

**REPORT TO: HOUSING COMMITTEE - 26TH MARCH 2012**

**REPORT ON: SCOTTISH HOUSING REGULATOR - REPORT ON IMPROVEMENT  
PROGRESS**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO.: 133-2012**

**1. PURPOSE OF REPORT**

- 1.1. The report details the feedback from the Report on Improvement Progress published by the Scottish Housing Regulator on 16th March 2012.

**2. RECOMMENDATIONS**

- 2.1. It is recommended that Committee note the content of the Report.

**3. FINANCIAL IMPLICATIONS**

- 3.1. None.

**4. MAIN TEXT**

- 4.1. Following on from a previous inspection completed in 2008 the Scottish Housing Regulator carried out a further inspection of Dundee City Council's Housing Department in 2011. The inspection was carried out under Section 72 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers and was carried out over the period 31st October - 11th November 2011. The purpose of the inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement.
- 4.2. The Report on Improvement Progress was published on 15th March 2012 and the full report is contained within Appendix 1 of this report.

**Inspection Overview**

- 4.3. The Scottish Housing Regulator has identified the following strengths in the delivery of the Council's Housing Service.
- 4.3.1. In housing management the Council:
- has significantly improved its approach to housing allocations;
  - effectively maximises access to its housing;
  - has a good approach to letting its houses;

- has introduced a relet standard and improved the condition of the houses it lets;
- has an effective approach to maintaining and reviewing its housing list;
- operates a good audit system ensuring allocations are made in line with the allocations policy;
- has comprehensive management information for its empty houses that help it understand how well it is performing; and
- provides a good range of information to applicants on accessing the housing list and for allocations.

4.3.2. In asset management and repairs the Council:

- has recently developed asset management strategy which provides a useful tool to determine future sustainability, regeneration and investment priorities;
- has good risk management controls in place and its SHQS Project Board reviews its risk matrix quarterly;
- has a good approach to involving tenants in decisions about investment priorities;
- gives tenants a good choice of design in its kitchen and bathroom programmes;
- has a good awareness of housing need and demand and sustainability in Dundee and it bases its well developed plans for building new homes on these;
- provides an accessible repairs service, which offers a wide range of information to tenants;
- fully complies with its statutory duties on Right to Repair (RTR);
- meets its statutory duties in relation to asbestos management; and
- has significantly improved its gas safety performance.

4.4. The Regulator states that the Council has responded well to address the weaknesses identified in their previous Inspection Report. The report acknowledges the Council has done this in a relatively short timescale and has effectively improved its approach to providing services for housing applicants and tenants. It also states the Council can evidence that it has made significant improvements in the areas where it has focused its resources and that the Council has plans in place to help it address the remaining service areas where improvements are required.

### **Access to Housing**

4.4.1. The Council is good at promoting access to the housing list and provides useful and informative information on how to apply for housing. The Council is good at adding applications quickly to the waiting list, taking 3 days against a target of 5 days.

The Council has in place positive ways to update and review the waiting list.

### **Lettings**

- 4.4.2. The Council operates a good audit system ensuring allocations of houses are made in line with the allocations policy. The Council has introduced the new allocations policy and allocates houses in a transparent way.

### **Tenancies, Neighbourhood Management and Income Maximisation**

- 4.4.3. The Council offers tenants a wide range of options for paying rent. The Council has clear procedures and audit trails around debt to be written off. The Council has good processes in place for managing former tenant arrears and actively monitors debt written off for possible future repayment. The Council has prepared an action plan to improve rent recovery and has provided this to the Housing Best Value Review Group and the Scottish Housing Regulator. The Regulator states that the action plan addresses all of the weaknesses identified, and this coupled with the development of an ICT system indicates the Council's awareness of the work required in this area. The report highlights the Council has significantly improved performance on managing empty houses, reducing average days to let from 98 days in 2010/11 to 68 days to August 2011. The average figure has further reduced to 64 days in January 2012.

### **Asset Management Strategy and Planning**

- 4.4.4. The Council has an asset management strategy and asset management plan which provides a framework for its strategic planning. The Council has a good awareness of housing need, demand and sustainability issues within Dundee, has a robust stock information database and is working to improve the understanding of stock condition. The Council's annual return reports 35% SHQS compliance, has undertaken a review on the delivery of the SHQS and monitors progress quarterly through the SHQS Project Board. The Council has identified and is managing the risks to meeting the SHQS via a Risk Management Matrix monitored by the Project Board. The Council should improve its reporting on SHQS to the Housing Committee.

### **Tenant Satisfaction**

- 4.4.5. The Council has a good range of customer satisfaction surveys for tenants who receive capital improvement works. 95% of tenants considered the overall experience satisfactory and 96% indicated they were satisfied with the overall quality of work.

### **New Homes**

- 4.4.6. The Council is involved in a range of new build initiatives aimed at increasing the supply of good quality, affordable homes. The Council's plans for new build housing are well developed and based on a robust assessment of need and demand. The Council has set standards to ensure new build Council housing meets Housing for Varying Needs Standards and energy efficiency standards which ensure that fuel poverty is addressed and community consultation has been integral to the planning processes.

### **Investment and Home Safety**

- 4.4.7. The Council has a good approach to involving decisions about future investment priorities and rent setting consultation. The Council is developing its approach to working with owners to deliver its investment programme through the Tenement Management Scheme. The Council has a fair and improving approach to managing investment in our houses. The Council follows good practice, has significantly improved performance and has a good approach on managing gas safety. The Council meets its statutory duties in relation to asbestos management.

### **Response Repairs**

- 4.4.8. The repairs service is accessible, tenants can report repairs in a good range of ways. The Council provides a range of information for tenants on the repairs service which tenant assessors found easy to understand. The Council offers a flexible repairs appointment service. The Council fully complies with statutory duties on the Right to Repair. Tenant satisfaction with the repairs service shows an improving trend.

### **Value for Money**

- 4.4.9. The Council's expenditure on repairs has increased slightly from £7.3 M. in 2009/10 to £7.4 M. in 2010/11 and remained at £7.4 M. in 2011/12. Expenditure on relets has increased to £3.2 M. In 2010/11 in a planned way to ensure that the quality of relets is improved and that the relet standard, agreed with tenants, is met. The Council is aware of the need to achieve a balance between response repairs and a planned approach to investment and is moving more towards this approach. The Council undertakes a high level of emergency repairs and is aware of the need to reduce this ratio. The Council has a procurement strategy and uses a range of modern procurement practices. The Council has completed a re-tendering exercise for the delivery of heating, kitchen and bathroom installation and Committee has approved the framework contractors in January 2012. The Council is working to further develop transparency and focus on value for money.

### **Leadership and Strategic Planning**

- 4.4.10. The Regulator has concluded that there is effective leadership and management of change within the Housing Department and that a number of sustainable improvements have been implemented to ensure that staff are supported, including:
- Management Team Roadshows;
  - "Back to the Floor" walkabouts;
  - an annual Staff Conference;
  - a Director's Forum;
  - the introduction of a set of staff Values;
  - the setting up of a Staff Communication Focus Group; and
  - Project Teams/Champions for major projects or changes.

The accessibility of the Departmental Management Team has improved, staff induction, and training and development processes have been formalised and staff are encouraged to complete recognised qualifications.

#### **Performance Management, Planning and Reporting**

- 4.4.11. The Regulator recognises that the Council uses the Public Sector Improvement Framework (PSIF) to support its service improvements across the Council and the Housing Department is in the process of extending this out across key service areas. The Housing Department has also developed a number of other approaches to assist it to deliver improvements, these include:

- Service Improvement Teams;
- Peer Reviews;
- Tenant-led inspections; and
- Lean Service Reviews.

Using these mechanisms has helped the council deliver improvements in areas such as empty house management and customer focus.

#### **Customer Focus and Influence**

- 4.4.12. The Regulator recognises that the Council uses a number of methods to involve service users in shaping services and that the Department works closely with the Dundee Federation of Tenants Associations and registered tenants organisations, consulting on policy and strategic developments and that customer focus has been improved. Feedback from tenants the Regulator spoke to was generally positive about the services they receive and were particularly satisfied with the Council's heating/kitchen/bathroom programme.

#### **Examples of Positive Practice**

- 4.4.13. The Regulator highlights three areas as working particularly well as examples of positive practice. These are:
- Dallfield Regeneration - exhibiting strong partnership working, improvements for tenants, increasing levels of demand from applicants and reducing the periods of time properties are empty.
  - SHQS Risk Management - using the risk management matrix to track, monitor and take corrective action to manage and mitigate risks on SHQS delivery.
  - ICT Systems - significantly improving ICT systems. The system for managing housing list and allocations allows management of workflows and provides good management information. The system for managing empty houses is comprehensive.

