Performance Review in Local Government

Housing
Acknowledgements

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Preface

This booklet is part of 'Performance review in local government: a handbook for auditors and local authorities'.

The handbook has been prepared by the Audit Commission as a working document to help auditors and local authorities appraise the effectiveness, efficiency and economy of services. It should help to focus attention on aspects of services that appear wasteful or capable of improvement, and to identify aspects of services that merit further investigation. It should also help to promote debate on how quality in services is to be assessed, alongside the quantifiable measures of efficient performance.

Summary of contents
The handbook consists of ten sections:

1. Introduction
2. Education
3. Environmental Services
4. Housing
5. Law and Order
6. Leisure and Libraries
7. Planning and Transportation
8. Social Services
9. Central Services (to be published in 1987)
10. Statistical Supplement (to be published annually from 1987)

This preface is reprinted for reference at the start of each booklet.

The introductory booklet gives the background context to the need for performance review, considers arrangements for it within an authority, and explores some of the difficulties which authorities may face in measuring performance and implementing change.

The service-specific booklets, like this one, provide for each service:

1. A brief description of the main elements of the service, and a discussion of the key issues in examining the performance of the service in terms of value for money. This section includes a bibliography of useful government and other publications.

2. A more detailed series of review questions which will help to guide the assessment and improvement of current arrangements for managing the service. Useful references and performance indicators are shown alongside the relevant questions. These include indicators of effectiveness (for example inspectors' reports, trends in usage, public attitudes) as well as quantifiable measures of efficiency (for example pupil/teacher ratios, m² per client).

Some of the questions in the performance review guides relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resources usage.
The indicators listed in this booklet are not accompanied by a value. They simply designate what is to be examined, for example clients per employee, costs per m². However, there are some norms, standards or benchmarks which are widely accepted, or which have been positively identified during detailed reviews by the Audit Commission or some other recognised body. Where these exist, the appropriate value or range of values, for example X clients per employee, £Y per m², will be listed in the statistical supplement, which will be published annually.

Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and the given norm, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

The approach of the handbook
This handbook does not suggest that there should be uniform approaches to service provision, or standard levels of output. It recognises that the very essence of local government is variety, but emphasises that variety should stem from the efficient and effective meeting of local needs, rather than from poor management or inadequate policy making.

Three themes therefore run through the handbook:

1 The need to emphasise the outputs of services, and relate these to inputs.
Success in the public sector lies in the quality of the services provided. In general, the balance needs to be tipped from the current emphasis on inputs by providers, to an emphasis on the outputs received by the public. In some services, measures of output are clear. In others, where detailed research has not been carried out, the approach needs to be more cautious, particularly for services where the outputs may well be contentious, for example social work or the police service.

2 The need to make best use of available resources.
Performance appraisal is often portrayed as mere cost cutting. But in essence it is about querying whether money is being spent on those things that will improve the quality of services now and in the future. For example, money tied up in low-occupancy schools is money that cannot be used to pay for more teachers, or be diverted to provide care for the growing number of elderly people in our society.

3 The need for performance review to be an integral part of the management process.
At officer level, departmental managers should be keeping services under continual review. Many problems can be dealt with by the officers working within agreed policies. The members' responsibility is to satisfy themselves that the service is being managed properly and to examine in more depth those issues which have policy implications.
Using the handbook

The handbook has been prepared with auditors, officers and members in mind.

Auditors may find the handbook a useful adjunct to The Local Government Auditor (The Black Book), giving a service by service guide to value for money issues. The handbook documents and builds on a lot of the good work that has already been done around the country.

Officers may find it a useful statement on service delivery and performance. It has been developed in discussion with many professionals in the field. Chief officers may find it useful for questioning middle managers, and middle managers may find it helpful for raising issues of quality and effectiveness, when auditors are questioning efficiency and economy.

Members may find it a useful guide to the audit approach, and a helpful basis for reviewing, and where necessary challenging the approach of officers with regard to the performance of particular services.

