widely and both the housing strategy and the private sector housing strategy will use it in their consultation processes. This means the Council can demonstrate a commitment to involving the public in shaping its strategic thinking and, although consultation remains patchy, systems for doing so are evolving.

---

<sup>i</sup> for example the strategic housing market assessment (SHMA) and strategic housing land availability assessment (SHLAA) methodologies and the financial assistance policy

<sup>ii</sup> for example on homelessness

<sup>iii</sup> these are required by national planning policy because they are a key component of the evidence base to support the delivery of sufficient land for housing to meet the community's need for more homes

30 There is an acknowledgement by key figures, however, that the authority and its partnerships must do more to understand the needs of local people and tailor services to meet them. Its 'total place' social intelligence model is embryonic and consultation with communities to establish their aspirations is still underdeveloped. This is particularly the case with excluded groups like older and disabled people in isolated rural communities, black and minority ethnic (BME) groups and young people who are not engaged with services. User networks that all agencies will access have only been developed in three areas to date<sup>i</sup>. In housing, there has been a particular absence of consultation with excluded potential customer groups about the general elements of the Homefinder choice based lettings (CBL) scheme, although plans are in place to rectify this by the end of 2011. The scheme will have been in place for 18 months by then, however, which means the views of some for whom it is designed will have been largely ignored in the way it has been developed and implemented. These various weaknesses mean there is currently a risk of some groups slipping between the agencies and their views and needs being ignored.

**Is there up-to-date information on the housing market and housing conditions and does wider socio-economic data inform the housing vision and related priorities?**

- 31 The Council is performing adequately in this area. It is developing an understanding of the housing market and beginning to make use of the data available. There is a risk, however, that over-reliance on the private sector information model in use could result in it ignoring some issues and there remain some key information gaps on other strategic housing issues.
- 32 A sophisticated understanding of the housing market is developing. The former districts carried out a housing market assessment (HMA) in 2005 which was refreshed to inform their sub-regional housing strategy in 2007. Although this was a basic exercise, it laid the foundations for gathering and interpreting data at a county-wide level and in its first year of operation the Council commissioned a more comprehensive SHMA. This was carried out using the same methodology as neighbouring authorities in order to support robust comparisons across the region. It takes into account the impact of the recession, provides a potentially useful value for money (VFM) methodology for ongoing analysis and suggests how secondary data like Homefinder<sup>ii</sup> information can be used. Despite the difficulty of increasing staffing numbers in the current economic climate, the Council has recently committed to recruiting a housing researcher to keep this information updated on an ongoing basis. This means that there should continue to be a robust data collection and analysis process in place to form a basis for strategy making in future.

---

<sup>i</sup> vulnerable people, disability and young people moving into independent living

<sup>ii</sup> choice based lettings

- 33** The Council is making use of the newly completed SHMA. This identifies three market areas and uses secondary data to help analyse the characteristics of neighbourhoods within these, highlighting the need to tailor interventions at a local level. It indicates that remoter rural areas are distinct housing markets with affordability pressures and pockets of poor quality stock<sup>i</sup>. As a result of the SHMA, the Council is now reconsidering the importance of the private rented sector in meeting the need for affordable housing. For example, it has begun using section 106<sup>ii</sup> funds to improve existing stock, in recognition of the fact that it cannot enable the new building of all the affordable housing it requires in the current market. The assessment has also helped it better understand the risks of building new stock which might unbalance the private rented market in a neighbourhood. This means that, despite being so recent, the SHMA has begun to impact on the Council's thinking about how to make the best use of resources.
- 34** Other available data is also used to inform the strategic approach. For example, the Council uses a consumer classification system to help it identify how particular groups access its services and pinpoint anomalies for further investigation. This has begun to reveal useful strategic housing information. For example, the county has some neighbourhoods where older people claim council tax benefit although they live in high value homes, indicating that their capital is tied up in property while they experience financial difficulties. Similarly, Homefinder applications are made by owner occupiers from these neighbourhoods who do not have a housing need because they want to 'downsize' into more affordable accommodation. This information has been used, for example, in the design of a new 'tenure-blind' home improvement agency (HIA) and is informing thinking about potential future use of section 106 to support affordable housing for older people.
- 35** The Council is also learning more about the condition and viability of private sector housing.
- At a local level, an intervention prioritisation index is being piloted in East Ashington to help identify priority areas for housing regeneration. It is based on a range of socioeconomic indicators which are translated into traffic lights so it will also be useful in future for monitoring trends.

---

<sup>i</sup> particularly in terms of thermal comfort

<sup>ii</sup> introduced in the Town and Country Planning Act 1990 – they are payments made by developers whose schemes will have a negative impact on the local area but which are granted planning permission in exchange for a sum to be used to counteract these effects

- On a larger scale, the Council is beginning to use cloned stock condition data from a specialist research company, overlaid with information from Warm Zone records<sup>i</sup> and its own vulnerability, second homes and empty property information. This is beginning to produce 'hotspot' maps which will inform future Warm Zone interventions and HIA promotion of the financial assistance scheme. Over time, the model will be further enhanced. For example, the Council has already begun to identify property by property datasets, such as those relating to enforcement activity, residents over 60 and benefit claimants, which will support other specific interventions. It has also recently begun, with health colleagues, to consider how the data can be used to develop a methodology for health impact assessments. These will compare the costs and the health benefits of tackling category 1 hazards in private sector housing and allow it not only to better target investment and assess the outcomes of work completed, but also forecast the health benefits of future investment.

- 36 There is a risk, however, that over-reliance on this model could result in the Council ignoring private sector decency issues which are not related to thermal comfort. Housing health and safety rating system (HHSRS) survey work will be required before action to address other elements of private sector decency or category 1 hazards can be costed or planned but the Council has no surveying strategy and no resources in place to develop one.
- 37 There are also weaknesses in the assessment of the housing and support needs of vulnerable people. A joint strategic needs assessment (JSNA) was undertaken in 2008 but this was done largely by health and social care partners, with only limited coverage of housing issues. Positively, a new version is now being developed on the basis of client group, rather than service. This model has the potential to be more customer focused, it has the input of housing staff and data and there are plans to continuously refresh it. The current JSNA, however, does not provide all the information the Council needs to ensure that strategies and policies take account of the impact of poor housing and the need for housing related support amongst vulnerable groups.
- 38 The Council does not yet have a clear understanding of land availability. It has taken longer than intended to carry out its SHLAA. This is being managed by a sub-group of the Strategic Housing Partnership and uses a regionally adopted methodology, which is positive. It aims to identify deliverable sites for a five-year plan, potential ones for a further five years and broad locations for years 11 to 15. Over 2,000 sites have been submitted for consideration, which means however, the work is unlikely to be complete before the end of 2010. Although the Council is confident that this volume of work means there will be sufficient land for affordable housing provision and it has a five year supply already in place, it does not yet know what land will be available for development in the period after 2015.

---

<sup>i</sup> Warm Zones are area based programmes run by a leading fuel poverty charity which brokers funds and grants from a range of sources to target assistance towards those in the greatest need. Locally, it has visited and assessed 83,000 of the county's 144,000 properties over the past nine years and data is held on property, heating type, tenure and income (at time of survey)

## Report

39 There have been delays in gathering customer profile data about existing and potential social housing tenants. This is despite the need to use the data being identified in the Homefinder equality impact assessment (EIA). Applicants on the housing register are monitored on the basis of six diversity strands but the Council has not been able to collate adequate information from social landlords, including its own ALMO, for use in strategy making<sup>i</sup>. This means that it is unable to use this data to inform future decision making.

### Are there robust housing and planning strategies and policies supporting delivery of housing priorities?

40 The Council is performing at below minimum requirements in this area. Weaknesses and gaps exist in the strategic housing framework and there has been limited progress in carrying out EIAs. There is, however, some direction to the Council's strategic housing work and planning policies support the delivery of affordable housing, despite the absence of a core strategy.

41 Progress in carrying out EIAs in the housing service is mixed. Only seven out of 14 have been completed, with key ones like that relating to the interim housing strategy still not done, despite it having been adopted. Those EIAs which have been completed are of mixed quality, with full assessments deemed unnecessary in some cases, despite significant scope for inequality in delivering all strategic housing services. Failure to comprehensively carry out EIAs means the Council cannot demonstrate that it has identified and addressed all the potential barriers to access and potential for discrimination in housing.

