The Housing Inspectorate, working with the Chartered Institute of Housing, is holding a series of seminars to share good practice and to encourage innovation in the delivery of housing services. The first two seminars, held in London and Manchester in May, were over-subscribed. Further events are planned for later in the year in other parts of England and Wales. This special bulletin reports on the key issues that have emerged so far.
Our aim: helping deliver better services

The Audit Commission’s Housing Inspectorate started work in April 2000 with the primary aim of helping local authorities to deliver better housing services.

In more than 100 completed inspections and 56 reports published so far, the Housing Inspectorate has started to examine how housing services can improve in line with the principles of Best Value. We are keen to disseminate the good practice our inspections identify. And where improvement is needed we will indicate how better performance can be achieved.

Local authorities that achieve high standards can now secure additional capital funding if the arm’s-length management organisations they set up achieve an ‘excellent’ rating from the Housing Inspectorate. This new incentive to improve service delivery is likely to have a major impact in the future.

The success of the Housing Inspectorate will be judged by its ability to recognise good performance as well as identify poor performance, and to promote excellence as well as exposing those providing poor services. Above all, our role is to help local housing authorities provide high quality services, within their available resources, in response to the aspirations of their communities.

Roy Irwin
Chief Inspector of Housing
August 2001
Incentives to deliver better performance

Arm’s-length management organisations (ALMOs) which achieve an ‘excellent’ rating from the Housing Inspectorate can bid for extra capital funding, with £460 million available in 2002-04.

The Government is encouraging the formation of ALMOs and the Audit Commission is producing a framework for assessing excellence in housing management. A number of ALMOs are expected to be up and running by April 2002.

Roger Jarman of the Housing Inspectorate explained to both the London and Manchester seminars the proposed criteria for achieving excellence and the eligibility for extra resources.

As with existing inspection, he explained, performance would be reviewed from the user’s perspective. However, local conditions could vary significantly and this was recognised in the inspection process.

Nevertheless, to achieve the ‘excellent’ rating, all tenants – wherever they live and whoever the landlord – should receive the highest possible standard of services.

Jarman said that the Inspectorate would use the Best Value framework to check that a housing organisation was delivering excellent management services. Inspectors would:

- ask about the quality of the services being inspected; and
- consider if those services would improve over time.

He added that organisations delivering excellent housing management would also be actively participating in partnerships to regenerate deprived neighbourhoods and tackle crime and social exclusion.

Inspectors would review information from a variety of sources to reach a judgement on the organisation’s performance. These would include community strategies, Best Value performance plans, performance indicators, Housing Investment Programme scores, assessments by external auditors and Beacon Council submissions.

He also said that local authorities would have to demonstrate compliance with guidance on the creation of ALMOs and would remain accountable for the new body’s performance.

The business and financial plans of the two organisations had to be complementary and their respective responsibilities well understood, Jarman explained. Of course, tenants would have to have a range of opportunities to participate in the management, development and review of the ALMO’s work.

Local authorities could ask for their housing services to be inspected before they were transferred to an ALMO. This would indicate how far they had to go to achieve ‘excellence’ – unless it had already been achieved.

As an incentive, local authorities securing a two star/likely to improve rating – with an agreed plan to reach three-star standard – could, as an interim measure, access 50 per cent of the available funds for the financial year 2002/03.

Making competition a reality

John Newbury of Newbury King Consultants set out a framework for ‘strategic procurement’, which focused on ‘make or buy’ decisions rather than competitive tendering.

Strategic procurement started with the challenge process and led to the best procurement option for the organisation’s overall objectives. There were no preconceptions about whether that option was to ‘make’ in-house, ‘buy’ through the market or share or exchange services.

Speaking in London and Manchester Newbury wondered what had happened to the ‘Fourth C’ – competition. Competition was not being addressed, he suggested, because of ‘a strategic void’ at the heart of too many local authorities.

Inspections to date had showed that there was still too much ‘striving’ to achieve excellence when local authorities should, after so many years, have strategies to deliver genuine improvements in service delivery.

The skills and capabilities required for strategic procurement included:

- options research and appraisal;
- activity mapping;
- benchmarking;
- user and supplier consultation;
- market making – encouraging suppliers to enter the market place;
- risk assessment and management;
- contract negotiation and partnership working; and
- workforce involvement.
WHEN ‘THEFT’ SHOULD BE ENCOURAGED

When aspiring for excellence, providers should work on an outcome basis and not simply review their processes, advised Mike Maunder, Lead Housing Inspector North, speaking at the Manchester seminar.

Apart from the obvious need to involve customers and stakeholders in shaping Best Value reviews, there was a case for joining services where this made sense, as small-scale, single function reviews would not lead to step change improvement.