The scope of the handbook

The handbook documents, for each service, the key elements which contribute to its success or failure, the key criteria on which to justify its continued existence.

It does not attempt to give an exhaustive description of every facet of every service, nor every issue of policy, quality, professional judgement or effectiveness. It simply represents the state of the art, drawing together the available information and work done so far. Constructive criticisms and contributions would be welcomed, particularly on issues which are omitted, or only briefly covered, in this edition.

An update service is planned, beginning in 1987 with a new section on central services, minor amendments to the service-specific sections and a statistical supplement. Thereafter the handbook will be revised in whole, or in part, according to changes in policy and practices around the country.

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Performance Review in Local Government

Housing

Introduction to the service
For most local authorities, the management of council housing is their largest activity, involving a national gross expenditure of £5.6 billion on 4.8 million dwellings. Local authorities in England and Wales employ over 55,000 people on housing management and the maintenance of council housing stock, excluding DLO employees. Councils also use large numbers of contractors on housing repairs.

National totals can mask the wide variations that exist between housing authorities and the different problems that face some compared with others. These differences are apparent on such issues as the size and condition of the housing stock, the existence of 'hard to let' properties, the maintenance backlog associated in particular with system built housing, differing tenant expectations and circumstances, housing sales that have benefited both revenue and capital finances, and the availability of resources at all levels to tackle management and maintenance problems.

The problems presented to the management of some inner city housing authorities are of a scale and nature not experienced by some shire districts with small housing stocks, few social problems and a healthy financial situation.

In recent years there has been a growing concern about the quality of life on some council estates. The problems at the heart of this concern include not simply structural defects, but vandalism and crime and the general standard of management.

The Council's policies for meeting local housing needs will thus vary according to national constraints, political persuasion, local circumstances such as the socio-economic characteristics of the population and local culture, land availability, the type, size and condition of the housing stock, tenancy characteristics and the known special needs of particular client groups, for example the elderly, the handicapped, key workers.

Performance review needs to take these factors into account as well as the different situations in which policies are formulated. Performance comparisons should also take account of qualitative matters as well as cost differences, for example council policy on the welfare of tenants, response times for the execution of repairs and financial benefits from the sale of council houses.

Trends
Public sector housing has experienced considerable change against a background of changing housing conditions generally and particularly housing tenure.

The proportion of owner occupied to rented property has changed significantly over the last thirty years as the table opposite shows. Private rented property has virtually ceased to exist. This trend has been accelerated by the decline in public sector housing completions, and sales of council houses which totalled over 500,000 in the five years to 1984.

Expenditure
In 1985/6 the net cost to the general rate fund (GRF) of local government housing activities was estimated at £800 million (£16 per head of population). Included within this expenditure are mortgages for the purchase of council and other dwellings, advances to housing associations, grants for the conversion and improvement of owner occupied and private rented dwellings and contributions from the GRF to the Housing Revenue Account (HRA) and vice versa.
Estimates of the stock in England are based on the 1971 and 1981 Censuses. Estimates for Wales and Scotland prior to 1981 are based on the 1971 and earlier Censuses. Estimates for Northern Ireland are largely based on rate returns. 'Rented privately' includes housing associations and dwellings rented with farm or business premises, and those occupied by virtue of employment.

Source: Department of the Environment; Department of the Environment, Northern Ireland

Significantly also there has been a change in the composition of local authority tenants that differentiates them from the population, taken as a whole. Compared with the overall population average, council tenants tend to be older and poorer (median household income almost one-third lower than for owner-occupiers with mortgages). Around half of all large families, single parent families and households receiving supplementary benefit live in council housing. As a result, in some areas tenants have become seen as
potential problems, people who pay a minimum rent for minimum services, rather than customers to be served as well as available resources will allow.

Although there is now an absolute national surplus of dwellings over households, there is still a large unsatisfied demand for homes. This is estimated by the Department of Environment at one million dwellings, if second homes, unfit houses and those undergoing repair and improvement are excluded from the total. Currently there are a million families on council house waiting lists and a growing problem of homelessness in some authorities, with around 175,000 families presenting themselves to local authorities each year.