### **Key Recommendations and Improvement**

- 4.4.14. The Regulator's Report contains recommendations for improvement which the Council will respond to effectively. These are summarised below and progress will be reported to the Housing Best Value Review Group on a quarterly basis:
- reviewing the housing allocations policy;
  - using the tenancy sign up processes appropriately to assist tenancy sustainment;
  - implement the rent recovery action plan to improve performance;
  - ensure that robust procedures are in place for the reporting on empty properties;
  - manage the financial risks to achieve SHQS;
  - implement improvements in the repairs service minimising emergency repairs and demonstrate value for money;
  - implement programmes for the re-inspection and management of common areas identified with any asbestos material.

### **5. POLICY IMPLICATIONS**

- 5.1. The report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Risk Management and Equality. There are no issues to report.

### **6. CONSULTATIONS**

- 6.1. The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and all other Chief Officers have been consulted. No concerns were expressed.

### **7. BACKGROUND PAPERS**

- 7.1. None.

Elaine Zwirlein  
**DIRECTOR OF HOUSING**

March 2012



THE SCOTTISH  
HOUSING  
REGULATOR

## Report on Improvement Progress

Dundee City Council  
March 2012

## Contents

Chapter	Section	Page
1	Introduction	1
2	Inspection overview How well is Dundee City Council delivering? Key recommendations	3
3	Context Facts about Dundee City Council and its context	6
4	How well is Dundee City Council delivering housing management? Tenant satisfaction Access to housing Lettings Income maximisation	9
5	How well is Dundee City Council managing its assets and delivering repairs? Tenant satisfaction Asset management strategy and planning New homes Investment and home safety Response repairs Value for money in procurement	17
6	How well is Dundee City Council managed for improvement? Leadership and strategic planning Performance management, planning and reporting Customer focus and influence	30
7	Next steps	36
	Appendix 1 Sources of evidence	
	Appendix 2 Examples of positive practice	
	Glossary	



## 1. Introduction

### About this inspection

- 1.1 This inspection was carried out by the Scottish Housing Regulator under section 72 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of *Performance Standards*.
- 1.2 We previously inspected Dundee City Council in 2008 and awarded it the following grades for its services:
- Housing Management – D (Poor)  
Property Maintenance – D (Poor)  
Homelessness – C (Fair)
- 1.3 Since 2009 the Scottish Housing Regulator, Audit Scotland and the other scrutiny bodies operating in Dundee City Council are taking a joint approach to planning activity that is both proportionate and risk based – the Shared Risk Assessment process. The objectives of this approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of such activity upon the Council. The Shared Risk Assessment process identified a number of uncertainties and risks in the Council's housing service and as a result the Scottish Housing Regulator included scrutiny of these areas in the Council's 2011/12 Assurance and Improvement Plan.
- 1.4 As this inspection focuses on specific service areas only, we have not awarded grades. Instead, we will continue to work with Audit Scotland and other scrutiny bodies to annually monitor the Council's progress.

### How we assessed performance

- 1.5 Our inspectors asked two key questions:
- How well is Dundee City Council delivering its services?
  - Is Dundee City Council managed for improvement?

1.6 In order to answer these questions inspectors:

- spoke to tenants, service users, staff and elected members of the council;
- asked other partner organisations for their views;
- visited homes and local areas;
- saw and tested first hand how well services were being delivered;
- examined key policies, publications, information and the organisation's self-assessment submitted for this inspection; and
- analysed published performance and financial information.

### The inspection team

1.7 The inspection team was led by Lynn Sweeney (Inspection Manager) and included Donna Matthewson and Robbie Fraser (Inspectors), Carolyn Anderson and Gillian Findlay (Inspection Officers) and Nanette Reid (Tenant Assessor). Two other Tenant Assessors, Van Leiper and Danny Mullen, carried out a desktop review of some of the Council's publications. We were on site between 31 October and 11 November 2011. We would like to thank everyone involved in the inspection, particularly the local members, staff, service users and tenants for their time and co-operation.

### Responding to this inspection

1.8 We expect all inspected bodies to make the inspection overview section of this report available to anyone that wants it, report our findings to tenants and other stakeholders and respond to the issues raised in this report.

## 2. Inspection overview

In this section we summarise our findings and set out our assessment of Dundee City Council's progress.

### How well is Dundee City Council delivering its services?

2.1 Our assessment is that Dundee City Council has some strengths in the delivery of its housing services.

In housing management the Council:

- has significantly improved its approach to housing allocations;
- effectively maximises access to its housing;
- has a good approach to letting its houses;
- has introduced a re-let standard and improved the condition of the houses it lets;
- has an effective approach to maintaining and reviewing its housing list;
- operates a good audit system ensuring it makes allocations in line with its policy;
- has comprehensive management information for its empty houses that help it understand how well it is performing; and
- provides a good range of information to applicants on accessing the housing list and for allocations.

In asset management and repairs the Council:

- has recently developed an asset management strategy which provides a useful tool to determine future sustainability, regeneration and investment priorities;
- has good risk management controls in place and its Scottish Housing Quality Standard (SHQS) project board reviews its risk matrix quarterly;
- has a good approach to involving tenants in decisions about investment priorities;
- gives tenants a good choice of design in its kitchen and bathroom programmes;

- has a good awareness of housing need and demand and sustainability in Dundee and bases its well developed plans for building new homes on these;
- provides an accessible repairs service, which offers a wide range of information to tenants;
- fully complies with its statutory duties on Right to Repair (RtR); and
- has significantly improved its gas safety performance.

## 2.2 The Council also has some weaknesses in the delivery of its services.

In housing management:

- it allocates 5% of its housing stock to applicants with no need;
- it does not use its sign up process appropriately to assess new tenants' circumstances;
- it has a number of weaknesses in its approach to managing rent arrears; and
- it is over-reporting performance figures for its empty houses.

In asset management and repairs:

- it is working to develop its understanding of the condition of its houses;
- it faces financial risks and other challenges to its achievement of SHQS;
- it has a high number of emergency repairs and the amount it spends on repairs is high;
- it is working to develop how it can better demonstrate value for money; and
- the Council's reported performance figure for response repairs is unreliable.

## Is Dundee City Council managed for improvement?

### 2.3 Dundee City Council has responded well to address the weaknesses we identified in our previous inspection report. It has done this in a relatively short timescale and has effectively improved its approach to providing services for housing applicants and tenants. It can evidence that it has made significant improvements in the areas where it has focused its resources. We saw that the Council has plans in place to help it address the remaining service areas where improvements are required.

- 2.4 The Council, its staff and local members have worked together to address weaknesses we found in its services. The Council has put significant resources into the development of improved ICT systems for allocations and empty house management and these have had a direct impact on improvement progress.
- 2.5 We saw that it has also made good progress in its work to improve communications, customer focus and staff training within the housing department. The results of the latest staff survey are encouraging and indicate improving trends from its previous survey. The Council has also introduced a new Performance and Development Review process for staff.

### Key recommendations

- 2.6 Our report covers a wide range of issues. Dundee City Council must respond effectively to them. These are our most important recommendations:

In housing management the Council should:

- continue to develop its approach to openness and transparency in housing allocations;
- implement its arrears action plan; and
- ensure it improves its approach to reporting its performance in managing empty houses.

- 2.7 In asset management and the repairs service the Council should:

- continue to work to mitigate the risks associated with the achievement of the SHQS by 2015;
- work to reduce the number of emergency repairs it carries out;
- ensure it is accurately reporting its response repairs performance; and
- continue to improve its ability to demonstrate value for money in procurement.

### 3. Context

In this section, we look at Dundee City Council as an organisation and the context in which it operates.

#### 3.1 Important facts about Dundee City Council as an organisation and as a landlord:

- Dundee City Council is the smallest in Scotland in terms of geographic area, an area of 24 square miles. It is the fourth largest city and has a population of 144,290 in 2010 compared to 142,000 in 2008.
- There were 94,750 working age persons (aged 16-64) in Dundee City in 2010.
- The population of the City is expected to age over the next 25 years. By 2033, the percentage share of all age groups below 65 years is expected to decline. However, the share of those aged 65-74 is expected to rise from 9.1% to 11.4% whilst the percentage aged over 75 is also expected to rise from 8.9% to 13.4%.
- The Council has a SNP administration.
- The Council is the biggest local provider of social rented housing. It owns and is responsible for the management of 12,972 houses.
- The Council operates its services from its central office in Dundee House and it also has a housing repairs centre, two district offices and it delivers its Homelessness service centrally from the Lily Walker centre. The East Housing office incorporates the Lettings Centre and the West District Office incorporates the Rent Recovery Centre.
- It had 7,518 applicants on the housing list on the 31 March 2011.
- The Council let 1,330 properties during 2010/11 and it let 48.6% of these to homeless households. The Council received 1913 homelessness applications during 2010/11 against a national figure of 55,541.
- During 2010/11, the Council charged its tenants an average rent of £57.64 per week which is above the national average. It increased its rents by 5.9% in 2009/10 and 4.0% in 2010/11.
- 35.7% of dwellings met the Scottish Housing Quality Standard during 2010/11.
- It reports that 88.4% of repairs were completed within target times in 2010/11.

