

# **Strategic Approach to Housing**

**Copeland Borough 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](http://www.audit-commission.gov.uk/housing).

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

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

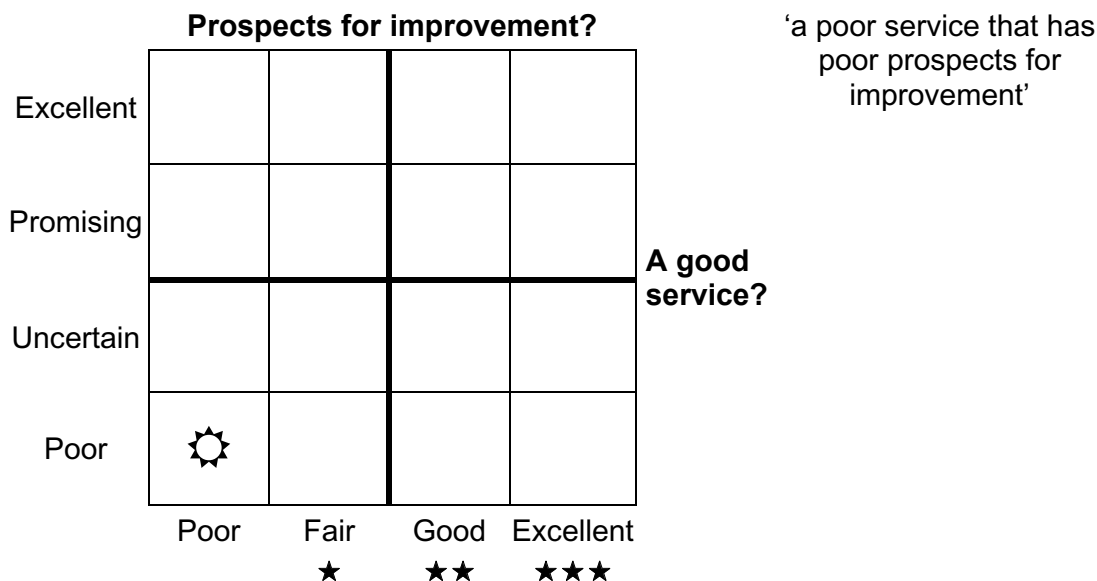
## Summary

- 1 Copeland Borough Council is in West Cumbria. It has a £12.2 million revenue and £11.4 million capital budget and employs 384 staff. It carried out a large scale voluntary transfer of its housing stock to Copeland Homes in 2004, retaining a strategic enabling role in housing.
- 2 The Council's strategic approach to housing is poor because: access to services is not always easy; there are gaps in understanding the needs of diverse groups and the housing market, with insufficient work done to translate sub regional strategies into plans for the borough; the Council is not making best use of existing housing and is not reducing homelessness; there has been little partnership working to enable new housing provision; and there is a poor understanding of the relationship between quality, performance and cost in achieving value for money (VFM) in housing services.
- 3 The service has poor prospects for improvement because: the Council has not given the retained housing service sufficient priority or delivered improvements since the transfer; planning and performance management in the housing service are weak; and staffing structures, relationships and systems do not support a functioning housing service.

## Scoring the service

- 4 We have assessed Copeland Borough Council as providing a 'poor' zero-star service that has poor prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

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



Source: Audit Commission

- 5 We found the service to be poor because of the following weaknesses:
- there is little culture of customer care;
  - the Council does not understand the diverse needs of its customers and ignores equalities and diversity issues in procurement;
  - there are gaps in understanding the housing market and insufficient work has been done to translate sub regional strategies into plans for the borough;
  - the Council is not making the best use of the borough's private sector housing stock by acting on the requirements of the Housing Act 2004 and is not contributing to reducing homelessness by tackling the problem early;

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

- development has not met the specific requirements of some groups and there has been little partnership working to enable new housing provision; and
  - the Council does not know its service level costs, has done only limited benchmarking of corporate costs and does not yet have a good understanding of the relationship between quality, performance and cost in achieving value for money (VFM) in housing services.
- 6 However, there are some areas of strength. These include:
- frontline staff provide as effective a service as possible in the absence of a strategic approach to access and to preventing homelessness;
  - some strategic work has been done to develop corporate procedures to promote diversity;
  - there is a basic understanding of housing need and demand issues and or private sector stock condition information; and
  - plans are in place to provide some of the properties which Copeland needs by selectively reducing the socially rented stock and replacing it with mid market properties for sale.
- 7 The service has poor prospects for improvement because:
- the Council has not given the retained housing service sufficient priority since the stock transfer in 2004, performance has not improved over that period and there has been no evidence of delivery against strategies;
  - planning in the housing service is weak and corporate performance management systems have allowed the housing team to operate without setting or managing progress against robust objectives; and
  - staffing structures, relationships and systems do not support a functioning housing service and resources have not been assigned to improve areas of weakness.
- 8 However, there are a number of drivers of improvement. These include:
- some evidence of attempts to improve processes and systems in the wider council; and
  - there is self awareness about weaknesses.

## Recommendations

- 9 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 costs<sup>2</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council shares the findings of this report with customers and councillors and addresses all weaknesses identified in the report. The inspection team makes the following recommendations.

### **Recommendation**

*R1 Improve the strategic approach to housing by:*

- *developing borough-specific plans to implement sub-regional strategies and meet local need;*
- *improving relationships with partner organisation to help achieve strategic housing objectives, including new provision;*
- *implementing systems and structures to ensure the Council is carrying out its statutory duties in the private sector under the 2004 Housing Act;*
- *updating grant policies and procedures to strategically target the use of housing grants to meet housing and wider regeneration objectives;*
- *taking a client role in the delivery of housing advice provision in the borough; and*
- *developing systems and structures to move towards a proactive homelessness prevention approach and to minimise the use of temporary accommodation.*

The expected benefits of this recommendation are:

- housing services which better meet local need and aspirations and dovetail with other local initiatives and priorities; and
- compliance with legislation and other government policy requirements.

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

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<sup>2</sup> Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.



**Recommendation**

*R2 Review how the housing service operates in the context of corporate systems and priorities, including:*

- *ensuring corporate systems for dealing with key management issues, such as budget setting and financial management, service planning and appraisals are adhered to in each service area and that robust monitoring and management takes place at the corporate centre to prevent non-compliance;*
- *reviewing the housing team's structure and resources and developing a permanent establishment capable of meeting the Council's statutory requirements, developing and implementing housing strategies to meet local requirements and delivering services to an acceptable standard, in line with these recommendations;*
- *improving relationships between departments to exploit opportunities for joined up working and make best use of expertise outside the housing team to deliver housing objectives; and*
- *reporting regularly to the executive and corporate team on performance against the housing improvement/service plan and against a full suite of performance and cost indicators in housing until the service is reinspected.*

The expected benefits of this recommendation are:

- higher profile for housing within the Council;
- adequate resources to deliver housing services and more scope to improve efficiency in delivery; and
- improved consistency in implementing corporate systems.

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

**Recommendation**

*R3 Ensure the new corporate access strategy is robust enough to manage access to housing services and to develop a strategic, corporate approach to customer care by addressing key issues, including:*

- developing a fully interactive corporate website;*
- developing a clear, corporate approach to translation which clearly meets local needs;*
- developing a consistent corporate approach to the management of complaints, including reporting to councillors about learning from them;*
- developing and displaying a comprehensive range of housing leaflets;*
- developing clear service standards in housing, which are well publicised and against which performance is managed; and*
- developing transactional customer satisfaction surveys following key housing processes and reporting to councillors about learning from them.*

The expected benefits of this recommendation are:

- more consistent and accessible corporate services; and
- more accessible and accountable housing services, which better meet need.

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

**Recommendation**

*R4 Further develop and implement existing equality and diversity policies, including:*

- developing and maintaining a thorough corporate understanding of the profile and needs of local people through liaison with representative community organisations and robust research;*
- carrying out and acting on the findings of equality impact assessments in housing; and*
- incorporating full consideration of equality and diversity issues in all procurement decision making and contract management.*

The expected benefits of this recommendation are:

- improved awareness of customer requirements and ability to tailor services to meet emerging needs; and
- ability to address differential service delivery by the Council and its agents.

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

**Recommendation**

*R5 Improve value for money and performance management by:*

- *tracking, benchmarking and reporting to staff and councillors on corporate and service costs, alongside a full range of housing performance indicators and using the data to review how services are delivered; and*
- *implementing effective procurement of all commissioned services and products, including establishing a robust client role in ongoing contract management.*

The expected benefits of this recommendation are:

- development of an improved understanding of the balance of cost and quality in securing value for money in service delivery; and
- development of an improved understanding of performance issues across the Council and better use of data by managers to drive service improvement.

