

Overview of Strategic Housing

North Wiltshire District Council

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Introduction

- 1 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.
- 2 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.

Background

- 3 Housing is a key issue facing the Council. Its Corporate Plan identifies three priorities covering the themes of 'Environment', 'Customers' and 'Community'. Maximising the opportunities for affordable, accessible and decent housing for all is a key goal as part of the 'Community' priority to promote vibrant, safe and inclusive communities.
- 4 Key outcomes for the service include the following.
 - Delivering 450 new affordable homes over the next three years – work with registered social landlords to enable 450 new affordable homes to be provided (through Council funding and the planning system) within three years.
 - Improve housing conditions across the District – enable 165 homes for vulnerable households to reach the decent homes standard within three years.
 - Increase prevention of homelessness – reduce the number of households in temporary accommodation by 30 per cent within three years.
- 5 The Audit Commission planned to inspect the Council's strategic housing services this year. However, following the recent Government announcement that Wiltshire will become a unitary council we have agreed with the Council's senior managers to carry out an operationally focused housing audit.

Audit approach

- 6 The Council completed a self-assessment against the key lines of enquiry setting out the key strengths and weaknesses in the service. We then carried out a document review of the self-assessment and relevant strategies, policies and procedures. This was followed by two days 'on-site' interviewing key officers and conducting reality checks including file reviews. As such this work represents an overview of the service and an in depth and detailed investigation would potentially reveal more issues.

Key findings

Understanding of the housing market

- 7 The Council has a good and improving understanding of its housing market. It is working well in partnership with neighbouring councils to understand imbalances in its housing market in its area and sub-region. For example, in February 2006 a housing market assessment was completed covering the Council's area and that of Kennet District Council and Swindon Borough Council.
- 8 The Council has sound information on the needs of all its residents. A District-Wide Housing Needs Survey was completed in 2005 supplemented by a rolling programme of Local Housing Needs Surveys. The Council also benefits from information identified in the Wiltshire and Swindon Gypsy and Traveller Accommodation Needs Assessment and the 'Beyond the Immediate' study of the future service needs of the over-50s.
- 9 However, the information on the condition of the area's housing stock is not robust. A house condition survey was completed in 2003/04. This survey did not take into account the new Housing Health and Safety Rating System (HHSRS) which replaced the Housing Fitness Standard as a trigger for statutory action from April 2006 and contributes to the assessment of decent homes. This means that at present the Council does not have a clear view on the nature and extent of problems, the level of investment needed and consequently their priorities. Positively, however the Council is working with the other District Councils in Wiltshire and Swindon Borough Council to complete a new house condition survey by autumn 2008. This will inform the new unitary council's housing strategy and private sector renewal strategy.

Quality of strategies

- 10 The Council's Housing Strategy was due for review in 2008 but following the recent Government announcement that Wiltshire will become a unitary council the Council is now working across the county to develop a new countywide housing strategy.

- 11 The Council's Housing Renewal Strategy is not robust. It is not based on up-to-date information on the condition of the area's housing stock and although priorities are identified in broad terms it does not clearly define the relative priorities for the service and set out how the Council will address the problems facing all private housing, both owner-occupied and rented.
- 12 A robust policy framework is in place to support delivery of affordable housing through the planning system. The requirement for affordable housing is set out in an up-to-date set of policies within the North Wiltshire Local Plan 2011. This includes criteria for ensuring that financial receipts from rural sites of every size meets the needs within the area from which it was generated as well as policies on sustainable construction and design. The adopted local plan is up to date and supported by a recently adopted Supplementary Planning Document (SPD) setting out the Council's detailed requirements on issues such as pepper-potting, tenure, design and developer contributions. The local plan establishes site thresholds and sets developer contributions of 30 per cent in urban areas, 50 per cent in rural areas and includes policies for rural exception sites. The effectiveness of the policy framework is kept under review, for example on rural sites, whether the level of financial contribution required for single additional units is currently discouraging development.
- 13 There are currently some gaps in the Council's guidance, policy framework and procedures to support delivery of affordable housing. There is no enabling strategy in place and some gaps in procedures to ensure that financial receipts from all rural sites are consistently translated into development in a timely manner. In addition, the Council does not yet have policy on lifetime homes or SPD on sustainable construction and design, although these are currently being developed.
- 14 Work on the Council's Local Development Framework (LDF) has now been suspended, pending the development of a timetable to progress a single LDF for the new unitary council. This will take account of the emerging Regional Spatial Strategy which anticipates a faster rate of housing growth over the next 15 years. The rationalisation of the different core strategies of the constituent councils - all of which are at different stages of development - will be a significant challenge to the new council.