42 Elements of the Council's strategic housing framework are not robust. Weaknesses exist in a number of key strategies. For example:

- the 2009-2011 older persons' housing strategy and vulnerable persons' strategy were developed to fill a policy void and are both plans to develop strategies, rather than outlining how services will change for these groups over the two-year period. Each includes an outcome-focused delivery plan which should ensure, amongst other things, that appropriate needs and aspiration data is collected for strategy making. These are not SMART, however, because it is unclear who is responsible in each agency for delivering actions, timescales are vague<sup>ii</sup> and the resources that will be required for some actions are not identified;
- the extra care and telecare strategy is more an evaluation of research and options than a clear plan for moving forward. It is based on a stronger research base than those above<sup>iii</sup> but it does not clearly outline what it will deliver in terms of accommodation and housing related support or over what period; and

---

<sup>i</sup> it is unclear what data is held by three of the large scale voluntary transfer organisation in the area and another has a 94 per cent profile but this excludes sexuality. The ALMO has no profile data yet on the customers it inherited when it took over the Council's stock in Alnwick and it is unclear how much is held on its Blyth customers, although this is only on the basis of three strands

<sup>ii</sup> only the year is quoted

<sup>iii</sup> population projections, socio-economic and health profiles and information about the geographical distribution of potential clients

- there is currently an unclear strategic position around gypsy and traveller provision. The 2008-2011 partnership strategy was developed prior to local government reorganisation and is based on robust research and attempts to address the needs of these groups in a holistic way. It does not have a SMART action plan however and has not been updated with the results of a more recent needs assessment which identifies a shortfall of 29 pitches<sup>i</sup>. This has contributed to the fact that limited success has been achieved in delivering these<sup>ii</sup>, so although the strategy did provide some clarity about the partnership's intentions, it no longer meets the identified needs of these communities and the Council is in the process of reviewing it.
- 43 There is no private sector housing strategy in place. This was due for completion in May 2010 but is unlikely to be ready for adoption until October. There is some reference to private sector housing issues in the interim housing strategy, a number of key policies have been drafted or adopted in this area<sup>iii</sup> and the team is involved in delivering a number of initiatives. The absence of an overarching strategy means, however, that prioritisation of its work has not been clearly consulted on, or a coordinated approach agreed, and there is a lack of clarity in published documents about the overall vision for private sector housing in the county.
- 44 The affordable warmth strategy was not fully developed when it was written, so has not been used. It was written by the former districts and covers the period 2009-2011 but an action plan to implement it has only recently been developed, along with some minor updating to re-badge it as a county strategy and to include carbon reduction as well as affordable warmth in its objectives. Officers acknowledge that work done to date in this area has been patchy and has focused on the North East Housing Board's 2008-2011 single housing investment programme (SHIP) investment in Warm Zone, rather than following the wider aims of the strategy. Although the new action plan does contain some outcome-focused objectives, concrete targets are still not in place against most of the outcomes mentioned, so it is not clear how the Council will know whether or when it has achieved its objectives.
- 45 Despite the weaknesses in housing related strategies outlined above, elements of the strategic framework are robust. For example:
- the empty homes strategy<sup>iv</sup> contextualises the issue concisely and in an accessible way. It clearly explains its objectives and has a SMART, outcome-focused delivery plan which allows the Council to track progress; and

---

<sup>i</sup> 10 are required permanently in the south east and several are also needed in transit and temporary sites  
<sup>ii</sup> a £700,000 grant has been secured from HCA for work in 2010/11, supported by a £204,000 council capital contribution to extend the Hartford Bridge site but although this will improve facilities and make two pitches suitable for disabled occupants, it will deliver only one new pitch  
<sup>iii</sup> financial assistance, HMO licensing and landlord accreditation schemes, empty homes strategy, affordable warmth strategy and enforcement policy on stock condition  
<sup>iv</sup> 2010-12

## Report

- the homelessness strategy<sup>i</sup> outlines the way the 2009 service review used appropriate data to explore consistency issues and gaps across the former districts and it establishes four appropriate priorities<sup>ii</sup>. Its action plan is not fully SMART<sup>iii</sup> but it does make clear which agencies will be responsible for actions and it is outcome-focused. This gives the Council and its partners a clear idea of what success will look like.
- 46 There is also some direction to the Council's overarching strategic housing work. Prior to local government reorganisation (LGR), the former districts had a sub-regional housing strategy<sup>iv</sup> which attracted investment into the County<sup>v</sup> and much of this investment work is still in the process of being delivered. A number of changes in the Council's operating environment in recent years<sup>vi</sup> however, means this strategy is now out-of-date. This is why the Council has developed an interim housing strategy for 2010/11 which floats some of the key ideas it hopes to develop for its 2011-2016 strategy and feed into the emerging LDF and SCS. This one-year plan outlines the context and challenges that will underpin a more comprehensive medium term strategy.
- 47 Despite having no core strategy, the Council has a range of spatial planning policies to support the development of affordable housing and promote sustainability. The former districts were at various stages in developing plans so it has set up a project group to develop an integrated core strategy. This includes housing staff and its work reflects housing priorities. There has been some slippage in the group's work and the strategy is now unlikely to be in place before August 2012, but a clear affordable housing protocol is in use in the interim. This outlines the six affordable housing policies of the former districts and attempts to establish consistency on issues which are not covered by them.
- 48 Sustainability issues are also central to planning policies. For example, in the South East Northumberland growth point area<sup>vii</sup> consultants have run three facilitated workshops to build a consensus about how sustainable development can be achieved. Also, the Council is working with partners on a low carbon energy feasibility study in the Blyth Estuary area which could result in innovative, energy efficient power solutions for new and existing homes. Although the Council's economic strategy is still under development<sup>viii</sup>, early drafts identify housing improvement as key. They stress the need to integrate housing development in wider place shaping activity and to develop joint investment planning with regional and national agencies. This means that, despite the absence of a core strategy, the Council can demonstrate that its approach to spatial planning is in line with its priorities of affordability and sustainability and that there is read-across into emerging strategies on related issues.

---

<sup>i</sup> 2009-11

<sup>ii</sup> prevention, reducing the use of temporary accommodation and improving its quality, tackling youth homelessness, partnership working and service user involvement

<sup>iii</sup> quoting years, rather than tighter dates for completion

<sup>iv</sup> 2007-2011

<sup>v</sup> £6 million from the North East Assembly to deliver Single Housing Investment Programme (SHIP) schemes

<sup>vi</sup> for example, LGR, the Council's role as an investment plan pilot organisation for the HCA and the findings of the SHMA

<sup>vii</sup> achieved 'growth point' status in July 2008 to increase and accelerate housing provision, with a growth fund allocation of £2.7 million, although the provisional capital allocation of £1.537 million for 2010/11 has subsequently been reduced to £0.870 million

<sup>viii</sup> due July 2010, with an action plan due in September

---

## Capacity to deliver: does the council have the capacity to deliver its housing vision effectively now and in the future?

### Are the right skills, tools, behaviours and partnerships in place to ensure effective delivery of housing priorities?

- 49 The Council is performing adequately in this area. The strategic housing team is strong and internal communication between relevant teams is effective. There are, however, staffing and management issues within the wider Council that negatively impact on the service and it has been slow to develop a strategic approach to information technology (IT).
- 50 There are effective internal communications between the various Council teams working on housing-related issues. The Place directorate brings together housing, strategic planning, regeneration and transport staff and a working group of heads of service across the directorate aligns strategies as they develop. This has helped ensure for example, that housing staff have input into the emerging LDF and planners into the housing strategy and has led to a jointly developed affordable housing protocol. The Council also makes good use of multi-disciplinary teams to deliver projects. This has been the case, for example, in Cowpen Quay, where legal, housing, planning, regeneration and transport staff have worked closely together to regenerate the area, along with housing association partners. It is also being used in the emerging community-led spatial plan for East Ashington. This approach should continue to ensure strategic and operational alignment in future.
- 51 The Council generally has access to the necessary resources and skills to help it deliver its housing priorities. Although it has made significant efficiency savings, it recognises housing as a priority and has reduced the strategic housing budget by less than elsewhere<sup>i</sup>. The team has also made good use of external funding and secondment opportunities to boost its capacity. For example:
- one of its three specialist enabler posts is funded from growth point resources and plans are in place to raise finance from housing associations to fund a further post later in the year;
  - a housing regeneration officer working in East Ashington and Blyth is externally funded to align partner strategies around prevention of market failure and to focus their approaches to community engagement;
  - funding was recently granted by the government's Department for Children, Schools and Families (DCSF) for a 12-month pilot housing options post, employed by the Council but based in a family intervention project in Wansbeck, to help prevent homelessness among families at risk;
  - homelessness prevention grant is being used temporarily to fund two posts in partner organisations until mainstream funding can be found;<sup>ii</sup>
  - the Council recently approved partial funding for a pilot post to work for local community land trusts if they can attract match funding;

---

<sup>i</sup> the housing team's budget was cut by 4.5 per cent in 2009/10, compared with 20 per cent across the rest of the Council and new posts are still being created

<sup>ii</sup> a homelessness support worker and a teenage pregnancy worker

## Report

- an accountant with experience of housing finance provides dedicated support to the service. This includes developing the business case for the council housing building programme, providing assistance and advice on prudential borrowing and helping to develop various financial products such as loans and mortgages to support affordable housing; and
- the Council has made good use of external advice and support to plug skills gaps. For example, its development control staff are working with the Homes and Communities' Agency (HCA) advisory team for large scale applications in Cramlington to improve their ability to manage big projects.