What was clear from the first year of inspections was that reviews took time. Maunder told the seminar that:

- Developing better services was the day job – not a bolt on.
- There was no ‘right’ answer (or ‘magic bullet’) that could deliver enhanced performance.
- Reviews needed a project plan – a start and end date – and milestones.
- Reviews needed to be owned, sponsored and managed.

He urged housing authorities to indulge in ‘a little theft’ - to steal others’ good practice and ideas and copy what was working well, looking beyond the average to the excellent. Councils should also take ideas from frontline staff, as well as from residents.

Clearly, when there were high quality services alongside ambitious and creative plans and a clear determination to change, things were working well. But there were too many examples of plans proliferating, with the result being ‘more of the same’.

There were also cases where there was a limited customer focus, where the review was organisation-centred and where equality considerations were lost. All that resulted from this approach was a ‘tinkering at the edge’, Maunder suggested.

But it was also year one for the Housing Inspectorate. ‘We are a new organisation and we are learning too,’ Maunder said. The Inspectorate was determined to use its experience to refine its working methods while seeking to encourage innovation in social housing as a whole. ‘The two aims complement one another,’ Maunder concluded.

'REVIEWS TAKE LONGER THAN YOU THINK'

The first year of Best Value reviews and housing inspections had produced a rich reservoir of lessons – both for the Audit Commission and local housing authorities.

Tony Hood, Director of Housing at Kirklees MDC, explained to the Manchester seminar his council’s approach to the Best Value review. His authority had nearly 29,000 properties, 17 area housing offices and a long-established tenant participation framework.

After demonstrating how the organisation approached having six service reviews in year one, Hood listed the following learning points:
- It takes longer than you think.
- You should always begin with the end in mind.
- Team work was essential.
- You should retain an objective focus.
- It was vital to gather baseline information.
- It was important to communicate work in progress.
- It was critical to involve all stakeholders.

No doubt Hood reflected what many felt when he talked about what had been learned from the inspection. It was, he admitted, a ‘scary prospect’ at first because of the apparent challenge to professional competency at local authority level.

It was important for authorities to follow the guidance on how to conduct themselves during inspections. This included having a single point of contact for inspectors to deal with, and a willingness to take action to improve performance.

Reflecting on the inspection process, Hood believed that there were tensions between the 4Cs - for example, between consultation and challenge and between cost savings and the cost of the reviews.

The inspection proved an ‘intense’ period for Kirklees, but the council now had a clear, resourced plan for improvement.
Repairs and maintenance

REPAIRS INSPECTIONS SHOW WEAKNESSES

Inspections of repairs and maintenance services had revealed examples of poor performance that housing authorities would need to address, the seminars heard.

In some authorities, inspections had revealed a lack of competition, a high percentage of emergency and urgent repairs, a high proportion of wrongly coded repairs and poorly collated information on complaints.

Other weaknesses revolved around inadequate gas servicing procedures, low tenant satisfaction, lack of information about the condition of stock, no effective post-inspection service and no strategic focus for the repairs service.

In a joint presentation at the Manchester seminar, Nick Atkins, Housing Inspector, Northern Region, and Simon Rogers, Services Manager, Kirklees MDC, highlighted examples of good practice. These included:

- Active tenant participation to assist authorities deliver better maintenance services.
- Keeping tenants informed.
- Service standards such as the time taken to respond to call-outs.
- Meaningful and customer-focused performance indicators.
- A 3:7 ratio of urgent repairs to planned maintenance.

Housing management

CUSTOMER FOCUS IS THE KEY

Good housing management performance centre on the participation of tenants at all levels, a workshop at the Manchester seminar heard.

Inspectors Suki Jandu and Ian Wilson outlined three factors common amongst the best-rated authorities:

- Tenant involvement in service development and design.
- Tenant participation in local authority Scrutiny Committees monitoring Best Value reviews.
- Use of community development approaches, for example, taking on board employment and training initiatives.

An effective anti-social behaviour policy, with service standards and quality and speed of response, also served as indicators of performance. The service was also more likely to be of a high standard where the approach to customer care focused on courtesy, and staff had access to necessary information and visited new tenants to check on their needs.

Early inspections had also revealed a number of poor practices. These included:

- Poor tenant satisfaction and limited planning to address key problem areas.
- Limited use of data collated from surveys and complaints.
- Inconsistency in handling service complaints.
- An absence of social inclusion or sustainability strategies.
- Non-compliance with policies and procedures in areas such as rent arrears and allocations.
- Lack of ethnic monitoring of applicants and non-compliance with disability discrimination law.

At the London seminar Velia Coffey, Head of Housing, Canterbury City Council, emphasised that, even when services were outsourced, the public still saw the council as the service provider and so the council would get the credit - or the blame.
Gathering tenants’ views was like ‘going back to basics’. You could only get tenants interested if you showed interest in what was important to them, such as front line services. Canterbury was now using focus groups and other means to get tenants views.

