THE SCOTTISH HOUSING REGULATOR

The Moray Council Inspection Report
January 2009

Contents

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*.

How we assessed performance

1.2   Our inspectors asked two key questions:

- How well is The Moray Council delivering its services?
- Is The Moray Council managed for improvement?

1.3   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.

1.4   We have awarded grades for the housing management, asset management and delivery of repairs and homelessness services. The grades and judgements are based on evidence. The grades summarise performance in the following ways:

- Grade A = Excellent
- Grade B = Good
- Grade C = Fair
- Grade D = Poor

1.5   When we provide a summarised assessment and award a grade, we take various factors into account. These factors are:

- outcomes for service users;

- how far the service or organisation meets Performance Standards;

- performance against key indicators in comparison with others;

- compliance with legislation;

- how good the leadership and accountability are;

- how far good practice is followed;

- the organisation's level of self-awareness;

- how well value for money is being achieved;

- local context and legitimate local priorities; and

- commitment to, and track record of, improvement.

The inspection team

1.6   The inspection team was led by John Jenkins (Inspection Manager) and included Joyce Stewart, Scott Crossley, Robbie Fraser and Tom Burns, (Inspectors), Carolynne Watson (Inspection Officer), with Therese Mullen and Bill Chapman (Tenant Assessors). We were on site between 22 September and 10 October 2008. We would like to thank everyone involved in the inspection, particularly the councillors, staff, service users and tenants for their time and co-operation.

Responding to this inspection

1.7   We expect all inspected bodies to make the inspection grades and 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 grades and overview

In this section we set out our overall assessment of The Moray Council's performance, including inspection grades and we summarise our inspection findings.

Grades

2.1   The inspection of the Moray Council's housing service took place between 22 September and 10 October 2008. We awarded the following grades:

> **The Moray Council** has achieved an **A** grade for housing management. This is an excellent performance.

> **The Moray Council** has achieved a **B** grade for asset management and repairs. This is a good performance.

> **The Moray Council** has achieved a **C** grade for services to homeless people. This is a fair performance.

How well is The Moray Council delivering its services?

2.2   Our assessment is that The Moray Council's housing service has some strengths in the delivery of its services.

In housing management:
- it makes it easy for people to apply for its houses;
- it is meeting housing need through its allocations;
- it provides prospective and new tenants with an excellent range of information;
- it has an excellent approach to dealing with antisocial behaviour;
- it carries out annual inspections of its estates and agrees local action plans;
- it has low levels of rent arrears among its current and former tenants; and
- it lets its houses quickly and to a good standard.

In asset management and repairs:
- its houses and estates are in a good condition;
- it has a strategic approach to asset management;
- it has a comprehensive and regularly reviewed Business Plan;

- it has good investment planning processes; and
- it generally carries out repairs within its challenging target timescales.

In delivering services for homeless people:
- it has an excellent homeless assessment process;
- it provides well targeted information and advice during homeless interviews;
- it has good tenancy sustainment; and
- it has good procedures around evictions.

2.3   The Council does, however, have a number of weaknesses in the delivery of its services and some are significant.

In asset management and repairs:
- it is not fully meeting its statutory duties on Right to Repair;
- it is not gathering enough feedback from tenants and service users;
- it is not accurately recording its performance in carrying out responsive repairs; and
- it has not fully met the commitments and timescales contained in its Partnership Agreement around demonstrating value for money.

In delivering services for homeless people:
- it does not have good information on how people access the service:
- it does not have referral protocols in place;
- it has not always provided temporary accommodation when this is required;
- it relies heavily on bed and breakfast accommodation, some of which is poor quality;
- it does not manage its temporary accommodation well; and
- it takes a long time to secure permanent accommodation for homeless people.

Is The Moray Council managed for improvement?

2.4   We found the Council had a comprehensive and well established strategic planning and performance management framework. Its awareness of its current performance is a strength and we saw examples of this leading to service improvement. The Council has a culture of continuous improvement and was

extremely responsive to feedback during our inspection, immediately making a number of early improvements to its procedures.

2.5   The Council has a good and well developed framework for tenant participation and we saw a number of examples of tenant involvement in its processes. While the Council has given a high profile to Equalities issues corporately, this is an area that is still developing within the Housing Service. The Council has a good approach to business planning and has a good awareness and understanding of the costs and revenues associated with its operations. In light of the good condition of its houses and estates, its low rents and good levels of service provision, we consider that tenants in Moray are receiving good value for money.