- The Council's average unit cost for management and maintenance is £1,975 per annum, compared with the national average of £1751.
- The Council's average repairs and maintenance expenditure £1305 for 2010/11 compared to an average of £1057, which is the 4<sup>th</sup> highest rate in Scotland.
- Its average supervision and management cost was £670 in 2010/11 compared to a national average figure of £694.

### 3.2 Important facts about the context in which the Council operates:

- Dundee has a higher proportion of people in the 16-24 age group, mainly due to it being a university town. The 75 plus age group is projected to increase the most.
- The City's claimant unemployment rate stood at 5.6% in October 2011, compared to 5.1% in October 2010. This remains above the Scottish average of 4% in 2011.
- Jobseekers allowance claimant rates in Dundee fell from a monthly average of 5.5% in 2000 to a historical low of 3.7% in 2008. However, the impact of the recession resulted in rates rising again to a monthly average of 5.3% in 2010. The percentage of those claiming for over 12 months was 19.5% of total claimants in October 2011 compared to 13.6% in October 2010. The number of youth claimants (under 25) rose from 1,395 in October 2010 to 1640 in October 2011. The number of youth claimants also rose from 29.4% to 31.3%.
- 30% of Dundee's data zones are in the 15% most deprived in Scotland.
- Dundee suffers from a lower percentage of extreme fuel poverty than the national average.
- Dundee has a higher percentage of ethnic minority households than Scotland as a whole. The 2001 census records show the area's black and minority ethnic (BME) population was 3.7% compared to a national average of 2%.
- Dundee has a lower percentage of owner occupiers than the Scottish average and it has higher levels of private rented properties, mainly due to the student population in the city.

## About its housing stock

### Key Facts

3.3 The table below presents a summary of key information for Dundee City Council showing trends over the last three financial years.

Key facts	2008/09	2009/10	2010/11
Houses owned	14,525	14,764	13,898
No. of applicants on housing list as at 31 March	7,171	7,310	7,518
HRA Gross Capital Expenditure (incl. Capital Funded from Revenue (CFCR))	19	20.8	27
Total possible rental income (£)	38,641,770	40,484,945	41,622,675
% of Rental income from Housing Benefit (HB)	74	75	78
% of tenants in receipt of HB	67	68	69
% of rent arrears	9.9	9.2	9.6
Average weekly rent	£52.33	£55.42	£57.64
Average rent increase	3.9%	5.9%	4.0%
Houses re-let	1278	1473	1330
Response repairs carried out	74,192	74,875	74,420
Maintenance spend per house incl. cost of service	1987	2017	1975
No. of homeless applications	2578	2290	1913

Sources: Dundee City Council inspection submission and Scottish Government Statistical Bulletins



## 4. How well is Dundee City Council delivering housing management?

In this section we set out our assessment of the Council's performance in delivering its housing management service for tenants.

### Tenant satisfaction

4.1 The Council completed a comprehensive tenant satisfaction survey in January 2011. Results showed that:

- 77% of customers reported that they were satisfied with the overall service; and
- 78% were satisfied with the overall quality of their home.

In addition, the Council undertakes some annual service specific customer satisfaction surveys which it uses to improve its services.

### Access to housing

4.2 The Council is good at promoting access to its housing list. Our Tenant Assessors looked at its leaflets and found them to be useful and informative. The Council also provides advice on its website on how to apply for a house and our Tenant Assessors found it relatively easy to navigate through this process.

4.3 The Council does not operate a full common housing register although its partner RSLs have access to its ICT system which enables them to source lists of housing applicants. The Council told us it was in the process of progressing a pilot common housing register with one partner RSL.

4.4 The Council operates an allocation policy where anyone aged 16 or over can apply to its waiting list. Applications we looked at were processed in line with its policy and points were awarded accordingly. We saw sample letters generated from the allocations system where applicants had ticked the application form advising of their homelessness.

- 4.5 The Council is good at adding applications quickly to its housing list. It told us it had a target of five days and that the average time it took to process applications was just under three days. However, the Council does not communicate this target in the relevant section of its website.
- 4.6 We found that the Council does not provide comprehensive information to applicants in its notification letters. The Council does not provide prospect information, appeal information or signpost any agencies that may assist the applicant in pursuing an appeal.
- 4.7 The Council reviews applications annually where it has had no contact from applicants during the year. The Council also reviews applications when it is contacted by an applicant. It has an easy to follow traffic light system informing staff when to update applications. This is a positive way to update and review the waiting list. The Council has cancelled just over 2000 applicants in each of the last two years. It dealt appropriately with the cancellations we saw during our case reviews.
- 4.8 The Council told us that 61 applicants were suspended at the time of the inspection and that this figure had fallen substantially from previous years because of its decision not to include those applicants who chose to defer their applications. However, the Council does have a small number of cases undergoing care assessments which it acknowledges should be recorded and treated as suspensions. The Council does not suspend applicants in arrears, but bypasses them for housing allocations using suspension criteria.
- 4.9 The Council collects useful equalities information on the percentage of ethnicity/disability/gypsy traveller groups on its housing list and reports this as part of its monthly performance information. This is a useful approach, which highlights particular service issues around equalities.
- 4.10 In summary, the Council allows good access to its waiting list. It provides good information and it adds people to its waiting list quickly. It has a well managed and proactive review process.

## Lettings

- 4.11 The Council introduced a new allocations policy following our previous inspection. The Council has improved its approach to allocations and now makes the majority of its lets on the basis of housing need and allocations are made in line with its new policy. However, the Council allocates 5% of its properties to people with no housing need and a small number of lets in its regeneration area are made to people based on their time in a Council tenancy and not their housing need. The Council intends to look specifically at these issues as part of its broader allocations policy review, which it will carry out later this year.
- 4.12 The Council places properties in one of four groups and assigns a quota to each group. The Council allocates its homes through this points based system, unless a property is designated by it as “available now”. In these cases any applicant can bid for properties which are advertised on the Council’s web-site and it does not use its queuing system for allocations. It does not notify those applicants who it would normally have offered these properties to. This could mean that applicants whose need might have been met miss an opportunity to be housed.
- 4.13 The Council made 61 management transfers between April 2011 and October 2011. The Council’s allocation policy does not explain how this process works and therefore its decisions are not transparent. The Council told us that it will also look at its approach to management transfers as part of its planned allocations policy review.
- 4.14 The interaction of the Council’s “available now” list, its computer formula and its management transfers make it difficult to ensure that it is always allocating fairly between its allocation groups and across all property demand levels. However, the Council was able to respond very quickly to our concerns around this issue and produced information while we were on site, particularly around outcomes for homeless people. In general, the Council is aware of the need to analyse its allocations outcomes to ensure consistency and fairness.
- 4.15 The Council bypasses tenants who have arrears and this disadvantages them as in some cases they will only be aware they are prevented from gaining accommodation after they are bypassed. The Council chooses not to suspend or

- investigate arrears for previous tenancies on receipt of an application. This is not a customer focused approach.
- 4.16 The Council operates a good audit system ensuring it allocates its houses in line with its allocations policy. During our shadowing and observation work we saw the audit was thorough and staff asked relevant and pertinent questions around bypassing applicants. The Council does not gather comparable audit information for allocations made by RSLs through the Council's list.
- 4.17 In summary, the Council has significantly improved its approach to housing allocations. It has introduced a new policy and allocates most of its homes in a transparent way. It has good audit trails in place. However it lets a number of its houses as management transfers and its approach is not always customer focused.

