

Housing Management Services Re-inspection

Torridge District Council

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Local Authority Housing Inspections

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

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

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

- is proportionate to risk and the performance of the 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.

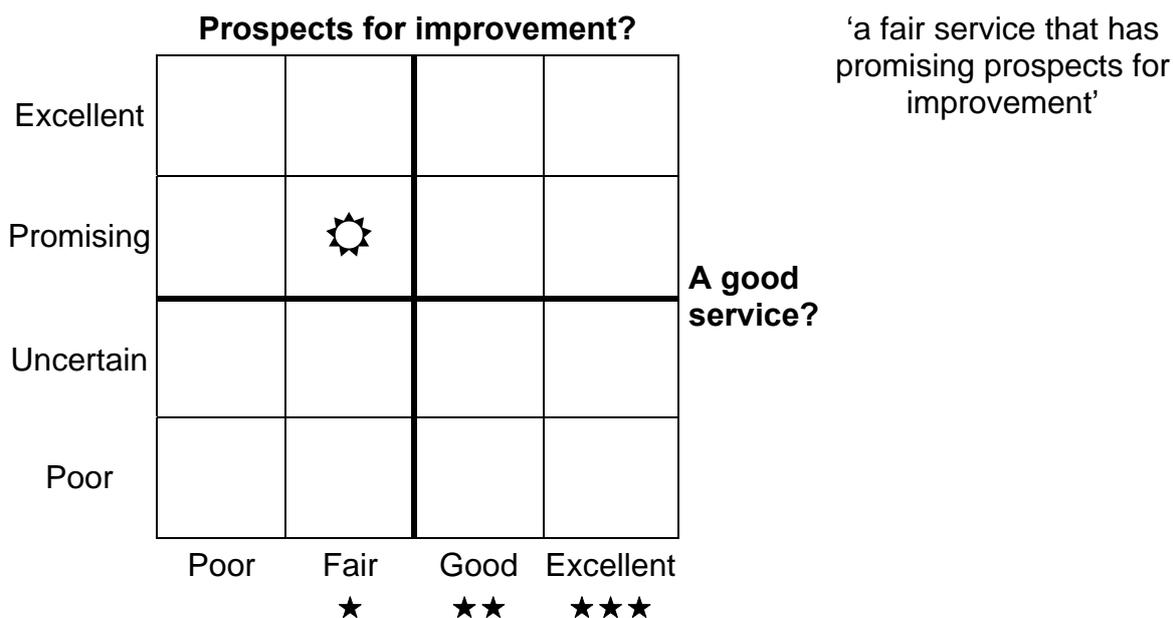
Summary

- 1 Torridge District Council provides a fair housing service that has 'promising' prospects for improvement.
- 2 Satisfaction with the overall housing service provided by the Council is high. Communication with customers is good and access to the service is easy. Estates are well managed and investment has focused on providing warmer homes and reducing the number that do not meet the decent homes standard. The service relets empty properties quickly and completes repairs on time in customer-focused way. Gas safety checks and major adaptations are carried out promptly. Tenancies are well managed in most respects and performance on income management is now above average. Service costs compare well to other similar organisations and costs are now broadly consistent with the overall quality of the service.
- 3 The approach to equality and diversity is weak and while the overall corporate approach to customer service is improving it is not fully developed. In some important areas customer choice and involvement is limited and the service is not always customer-focused. The management of value for money is weak. The service does not have a clear understanding of its costs and how these compare and has not yet demonstrated good value for money from its in-house services. Procurement remains an area for improvement.
- 4 The Council's leadership of the service is now strong and its future plans are generally good showing self-awareness about strengths and weaknesses. In addition, the plans developed for transferring homes to Tarka Housing are sound and form a solid basis for improvement in the future. Performance management arrangements and financial capacity are also strong. Staff capacity is strong and improving in key areas such as procurement. There is a track record of improvement in some important areas for example, in the repairs service and in improving tenants' homes to make them warmer and meet the decent homes standard.
- 5 However, improvement has been slow in several important areas such as equality and diversity and value for money. There are weaknesses in the approach to human resources (HR) including the current use of the appraisal system and a relatively high level of sickness. Performance reporting and the service's approach to learning remain areas for improvement. In addition, there remain weaknesses in the Council's IT systems.

Scoring the service

- 6 We have assessed Torridge District 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 chart¹



Source: Audit Commission

- 7 We found the service to be fair because of the following strengths.
- Satisfaction with the overall housing service provided by the Council is high.
 - Communication with customers is good and access to the service by telephone, in person or through the website is easy.
 - Estates are well managed.
 - Performance on income management is now above average. The service works well with partners and rent is collected more efficiently.
 - The service has good information about its stock and investment has focused on providing warmer homes and reducing the number that are non-decent.
 - Properties offered to new tenants are of a good standard and are relet quickly.

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

- Generally repairs are completed on time and in a customer-focused way - single visit and by appointment.
 - Gas safety checks and major adaptations are carried out promptly.
 - Tenancies are well managed in most respects. There is a clear and well written tenancy agreement, a sound induction procedure for tenants and complaints about anti-social behaviour are dealt with well.
 - Service costs compare well to other similar organisations and costs are now broadly consistent with the overall quality of the service.
- 8 However, there are some areas which require improvement. These include:
- the approach to equality and diversity is weak. The service does not yet have a full understanding of its customer profile or needs. It does not yet fully comply with the Commission for Racial Equalities' code of practice on racial equality in housing and equality impact assessments have not been carried out;
 - the overall corporate approach to customer service is improving but it is not fully developed. Training is not being used to embed a customer-focused culture and there remain weaknesses in the complaints system and the setting and monitoring of service standards;
 - in some important areas customer choice and involvement is limited and the service is not always customer-focused for example, major works and minor adaptations;
 - the corporate approach to debt gives insufficient weight to sustaining tenancies and the collection of former tenant arrears is weak;
 - the impact of estate inspections could be greater and the management of anti-social behaviour cases remains an area for improvement. The service has inadequate operational guidance and legal support; and
 - the management of value for money is weak. The service does not have a clear understanding of the costs of its activities and how these compare and has not yet demonstrated good value for money from the in-house maintenance services demonstrated good value for money from the in-house maintenance services. Procurement remains an area for improvement.
- 9 The service has promising prospects for improvement because:
- the Council's leadership to the service is now strong and more outward looking;
 - future plans are generally good showing self-awareness about strengths and weaknesses in the service;
 - the plans developed for transferring homes to Tarka Housing are sound and form a solid basis for improvement in the future;
 - performance management arrangements are now strong;
 - the service has strong financial capacity which will be greatly enhanced following the stock transfer;

8 Housing Management Services Re-inspection | Scoring the service

- staff capacity is strong and improving in key areas such as procurement; and
- there is a track record of improvement in some important areas for example, in the repairs service and in improving tenants' homes to make them warmer and meet the decent homes standard.

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

- improvement has been slow in several important areas such as equality and diversity and value for money;
- there are weaknesses in the approach to human resources (HR) including the appraisal system which is not yet embedded or effective, and a relatively high level of sickness;
- performance reporting and the service's approach to learning remain areas for improvement; and
- weaknesses also remain in the Council's IT systems.

Recommendations

- 11 In order 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 costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council shares the findings of this report with tenants and councillors and addresses all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 Develop a customer-focused and equalities focused culture by:

- *developing a robust understanding of the profile and needs/requirements of all customers;*
- *developing a strategic approach to improving access based on a clear understanding of how and why tenants currently access the service;*
- *taking positive steps to embed equality and diversity and a customer-focused culture across the organisation for example, through training, and by setting challenging targets and objectives for improving outcomes for the whole community; and*
- *carrying out equality impact assessments on key policies and procedures and fully meeting the requirements of the CRE code of practice;*
- *involving customers more fully in the overall shaping of service delivery;*
- *reviewing the current approach to complaints and implementing the lessons learned; and*
- *improving the quality of all written information and service standards.*

The expected benefits of this recommendation are:

- improved customer-focus and access and greater responsiveness in service delivery;
- more robust approach to equality and diversity;
- better service provision for customers; and
- a better 'fit' between the customer needs and aspirations and the service provided.

The implementation of this recommendation will have high impact with low costs. This should be implemented by September 2008.

² 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 Develop the approach to value for money by:

- *developing a comprehensive understanding of how costs compare;*
- *routinely reviewing service cost alongside service performance;*
- *setting clear value for money targets and cascading these to teams and managers through performance management and service planning systems;*
- *improving the approach to procurement;*
- *demonstrating the value for money provided by in-house services for example, through market testing;*
- *reducing the level of repairs carried out as urgent or emergencies; and*
- *developing with partners a robust approach to income collection that addresses performance issues around former tenant arrears and balances the need for income generation and tenancy sustainment.*

The expected benefits of this recommendation are:

- improved understanding and ownership of value for money issues across the organisation;
- improved value for money and delivery of efficiency gains through better procurement;
- better outcomes for tenants; and
- improved income maximisation and tenancy sustainment.

The implementation of this recommendation will have high impact with low costs. This should be implemented by September 2008.

