



National Audit Office

The Decent Homes Programme

Appendices One to Four

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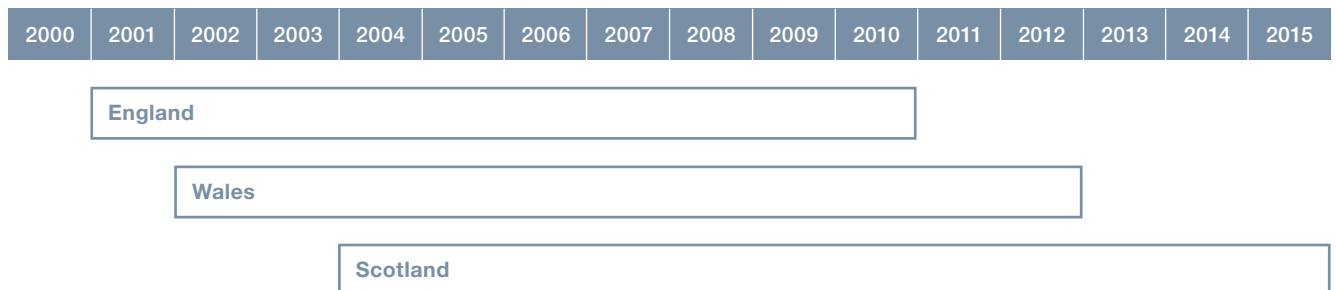
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Appendix One

Comparator programmes in Wales and Scotland

Lifetime of comparative programmes to Decent Homes



The housing quality standards in Wales and Scotland are higher than the Decent Homes Standard

England	Scotland	Wales
Decent Homes Standard	Scottish Housing Quality Standard	Welsh Housing Quality Standard
The home:	The home:	The home:
- meets the statutory minimum standard for housing; - is in a reasonable state of repair; - provides reasonable modern facilities and services; and - provides reasonable degree of thermal comfort.	- is compliant with the Tolerable Standard; - is free from serious disrepair; - is energy efficient; - has modern facilities and services; and - is healthy, safe and secure.	- is in a good state of repair; - is safe and secure; - is adequately heated, fuel efficient and well insulated; - contains up-to-date kitchens and bathrooms; - if rented accommodation, is well managed; - is located in attractive and safe environments; and - as far as possible, suits the specific requirements of the household (e.g. specific disabilities).

Percentage of social sector homes deemed non-compliant with their respective national standards at comparable points in the programmes

	Non-Decent (%)	Source
England	35	English House Condition Survey, 2003
Scotland	67	Scottish Housing Condition Survey, 2005-06
Wales	99	Living in Wales, 2004

Source: National Audit Office

Appendix Two

Methodology

Study Scope

1 This study set out to examine the achievements to date on the Decent Homes Programme, and to identify lessons for any successor programme to maintain the condition of housing stock post-2010 and for future programmes of a similar nature. Within this scope we considered:

- Progress made towards the Programme's targets;
- The costs and the Department's management of the Programme; and
- The Programme's impact.

2 The Department has overall responsibility for the Decent Homes policy, and delivery is delegated to local bodies. This study addresses the role of the Department in establishing, monitoring and supporting the delivery of the Decent Homes Standard.

Methodology

3 We collected the evidence for this study between February and August 2009. The main aspects of our fieldwork were:

- Data analysis;
- Financial analysis;
- File review;
- Interviews with the Department and key stakeholders;
- Survey of Local Authority Heads of Housing and delivery bodies;
- Focus groups with landlords and tenants;
- Case studies;
- Consultation with an expert panel; and
- Literature review.

Data Analysis

4 Our findings on the progress made towards reaching the Decent Homes Standard are drawn from information provided by stakeholders and the data collected by the Department. In addition to drawing on existing reports, we reviewed and performed our own analysis of the Department's sources of data:

- English House Condition Survey. We analysed the published English House Condition Surveys for the years 2001 to 2007. The data provides the percentage of dwellings assessed as failing the Decent Homes Standard, the criteria on which they fail, the number of dwellings failing on multiple criteria, and a breakdown of social sector and private dwellings results.
- Information provided to the Department from local authorities in annual Business Plan Statistical Appendix (BPSA) returns and from Registered Social Landlords in annual Regulatory and Statistical Returns (RSR). These returns include indicators related to the Decent Homes Standard.