#### Tenancies, neighbourhood management and income maximisation

- 4.18 The Council's approach to anti-social behaviour was described as a strength in our previous report and was not an area of focus on this inspection. However, we did review those cases where SSST's were in place and saw good levels of partnership working.
- 4.19 The Council's approach to the Dallfield community regeneration project exhibits strong partnership working. The project has realised positive outcomes. The Council has recorded improvements for existing tenants, in levels of demand from applicants and in the length of time houses remain empty in this area. The Council's ongoing commitment to tenant involvement in this project is a strength.
- 4.20 The Council offers tenants a wide range of options for paying their rent. It provides a rent collection service to tenants who are elderly, disabled or housebound. It includes information on the options in its tenants' handbook. Our Tenant Assessors reviewed the handbook and they found it to be a good source of information, presented in a way that tenants can easily access when they want to.
- 4.21 The table below summarises the Council's reported performance in collecting rent.

	2008/09		2009/10		2010/11	
	Council	National	Council	National	Council	National
Current tenant arrears as % of net rent due	9.9	6.1	9.2	5.9	9.6	5.9
% of current tenants in serious arrears	6.3	4.4	5.5	4.2	5.9	4.1
Total former tenant arrears (£)	£779,205	n/a	£873,951	n/a	£849,498	n/a
Rent arrears written off (£)	£544,546	n/a	£592,158	n/a	£606,201	n/a

Source: Audit Scotland's published performance indicators & the Council's inspection submission

- 4.22 The Council's reported performance in collecting tenants' rents is poor and worsening. For the last three financial years its rent arrears have been significantly higher than the national figures. In 2010/11 the Council had the second highest level of current rent arrears in Scotland at 9.6% compared to the national average of 5.9%. The percentage of the Council's tenants in serious arrears has increased from 5.5% in 2009/10 to 5.9% in 2010/11 and is also poorer than the national figure of 4.1%.
- 4.23 The Council issued 687 Notices of Proceedings in 2010/11, 651 of which were for rent arrears. It has reduced this number significantly from previous years. However, we did not see the Council applying a consistent approach to arrears escalation. The Council evicted 9 tenants in 2010/11 from a total of 293 orders for recovery of vacant possession in 2010/11. A further 60 tenancies were abandoned by tenants before court orders were enforced. It has evicted 6 tenants in the year to September 2011.
- 4.24 The Council's contact with tenants in arrears is inconsistent. It usually makes contact by letter and in our case reviews we saw little evidence of face to face contact with tenants. We saw that the Council issues tenants with three warning letters during this process, however in certain circumstances it also issues letters more frequently than this. The Council makes personal contact, such as home visits, with some tenants only after it has decided to take court action.
- 4.25 We found a number of weaknesses in the Council's approach to its management of rent arrears as it;

- cannot demonstrate that repayment arrangements are realistic as it does not carry out an assessment of household income and expenditure;
- is missing opportunities to engage with its tenants in rent arrears as joint working between housing staff and the rent recovery team is underdeveloped;
- does not always make formal referrals to housing support services, independent advice or advocacy services and it does not monitor the outcomes from those referrals it does make;
- does not always refer applicants to its homelessness service when they are in serious rent arrears;
- does not tailor its approach to individual tenant's needs; and
- does not have a consistent review or audit system.

4.26 The Council has clear procedures and audit trails around debt to be written off. It has high levels of former tenant arrears and has written off significant sums in the last three years. However the Council has good processes in place for these and it actively monitors debt it writes off for possible future payment.

4.27 Overall, the Council's current approach to rent arrears management is poor, however it is aware of this and was preparing an action plan to improve rent recovery during our inspection. The action plan highlighted many of the weaknesses we found during the inspection.

4.28 The table below summarises the Council's reported performance in letting houses that have become empty.

	2008/09		2009/10		2010/11		2011/12*
	Council	National	Council	National	Council	National	Council
Turnover (no of new vacancies as % of total dwellings)	4.4%	2.8%	12.3%	3.0%	5.7%	2.4%	4.4%
Total no. of re-lets	1311	N/A	1519	N/A	1315	N/A	598
% of dwellings that were not low demand re-let within 4 weeks	14.9%	3.4%	11.3%	50.6%	9.4%	N/A	14.2%
Average time (days) to re-let houses that are not low demand	72	41	81	43	98	N/A	68
% of total annual rental lost due to voids	2.4%	1.4%	3.0%	1.4%	3.1%	N/A	2.1%

Source: Audit Scotland Key Performance Indicators (KPIs) Audit Scotland Compendium and Profile Reports

4.29 The Council's rate of turnover for its properties is higher than the national average. The Council told us that this can partly be attributed to the high number of sheltered properties and the demographic profile of its tenants. Its weekly termination reports highlight that 20% are terminated due to 'death of tenant' and 13% to give or receive care and support, including residential support.

4.30 The Council has reported improvements in its empty house performance, reducing its average from 98 days in 2010/11 to 68 days in the year to the 31 August 2011. It has achieved this by undertaking a comprehensive review of its processes and introducing new ways of working. These include a dedicated team, improved cleaning specifications for its empty houses and carrying out decoration for vulnerable tenants.

4.31 The Council monitors its action plan which resulted from this review on a monthly basis. Its results from customer surveys and the analysis of the reasons for refusal of properties indicate improvements in this area.

- 4.32 We saw that the Council now has comprehensive management information for its empty houses that help it understand how well it is performing and why this is, across all of its empty properties.
- 4.33 However, we saw that the Council does not always include the empty house periods it should when it is measuring its performance. It is aware of the need to ensure that it is clear when it can remove houses from its calculations and has taken steps to clarify these with its staff.
- 4.34 In summary, the Council's performance on managing rent arrears is poor. It lacks arrears management procedures and a proper recording and audit process. However, its rent recovery action plan addresses all of the weaknesses we identified and this indicates the Council's awareness of the work required in this area. It has had some success in its approach to managing empty houses, but is over-reporting its performance in this area.



## 5. How well is Dundee City Council managing its assets and delivering repairs?

In this section we set out our assessment of the Council's performance in delivering asset management and repairs

### Tenant satisfaction

- 5.1 The Council undertakes a good range of customer satisfaction surveys for all tenants who participate in a range of capital improvement works. We saw evidence from the 2009/10 analysis of how the Council uses the outcomes and results of these to inform future service improvements to the capital programme.
- 5.2 The outcomes from this survey also highlight some mixed views with satisfaction during the works process, with satisfaction tending to be higher at the end rather than throughout the installation process. Satisfaction also appeared to be higher with the capital programme than with the response repairs and maintenance service.
- 5.3 For 2010/11, the tenant satisfaction questionnaire for the Heating and Kitchen and Bathroom contracts found that :
- 94% of tenants thought the information was useful ;
  - 95% of tenants considered that the overall experience was satisfactory; and
  - 96% indicated that they were satisfied with fitments and the overall quality of work.

The Council's survey, undertaken in 2010/11, highlights the following satisfaction levels for the responsive repairs service:

- 79% were satisfied with the way repairs and maintenance is dealt with;
- 84% were satisfied with the overall quality of the repair; and
- 85% were satisfied with the speed in which the work was complete.

### Asset management strategy and planning

- 5.4 The Council has only very recently developed a documented asset management strategy that outlines its objectives and targets for how it will manage its property

- assets. This is supported by the Asset Management plan which provides the framework for its strategic planning and how it determines its future capital investment requirements. This plan, once fully implemented by the Council, will provide a useful tool to determine future sustainability, regeneration and investment priorities towards and beyond 2015. It is too early for us to assess the impact of this.
- 5.5 The Council outlines its existing housing investment and development needs and priorities across a number of supporting strategies which include the Standard Delivery Plan (SDP), Local Housing Strategy (LHS) and Strategic Housing Investment Plan (SHIP). Its strategic aims are set out in the SHIP and these include increasing the supply of affordable houses and achieving the delivery of SHQS by 2015.
- 5.6 The Council has a good awareness of housing need and demand and sustainability issues within Dundee, and undertook a housing need and demand assessment in 2009, using the Scottish Government's guidance to formulate its conclusions. It will use this in conjunction with its stock viability matrix and waiting list analysis to determine future sustainability and new build opportunities.
- 5.7 The Council considers requests for Aids and Adaptations on a needs led basis and whilst it does not operate a waiting list for access to this service, the Council told us that there is a backlog of Occupational Therapy (OT) assessments. The Council is developing a performance management and monitoring framework and is developing its ICT systems to allow applicants to be matched to adapted properties. It is too early to assess the impact of these developments. The Council's publicity material, setting out OT and installation timescales to customers, could be further improved since this is the area where there is a backlog of assessments.
- 5.8 The Council is working to improve its understanding of the condition of its houses. The Council recognised that there were gaps in the standard method of sample and cloned data and is moving towards 100% stock condition data and validation by 2012, using internal surveying resources. This is in recognition that its current stock condition information is out of date and is based on a 30% stock