Key recommendations

2.6   Our inspection report covers a wide range of issues. The Moray Council must respond effectively to them. These are our most important recommendations.

Across all of its landlord and homelessness activities the Council should:
- gather more feedback from its tenants and service users and act upon it;
- improve the information gathered around applicants' ethnicity; and
- ensure that it complies with its statutory responsibilities regarding equalities impact assessments.

In housing management the Council should:
- further develop its performance management framework for antisocial behaviour.

In asset management and repairs the Council should:
- accurately record its performance in carrying out responsive repairs;
- improve its performance in identifying Right to Repair qualifying repairs; and
- improve its administration of its agreements with contractors to ensure that it can demonstrate that they represent value for money.

In delivering services for homeless people the Council should:
- put in place homeless referral protocols and monitor them;
- ensure that homeless posters and leaflets remains displayed in places that homeless people may see them;

- provide homeless applicants with temporary accommodation when this is required;

- reduce its reliance on bed & breakfast accommodation; and

- improve its management of temporary accommodation provision.

3.   Context

In this section we look at The Moray Council as an organisation and the context it which it operates.

About the organisation

3.1   The Moray Council is Scotland's eighth largest local authority area, covering 2,238 square kilometres. The population of The Moray Council area, based on the 2001 Census, is one of Scotland's lowest, at approximately 88,120. It has one of Scotland's lowest population densities at 39 people per square kilometre. Around a quarter of Moray's population live in the area's main settlement of Elgin and a further quarter are based in the three larger settlements of Forres, Lossiemouth and Keith. The remainder of the population are dispersed across the area's rural and outlying settlements.

3.2   The Moray Council borders the local authority areas of Highland and Aberdeenshire. The area is relatively well served by public transport links. Two major military bases, RAF Lossiemouth and RAF Kinloss are located in Moray and have been consistently identified as significant influences on the rate of population change in the area; the Council's Local Housing Strategy indicates that around 90 individuals per year leave the RAF and settle permanently in the local area.

3.3   Following the local government elections in May 2007 and a by-election in February 2008, The Moray Council is led by an Independent and Conservative coalition. The Council has 26 elected members, consisting of:
- 11 Independent;
- 10 Scottish National Party;
- 3 Scottish Conservatives;
- 2 Scottish Labour.

3.4   The Council's present committee structure has been in place since March 2008. Eight committees currently operate - Communities, Children & Young People, Health & Social Care, Policy & Resources, Licensing, Planning & Regulatory Services, Audit and Performance Review and Economic Development and

Infrastructure. Housing and homelessness functions fall within the remit of the Communities Committee.

3.5   In August 2007, the Council established a Housing Sub committee which comprises elected members, as well as six non-voting tenant representatives drawn from the Moray Core Tenant Group. The Communities Committee retains budgetary powers and overall strategic control of housing issues. The Sub committee's remit relates mainly to the Council's landlord functions, however members may also be asked to comment on strategic housing issues.

3.6   The Council's Housing Service operates within its Community Services directorate. It delivers its housing services through four area offices located in Elgin, Buckie, Keith and Forres. Some area offices also provide access to other Council services. Weekly housing surgeries are also held in a number of outlying rural areas. The Council's Homelessness Service is based in Elgin.

About its current and future tenants

3.7   Since the early 1990s, the population of The Moray Council area has increased by almost 4%. General Register Office for Scotland mid-year estimates indicate that the population of the area will remain relatively steady over the next decade, with an estimated population of 87,293 by 2018. In this period, the proportion of children and young people in the area is projected to decrease, whilst the proportion of elderly residents is projected to increase substantially. These trends are likely to have a significant impact on the housing services which will be required in Moray in the future.

3.8   Moray's age profile is similar to the overall Scottish picture, with 18% of both populations made up of children. The proportion of people of working age is slightly lower in Moray at 61%, compared to the national figure of 63%. 21% of Moray's population are pensioners, compared to 19% of the overall Scottish population.