Despite widespread sales of council dwellings, expenditure has increased steadily in real terms on all aspects of council housing except loan charges, which have declined dramatically. In contrast, expenditure on non-HRA housing has fallen to 28% of its 1979/80 level at constant value.

The unit cost per council dwelling of supervision, maintenance and repairs has increased by 40% in real terms in the period 1978/9 to 1986/7. In spite of this, the backlog of repair and improvement work has now accumulated to about £20 billion. Because three-quarters of the housing stock has been built since 1950, repairs needs will grow as this stock ages.

**Current management issues**

These background issues and trends have different impacts on each authority. Local authorities are obliged to consider the total housing situation within their boundaries and respond accordingly.

The major policy issues to be considered are:

1. The housing role the Council sets for itself in terms of meeting local housing needs.
2. Management of the housing stock - new building, major improvements, sales, allocations and lettings, rent levels and rent collection, housing benefit.
3. Repairs and maintenance - strategy, organisation and costs, DLO, control.
4. Organisation of the housing department, estate management and tenant liaison, and central charges.
Each of these issues is considered briefly below and taken up in more detail in the performance review guide below.

**The housing role**

The housing role that the Authority determines for itself centres around the priority that it gives to certain aspects of housing provision at the expense of others within the capital financial constraints that are generally imposed by the government. Its action may be further prescribed by the revenue income that comes from rents or the interest on council house sales.

Both the housing needs and the availability of finance varies considerably, with inner city areas requiring substantial additional capital allocations, and some shire districts being able to divert income from their housing account to reduce the rates.

The role chosen will therefore vary from authority to authority and will include some or all of the following examples:

- Council building, either for general needs or for specific categories of tenant needs, for example the elderly.
- Rehabilitation and improvement of existing dwellings, either to remedy design faults or to bring them up to modern standards, for example to make them more energy efficient.
- Improvements in general maintenance by planned programmes of work, for example rewiring or window replacement.

These items will be constrained by capital restrictions, either through borrowing controls or restrictions on the use of capital receipts. Both of these are controlled by central government and there have been substantial reductions in public sector housing investment over recent years. In these circumstances many authorities have entered into partnerships of various kinds with the private sector, both to increase the amount of housing stock or to rehabilitate 'hard to let' properties. Sales to prospective tenants of run down properties have solved apparently intractable letting problems.

The allocation of existing stock to would-be tenants depends on Council policies of admission to the waiting list and priorities within it, as well as the basis for allocation to the type of dwelling. Demand for council dwellings is not always clearly reflected in waiting lists which may bar certain categories, for example on the basis of residence, or encourage others to register who have no hope of ever obtaining council accommodation. In some areas dwellings may be allocated to households which would otherwise become owner occupiers; whilst in areas of serious shortage applicants may not come forward if they believe they have no chance of being housed.

Council policy will also be concerned with maintenance issues and the quality of this service, standards of estate management, the way in which the Authority organises itself to deliver its service and how it relates to tenants. All of these will be determined by the attitude that it takes towards rent levels and whether it is conditioned by a low cost/low service outlook. There is evidence that there is some correlation between the two. Bearing in mind that a very large proportion of council tenants receive housing benefit this means that low rents accompanied by low service standards benefit central government at the expense of the tenant.

Whilst indicators of efficiency may often be easily sought in unit costs and a variety of management ratios, effectiveness can be difficult to define. Considerations include:
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- the achievement of Council policy aims
- the quality of accommodation
- the extent to which dwelling types and locations can be matched to demand
- waiting list trends
- the level of maintenance service
- the satisfaction of existing and prospective tenants.

For some authorities, homelessness is a problem. It arises mostly, but not solely, in the larger cities. The cost of meeting the needs of homeless persons falls on the rate fund, but the function is usually integrated with council housing lettings and management.

The means by which responsibilities for the homeless are satisfied will depend on their scale and nature, for example whether they are single persons or families, the reasons for their homelessness and its likely duration. Wherever the numbers warrant it, the provision of hostel facilities is likely to be more satisfactory for both the client and the Council.