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

- 10** We would like to thank the staff of Copeland Borough Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 14 to 18 January 2007

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# Report

## Context

### The locality

- 11 The borough of Copeland is situated on the west coast of Cumbria. Its 284 square miles is largely rural, with two thirds of it in the Lake District National Park. Most of its 70,300 population<sup>3</sup> live in the narrow 35 mile coastal strip's four main population centres, Whitehaven<sup>4</sup>, Egremont<sup>5</sup>, Cleator Moor<sup>6</sup> and Millom<sup>7</sup>.
- 12 97.42 per cent of local people described themselves as 'white British' at the time of the 2001 census, with a further 1.01 per cent describing themselves as 'white Irish' or 'white other'. Small pockets of black, Asian, Chinese and mixed race people lived in particular wards at that time. A June 2007 study by voluntary agencies in the county indicates that 470 migrant workers have registered in the three West Cumbria boroughs<sup>8</sup>, but the need for further research is acknowledged because emerging communities employed in farming have been more difficult to identify.
- 13 Copeland has poor communication and transport links. Its isolated position means a journey time of at least an hour to a motorway and links to the national rail network are slow. Travel time from north to south of the Borough by car takes at least an hour and there is poor public transport in rural areas, with many having no daily bus service. This is particular issue because 34 per cent of residents travel over ten kilometres to work and only 72.1 per cent of households have access to a car<sup>9</sup>.

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<sup>3</sup> 2006/07 mid-year estimate

<sup>4</sup> population 25,532

<sup>5</sup> population 8,005

<sup>6</sup> population 6,999

<sup>7</sup> population 7,857

<sup>8</sup> of whom three quarters are known to be living in a neighbouring borough

<sup>9</sup> figures provided by the Council

- 14 The Borough has some affluent areas alongside pockets of urban deprivation. Unemployment is relatively low<sup>10</sup>. Its industrial base of mining, shipping and chemical manufacture has declined, however, leaving a legacy of poor health, low educational attainment<sup>11</sup> and limited economic activity in many areas. High death rates among older groups and out-migration of younger people resulted in population loss of 5.7 per cent<sup>12</sup> between the 1961 and 2001 censuses. 23.5 per cent<sup>13</sup> of the population is aged over 60<sup>14</sup> and 30.1 per cent of the population lives in single adult households<sup>15</sup>.
- 15 The focus of employment in the Borough is the Sellafield nuclear site<sup>16</sup>, which is undergoing decommissioning. This will impact not only on employment at the plant<sup>17</sup> but also in supporting businesses, with a potential reduction of approximately 17,000 jobs in total in the West Cumbria area by 2012.

### The Council

- 16 Copeland Borough Council has 51 councillors, of whom 30 are currently Labour, 20 Conservative and one Independent. It has adopted a leader and single party cabinet model, with three senior councillors acting as deputy leaders, each supported to manage their portfolios by two executive cabinet colleagues. There is a cross party scrutiny function and a number of committees to deal with planning, audit and other council business.
- 17 The Council's revenue budget for 2007/08 is £12,276,000 and its capital budget is £11,388,612<sup>18</sup>. It employs 384 staff. Its housing establishment consists of 6.5 posts, although three of these have been vacant for most of the last year and long term absence has been an issue in the residual team.

### The service

- 18 The housing stock stands at 32,396, of which owner occupation accounts for 72 per cent, with housing associations owning 21 per cent and private renting making up the remaining 7 per cent<sup>19</sup>. The rate of increase is slow, with an average annual build rate of just over 200 dwellings. Over the last ten years most new build has been non-social and there have been very few demolitions.

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<sup>10</sup> 2.5 per cent at March 2007

<sup>11</sup> 14.2 per cent of the working age population have no qualifications against a United Kingdom average of 13.8 per cent and only 17.1 per cent are qualified to National Vocational Qualification level four or above, compared to 27.4 per cent UK average

<sup>12</sup> 4203 people

<sup>13</sup> 16,511

<sup>14</sup> 2006/07 mid year estimate

<sup>15</sup> 2001 census

<sup>16</sup> 51 per cent of Cleator Moor residents work at the plant, 45 per cent of Egremont residents and 30 per cent of Whitehaven residents

<sup>17</sup> with a reduction of at least 8,000 jobs by 2012

<sup>18</sup> of which capitalised revenue works make up £5,416,000

<sup>19</sup> private sector stock condition survey, August 2007

- 19 Over half of the borough's housing stock was built prior to 1964, with pockets of either predominantly pre-1919 terraced housing or large ex-Council estates<sup>20</sup>. 67.2 per cent of properties in the private sector comply with the decent homes standard and 66.6 per cent of economically vulnerable people live in decent homes<sup>21</sup>, but the cost to remedy non-decency is estimated in excess of £57 million<sup>22</sup>. It is currently unclear whether Copeland Homes<sup>23</sup> will meet the decency standard by 2010 and an extension to the deadline is being considered by the Housing Corporation. Government funding of £2.2 million has been granted for a three year programme of housing market renewal interventions in south Whitehaven, managed by Copeland Homes, where social and economic stress is coupled with low demand on ex-council estates.
- 20 Despite a large proportion of the borough being within the Lake District National Park, house prices are generally lower than the county, north west regional and national averages, at £123,482 in 2006/07. The sub regional housing strategy<sup>24</sup> identifies three market areas in the borough. The key issues identified are as follows.
- Millom (south) is not a priority for regeneration. It has little need for affordable housing, but it has a disproportionate amount of pre-1919 terraced stock which is in disrepair and a significant proportion of private sector properties are occupied by people who are vulnerable. It has increasing homelessness, coupled with a lack of temporary accommodation, safe homes for survivors of domestic violence and move-on accommodation for ex-offenders and has only limited floating support for most client groups.
  - West Lakes (central, including the National Park) is also not a priority for regeneration. It lacks affordable housing for local people because incomes are low and prices high, including in the rented sector. A significant proportion of private sector homes are occupied by vulnerable people, but these tend to be decent. Homelessness is increasing and there is a particular need for move-on accommodation and floating support for most client groups.
  - Whitehaven (north) is a priority for regeneration because of its poorly maintained physical environment and social exclusion issues. Significant numbers of private sector homes are occupied by vulnerable people but these tend to be decent. Affordability is not a significant issue in this area. Homelessness is, however, increasing, with particular pressure as a result of it being the main population centre. It lacks sufficient temporary and move-on accommodation, safe homes for the survivors of domestic violence, direct access accommodation and floating support for most client groups.

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<sup>20</sup> its 3800 properties were transferred to Copeland Homes, which is part of the Home Group of housing associations, in 2004

<sup>21</sup> meeting the government target that 65 per cent of vulnerable households should be living in decent housing by 2007, although these figures ignore wide variations by neighbourhood, which indicate that conditions are significantly poorer in rural areas and in two discreet neighbourhoods within Whitehaven

<sup>22</sup> all figures taken from the private sector stock condition survey August 2007

<sup>23</sup> The housing association which took over ownership of the Council's housing stock in 2004

<sup>24</sup> Cumbria Housing Strategy 2006/11

- 21 The housing service is delivered from the Council's headquarters at the Copeland Centre in Whitehaven, with some outreach work done from its three satellite offices. Its focus, since the large scale voluntary transfer of its housing stock in 2004, has been on discharging its statutory duties to homeless people and issuing housing related grants. This inspection, however, explored how the Council is fulfilling its full strategic enabling role in housing.

## How good is the service?

### What has the service aimed to achieve?

- 22 The Council's corporate plan and best value performance plan for 2007-2012 sets out its vision:

*Leading the transformation of West Cumbria to a prosperous future.*

This is to be achieved through a series of activities, collected under three themes:

*Effective Leadership;*

*Achieving Transformation; and*

*Promoting Prosperity.*

Its *Quality Housing* objective is situated within the *Promoting Prosperity* theme and contains six key measures:

*We will ensure that 100 per cent of social rented sector properties will be in a decent condition by 2010;*

*We will ensure that 70 per cent of private sector dwellings occupied by vulnerable people will be classed as decent by 2010;*

*We will have a balance of housing stock by type and tenure;*

*There will be a reduction in homelessness;*

*We will increase the supporting people funded services in Copeland;  
and*

*We will support the achievement of the Cumbria Agreement targets.*

- 23 The Cumbria sub regional housing strategy 2006-2011 also sets out a vision for strategic housing enabling across the county:

*Cumbria will have balanced housing markets<sup>25</sup> supporting the social and economic changes that our county will undergo over the next 20 years.*

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<sup>25</sup> Which it defines as a market where local people can afford to find a home and a place where people want to stay