Financial Analysis

5 We reviewed data held by the Department on its own expenditure on the Programme and on the expenditure incurred by local delivery bodies.

6 Delivery bodies submitted details on the estimated costs of improving stock to the Department when bidding for funding. We also reviewed a sample of submissions made by Local Authorities at ALMO and stock transfer bidding rounds for evidence that the Department had carried out an appropriate review and analysis of stated funding requirements.

File Review

7 Our file review of key Departmental documents focused on understanding the bidding process and the scrutiny of option appraisals. We reviewed ministerial submissions relating to the Programme, alongside the minutes and papers of the Decent Homes Project Board.

Interviews with the Department and key stakeholders

8 Between March and July 2009 we held structured interviews with a range of staff at the Department. We explored issues relating to the origins of the programme, how performance was monitored, roles and responsibilities in delivering the programme, and sustaining the Decent Homes standard post-2010. We also discussed the different delivery routes and funding streams.

9 We discussed the Programme with staff in the Regional Housing Boards and Government Offices who were responsible for reviewing local authority option appraisals, allocating Regional Housing Pot funding, and monitoring the performance of the authorities in their area.

10 We conducted semi-structured and unstructured interviews with a number of stakeholders about the Decent Homes programme:

- Association of Retained Council Housing;
- Audit Commission;
- Building Research Establishment;
- Chartered Institute of Housing;
- Defend Council Housing;
- Government Offices;
- Homes and Communities Agency;
- HouseMark;
- Local Government Association;
- National Federation of ALMOs;
- National Housing Federation;
- National Landlords Association;
- Savills;
- Tenants and Residents Organisation of England; and
- Tenant Services Authority.

Survey of Local Authority Heads of Housing and delivery bodies

11 The aim of the survey was to establish the views and opinions of those who deliver the Decent Homes Standard regarding: the establishment of the Standard; the Department's role in supporting delivery; progress in reaching the Decent Homes target; and, how performance has been monitored and managed. We tested the survey on potential respondents prior to issue.

12 We sent the e-mail survey to all ALMOs, all local authorities who retained stock and all local authority Heads of Housing. In accordance with the regulatory approach of the Tenant Services Authority, we surveyed all Registered Social Landlords (RSLs) with housing stock above 999 units. Response rates are detailed in the table below:

	Surveys sent	Responses	Response Rate (%)
RSLs & Retaining Local Authorities	371	114	31
Heads of Housing	348	89	26
ALMOs	69	41	59

13 About seven per cent of the e-mail surveys sent out were returned as undeliverable; these were spread proportionally across the surveyed groups outlined above. The response rate reflects the difficulties in reaching groups that do not receive direct funding from the Department and where the body responsible for delivering Decent Homes has changed. The response rates are in accordance with our expectations at the survey design stage and compare favourably to National Audit Office surveys of similar bodies.

Focus Groups

14 We commissioned PriceWaterhouseCoopers to carry out eight focus groups during June 2009, held in Birmingham, London and Manchester. Participants were local delivery bodies and tenants. We asked questions around the implementation of the programme, its delivery and how it may be sustained beyond 2010.

Case Studies

15 We visited four different types of social sector delivery bodies and one local authority in relation to the private sector target. We selected case studies from across England following discussions with the Department and stakeholders. During these case studies we spoke to a cross-section of staff including chief executives, tenant liaison officers, resource planning managers, asset management officers, contractors and tenants. Our discussions gave us an insight into how the programme is delivered at a local level. These case studies provided contextual background for our study and the resultant findings informed our conclusions on the relationship between the Department and those delivering the Decent Homes Programme.

Case Study	Delivery Method
Sheffield Homes	ALMO
Erimus Housing (Middlesbrough)	Stock transfer Registered Social Landlord
Southern Housing (London)	Non-stock transfer Registered Social Landlord
Cambridge City Council	Retaining Local Authority
Bristol City Council	Local Authority, delivering private sector Decent Homes

Consultation with an Expert Panel

16 We discussed our emergent findings with an expert panel consisting of representatives from the Association of Retained Council Housing, Audit Commission, National Federation of ALMOs, National Housing Federation, National Landlords Association, Tenant Services Authority, in addition to an independent expert from academia, Professor Hal Pawson of Heriot Watt University.