- survey carried out in 2007/08. We saw that the Council uses a stock information database and that this covers all SHQS elements. It continuously updates the database from ongoing energy surveys and capital programme completions. The move towards 100% stock condition information will allow for more accurate reporting of stock characteristics and development of capital investment programmes to ensure SHQS compliance.
- 5.9 The Council has reported 35% compliance in its July 2011 SHQS return to us. We saw that it undertook a review on the delivery of the quality standard in August 2010 and the Council monitors progress towards achieving it quarterly through the SHQS Project Board. This is positive.
- 5.10 The Council has identified several risks and challenges to its achievement of SHQS by 2015:
- its financial capacity to deliver is challenging given the high debt, changes to right to buy and reduced land receipts resulting in assumptions and rent increases being re-profiled to determine funding requirements for SHQS and the investment programme;
  - its current stock condition information is too limited to accurately identify levels of investment required and compliance however the Council is moving towards 100% stock condition data by 2012;
  - a high proportion of its stock is non traditional / multi-storey and may require disproportionate and additional SHQS works although it has recently secured additional CESP funding to upgrade the thermal performance of a number of its multi-storey blocks;
  - there is uncertainty regarding the completion of communal improvements, such as door entry systems, where the co-operation of owners in mixed tenure properties is required. The Council is however beginning to work more closely with owners to progress this area of concern; and
  - its SHQS performance reporting to the Council's Housing Committee is under-developed.
- 5.11 The Council reviews its SHQS risk matrix quarterly and we saw that this process allows it to revise its assumptions and financial plans to reflect changes in its position and demonstrate financial capacity to deliver SHQS compliance by

2015. The financing of SHQS will be a key feature for discussion as part of the current rent consultation exercise for 2012 /13 to ensure sufficient borrowing is in place to deliver the investment programme.
- 5.12 In summary, the Council is developing its strategic approach to managing its assets. It has good information on housing needs and demand and has developed an options appraisal model to help determine the future sustainability of its stock. The Council has a robust stock information database and it is using this to determine its investment programme towards achieving SHQS and beyond. It is moving towards 100% stock condition information and will use this to further develop its investment programme. It has developed a risk assessment matrix to monitor progress towards SHQS and this is reported to the SHQS Project Board on a quarterly basis.

### New Homes

- 5.13 The Council's SHIP identifies the need to increase the supply of quality, affordable housing in Dundee. The Council has been involved in a range of new build initiatives aimed at increasing the supply of good quality, affordable homes which include collaboration with the private sector, other housing providers in Dundee and the Scottish Government.
- 5.14 The Council's plans for building new homes are well developed and are based on a robust assessment of need and demand. This is an area of strength for the Council. We did however see limited evidence of the Council assessing the risk and impact of its new build programme on the Housing Revenue Account. The Council's own new build programme aims to deliver 69 units, 32 of which are wheelchair units. This is in conjunction with the Council supporting new affordable housing provision through partnership working with RSL's in the Mill o Mains regeneration Project.
- 5.15 The Council has set out standards for its new build housing and these require its housing to meet Housing for varying needs standards and energy efficiency standards to ensure that fuel poverty issues are addressed. Community consultation has been an integral element of the Council's own new build programme and all feedback was incorporated into the design delivery for the

wheelchair accessible properties of its current development programme. The Council has still to undertake satisfaction surveys of tenants in its new build housing.

- 5.16 In summary, Dundee City Council is aware that it faces significant challenges in meeting the need for new affordable housing and is responding well by working with key partners to increase the supply of housing. It has also begun its own new build programme to meet identified housing needs in Dundee.

### Investment & home safety

- 5.17 Dundee City Council spent £20.8 million on capital programme investment works in 2009/10 and £27 million in 2010/11. It increased its average capital expenditure per house in 2010/11 to £1,995, which is higher than the national figure of £1,717. It is continuing to focus its spending on replacing central heating systems, installing new kitchens and bathrooms and controlled entry installations to ensure SHQS compliance.
- 5.18 The Council has a fair approach to delivering its investment programme. It monitors its capital programme spend performance on a monthly basis and its performance is projecting an overspend for 2011/12. This is due to a shortfall in land receipts, however it remains committed to delivering its programme. This may represent a risk to the Council. The Council could also improve its performance reporting to develop targets for investment work in terms of volume, quality and to include comparative costs.
- 5.19 The Council has developed a good approach to involving tenants in decisions about future investment priorities and rent setting consultation and has recently undertaken a survey to determine these future investment priorities. We also saw some evidence of how it uses customers' views to make improvements to the delivery of the investment programme. The Council provides a range of information to tenants who have investment works undertaken in their homes. Prior to the start of a project it carries out an extensive consultation which includes open days, road shows and individual visits to tenants in their homes. Through these consultation opportunities, tenants can view the samples of the

- fittings to be used and are given a good level of choice of design in the kitchen and bathroom programme.
- 5.20 The Council is developing its approach to working with owners to deliver its investment programme through a Tenement Management Scheme. It sets out this approach to working with owners in its Asset Management Strategy. This approach enables the Council to maximise the installation of door entry systems in mixed tenure blocks and where works are required, grant assistance is available.
- 5.21 In summary, the Council is fair at managing the capital investment budget and could improve how it monitors its performance by developing and reporting on investment delivery targets. It provides a good range of information and has improved its approach to consulting tenants on future investment priorities. Overall, the Council has a fair but improving approach to managing investment in its houses.
- 5.22 By law, Dundee City Council must make safety checks every 12 months on all gas appliances and flues that it provides for its tenants. In our last inspection we assessed the Council's approach to this statutory duty as having major weaknesses. However, we saw that since then the Council has significantly improved its approach to gas safety in its houses.

Dundee City Council	Up to 14th Sept 2011	
	Number	%
Properties that have gas appliances and flues at the date of this request	10210	
Properties with current gas safety certificates at date of this request	10210	100.00
Properties where current safety check was carried out within 12 months of the previous check	9908	97.0
Properties where a gas safety check was carried out between 12 and 13 months of the date of the previous safety check*	245	2.5
Properties where a gas safety check was carried out between 13 and 15 months of the date of the previous safety check.	54	0.5
Properties where a gas safety check was carried out over 15 months from the date of the previous safety check.	3	0%
Annual safety checks post inspected by qualified persons	397	3.9%
Day to day repairs and new installations post inspected by qualified persons	906	8.9

5.23 Following our last inspection the Council put in place;

- a gas policy and procedures that give clear roles and responsibilities;
- a post inspection and independent audit regime;
- an accurate register of properties requiring an annual gas service;
- an effective performance management & monitoring system; and
- systems and procedures to identify and follow through the forced entry procedure to ensure continuous gas service cover.

5.24 We found this new approach to be working well and performance has significantly improved to 99.99% of properties with a current gas certificate, 96.7% completed within 12 months and only 0.6% over 13 months. We also saw that the Council responded positively to independent audit reports. The Council follows good practice and provides a wallet attached to the boiler, which stores the tenant's copy of the certificate, gas safety information, contact numbers and the date the next service is due. It has also allocated additional resources and introduced changes to procedures to ensure it continues to perform well.

- 5.25 The Council continues to show good awareness by looking to provide the service more effectively and efficiently. However, we found at present the evidence is more anecdotal than evidence based. The Council is working to put in place measures that can quantify savings. The key features of its developing approach include:
- homestart;
  - changes to working hours;
  - training of front line staff; and
  - use of technology.
- 5.26 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties, and to produce an asbestos management plan. In our last inspection we found that the Council was good at meeting its statutory obligations on the management of asbestos, but had yet to complete a survey of common areas.
- 5.27 The Council's 2006 asbestos management plan includes an asbestos register, maintained by a dedicated asbestos coordinator, who updates it with the results of planned and reactive inspections. It carries out surveys prior to all planned works and includes asbestos surveys of the houses and attached communal areas within this. All staff who visit tenants' homes have received asbestos awareness training and there is a working procedure in place to help ensure staff, who are likely to come into contact with asbestos, know about its location and condition.
- 5.28 The Council told us that it had completed a survey of its common areas in October 2011 and that a programme is in place to re-inspect and manage common areas, identified with any asbestos material.
- 5.29 The Council intends to report its corporate asbestos management policy to Committee in March 2012. Key areas for consideration highlighted during our inspection include the consolidation of the various data sources and the recording of information and interaction with tenants and owners.



- 5.30 In summary, the Council has a good approach to gas safety and an awareness of improvements it can make in meeting its statutory responsibility. It now meets its statutory duties in relation to the survey and management of asbestos.