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

### Access and customer care

- 24** There are more weaknesses than strengths in this area. The Council's website is not fully effective, little information is available in leaflet form and translation is underdeveloped. It does not have a culture of customer care, with limited use of service standards or customer satisfaction data, no customer consultation around policy issues and weaknesses in the management of complaints. It is also failing to strategically manage access to housing services. Despite these weaknesses, however, staff try to provide a responsive service.
- 25** The Council's website is not fully effective. Its 'browsaloud' and large font functions are not easily accessible and its language translations are not based on an analysis of the community languages read in the borough. Although it has easy to locate, clear and comprehensive homelessness and private sector housing information, housing forms are not interactive and few are downloadable. Until the week before this inspection, it also displayed a significant information error, indicating that improvement grants were only available to housing association tenants. This may have deterred applications from the owner occupiers for whom they are actually designed and contributed to grant under spends. These weaknesses mean customers cannot always access services electronically, which can disadvantage those who are geographically isolated, have certain disabilities or are unavailable during office hours.
- 26** There is little information available to housing customers in leaflet form. Reception areas display only a limited number of generic housing leaflets and no posters advertise housing services. Although disabled facilities grant leaflets are on display, customers have to browse the website or directory of services to discover that renewal grants exist and it has been some years since targeted publicity about grant availability was distributed in communities where it might be useful. There is also no information available about where social or private rented accommodation is available in the borough or how it is let. This means that the Council does not provide easy access to information for customers unable to use the website. It also means that key services are not being effectively marketed, so those customers without advocates and those least able to make an enquiry will be unaware that help maybe available to them.
- 27** The Council's approach to translation is underdeveloped. It subscribes to an interpretation service and has compiled a register of staff language skills, but these are not advertised and customers who have difficulty speaking English are, in reality, expected to bring a friend with them and to relay what may be very personal issues via this third party. Key information, such as the corporate complaints leaflet, is not available in community languages or alternative formats and frontline staff are unable to tell customers whether these can be provided. These weaknesses mean there is a significant risk that potential customers who have communication difficulties are not accessing services.

- 28 The Council's approach to customer care is underdeveloped. Its self assessment for this inspection acknowledged that service quality was inconsistent and there has been no staff customer care training. The lack of monitoring or management of customer service issues, such as speed and quality of response to queries, in service areas other than 'Copeland Direct'<sup>26</sup> contribute to the absence of a culture of customer service across the Council. Councillors are unable to exercise leadership on these issues because reports only reflect the performance of 'Copeland Direct'. Staff interaction with customers in each service area is not managed by any of the tools available to the Council, some of which are outlined below. This means it cannot demonstrate that its customers receive an acceptable quality of service.
- 29 The Council does not make good use of service standards. Its 'corporate commitments' are limited in scope because they apply only to frontline contact with 'Copeland Direct' and refer only to speed of telephone answering and to responses to phone calls, emails and letters. No service specific standards are in use in key frontline service areas. This means that in housing, where vulnerable customers may be threatened with homelessness, unable to function effectively in their homes because of disability, or living in poor conditions, they do not know how long processes will take or what quality of response to expect and are unable to gauge whether it is appropriate to make a complaint.
- 30 The Council does not perform well against those basic service standards which are in use. Observation of the call centre during this inspection indicates that performance at busy times falls significantly below the commitments made, with only 62 per cent of calls answered within 15 seconds during one morning, for example. The commitments are limited as a tool for managing performance, even within the call centre, because they ignore key issues such as the length of time customers have to hold after the call is answered<sup>27</sup> and levels of abandoned calls resulting from customer frustration about being kept on hold<sup>28</sup>. This lack of focus on establishing and meeting comprehensive service standards, even in the area which represents its public face, means the Council cannot demonstrate that it is performing to an acceptable standard.
- 31 The quality of services delivered is not being proactively managed through the use of customer satisfaction data. The three yearly corporate customer satisfaction survey and annual surveys of 'Copeland Direct' customers indicate some dissatisfaction<sup>29</sup> but no follow up work has been done to identify the issues behind negative responses. The approach has also not been used to learn from customers of the housing service. This means the Council cannot use information about their experiences to drive improvement.

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<sup>26</sup> the call centre and frontline reception service

<sup>27</sup> this averaged 56 seconds in the third quarter of 2007/08 and inspectors saw some callers waiting for up to 150 seconds at busy times

<sup>28</sup> currently standing at 10 per cent, although having fallen from a high of 50 per cent when the phone system was introduced last year

<sup>29</sup> the last was carried out in January 2007 and indicated that, although there was over 90 per cent satisfaction with politeness and professionalism, only 78 per cent of customers were satisfied with 'the way their enquiry was handled' and only 85 per cent felt it was easy to make comments, enquiries or complaints

- 32 The Council does not effectively involve its customers in improving housing services. Although there has been significant customer involvement by other agencies in planning around the housing market renewal initiative, there is no evidence of customer engagement in developing housing policy or procedures or in monitoring the performance of housing services. This is a missed opportunity to help ensure that services meet the needs of those who use them and are developed in a way which delivers optimum value for money.
- 33 Complaints are not managed effectively. Although the complaints procedure is clear, comprehensive and offers a choice of reporting mechanisms, it is not well advertised in reception areas so customers may be unaware of it. The cases reviewed during this inspection had been handled in accordance with the policy and some learning had been extracted from them, but the Council does not enforce complaints handling procedures across services, so inspectors were only able to look at what it estimates to be a relatively small proportion of the complaints actually made. Managers report that there remain significant pockets of the organisation where complaints are considered to be a threat, rather than a learning opportunity, and that much work is required to change this perception, alongside enforcement of handling procedures. This means that customers cannot be certain that any complaint they make to a service other than 'Copeland Direct' is being logged, handled appropriately, the outcomes monitored or any learning applied to ensure the same problem does not happen again.
- 34 The quality of access to frontline housing services is not being effectively managed. For example, the Council provides only semi-private facilities for housing interviews, which routinely include discussion of sensitive financial and family issues. This is because a combination of poor interview room design and low staffing levels mean it cannot resource the use of private interviewing facilities without infringing health and safety policies. It does not carry out mystery shopping of the quality of the out of hours services provided on its behalf, although inspectors found this to be mixed. It also relies, to a significant extent, on housing advice services provided by other agencies, such as Shelter, the Citizens' Advice Bureau and the Carlisle Law Centre. Although it funds them to provide these services, it does not effectively monitor their quality or include any of the homelessness prevention work they carry out in its performance figures. This means it is unable to demonstrate that vulnerable people are receiving the housing services they need in a sensitive and timely manner or that the services delivered on its behalf by independent agencies are contributing to a comprehensive or value for money approach to prevention.

- 35 Staff provide as responsive a service as possible under these circumstances. The Council's reception areas are welcoming and compliant with the Disability Discrimination Act<sup>30</sup> (DDA). Reception and call centre staff have sufficient knowledge to deal sensitively with basic housing enquiries and to signpost customers to specialists in more complex situations. In the Millom office, furthest from the housing team's base, reception staff can also give basic housing advice and access temporary accommodation in emergencies. Homelessness and housing advice interviews are carried out in a professional manner, with appropriate advice and information provided. The home improvement agency (HIA) managing grants for the Council is also customer focussed in involving applicants in designing home improvements. This means that, although the Council is failing to strategically manage access to services, most customers who find their way to them, receive a helpful service from staff.

### Diversity

- 36 There are more weaknesses than strengths in this area. The Council does not understand the diverse needs of its customers and has not considered the impact on diverse groups of its housing work. It does not ensure equalities and diversity (E&D) issues are addressed in procurement processes and does not analyse the success of E&D training in terms of outcomes. Some strategic work has been done, however, to ensure the legislative compliance of corporate procedures.
- 37 The Council does not understand the diverse needs of its customers. For example, although educational attainment in the borough is low it has not researched customer needs in terms of literacy and, although two thirds of the borough is rural it has not explored the access needs of isolated elderly or disabled people. This means that it does not have a solid basis on which to build its newly developed accessible information policy<sup>31</sup> or its planned access strategy<sup>32</sup>. It is also unable to demonstrate, for example, through the analysis of complaints or customer satisfaction responses, that differential services are not being delivered to some disadvantaged groups. Even where information is available, it has not been used effectively for strategy making. For example, both its private sector stock condition survey and its housing market assessment research are broken down on the basis of ethnicity, gender, age and disability, but this data has not informed its approach to service delivery and no plans are in place to use county wide research currently underway on the housing and other needs of gypsies and travellers to inform policy.
- 38 Equality Impact Assessments have not been done in housing. The Council has identified the need for 22, with housing related services prioritised as requiring an early assessment. This did not take place in November as planned, however, because there were insufficient staff to carry it out. This means that the Council has not considered the impact, in terms of equality issues, of these services and has not begun to address any weaknesses identified, despite the fact that they are delivered to some of the most isolated and vulnerable people in the borough.