Literature Review

17 We undertook an examination of the academic research, policy papers and other relevant literature covering the Decent Homes Standard and approaches to improving the poor condition of existing social housing stock. We reviewed the Department's documentation and literature on social housing and wider Departmental reviews. We also reviewed literature on the similar programmes in Scotland and Wales to provide information on these comparator programmes.

Appendix Three

Case studies

During the course of the study, we visited the following organisations involved in delivering Decent Homes locally:

Case Study	
Sheffield Homes	ALMO
Erimus Housing (Middlesbrough)	Stock transfer Registered Social Landlord
Southern Housing (London)	Non-stock transfer Registered Social Landlord
Cambridge City Council	Retaining Local Authority
Bristol City Council	Local Authority, delivering private sector Decent Homes

After discussions with these, we identified the following areas of good practice which were crucial to the successful delivery of the Programme locally:

- Tenant engagement;
- Asset management information;
- Management of contractor performance; and
- Working with other delivery bodies.

Case example 1

Tenant engagement

Cambridge City Council is a stock retaining authority and has engaged closely with tenants at all stages of its Decent Homes programme.

Tenants and their representatives were involved from the start, in establishing the Cambridge Standard for improvement work and in selecting the contractors and the range of products available for tenants. Because its properties are not dispersed over a large geographical area, the Council is able to offer its tenants a great deal of flexibility over when work begins on their homes.

The Council's contractors employ Resident Liaison Officers to help tenants in the run up to and during the construction work and, once the work is completed, tenant views are sought using surveys. The Council also has a team of tenants who can visit any property at any stage during the work. These Tenant Inspectors have their own checklist to assess how work is progressing and tenant satisfaction, and meet with contractors each month to discuss their findings. These Inspectors have proved so successful that the Council is introducing similar teams in other areas of its housing service.

Case example 2

Asset management information

Erimus Housing was established in 2004 following the transfer of Middlesbrough Council's housing stock. On transfer a property database was set up and is kept up to date with current data. Surveyors are provided with Personal Digital Assistants to record work identified against each element of the Standard, with this information updated directly to the database in real time.

Information on the database is used to inform future investment plans as the database can produce reports displaying anticipated improvement requirement and cost, for the whole of the housing stock, or by individual housing estate, housing zone or home. This allows accurate information to be submitted to contractors in advance for use in ordering materials and resource planning. Contractors then have access to the database to update it directly as work on each home is completed.

The cost of improving each element was provided at transfer by Savills. This information is adjusted for inflation and amended when reliable data on actual costs becomes available.

Case example 3**Management of contractor performance**

Sheffield Homes is an ALMO set up by Sheffield City Council in 2004 and has won recognition for its management of contractor performance.

Information on contractor performance, including tenant satisfaction, is collected each month from a range of sources using software called Panagraph. This software measures performance against key performance indicators, identifying each contractor's strengths and weakness. Both Sheffield Homes and the contractors have access to Panagraph and can compare each others' performance. Contractors can see that monitoring is accurate and consistent, creating 'buy in' to the results. Contractors are encouraged to seek advice and share experiences amongst themselves using this data. The relationships that have consequently developed between contractors have driven improvements in the quality of delivery.

Case example 4**Working with other delivery bodies**

Bristol City Council received a Beacon Award for Housing Renewal in the private sector in 2003-04. It works closely with a number of bodies in improving the condition of private sector accommodation for vulnerable households. It operates on a sub-regional level, establishing common policies, procedures and training courses with neighbouring local authorities in the South West. It has established close links with private sector landlords and managing agents via its website, quarterly newsletters, e-mail alerts, six-monthly forums, and an Annual Expo. The success of this engagement is demonstrated by having approximately 4,000 landlords in a contacts database.

When Decent Homes work begins on social housing in an area, the Council approaches private home-owners in neighbouring properties to undertake work on their homes, enabling the owners to benefit from reduced refurbishment costs as the work is done as part of a large programme, with funding provided using subsidised low cost loans or grants. It has also developed links with other public services such as police, health and fire, to offer a range of local solutions to problems faced by residents.