These various initiatives mean that although resources for the housing service remain limited, it maximises their effectiveness.

- 52** Strong partnerships are in place to deliver good quality operational housing services. The Council acted quickly to end the different policies operating in the former districts on issues such as DFGs, which resulted in a 'postcode lottery' across the county. It also expanded the remit of the ALMO it inherited from Blyth District Council to take on management of all the council housing remaining in the county, making effective use of existing expertise. Although homelessness and housing options services are still delivered, using an inherited range of local housing associations and the ALMO, effective management means consistent service quality is being delivered. As contracts are renewed, the Council champions a more streamlined approach if services can be improved, such as in recently procuring a county-wide HIA to replace the previous patchy arrangements. It is also working with local housing associations to adopt common local standards to delivering adaptations and other services. This approach should improve consistency and efficiency among providers, whether or not their services are being delivered on its behalf.
- 53** The strategic housing team operates effectively. Its staff are committed and well-motivated, with high morale. The team's managers provide clear leadership and have fostered a positive culture. This ensures staff understand what is expected of them and there is a clear focus on continuously improving service delivery, partnership working and meeting housing need.
- 54** There are, however, several staff resourcing and management issues within the wider Council which negatively impact on the strategic housing service.
- The senior management review and planned review of middle management is resulting in the loss of experienced staff and morale problems resulting from uncertainty about the future. This has contributed to delays in delivering some key pieces of work, with the Planning Advisory Service's recent evaluation of LDF progress implying that there are insufficient resources and project management skills in this team to meet timetable deadlines. Several milestones are currently being reviewed with the aim of setting more realistic timeframes for delivery, but this means there will be further delays in key areas like the adoption of the core strategy<sup>i</sup>.

---

<sup>i</sup> which will not be in place before August 2012, having slipped from the original deadline of October 2011

- Although some training is planned, there are limited qualified environmental health officer resources available for private sector housing enforcement work. Only four full time equivalent posts are available to work on housing issues across the county<sup>i</sup>, although this team faced a fourfold increase in enforcement action on unfit issues in 2009/10 as a result of adopting a consistent policy across the former districts. This means that it operates in a reactive, rather than proactive way to tackling key private sector housing issues like disrepair and category 1 hazards<sup>ii</sup>.
- Although individual staff training and development needs have been identified through the appraisal process and many have been met, there is no coordinated training and development plan in place for the service. Without this structured approach, managers cannot ensure necessary training and development is appropriately prioritised and resourced.

**55** The Council has been slow to develop a strategic approach to IT. A transition plan was established for its first year of operation which focused on joining up inherited systems. It has also purchased a number of new packages and plans are in place for other purchases, including a web-based housing options module that will help customers develop a personal plan to address their own housing and wider support needs. The Council is still working with consultants, however, to develop a longer term strategy. Without this, there is a lack of clarity for service teams about when and whether their ongoing IT needs will be identified, resourced and met.

### **Are arrangements in place to keep delivery of housing priorities on track and promote a culture of continuous improvement?**

- 56** The Council is performing adequately in this area. There are arrangements in place to manage the delivery of affordable housing and corporate risk and performance management arrangements are robust. There are some weaknesses in performance management at service level, however, particularly in relation to setting individual staff objectives and the Council cannot demonstrate how it captures learning from some service users.
- 57** Despite limited longer term planning around land availability, there are effective arrangements in place to manage the delivery of affordable housing. The housing team includes three specialist enablers who work with planning colleagues, parish councils, developers and other partner agencies to remove blockages to development. This role includes helping establish local need, bringing forward sites, helping assess their viability, supporting funding bids and monitoring progress on site to ensure any unforeseen problems are addressed. This role has been instrumental in delivering affordable housing over the past year and the forward programme of schemes in place should continue to deliver affordable housing in the short and medium term.

---

<sup>i</sup> although eight staff have HHSRS certification

<sup>ii</sup> the Housing Act 2004 sets out a housing health and safety rating system which identifies 29 potential hazards in a home. Category 1 hazards are the most significant and can prevent a property being classified as 'decent'

## Report

- 58 Risk management arrangements are robust. There is a clear corporate framework in place to identify and manage risks and this is overseen by a strategic risk management group. Local managers are responsible for identifying risks to the delivery of their service objectives and are given training and specialist support within each directorate. Risks are logged, monitored, and regularly reviewed. This helps ensure they are prevented or minimised before impacting on services.
- 59 The strategic housing service is self-aware. Staff and managers have made good progress in a short time by implementing and building on the challenging recommendations made during a 2008 inspection of the former districts<sup>i</sup>. They have also helped the Supporting People team address the recommendations of its 2009 inspection, particularly in relation to safeguarding where training for partners and providers has led to an increase in the reporting of potential risks. The Council has captured and built on good practice in the former districts and it learns from partner feedback to identify new opportunities and explore different ways of working. For example, consultation events with stakeholders led to plans to use homelessness prevention grant to bring empty private rented homes up to a lettable standard in return for a commitment from landlords to let these properties to homeless applicants. This will have the dual benefit of bringing an empty property back into use and increasing the Council's capacity to house homeless people.
- 60 There is a clear corporate framework for monitoring performance that is effectively supported by IT. Quarterly reports are produced showing performance against a suite of indicators. The framework also captures and reports on performance for the strategic partnership and its thematic sub-groups. There is a clear policy covering data quality and this is internally audited. Tailored reports are provided to different groups, including a scorecard for councillors. Areas of underperformance against targets are clearly identified and senior staff must report on under performance to the performance improvement board<sup>ii</sup> and the performance management working group<sup>iii</sup>. A performance and improvement forum also explores performance issues on behalf of the strategic partnership. This approach means councillors and managers know how services are performing, are alerted early to problems and can monitor progress in addressing them.
- 61 Within the housing service, however, there are some weaknesses in performance management arrangements. For example:
- a range of indicators is used, covering social housing, homelessness, affordable housing and private sector housing. In some areas, however, these fail to capture key aspects of service delivery. For example, the service measures the number of DFGs it provides, rather than how long people have to wait for them and it measures the number of people receiving financial assistance, rather than the proportion of private sector housing that is still not decent. The Council is also failing to measure the number of vulnerable people living in private sector homes with category 1 hazards. This means it is missing opportunities to explore the impact that its policies are having on local people and to comprehensively track issues which have the potential to emerge as new strategic priorities;

---

<sup>i</sup> each shows some progress, with several nearing completion and plans in place to complete all

<sup>ii</sup> of Executive Directors, chaired by the Chief Executive

<sup>iii</sup> of Councillors

- information is not broken down by the seven diversity strands, except in the choice based lettings service. Because performance is not monitored, for example by gender, ethnicity or disability, the service cannot identify whether there are differences between groups in terms of access to services or satisfaction with outcomes. This means any potential barriers and differences are not being addressed; and
- little performance information is fed back to customers. Although the service plan is published and contains some information about progress, this does not give the clear messages about headline performance that customers need.