### Response repairs

- 5.31 The Council's response repairs service is accessible. Tenants can report repairs in a good range of ways which includes by phone to the Housing Repairs centre, in person at the District Housing offices and the one stop facility in Dundee House and by email. We saw that 60% of repairs are logged through the Repairs Centre.
- 5.32 The Council provides a wide range of information to its tenants on the repairs service and promotes this service through the tenants' handbook, the Council's website and within the Repairs Service Standards. The Council uses an ICT system at the Housing Repairs Centre to help staff identify the appropriate codes and classification of repairs category.
- 5.33 Our Tenant Assessors found that all the Council's documents are written in plain English, are jargon free and easy to understand. They also found information on the website on how to report a repair and how to report a repair online. They were however unable to access repairs performance information on the website.
- 5.34 The Council operates a flexible repairs appointment service but this currently only includes morning and afternoon access arrangements. The Council has no plans to further enhance this service by introducing two hour slots or evening appointments for example. It is however considering extending the use of texting to contact tenants before attending appointments.
- 5.35 In 2011/12, 91% of arranged appointments were kept and this is an improving trend. Repairs receipts are not routinely issued to tenants to confirm appointment date, time and the repairs response timescale. However we saw that the tenant is advised of the repairs reference number and the timescale for completion during the repairs call.
- 5.36 The Council's targets for completing repairs are 24 hours for emergencies, 5 working days for quick fix repairs and 15 working days for routine and

miscellaneous repairs. The table below summarises the Council's reported performance in completing response repairs within its target timescales compared to national median performance.

	Target response time	2008/09	2009/10	2010/11	2010/11 National median
<b>Emergency</b>	24 Hours	94.7%	95.1%	94%	93.7%
<b>Quick Fix</b>	5 working days	84.4%	86.3%	83%	93%
<b>Routine</b>	15 working days	89.6%	89.7%	83%	91.9%
<b>Misc.</b>	15 working days	86.7%	87.2%	74%	94.1%
<b>% of repairs due to be completed within 24 hours completed within target</b>		94.7%	95.1%	94%	93.7%
<b>% of all repairs completed in target</b>		91.1%	91.9%	88%	93.3%

Source: Audit Scotland's published performance indicators

- 5.37 The Council's reported emergency performance in 2009/10 is slightly better than the national median. However performance for quick fix and routine repairs is some way below the national median. The Council is aware of the reasons for this lower performance and highlighted that these are now showing improvement.
- 5.38 During our inspection, we found that there are some weaknesses in the way the Council calculates its performance. We saw that whilst performance monitoring reports include the date and time for emergencies, the Council does not record actual completion times and it does not include the time to carry out pre inspections in routine response performance.
- 5.39 We also found from our case reviews that a number of repairs are out with the target timescale largely due to trades delay and abortive calls as a result of not being able to gain access. The Council has acknowledged the need to keep to a minimum any delays awaiting materials and to reduce the number of abortive calls through increasing the use of modern technology.
- 5.40 The Council has made progress since our last inspection to ensure that it now fully complies with its statutory duties on Right to Repair (RtR) when tenants report a qualifying repair. We saw that the Council now provides information to its tenants on the RtR in its annual newsletter. The Council also advises tenants at the point of contact that the repair is a RtR and automatically issues a receipt for

- all RtRs which includes details of alternative contractors. The Council also runs a report to enable it to automatically pay compensation where appropriate.
- 5.41 Pre and post inspections are important ways of ensuring that repairs are carried out to a high standard and targeted accurately.
- 5.42 The Council currently does not have a target number for pre-inspecting repairs and in 2010/11 it undertook 22.2% pre-inspections of mostly routine repairs. This is a reducing trend from 26% in 2008/09 although this still remains high. The Council also has a target to undertake pre-inspections within five days and in 2010/11 88% were carried out on time. This is an improving trend from 2009/10 when the Council began to monitor this target.
- 5.43 The Council has increased the number of repairs it post inspects and in 2010/11 this had increased to 11% of all repairs, compared to only 0.5% in 2008/09. Whilst the Council does have a target time of 10 days for completion of post inspections, it does not monitor its performance in achieving this. We saw limited evidence on how the Council uses this information gained from its inspections to identify future improvements to its repairs service.
- 5.44 In summary, the Council's repairs service is accessible and tenant satisfaction is an improving trend. Whilst its performance in completing repairs is improving, it is lower than the national median and we also found that the Council's reported performance figure is unreliable. It also has weaknesses in its management and use of pre and post inspections and we saw that it does now comply with the statutory requirements of the Right to Repair scheme.

#### Value for money in procurement

- 5.45 In 2010/11, Dundee's expenditure on repairs and maintenance was among the highest in Scotland at £1,305 per house. This compares with the Scottish national figure of £1,057 and represents a slight increase from its spending of £1,264 in the previous year, 2009/10.
- 5.46 The Council's response repairs service is provided by its in house partner, Construction Services (CS), who undertake 100% of the response repairs

- service. This also includes empty house repairs, cyclical maintenance and a significant element of the capital investment programme. The Council operates on the basis of a Housing Repairs Partnership Agreement, which it established in 1994. It reviewed the agreement in 2009 and continued it for a further five years. Whilst we saw some evidence of efficiency gains and benchmarking of rates through APSE and the Scottish Housing Best Value Network, it is less clear how value for money can be demonstrated since CS exclusively provides the repairs contractor function. The Council could therefore do more to demonstrate value for money.
- 5.47 The Council reports that the number of housing response repairs is remaining steady in 2010/11 at 74,420 compared to 74,875 in the previous year. Its expenditure on response repairs has increased slightly from £7.3m in 2009/10 to £7.4m in 2010/11 and is projected to remain at £7.4m in 2011/12. Its expenditure on reletting empty houses has increased more significantly from £1.5m in 2009/10 to £2.7m in 2010/11 and is set to increase further to £3.2m for 2011/12.
- 5.48 The Council is aware of the need to achieve a balance between the response and planned approach to repairs as investment increases and stock levels continue to decrease. It was able to evidence some analysis of achieving this balance and we saw that it does now have plans for moving towards this approach.
- 5.49 The Council undertakes a high number of emergency repairs and carried out 39,205 in 2009/10. It has acknowledged the need to reduce the ratio from its current level of 52% of all repairs. It cancelled 5,108 repairs in 2009/10, around 6% of all repairs. Around 4% of these were cancelled as a result of the tenant not providing access. The Council anticipates a decrease in the no access rates through the introduction of the text reminder service. The Council's housing repairs system does not allow for variances of work orders however the additional cost of variations amounted to £332,112 in 2009/10 and reduced to £112,053 in 2010/11. The Council is aware of the need to monitor the number of variations and this is discussed regularly at the Repairs Management Board.

- This however remains a risk to the Council in its ability to demonstrate control of repairs budgets.
- 5.50 The Council's housing department has a procurement strategy and uses traditional and modern procurement practices. Since 2004 it has moved towards framework type contracts and a partnering approach and whilst this also includes the development of a service level agreement with CS, the Council's approach to the procurement of the investment programme requires further development. In 2009/10, the works value of the HRA capital investment programme was £20.8 million.
- 5.51 The Council told us that it procures its investment programme using the balancing price and quality method and basing contracts on market tested rates, in accordance with its procurement strategy. This weakness has been addressed by the Council through a tendering process for 2012/15. This has resulted in the implementation of a new partnering framework approved by Committee in January 2012.
- 5.52 In summary, the Council's spend on repairs and maintenance is high. It carries out a high number of emergency repairs and this is a risk for the Council in demonstrating control of its expenditure. Whilst the Council has a framework and partnering approach in place for its response repairs and investment programme contracts, this requires further development to ensure transparency and to demonstrate a focus on value for money.

## 6. Is the housing service at Dundee City Council managed for improvement?

### Leadership and strategic planning

- 6.1 The Council sets out its main objectives in the Council Plan 2010/12 and these flow from its Single Outcome Agreement (SOA). The housing department's priorities and objectives are contained in the Housing Service Plan and in other departmental strategies, such as the Local Housing Strategy and the Homelessness Strategy.
- 6.2 Performance against objectives and targets set in the Housing Service Plan is reported annually to the Council. All staff and local members can access performance information through online planning and performance monitoring systems. Service Plan objectives are supported by smart action plans.
- 6.3 We saw that each of the service units within the housing department has its own unit plan. Each action contained in the unit plans has an individual or team who have responsibility for its delivery. Monitoring takes place through discussion at team meetings, performance reporting and quarterly reviews as well as at individual supervision meetings.
- 6.4 The Employee Performance and Development Review Process also provides an opportunity for more formal monitoring of the unit plans. The department undertakes these reviews annually and uses them to set individual objectives and competencies for the year ahead. The objectives are linked to the unit and service plans which helps ensure that staff are aware of their roles and responsibilities and the contribution they make to meeting the department's priorities.
- 6.5 The most recent Employee survey shows 92% of housing department staff agree with the statement, "I understand the purpose, aims and objectives of my department". This is in line with the Council average and is a 4% improvement on the 2007 survey outcome.