The trends in numbers and the extent to which the homeless are satisfactorily resettled, first temporarily and subsequently permanently, are possible indicators of effectiveness. However, they are best used within rather than between local authorities.

The organisation for dealing with urban renewal and property improvement varies. In some authorities environmental health officers may be responsible for urban renewal measures and renovation grants.

Government financial assistance may be available for urban renewal schemes which may well be linked with wider considerations of economic promotion and development involving other departments and other local authorities. The involvement of the Urban Housing Renewal Unit (UHRU) of the DOE is an important ingredient in this effort.

Performance in this area is difficult to assess in the short term except by reference to the meeting of programme timetabled targets. In the long term the achievement of Council aims and objectives within estimated expenditure may be reflected in homes provided, rehabilitated or improved.

Managing the stock

Where there is a building programme or where properties are temporarily unoccupied pending rehabilitation it is important to ensure that works are delivered on time so as to maximise the stock available.

Public knowledge of the right to buy council dwellings is well established, and upheld by all major political parties. Arrangements for purchase are similarly well established. They should include the provision of adequate advice to prospective purchasers and policies to reduce the risk of default and to deal sympathetically with purchasers if default does occur.

Letting arrangements should maximise the utilisation of stock and ensure the shortest possible interval between tenancies. The level of refusals due to mismatching of dwelling types offered and applicants' wishes can be reduced if the latter are properly established at the time of application and are reflected in the organisation of the waiting list. It is very unlikely that the preferences of all applicants can be met exactly and they should be realistically informed about their prospects. The organisation of pre-letting inspections both by the Housing Department for repairs and cleaning, and by the tenant, should be organised so as to minimise the gap between one tenant and another.
In many areas rents for council dwellings are set at levels which cannot support adequate maintenance. This exacerbates the mounting repairs and improvement backlog which already exists nationwide. Councils should ensure that rents are based on all the relevant facts, for example current costs, property values.

Rent collection procedures should be streamlined and ensure that arrears are contained. The costs of administering housing benefit should be kept to a minimum, while at the same time ensuring that those who are entitled receive assistance promptly and sympathetically.

**Repairs and maintenance**

The Council should know the extent of the backlog in maintenance and repairs in their area and have a strategy for dealing with it. This is particularly important in areas where there has been much non-traditional building.

The strategy should be a long term one, based on a sample condition assessment of council dwellings. It should include planned maintenance programmes which relate to the known life spans of building elements and to accepted task frequencies. In determining this strategy the Authority will also need to decide which elements are of a capital nature to be financed from loan or capital receipts and which from rents. Generally, maintenance should be under the control of the housing department but there should be a clear distinction between the housing department as client and the maintenance organisation (DLO and contractors) as service supplier. Where there is a DLO it is important that tendering and other procedures will produce genuine competition. While a Council may wish to protect its DLO for various reasons, it needs also to ensure that its main function is to provide an efficient repair service to tenants.

There should also be a clear Council policy on the respective responsibilities of the housing department and the tenant. The (forthcoming) Audit Commission 'Report on Housing Maintenance' details good practices identified during a recent special study.

**Organisation and tenant liaison**

Organisations should promote effective and efficient management. The recent Audit Commission report 'Managing the Crisis in Council Housing' advocates better management through:

- unified but decentralised responsibility for the local housing function
- the employment of well-qualified rather than large numbers of staff
- improving communications with tenants
- adequate management information, including the optimum use of computers.

The Authority needs to ensure that it liaises adequately with tenants both in managing the service so that problems are minimised and also as a means of measuring how they, the consumers, judge the service given.

**Bibliography**

*Could Local Authorities be Better Landlords?,* Housing Research Group (1971) The City University
A detailed survey of many aspects of management.