Homelessness and housing advice

- 15 The Council is successfully helping to prevent homelessness in a number of ways. The Council has focused on driving improvement in the homelessness service. The service has been reviewed and restructured and the quality of the service has been improved. It has good links with local housing associations who will work with the Council if they intend to evict a tenant. The Council also provides a mediation service focused on young people and is making new links with local colleges. The Council has worked positively with other local councils to meet the LPSA target to reduce the number of young people in unsuitable temporary accommodation. For homeless people the Council has good relationships with many local landlords who can provide accommodation. The Council also has a successful deposit guarantee scheme and has used Discretionary Housing Payments to maintain tenancies.
- 16 However overall performance in the service remains an area for improvement. The level of housing advice to prevent homelessness, while improving, has been among the worst performing 25 per cent of councils. The total number of people in bed and breakfast and their average stay is also among the worst performing 25 per cent of councils. Positively, the Council has already met the national target to halve the use of temporary accommodation by 2010.

Private sector housing

- 17 This is an area of weak performance. The proportion of unfit private dwellings improved, the number of empty homes returned to use and the energy efficiency level of homes are all among the worst performing 25 per cent of councils.
- 18 The Council has not dealt effectively with its Houses in Multiple Occupation (HMO). Its approach has been reactive rather than proactive. It has not followed through on its duty to implement a mandatory licensing regime and does not currently have the resources available to inspect and improve its HMO stock. This is an extremely complex area and like many other district councils the Council has had difficulty ensuring that its' staff have the skills and knowledge to enforce legal requirements on landlords. Positively, the Council has moved quickly to implement improvements in this area now and has a programme in place for the implementation of a mandatory licensing scheme including training for staff.
- 19 The Service's approach to enforcement is weak. Enforcement can play an important role in raising standards, particularly in Houses in Multiple Occupation where some of the worst housing conditions are found, or in encouraging landlords to bring empty homes back into use. Enforcement can also generate income for the service. The level of enforcement action does not reflect the scale of the problems known to the Council and the time taken to take action is too long. This means that local people and tenants are exposed to risks and nuisance for longer than they should.
- 20 The Service also has a lack of focus on the tenants who may be affected by enforcement activity. For example, there are no standard letters to the tenants to advise them that the Council is taking action to improve their homes or that standards have been met following this action.

- 21 The Service has few documented policies or procedures to help new staff ensure consistency and fairness and strengthen links with related services such as housing advice. The Service has not developed a comprehensive suite of housing standards to assist staff and landlords to ensure the improvement of Houses in Multiple Occupation to a minimum standard.
- 22 File management is an area for improvement. Files are not consistently kept in a way to ensure that it is easy to assess the current position with a case or to track progress. Letters do not always use plain language and important events are not recorded in a consistent or satisfactory manner. For example, important information is recorded on pieces of paper that are often not signed or dated. Some potentially inappropriate information is being shared with third parties. Consistent high-quality file management is vital for seamless handover of services to the new unitary council.
- 23 The Council is successfully improving both the quality and sustainability of homes in its area but the overall approach to improving private sector housing conditions remains an area for improvement. Positively the Council is dealing with grant enquiries for disabled adaptations and decent homes grants quickly. In the last year over 50 properties have been brought up to minimum standards and over 100 properties have been improved for disabled residents. The Council also works well with partners such as the Home Improvement Agency and the Wiltshire Energy Efficiency Advice Centre who provide complementary services.
- 24 However, there is a high probability that this performance falls well short of the level of activity required to meet the Council's decent homes standard targets. In addition, the Council's approach does not target resources to local needs for example, on an area basis (potentially linked to improvement programmes by local RSLs) or on a theme basis linked to a clear understanding of stock conditions or housing needs/aspirations. The Council took some initial steps to explore the use of loans but this has been delayed following the announcement of a unitary council for Wiltshire. At present the Council is unable to assist home owners with measures beyond traditional grants for example, through the use of loans or providing a list of accredited builders.
- 25 The Council is not successfully using grant funding as a strategic tool to meet its wider objectives. Grants are available to bring empty homes back into use and to improve HMOs. However, the Council is unlikely to spend any of the allocated budgets. Furthermore, although the house condition survey in 2003/04 identified an investment need of £15.9 million to bring all homes up to minimum standards the Council predicts a significant shortfall on spending the £370,000 earmarked for improvement works. In addition, the Council is not using its grant conditions as a means to increase its strategic effectiveness for example, by seeking nomination rights in return for grant aid.
- 26 The Council's approach to procuring private sector housing services in partnership with others is underdeveloped. For example, by procuring the supply and installation of equipment in partnership with other local councils or housing associations the process of installing disabled adaptations could be speeded up and the cost reduced.