3.9   Scottish labour market statistics, published in 2003 and modified in April 2008, indicate that unemployment levels in The Moray Council area are 2.0%. This figure is slightly lower than the Scottish average of 2.5%. The primary industry of employment in Moray is the service sector, with 73.8% of the working population

employed in the sector. This figure is lower than the Scottish figure of 81.6%.
Moray has a comparatively strong manufacturing base, reflecting the high
number of whisky distilleries and food processing plants in the area. 15.0% of the
working population in Moray is employed in the manufacturing sector, as
compared to 9.4% in Scotland as a whole. RAF Lossiemouth and RAF Kinloss
are significant local employers, accounting for around 21% of employment in the
area, both directly and indirectly.

3.10   The gross average weekly earnings of residents in Moray are £377.30, which is
considerably below the Scottish average of £441.00. In 2007/08, 37.0% of the
Moray Council's tenants received full housing benefit whilst a further 12.6%
received partial housing benefit.

3.11   General Register Office for Scotland figures based on the 2001 Census indicate
that 80.5% of people in the Moray area are of a White Scottish ethnic
background. This is significantly lower than the Scottish figure of 88.1%. 16.8%
of residents in the area are of another White British ethnic background, which is
considerably higher than the national figure of 7.4%. The Moray area has
recently experienced an influx of migrant workers from mainland Europe, in
particular from Poland and Portugal.

3.12   The Moray area is currently experiencing a shortage of affordable housing. In
2007/08, the Council owned 5,917 properties and had 2,952 applicants on its
housing list at 31 March 2008. The lack of affordable housing is particularly
acute in larger settlements.

About its housing stock

3.13   The tenure profile of The Moray Council area varies from the national picture.
The 2001 Census figures indicate that social renting accounts for 22.1% of
housing in the area, compared to 27.2% in Scotland as a whole. Of this, local
authority housing makes up 18.3%, as compared to 21.6% nationally. Owner
occupation is slightly more prevalent in the Moray area than in Scotland as a
whole; 63.3% of housing in Moray is owner occupied, compared to 62.6%
nationally. The volume of private renting in Moray is considerably higher than the
national average, at 10.7% and 6.7% respectively.

3.14   In 1998, the Council owned 7,575 properties; in the decade to 2008, this has
        reduced to 5,917, largely reflecting the impact of the Right to Buy legislation and
        a very small number of demolitions. The Council has a comparatively low
        turnover rate in its housing: 6.1% in 2006/07, significantly lower than the Scottish
        figure of 9.5%.

3.15   Figures from the 2001 Census indicate that holiday homes account for around
        2.3% of the total housing stock in the Moray area. This figure is higher than the
        Scottish average of 1.3%. The Council's Local Housing Strategy (LHS) also
        highlights additional pressures for housing in Moray as a result of the presence of
        the two RAF bases, with around 1,650 households connected to the RAF either
        owning or privately renting property in the area.

3.16   The Council has taken a number of steps to address the shortage of housing in
        the area. In March 2006, it applied for and was awarded Pressured Area Status
        for Elgin, Lossiemouth and Forres rural areas, suspending the Right to Buy in
        these locations. The Council has also built an affordable housing policy into its
        Local Plan and has set a target of 20% of all new developments over 10 units in
        the area to contain affordable housing for rent. The Council is currently
        reviewing this figure in light of the Planning Policy consultative draft issued in
        January 2008.

3.17   The majority of the Council's properties are houses, comprising 77% of the
        Council's stock. The rest of the Council's stock is made up primarily of four-in-a-
        block flatted properties and a small number of tenement flats. The vast majority
        of the Council's stock is of traditional construction, with only around 11% of
        properties of non-traditional construction.

3.18   The Moray Council's Local Housing Strategy (LHS) highlights distinctive housing
        markets within the Moray area and notes that house prices vary markedly
        between settlements. Elgin experiences the highest level of demand for housing,
        as well as the highest house prices at an average of around £141,000 to date in
        2008. By contrast, house prices are significantly lower in some of Moray's
        outlying rural areas, with an average house price of around £110,000 in both
        Buckie and Rothes.

3.19   Over the last ten years a number of major flooding incidents affected a number of areas within Moray. The Council has put in place flood alleviation measures to reduce the risk of flooding in the areas affected and also provide a number of its houses with flood guards where there is still a risk of flooding occurring. The Council has put in place a flood alert system.

3.20   The table below presents a summary of key information for The Moray Council, showing trends over the last three financial years.