- 62** Personal objectives set for individual staff members at appraisals have limited links to high level strategic priorities and are not outcome focused. The corporate planning framework is designed to cascade SCS objectives down through service plans to individual appraisals, but the Council's corporate plan for 2010/11 was still in draft form at the time of this inspection, despite two months of the year having already passed. This means its revised priorities had not been translated into staff objectives. The objectives set are generally relevant and achievable but tend to describe processes or periodic activities for completion by a particular date<sup>i</sup>. Because they are not set in a way which allows the appraiser and appraisee to focus on the outcomes that actions will have, particularly for customers, this means the impact of achieving objectives is not being assessed and there is a risk that those objectives that will have the most impact may not be being prioritised.
- 63** It is not clear how the housing service captures learning from some of its service users. For example, although individual complaints are acted upon, they are not systematically reviewed to identify common issues or trends. The Council has recognised that it does not have a consistent corporate approach to dealing with complaints and it has plans to improve the system, but opportunities are currently being missed to use complaints to drive service improvement. Similarly, the collection of satisfaction feedback from the occupiers of newly developed homes only began in the month of this inspection, which means their views have not been used to inform plans or processes during the Council's first year of operation.

**Does the Council plan and manage its finances and other resources to support the effective delivery of its strategic housing priorities and achieve value for money?**

- 64** The Council is performing at below minimum requirements in this area. Although external funds have been attracted to support affordable housing provision and this is likely to continue, limited use has been made of the planning process and internal financial resources. Also, although there is some evidence of basic VFM principles being adopted, the Council has no corporate VFM strategy and its relationship with its ALMO presents a mixed VFM picture.

---

<sup>i</sup> for example, quarterly monitoring of ALMO performance or completion of the equality impact assessment (EIA) programme

- 65 In the current economic climate, the Council has been able to make only limited use of the planning process to secure resources for affordable housing. It uses section 106 contributions to invest in improving private sector housing<sup>i</sup> and will shortly use them to support other funding sources for a new build scheme on a large brown field site<sup>ii</sup>. However, only £400,000 was raised from s106 agreements in 2009/10 and only 49 of the 206 affordable homes completed were the result of section 106 funding. Unless performance improves in negotiating s106 agreements, particularly in rural areas, affordable housing targets may not be met in future years.
- 66 The Council does not always maximise its own resources for investment in housing priorities. For example, although it protected £80,000 of its income from council tax on second homes last year and directed this into funding housing enabler posts, this was simply a continuation of the arrangement in place in the former Tynedale district and does not reflect the income it received from similar properties in other areas of the county - notably the former Berwick and Alnwick district areas. This means that the Council has not taken a clear and consistent view about the use of this income stream to help replace lost affordable housing resources in these communities. The Council has also failed to make full use of discretionary housing payments (DHPs) in its first year of operation<sup>iii</sup>. Although a clear protocol is in place to clarify how DHPs can be claimed, its allocation in 2009/10 was under spent by £8,000, which means its grant will be reduced accordingly in future years and fewer people with significant housing need will receive discretionary assistance in future.
- 67 Although there is some evidence of rudimentary VFM principles being adopted within the Council, it has no corporate VFM strategy. This means it has failed to clarify for staff, partners and the public what balance it expects to achieve between cost, performance and quality. The Council has also failed to outline its corporate approach to key issues such as benchmarking and it has not set clear, medium term VFM objectives and targets. In September 2009, it carried out an analysis of service costs and value which involved plotting on a matrix whether services were high or low cost and high or low value. This exercise was designed to help prioritise budget savings for 2010/11, which was positive, but it lacked external comparisons. The outcomes of the exercise have included management restructuring of both the ALMO and the strategic housing service but these have not taken account of performance or process benchmarking information and it is too soon for the Council to demonstrate that its cost cutting has been done without reducing service quality.

---

<sup>i</sup> For example, in Lynemouth

<sup>ii</sup> Bates Colliery site, where 30 per cent of the 300 homes will be affordable

<sup>iii</sup> these can be made at the discretion of the housing benefit service, from a fund provided by the government, if a claimant needs help with housing costs, over and above the level of his or her housing benefit entitlement

- 68 There is a mixed picture in terms of the effectiveness of the Council's contractual relationship with its ALMO. Appropriate arrangements are in place to formally monitor the ALMO's performance against its delivery plan, using a suite of 11 indicators and a range of regular performance meetings. Services that the ALMO is newly providing on behalf of the Council, however, such as the Gypsy and Traveller service, lack transparency around costs. Although the Council has driven down the ALMO's charges for delivering its capital programme<sup>i</sup> it is unclear whether the ALMO has been as successful in obtaining VFM in the services it purchases from the Council. It has not reviewed or market tested any of these, although this will begin in 2010/11<sup>ii</sup> and it also pays the Council for streetcare and grounds maintenance<sup>iii</sup>, which means that tenants may be paying twice for services covered by their council tax. Without transparency and competitively priced services, the Council cannot demonstrate whether its tenants and council tax payers are being charged a fair price for the services they receive.
- 69 The Council and its predecessor districts have been effective, however, in attracting external funding to support housing priorities. In 2009/10:
- £2.3 million capital investment was made in new homes in the county last year by the HCA;
  - there was also a range of external funding for energy efficiency projects<sup>iv</sup>, on top of the £1 million per year which Warm Zone brings into the county from energy companies who are obliged to meet their carbon emission reduction targets;
  - SHIP has also been well-used. The Council used £1,896,000<sup>v</sup> to, for example, convert 20 small council bungalows in Blyth and Alnwick into larger units and it has also used SHIP funding<sup>vi</sup> in the former coalfield area of Creswell, Ellington, Linton & Lynemouth (CELL) to bring 25 privately owned homes up to the decent homes standard and to address HHSRS hazards;
  - other central government capital funding has been well used. For example, Places for Change funds have provided a six unit direct access hostel for homeless young people in Hexham. There has also been a 17 per cent increase in the government's £758,000 contribution towards the Council's disabled facilities' grant programme in 2010/11; and
  - government revenue funding has also been maximised. For example, the Council ensures its homelessness prevention grant<sup>vii</sup> is spent on high priority projects which might not attract other funding by ring fencing it and allowing the housing team to carry any remaining budget over, year on year.

<sup>i</sup> making £492,000 efficiencies in 2010/11

<sup>ii</sup> examples include: ICT of £572,000, legal services of £91,000, HR of £45,000, financial services of £305,000, customer services support of £571,000, revenues and benefits charges of £18,000, communications charges of £17,000 and central support services of £93,000

<sup>iii</sup> £23,000 and £149,000, respectively

<sup>iv</sup> £500,000 match funding from the European Regional Development Fund, £500,000 from the Low Carbon Communities Fund and £334 for a low carbon framework pilot

<sup>v</sup> It and its predecessor districts having attracted £5,856,000 into the county since the fund was established

<sup>vi</sup> £226,203

<sup>vii</sup> £250,000, with an additional capital funding of £30,000 for the mortgage rescue scheme and £76,000 for the repossession prevention fund

**70** There are clear plans in place to rationalise how external funds are attracted and used in future. The Council is the first of the two pilot authorities in the region to produce a local investment plan, in conjunction with the HCA. This will prioritise investment for housing and regeneration objectives and represents a move from short notice, short life bidding, to joint commissioning. It will be supported by a local agreement<sup>i</sup> and the Council has committed to making land and resources available to support the plan. It aligns the various investment streams available via the LSP and explores new investment tools such as equity partnership. It also outlines how the Council will use viability calculations to maximise any gains from market-led housing investment as the market recovers. This approach has the potential to improve outcomes in a future market which is likely to see significantly less public funding available to support housing priorities.

### **Capacity to deliver – do commissioning and procurement arrangements for strategic housing delivery help to maximise value for money and sustainability?**

- 71** The Council is performing adequately in this area. It has begun to understand the provider market, commissioning decisions about housing related support issues are influenced by the housing service and the procurement system is robust, with sustainability and equality factors built into the process. Although little use has been made of modern procurement methods, there is evidence of some joint procurement. It has not yet, however, fully developed an approach to ensure land and buildings are used effectively to support new development.
- 72** Procurement procedures meet legislative requirements and are supported by clear guidance. Expert support is available for the housing team from corporate strategic procurement and legal teams. This ensures that commissioning and procurement practices comply with the Council's financial regulations and legal requirements, for example, during the recent procurement exercise for a county-wide home improvement service.
- 73** Although it has been slow to happen, there is some evidence that the Council has now begun to understand the provider market in making commissioning decisions. For example, housing and Supporting People colleagues are working together to develop an extra-care strategy which has included a soft market-testing exercise with housing associations and developers to explore whether they might be interested in remodelling existing schemes or building new extra care provision. This has confirmed that there is an appetite to develop and has also provided a basis for discussions with one provider about potential future re-provision in the private sector to meet a range of needs from independent living to end of life care.