Enabling the provision of more housing to meet needs

- 27 The Council is currently delivering 673 homes per year (five-year average) against a structure plan target of 450 homes. This is helping to augment the supply of affordable homes through the planning system.
- 28 The Council has a good record of increasing the supply of new affordable homes in the district over the past four years. It contributes around £2 million each year to fund affordable housing, completing 374 homes in the last three years with potentially a further 200 units in 2007/08. It is also making good progress in increasing the proportion of housing for rent, in accordance with local need, achieving 74 per cent in 2007/08, against a target of 80 per cent. However, the Council needs to ensure that its affordable housing targets remain challenging, particularly in light of the anticipated revised annual housing targets as it has exceeded the annual target of 150 dwellings in two of the three preceding years. In addition, subsidy through Council funding is set to decline over the next few years, with increasing reliance on s106 contributions so it is important that systematic processes are in place to manage and monitor delivery.
- 29 The Council has enabled some high quality innovative affordable housing on land in its ownership. The development of the Cattle Market site in Chippenham has provided 76 new affordable homes (55 for rent and 21 shared ownership). All affordable units meet eco-homes 'excellent' standards, are well integrated throughout the development which includes temporary accommodation for homeless people. This is contributing to sustainable communities and providing a sound design benchmark for future development in the area.
- 30 Planning and housing services work constructively together to enable new affordable housing. Housing officers are involved in pre-application discussions with developers and contribute to appeals and the drafting of SPD on affordable housing. Application processing times are in line with national targets, although until very recently, no protocols were in place to ensure that s106 agreements are progressed efficiently. A recently introduced pre-application protocol is providing greater certainty for developers. This commits the Council to earlier and more proactive engagement with local councillors and parish councils, to start negotiations on s106 agreements at pre-application stage and to progress these in parallel with applications. These new arrangements are as yet untested but have the potential to provide greater transparency and certainty to the process.
- 31 However, formal processes to manage delivery of affordable housing through the planning system are underdeveloped. Limited systems are in place to 'plan, monitor, manage' delivery. For example, there are no plans to systematically monitor whether the new major application protocol is being adhered to or is fully effective. As a result, the council cannot be sure that it is targeting actions appropriately to fully support and maximise delivery.

Drivers and barriers to improvement

- 32 Staff capacity is the biggest single risk facing the Council to ensure that it continues to deliver high quality services right up to vesting day and a smooth transition to the new unitary council. The Council is now working effectively with the other Wiltshire councils to address this issue.
- 33 The Council is also now working with the other Wiltshire councils to develop consistent policies and procedures. This is important in ensuring that local people receive consistent levels of service delivery. The Council should also ensure that in harmonising policies and procedures the highest possible standard is adopted rather than an automatic 'levelling up' of service quality.
- 34 The Council's approach to providing an integrated and 'joined-up' approach to strategic housing has been weak. Strategies, policies and procedures are not integrated to ensure that individual strategic housing services support each others objectives. For example, there is no accreditation scheme or self-certification programme to ensure housing standards are maintained by landlords who house tenants nominated by the Council.
- 35 The Council is not making best use of staff working in private sector housing. There is significant overlap and duplication in the approach to improvement in private sector housing for example, in improving an HMO the property will be inspected for enforcement purposes and then reinspected if the landlord applies for grant assistance. This wastes Council resources and is not helpful for landlords and tenants who are unduly inconvenienced.
- 36 There are weaknesses in the way the service promotes its services to potential customers. This is best illustrated by the lack of take-up of housing grants. In addition, the quality of written information produced by services for customers does not match the standard of corporately produced information. For example, the disabled adaptations leaflet uses a very small font and is not written in clear language.

Recommendations

- 37 To rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. In the current context of change the inspection team makes a suite of recommendations that should be addressed internally by the Council or in partnership by the county-wide housing work groups or that should be considered by the new unitary council.

<i>Recommendations for the Council</i>
<i>R1 The Council should implement mandatory HMO licensing immediately and put in place resources to ensure that all licensable properties and other high-risk properties are improved to minimum standards.</i>
<i>Recommendations for the Council with the other Wiltshire councils</i>
<i>R2 Take steps to harmonise existing policies and procedures across the county ensuring where practicable that the highest standard of service is adopted.</i>
<i>R3 Carry out a fundamental review of both the level of resources and the skills and competences that are needed to deliver a comprehensive and customer-focused private sector housing service efficiently.</i>
<i>R4 Develop a more systematic and proactive approach to planning, managing and monitoring delivery of housing through the planning system, including the efficient handling of s106 agreements, supported by protocols and clear procedures and processes.</i>
<i>Recommendations for the new unitary Council</i>
<i>R5 Develop a comprehensive suite of integrated strategies to effectively tackle the imbalances in the local housing market. These must identify clear priorities for action and quantifiable targets that are underpinned by sound performance management systems.</i>