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<sup>30</sup> 1995

<sup>31</sup> covering the provision of translation and associated services

<sup>32</sup> covering how and where services will be delivered

- 39 The Council does not use its purchasing power to promote E&D awareness or to ensure differential services are not being delivered to disadvantaged groups. Contractors and consultants are told about its equality policy at the tendering stage but there is no requirement for them to comply with it and there is no ongoing management of performance against E&D criteria as part of contractual relationships. The recently revised procurement strategy also omits E&D issues, so no plans are in place to address the fact that the Council has no control over how its consultants and contractors behave and, in particular, whether differential services are being delivered on its behalf.
- 40 The Council does not effectively analyse the success of its E&D training. All staff have received computer based diversity training<sup>33</sup> over the past year and those who are 'champions' or are due to be involved in carrying out equality impact assessments are in the process of receiving more tailored training. No outcome measures have been put in place, however, to determine whether staff are doing their jobs differently as a result of the training so the Council is unable to establish whether the programme has made a difference to outcomes for customers.
- 41 The Council has shown only limited proactivity in tackling hate crime. It uses the Crime and Disorder Reduction Partnership's race incident reporting forms, but does not work with partners to analyse the Police's monitoring reports or reduce incidents. Work is underway with partners, however, to extend race incident reporting to include all hate crime, following training organised by the partnership shortly after the inspection.
- 42 Some progress has been made at a strategic level, however, to ensure the Council complies with E&D legislation. Disability, gender equality and a revised race equality scheme were all formally approved in line with government deadlines. These have fed into a framework corporate equality policy and the service planning process is beginning to force managers to identify the actions they intend to carry out on E&D issues each year. The seven draft equality impact assessments carried out to date also indicate that service specific objectives will increase as this process is rolled out. An E&D group and a cabinet champion are in place to drive forward these strands of work and move the Council towards level two of the equality standard in local government (ESLG) during 2008/09. This means that, while positive outcomes are not yet evident in terms of service delivery, the Council is meeting its statutory responsibilities and is beginning to explore equalities and diversity issues in service delivery.

### **Strategic approach to housing**

- 43 There are more weaknesses than strengths in this area. Although it has a basic understanding of the housing market, there are significant gaps in the Council's knowledge and it has relied too heavily on sub regional strategy making, without translating this work into clear plans for the borough. This is also true in the area of homelessness and the independent research it has done around private sector housing condition has yet to be used effectively. The Council has a poor record of working corporately or with partners to achieve strategic housing objectives but some notable examples do exist.

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<sup>33</sup> with some face to face sessions held for staff without IT access, such as refuse collectors

- 44 The Council does not have a comprehensive understanding of the local housing market. The sub regional housing strategy<sup>34</sup> is underpinned by a series of housing market assessments (HMAs), which reflect markets in terms of supply, demand and housing need and consider issues such as house prices and earnings. This data is not being updated on an ongoing basis, however, so although it provides a foundation for understanding where major imbalances exist and for working with neighbouring councils to divert resources into tackling problems, it will soon be two years out of date. HMAs also failed to explore the support needs of hard to reach groups, particularly in emerging communities. In addition, the Council has not worked with its parish councils or the National Park Authority to explore housing need issues in its rural communities in sufficient detail. This means there are significant gaps in its knowledge.
- 45 There is no clear strategic approach to dealing with housing issues in Copeland. The sub regional strategy is 'fit for purpose'<sup>35</sup>, helping ensure partners consider housing markets across borough boundaries. It is not yet, however, underpinned by up to date and SMART<sup>36</sup> plans to address borough specific issues or to link housing work in the borough with wider Council strategies. For example, Copeland has no plans for addressing the specific housing needs of older people. This means it has not yet been able to use its strategic enabling role to direct resources into addressing local priorities.
- 46 The Council has not always made best use of its research to address housing quality issues. Work has yet to begin, for example, on a private sector housing strategy to replace the outdated 2003 housing renewal strategy. This is despite it having a good understanding of stock condition issues. Its robust August 2007 survey<sup>37</sup> of private sector stock condition provides sufficient reliable data to estimate the cost of decency repairs required, thermal comfort works necessary, potential Housing Health and Safety Rating System (HHSRS) hazards, levels of empty homes and the proportion of vulnerable people in the private sector living in non-decent homes. The Council is missing the opportunity to use this solid foundation, however, to build a private sector housing strategy to begin to address problems while the data remains relevant.
- 47 This underdeveloped approach is also evident in the Council's strategic approach to homelessness. Again, Copeland is a signatory to the regional strategy and action plan<sup>38</sup> but has failed to implement some of its key commitments, such as removing the need for bed and breakfast accommodation. This means it has fallen behind its neighbours in tackling these issues. It has also failed to use key data on an ongoing basis to develop effective local homelessness prevention and temporary accommodation reduction strategies<sup>39</sup>, so it will be starting from a low base in contributing to the 2008-2013 strategy which is under development.

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<sup>34</sup> 2006-2011

<sup>35</sup> covering issues such as regeneration, affordability, housing to meet specific needs and links to other sub regional strategies for homelessness and Supporting People

<sup>36</sup> Specific, Measurable, Achievable, Resourced and Time bound

<sup>37</sup> 1000 properties surveyed, stratified across each market area and sub stratified in Whitehaven, where complex neighbourhood market conditions apply

<sup>38</sup> 2003-08, which has an emphasis on prevention and partnership working

<sup>39</sup> readily available information, such as trends in homelessness presentations, success in prevention initiatives and waiting list data from local housing associations are not being analysed on an ongoing basis

- 48 The Council has a poor record of working corporately to achieve strategic housing objectives. Its 'silo' working approach means that key departments, such as legal and finance have no strategic housing objectives in their service plans and their expertise has not been used to help develop or implement the housing service's objectives. This is particularly clear in relationships with environmental health, where the Council has not been creative in freeing up enforcement expertise to help plug gaps in housing. Success in delivering effective strategic housing services is dependent on the commitment of a range of departments and these examples represent missed opportunities to make essential links between teams to improve the coordination, quality and efficiency of services delivered.
- 49 The Council has a poor record of engaging with external partners to balance housing markets and meet housing need across the sub region. For example:
- the Council's relationship with local landlords is undeveloped and there is no private landlord forum. This means it has not been able to develop initiatives to help raise standards;
  - there are no formal and monitored relationships with housing associations. This means some key providers do not actively assist the Council in discharging its statutory obligations around homelessness. It also means that it has not been able to bring pressure to bear on providers to, for example, incentivise tenants who are under occupying high demand larger properties to move into smaller, lower demand homes;
  - the Council has withdrawn from a sub regional choice based lettings scheme, which it had given an undertaking to lead, leaving partners to regroup without its input. This has not only reduced the likelihood of local people being offered better choices in rented accommodation, but also the potential for addressing some of the borough's low demand problems; and
  - it is missing opportunities to work with agencies like the county Supporting People team and the Primary Care Trust to meet those specific support needs which have been identified. This means, for example, that women fleeing domestic violence are dependent on refuge places outside the borough and homeless people who are not in priority need have no direct access facilities available to them.
- 50 There is also some inconsistency in the Council's use of the Supporting People partnership to achieve strategic objectives. For example, services have been developed jointly with the county Supporting People team and neighbouring councils, such as cross authority floating support schemes and supported accommodation for young people in Whitehaven. These are supported by multi agency protocols like one to discuss the housing needs of 16 and 17 year olds. The Council has been unsuccessful, however, in prioritising the need for accommodation and support based solutions for survivors of domestic violence in the borough. This means it has been able, through partnership working, to optimise the use of scarce resources to meet the needs of some marginalised groups, but not others.

## Making the best use of existing housing

- 51 There are more weaknesses than strengths in this area. The Council is not making the best use of the borough's private sector housing stock by acting on the requirements introduced in the Housing Act 2004<sup>40</sup>, making good use of opportunities to strategically target the use of grants under the Regulatory Reform Order (Housing Assistance) 2002 (RRO) or using larger scale improvement schemes. It is also unable to demonstrate that it is contributing to reducing homelessness by tackling the problem early or managing the quality and extent of housing advice being provided and it is failing to effectively manage the supply, quality or speed of move-on from temporary accommodation. The homelessness assessment process, however, is handled effectively. Appropriate action has also been taken to bring social rented housing up to the decency standard by 2010.
- 52 The Council is not making best use of the existing private sector housing stock. It does not have a functioning private sector housing team or enforcement service, having failed to respond effectively to the Housing Act. For example, it has not:
- developed an effective licensing scheme for houses in multiple occupation (HMOs). A scheme developed by a county-wide networking group of environmental health staff has been informally adopted, without any local consultation and without being publicised. No work has been done to identify HMOs in the borough using the revised definitions under the act, staff have been given no guidance or training to help them identify these properties and only two licenses have been issued, after conscientious landlords approached the Council asking to be licensed;
  - taken effective action to publicise the HHSRS, carry out inspections, take legal action, or carry out 'work in default' where properties are in poor condition. Only five inspections have been done and none has resulted in enforcement action because no one in the staff team is qualified to take it;
  - taken any action to bring empty properties back into use, although the private sector stock condition survey identifies 701 long-term voids; or
  - taken any action to update the outdated 2004 Home Energy Conservation Act<sup>41</sup> (HECA) strategy, provide energy efficiency advice or work with partner organisations to attract external resources to reduce fuel poverty, despite its large pre-1919 stock which is largely sandstone built and without cavities<sup>42</sup>.