Recommendation

R3 Strengthen the approach to service improvement by:

- *comparing HR policies and practice with the best performing organisations and implementing the lessons learned;*
- *embedding the use of regular staff appraisals;*
- *improving current performance reporting arrangements;*
- *reviewing current IT provision and undertaking a robust option appraisal and implementing the best value for money option;*
- *adopting a systematic approach to learning from the best housing providers and others; and*
- *developing a comprehensive asset management plan for all homes.*

The expected benefits of this recommendation are:

- stronger arrangements and culture to support continuous improvement;
- increased organisational capacity; and
- better skills and tools to deliver improvement.

The implementation of this recommendation will have high impact with low costs. This should be implemented by September 2008.

- 12 We would like to thank the staff of Torridge District Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 23 to 27 July 2007

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Report

Context

The locality

- 13 Torrridge District Council is one of eight district and borough councils in Devon in the South-West of England. It covers an area of 380 square miles and is predominately rural in nature. The natural landscape of the district makes it a very popular area for tourists and the main estuary area was recently designated the first international biosphere area in the country.
- 14 Population density is low, the current population being 62,500.³ Over half of the population live in and around the main towns of Bideford, Great Torrington, Holsworthy and Westward Ho! Just over a quarter of the population are over 65 years old, a significantly higher figure than the figure of 21 per cent for England overall. In terms of ethnicity, only 2.35 per cent are from groups other than White British, compared with the national figure of 13 per cent. There is no predominant minority ethnic group in the area.
- 15 Unemployment is 3.6 per cent, which is around the same rate as the region overall and below the national average of 4.9 per cent. Average weekly wages at £288 are low compared to the national average of £371.⁴ Average house prices at £207,995⁵ are below those in Devon as a whole (£231,895), though still present major problems of affordability for those on average incomes. In terms of overall deprivation, Torrridge ranks 19⁶ out of 354 council areas in England.⁷ There are no wards with Super Output Areas⁸ falling within the most deprived ten per cent of SOAs nationally.
- 16 There are 27,622 homes in the district, of which 6 per cent are owned by the Council, and 2 per cent by other social landlords.

The Council

- 17 In the May 2007 elections, no single party or grouping achieved a majority of the 36 seats on the Council. There are 13 Conservative, 12 Independent, 5 Liberal Democrat and 6 non-aligned councillors.
- 18 The Council's governance arrangements comprise a leadership team and three committees: Policy, Performance and Resources, Community Development, and a Scrutiny Committee. The Council employs 360 staff across all services, and has an annual net budget in 2007/08 of £9.3 million.

³ 2005 estimate from Office of National Statistics (ONS)

⁴ 2006 ONS Earnings Survey

⁵ Oct-Dec 2006 Land Registry price report

⁷ Rank of average score - 2004 Indices of Deprivation (1 is the most deprived, 354 the least)

⁸ Super output areas are geographical areas used for statistical analysis usually comprising between 1000 and 2000 people.

- 19 The conclusion of the 2003 comprehensive performance assessment carried out by the Audit Commission was that the way the Council was run and the delivery of services was poor. When the last assessment of progress was made in March 2006, the Commission concluded that after a slow start, the Council was addressing the weaknesses identified.

The service

- 20 At the time of this inspection, the Council managed 1,682 homes including 63 leasehold homes, and 353 sheltered homes. Around three quarters of the homes are located in Bideford, Northam, Torrington and Holsworthy. 1,227 homes are houses and bungalows, the rest being low and medium rise flats. All but 170 homes were built after 1945. On the 1 April 2007, 17 per cent of homes fell below the Decent Homes Standard. The Council also owns 695 garages. In 2006/07, six homes were sold under the right to buy scheme. There were 1,310 households on the waiting list, and a total of 94 lettings were made.
- 21 The cost of maintaining and managing Council homes in 2006/07 was £2.4 million. The budget for managing and maintaining homes in 2007/08 is £2.6 million.
- 22 Council homes other than sheltered accommodation are managed by the Housing Management Service team based in Bideford. The team comprises seven staff. Sixteen staff work in sheltered housing, and there are five technical staff. Repairs are chiefly carried out by the Council's own direct labour organisation, which includes 15 operatives. Cleaning and caretaking to sheltered and some other blocks are provided by a team equivalent to five full time staff.
- 23 The future ownership and management options for Council homes were explored through an appraisal completed in June 2005. This recommended the transfer of all homes to a housing association. A tenant ballot was held in March 2007 and of the 79 per cent of tenants who voted, 84 per cent voted for the transfer. The transfer is scheduled to take place in December 2007, to the newly formed Tarka Housing. Tarka will form a partnership called the Westward Housing Group with the Westcountry Housing Association, which owns 4,000 homes in the region.
- 24 The housing service was inspected in 2005, when the judgement was that the service was poor, with poor prospects for improvement. The scope of this inspection covers the same service areas as were inspected in 2005. These are:
- access and customer care, diversity and value for money across all services;
 - stock investment and asset management, including capital and planned works, responsive repairs, gas servicing, repairs to empty homes, and adaptations; and
 - income management and tenancy and estate management, including how anti-social behaviour is tackled.

How good is the service?

What has the service aimed to achieve?

- 25 The Council's 2005/10 Strategic Plan sets out the overall objectives for the housing management service - these are to:
- improve underperforming areas;
 - develop and implement a strategy that ensures the Council's housing stock achieves the decent homes standard;
 - implement the transfer of the housing stock to a housing association;
 - assist elderly, disabled and the vulnerable to live independently; and
 - promote installation of energy efficient measures.
- 26 The 2006/07 housing business plan sets out a range of priority actions including:
- develop a suite of service standards and provide clear and comprehensive leaflet for tenants;
 - ensure that work is undertaken to ensure all offices and access points comply with the Disability Discrimination Act 1995;
 - establish mechanisms to collate feedback from customers and ensure the robust application of the complaints procedure;
 - develop a strategy to meet the CRE Code of Practice in Rented Housing and address other diversity weaknesses;
 - improve energy efficiency and eradicate fuel poverty;
 - develop consultative mechanisms to ensure that tenants are aware of the scope of future works programmes;
 - strengthen the provision of the responsive repairs services and expand the use of appointments for responsive repairs;
 - strengthen the approach towards asbestos;
 - strengthen gas safety services and record keeping;
 - strengthen procedures for the prevention and recovery of debt;
 - integrate value for money into working practices;
 - explore partnerships and joint procurement;
 - develop a robust performance and management information framework; and
 - complete the stock transfer process.

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

Access and customer care

- 27** In our previous inspection we found this was an area of weakness. Written information available was weak, the website was limited and the use of customer feedback was underdeveloped. This inspection found that although progress has been made weaknesses outweigh strengths. The overall corporate approach to customer service is improving but as yet it is not fully developed. Training is not being used to embed a customer-focused culture and customer involvement in shaping the service remains weak. In some important areas customer choice is limited and the service is not always customer-focused. There remain weaknesses in the complaints system and the setting and monitoring of service standards. Positively, communication with customers is good and access to the service by telephone, in person or through the website is easy. In addition there are now sound systems to seek out customer feedback for example, through satisfaction surveys. Importantly, satisfaction with the overall housing service provided by the Council is high.
- 28** The Council's overall corporate approach to customer service is improving but as yet it is not fully developed. It has started to develop such an approach but has not followed this through. There is no strategy for improving customer access that sets out clear long-term aims. The Council does not have a clear understanding of how and why customers contact the Council for example, by telephone. Positively a comprehensive range of Council-wide customer service standards have been developed and publicised across services. However, not all are sufficiently challenging and measurement and reporting of performance against the standards is weak. Importantly, in housing no rolling customer care training programme covering standards and other aspects of customer service has been delivered, and many frontline staff have not attended such training. This is an important way of embedding a customer-focused culture in an organisation.
- 29** The Council's complaints system is not adequate. The complaints process is not set out clearly in the corporate leaflet for example, explaining who to complain to at the initial stage and specifying the timescales in which the Council will respond. There is no complaints form. Customers make relatively little use of the scheme, and there is a low level of satisfaction with outcomes. We also found that some housing staff found it difficult to identify a service failure and record it as such.
- 30** Some aspects of customer access are not customer-focused. For example, at present there is no standard out-of-hours emergency number. The number varies from day to day and is given on a recorded message when residents phone the main Council switchboard. While the response service itself is sufficient in terms of dealing with repairs issues, getting to it is not straightforward and may be confusing especially for some vulnerable tenants.