Appendix Four

Results of survey

1 This Appendix details the results of our survey of local authority Heads of Housing, ALMOs and Registered Social Landlords.

Overview of the Programme

2 Respondents considered that the Decent Homes Programme had been a success and delivered value for money:

- Over 85 per cent of local authorities and over 93 per cent of Registered Social Landlords and ALMOs considered that the programme had been a success across the country and had been successfully implemented in their area.
- About two thirds of local authorities, Registered Social Landlords and ALMOs considered that the value for money of the Programme across the country had been good, while 70 per cent considered that it had offered good value for money in their area.

3 Traditional Registered Social Landlords and retaining local authorities were less positive about the Programme's value for money. This may be because they were expected to meet the Decent Homes Standard from their own resources.

Establishing the Decent Homes programme

4 The Department gave a good strategic lead to the Programme, but there were concerns about the deadline of 2010:

- Seventy six per cent of local authorities and 86 per cent of Registered Social Landlords and ALMOs considered that the policy objectives for the Programme were clear and easy to understand.
- Sixty three per cent of local authorities and 77 per cent of Registered Social Landlords and ALMOs considered that the Programme's targets were clear and consistent.
- Forty eight per cent of local authorities and 37 per cent Registered Social Landlords and ALMOs considered that the 2010 deadline for reaching the Programme targets was unrealistic. About 45 per cent of ALMOs and retaining local authorities considered the deadline to be unrealistic compared to 30 per cent of Registered Social Landlords.

5 The most important factors behind local authorities' choice of route for delivering Decent Homes in the social housing sector was that the chosen option was their tenants' preference and the most likely to deliver the required improvements to homes. The wish to separate strategic and delivery housing functions was not a great factor in their choice – only 28 per cent of local authorities cited this as an important factor.

The Decent Homes Standard

6 Roughly half of all respondents considered that the Decent Homes Standard was set at an appropriate level, while about 40 per cent felt that it had been set too low. While 60 per cent of ALMOs thought that the Standard had been set at too low a level, the majority of retaining local authorities and of both traditional and stock transfer Registered Social Landlords considered that the Standard had been set at an appropriate level. This may be because traditional Registered Social Landlords and retaining local authorities were expected to meet the Decent Homes Standard from their own resources.

7 Half of retaining local authorities adopted a standard which was similar to the Decent Homes Standard. In comparison, the other delivery routes were more likely to implement a standard that was a little higher than this, while 41 per cent of stock transfer Registered Social Landlords stated that they had implemented standards which were much higher.

8 The top three areas where the standard was higher included:

- Higher standards of refurbishment generally (48 per cent of respondents cited this);
- Energy efficiency (20 per cent); and
- Safety/security features (10 per cent).

9 Opinion on the clarity of the definition of the Decent Homes Standard was evenly divided, but about a third both of local authorities and of Registered Social Landlords and ALMOs considered that the Standard was not clear and easy to understand. Respondents were fairly non-committal about the Department's consultation on the contents of the Standard, with only 34 per cent of local authorities and 29 per cent of Registered Social Landlords and ALMOs expressing satisfaction with this.

Role of Central Government

10 Respondents were fairly satisfied with the role of central government:

- Local authorities were fairly satisfied with the guidance produced by the Department for the various stages of the process over social housing and with the level of support provided by the Department and the Government Offices.
- ALMOs were more positive about the support they received from central government, with 56 per cent expressing satisfaction with the Department, compared to only 25 per cent to 33 per cent for other delivery options.

- Very few respondents identified the sort of additional support that would have been useful. The greatest area where additional support was thought to be necessary was in the area of greater clarity of guidance. However, this was mentioned by only six per cent of respondents.
- Thirty per cent of local authorities and 36 per cent of Registered Social Landlords and ALMOs felt that the Department's relationship with them was too remote. More respondents neither agreed or disagreed with this statement.
- ALMOs were more likely to consider the relationship not to be too remote than other delivery bodies.
- Respondents felt that the level of monitoring information required of them was reasonable, although retaining local authorities were the least content, with 23 per cent not agreeing that the amount of information required was reasonable.