This means that, not only is the Council failing to meet its statutory obligations, but it is delivering a poor service to local people living in the poorest quality housing, often in the greatest deprivation, in the borough.

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<sup>40</sup> implemented 2006

<sup>41</sup> 1995

<sup>42</sup> HECA returns have also not been submitted for two years because the Council has not clarified responsibility for this function between the housing section and the nuclear/sustainability section



- 53** The Council has not strategically targeted the use of grants to improve standards in private sector properties. When the RRO was implemented, Copeland re-adopted its previous grants policy<sup>43</sup>, without considering other options like loans or equity release schemes. Its eligibility criteria are also based on its redundant 2003 housing renewal strategy priority areas, although poor marketing and low take up means those applicants living in lower priority areas are also benefiting, in practice. The policy is outdated, taking no account of HHSRS requirements and including restrictions like a three year residency rule which forces applicants to live in poor conditions for a significant period before they receive assistance, and fails to help low income first time buyers. This approach means that the Council is failing to ensure that its investment in the housing stock is being made in areas where it will have the most sustainable impact or is benefiting those of its customers who will benefit most from its investment.
- 54** The Council is not making best use of private sector housing through larger scale improvement schemes. Low demand stock is concentrated on ex-local authority estates where housing market renewal is underway, rather than in predominantly owner occupied or privately rented neighbourhoods, so clearance in the private sector is a low priority, but area renewal or group repair could address need. This has been a missed opportunity to link improvement of the borough's housing stock to other regeneration initiatives, not only bringing properties up to the decency standard but helping improve neighbourhood sustainability.
- 55** The Council's poor approach to performance management in housing means it cannot demonstrate that it is contributing to reducing homelessness by taking all reasonable action to tackle it early. Homelessness presentation and acceptance figures have fallen steadily over recent years<sup>44</sup> but the Council cannot demonstrate that this has been due to its strategic approach. Its performance statistics indicate, for example, that no prevention work has been completed in the last two years, although it is clear that some work has been done without being reported. Similarly, it is unable to demonstrate the usage or effectiveness of schemes like its rent deposit and mediation services and is not monitoring key issues such as the reasons for homelessness presentations. This means it has been unable to develop tailored prevention initiatives which might have included, for example, the use of discretionary housing benefit payments, improved support for the survivors of domestic violence who wanted to stay in their own homes, better debt advice or more activity to tackle unlawful action by landlords.
- 56** No assessment has been made of the quality or extent of provision of housing advice in the borough. The Council has not reviewed how easy it is for customers to access the various services it funds, does not track the nature of enquiries being made and has not established whether there are gaps in provision. This means it cannot be satisfied that it is discharging its duties to provide or enable the provision of good quality housing advice in the borough.

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<sup>43</sup> disabled facility grants up to £25,000, renovation grants up to £18,000 with repayment in full if the property is sold within five years and home improvement grants up to £5,000

<sup>44</sup> From 111 acceptances in 2004/05 to 58 in 2006/07

- 57 The Council has not developed the relationships required to reduce the use of temporary accommodation or improve the speed of move-on. It has leased some temporary accommodation to minimise the use of bed and breakfast, but poor relationships with local housing associations mean that customers can be waiting there for up to twelve months, even after a homelessness determination has been made. Costs are high, at £20,129 in the first three quarters of 2007/08, but there are no plans in place to meet the government's target of decreasing the use of temporary accommodation by 50 per cent by 2010. This means vulnerable customers live for long periods in accommodation designed only for a short stay.
- 58 Poor supply of emergency bed and breakfast accommodation in the borough also means that most of those requiring it in the north are temporarily housed outside the borough. This results in disruption for customers who need to be close to family support, work, medical facilities or schools. Also, because these properties have not been inspected by the Council, it cannot demonstrate that they are of an acceptable quality or DDA compliant, which poses potential problems for older customers and those with disabilities, in particular, but impacts on all residents.
- 59 The homelessness assessment service does generally, however, meets the needs of those customers whose homelessness has not been prevented at an earlier stage. Investigations are handled speedily and in line with legislation. Some regularly inspected temporary accommodation is available, including a well located and appointed hostel for vulnerable young people, with weekly visits to update customers on their cases. Floating support and benefits advice is also offered on rehousing to help prevent repeat homelessness.
- 60 A key strength in this area is that appropriate action has been taken to ensure that social rented housing in the borough is brought up to the decent homes standard by 2010. In June 2004 the Council's own 3800 dwellings were transferred to Copeland Homes, providing access to the £58 million required to improve the stock. Although there is a risk that the association will not meet the decent homes standard by 2010, this is due to factors outside the Council's control and Copeland Homes is in discussion with the Housing Corporation about extending the deadline. Both of the other housing associations operating in the borough have achieved decency across all of their stock.

### **Enabling the provision of more housing to meet needs**

- 61 There are more weaknesses than strengths in this area. The local plan ignores the requirements of some groups and it has only relatively recently placed any emphasis on building affordable homes at all. The Council is also failing to work effectively in partnership to enable new housing provision. Plans are in place, however, to provide some of the properties which Copeland needs by selectively reducing the socially rented stock and replacing it with mid market properties for sale.

- 62** Current plans ignore the needs of some groups. As outlined earlier, there has been limited analysis of needs and provision for specific groups. There is no understanding of the needs, for example, of migrant workers and that of the needs of the elderly, disabled and people living in rural areas are understood on only a basic level. The local plan, therefore, identifies that a mix of property types and sizes should be provided, but does not address specific imbalances. This could result in the housing needs of some vulnerable groups not being met.
- 63** The Council has put no emphasis on building affordable homes for several years. Although a target of 80 new affordable homes in the period 2006/11 has now been set, this is a new departure. It has made no use of the measures available to it to secure affordable housing over the past six years. No applications have been made to the Housing Corporation for approved development funding (ADP) and no use has been made of section 106 agreements<sup>45</sup> to secure new affordable housing. Over the same period, 696 market properties have been completed. This means it has missed opportunities to provide affordable housing in mixed communities where pockets of short supply exist.
- 64** The Council does not work effectively in partnership with other agencies to deliver new housing. It has not, for example, established formal relationships, with developing housing associations or the Housing Corporation. This means it is not in a position to maximise resources for affordable housing and that partners misunderstand its position to be that it wants no more affordable housing. It has also failed to establish close working relationships with bodies such as parish councils, the National Park or the Cumbria Rural Housing Trust. This has impacted on the lack of sophistication in its understanding of need and its failure to use the tools available to it to address pockets of need, such as exploitation of rural exception sites or windfall sites.
- 65** Balancing the demand and supply of socially rented housing is, however, being addressed by reconfiguring the borough's existing stock. Low demand on many large estates means, with the exception of one or two specific areas, that additional socially rented general needs housing is not required. The West Lakes Renaissance partnership has developed a model for sustainable communities, based on demolition of pockets of low demand stock and its replacement with homes for sale. This approach is intrinsic to the wider regeneration programme, recognising that the area is unlikely to attract entrepreneurial start up businesses or middle managers to work in the government agencies based in the area unless the current lack of 'executive homes' is addressed. Plans are in place to deliver these objectives, with the housing market renewal initiative aiming to reduce the proportion of houses for social renting in West Cumbria by up to 20 per cent and the local plan focussing on the development of mid market private sector homes. Balancing demand and supply in this way should optimise the likelihood of creating more sustainable communities in future.

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<sup>45</sup> section 106 of the Town and Country Planning Act 1990 allows planning authorities to commit developers to certain terms at the point of granting planning permission, such as the number of affordable homes they will provide on a site, or the sum of money they will commute in lieu of doing so, in order that affordable homes can be built elsewhere by another developer

## Is the service delivering value for money?

- 66 There are more weaknesses than strengths in this area. The Council does not know its service level costs in housing and has done only limited benchmarking of corporate costs. It does not yet have a good understanding of the relationship between quality, performance and cost in achieving value for money (VFM), with short termism preventing it 'investing to save'. Procurement is ineffective in ensuring VFM and the Council does not play a robust 'client' role in managing either new initiatives or work done by other agencies on its behalf. Plans for shared services to improve VFM have also not come to fruition.

### How do costs compare?

- 67 The Council does not have an understanding of its service level costs. It has also done no benchmarking of costs and performance in the housing service. This means it has missed opportunities to consider how it can provide better quality and more cost efficient services through, for example, more efficient procurement or better partnership working. The lack of a clear analysis of cost, performance and quality issues also means it has been unable to talk to its customers about VFM in the services it provides.
- 68 There has also been only limited benchmarking of corporate costs. The Council does not do this on an ongoing basis, relying on Audit Commission annual direction of travel statements to identify its position in relation to others, although it did begin exploring nearest neighbour comparisons on the Audit Commission website during this inspection. This means it is missing opportunities to help embed a VFM culture by monitoring and reporting cost, quality and performance in a linked way and using the data to explore where service delivery might be improved or costs reduced.