- 31 Customer choice is limited in some important areas. Customer choice is not available sufficiently in the sheltered housing service. There is no choice of service charge level in each scheme and little choice between mobile, resident or extra care support. By contrast, when developing the Tarka Standard, a policy on choices for kitchen and bathroom refurbishment was agreed and is being applied.
- 32 The resident involvement structure has improved but is still weak in some important respects. The service developed its approach to involvement significantly in the course of the stock options appraisal and pre-ballot processes. There is now a Tenants' Panel made up of 22 members that meets monthly to consider service proposals and performance reports. Training has been provided to increase capacity amongst Panel members and a clear and appropriate Tenant Compact has been agreed. However, important weaknesses remain including:
- the Tenants' Panel is not accountable to a wider audience, and is not elected or representative of estates or of groups of residents;
 - the four local area based associations have little impact outside of their own neighbourhoods; and
 - importantly, the aim of identifying a wider standing group of residents interested in being involved on an occasional basis has not been met. The numbers currently involved are too few to form an adequate sounding board representative of tenants generally. It is also not yet sufficient to be used as a source for consulting specific 'hard to hear' groups such as those who are housebound or younger tenants.
- 33 Customer involvement in the overall shaping of service delivery remains weak. For example, the crucial review of repairs services in 2006 and the involvement of residents in the development of the standard for reletting empty homes did not involve residents sufficiently. Customers have not been consulted on key access issues such as opening times. Currently opening times for phones and receptions are standard office hours. Whilst these may be sufficient, the service cannot be sure of this and it may not fully be meeting needs in this area.
- 34 Strengths in this area include the sound arrangements in place in most respects to enable customers to access services by telephone and in person. There are two well advertised phone numbers for housing services, one for repairs and one for other services, and sufficient staff available to answer calls. The main housing reception area at the Town Hall is satisfactory, with facilities for disabled people, and a wide range of information in leaflet and poster form. Staff are easy to identify and helpful.
- 35 The service is making positive use of new technology to help customers to access services. The website is easy to use, informative and provides a range of on-line services for customers. Rent and other payments can be made on-line, and repairs and anti-social behaviour can be reported. Repairs enquiries can now also be made by text from a mobile phone.

- 36** Communication with customers is good but the quality of some written information is mixed. Satisfaction with information provided by the service is high (93 per cent satisfaction in 2006 survey). The service has developed a number of ways to keep customers informed of changes. There are regular newsletters and an attractive well-written Annual Report These contain useful information for tenants including performance information. There is also a wide range of standard service information leaflets available in a common format, including a front page strapline covering the other formats in which the leaflet is available and offering translations. However, some written information is poor. For example, the leaflet for sheltered tenants does not use plain language and the summary of the Tenant Compact does not cover key areas such as the range of options for getting involved. Newsletters for tenants prior to the latest edition were generally weak, and not well regarded by residents.
- 37** The housing service has developed sound systems to seek customer feedback. A system of measuring service user satisfaction based on a ten point scale is used for some of the key housing management services including responsive repairs and anti-social behaviour. Results are reported at service level and to councillors. Focus groups have been held on a range of issues. Recently a series of groups was held covering all major housing management services to inform how those services should be developed.
- 38** Satisfaction with the overall housing service provided by the Council and opportunities to participate are high. Tenants are beginning to have an influence on some important aspects of the services that they receive. Examples of this include:
- contributing significantly to the detail of the Tarka Standard covering the refurbishment of homes and estates that will take place over the next 30 years;
 - contributing to the scheme for measuring service user satisfaction, and to setting service standards; and
 - developing ways to be meaningfully involved in the procurement of services, including scoping of works and tender evaluation.

The last satisfaction survey found that 91 per cent of those who replied thought adequate account was taken of their views, and overall, 78 per cent were satisfied overall with opportunities to participate in decision making.

Diversity

- 39 The previous inspection concluded that this was an area of weakness. The customer profile was not understood and services were not tailored to meet needs. Offices did not fully meet the needs of people with disabilities. This inspection found slow progress and this remains a weak area. The service reflects the underdeveloped corporate approach to equality and diversity. The service does not yet fully comply with the Commission for Racial Equalities' code of practice on racial equality in housing and equality impact assessments have not been carried out. The service does not yet have a full understanding of either its overall customer profile or of its customers' individual service needs so that it can tailor its services. Positively, leadership in the service is improving and training has been given to staff and councillors. All offices have also now been adapted to meet the needs of disabled customers.
- 40 The service reflects the underdeveloped corporate approach to equality and diversity. The Council have not yet adopted an Equality Scheme or achieved level one of the Equality Standard for Local Government and there is no anti-poverty strategy. In addition, the service does not yet fully comply with the Commission for Racial Equalities' code of practice on racial equality in housing and equality impact assessments have not been carried out.
- 41 The service does not know whether its staff reflect the diversity of the local community. Diversity is not routinely analysed in sufficient detail, such as women employees by grade, and is not reported. There are no clear targets. The Council does not know if it is making the best use of its actual or potential workforce and is not demonstrating clear leadership on diversity to customers and stakeholders.
- 42 The service does not yet have comprehensive systems in place to ensure that it understands the needs or requirements of all its residents. It has been working with a variety of sources including census data, but the information is not effectively collated. The service has not systematically collected information on individual tenant service and communications needs although the computer system has the facility to hold and make available a range of personal service needs data. No attempt has been made to gauge the extent of data held. There are no targets to increase the data held and no systems in place to make collection more routine. A robust customer profile will enable the association to target services more effectively.
- 43 Services are not yet satisfactorily tailored to meet individual needs. The service accepts that elderly and vulnerable residents should receive an enhanced repairs service. However, at present this is left to the discretion of staff without any clear or detailed guidance to help them. This means that there is a risk that services are not delivered consistently.
- 44 The code of conduct for contractors does not adequately deal with vulnerability and possible individual service needs. While it covers a standard range of issues and behaviours required from contractors working in homes, it does not consider how contractors might establish any special needs or give examples of where a non-standard approach is needed.

- 45 The housing service does not yet know how far the involvement of residents achieved to date is fully reflecting the overall tenant community. Involvement is not yet monitored and reported in terms of diversity and there are no clear targets in this area.
- 46 The website has some weaknesses in terms of accessibility. The site does have an accessibility page setting out options for other formats, with a link to a translation site. A text only format is easy to find. However, there is no clear larger text option, and the accessibility page does not provide information on special telephone services.
- 47 Leadership on equality and diversity issues in the housing service is improving. Diversity is the first of the principles within the Tenant Compact. Commitments to avoid the use of racist or sexist language and to ensure all actions are non-discriminatory form part of the Tenants' Panel code of conduct. The anti-social behaviour policies are also strong in this area. This is helping to spread the message that diversity needs to be a routine consideration in delivering services.
- 48 Offices are accessible to people with disabilities including wheelchair users. Offices have well signed wheelchair accessible toilets and automatic doors. Counters are lowered in part to allow wheelchair users to communicate easily with staff.
- 49 The Council has provided training on diversity and equalities issues. All staff and Councillors, other than the most recently appointed or elected, have received this training. Staff value what they have learnt and consider it has helped them to deliver improving services.
- 50 Sheltered housing managers are well equipped to understand the cultural needs of their residents, as a result of a cultural awareness handbook. This provides general advice on communications and some of the main areas where cultural differences arise, such as diet, family, religion and death. There is also a more detailed description of the cultural characteristics of a wide range of groups.
- 51 Systems are in place to identify vulnerable and potentially violent or abusive tenants. Records are flagged on files and on computer, helping to ensure services are delivered appropriately and risks managed effectively.
- 52 The housing service is now equipped to provide support to victims of harassment and domestic abuse. This includes:
 - clear policies and procedures to tackle racial harassment and domestic abuse are in place;
 - leaflets covering the key points of these policies are prepared and on display; and
 - the revised tenancy agreement clearly and appropriately sets out the obligations of tenants regarding harassment and domestic abuse.

However, no specific housing policies and practices are yet in place to tackle other forms of harassment such as on the grounds of disability or sexuality.

Stock investment and asset management

Capital improvement, planned and major works

- 53** The previous inspection concluded that there was a balance of strengths and weaknesses in this area. The service had a reasonable understanding of its stock and used external planned and cyclical maintenance well. However, funding was limited and asbestos management was weak. This inspection found that there was still a balance of strengths and weaknesses in this area. The service has good information about its stock and investment has focused on providing warmer homes and reducing the number that are non-decent. However, work is not always planned and delivered in a customer-focused way and asset management plans are not fully comprehensive. In addition, the service still has a traditional approach to contract procurement and arrangements for dealing with asbestos are still not robust.
- 54** The service has good information about the condition of its stock. A detailed understanding of the condition of stock, which is needed to plan an effective capital investment programme, has now been achieved. Current data was obtained in late 2005 by consultant surveyors using well proven methodologies. This included using the new Housing Health and Safety Rating System, which was formally introduced in April 2006, to assess which homes were not decent. A separate specialist survey was carried out of non-traditionally built homes. As a result, the service is in a strong position to ensure its spending takes place on the right homes at the right times.
- 55** Investment has focused on providing warmer homes and reducing the number that are non-decent. The proportion of non-decent homes has fallen from 28 per cent three years ago to 17 per cent. The average SAP⁹ rating of its homes has also increased from 61 to 70 over the past three years, placing the Council among the best performing 25 per cent of councils nationally. Nearly all homes have double glazing and modern heating systems. Importantly the problem of under-spending on annual capital programmes which was identified in the last inspection has been addressed and for the last two years, programmes have successfully delivered their objectives. Most planned programmes are now delivered on time and on budget.
- 56** Planned maintenance has been used successfully to manage two major risks to residents' health and safety. Mains wired smoke alarms have already been installed on a programmed basis. Currently, heating servicing programmes are being used to install carbon monoxide (CO) detectors in all homes. Routine planned maintenance for all alarms will operate from 2008. This comprehensive approach is good practice and sets a high standard of landlord care.