- 6.6 The Council has adopted a corporate “Changing for the Future” agenda. At the housing department’s annual staff conference last year its Chief Executive spoke to staff about the Council’s strategic direction, focusing on the change agenda.
- 6.7 The Council has a decentralisation framework, which includes eight Local Community Planning Partnership Areas (LCPPs). These include local members, Council departments, community representatives and partner agencies. Housing is a key service and is represented in all areas and the Director of Housing chairs “the Ferry” LCPP. Each of the partnerships has established a local community plan, which include specific projects and targets relevant to each local area.
- 6.8 In our previous inspection report, we were critical of the leadership in the Council’s housing department and of its ability to manage change effectively and to bring about the service improvements required. In response, the Council set up a Housing Best Value Review Group to focus on its Improvement Plan. This group included Local Members, tenants and representatives from partner organisations as well as senior officers. It also put in place a number of structures to assist it to achieve sustainable improvements and to help ensure it supports and involves staff through periods of change. These include:
- Management Team road shows;
  - “Back to the Floor” walkabouts;
  - An annual staff conference;
  - a Directors forum;
  - the introduction of a set of staff values;
  - the setting up of a staff communication focus group; and
  - project teams/champions for major projects or changes.
- 6.9 We saw that the accessibility of the Management Team has improved, partly due to the measures outlined above, but also because of its relocation to open plan facilities within Dundee House.
- 6.10 The Council has also improved its approach to staff induction and training. A new induction programme has been introduced which has two main parts. The

- Council provides new employees with an induction booklet which lays out its commitment to staff on the induction process and what they can expect. The programme also includes an induction day, which includes presentations from the Director and Divisional Managers.
- 6.11 The Council identifies training and development opportunities through its employee review process and has introduced a formal process for staff to request further education opportunities. A number of staff have successfully completed a Level 2 housing qualification and this is being delivered to all front line staff.
- 6.12 The Council introduced E-Learning in September 2011. This will provide staff with opportunities to develop skills using e-learning packages.
- 6.13 We found that these actions have had an impact on the Council's ability to achieve improvements in its services.

#### Performance management, planning and reporting

- 6.14 Following a consultation with tenants and local members, the Council reviewed its service standards and targets in July 2010. These include:
- supporting a 24 hour anti-social behaviour helpline;
  - carrying out joint estate supervision visits twice a year, with a target of 36;
  - assessing applications for housing within 10 working days;
  - attending to Emergency Repairs within 24 hours, with a target of 95%; and
  - carrying out an annual service of gas heating and hot water systems, with a target of 100%.
- 6.15 The Council reported its performance against these targets in October 2011 and intends to review the standards again in 2012.
- 6.16 The housing department's management team monitor and review the Housing Service Plan on a monthly basis, using key performance indicators. The Council produces a monthly performance report, and in addition it also compiles a quarterly summary of performance, which focuses on trends and any remedial actions required. The Council has developed a core brief of performance



- outcomes for staff, which it issues to managers for discussion at monthly team and unit meetings.
- 6.17 The Housing Service Plan is included in the Council's On-line Performance database and it provides performance updates to the Policy and Resources Committee twice a year. In addition, it reports on Statutory Performance Indicators to the Scrutiny and Policy and Resources Committees. These include remedial action for indicators which are not on target.
- 6.18 The Council uses the Public Sector Improvement Framework (PSIF) to support its service improvements across the Council and the housing department is in the process of extending this out across key service areas. It has also developed a number of other approaches to assist it to deliver improvements. These include:
- service improvement teams;
  - peer reviews;
  - tenant-led inspections; and
  - lean service reviews.
- 6.19 As we mention in paragraphs 4.32 and 6.24, these initiatives have helped deliver some improvements in areas such as empty house management and customer focus.
- 6.20 We also saw that the Council's use of ICT systems has improved significantly since our previous inspection. It has more access to information on its performance in meeting targets and also an improved knowledge of where its weaknesses are and of how it might address these. For example, the amount of detailed information the Council now has on its approach to allocations and its management of empty houses has significantly improved its understanding of performance in the areas.
- 6.21 The housing department produces its "Housing News" publication on an annual basis and circulates this to all Council tenants. This provides a summary of its annual performance information. We saw that "Housing News" includes a comprehensive range of useful and easy to read performance information for tenants and service users.

### Customer focus and influence

- 6.22 As we mention in paragraph 6.14, the Council reviewed its service standards for tenants and service users in July 2010.
- 6.23 The Council carried out its first comprehensive tenant satisfaction survey in 2011. It sent the survey to all its tenants and received a response rate of almost 10%. It is currently working to produce an action plan reflecting the survey results. The Council intends to repeat the survey in 2013.
- 6.24 Although the responses from the survey are mixed satisfaction levels are in line with local authorities the Council has benchmarked with. The survey provides a useful baseline from which to measure future levels of satisfaction and the impact the Council's improvement actions have on tenants.
- 6.25 The Council reports higher satisfaction levels in its more tailored surveys. For example, its heating/kitchen/bathroom programme is showing satisfaction rates of 99% and satisfaction levels for the Council's work on disabled adaptations range from 94% for the quality of fitments through to 100% for the quality of the work carried out. Its surveys of new tenants and waiting list applicants show satisfaction levels at 97% and 80% respectively.
- 6.26 As we saw in our previous inspection, the Council makes housing information easy to access for its customers. Its forms, leaflets and documents are in Plain English and it makes them available on request in a range of formats and community languages. It produced a useful and informative leaflet for its recent rent consultation exercise. The Council advertises its translation service on its publications. Our tenant assessors found the Council's website to be easy to use and contained clear, helpful information.
- 6.27 In our previous inspection we found examples where the Council had responded poorly to complaints, and offered little information or assistance to help address the concerns of the complainants. The housing department uses the Council's Corporate Complaints system and we reviewed a number of complaints it had received. We saw that it has improved its approach to responding to complaints, in particular its letters are more helpful and customer focused.

- 6.28 The Council uses a number of methods to involve tenants in service users in shaping its services. It works closely with the Dundee Federation of Tenants associations and its Registered Tenants Organisations, consulting on policy and strategy developments. As we mention in paragraph 6.18, it has introduced a series of tenant led inspections. The Council intends to carry out two of these each year across its services. It also uses seminars and forums for specific consultation exercises and it involves tenants in consulting on aspects of the delivery of its capital programme.
- 6.29 The Council's approach to its annual rent increase is influenced by its commitment to ensure all its houses achieve the Scottish Housing Quality Standard (SHQS) by 2015. The Council responded to low levels of response at its previous consultation exercises, by carrying out a series of rent consultation events around the Dundee area. It held these at popular venues and shopping centres in November and December 2011. The level of responses achieved was 1,093, up from 428 respondents during the previous consultation.
- 6.30 We spoke to a number of Dundee City Council tenants. Their feedback was generally positive about the services they receive. Tenants we spoke to were particularly satisfied with the Council's heating/kitchen/bathroom programme. However, they did also express specific concerns about increasing rent levels and the impact that these have on affordability for current and future Council tenants.
- 6.31 During our previous inspection we reported that the Council did not have a strong customer focus in the delivery of its services. We saw that the Council has improved its customer focus, in part through the initiatives highlighted in this section of our report. We also saw that it has plans in place to address any future training requirements in this area. In summary, the Council demonstrates an improving approach to customer focus and uses a wide range of methods to involve tenants and service users in improving delivery of services.