Key facts	2005/06	2006/07	2007/08
Houses owned	6173	6044	5917
No. of applicants on housing list as at 31 March	3070	2830	2952
Employees	118.23	119.67	123.17
HRA Gross Capital Expenditure (incl. Capital Funded from Revenue (CFCR)	£4.2m	£3.8m	£3.8m
Total possible rental income (£)	£11.6m	£11.6m	£11.8m
% of Rental income from Housing Benefit (HB)	46%	46.1%	46%
% of tenants in receipt of HB	48.6%	48.6%	49.6%
% of rent arrears	3.9%	3.1%	2.89%
Average weekly rent	£35.54	£36.78	£38.07
Average rent increase	3.5%	3.5%	3.5%
Houses re-let	318	339	353
Response repairs carried out	16180	15731	14998
Maintenance spend per house incl. cost of service	£1030	£1207	£1416
No. of homeless applications	1126	804	860

Sources: The Moray Council's inspection submission and Scottish Government Statistical Bulletins

4.   How well is The Moray Council delivering housing management?

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

Grade

> The Moray Council has achieved an **A** grade for housing management. This is an **Excellent** performance.

4.1   Our assessment is that the Moray Council's housing management service has major strengths and only a few areas for improvement. It has few weaknesses or barriers to improvement and these do not directly affect service users. The Council has an excellent level of self-awareness and was highly responsive to our feedback during the inspection. It has implemented a number of improvements in its housing management service while we were on site and this is a factor in our grade assessment.

4.2   The Council makes it easy for people to apply for housing. It meets housing need through its allocations and is working with partners to improve the outcomes for applicants. The Council makes available an excellent range of information for prospective tenants. Its neighbourhoods are generally in good condition. It has a good approach to how it deals with antisocial behaviour and supports tenancies. It has low levels of both current and former tenant arrears. It lets its houses quickly and to a high standard.

4.3   The Council has only a few areas for improvement, none of which are significant. When we raised these with the Council, it took immediate action.

Tenant satisfaction

4.4   The Council's 2007 tenant satisfaction survey found that:

- 72% of respondents were satisfied or very satisfied with their rent levels; and
- 79% were fairly satisfied or very satisfied with the Council as a landlord.

Access to housing

4.5   The Council promotes access to its housing list through posters and leaflets
        displayed in its offices and the premises of other local housing providers. Its
        website includes information and an application form to download in Polish,
        Russian and Portuguese. It also makes its application form in these languages
        available in each of its offices along with details of how it assesses priority for
        housing.

4.6   The Council has a Housing Options Guide which it regularly reviews and
        updates, and makes available in its local offices and on its website. It contains
        useful information on applying for housing in the Moray area and on making a
        homeless application. It also provides full details of other housing providers in
        the area, details of the accommodation they provide, their turnover by area and
        the average rent charged by property size. The Council has also arranged a
        number of "Welcome to Moray" sessions for major local companies who employ
        large numbers of migrant workers and it has a useful "Welcome to Moray"
        booklet which is also available in a number of languages. This is a positive step
        to promote access to housing.

4.7   In November 2005, Aberdeenshire Council joined the Moray Council and its RSL
        partners to develop a Common Housing Register (CHR) to cover their joint area.
        This innovative approach has the potential to be simple and cost effective.
        Applicants will complete a common on-line application form, which is available in
        a range of languages, which all participating landlords will use with their own
        allocations policies. The Council advised us that the participating landlords are
        proposing to launch the CHR in April 2009.

4.8   The Council has a positive approach to using nominations to RSLs to increase
        housing access and choice for applicants. It has increased the percentage of
        successful nominations from 19.6% of all lets in 2004/05, to 45.9% of all lets in
        2007/08. During 2007/08, it nominated 85 people to its RSL partners and 99
        homeless people under Section 5; 62 and 92 respectively were successfully
        housed. The Council recognised that this process could be improved and in
        early 2008 met with RSLs operating in Moray to revise procedures which they

then introduced in June 2008. As part of the new agreement, the Council intends to improve recording and monitoring arrangements for nominations and referrals.

4.9   In February 2007 the Council introduced a new lettings survey, using a prize draw to encourage applicants and tenants to participate. Its Best Value Group – which includes two tenant representatives – monitors results quarterly and reports annually to the Housing Sub committee. Of tenants who responded 79.1% said that they found it easy or very easy to understand the information given to them by the Council when they applied for housing. We also saw evidence of the Council acting to improve its procedures in response to the survey feedback. Our tenant assessors also found the Council's allocation publications informative and helpful.