⁹ SAP is the national scale for assessing the energy efficiency of homes

- 57 There are weaknesses remaining in the approach to investment and planned maintenance. Planning and carrying out major works has not been fully customer-focused. Some features have been positive including the degree of choice over kitchen and bathroom refurbishments and involvement of residents in their layout and design. However, residents have not been involved in deciding the order of work, and the tidiness of the work in some instances has been unsatisfactory. There is no leaflet and no clear standards for what tenants should expect and this has contributed to the lack of focus.
- 58 Procurement of major repairs and improvements works has not been modernised. At present such works have been procured using traditional forms of contract, and have not taken advantage of the potential of current procurement methods such as partnering. While the service is now starting to update its approach, it cannot show it has made best use of its resources.
- 59 There are weaknesses in the planning and notification of tenants about major works. In the past tenants have not always received sufficient notice about major works being done in their homes. At present tenants do not know when the major improvements which will follow transfer to the housing association will be done as detailed programmes are not complete. While the service is working to develop an overall five-year programme to deliver the Tarka Standard, until this is done tenants will not know what works will happen and when.
- 60 The service has not yet developed strategic asset management plans for sheltered homes or for garages. Some key weaknesses with sheltered housing such as bedsit units and lack of level access have been successfully addressed. However, options for the long-term future of each scheme are only now starting to be considered. There is no investment plan which ties in developing the physical stock with the future long-term direction of older peoples' housing services. Similarly no approach has been developed for the long term use of garage facilities. Options for future use of underused sites remain unexplored.
- 61 Arrangements for dealing with asbestos are still not robust. The last inspection found that residents had not been routinely notified of the presence of asbestos. This is still the case. The service has now completed a further survey to fill in gaps in its understanding of asbestos, and does plan to install a permanent asbestos notice in each home. However, progress in addressing this important issue has been unsatisfactory. In addition, procedures for notifying operatives and contractors of asbestos are also not robust. There is no automatic flagging of asbestos on orders. Instead a manual register has to be used. This means that there are risks to tenants, contractors and the Council.
- 62 In one respect the stock condition database is not adequate. Stock condition data is not yet held on a system which allows automatic updating of data by links to other repairs systems, and all updating has to be done manually. There is a planned upgrade to a modern system after Tarka is established, but currently there is a risk of lost data, and staff time is not being used to best effect.

- 63 The approach to sustainability issues does not yet take sufficient account of the challenges involved. While at present contractors will not be approved without an environmental policy, Torridge has not developed its own policy in any detail and lacks targets and any strategic direction on green issues. Given that domestic properties are responsible for a significant proportion of greenhouse gases and that fuel poverty is a threat faced by low income tenants, this demonstrates a lack of community leadership.

Responsive repairs

- 64 The 2005 inspection found that this service was not effective. Repairs diagnosis was poor, performance was mixed and appointments were not available for all types of repairs. This inspection found that major progress had been made and the service is now delivered in an innovative and customer-focused way. Generally repairs are completed on time, in a single visit and by appointment. Customer satisfaction with the repairs service is high. However, too many repairs are completed as emergency or as urgent jobs. Overall the service now has more strengths than weaknesses.
- 65 There are examples of service innovation in the approach to responsive repairs. Within 24 hours of an initial repairs request an operative contacts the tenant direct to discuss what needs to be done and to set an appointment for work to be completed. This approach has added to the service's capacity by using the operatives' skills and knowledge to accurately diagnose the repair. It also encourages operatives to take ownership of the repair. Performance is assessed by asking tenants when they were contacted and whether an appointment was made. This innovative system does have risks but these have been well managed and there has been no negative impact on budgets or performance.
- 66 Responsive repairs are generally undertaken within agreed timescales. There was a slight decline in performance in the proportion of non-emergency repairs done within timescales in 2006/07 when the scheme was introduced. This was reversed in the first quarter of 2007/08 and performance in all categories is now positive. In the great majority of cases repairs are being done within deadlines.
- 67 The repairs service is customer-focused. The appointments system is effective and most repairs are completed 'first-time'. In the first quarter of 2007/08, in virtually all cases appointments were both being made and kept. In nine out of ten cases, operatives were successfully contacting customers within 24 hours of the complaint. Also in nine out of ten cases, the work was finished at the first visit, minimising inconvenience to tenants.
- 68 Customer satisfaction with the repairs service is high. In the period July 2006 to March 2007, on average customers who had repairs done in their homes rated their overall satisfaction with the repairs service at 9.5 out of 10. Customers are positive about the benefits to them of the new system. They have not been concerned at not getting an appointment at the first point of contact, or at not receiving a written confirmation. They value the early contact with the worker who will actually do the repair.

- 69 The service is using pre- and post-inspections appropriately to ensure tenants receive a high quality service. Around 12 per cent of jobs are pre-inspected which is a reasonable rate just over the ten per cent good practice benchmark. Post-inspections for contracted works are done for 20 per cent of jobs selected on a targeted basis. The review of work done in-house ended the post-inspection of all but a small proportion of direct labour organisation jobs. This was done to encourage operative ownership and responsibility. While this presents some risks, these have been managed and there are no negative effects. Overall staff time spent on these inspections is being used efficiently.
- 70 Performance on keeping to the timescale for doing pre-inspections of responsive repairs is not measured. At present the ten day target is not routinely measured or reported, and the service cannot show that this important aspect of the repairs service is being delivered satisfactorily.
- 71 Too many responsive repairs are being done on a high priority basis. Six out of ten responsive repairs are done as emergency or urgent jobs, while the good practice standard is three out of ten. While this is unlikely to impact significantly on efficiency due to the working arrangements used, it indicates that a great deal of discretion is being used in assessing priorities. As there is no clear guidance on using such discretion, there is a high risk of inconsistent treatment of customers. Also, urgent jobs are paid for at a higher rate than normal jobs, which increases the costs of the service.
- 72 The direct labour organisation has failed to make consistent progress on reducing its operational costs. For example, it is not yet working on a multi-skilled basis. While in practice, operatives do carry out extra trades to some degree to ensure jobs are completed quickly, this is discretionary and no extra trades training has been done. Overall this places a limit on workforce flexibility and efficiency.

Empty homes (voids) repairs and management

- 73 The previous inspection found that this was a weak area. Performance times and the standard of property for new tenants were weak. This inspection found performance has greatly improved and working arrangements have been streamlined. Strengths now outweigh weaknesses. Properties offered to new tenants are of a good standard and are relet quickly. The relet process is customer-focused and feedback is generally positive. However, some specific parts of the relet standard need strengthening and the service's understanding of its costs is an area for improvement.
- 74 Empty homes are relet quickly and performance now compares well with the best performers. The processes for reletting empty homes have been formally reviewed and streamlined. As a consequence, performance has improved from an average turnaround time of 44 days at the start of 2006/07 to below 27 days by the end of the year. A challenging target of 15 days was agreed for 2007/08, and at the end of the first quarter this is being met. This improvement means better use is being made of the stock, more income is achieved providing better value for money, and people in need are being rehoused more quickly.

- 75 The standard of homes available to new tenants is good. The service is carrying out a wide range of repairs and improvements to empty homes including for example, new kitchens and central heating systems. This both contributes to meeting decent homes targets and reduces the problems caused by doing such works in occupied homes. Once completed these properties provide modern and comfortable homes.
- 76 The relet process is customer-focused. For example, viewings are carried out before the outgoing tenant has left to both speed up the lettings process and allow the incoming tenant to agree items that can be left such as curtains. In addition, the relet standard is provided with the offer and an informative welcome pack is provided on letting. A follow-up survey is also carried out of all new tenants, and also a routine settling in visit made after a month. Feedback from new tenants shows they are generally positive about both the experience of being offered and viewing their new home and about the condition of the properties once completed.
- 77 There are weaknesses in aspects of the relet standard and to how well customers were involved in developing it. Issues include:
- the standard is short of detail on some important features, including the number of kitchen units and provision of wall and floor tiles;
 - the policy on decorations is confusing and it is also not clear to what standard wall and other surfaces should be prepared so tenants can readily decorate when they move in; and
 - resident involvement in developing the relet standard has been limited to reviewing what service managers have already written.
- 78 The service's understanding of the costs of repairing voids is not yet adequate. It has recently started to measure and record the costs of carrying out works. However, while initial findings indicate that costs of bringing homes to the relet standard are around average, no benchmarking or other analysis has taken place and it cannot be sure whether its approach is cost effective.

Gas servicing

- 79 The 2005 inspection found that the gas service overall was weak. A large number of properties did not have current certificates and performance management systems were weak. This inspection found sound performance management arrangements that reflect national best practice to ensure annual gas safety checks are carried out promptly. Few homes are without valid certificates. Strengths now outweigh weaknesses in this area.

- 80 There are sound performance management arrangements in place to ensure annual gas safety checks are carried out promptly. The system for recording and analysing gas servicing performance is effective and records are properly kept. Routine management reports of homes without current certificates are produced and action taken. Current performance on gas servicing is much improved and is now very close to meeting the legal requirement to carry these out annually. At the time of the inspection there were five homes which did not have a current safety certificate. Of these, in three homes certificates had been expired for less than a week, one had been expired for two weeks and one for seven weeks.
- 81 The service demonstrates an awareness of national best practice contributing to ensuring an effective service. These include:
- evening and weekend appointments to facilitate access;
 - a 5 per cent external audit of technical performance; and
 - solid fuel and oil systems serviced and subject to the same degree of monitoring and reporting as gas systems.
- 82 Gas safety is taken seriously and some important practical steps have been taken including:
- carbon monoxide (CO) detector alarms are now being fitted in all homes as part of the heating maintenance programme;
 - gas safety is promoted in newsletters and a major article on carbon monoxide appeared in 2006; and
 - the lettings checklist is designed so as to prevent a sign-up being completed unless the gas certificate is physically on file, and a gas safety leaflet is given to new tenants in the welcome pack.