11 Opinions were evenly divided over how proactive the Department had been in providing feedback on performance and in identifying and disseminating good practice. About 30 per cent of respondents felt that the Department had not provided sufficient feedback and roughly a quarter disagreed that it had been proactive in spreading good practice.

Programme delivery – Social Housing

12 The innovative procurement method most extensively used was partnering, with 62 per cent of respondents on average using this, with usage varying between 60 per cent to 79 per cent for different delivery routes. Usage was most common among those bodies specifically set up to deal with Decent Homes – ALMOs (79 per cent) and stock transfer Registered Social Landlords (76 per cent).

13 With regard to other procurement methods:

- Framework agreements were widely used, by 31 per cent of respondents. Usage was most common among ALMOs (50 per cent).
- Twenty three per cent of respondent used procurement consortia, with usage being least common among retaining local authorities (11 per cent of respondents).
- There had been very low levels of usage of benchmarking clubs. Only eight per cent of respondents said that they used these, although usage was higher among ALMOs (21 per cent).

14 Few respondents took a whole-house approach to carrying out refurbishment work. More common was an elemental approach or a mixed approach which combined whole house with elemental.

	Whole house (%)	Mixed (%)	Elemental (%)
ALMOs	21	39	34
Traditional Registered Social Landlords	7	41	48
Transfer Registered Social Landlords	13	39	46
Retaining local authorities	4	49	47

15 The main barriers Registered Social Landlords, ALMOs and retaining local authorities faced in delivering Decent Homes were:

- Funding (59 per cent of respondents cited this);
- Gaining access to properties (36 per cent); and
- Stock condition data (17 per cent).

16 Funding was the top problem for all but stock transfer Registered Social Landlords for whom it was the second top with only 25 per cent mentioning this. Retaining local authorities (69 per cent) and traditional Registered Social Landlords (68 per cent) found it a problem as they funded the work themselves, while ALMOs (55 per cent) presumably faced problems because their funding was guaranteed for only two years at a time and the Department's budgeting problems caused changes to the scheduling of the extra funding they received.

17 The top three areas of good practice identified in delivering Decent Homes were:

- Community engagement (23 per cent of respondents cited this; 47 per cent of ALMOs, compared to 17 per cent of traditional Registered Social Landlords and nine per cent of retaining local authorities);
- Innovative procurement of contractors (17 per cent); and
- Planning techniques (16 per cent).

Programme delivery – Private Housing

18 The most common methods used to improve decency in private housing were grants and advice. These played a major role according to 62 per cent and 57 per cent of local authorities respectively. In comparison, 34 per cent of respondents made no use of loans, despite the Department's aim for local authorities to switch from giving grants to making loans. The reasons for this preference on the part of local authorities was that grants and advice were considered to be more effective and to offer good value for money, compared to loans.

Benefits of the programme

19 The five main benefits of the Programme identified by all types of respondent were:

- Improved homes (44 per cent of respondents cited this);
- The establishment of a clear and consistent standard for the maintenance of the housing stock (41 per cent);
- Tenant satisfaction and engagement (31 per cent);
- A focus on management and planning (26 per cent); and
- Improved energy efficiency (13 per cent).

20 The top three wider benefits of the Programme identified by respondents were:

- Employment and training opportunities (30 per cent of respondents cited this);
- Community spirit and resident involvement (26 per cent); and
- Benefits to the local economy (eight per cent).

21 Registered Social Landlords and ALMOs were much more positive about the wider benefits of the Programme than retaining local authorities, and ALMOs were much more likely than other delivery routes to cite examples of wider benefits:

- Sixty eight per cent of ALMOs cited the employment and training opportunities created, compared to 21 per cent of traditional and 46 per cent of stock transfer Registered Social Landlords; and
- Fifty eight per cent of ALMOs cited community spirit and resident involvement, compared to 16 to 21 per cent for other delivery options.

Post-2010

22 The most common changes sought for any programme after 2010 were:

- Funding – 23 per cent of all respondents cited this, with it being a particular concern for retaining local authorities (22 per cent) and ALMOs (45 per cent);
- Works to communal areas and the wider estate (20 per cent);
- Energy efficiency (18 per cent); and
- A higher condition standard generally (12 per cent).