---

<sup>i</sup> due September 2010 - allowing time for engagement with key partners and exploration of potential governance, monitoring and review mechanisms

- 74 There are plans in place to bring commissioning decisions on housing related support issues more closely under the influence of the strategic housing service. The Council is in the process of merging governance arrangements for the two services, with accountability for Supporting People policy and performance coming under the remit of the renamed Housing and Care Strategy Group of councillors from June 2010. Its Commissioning Body will merge with the Strategic Housing Partnership Board and although the provider forum remains in place, service user and tenant forums will also be merged and will sit alongside the private landlord and homelessness fora in the corporate engagement structure. This should help ensure that housing need factors are taken more fully into consideration in future policy and commissioning decisions about support provision.
- 75 The Council is also working more generally to improve procurement and commissioning processes. Action is being taken to develop the supplier market and encourage both small and large suppliers to bid for work. For example, although again it has been slow to happen, the recent exercise to procure a HIA service provider included a potential bidders' day to explain what the Council expected and action was taken to bring the exercise to the attention of local suppliers, as well as advertising nationally and internationally. The current procurement exercise for homelessness services also gave suppliers scope to explain how they would like to go about delivering them. These approaches have encouraged interest and supplier innovation. The Council's restructure proposals also co-locate the asset management and procurement teams which gives scope for improving joint procurement and encouraging shared service delivery in future.
- 76 There is some evidence that sustainability and equality factors are built into commissioning decision making. A sustainable procurement strategy is in place, supported by a specialist sustainable procurement officer. Again, an example of this in operation was during the HIA procurement exercise, where suppliers were required to demonstrate how they would minimise mileage and where contract monitoring includes sustainability indicators. Action has also been taken to harmonise equality and diversity issues in the procurement requirements of all the councils in the region. This means that smaller suppliers, in particular, benefit by not having to adapt bids to meet the needs of different councils.
- 77 There is one clear example of a jointly procured housing project which has provided efficiency gains for all the partners involved over the past year. The Homefinder choice-based lettings service costs each £15,000 per year, compared with an estimated £48,000 if they operated alone. The number of vacant properties across the partnership has also fallen<sup>i</sup> with a consequent reduction in rent loss.

---

<sup>i</sup> for example for Wansbeck Homes, this has reduced from 117 in Sept 2009 to 64 in March 2010

- 78 Although the Council cannot demonstrate that it has made use of modern procurement methods, there is some degree of joint procurement and shared service delivery among partners. This happens routinely as part of the partnership between the Healthcare Trust and Council to deliver care and support. Joint strategic housing projects, however, also include the Homefinder choice based lettings scheme and common allocations policy and the housing options service. Both of these include joint procurement of IT packages and support and shared costs and help ensure consistent service delivery among a range of providers, across such a large and diverse area. Plans are also in place to jointly commission a sanctuary scheme with the Community Safety Partnership, which will help protect the survivors of domestic violence in their own homes.
- 79 It is likely that this approach will strengthen further in future. The Council is encouraging stronger partnership working by asking partners to sign a memorandum of understanding which demonstrates a commitment to share ideas, plans, intelligence and proposals at an early stage. Its aim is to explore opportunities to join up projects or share services to achieve better outcomes for local people. Although still in its early stages this approach has already been used, for example, to improve the geographical coverage of environmental improvement projects.
- 80 Although the Council's approach to the use of its assets has changed, it has not fully developed an approach which ensures land and buildings are used effectively to support new development. Prior to LGR, it prioritised sale of all land and properties to support the building of new schools but it now has a policy of considering how best to use assets which come under review. For example, the disposal of a school site recently excluded a caretaker property, which was passed to the ALMO to manage instead. It has also made good use of small pockets of land to support affordable house building, for example, in its work with community land trusts (CLTs)<sup>i</sup>. The Council does not yet have a comprehensive strategy or plan, however, on the use of its own assets for affordable housing.
- 81 The Council cannot demonstrate that it has a clear focus on securing VFM. It has made limited use of modern procurement and construction methods. Quality and unit costs are not monitored or benchmarked with comparators to ensure VFM is being delivered.

---

### **Improving housing outcomes for the local community: is the strategic approach to housing delivering better housing outcomes for the local community?**

#### **Is new market and affordable housing offering greater choice for new and existing households and promoting sustainable communities?**

- 82 The Council is performing well in this area. The supply of new housing is helping to meet need, partnerships are strong and some schemes are innovative. There are clear plans in place to increase the delivery of affordable housing in 2010/11 and staff are already acting on the findings of the new SHMA and other data.

---

<sup>i</sup> 'not for profit' organisations which provide and manage affordable housing for the benefit of local people

- 83** The supply of new housing is helping to meet need. Despite opportunities to do both, the Council has not developed affordable housing in areas of saturation or focused on using public money to build social housing for rent, simply to meet targets in a difficult housing market. Instead it has delivered a range of low-cost housing options in both urban and rural areas, with affordable housing generally being integrated among market housing and over 50 per cent of development being on previously developed land<sup>i</sup>. It has tried to meet the need identified in the previous sub-regional housing strategy and has exceeded its LAA target<sup>ii</sup> by delivering 206 new affordable homes in 2009/10. Of these, 50 were on rural exception sites, 49 were delivered through planning gain as part of market developments and 22 are Homebuy units designed to help first time buyers purchase low-cost homes. Also, 46 are in a new extra care scheme for people unable to stay in their own homes because of their support needs<sup>iii</sup>. This has been achieved despite the fact that several of the former district councils had weak track records in delivering affordable housing<sup>iv</sup> and few schemes were in the pipeline prior to LGR<sup>v</sup>.
- 84** There has been innovation in the schemes delivered. For example, in Kielder it added six affordable units to a 2004 scheme. This was in partnership with Northumbria Water and the Forestry Commission as part of wider aims to bring tourism to a remote settlement where employment is limited and key services like the school are under threat. These were among the first code level four properties<sup>vi</sup> delivered in the region and are linked to a district bio-mass plant fed with local woodchips, which also services a business centre, fish hatchery, school and library. Further eco-homes are also likely to be developed in future in the area.
- 85** The Council particularly champions the work of CLTs. It worked with a housing association to develop a further four rented units<sup>vii</sup> on Holy Island in 2009/10, using £250,000 of HCA grant, with a further four units and improved community facilities likely to follow in 2012/13. As outlined earlier, the Council has provided land in Allendale to support HCA funding<sup>viii</sup> for a three unit CLT housing project in 2010/11 which will be built to code level 4 and will use photovoltaic technology. It is also working with another CLT to deliver four housing units above a shop premises in the centre of Haltwhistle this year and another trust in the north of the county is considering several potential projects on council-owned land for 2011/12, one of which may include a rural district heating scheme. Although these schemes may be small and resource-intensive to develop, they are important because they respond to the very specific housing needs of some communities.

---

<sup>i</sup> the target set for the county in the regional spatial strategy

<sup>ii</sup> the local strategic partnership negotiated with the government's regional office to reduce its target against national indicator 155 down from 196 to 180, in response to market conditions

<sup>iii</sup> of which six are also Homebuy units

<sup>iv</sup> they delivered 3848 additional homes in the five years prior to LGR, of which only 15 per cent (590) were affordable - significantly below national and regional averages of 27 and 21 per cent

<sup>v</sup> although some districts did well (most notably Tynedale), only limited enabling work had been done in most towards the end of their lives