*Policy for the Inner Cities* (1977) White Paper, Cmnd. 6845
Government policy for economic, social and environmental improvement in the cities including the provision of suitable housing.
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Reducing the Number of Empty Dwellings, Housing Services Advisory Unit (1981) DOE
This report was undertaken following the Chief Inspector of Audit's 1979/80 report on the level of empty dwellings. It makes a number of suggestions for reducing the problem.

Staying at Home – Helping Elderly People, Anthea Tinker (1984) HMSO Describes ways in which the elderly can be maintained in the community in public or private housing.


Housing Benefit, Robert Walker and Alan Hodges (1985) Housing Centre Trust Includes suggestions for local authorities on management practice.


Report on Housing Maintenance, Audit Commission (due by end 1986) HMSO Describes good practices identified during a recent special study.
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

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<td><strong>1 The housing role</strong></td>
<td>Policy statement available</td>
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<tr>
<td><em>Has the Council decided what its housing role should be?</em> Does this take into account:*</td>
<td></td>
</tr>
<tr>
<td>a) the contribution of both private and public sectors?</td>
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<tr>
<td>b) the housing stock condition?</td>
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<tr>
<td>c) housing tenure and present and future tenant patterns?</td>
<td></td>
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<tr>
<td>d) present and future rent levels?</td>
<td></td>
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<tr>
<td>e) the availability of capital financing?</td>
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<tr>
<td>Where homelessness is a significant factor, or where urban renewal and property improvement are important, are these issues similarly included within this role?</td>
<td></td>
</tr>
<tr>
<td>Does the annual Housing Investment Programme (HIP) reflect Council policies?</td>
<td></td>
</tr>
<tr>
<td>In determining these various roles, have the following issues been taken into account?</td>
<td></td>
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<tr>
<td>• Where public sector finance is limited, consideration should be given to measures such as equity sharing, partnership schemes with the private sector and cooperative building schemes.</td>
<td></td>
</tr>
<tr>
<td>• There should be liaison with developers, building societies, housing associations.</td>
<td></td>
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<tr>
<td>• A longer term strategy for maintenance and improvements is necessary, based on a sample survey of properties and taking into account backlog of repairs and the availability of capital and revenue finance.</td>
<td></td>
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</tbody>
</table>
Review questions

- Present and future tenure trends are crucial, so policy considerations must include a review of present tenant patterns, census data, the waiting lists, the availability of relets, demand arising from clearance and rehabilitation schemes and experience of trends in homelessness and council dwelling sales.

- For the elderly or handicapped, adequate liaison is needed with the social services department, housing associations, private and voluntary organisations about the provision and management of services. These might include:
  - the allocation of suitable dwellings within the ordinary housing stock, sheltered and very sheltered accommodation
  - innovatory systems, eg alarms, warden services, home care, aids and adaptions
  - Council assistance, which might also be provided to owner occupied sheltered accommodation, eg a travelling warden or financial support to resident staff.

- Rent levels need to be explicitly determined and be capable of supporting maintenance and management costs.

Where homelessness is considered to be a problem does the Council have a clear policy to meet its statutory requirements?

- Temporary arrangements should be kept under review, both as to quality and cost.

- Bed and breakfast is usually the most expensive option.

- Hostels provide better security, supervision and (usually) standard of accommodation. They can be much less expensive if the case load is sufficient and the accommodation fully utilised.

- Other options include 'block booking' of bed and breakfast where there is a sufficiently stable need; using empty properties awaiting improvement; using short life properties; and leasing private accommodation.

- Large numbers of people in temporary accommodation should not occur at the same time as there are large numbers of vacant properties.

If urban renewal and property improvement are important issues for the Authority, does it have an urban renewal programme?
Review questions

If so, what form(s) does it take, eg Inner City partnership, Industrial Improvement Area Schemes, Housing Action programmes?

What part does the housing department play in it?

Is the Authority in receipt of all grant aid available to it from the Government and the EEC?

How does the Council monitor its progress in urban renewal?