Adaptations

- 83 The previous inspection found this was a weak area. Residents had to wait several years for adaptations. Information was poor and performance was not adequately reported or understood. This inspection found the service had improved and that now there is a balance of strengths and weaknesses. Most adaptations are provided within the target timescales, overall working arrangements are sound and customer satisfaction is high. However, the service does not deal with minor adaptations as quickly as it could.
- 84 The housing service has a challenging range of targets for carrying out adaptations ranging from four to 12 months, depending on priority awarded by the occupational therapist. When funding has remained available it has succeeded in meeting the targets in all but a small number of exceptional instances. Performance is reported monthly to senior managers and councillors.

- 85 However, budget provision in 2006/07 was not sufficient to ensure all agreed adaptations were completed within timescales. As a consequence, adaptations in 21 homes were delayed. While the service has taken steps to deal with this backlog and plans to have the 21 homes adapted by October 2007, delays of up to seven months over the target timescales have resulted. This has caused unnecessary inconvenience to some of the most vulnerable tenants. The risk of recurrence is well managed as from this year onwards adequate funding is secure as Tarka has made a transfer promise to fund all adaptations requirements for five years.
- 86 The way Torridge sets about managing adaptations is effective. Information is available for tenants and those helping them both in leaflet form and on the website. Applications are recorded on a central installation record system, and progress is then monitored against targets for key stages. There is a protocol in place with the occupational therapy service and assessments are provided in a clear standard format. Liaison on specific cases is effective in resolving issues. Arrangements for tendering installations are tightly controlled and help to ensure prices are competitive and work done promptly.
- 87 Overall satisfaction is extremely high, rating on average 9.8 on the ten point scale. All tenants whose homes have had adaptations installed are surveyed to find out how satisfied they are. Residents' aspirations in this key area are being met.
- 88 Efficient use is made of adaptations once the initial users no longer need them. Data is held on the maintenance IT system. Where adaptations cannot readily be removed, such as level access showers, homes are always reallocated to those needing the facility. Where items are easier to remove, such as stair lifts, they may be stored by the manufacturers if there is no applicant waiting, and re-installed when requested.
- 89 The approach to providing minor adaptations such as grab-rails is weak in important respects. There are no separate shorter targets for installing such adaptations, although in most cases installing minor adaptations is straightforward and could be done much more quickly than the major adaptations. As a result, it is taking on average 11 weeks to install priority 'A' and 23 weeks to install priority 'B' minor adaptations. Vulnerable tenants are waiting unnecessarily long times for such work.
- 90 Tenants are not being routinely informed about their right to apply for the statutory Disabled Facilities Grants (DFGs). Though the improved service being provided now means that using a DFG is unlikely to provide a quicker way of getting an adaptation, tenants have a right to apply for such grants and should therefore be informed about them.

Housing income management

- 91** The 2005 inspection found that this was a weak service for example, rent collection was below the national average, and former tenants' arrears were not dealt with adequately. Rent payment options were inadequate and rent statements were not being provided to tenants. This inspection found that many weaknesses have been addressed and that there was now a balance of strengths and weaknesses. Performance is now above average. Tenants receive clear rent statements and rent is collected more efficiently although direct debit is still not available. The service is generally working well with partners. However, the corporate approach to debt gives insufficient weight to sustaining tenancies and the collection of former tenant arrears is weak. IT does not support the delivery of the service.
- 92** Rent collection performance has improved and is now above average. In 2006/07 the Council collected just over 98 per cent of the total of rent due from its current tenants. This performance is likely to be above the average for councils nationally. The proportion of tenants with over seven weeks rent owing has reduced from 4.8 per cent in 2005/06 to 4.1 per cent in 2006/06, which is also likely to be above average performance. There are low levels of garage arrears and there are effective arrangements in place to collect these.
- 93** This improved performance has been supported by the revised and more robust policies and procedures introduced after the last inspection. Procedures now, for example, prompt staff to prepare financial statements wherever possible. Early action is taken to terminate garage tenancies when there are housing arrears. Staff have clear targets and understand the importance of tackling arrears to the overall housing service.
- 94** Information on rent accounts has improved with the introduction of clear statements sent out every month to tenants in arrears and every quarter to others. Tenants are generally positive about the level of detail provided.
- 95** The service has reduced its collection costs in some areas but is not using the most cost effective methods of collection. The costly door-to-door collection system has been ended, as has payment by cheque, without significant negative feedback. However, the current IT system prevents the introduction of direct debit, which is cost effective and convenient for all parties.
- 96** The Council is now setting its rents in accordance with the national formula requirements which will lead to rents arriving at their target levels by 2017. This ensures rents are progressively fairer in comparison to other social landlords and within the new Group.
- 97** There are effective partnerships in place with a range of related agencies which is helping to improve performance. These include:
- Housing Benefit is paid promptly and prospective tenants are directed to submit their full claim prior to keys being issued. There are positive working arrangements on individual cases, and the housing benefit service has moved from being one of the slowest to one of the top 25 per cent of performers;

- Social Services work jointly with housing where needed to help vulnerable tenants in arrears;
- the floating support provider, Carr Gomm, helps other vulnerable tenants to manage their finances and get access to additional help; and
- the homelessness service now takes a greater preventative role, working with tenants at risk of eviction through arrears to help them sustain their tenancies.

Such arrangements have helped keep evictions to a minimum.

- 98** Staff are aware of and refer tenants to expert independent advice agencies, but the approach is not sufficiently proactive. Where appropriate, housing staff refer tenants to the Citizen's Advice Bureau (CAB) for detailed money advice. Staff make appointments and in some cases accompany tenants to the local CAB. This contributes significantly to sustaining tenancies and to ensuring the least well off residents receive additional income. However, while in some cases, tenants are referred at an early level of arrears, some are not referred until the debt is becoming unmanageable. Best use is also not being made of advice services, including legal aid, that are based at Bideford but serve a wider area.
- 99** The corporate approach to debt and poverty does not help housing deal with rent arrears and sustain tenancies. Firstly, the corporate debt policy does not prioritise situations where people have multiple debts. The approach is to recover council tax arrears through distraint and recover housing benefits overpayments through deductions from subsequent payments. This fails to take account of the need to sustain people in their homes by ensuring tenants are first able to make and maintain arrears repayment agreements. Secondly, the Council does not have an anti-poverty strategy. A successful benefits take up campaign took place some years ago, but has not been repeated.
- 100** The approach to collecting former tenant arrears is weak. The debt is currently managed corporately. The service does not monitor or manage performance and income arising is not returned to the housing revenue account.
- 101** IT does not adequately support the delivery of the service. For example, the system can only generate one arrears letter, while others have to be drawn up by individual officers and recorded in their personal filing system. An actions log has been used since 2006 but action prior to this is held in paper files. Until new IT is introduced, the wide range of support facilities offered by modern systems remain unavailable.

Tenancy and estate management

Tenancy management and tackling anti-social behaviour

- 102** The 2005 inspection concluded this was a weak area. There were no detailed anti-social behaviour procedures or service standards in place, and the information leaflet was confusing. Case management including record keeping was poor. The service has acted to improve tenancy management and has produced a clear and well written tenancy agreement and developed a sound induction procedure for tenants. Complaints about anti-social behaviour are dealt with well and the service is using preventative measures such as identifying areas where anti-social activities could occur. However, case management remains an area for improvement and the service has inadequate operational guidance and legal support. Overall, there is now a balance of strengths and weaknesses.
- 103** The recently revised tenancy agreement is well written. It is up-to-date on anti-social behaviour, harassment and domestic abuse. It has been awarded the Plain English Campaign Crystalmark. It has a clear structure and has headings such as 'animals' and 'gardens and balconies' that enable tenants to find out easily what rights and responsibilities they have.
- 104** The induction procedure for new tenants works well, with all the required documents and information being discussed in detail. This helps to ensure new tenants understand their rights and responsibilities, including those relating to harassment and anti-social behaviour.
- 105** The service's responses to anti-social behaviour complaints are generally appropriate and proportional to the nature of the situations. Most complaints relate to low-level problems such as noisy neighbours and unruly children, rather than serious criminally related or violent situations. There is an appropriate emphasis on mediation, and this is used successfully.
- 106** Where mediation is not appropriate, the service acts positively by using a range of other responses to deal with complaints. These include identifying and arranging for support to vulnerable people from a specialist provider, carrying out interviews and making verbal and written warnings, and occasional management transfers. For the small number of more serious cases, Acceptable Behaviour Contracts have been used, and in one current situation a possession order and an injunction are being sought.