### How is value for money managed?

- 69 There is an acknowledgement by managers that the Council does not understand the relationship between quality and cost in achieving VFM. Reports to the executive and corporate team focus on either cost, performance or quality issues and the links are rarely made between them. In housing, this has meant the resources required to bring service quality up to an acceptable level have not been directed into the service because cost reduction has been the principal factor in setting budgets for several years. The Council has outperformed its £310,000 efficiency targets in the three years to March 2008<sup>46</sup> but it is unable to demonstrate that this has been achieved alongside performance improvement or, in some areas, without a reduction in service quality<sup>47</sup>. A tight internal control system is in place to monitor efficiencies, with clear targets, responsible officers and outcome measures identified, but these focus entirely on cost reduction, with no measures around service improvement or innovation. This approach means the Council cannot demonstrate that it is achieving VFM, despite cutting costs.

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<sup>46</sup> achieving £1,429,000 savings, of which £1,082,000 will be cashable

<sup>47</sup> for example, in grass cutting, where quality dropped so low that cost cutting decisions were reversed

- 70 There is a short term view of VFM, based on annual savings targets, with no culture of 'invest to save'. Although £60,000 savings have been made in the regeneration department this year, in line with the three per cent corporate target, it has been assumed that low staffing resources in the housing service mean there is no capacity to review VFM. Housing operates, however, on the basis of unmarketed services, under spent budgets and long standing arrangements with partners which are extended without either market testing or effective contract management. Process benchmarking in key areas would indicate where targeted investment in increased staff capacity could result in more effective service delivery and generation of savings. For example:
- the HIA is the delivery agent for all grants, in the absence of in house technical expertise or capacity. It carries out means test calculations, gives customer advice, manages and quality assures work on the basis of a percentage fee for each job done. Although its speed is monitored, quality and cost are ignored and no formal contract is in place to govern the arrangement because it was set up for a temporary period, twelve months ago. This means the Council is failing to exercise client control over how and where its resources are spent<sup>48</sup> and over the quality of outcomes; and
  - low staff numbers mean the homelessness service is reactive, rather than preventative, with a reliance on expensive temporary accommodation, time consuming investigation and rehousing procedures. There has also been a failure to review key initiatives such as the mediation or rent deposit schemes and the quality of advice delivered by agents to assess whether the Council is paying a reasonable price for the outcomes they deliver. This means it does not know whether, with resources invested in earlier prevention approaches and effective management of agency services, less expensive solutions could deliver not only a more customer focussed but also a cheaper service in the medium term.
- 71 Similarly, the Council has not fully considered how effective procurement in housing could improve VFM. It has not, in particular, explored modern procurement methods in delivering its programme of grants, such as consortia procurement of stair lifts or other components, or the use of draw down contracts or a partnering arrangement with a specialist contractor for commonly ordered works. This is a missed opportunity to invest in better procurement in the short term to reduce the costs of both the work itself and cumbersome administration and ordering systems in the medium term.

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<sup>48</sup>

£84,264 on home improvement, £1,199,705 on renovation grants and £553,950 on DFGs

- 72 Innovative proposals to extend the successful use<sup>49</sup> of shared services into housing have not come to fruition. Low staffing levels and sickness in the housing team, have prevented Copeland delivering on its commitment to provide strategic support on homelessness issues in exchange for support in areas where a neighbouring council had less expertise. This means that forecast non cashable efficiencies of £2,000 have not been realised this year and external expertise on key issues such as development of policies and procedures around grants has had to be bought in from a consultant.

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<sup>49</sup> for example, a West Cumbria delivery team for regeneration has been established jointly with a neighbouring borough, the county council and West Lakes Renaissance

## What are the prospects for improvement to the service?

### What is the service track record in delivering improvement?

- 73 There are more weaknesses than strengths in this area. Corporate improvement trends have been below average and performance indicators in housing have generally been static over the past three years. The Council has not given housing sufficient priority since the stock transfer and there is no evidence of delivery against housing, private sector or homelessness strategies or against recommendations made in reviews. In the wider council, however, there is some evidence of attempts to improve processes and systems.
- 74 Corporately, the improvement trend has been below average in recent years. The Council's Direction of Travel statement for 2006/07 indicates that, despite improvements in some services<sup>50</sup>, performance against indicators linked with housing was among the poorest 25 per cent of comparable organisations and was not improving<sup>51</sup>. Its December 2007 Use of Resources statement also indicates that the Council is performing at only level two<sup>52</sup>, with some deterioration in its previously better performance on financial reporting<sup>53</sup> as a result of poor quality assurance, which led to errors in its accounts. It has been particularly unsuccessful in relation to corporate equalities and staff management issues. For example, it has been at level one of the ESLG<sup>54</sup> for three years and has a target to remain there this year, its percentage of female staff in senior posts<sup>55</sup> has been consistently low and currently stands at 22.22 per cent against an unambitious 37.5 per cent target and it has no black and minority ethnic (BME) staff among its top earners<sup>56</sup>. Working days lost to sickness<sup>57</sup> in the first half of this year are slightly lower than previously<sup>58</sup> but remain in the poorest 25 per cent of comparable organisations<sup>59</sup>.

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<sup>50</sup> street cleaning and reduction in waste generation

<sup>51</sup> speed of processing planning applications, land searches and the quality of the planning service measured against the profession's quality checklist, along with performance against the good practice checklist for environmental health enforcement services

<sup>52</sup> minimum requirements met

<sup>53</sup> from level three in 2006 to level one

<sup>54</sup> BV2a

<sup>55</sup> BV11a

<sup>56</sup> BV11b

<sup>57</sup> BV12

<sup>58</sup> 15.4 days and 13.2 days

<sup>59</sup> 6.3 days over six months

### 32 Strategic Approach to Housing | What are the prospects for improvement to the service?

- 75 Performance indicators in housing have generally been static over the past three years<sup>60</sup> against improvements made by comparators. For example, no empty private sector homes have been returned to use<sup>61</sup> in the last three years and there is no target in place to improve. No cases of homelessness were reported as having been prevented<sup>62</sup> last year, despite a target of 40, so the target has been reduced to a figure of one this year. Also, although there has been some sub regional improvement in bringing social housing to decency levels and improving private sector housing, this work is being done largely by other partners.
- 76 The Council has not prioritised housing since the stock transfer. The service has been managed by non specialists for long periods and the team has suffered high sickness and poor retention levels, reflecting low staff morale and relatively poor salaries. Despite fundamental reviews in other service areas<sup>63</sup>, councillors and senior managers have not considered staffing or other resourcing issues in housing. The relevant scrutiny committee, for example, failed to look at the implications of the housing health and safety rating system, despite the portfolio holder requesting a review to establish whether sufficient resources were in place to manage the Council's new duties. This means that sufficient resources have not been directed into meeting statutory responsibilities since the transfer.
- 77 The strategic housing service has not improved over the last three years. The Council can provide no evidence of delivery against the housing, private sector or homelessness strategies, with the exception of carrying out routine operational duties around homelessness assessment, the awarding of grants and keeping the use of bed and breakfast accommodation to a minimum. It has not implemented any changes which have directly improved either services or value for money following audits, inspections, peer reviews, internal service reviews, operational management activity, investment or procurement decisions.
- 78 Most significantly, the Council failed to act on the findings of a consultant's report, produced in late 2006, into all aspects of the housing service. This piece of work identified a number of action points to bring the service into compliance with legislation and to help ensure it began to meet customer needs. These were not, however, developed into a SMART action plan because it was not prioritised at senior and political levels and there was insufficient capacity among middle managers to deliver. For the same reasons, a more recent 46 point plan, based on that report and a self assessment carried out in preparation for this inspection has not been developed into a SMART action plan. This means there has been no improvement in the quality of the Council's strategic approach to housing or in the quality of outcomes for its customers.

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<sup>60</sup> see Appendix 1

<sup>61</sup> BV64

<sup>62</sup> BV213

<sup>63</sup> for example, valuation and payroll



- 79 In the wider Council, however, there is evidence that some processes and systems have been reviewed to improve efficiency and outcomes for customers. For example, it set up a temporary process improvement team<sup>64</sup> which has worked alongside managers on reviews of key elements of services, building capacity in teams for more independent and ongoing service review initiatives. This has assisted them in making a number of efficiencies. The 'customer first' project team was also set up after the last three yearly customer satisfaction survey, with a brief to improve customer focus. This has done some limited work with customer focus groups, implemented the 'corporate commitments' and is currently implementing a new information technology (IT) system which will improve integration between front and back office services and offers the opportunity to better manage key issues such as complaints. Although these initiatives represent relatively little progress over a three year period, they do indicate that the Council recognises the need to improve in some areas and has set up systems to assist it in doing so.