Key Indicators/References

[See also chapter on Environmental Health in the Environmental Services section of this handbook]

Grants income % gross expenditure on urban renewal schemes

Housing voids in areas concerned
Houses in multiple occupation
Houses lacking basic amenities
Unfit houses

2 Management of the housing stock

2a New build/major improvements

Where there is a new build programme or major improvement programme, requiring properties to be vacated, is this properly assessed and monitored for achievement on both time and cost criteria?

Capital monitoring system

2b Council house sales

Given the location and characteristics of the housing stock are numbers of sales as expected?

Completed sales % of total stock

Transactions per conveyancer
Elapsed time per sale

Are the arrangements for the administrative and legal issues, eg leases for flats, speedy and economic?

Is conveyancing undertaken in-house or contracted out?

- Monitoring arrangements should include a review of elapsed times from applications to completion, and comparative unit costs.

What is the Council's policy in respect of the risk, and the reality, of defaulting?

2c Allocation and lettings

Are criteria for allocating tenancies well understood by staff and applicants?
### Review questions

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<tr>
<th>Question</th>
<th>Key Indicators/References</th>
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<tbody>
<tr>
<td>Is allocation flexible enough to ensure that properties are not kept empty simply because they do not quite match the needs of would-be tenants?</td>
<td>Length of letting intervals</td>
</tr>
<tr>
<td>• Authorities often operate waiting lists by sub group. A rigid application of criteria can result in both unnecessarily lengthy void periods and lengthy waiting by prospective tenants.</td>
<td></td>
</tr>
<tr>
<td>Do would-be tenants’ wishes form the basis of allocation?</td>
<td>Proportion of unoccupied dwellings</td>
</tr>
<tr>
<td>Are difficult to let dwellings the subject of regular enquiry and report to members? Is action taken to remedy the causes, eg changing any criteria preventing allocation, minimising repairs time, offering the dwellings for sale or rent to other categories of need (eg single persons)?</td>
<td>Length of unlet periods</td>
</tr>
<tr>
<td>• Some authorities involve the private sector in the rehabilitation of difficult to let dwellings. Others dispose of blocks of property to private developers for improvement and subsequent sale.</td>
<td></td>
</tr>
<tr>
<td>When was the waiting list last renewed?</td>
<td>Waiting list – trends in numbers</td>
</tr>
<tr>
<td>• Council policy on admission to and priority within the waiting list should be relevant, realistic and kept under review.</td>
<td>Applications – trends</td>
</tr>
<tr>
<td>Are vacancies and lettings monitored to ensure that relet periods are kept to a minimum?</td>
<td>Waiting list years for each category</td>
</tr>
<tr>
<td>• Reasons for delay should be reported to Council/Committee.</td>
<td>Length of relet periods</td>
</tr>
<tr>
<td>Do allocation policies adequately reflect the wider concerns of the Council, eg economic development, employment promotion, attracting key workers?</td>
<td>Voids % rent debit</td>
</tr>
<tr>
<td>Does the Council consider allocating sheltered accommodation to elderly tenants with grown up families who are under occupying, so that houses are released to those in need?</td>
<td></td>
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<tr>
<td>Does the Council offer advice on alternatives to renting a council dwelling?</td>
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</tbody>
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### Review questions

#### 2d Rent levels and rent collection

*Are the arrangements for determining rent levels explicit and defensible? Are regional average rents, current expenditure and property values taken into account?*

Are rent levels sufficient to support maintenance and management costs?

When were they last reviewed?

How do rent arrears compare with other authorities?

Are prompt and firm arrangements made to keep arrears to a minimum?

Have rent collection rounds been updated for sales and 100% housing benefit?

Can a greater proportion be encouraged to pay by direct debit?

#### Key Indicators/References

*Average rents by dwelling type (£)*

*Rent arrears % rents collectable*

*[See: Bringing Council Tenants Arrears under Control]*

*% direct debit payments*

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### 2e Housing benefits

*Does the Council consider the function to be an important local authority service or an agency function?*

*Does the Council use its discretionary powers to enhance benefits?*

How does the administration of housing benefits compare with that in other authorities?

Is there maximum recovery of the cost of administering housing benefits?