- 107 The service has successfully increased its capacity to tackle the small minority of serious anti-social behaviour cases which occur. The revised procedures and policies set out the full range of options which need to be considered, and staff have received extensive training in how these may be applied. An information sharing protocol with police and other agencies has been agreed. There is close working with the Safer North Devon Team who have been drawn in to assist on a recent complaint of serious anti-social behaviour. It has also signalled its overarching commitment to make further progress in this area by signing up as a Respect¹⁰ partner on the Department for Communities and Local Government website.
- 108 The service has assessed the need for environmental improvements and 'target hardening' to help design out anti-social behaviour. While there is a budget available for this work, estate inspections involving residents and police have not identified any areas especially vulnerable to anti-social activity and no target hardening requirements have been identified though the service is prepared to pay for this.
- 109 Performance monitoring of anti-social behaviour is relatively new and not yet embedded. Monitoring covers the speed of responses and customer satisfaction. It shows that in most cases, the timescales for key stages of response are being met. The service monitors what people who have complained think about the response through the 10/10 survey scheme. However the volume of responses is too low to give a clear picture of what is happening.
- 110 Policies and procedures on anti-social behaviour are not fully developed and do not give adequate operational guidance to staff about what types of anti-social behaviour merit what responses and when actions should be taken. Procedures also fail to set out in sufficient detail what should be done where the perpetrator is vulnerable. There is a risk of inconsistent treatment of similar cases and of failing to identify the most appropriate courses of action.
- 111 There are further weaknesses in the approach to anti-social behaviour.
- Partnership working with agencies providing support and assistance to tenants has not yet been developed fully. While there is some partnership working taking place, this is not embedded and best use is not yet being made of the potential of partners to assist in this area.
 - There is not yet an adequate level of legal support available. A recent court case had to be withdrawn because the service was unable to provide the necessary legal evidence within a short timescale. Approaches to private solicitors have not identified a better alternative.
 - While the new IT system has helped with overall management monitoring, there is not yet enough supervision of individual cases to ensure work is consistently being progressed at the right rate and the most appropriate approach taken.

¹⁰ The Respect Agenda is a cross-Government strategy tackling anti-social behaviour and its causes.

- 112** Some of the tenancy conditions are relatively onerous. For example, tenants are required to obtain permission to keep any pet that requires outdoor exercise, or to build a fishpond, greenhouse, or shed. This level of detail is unnecessary and does not set the right tone for the landlord-tenant relationship.

Estate management

- 113** The 2005 inspection concluded that estates were not effectively managed. Estate management has improved since 2005 and in most respect estates are well maintained. Estate management has been strengthened by carrying out estate inspections but their impact could be greater. Service standards are still not in place. Overall there is a balance of strengths and weaknesses.
- 114** Housing estates are well maintained. The overall appearance of housing estates is positive and cared-for. There is no obvious graffiti or litter to be seen and fences and gardens are well kept. Other positive features include:
- internal and external cleaning is carried out to a standard which is adequate or better in most cases. Some internal cleaning in general needs blocks is done by residents. The standards achieved in these cases reflect very positively the care these residents are prepared to take;
 - the Council has generally maintained the building elements of communal parts of estates satisfactorily. Common parts are regularly repainted, and other features of blocks of flats are largely maintained in safe working order. While a few items were found to need attention, including an entry phone system, in most cases residents' needs in this area are met; and
 - maintenance of lawns and other soft landscaping is satisfactory. Lawns are in the main litter-free, there is little obvious degrading and grass cutting is adequate. Residents are encouraged to enhance the landscape with their own planting, with very positive results in some cases such as the Millennium Garden at Tucker's Park.
- 115** However, the extent of cleaning provided is not sufficient to maintain an acceptable and care-for appearance in all cases. On one estate, routine sweeping and washing of communal areas is failing to deal with unsightly ingrained chewing gum and extensive rubber marks on floors, or to deal with widespread marking of walls.
- 116** The approach to inspecting estates has improved since the last inspection and is in some respects now a positive feature of the service. Regular monthly daytime inspections have been taking place for 18 months. A budget is available to make minor improvements. Efforts have been made to involve residents with some success, with inspections advertised in offices and newsletters, and there has been some feedback to those who have attended and to local tenants' associations on outcomes.

- 117 However, estate inspections could be making a greater impact on estate management. For example, the inspection record form does not cover the full range of features which need to be inspected and gives no guide as to standards including cleaning which should be checked. It cannot be used for measuring the performance of estate services, and therefore is not a performance management tool to drive improvements systematically over the medium and longer terms. The ways in which inspections are advertised are not yet robust. Inspections have not been linked to the preparation of a wider environmental improvement programme which the new housing association is committed to carrying out.
- 118 There is no comprehensive set of service standards yet in place. Tenants cannot therefore be sure what to expect in terms of estate services such as gardening, and cleaning, or how quickly graffiti will be removed. They also cannot be sure what to expect in terms of involvement in joint inspections, or of what feedback to expect if they do choose to be involved.

Is the service delivering value for money?

- 119 The previous inspection found that this was a weak area. There was no understanding of the costs of service areas and no sustained focus on value for money. The direct labour organisation had not been effectively market tested or benchmarked, and procurement had not been modernised.
- 120 This inspection found weaknesses outweigh strengths. High-level costs compare well to other similar organisations and the relationship between costs and quality has improved so that costs are now broadly consistent with the overall quality of the service. Some benchmarking has taken place but the service does not have a clear understanding of its costs and how these compare to others and to the quality of services. Value for money considerations have not been a meaningful part of decision-making processes and the overall management of value for money is weak. For example, high-level targets have not been effectively translated into targets for the service and mechanisms for reviewing and scrutinising value for money are weak. The service has not yet demonstrated good value for money from its in-house services and procurement remains traditional, albeit there are plans being put into effect to move to partnering for construction procurement.

How do costs compare?

- 121 Initial benchmarking shows overall housing management costs compare well to other similar organisations. Using CIPFA¹¹ statistics based on 2006/07 estimates, Torridge is the third lowest costing service among a group of ten other south-west Councils. It is around average when compared to other Council housing services nationally of a similar size. This comparative position is similar to the previous two years.

¹¹ The Chartered Institute of Public Finance and Accountancy

- 122** The relationship between costs and quality has strengthened since the last inspection and costs are now consistent with the overall quality of the service provided. The overall cost of the service has been maintained during a period when services and performance have improved across a broad range of areas at the same time as a successful stock transfer process has been delivered. A high level of customer satisfaction with services has been maintained, with current satisfaction likely to be in the top 25 per cent of councils nationally. Overall the moderate level of spend on services has been used with increasing efficiency.
- 123** The service does not have a clear understanding of its costs and how these compare to others and to the quality of services. It does not have a clear understanding of its costs at service level or how these compare. It does not therefore know which areas are most and least cost effective or where to focus on in terms of planning efficiency gains or targeting service reviews on high cost services.
- 124** Importantly, the service does not have a robust understanding of the costs of its in-house direct labour organisation or how these compare. The organisation has relatively low direct costs, such as wage levels, but the service does not know how unit costs (such as the average cost of each repair) compare with similar organisations. However, it does not know the true cost of works and how these compare with others. While the service is aware of the importance of doing so, it cannot currently demonstrate that the direct labour organisation provides value for money.

How is value for money managed?

- 125** The service has a weak approach to managing value for money. There is no mechanism for routinely reviewing or scrutinising value for money issues in the service. In addition, achieving value for money has not yet been embedded in the organisation's performance management systems for example, by setting targets for improving value for money as part of managers' appraisals or by routinely scrutinising costs alongside performance.
- 126** Value for money considerations have not been a meaningful part of decision-making processes for example, as part of service development and organisational change decisions. When considering the options for change the Council did not explicitly identify value for money or efficiency targets for the service.
- 127** High-level council efficiency targets have not been effectively translated into targets for improving value for money for service teams or managers. While the overall efficiency targets do appear in the business plan for housing, these are not meaningfully linked to local savings or efficiency targets or to improvement actions.

- 128** Construction procurement is carried out in a traditional way. This has not yet been modernised and current contracts are traditional in nature, albeit some recently have been awarded on a costs and quality basis not just on price. The service is aware of the need to update its procurement methods, especially in the light of the major works programme to deliver the Tarka Standard. It has very recently appointed a surveyor specifically to focus on modern procurement. It is now actively planning to move to a partnering approach. While inspectors were on site, it awarded a small pilot contract as a starting point from which to develop partnering arrangements in 2008.
- 129** In addition to procurement, some other key aspects of maintenance remain weak in value for money terms, including:
- for each of the last three years, only around a third of repairs have been done on a planned basis, well short of the 70 per cent good practice benchmark set by the Audit Commission; and
 - in 2006/07, over 60 per cent of repairs were ordered on an urgent or emergency basis, twice the proportion which is considered good practice by the Audit Commission. This involves additional costs.
- 130** In a number of other ways, the potential to improve value for money systematically across a range of housing services remains undeveloped. Areas with such potential include alternative ways of providing decorations allowance for new tenants other than in cash, moving to more efficient methods of collecting rent including direct debit, and providing incentives for over-occupiers to downsize and to encourage tenants to keep to the proper system when vacating their homes.
- 131** There are some positive features in the approach to value for money. The corporate initiative on modernising procurement of goods and supplies has been productive and successful. This has included increased use of electronic tendering, and membership of a procurement partnership which provides consortium purchasing facilities. There are also cost-effective purchasing agreements for such items as mobile telephone and photocopier services. There is a strong emphasis on using local suppliers. Savings have been made in housing services and procurement processes are quicker and make better use of the market.
- 132** In a variety of specific service activities, efficiency and value for money have been achieved or are developing positively, including:
- expensive door to door rent collection has been ended;
 - there is a partnership with a housing association providing for the joint management of linked sheltered schemes;
 - re-useable adaptations such as lifts are routinely removed and resited; and
 - money has not been wasted on dealing with legal actions for disrepair; seven of nine cases in the last five years were closed without compensation.