### **How well does the service manage performance?**

- 80 There are more weaknesses than strengths in this area. Planning in housing is weak. Corporate performance management systems have allowed the housing team to operate without managing progress against robust objectives and performance data is not used effectively to drive service improvement. The Council cannot demonstrate that it is learning from good practice. There is also limited leadership being exercised in housing, although there are examples of leadership on broader issues. The Council's self awareness about weaknesses in the housing service is a driver for improvement however, and there is also some positive work being done to improve the corporate performance management system.
- 81 Service planning is weak in housing. The Council's five year corporate plan<sup>65</sup> includes general objectives for improvement in housing. These are based on achieving decency in the social rented and private sectors, reducing homelessness, balancing the housing market and increasing supporting people funded services in the borough. Twelve month service plans are designed to flow from corporate objectives, service specific strategies and from the Cumbria local area agreement<sup>66</sup> but no housing service plan has been in place this year, due to the lack of staff resources. Managers acknowledge that this operational planning weakness, allied with the more strategic planning weaknesses outlined in earlier chapters of this report, means there is no clear vision for housing in the borough and no effective operational plan to achieve housing objectives.

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<sup>64</sup> in March 2007, initially funded for one year

<sup>65</sup> 2007/12

<sup>66</sup> which has set county wide housing targets

### 34 Strategic Approach to Housing | What are the prospects for improvement to the service?

- 82 The Council's performance management systems do not operate effectively in housing. Staff appraisals have not been carried out this year, partly as a result of limited staff resources and partly because the lack of strategic and operational plans means there have been no objectives to cascade to junior staff. Because there is no corporate monitoring system to ensure appraisals are done, the Council had not identified this weakness or taken action to remedy it. This also means that frontline staff in housing do not have a clear understanding of: what the Council is aiming to achieve with its housing policies or its wider corporate objectives; how their roles contribute to achieving this vision; how they might develop themselves to take on more responsibility; or where they can make a contribution to driving forward policy or procedural improvements.
- 83 The Council does not make effective use of performance data to drive service improvement in housing. Managers focus on providing only the monitoring information on 'best value' indicators which the government requires it to report, rather than those which would allow councillors and senior managers to track performance in a more sophisticated manner and pick up problems earlier. Although teams in some service areas use a wider range of data to manage services, even monitoring against best value indicators in housing stops as soon as they no longer have to be reported. This is illustrated, for example, by the fact that the old BV183a is no longer tracked, although it indicated that the average length of stay in bed and breakfast accommodation was rising dramatically<sup>67</sup> up to the point where it was dropped. Another example is that of BV214, which illustrates how effective homelessness services by tracking the proportion of cases where the household is homeless again within two years. This also indicated that the proportion of cases was rising dramatically<sup>68</sup>, but the Council then stopped tracking it. This means opportunities are being lost to effectively pinpoint problem areas, explore new ways of working and improve outcomes.
- 84 The Council cannot demonstrate that it is a learning organisation. As outlined earlier, it does not carry out service specific customer satisfaction surveys and has no learning loop in place to ensure that it learns from complaints made to departments other than 'Copeland Direct'. It has also been unable to provide evidence of learning from the best performers on issues of housing strategy, homelessness or private sector housing over the past three years. This has resulted in a lack of innovation in service delivery and has meant missed opportunities to improve value for money and service quality.

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<sup>67</sup> from one week in 2005/06 to seven weeks by 06/07

<sup>68</sup> from 0.06 per cent in 2005/06 to 3.45 per cent in 2006/07

- 85** There is limited opportunity for councillors or senior managers to exercise control over the way retained housing services are delivered in Copeland. The inadequate performance information outlined above is available on the intranet and discussed at scrutiny committees and the corporate team, but this does not provide sufficient information for decision making. No reports on housing issues, for example, have been taken to full council, the executive, the corporate team or to scrutiny committees for the last twelve months. Although the portfolio holder and the relevant head of service each have a good understanding of local and sub regional issues, there is an acknowledgement that some councillors and members of the corporate team do not yet understand the housing enabling role. This means they do not appreciate what performance information to request to satisfy themselves that adequate services are being delivered and it means opportunities have been missed for more effective leadership and management.
- 86** Despite this weakness, however, there is some evidence of leadership being exercised on wider issues which do impact on housing. For example, the chief executive has responded effectively to negative staff perception survey<sup>69</sup> findings. This took place during a difficult period, shortly after a restructure, when the possibility of unitary status posed a potential threat to job security. Despite the fact that this is no longer a live issue, there is still considerable uncertainty about the future of shared services and no clear vision has yet emerged from the Cumbrian Local Authority Strategic Board. The chief executive has, however, attempted to improve communication by sending fortnightly briefing emails to staff to update them on emerging issues and is currently running a series of staff road shows to outline plans for the future. This means that, while morale remains quite low among some staff and managers, they have as much information as possible about how the vision for the future is evolving.
- 87** The Council is self aware. The self assessment prepared in advance of this inspection illustrated that it had taken on board the external challenge provided by its consultants and acknowledged fully where weaknesses in the housing service lay. Although it had not acted to address them in the intervening twelve months, more progress had been made in associated areas. For example, it has responded positively to the 'access to services' review carried out by the Audit Commission in the summer of 2007. It has considered all the operational weaknesses identified in the review and included them as action points in its corporate plan. In addition, it recently agreed to develop an overarching access strategy to address the need for a more strategic and corporate approach to service delivery, which will benefit housing customers as well as others.

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<sup>69</sup>

carried out late 2006 and followed up with focus group work during 2007

- 88 Although it is not yet widely used<sup>70</sup>, the Council's new electronic performance management system offers significant opportunities to support a more embedded performance management culture in future. Intranet access to the 'standard' performance report is supported by information such as performance indicator definitions and comparator performance information. It also offers the opportunity for managers to append performance related documents, such as notes from quarterly performance discussions, although this function is not yet widely used and there is no system in place to enforce it. All Councillors and managers have received training in the use of the system and support is available from the corporate centre if computer skills are lacking. This means that, although the system is not yet used to its optimum capability by including, for example links to learning from customer satisfaction or complaints systems, it can be developed to more effectively meet the Council's needs over time. The recent inclusion of additional issues for monitoring, such as risk factors and audit recommendations, also indicate that the Council is exploring its potential to make better use of such tools to improve control systems.

### **Does the service have the capacity to improve?**

- 89 There are more weaknesses than strengths in this area. The Council has the resources available to it to deliver an effective service, but not the capacity to deploy them effectively. Staffing structures do not support a functioning housing service and 'silo working' means opportunities are missed to boost capacity through joined up working within the Council and with external partners. There is no human resources strategy in place to address capacity problems. Weaknesses in housing's financial management and procurement systems and failure to maximise inward investment have impacted on the Council's ability to maximise resources to improve poor housing. There are some areas of corporate strength developing, however, including investment in training, tighter control over issues such as risk management and strategic IT development and appropriate planning policies are now in place for the future.

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<sup>70</sup> user licenses are in place for senior managers and councillors, with staff having 'read only' access until next year

- 90 Current staffing structures prevent effective management of the housing service. The most senior housing specialist in the organisation is in the most junior tier of management, with significant operational responsibilities. This means most strategic and some operational management decisions are made in the tiers above. There is no enforcement team in place and no plans to develop one. Staff resources are small<sup>71</sup> and are focussed on delivering reactive homelessness services and administering grants rather than on strategic enabling and prevention. In the absence of an agreed structure or implementation plan, it is also unclear how the budget of £70,000<sup>72</sup> to increase the size of the team and bring staff together under a senior specialist manager will be spent, but it is unlikely to be sufficient to set up the required enforcement team as well as to effectively resource existing functions. This means housing's low strategic profile within the Council and poor service delivery are unlikely to change.
- 91 The Council is not exploiting opportunities for closer working between its services. For example, it has a benefit and debt advisor in its revenues team, who is in constant contact with customers living in the poorest quality private sector accommodation in the borough, but no links have been built between this role and the work of the housing service in providing disabled facilities grants and energy efficiency advice. This is a missed opportunity for joined up working which could improve services for customers and value for money.
- 92 The Council does not make the best use of partnership working to boost capacity. Regular meetings do not take place, for example, with Copeland Homes, so the Council has not had the opportunity to effectively influence recent changes in its allocations procedures. Similarly weak relationships exist with other key local stakeholders such as advice agencies, developers and housing associations, who have a significant role to play in homelessness prevention, provision of accommodation and addressing poor housing conditions in the private sector. The Council's contribution to regional and sub regional agendas around shared services, choice based lettings and Supporting People has also diminished over recent years. Scarcity of staff resources have meant that, although the portfolio holder is able to represent the Council at a strategic level, there has been limited officer input and Copeland has not benefited fully from the sharing of learning or resources and economies of scale that a higher profile brings.