4.10   At March 2008, the Council had 2,952 applicants on its housing list, an increase of 4.1% on 2006/07. Moray has a target of 28 working days from receipt of all relevant information to process applications for housing. This is not a particularly challenging target, but the Council reported that it achieved this timescale for only 73% of applications in 2007/08. The Council recognised that it needed to improve this performance and in early 2008, it took steps to reduce the time taken to process applications for housing. As a result, it has significantly improved its reported performance from an average 37 days in April 2008 to 4 days in September 2008.

4.11   The Council operates an annual rolling review of the housing list. In 2007/08 it cancelled 1,266 applications, significantly down on 2006/07 when it cancelled 1,766 applications. We found that the Council cancels applications appropriately and in line with its policy.

4.12   The Council's allocations policy sets out its approach to suspending housing applicants for rent arrears, antisocial behaviour and breaches of tenancy conditions. In 2007/08 it had suspended 93 applicants from receiving offers, or 1.3% of those on its housing list, mostly for tenancy related debt. We found that the Council had suspended applicants appropriately and in line with its policy. The Council writes to each applicant it suspends to explain the effect of the suspension and the reasons for it. However, its letters included only limited

information on the date it would review the suspension, sources of independent advice and the right to appeal the decision. The Council acted immediately to improve its letters when we raised this with it during the inspection.

4.13   The Council collects some limited information on the ethnicity of people who apply to it for housing and its new tenants. The Council is proposing to address this weakness with the introduction of the CHR. At present, it does not use this limited information to help it plan future service delivery.

4.14   In summary, the Council's promotion of access to its houses is a strength. It produces an excellent range of information for prospective tenants. It has significantly improved its performance in processing applications and has a good approach to managing cancellations and suspended applicants.

Lettings

4.15   In 2007/08 the Council let 336 of its houses that had become empty, down from 364 in the previous year. The Council has assessed only a very small number of its houses as difficult to let, and these are mostly bedsit flats.

4.16   The Council introduced its present allocations policy following a consultation exercise in 2005. The Council let its houses to two groups of applicants – homeless and waiting list applicants and transfers applicants – to meet targets it sets following an annual review of its housing list and its allocation outcomes. In 2007/08, it let 83% of its empty houses to homeless (48%) and waiting list applicants (35%) against a target of 80% and 17% to transfer applicants, against a target of 20%.

4.17   The Council regularly monitors and reviews its lettings performance against its targets, and reports this to elected members quarterly. The Council carries out an annual review of its housing list and allocation outcomes and monitors the extent to which its policy gives reasonable preference to applicants in housing need.

4.18   Following its most recent annual review, the Council revised its allocation policy to introduce three separate allocation groups; homeless, waiting list and transfer

applicants. It also set its letting targets for 2008/09 at 60% for homeless, 30% for waiting list and 10% for transfers.

4.19   We saw that the Council allocates its houses consistently and in accordance with its policy and that it takes account of the statutory housing need categories. However, we found that the Council does not always maintain comprehensive and clear records of its allocation decisions. When we raised this during the inspection it acted immediately to address this weakness.

4.20   The Council gives applicants a good level of choice in house type, form of heating and location. It also lets applicants specify particular streets they do not wish to be considered for, and has a flexible approach to dealing with overcrowding which helps it maximise the use of its stock and eases the situation of overcrowded applicants. We saw that the Council housed the majority of applicants in areas they had selected as their first choice.

4.21   The Council's policy of suspending applicants after refusing two reasonable offers of housing is restrictive. We did see that its staff work to minimise the impact of this on applicants by contacting them to discuss potential offers before formally advising them of them.

4.22   In summary, the Council is good at meeting housing need through its allocations. It monitors the outcomes of its allocations and manages the process well. It acted promptly to address weaknesses we identified around the management of lettings decisions.

Tenancies and neighbourhood management

4.23   The provision of good information and access to support are important ways in which a landlord can help to manage and sustain tenancies. The Council provides a comprehensive range of information to its tenants through its tenants' handbook, regular newsletter, a wide range of leaflets and through its website. Our tenant assessors found the Council's information to be helpful and informative. The Council is currently reviewing its tenants' handbook.