- 133 Some aspects of maintenance services demonstrate improved value for money or show an efficient working standard has been achieved, including:
- the recent five year corporate grounds maintenance contract is delivering a reasonable service at significantly reduced cost when compared with the previous arrangements;
 - cyclical maintenance is being reduced to a shorter cycle designed to provide an overall more cost effective service; and
 - there is a flexible handyperson service, providing a cost effective range of services both on estates and to empty homes.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 134 The previous inspection in 2005 concluded that the service did not have an effective track record in delivering service improvements. This inspection found that now there is a balance of strengths and weaknesses. The service has a track record of improved performance in some important areas for example, in the repairs service and has delivered significant improvements to tenants' homes while broadly maintaining high levels of tenant satisfaction. The service also has a strong track record of responding to external challenge. However, improvement has been slow in a number of important areas such as equality and diversity and value for money.
- 135 The key aim of obtaining tenant agreement to stock transfer and setting up a housing association to become the new landlord has been successfully achieved. Moreover, the change is being delivered with very high levels of support from tenants, indicating the high quality of work undertaking throughout the options appraisal and consultation processes.
- 136 The service has a strong track record of responding to external challenge. It acted positively in response to most of the findings of the 2005 housing inspection and has implemented changes to address the majority of the weaknesses identified. The Council also responded quickly and appropriately to a number of weaknesses identified during the current inspection. Since the last inspection, external consultants have worked with the service to review how it delivers the repairs and voids services, with positive outcomes.
- 137 As a consequence of implementing inspection findings and reviewing services, a range of improvements have been achieved in the last three years. These include improvements to repairs such as the introduction of an appointments system, better communications in the form of newsletters and monthly and quarterly rents statements, joint estate inspections, and better systems for resident feedback and involvement. Offices are now accessible to disabled people, and the website is now sound in most respects.
- 138 The service has made steady progress in providing warmer homes and reducing the number that are non-decent. Over the last three years, 117 new kitchens and 143 new bathrooms have been installed, and 344 central heating systems have been renewed. Plastic double glazed windows have been offered to all tenants wherever possible.

- 139** Performance indicators demonstrate improvements in performance.
- Rent collection performance has risen to 98.04 per cent in 2006/07.
 - The number of days taken on average to relet empty homes improved from 55 in 2003/04 to 30 in 2006/07, and so far in 2007/08 is around 15 days.
 - The percentage of repairs for which appointments were made and kept rose from 50 per cent in 2004/05 to 91 per cent in 2006/07, and is now approaching 100 per cent.
- 140** The service has maintained high levels of resident satisfaction at a time when expectations have risen because of the stock options appraisal process and other service changes. The 2006 survey found 87 per cent were satisfied with the overall service, compared with 89 per cent in 2003. Levels of satisfaction with repairs, with the information provided and with opportunities for participation in decision making were high and all broadly similar to 2003.
- 141** However, the service has not made the progress that it could have in a number of important ways. For example, when responding to the last inspection, some improvements such as the introduction of a revised repairs handbook which could have been treated as 'quick wins' have only just been completed. Some other changes such as the improvements to dealing with asbestos have not been given enough priority, and required changes are not complete. In addition, actions to address a number of weaknesses have been held up by poor IT systems, including the introduction of direct debit for rent payment.
- 142** More generally, slow progress has been made in improving the approach to diversity and customer care which are fundamental to the whole range of services delivered. A strong approach to equality and diversity has not become embedded yet within the services provided, and no sound understanding of the diversity of customers has been achieved. The rate and scale of improvements in the approach to access and customer has been slow, with important features such as the means to measure phone performance still not in place.
- 143** Services are providing better value for money for customers than three years ago but improvements do not match those of the best performing councils. Torridge have improved performance and services in key respects without increasing budgets, by re-aligning spend increasingly to frontline services. Torridge housing services have retained their moderate cost base compared with others while improving the services that matter most to customers. However, the lack of a planned and coherent approach to value for money mean that the service is likely to have missed opportunities to make further savings and its achievements fall short of what could have been delivered.

How well does the service manage performance?

- 144** The 2005 inspection concluded that the service did not effectively manage performance. Service planning, performance reporting and leadership were not effective and the service did not learn effectively. This inspection found that this is an area where strengths and weaknesses are in balance. Leadership to the service is now strong and more outward looking and the organisation and its future plans are generally good and demonstrate self-awareness about its strengths and weaknesses. In addition, the plans developed for transferring homes to Tarka Housing are sound and form a solid basis for improvement in the future. Performance management arrangements are now strong although there are weaknesses in performance reporting and the use of staff appraisals. The service's approach to learning has developed but remains an area for improvement.
- 145** Leadership to the service is strong and is more outward looking and self-aware about the strengths and weaknesses in the service. Managers within the service are seen as open and accessible. Communication between staff and management is effective. Both housing management and building trades staff feel well informed about changes and in particular about the setting up of Tarka. This improves staff involvement in change and helps to ensure potentially damaging issues are raised and resolved at an early stage.
- 146** Future plans for the service are generally good. The Council has set clear goals and priorities for the service in the 2005/10 Strategic Plan. Priorities for housing demonstrate self-awareness and address many of the key issues facing the service including under-performance, the need to achieve the decent homes standard and transfer homes to a housing association, and provide adaptations to sustain independent living.
- 147** The current housing business plan is relevant and realistic, acknowledging past weaknesses and setting out actions to address these. It is explicitly linked to the Strategic Plan as well as to other sources. It includes a basic risk assessment of key objectives and assesses how well these are addressed. Plans recognise the need to fulfil outstanding recommendations from the last inspection. These include introducing the option of direct debit rent payment, moving to a modern IT system following the transfer to Tarka, reviewing the void standard and involving tenants in contract specification and selection.
- 148** Tarka Housing has set out how it proposes to meet its transfer commitments in an ambitious and wide-ranging draft five year strategic plan. This both rolls forward key actions from the Council's plans and introduces objectives to meet the new higher level commitments it has made. This helps to ensure that service improvements will not be interrupted by transfer and will build upon achievements already made.

- 149** The plans for the setting up of Tarka Housing and the Westward Group are sound. They have been developed by Westcountry Housing Association and are informed by experiences of a number of previous smaller transfers. Plans for the governance arrangements are also progressing well with recruitment to the Boards now complete. A wide-ranging training programme involving around 12 days training is planned over the next year. This forms a solid basis for positive and effective future leadership.
- 150** The planned capital investment programme is ambitious and wide ranging. The Tarka Standard, developed in detail with residents, goes well beyond the decent homes standard in terms both of the interiors and the external areas of Torridge homes. The Standard includes a wide range of communal area repairs and improvements including security measures. The Standard builds on the past maintenance achievements and will help to ensure homes continue to meet current and future tenants' aspirations.
- 151** Corporate performance management arrangements are strong in many respects. The approach to performance management has been subject to significant change and a robust overall scheme is now in place. Developments have included:
- the introduction of the Quarterly Business Review process which started in April 2007 linking the monitoring of key performance measures with service planning and financial monitoring;
 - a new corporate IT performance reporting system; and
 - provision of externally run workshops for all line managers on performance management tools generally and specific training on the new appraisals scheme.
- 152** At the level of the housing service, the overall performance management framework is robust. Key features include:
- regular performance reporting at management and service team levels and a satisfactory approach to dealing with defaults and agreeing corrective action;
 - housing officers have clear and challenging targets; examples include the reduction of the average time to relet properties to 15 days and the reduction of arrears by 10 per cent;
 - a three-year performance plan has been agreed setting out performance targets for key services; and
 - the use of routine management reports in each service area to identify problems at an early stage before they impact on outcomes. For example current responsive repairs are reviewed on a weekly basis to identify those at risk of over-running, well before the deadline.