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<sup>71</sup> 1x Strategy Officer, 1xPolicy Assistant - vacant, 1.5XHomelessness/Housing Advice and 1xgeneric Admin Support person, with 1xHousing Renewal officer post recently created by savings elsewhere and 1xTechnical Officer post upgraded from existing vacancy both out to advert

<sup>72</sup> made during this inspection

### 38 Strategic Approach to Housing | What are the prospects for improvement to the service?

- 93 The Council does not have a human resources strategy in place to help solve capacity problems. It is moving towards developing a pay and workforce strategy and has an agenda to provide more shared services, but the absence of a formal strategy means its plans are not clear and progress cannot be monitored or managed. It is unlikely to meet its April 2008 deadline for completion of job evaluation<sup>73</sup>. There are also weaknesses in the application of its health and safety procedures, with examples of inconsistencies such as the fact that lone female staff occasionally meet strangers in empty properties outside of office hours without adequate protection, while customers cannot be interviewed privately in the Council's own offices unless two members of staff are present. Significant recruitment and retention problems are also compounded by its failure to successfully address exceptionally high sickness levels. These weaknesses indicate that capacity problems may continue for some time.
- 94 Financial management systems in housing are weak. At a corporate level, budgets are developed alongside service plans to align funding with priority shifts and monitoring reports include realistic year end forecasting. Despite this, however, the housing grant budget is significantly under spent, as it has been for the last three years<sup>74</sup>. The HIA has not been given any information about how much it can spend and the role of overseeing expenditure within the Council has been delegated to a very junior member of staff with no budget management training. This means that the expenditure of significant sums is not being effectively monitored and failure to spend in line with priorities is not being clearly reported to senior managers or to councillors.
- 95 The Council has not diverted sufficient resources into improving key areas of corporate weakness, such as its website. A project group was set up to address the issue nine months before this inspection but no progress was made during most of that period. This was because no funding was allocated and the staff involved were given insufficient time to work on the project. Budget provision has now been made for consultancy support to take the project forward in the next financial year, alongside £60,000 of capital investment, but time has been lost by underestimating the resources required and its negative impact on access to housing was outlined earlier.

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<sup>73</sup>

although budget provision has been made for a modest anticipated increase in salary costs

<sup>74</sup>

the renovation and home improvement grants budget is currently almost 70 per cent committed but only 43 per cent of the budget has been spent, with just over two months of financial year remaining. Similarly, only 59 per cent of the disabled facilities grant budget is committed and 38 per cent spent. This is despite the fact that there are 67 applicants waiting for disabled facilities grants and 60 for renovation grants

- 96** The corporate procurement strategy has not been fully implemented. This outlines how modern procurement will be carried out and some actions to improve VFM, such as the consortium procurement of an electrical services contract for buildings, have been taken. Others, however, such as implementation of an IDeA<sup>75</sup> electronic procurement portal to ensure staff buy supplies only from sources where VFM has been pre-established, are running several months behind schedule. Managers have also not yet set up systems to allow them to track efficiency savings from procurement. These slippages in implementing key initiatives mean the Council is likely to make fewer VFM savings from procurement than planned this year, cannot accurately track those made and cannot predict with accuracy when it will be able to do so.
- 97** The Council has not maximised inward investment to support housing activity. It has benefited from increased government capital funding through its housing investment programme (HIP) allocation<sup>76</sup> and through West Lakes Renaissance<sup>77</sup>, both of which are to support housing market renewal activity in the borough. It has not, however, bid for other funding. This means it has missed opportunities to secure external funding, for example, to help bring empty properties back into use and to improve energy efficiency. It has also failed to redirect housing related income into housing activity. For example, it has an arrangement with the county council to share the revenue from council tax on second homes<sup>78</sup>. This has not, however, been spent on affordable housing or bringing empty homes back into use to help reduce the impact of second homes in rural areas such as Eskdale and Ennerdale.
- 98** There are, however, some areas of improving corporate capacity. For example, the Council invests in training for councillors and staff, with a training plan to support professional education, continuing professional development, vocational training and access to management workshops through the Achieving Cumbrian Excellence (ACE) partnership<sup>79</sup>. Tighter control is also beginning to develop in some areas. For example, the 2006 risk management strategy is robust, with regular monitoring reports, councillor involvement and risk assessment being built into investment decisions. Another example is the improving strategic approach to IT, with support contracts for the 30 software systems used by departments<sup>80</sup> now being centrally monitored, budget provision made for an IT manager post from 2008/09 and plans for the plugging of policy gaps around issues such as information management. These various improvements significantly reduce the likelihood of systems failure at both corporate and service level in future.

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<sup>75</sup> the improvement and development agency for local government

<sup>76</sup> £375,000 last year and this year

<sup>77</sup> £2.2 million over three years

<sup>78</sup> £130,491 income per year

<sup>79</sup> a county wide programme to support more effective joint working

<sup>80</sup> £300,000 maintenance costs per year

#### 40 Strategic Approach to Housing | What are the prospects for improvement to the service?

99 The Council has recently adopted a series of policies to help ensure the building of new homes reflects local housing need and aspirations:

- it has published a clear design brief and guidance around variety of dwelling type and mix of tenures;
- in new housing developments of over 15 dwellings, up to 25 per cent may be required to be one or two bedroomed, suitable to the needs of first time buyers, single people, the elderly or people with disabilities;
- a stretching target is in place for development on brown field sites<sup>81</sup>; and
- limits have been put on the extent of staircasing in shared ownership schemes and residency/employment qualifications are used in allocations.

These have not yet impacted, in terms of new homes being built, but they indicate that more appropriate policies are being adopted for the future.

100 Resources are available to support a more balanced housing market, once the strategic approach is refined. There are a number of vacant sites in the borough, some of which are large, and existing approvals for over 1000 dwellings indicate that private sector funding is available. Regional planning guidance allows the borough an annual consent 'target' of 190 dwellings<sup>82</sup>. Although this will not address the need for specific types of supported accommodation, it should allow the market to address the Council's priority of building mid market homes.

101 Resources are available to support an effective strategic housing service without making cuts elsewhere or using reserves. The grant settlement for the next three years has given the Council significant levels of uncommitted resources<sup>83</sup> to meet its priority of fighting deprivation and worklessness, which is closely linked with homelessness and poor housing conditions. It has not yet explored how this will be spent, but has not discounted investing some of it in schemes to enhance advice and support around, for example, energy efficiency and homelessness prevention, both of which would help reduce deprivation, while representing medium term investment for longer term cost reduction.

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<sup>81</sup> there is 60 per cent national target, amended to 50 per cent in regional planning guidance to take account of the county's rural profile but Copeland has set its own 70 per cent target

<sup>82</sup> a total of 2660 dwellings over the plan period

<sup>83</sup> £1m next year and slightly more in the following two years



## Appendix 1 – Performance indicators

PI	Indicator	2004/05 Actual	2004/05 Target	2005/06 Actual	2005/06 Target	2006/07 Actual	2006/07 Target	First Half 2007/08	2007/08 Target
BV64	Private dwellings returned to occupation (%)	0	50	0	0	0	0	0	0
BV183 (a)	Length of stay in bed and breakfast (weeks)	3	1	1	2	7	1	n/a	n/a <sup>84</sup>
BV183 (b)	Length of stay in hostels	0	2	0	0	0	0	0	0
BV202	Number of people sleeping rough on a single night	0	No target set	0	0	0	0	0	0
BV203	Percentage change in the average number of families placed in temporary accommodation under the homeless legislation, compared with the previous year	200	n/a	50	0	100	0	n/a	n/a
BV213	Number of households for whom housing advise casework intervention resolved their situation	n/a	n/a	0	No target set	0	40	2	1
BV214	Proportion of households accepted as statutorily homeless by the same authority for the second time within two years	n/a	n/a	0.06	No target set	3.45	0.06	n/a	n/a

<sup>84</sup> 'n/a' denotes that the Council was not required to monitor or report on this issue in this year

## Appendix 2 – Reality checks undertaken

- 1 Before going on site and during our visit, we reviewed documents as requested on our standard document request list and a number of additional documents which the Council and stakeholders felt would be helpful in reaching our judgements.
- 2 When we went on site we carried out a number of different checks, building on the work described above, in order to get a full picture of the quality of the service. These on-site reality checks were designed to gather evidence about how the strategic housing service works, in practice. These included partner focus groups, file checks, visits to various neighbourhoods and housing schemes, mystery shopping of key service access points and shadowing of staff.
- 3 We met and interviewed a range of people involved in delivering the service and carrying out related corporate functions. We also interviewed the chief executive of the Council, the portfolio holder for housing and related issues and a key opposition councillor.

## 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)

- 1 None identified.