Are staff adequately trained in procedures and the welfare purpose of the system?

Is there direct contact with social security offices and unemployment benefit offices?

How long does an application take from receipt to first payment? Are there any cases of legal time limits being exceeded?

*Cost per application (£)*

*Applications per employee*

*Elapsed time from receipt to payment (working days)*

*Complaints*
3 Repairs and maintenance

3a Strategy

Does the Council have an up to date strategy to meet the requirements for maintenance and improvements in the housing stock?

- Many councils do not know the extent of their backlog of repairs and improvement work.
- Other authorities have undertaken sample condition surveys of their properties. These provide a sound basis for long term planning.

Does the strategy seek to bring all the stock to a defined standard within a specified period?

Does the strategy include a programme of planned maintenance based on the life expectancy of building elements and accepted task frequencies?

Are the funds allocated to maintenance adequate to meet the strategy?

Has a possible role for the private sector in maintenance been examined?

3b Organisation and costs

What is the balance of work between planned maintenance, reactive day to day maintenance, and that which is the responsibility of the tenants?

- Generally the ratio of planned maintenance work and day to day maintenance should be 60:40.
- Major repairs and planned maintenance should be coordinated.

Does the authority undertake responsive work over and above the legal minimum, eg door locks, broken windows, fuses, curtain rails?

If so, is it aware of the annual cost of doing so?

Key Indicators/References

Repairs backlog, analysed by type and cost
% houses reporting in a year:
- no repairs
- up to 5 repairs
- more than 5 repairs

Target dates

Programme of maintenance/improvement work
[See: Maintenance Cycles and Life Expectancies of Building Components and Materials]

Expenditure per dwelling (£)
Review questions

Are jobbing repair costs kept down by:

a) minimising the number of emergency call-outs?
b) training repairs clerks to provide accurate work descriptions on orders?
c) pre-inspection where work content is unclear to avoid variations at contractors' discretion?
d) avoiding day works?
e) using soundly based schedules of rates?
f) using soundly based and up to date bonus targets?
g) ensuring adequate post-inspection?

Does the Council know its repairs commissioning costs?

Are target response times set?

Are communications with tenants adequate?

How do housing maintenance costs compare with other authorities?

- Account should be taken of special local problems, eg the age of the stock, the method of construction, extent of backlog.

Are the responsibilities of tenants and Council in relation to maintenance clearly defined in tenancy agreements and observed?

- Tasks commonly left to tenants include:
  a) gardens
  b) internal decoration
  c) door furniture
  d) chimney sweeping
  e) windows and glass door panels
  f) drain/waste blockages
  g) electric fuses.

Are 'relet repairs' limited to those necessary for health and safety purposes?

- It is common for new tenants to be given an allowance for redecorating, subject to inspection of work on completion.

Key Indicators/References

<table>
<thead>
<tr>
<th>Day works % total costs</th>
<th>Comparisons using standard schedule of rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which contractors bid for work</td>
<td>% completed repairs inspected</td>
</tr>
<tr>
<td>% considered unsatisfactory</td>
<td>Cost per order (£)</td>
</tr>
<tr>
<td>% jobs where target met</td>
<td>% abortive calls</td>
</tr>
<tr>
<td>Cost per dwelling (£) of:</td>
<td>Cost per dwelling (£) of:</td>
</tr>
<tr>
<td>programmed repairs</td>
<td>planned</td>
</tr>
<tr>
<td>planned cyclical maintenance</td>
<td>maintenance</td>
</tr>
<tr>
<td>minor works contracts</td>
<td>responsive</td>
</tr>
<tr>
<td>jobbing repairs</td>
<td>maintenance</td>
</tr>
<tr>
<td>commissioning costs</td>
<td>commissioning costs</td>
</tr>
<tr>
<td>Tenants' responsibilities specified in tenancy agreements</td>
<td>Intervals between lettings</td>
</tr>
</tbody>
</table>

3c Direct labour organisation (DLO)

How much of the maintenance work is subject to competition?