Canterbury had learnt a number of lessons from reviewing its services under the Best Value framework and then having its services inspected. Amongst these were:

- The council’s policies and procedures were out of date and gathering dust.
- Canterbury’s performance and management information was limited, which made life difficult for the authority and the inspectors.

**Tenant participation**

**TEENANT INSPECTION ADVISERS HAVE MAJOR ROLE**

A workshop on tenant participation at the London seminars’ heard Peter Marron, a Tenant Inspection Adviser, explain how having a service user involved with an inspection was not just ‘window dressing’, and that both inspection teams and inspected authorities had welcomed his contribution to reports and presentations.

He saw the role of tenant inspection adviser as an influential and a unique form of tenant participation, saying: ‘For the tenant who secures a role as inspection adviser, there are no more closed doors to local authority housing management.’

‘The stage at which service users are genuinely engaged and involved in a service review is an excellent indication of the level of commitment a local authority gives to the Best Value regime…it also shows how much they value the service users’ experience.’

He explained how tenant participation compacts were integral to Best Value – they were a negotiated agreement between tenants and landlords and should set out clearly how tenants wished to participate in the decision making process.

Marron was critical of the majority of existing compacts because they often lacked both ‘an inspirational vision’ and challenging milestones on the way to achieving real and lasting change. He forecast a tougher legislative regime for compacts to make them more meaningful.

‘Hopefully those responsible for delivering tenant participation will no longer be able to use “tenant apathy” as an excuse when they fail to awaken tenants to the benefits of participation,’ Marron added.

- The inspection was thorough but was not wholly objective.
- The time gap between the interim challenge and the final report made it more difficult to retain staff and councillors’ interest and involvement.
- Canterbury revised its improvement plan as a result of the inspection.

The inspection enhanced planned improvements and led to some additional service improvements. It also encouraged the council to review its equal opportunities policy and provide more training for staff. It was more a driver for improvement than for wholesale change.

During the discussion, the workshop considered how to contact ‘hard to reach’ communities or individuals, the benefits of using a variety of consultation mechanisms, how the tenant inspection advisers were trained, how to get new people involved, how to avoid overburdening tenant activists and how to involve non-tenants such as homeless people or home owners.
Housing needs

ROOM FOR IMPROVEMENT

The application of the 4Cs to Sefton MBC’s homeless service had resulted in a decision to keep the service in-house – but had left room for plenty of improvement, said Maureen Gilliard, Head of Strategy and Operations, speaking at the Manchester seminar.

Inspectors had given the service a ‘fair’ score, which corresponded to Sefton’s own Best Value review finding that the council could do more to reach and address homelessness issues.

The overall findings were that the council was fulfilling statutory performance levels at comparatively low costs. Yet the service had a fairly low profile and could do more when it came to addressing the housing needs of 16-18 year olds.

The council’s performance plan set out to:
• refocus service delivery;
• extend the area of advice and temporary accommodation by buying in services;
• dispose of at least one hostel;
• foster and build relationships with stakeholders; and
• develop one-stop shop facilities and generic working.

Paul Jones, Housing Inspector, North Region, said authorities moving towards housing excellence showed a commitment to customer care, particularly for people in housing need looking to access available council services.

Core inspection activities in this area included examining allocations systems, supply and demand issues, partnerships with other suppliers, links to housing benefit, the management of the housing register and customer care.

Good practice revealed to inspectors to date included:
• one-stop shops to help individuals access services;
• ‘homefinder’ schemes (in both the social and private housing sectors);
• rent deposit schemes;
• furniture recycling; and
• making use of customer feedback to enhance service delivery.

Housing strategy

MIXED RESULTS ON STRATEGY INSPECTIONS

Early inspections of local authorities’ overall housing strategies showed a mixed bag of indicators, explained Tamsin Matthews, Housing Inspector, North Region.

For example, some strategies were mostly descriptive, with few links to the overall policy process and limited (if any) application of a ‘scrutiny’ role. These were generally associated with poor data quality and handling, as well as a proliferation of goals and initiatives.

Good strategies, on the other hand, were characterised by a number of indicators, which included:
• A concise strategy statement, with the emphasis on achievement.
• Customer/stakeholder engagement.
• Innovative consultation methods.
• A coherent capital programme.
• Strong and meaningful links with national, regional and corporate agendas.
• A recognition that developing strategies was a continuous process and required resources throughout the year, not just on an ad hoc basis.
• The development of robust and pertinent performance indicators (given that there were no statutory performance indicators covering the strategic housing role).
For further information

Contact Roger Jarman, Strategic Policy Adviser, Housing Inspectorate, 33 Greycoat Street, London SW1P 2QF, or at email address: r-jarman@audit-commission.gov.uk

Further copies of this paper can be downloaded from the Audit Commission website at www.housinginspectorate.gov.uk

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