<sup>vi</sup> under CLG's 2006, six level code for sustainable homes

<sup>vii</sup> all to lifetime homes standards

<sup>viii</sup> at a high grant rate of £65,000 per unit

- 86** The housing team works effectively with other departments, housing associations and developers to remove blockages to future development and make better use of existing affordable homes. In the last year this included:
- addressing problems resulting from the affordable housing policies adopted by the former districts in a more buoyant housing market. For example, by changing the designation of some Homebuy units to intermediate renting where lenders were reluctant to provide mortgages and facilitating discussions between housing associations about which lenders were proving to be most cooperative. Enablers have also reviewed restrictive local lettings policies imposed by planners in the past which make some rural schemes unlettable in the current market;
  - identifying potential transit sites for gypsies and travellers, including working with highways colleagues to explore the use of abandoned lay-bys where temporary services such as running water can be provided; and
  - the refurbishment and remodelling of outdated sheltered schemes and the development of extra care where decency cannot be achieved and/or where need and demand patterns have changed. For example, enablers have helped a housing association consult on the replacement of a bedsit sheltered scheme with a new, modern scheme and are working with planners to deliver a building which will be a design statement because it is in a gateway position.
- 87** There are clear plans in place to increase the delivery of affordable housing in 2010/11. Sixty two units are due for delivery in the west of the county<sup>i</sup>. These are mostly rural developments, in response to parish plans, but also include the replacement of a redundant sheltered scheme with family housing in a deprived area of Hexham. There will be a significant increase in the number of units delivered in the north of the county, with 180 planned<sup>ii</sup>. These are a mix of rented, intermediate and '70 per cent market value' units, which marks a change from the former emphasis on rented stock in these districts which did not address all identified needs. In addition to a 70-unit mixed tenure Kickstart<sup>iii</sup> scheme on a regeneration site in the centre of Alnwick, they include rural developments in communities where no affordable housing has been delivered for years and where significant work has been done with parish councils to explore need and land availability issues. In the south of the county, sites tend to be larger and plans are in place for 800 mixed tenure units over several years, but funding for these is more dependent on the government's spending review, so there is still a lack of certainty about delivery.
- 88** Despite the absence of a clear, medium term housing strategy, enablers are already acting on the findings of the new SHMA and other data at an operational level. For example, in one area where development is still active, average house prices are high and the population is older than the county average they are currently screening all planning applications to ensure affordable housing is included. They are also exploring ex-garage and other brown field sites in the area which might be suitable for affordable housing development. This type of responsive activity, although it has yet to lead to outcomes, is likely to generate small numbers of affordable housing units on an ongoing basis in future in areas of emerging need.

---

<sup>i</sup> 36 of which are already on site or programmed

<sup>ii</sup> 159 of which are already on site or programmed

<sup>iii</sup> a HCA programme aimed at bringing 'stalled' schemes back into development

- 89 There is early and effective partnership working to deliver large scale new build projects over a period of several years. For example, on a former colliery site adjacent to a Council estate in the Blyth estuary regeneration area. Here the Council, HCA and the landowner have worked together with the ALMO, port authority, health colleagues and a housing association to prepare the site for a new primary school and 300 units of low-carbon, mixed tenure housing. The school is currently under development and the housing is planned for 2011-2013. The adjacent estate will be partially demolished<sup>i</sup> and replaced with rented housing for families and an extra care facility for older people and people with learning disabilities. This means existing residents who want to do so will be able to stay in the neighbourhood but its regeneration will be supported by mixed tenure development and the appropriate infrastructure to make it sustainable.

### **Is there an effective approach to improving the quality and use of existing housing and promoting sustainable neighbourhoods?**

- 90 The Council is performing adequately in this area. Appropriate short-term priorities are in place to improve private sector housing and it works well with partners to plan regeneration work. Most of the social rented housing in the county meets the government's decent homes standard and energy efficiency is being improved in the private sector. Although a number of new plans are in place in this area, however, there have been limited outcomes to date in tackling the problems caused by empty homes and a number of other private sector housing issues.
- 91 Although it has no private sector housing strategy, the Council works with partners on regeneration and master planning. This has been most notable in two areas dominated by poor quality pre-1919 terraced housing, high levels of absentee landlords, poor physical infrastructure and a concentration of socio-economic problems. In East Ashington, where environmental improvements have already impacted, a pilot housing regeneration master plan is being developed with the community to give the area a sustainable long-term future. In Cowpen Quay, the implementation of a neighbourhood framework action plan is being overseen by a resident led steering group and has so far included the strategic purchase of empty and poor quality private sector homes to help begin to reduce blight. Both examples show how poor housing and neighbourhood sustainability issues are being addressed and demonstrate that local people are influencing decision making.

---

<sup>i</sup> following extensive consultation with residents

92 Appropriate short-term priorities are in place for private sector housing. Performance in delivering private sector housing services in several of the former districts was weak and it has taken the Council much of its first year of operation to establish consistent policies and processes and to collect baseline information on some issues. It has, however, addressed its key customer-facing priorities.

- An inherited waiting list of up to three years in some of the former districts for people who needed DFGs. It invested in temporary staff resources and committed £631,000<sup>i</sup> to addressing the issue during 2009/10. This has reduced waiting times to an average of one month<sup>ii</sup> and satisfaction levels are now high<sup>iii</sup>. The Council has maintained its financial contribution in 2010/11<sup>iv</sup> and CLG funding has increased<sup>v</sup> so its target of reducing waiting times to two weeks by the end of the year is now realistic. This means some of the County's most vulnerable people are now able to live independently and with dignity in their homes.
- An inherited waiting list of 500 cases for renovation grants, many of which had been held for several years because some of the former districts chose not to provide assistance. Each case was reviewed and, if a need still existed, applicants were offered help under a new financial assistance policy<sup>vi</sup>. This resulted in 22 customers receiving loans at a cost of £271,932. With surplus funds, it then targeted publicity of the policy to areas where properties were known to have poor thermal efficiency. This resulted in loans for decent homes work for a further 21 customers at a cost of £136,387<sup>vii</sup>.

93 Most of the social rented housing in the county meets the government's decent homes standard. Less than one per cent of the homes managed by the ALMO fails to meet the standard and this is in a regeneration area where consultation is ongoing about whether to invest in or demolish them. Two of the housing associations that took over former district council housing did so relatively recently and will meet the decent homes standard in 2012, but the others will do so by the end of 2010. This means that social rented housing in the county generally provides modern facilities, is safe and is efficient to heat.

---

<sup>i</sup> in addition to the CLG £758,000 grant and £333,000 of its SHiP funding

<sup>ii</sup> from the point of referral by occupational therapists

<sup>iii</sup> in 2009/10 it achieved 97 per cent satisfaction with contractors, 100 per cent with the completed adaptation and with the grants service, and although the backlog meant that only 66 per cent were satisfied with waiting times, this improved to 93 per cent in the first two months of 2010/11

<sup>iv</sup> and its SHiP funding of £330,000

<sup>v</sup> to £884,000

<sup>vi</sup> interest free loans, repayable on property sale, rather than grants

<sup>vii</sup> in addition to investment in CELL properties mentioned elsewhere in this report, bringing the total financial assistance provided last year to £634,522 on 68 properties

- 94 The Council has contributed to improvements in energy efficiency through the Warm Zone partnership. It took over the former districts' role in funding the scheme<sup>i</sup> which successfully delivered 3876 energy efficiency measures at a cost of £1.1 million last year. Its advice services also gained £318,000 in additional means-tested benefits and an estimated £195,000 reduction in fuel bills for customers. It estimates that it reduced CO2 emissions by 13,000 tonnes and for every £1 invested by the Council the partnership levered in a further £4 from external funding sources. This approach, along with the decency work carried out by social landlords, has contributed to an increase in the proportion of properties across the county with a SAP rating<sup>ii</sup> of over 65<sup>iii</sup>.
- 95 Plans are in place for interventionist measures to tackle empty properties as part of regeneration work in 2010/11. Cross-departmental groups of officers in three key geographical areas have begun meeting to jointly identify and address problematic properties, with a realistic target of bringing 25 units back into use during 2010/11. At the time of this inspection the Council was using SHIP funds to strategically purchase four mismanaged new build units in one area and considering purchasing the stock of a landlord in another area where coordinated serving of environmental health and building control notices had failed to fully address the problem. This more proactive approach means the Council is beginning to take some control over the impact which empty properties have in specific neighbourhoods.
- 96 Little progress has been made, however, in addressing the wider problems that empty homes cause. Two per cent of the properties in the county<sup>iv</sup> had been empty for over six months by the end of 2009/10, which is close to regional and national averages, but an empty homes strategy was only adopted by the Council at the end of the year. During 2009/10 it brought only nine units back into use because it was not proactive in providing loans<sup>v</sup> and did not take a significant amount of enforcement action. The council tax service has only recently begun to support the housing team by producing data about empty properties and limited staff resources last year forced it to focus on the highest priority cases among the 150 referrals made by neighbours or agencies. The Council has also only begun to use more intervention measures since April, such as empty dwelling management orders, enforced sale and compulsory purchase orders. This means a significant number of empty properties have been allowed to continue blighting their neighbourhoods, despite the county's need for affordable housing and the potential availability of SHIP and other funding to address the issue sooner.