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- 153** The engagement of Councillors with performance management is improving. This has been facilitated by the new committee structure allowing greater focus on performance. The lead Councillor for housing receives monthly performance briefings from the senior manager. There has also been a monthly housing performance presentation for Councillors with some useful features, and this has recently been replaced with the Quarterly Business Review report. This enhances the positive impact Councillors are able to have on improving services.
- 154** A firm basis for tenant engagement with performance management is being developed. Historically the main means of reporting performance to residents through newsletters has been mixed, with some areas being well reported and others where the content and presentation has been unhelpful. An overall more robust approach is now being delivered, including the clear and wide-ranging Annual Report for 2006/07 and regular joint reports to the Tenants' Panel by the Panel Chair and the lead Councillor.
- 155** Budget monitoring is well informed and a high priority. Monthly reports are straightforward and include profiling and commitment accounting. Review of spend is thorough and all budget holders consider budget progress both with the housing accountant and with the head of housing. This has helped to ensure that in 2006/07 and in the current year spend remains on target.
- 156** Barriers to improvement remain in this area. A significant issue is that staff performance management is not well embedded. Staff appraisal systems have been introduced for the first time in this financial year. While the new scheme is sound, many appraisals had not been done at the time of inspection. Some staff such as sheltered managers do not yet have any clear personal targets.
- 157** There are weaknesses in performance reporting. The overall housing service performance report does not provide enough data in some areas including repairs and customer service. The use of small volumes of monthly data rather than rolling 12-month or year-to-date data makes interpretation difficult. Data is not presented in ways which make it easy to understand. Identifying and explaining areas of under-performance in performance reports to councillors have not been satisfactory. While the new quarterly business review system which started in April 2007 has the scope for improving these last two points, it is not yet sufficiently embedded to be effective.
- 158** There is no specific provision for managing performance in terms of efficiency and value for money. The lack of clear references in plans makes tracking efficiency gains difficult, and there is no review body with a specific job of ensuring value for money is measured, reviewed and improved.

- 159 The service's approach to learning has developed but remains an area for improvement. Positively, they are members of national benchmarking club for rents and asset management, and of the CORE voids and lettings national benchmarking scheme. The service has also used external consultants and interim managers positively to draw on good practice. There is also some recent evidence of learning from customer feedback though the impact of this is not yet embedded or wide-ranging. However, learning in areas such as modernising procurement is not systematic. The service has not sought out national best practice or engaged with high-performers in the south-west. Use is not being made of comparing performance with the best landlords when reporting performance to councillors and tenants.
- 160 There are some weaknesses in future plans. There are not yet plans in place in all areas, for example there is no sheltered housing strategic plan in place to ensure investment matches the long term needs for older peoples' housing. It is not clear in the business plan how some objectives will be delivered as there is not enough detail of what tasks and actions are needed to deliver them. This includes some of the outstanding recommendations from the last report. In addition, plans do not yet adequately address how the service will improve efficiency. Beyond the Council's efficiency targets there are no specific targets for improving value for money. Customers are not yet sufficiently involved in the planning process and are not yet having a significant impact on the content of plans.

Does the service have the capacity to improve?

- 161 The previous inspection concluded that the service lacked the capacity to improve. This inspection found that capacity is much improved. Strengths now outweigh weaknesses in this area. The service has strong financial capacity which will be greatly enhanced following the stock transfer. Staff capacity is strong and improving in key areas such as procurement. However, there are weaknesses in the Council's approach to human resources (HR) including poor use of appraisal systems and a relatively high level of sickness. In addition, there remain weaknesses in the Council's IT systems.
- 162 The service has strong financial capacity. Since the last inspection, financial plans have been sufficient to sustain short term needs, both in terms of revenue and capital expenditure. Adequate reserves are available, and revenue expenditure has been contained within budget. Capital budgets, identified as a weakness in the last report due to persistent underspending, have been effectively managed.
- 163 The stock transfer will greatly enhance the financial capacity of the new organisation by allowing it to borrow on the market against future income using stock as security. This will address the key failing identified in 2005 concerning the lack of capacity to achieve and more importantly sustain decent homes in the long-term, and carry out other improvements. The initial loan which has been facilitated by Westcountry amounts to £16 million.

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- 164** The transfer of homes to a group-based, as opposed to a stand-alone, housing association provides significant potential for improving capacity in a number of areas. These include:
- increased levels of housing-related expertise are available because of the much larger number of homes managed by the Group and in particular more procurement expertise is provided by the Group procurement team;
 - scope for improving support services and/or making efficiency savings through the provision of these services through a central unit; and
 - better deals on borrowing. Westcountry Housing Association's borrowing record has allowed Tarka to negotiate its first loan at a lower rate of interest which will mean more money available for services.
- 165** Staff capacity is strong. Staff showed their commitment and flexibility by taking active roles in the stock transfer process while at the same time continuing to be involved with improving performance and developing services. Staff morale is now good with most staff positive about the changes ahead. The service has used high calibre interim managers and a consultant in the lead up to the transfer. Recruitment to key posts such as the Managing Director and procurement manager has progressed well.
- 166** Where needed, the service has recognised the need for and developed partnerships to enhance capacity. For example, as the housing service is small, specialist training presents difficulties. This has in part been tackled through a regional training consortium which helps to reduce the cost of training for such areas as domestic abuse and income maximisation.
- 167** Information technology was identified as a key weakness in 2005 and continues to be a weakness. The service has delayed replacement because the transfer offers the opportunity to upgrade to an established modern system at relatively low cost. This is a top priority for Tarka. This decision was appropriate as the advantages of taking on an existing and proven system at a cost of the additional licenses outweighs the negative effects of the delays involved.
- 168** The service has improved its capacity to modernise procurement and is starting to make progress in this area. It has appointed a specialist technical manager to manage its plans to develop a modern, partnering approach to construction procurement. The first practical steps in the long term plans have recently been taken. This is particularly important in the light of the major investment which will follow transfer. The service is also benefiting from the improvements which the Council has made corporately to procuring goods and services by modern methods.
- 169** The current buildings are outdated and do not lend themselves to efficient working arrangements. The setting up of Tarka is resolving this shortfall. A new main office adjacent to one the two largest Bideford estates has been agreed which will bring together all housing staff and trades operatives.

- 170** There is a risk to the Council that it will have insufficient strategic capacity in housing following the transfer to ensure it maintains focus and can deal effectively with new initiatives and contribute to wider council aims. Positively, the Council has been planning how to manage costs following the transfer but it has not yet decided how to structure its remaining housing functions.
- 171** There are weaknesses in the Council's approach to human resources (HR). While this area is now starting to receive attention, and some progress has been made for example in reviewing recruitment practice, currently:
- there is no agreed HR strategy though one is being developed, and Investors in People certification is still at an early planning stage;
 - the approach to managing sickness absence has not yet been updated, even though this should be a priority as sickness absence in 2006/07 was excessive at 12 days per employee; and
 - training needs have not been systematically identified or met, and there are no competencies frameworks yet developed to inform training needs.
- 172** The housing service has not been successful in drawing in external investment. Corporately the Council has drawn in a range of external funding, but this has not included significant funding for the landlord service.

Appendix 1 – Performance indicators

		2004/05		2005/06		2006/07*
BVPI	Indicator	Result	Quartile	Result	Quartile	
164	Does the authority follow the CRE's code of practice on racial equality in housing and follow the Good Practice Standards for social landlords on tackling harassment?	No	-	No	-	No
184a	% of LA homes that are non-decent	27%	2nd	25%	2nd	17%
184b	% change in the proportion of non-decent LA homes	11.4%	3rd	27.4%	2nd	18%
63	Average SAP rating of LA dwellings	67	2nd	69	Best	70
66a	Local authority rent collection and arrears - % of rent collected	97%	3rd	98.02%	2nd	98.04%
66b	% of tenants owing seven weeks or more rent	-	-	4.8%	2nd	4.1%
74a	Satisfaction of tenants with overall service provided (%)	89%	Best	#		87%
75a	Satisfaction of tenants with opportunities to participate (%)	75%	Best	#		78%
local	% of responsive repairs for which the authority made and kept an appointment	50%	3rd	78%		91%
local	Average relet times for empty homes (days)	50		44		26.9
local	Repairs completed within deadline:- (%)					
	Emergency	99%		99%		97%
	P1 (new from 2005/06)	N/a		95%		91%
	P2	87%		98%		90%
	P3	80%		99%		96%
	P4	78%		89%		89%
	P6			92%		90%

* 2006/07 figures are subject to verification and may differ from those eventually published.

not measured in this year

Appendix 2 – Reality checks undertaken

- 1 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - focus groups with:
 - frontline housing staff;
 - trades operatives;
 - tenants;
 - visits to empty homes being prepared for new tenants;
 - reviews of files and records for complaints, arrears, and anti-social behaviour;
 - viewing gas safety records including a sample audit of gas safety certificates;
 - visits to estates including inspection of internal common parts;
 - visit to main reception area, other Council offices, and observation of how personal and telephone callers were dealt with;
 - telephone interviews with new tenants, people who had just had internal refurbishment to their homes, and people whose homes had been adapted;
 - visit to homes where major works had been completed; and
 - observation of a Tenants' Panel meeting.

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)

Empowering operatives to manage responsive repairs

- 1 The 2006 review of response repairs resulted in radical changes to the ways repairs were delivered. Previously the service had used a standard office reporting and job ticket issuing system. The new system involves the following:
 - tenants phone a dedicated number (or use the web or texting etc) to report a repair to a maintenance officer who records the repair on the computer;
 - s/he then phones the appropriate trades operative with details of the tenants address and initial assessment of what is needed;
 - the operative is charged to phone the tenant within 24 hours to establish in more detail what needs doing and arrange an appointment within the appropriate timescale;
 - the operative completes the repair and returns details to the office for recording and monitoring; and
 - each tenant is sent a questionnaire or phoned to assess performance in terms of meeting the 24 hour target, if the job was done at one visit etc.

This new approach has made very good use of operative expertise, and performance has improved, customers are satisfied with the service and no major negative effects have emerged.