Are the contract 'packages' (size, duration, number of tenderers) suitable for effective competition?
<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are there any areas of work which are never subject to tender?</td>
<td>Costs of common maintenance tasks</td>
</tr>
<tr>
<td>How does the cost of maintenance undertaken by direct labour compare with other authorities' DLOs and with local contractors?</td>
<td>Standard schedule of rates</td>
</tr>
<tr>
<td></td>
<td>Standard work values</td>
</tr>
</tbody>
</table>

### 3d Control

Is housing maintenance within the control of the housing department?

- Maintenance work and improvements should be ordered by the housing department as the client. There should be a clear distinction between the client and the maintenance organisation providing the service to the housing department's satisfaction.

- Decentralisation may be less advantageous for the reporting and commissioning of repairs than for some other management functions.

<table>
<thead>
<tr>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>[See: Audit Commission Report on Housing Maintenance]</td>
</tr>
</tbody>
</table>

Is maintenance work adequately inspected?

- Both DLO and private contractors should be subject to adequate inspection.

Are management information systems adequate, eg:

- a) are there adequate property records?
- b) is repairs reporting computerised?
- c) is budgetary control information prompt, useful and acted upon?
- d) does the housing department as client receive adequate management control information from other relevant departments?

Does the Council regularly monitor the progress of maintenance work and improvements?

<table>
<thead>
<tr>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs per reporting centre</td>
</tr>
<tr>
<td>Houses per technical inspector</td>
</tr>
<tr>
<td>% completed jobs inspected</td>
</tr>
<tr>
<td>% jobs inspected found unsatisfactory</td>
</tr>
<tr>
<td>Reports to Committee</td>
</tr>
</tbody>
</table>

### 4 Organisation and tenant liaison

4a The housing department

Is the whole housing function under the control of a single committee?

Is the housing manager in command of and accountable for all aspects of the management of council housing?
### Review questions

- Expenditure control should be based on accountable management with the Chief Housing Officer held responsible for performance.
- Management or committee reports should include expenditure, unit costs and progress on all aspects of housing policy and management.
- These should also indicate trends and inter-authority comparisons. They should be sufficiently detailed for members to identify specific areas for further enquiry.

Where scale and geography warrant it, is day to day management decentralised?

How do staffing levels compare with other authorities for various aspects of housing management?

- The Audit Commission has done a survey of costs for each management element and can provide indicators of good management practice.
- The allocation of central establishment charges to the housing department should be reasonable and subject to challenge by the housing manager.
- It may be more economic for the housing department to secure some of the services provided by central departments elsewhere.

### Key Indicators/References

<table>
<thead>
<tr>
<th>Gross expenditure per dwelling (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lettings, waiting list applications, rents, dwellings etc per employee</td>
</tr>
</tbody>
</table>

### 4b Estate management

Who is responsible for estate management, eg is it operated at the neighbourhood level?

- The following functions can be devolved to managers with areas of 4-5000 dwellings:
  a) cash office and door to door rent collection
  b) arrears and voids control
  c) (pre) viewing and letting of property
  d) tenant liaison
  e) requests for repairs.

What part, if any, do caretakers play in estate management and rent collection?

How much does estate management cost compared with other authorities?

<table>
<thead>
<tr>
<th>Cost per dwelling (£)</th>
</tr>
</thead>
</table>

*Has the Council considered the various options at high rise flats for caretaking, communal lighting, central heating and estate management?*
### Performance Review in Local Government

#### Review questions

<table>
<thead>
<tr>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4c Tenant liaison</strong></td>
</tr>
</tbody>
</table>

**What steps are taken to assess consumer satisfaction?**

Are tenants kept in touch with policies and events affecting council dwellings?

- There should be close relations with tenants at all stages. In many cases this is best achieved through Tenants' Associations.

What do tenants think about the Council's maintenance work?

- Joint committees of tenants/officers/members will help maintain good relationships and identify and remedy defects.

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Existence of Tenants' Associations
Attitude surveys
Complaints
Feedback from joint committees
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