---

<sup>i</sup> £120,000 for core costs and £189,000 from SHIP funding to target priority groups

<sup>ii</sup> standard assessment procedure - the nationally recognised measure of thermal comfort in domestic premises

<sup>iii</sup> from 30.35 per cent in 2008/09 to 36.98 per cent in 2009/10

<sup>iv</sup> 2401

<sup>v</sup> although there is an empty property grant provision in the financial assistance policy

- 97 Poor thermal comfort remains a significant issue in the county. Despite the work of Warm Zone over the past nine years, 21 per cent of the county's private sector housing stock still has a SAP rating of below 35 and it is estimated that a significant proportion of the 29 per cent with category 1 hazards do so as a result of excessive cold. Warm Zone's work to date has focused on conventional and easy to fit energy efficiency measures so the Council is working with it to begin to explore how to address harder to treat cases. The £330,000 allocated from its capital programme in 2010/11, however, is only likely to insulate 80 homes. This means that, although the Council is also working with housing associations and the ALMO to bid for funding to provide mains gas to areas without it and to install low carbon heating systems, a significant number of customers will continue to live in homes with poor thermal comfort in the county for a considerable time.
- 98 The Council has been slow to address some other aspects of private sector stock condition.
- It estimates that 29 per cent<sup>i</sup> of properties contained category 1 hazards by the end of 2009/10 and that this figure had only been reduced by one per cent during the year. Although it did some limited work to promote the financial assistance available to improve properties last year and recently established a county-wide HIA, the Council does not have a proactive HHSRS forward surveying strategy and its continued focus on addressing thermal comfort and working in specific regeneration areas means vulnerable people living in other poor quality homes may not be made aware of the support to improve them to which they are entitled.
  - Because the Council's revenue and benefit service has not provided the enforcement team with reliable information about the potential multiple occupation of properties, the survey it was able to carry out on houses in multiple occupation (HMOs) in 2009 was based only on data obtained from the fire and rescue service. This means only 33 potential HMOs were surveyed<sup>ii</sup> and the health and safety of people living in others may be at risk because of poor communication within the Council.
  - Although it is a positive initiative, there are limited outcomes from the landlord accreditation scheme. This builds on good practice in the former Blyth and Wansbeck districts but there have been delays in implementing it county-wide because landlords considered that it contained insufficient incentives for them to join. The scheme was launched in February 2010, so only eight properties have been accredited, although members benefit from free Homefinder advertising, discounted access to repairs and servicing from the ALMO<sup>iii</sup> and a discounted price on energy performance certificates from the ALMO. The scheme has the potential to help improve stock condition and support other work on empty properties, so opportunities have been missed by taking a year to negotiate it.

---

<sup>i</sup> 31,172

<sup>ii</sup> with one having been licensed, one license pending and two properties having been closed

<sup>iii</sup> including out of hours

## Are the housing needs of vulnerable and lower income households being met effectively?

- 99** The Council is performing well in most areas covered in this section. Access to social housing is easy, re-housing choice is being increased, the housing options service is effective in preventing homelessness and the use of temporary accommodation for homeless people is minimised. A range of supported housing and housing related support is provided and plans are in place to further improve it. Performance in supporting some vulnerable groups, however, has been weaker and there are issues on which the Council has been slow to take action.
- 100** The housing options service is effective. There are consistent and accessible telephone, website and face to face services in place, including outside office hours. The service is well used<sup>i</sup> and effective prevention work limits the number of cases which result in homelessness<sup>ii</sup>. This is despite the fact that housing advice was only introduced in some areas for the first time after LGR and also despite the impact of the recession in terms of financial and relationship breakdown issues. This work is supported by other prevention initiatives, including adoption of a common pre-eviction protocol by all the social landlords operating in the county. Work is being carried out by the housing team to screen Homefinder forms and identify potential homelessness early, carry out pre-prison release visits and do family mediation work. These various approaches mean that customers who are in housing need are signposted to a range of appropriate options.
- 101** It is easy for people to apply for social housing. Homefinder employs a dedicated marketing officer to promote it and has an 'assisted bidding' list. Frontline access points have been mapped to ensure they provide reasonable coverage and a matrix of triggers identifies customers with support needs. Over 100 support agencies working with vulnerable people are encouraged to act as advocates and there has been a campaign to promote telephone access among the over 60s. As a result of these initiatives, the housing register grew from 7,400 when the scheme began in September 2009 to over 9000 by May 2010. Non-bidders were surveyed in January 2010 to satisfy the partnership that this was the result of choice, rather than failure to understand or ability to use the system<sup>iii</sup>. Non-bidding levels also reduced from 95 per cent to 65 per cent between September 2009 and May 2010.

---

<sup>i</sup> dealing with 144 cases in the final quarter of 2009

<sup>ii</sup> only 56 formal presentations were made during this quarter, with 18 acceptances

<sup>iii</sup> 70 per cent knew how to bid and 90 per cent knew about the assisted bidding service

- 102** The Council is increasing re-housing choice. Early problems with the common allocations policy were speedily addressed, resulting in, for example, increased choice of property size in high demand areas for vulnerable people and better consideration being given to larger families where teenagers have to share a room. Other initiatives to improve choice include an effective and well promoted mutual exchange policy, with 622 customers registered and 55 exchanges done in its first six months of operation. This means customers living in social rented housing are now less reliant on their own landlords for re-housing and can move more easily around the county, whether or not they are in housing need. Another example of increased choice is the advertising of private rented housing through Homefinder. This is a new initiative and not yet well used but accredited landlords can use it without being obliged to adhere to the common allocations policy. This carries the risk of discrimination by giving landlords the opportunity to prioritise applicants on any basis they choose, but improves choice for customers on issues such as number of bedrooms.
- 103** There has been significant progress in preventing homelessness. It has proved necessary to use some of the Council's homelessness prevention grant for projects where essential funding was withdrawn by other agencies but this has had positive outcomes. For example, a teenage pregnancy support worker helped 23 young people in the three months after the Council began funding the post and prevented homelessness in 11 of these cases. The grant has also been used more innovatively to help fund a rent deposit guarantee scheme for 16 to 25 year olds, run by a charity<sup>i</sup>. This has been slow to establish, with only 13 young people supported into accommodation in 2009/10, but 45 cases are currently being considered and the scheme's scope is broadening in 2010/11 to include support to young families.
- 104** Plans are also in place to make good use of homelessness prevention grant in 2010/11. For example:
- to bring unused empty homes in the private sector back into use. This will be done on the basis of an agreement with landlords that they will be rented out by a housing association on 12 month assured shorthold tenancies for at least five years. This has the potential to demonstrate joined-up partnership working across services and to solve two strategic housing problems; and
  - by setting up a pilot repossession prevention fund scheme with financial inclusion partners. The Council has provided £25,000 each to two credit unions<sup>ii</sup>, which will ensure county-wide coverage. Assessments of need are being made by the citizens' advice bureau, with maximum loan values of £5,000. This is an innovative approach to helping some households which might otherwise lose their homes because of short-term financial difficulties.

---

<sup>i</sup> the charity has committed £25,000 and the Council £13,000, with further in-kind contributions of £3,500 and an agreement that the Council will underwrite deposits using the homelessness grant in cases of default

<sup>ii</sup> with £26,000 retained for later use if it is successful and demand requires it

- 105** Performance is good in minimising the use of temporary accommodation for homeless households and in improving its quality. In December 2009, the Council had only seven households living in temporary accommodation<sup>i</sup>, none of which were in bed and breakfast hotels. It has set minimum standards for all leased and owned properties and carried out assessments against these during 2009/10. This process included interviewing service users to explore what facilities they wanted. This resulted in new furniture in two hostels, a budget of £50,000 to improve decorations and furniture elsewhere and a £17,000 capital commitment to improve access at one hostel in 2010/11. The Council also attracted government funding last year to develop a six unit direct access hostel in Hexham, which will open in September 2010 and incorporates a 'learning kitchen' to help residents develop housekeeping skills while waiting for permanent homes. This means that fewer homeless people are now forced to live in temporary accommodation in the county than has been the case since 2004 and its quality is considerably higher than at the time of our last inspection in 2008.
- 106** A range of supported housing and housing-related support is in place. This is reflected in improved performance against some indicators. For example, 98.82 per cent of people lived successfully in supported housing last year<sup>ii</sup>, compared to only 94.12 per cent in 2007/08. The Council also performed at or above average in providing suitable settled accommodation for care leavers<sup>iii</sup>, offenders<sup>iv</sup> and adults with learning disabilities<sup>v</sup>. Provision has recently also been extended to support some previously neglected groups. For example, two units of dispersed accommodation and support have been added for the male survivors of domestic abuse and government funding has been attracted to appoint an advice and advocacy worker for two years as part of the newly commissioned HIA. Plans to enhance support for vulnerable people in 2010/11 include a 'sanctuary' scheme for survivors of domestic abuse who want to stay in their homes, the appointment of a Supporting People funded worker to help Gypsy and Traveller communities access services and the upgrading of hard-wired alarm equipment, using SHiP funding, to enable more effective telecare support in future. These schemes help some vulnerable people to live more independently.
- 107** Performance in some areas outside the direct control of the strategic housing service, however, has been weaker. For example, the Council was less successful last year than previously in helping people to move on from support services. Only 78.43 per cent achieved independent living<sup>vi</sup>, which was down from 81.33 per cent in 2008/09. This was despite the development of a new 'move-on' protocol with partners. Also, because the Council is not monitoring whether the protocol has been successful in reducing waiting times, it is unable to track how successfully the protocol is being implemented, identify problem areas or demonstrate where it is making a difference to outcomes for customers.