### Sources of evidence

#### Groups and third parties consulted

- Tenant and Resident groups
- Scottish Government – Housing and Regeneration Team
- Scottish Public Service Ombudsman
- Citizens Advice Bureau
- Neighbouring Local Authorities
- Local Registered Social Landlords
- Shelter

#### Interviews/Meetings

- Elected Members
- Chief Executive
- Director of Housing
- Staff from Housing Services
- Staff from Environment Department

#### Reality checks

- Shadowing of allocations
- Shadowing of tenancy sign up interview
- Shadowing of an accompanied viewing
- Shadowing of temporary accommodation visits
- Shadowing of repairs call handling
- Shadowing of repair pre and post-inspections
- Shadowing of void repairs visits
- Review of short SST's
- Review of housing list applications and allocations
- Review of information for applicants and tenants
- Review of complaints
- Review of arrears cases
- Review of legal actions against tenants
- Review of reported repairs
- Review of planned maintenance and improvement projects
- Empty property visits
- Estate visits

#### Key documents reviewed

- Dundee City Council's Inspection Submission
- Housing management performance reports
- Repairs and maintenance performance reports
- Relevant policy and procedures
- Minutes of meetings and associated reports
- Tenants' newsletters and other publicity material
- Council's website
- Outcome reports for housing management, asset management and property maintenance

## Appendix 1

- Protocols with other agencies
- Local Housing Strategy
- Scottish Housing Quality Standard Delivery Plan
- Single Outcome Agreement
- Community Plan
- Corporate Plan
- Service Plans
- Corporate Procurement Strategy

### Examples of Positive Practice

These are areas we would highlight as working particularly well, taking account of the organisation's operating context:

#### Dallfield regeneration

The Council's approach to the Dallfield community regeneration project exhibits strong partnership working. The project has realised positive outcomes. The Council has recorded improvements for existing tenants, in levels of demand from applicants and in reducing the length of time houses remain empty in this area. The Council's ongoing commitment to tenant involvement in this project is a strength.

#### SHQS Risk Management Matrix

The Council monitors progress towards SHQS compliance through the SHQS Project Board, which meets quarterly to assess the key delivery risks. A risk management matrix has been developed to track, monitor, and take corrective action to mitigate the risks that arise using a traffic lights system. The matrix also includes an assessment of risk probability using a scale of 1 to 5, with 1 indicating that the risk is "unlikely to happen" and 5 indicating that it is "very likely". Membership of this Board is drawn from Chief Officers of the Housing Department, Finance Department, City Development, and Environment departments who update and report to the Project Board quarterly..

#### ICT Systems

The Council has worked to significantly improve its ICT systems since our previous inspections. Its system for managing its housing list and housing allocations allows it to manage the flow of work between staff members. It also provides the Council with a good level of management information.

## Appendix 2

Its system for recording and monitoring the progress of its empty houses is comprehensive and provides a great deal of data which sets out all the significant stages of the Council's empty house process.

## Glossary

<b>Anti Social Behaviour Order (ASBO)</b>	ASBOs are preventative orders designed to protect individuals from further anti-social behaviour that causes or is likely to cause alarm or distress. Breach of an order is a criminal offence, punishable by a fine or imprisonment.
<b>Asset management</b>	Ensuring that current and future assets (houses, land, etc) fully support the organisation's objectives – working towards having the right assets, of the right quality, in the right place at the right time.
<b>Benchmarking</b>	A process used by organisations to systematically compare service processes and performance to identify best practice.
<b>Capital Programme</b>	Programme of major repair works funded mostly from borrowing.
<b>CFCR</b>	Capital funded from current revenue
<b>Common housing register (CHR)</b>	A register of all applicants for social housing used by two or more landlords within an area.
<b>Direct Labour Organisation (DLO)</b>	Internal organisation which carries out work on behalf of housing departments.
<b>HomePoint</b>	<p>A team within the Scottish Government that supports providers of housing information and advice services.</p> <p>HomePoint has broken down advice activities into three types:</p> <ul style="list-style-type: none"><li>• Type I active information, sign-posting and explanation.</li><li>• Type II casework.</li><li>• Type III advocacy, representation and mediation.</li></ul>
<b>Housing list</b>	A list of applicants for housing that is used by the local authority to allocate its housing stock.
<b>Housing Revenue Account (HRA)</b>	The budget a local authority has from rental income for managing and maintaining its houses and housing services.
<b>ICT system</b>	Information and communication system.
<b>Notice of Proceedings (NOP)</b>	The formal notice provided to tenants informing them that their landlord is taking legal proceedings to seek a court order for recovery of possession of a property.
<b>Partnering</b>	In contract management, a structured approach to improving efficiency and quality of work. It aims to reduce confrontation between the Council and its consultants and



	contractors. Partnering requires formalised objectives, agreed problem solving methods and an active search for continued measurable improvements.
<b>Performance Standards</b>	The nationally-agreed standards RSLs and local authorities are expected to meet in providing housing services and in managing their organisations.
<b>Planned maintenance</b>	The planned renewal or maintenance of key property components.
<b>Pre-inspections</b>	Inspections undertaken to ascertain the nature of the repair required.
<b>Post inspections</b>	Inspections undertaken following work to check the suitability and quality of repairs.
<b>Procurement</b>	The way an organisation obtains services or materials from other organisations or agents.
<b>Qualifying Repair</b>	Repairs that qualify for inclusion in the Right to Repair scheme.
<b>Registered social landlord (RSL)</b>	A landlord providing social rented housing that is registered and regulated by the Scottish Housing Regulator.
<b>Registered Tenant Organisation (RTO)</b>	A tenant-representative group meeting certain conditions set down in the Housing (Scotland) Act 2001 and registered with a social landlord.
<b>Response repairs</b>	Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.
<b>Right to Buy</b>	The right of many Scottish tenants to buy their property at a discounted price, depending on length of tenancy.
<b>Right to Repair</b>	Statutory scheme which sets out timescales for some repairs, and what can be done by a tenant if a landlord does not do the repair within the timescales.
<b>Schedule of Rates (SOR)</b>	A costed list of all or most of the day-to-day repairs that a client is likely to instruct a contractor to do.
<b>Scottish Housing Quality Standard (SHQS)</b>	A minimum quality standard for all of Scotland's social homes. Landlords should achieve the standard by 2015.

<b>Scottish secure tenancy (SST)</b>	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
<b>Short Scottish secure tenancy (SSST)</b>	Section 34 and schedule 6 of the Housing (Scotland) Act 2001 establish the basic conditions when a short Scottish secure tenancy can apply to some tenants of social landlords in Scotland in place of a full SST.
<b>Section 5 referral</b>	Where, under Section 5 of the Housing (Scotland) Act 2001, a local authority can request a registered social landlord that has accommodation in its area to provide accommodation to homeless people.
<b>Shadowing</b>	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
<b>SMART criteria</b>	Performance management acronym for: Specific, Measurable, Achievable, Relevant and Timebound.
<b>Statutory Performance Indicator (SPI)</b>	Indicators of local authorities' performance that are published by the Accounts Commission for Scotland.
<b>Stakeholder</b>	Any person or organisation using a landlord's service, affected by the landlord's actions or having an interest in the landlord's activities – an interested party.
<b>Tenancy agreement</b>	Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.
<b>Tenant assessor</b>	Trained tenants (not of the landlord being inspected) who are part of the inspection team. They are involved in preparing for inspection, reading landlord materials and on-site visits as well as talking to tenants.
<b>Tenure</b>	The method by which a person occupies a property i.e. tenant, lodger, owner-occupier.
<b>Variations</b>	A term used to refer to the practice of changing a repair works order on site where the contractor feels additional or alternative work to that specified is required.
<b>Void</b>	A property without a tenant. Voids occur in the period between one tenant leaving and another taking over the tenancy.

## About the Scottish Housing Regulator

The Scottish Housing Regulator (SHR) is an executive agency of the Scottish Government. We exercise independently the regulatory powers of Scottish Ministers in the Housing (Scotland) Act 2001. We register and regulate independent social landlords. These are usually housing associations, but they can also be housing co-operatives or companies limited by guarantee. We also inspect the housing and homeless services provided by local authorities.

We operate independently and impartially, while remaining accountable to Scottish Ministers for the standard of our work and for inspecting and reporting within the overall context of Scottish Ministers' strategic objectives for the social housing sector and tackling homelessness. A code of practice sets out what Ministers expect from us in delegating their regulatory powers to us.

Our independence is further safeguarded by a Regulation Board that supports the Chief Executive to manage and direct the organisation.

Our purpose is to:

- protect the interests of current and future tenants and other service users;
- ensure the continuing provision of good quality social housing in terms of decent homes, good services, value for money, and financial viability; and
- maintain the confidence of funders.

Our work supports the principles of public service reform by promoting good services that are organised around the needs of the people who use them. We encourage registered social landlords (RSLs) and local authorities to be open, accountable, efficient and well governed. And we expect them to provide equal opportunity and open access to their services.

[www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk)

The Scottish Housing Regulator  
Highlander House  
58 Waterloo Street  
Glasgow  
G2 7DA

Tel: 0141 271 3810

E: [shr@scottishhousingregulator.gsi.gov.uk](mailto:shr@scottishhousingregulator.gsi.gov.uk)