---

<sup>i</sup> against a CLG target of 101

<sup>ii</sup> based on data collected against national indicator 142

<sup>iii</sup> 91.2 per cent success against national indicator 147

<sup>iv</sup> 80.26 per cent against NI143

<sup>v</sup> 76.15 per cent against NI145

<sup>vi</sup> NI 141

## Report

**108** There are also some areas where the Council has been reluctant to take action. For example, it has been slow to introduce mortgage guarantees, despite the recession. It has agreed, in principle, to join the Local Authority Mortgage Guarantee Scheme and to introduce Council mortgages. There have been delays in launching both initiatives, however, because eligibility criteria and risk assessments have yet to be completed. This means opportunities may have been lost to help stimulate activity in the local housing market, support homeowners at risk of losing their homes and to support first-time buyers and those on relatively low incomes.

# Appendix 1 – Performance Indicators

- <sup>1</sup> Indicators included in this section are relevant as evidence in reviewing improvement and performance in strategic housing<sup>i</sup>.

## Development of new homes

	2004/05-2008/09		2009/10
	Additional homes	Additional homes per 1,000 existing homes	Net additional homes (NI 154)
Tynedale	971	36	-
Wansbeck	1,135	40	-
Blyth Valley	326	9	-
Castle Morpeth	750	34	-
Alnwick	489	31	-
Berwick on Tweed	177	13	-
Northumberland County Council	-	-	Data available late May
North average	-	30	
National average	-	41	

<sup>i</sup> All data provided by CLG

## Appendix 1 – Performance indicators

### Affordability of new homes

	2004/05-2008/09					2009/10
	Affordable homes delivered	% of additional homes that were affordable	Total additional units of affordable intermediate housing	Total additional units of social rented housing	% of affordable housing that is for social renting	Gross affordable homes (NI 155)
Tynedale	250	25.7	60	200	76.9	-
Wansbeck	130	11.5	30	110	78.6	-
Blyth Valley	20	6.1	10	10	50.0	-
Castle Morpeth	40	5.3	0	40	100.0	-
Alnwick	70	14.3	10	60	85.7	-
Berwick on Tweed	80	45.2	0	80	100.0	-
Northumberland County Council	-	-	-	-	-	203
North average	-	21	-	-	70.2	
National average	-	27	-	-	59.9	

### Quality of private sector (PS) housing

	PS homes empty for > 6 months	PS homes empty for > 6 months as % of PS stock	PS homes empty for > 6 months compared with previous year	Average PS SAP rating	Average PS SAP rating compared with previous year	% PS homes with a SAP < 35
	<b>2008/09</b>					
Tynedale	454	1.95	Increased	41	No change	32
Wansbeck	471	2.09	Increased	No data	No data	6
Blyth Valley	369	1.32	Increased	No data	No data	6
Castle Morpeth	285	1.48	Decreased	No data	No data	26

## Appendix 1 – Performance indicators

	PS homes empty for > 6 months	PS homes empty for > 6 months as % of PS stock	PS homes empty for > 6 months compared with previous year	Average PS SAP rating	Average PS SAP rating compared with previous year	% PS homes with a SAP < 35
Alnwick	412	3.09	Increased	50.7	Decreased	16
Berwick on Tweed	202	1.72	Increased	No data	No data	48
North average	1481	2	-	54	-	9
National average	867	2	-	54	-	10
<b>2009/10</b>						
Northumberland County Council	2353	2%	No Data	No data	No Data	21%

	PS homes empty for > 6 months	PS homes empty for > 6 months as % of PS stock	PS homes empty for > 6 months compared with previous year	Average PS SAP rating	Average PS SAP rating compared with previous year	% PS homes with a SAP < 35
<b>2008/09</b>						
Tynedale	454	1.95	Increased	41	No change	32
Wansbeck	471	2.09	Increased	No data	No data	6
Blyth Valley	369	1.32	Increased	No data	No data	6
Castle Morpeth	285	1.48	Decreased	No data	No data	26
Alnwick	412	3.09	Increased	50.7	Decreased	16
Berwick on Tweed	202	1.72	Increased	No data	No data	48
North average	1481	2	-	54	-	9
National average	867	2	-	54	-	10

## Appendix 1 – Performance indicators

	PS homes empty for > 6 months	PS homes empty for > 6 months as % of PS stock	PS homes empty for > 6 months compared with previous year	Average PS SAP rating	Average PS SAP rating compared with previous year	% PS homes with a SAP < 35
	<b>2009/10</b>					
Northumberland County Council	2353	2%	No Data	No data	No Data	21%

	Number of verified HMOs	Estimated total number of HMOs	LA expenditure on grants (000's)	LA expenditure on loans and assistance (000's)	Number of homes improved
	<b>2008/09</b>				
Tynedale	10	10	52	0	17
Wansbeck	0	0	88	0	28
Blyth Valley	0	0	317	0	33
Castle Morpeth	0	0	30	0	10
Alnwick	7	7	71	0	18
Berwick on Tweed	0	0	247	0	58
North average	360	1052	1468	370	745
National average	270	1164	687	172	364
	<b>2009/10</b>				
Northumberland County Council	4	4	Nil	660	68

**Meeting the Needs of Homeless People**

	Homeless acceptances (quarterly average)	Homeless decisions (quarterly average)	Dec 2010 target for households in TA	No of households in TA in Dec 09	% of target achieved
<b>2008/09</b>					
Tynedale	0.33	1.01	7	-	
Wansbeck	0.38	0.67	87	-	
Blyth Valley	0.34	1.11	2	-	
Castle Morpeth	1.6	2	2	-	
Alnwick	0.38	0.68	1	-	
Berwick on Tweed	0.54	0.95	2	-	
North average	0.51	1.14	-	-	
National average	0.5	1.06	-	-	
<b>2009/10</b>					
Northumberland County Council	0.09	0.24	101	7	100

**Meeting the Needs of other Vulnerable People**

	<b>NI 141 -Vulnerable people achieving independent living</b>				
	Q4 2007/08	Q4 2008/09	Q4 2009/10	Quartile position	Direction of travel
Northumberland	80%	81.33%	78.43%	2nd	↓
North average	70	75			
National average	71	76			
	<b>NI 142 – Vulnerable people supported to achieve independent living</b>				
	Q4 2007/08	Q4 2008/09	Q4 2009/10	Quartile position	Direction of travel
Northumberland	94.12%	98.70%	98.82%	2nd	↑
North average	98	98			
National average	98	98			

## Appendix 1 – Performance indicators

	<b>NI 143 – Offenders under Probation supervision living in settled accommodation</b>				
Northumberland			80.26		
North average	79	79			
National average	77	77			
	<b>NI 145 – Adults with learning disabilities in settled accommodation</b>				
Northumberland			76.15		
North average	-	75			
National average	-	71			
	<b>NI 147 – Care leavers in suitable accommodation</b>				
Northumberland			91.20		
North average	90	91			
National average	90	90			

# Appendix 2 – Reality checks undertaken

- 1 Before and during this inspection, we reviewed a range of relevant documents, including a number which the Council felt would be helpful in reaching our judgements.
- 2 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of the quality of the service being delivered in practice. They included partner, staff, board and councillor interviews and mystery shopping of service access points.

# Appendix 3 – Positive practice

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

In-house housing enabler posts

---

# The Audit Commission

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

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

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

---

## Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, audio, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2010

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

---