4.24   The Council supports new and vulnerable tenants to sustain their tenancies and prevent homelessness in a number of ways. It uses a comprehensive tenancy

sign-up process to give a range of good quality information for new tenants, together with a named housing officer as their key contact. The Council aims to visit new tenants within six weeks of their tenancy starting. It monitors its performance against this target and analyses outcomes from the visits for any emerging problems. During 2007/08, the Council carried out 86% of its settling-in visits within its target timescale. It also visits new tenants it has identified as potentially vulnerable earlier than its six week target. The Council's Estate Caretakers also visit all new tenants to introduce themselves and advise tenants of the services they provide. The Council's new lettings survey also gathers feedback from tenants on its tenancy sign-up process.

4.25   The Council promotes the services of the Save Cash and Reduce Fuel (SCARF) initiative at tenancy sign-ups and settling-in visits. SCARF provides free advice to local householders to help reduce fuel poverty.

4.26   The Council uses an effective range of measures to identify the support needs of new and existing tenants, and we saw it make appropriate referrals to a wide number of local projects to support tenants.

4.27   The Council has used the short Scottish Secure Tenancy (SSST) on a small number of occasions. It has granted five SSSTs in total: two to tenants with a history of antisocial behaviour; two to tenants with rent arrears who needed support following the Council getting a decree for repossession, and one to an incoming worker. We found that the Council's use of SSSTs is consistent with the circumstances permitted in legislation; however it does not always follow the correct process to set these up. The Council acted promptly to improve its processes following our feedback during the inspection.

4.28   The Council converted two SSSTs to full Scottish Secure Tenancies (SSTs) during 2007/08. Following a recent review of its policy, the Council is also planning to increase its use of SSSTs for people it has evicted for arrears, who need support and it plans to allow remaining in their home.

4.29   In 2006/07, 6.1 % of the Council's tenancies were terminated, much lower than the national figure of 9.5%. The Council's tenancy terminations decreased slightly in 2007/08 to 5.9%. The Council gives tenants a helpful tenancy

termination leaflet when they give notice. From September 2007, the Council has collected feedback on the reasons its tenants terminate their tenancies. The Council also measures tenancy sustainment and reports that the percentage of tenants still in their homes six months after their tenancy starting increased slightly from 96.4% in 2006/07 to 97.2% in 2007/08. In 2007/08, only four, or less than 0.1% of its tenants, abandoned their tenancies.

4.30   In 2007/08, the Council issued 455 Notice of Proceedings for Possession (NOPs), of which 450 were for rent arrears and 5 were for antisocial behaviour. This is down on the previous year, when it issued 465 NOPs. The Council evicted 25 of its tenants in 2007/08, up from 17 in 2006/07. In 2006/07, the Council recovered vacant possession of just under 0.3% of its tenancies, which is marginally less than the national figure. In 2007/08, it increased its use of eviction to nearly 0.4%. It presents quarterly reports to its Housing Sub committee with details of the numbers of and reasons for evictions.

4.31   When the Council is making a decision to evict a tenant, its homeless officers and housing management staff co-operate in a comprehensive assessment of the circumstances of the tenant. It uses this assessment to decide on whether to proceed to eviction. The Council recently reviewed its procedures for taking court action and has brought forward the completion of this assessment to before it requests a date for a court hearing.

4.32   The Council gives a helpful and comprehensive booklet on the eviction process to all tenants who are threatened with eviction. This outlines the Council's eviction procedures and the various stages of the legal process, as well as signposting tenants to sources of independent advice. It also makes the booklet available on the Council's website.

4.33   We found that the Council routinely signs up tenants to a new SST where it has been granted a repossession order but it has made a decision not to recover vacant possession. This is a positive step to maximise security of tenure.

4.34   The Antisocial Behaviour etc. (Scotland) Act 2004, places a duty upon Local Authorities and Chief Constables to prepare a joint antisocial behaviour strategy.

The Moray Council's strategy, published in 2005, sets out a multi-agency approach to responding to incidents of antisocial behaviour (ASB). The strategy also outlines the arrangements for monitoring and evaluation to be undertaken by the Council and its partners. The Council has recently reviewed its antisocial behaviour policy and has an information booklet for householders which set out its procedures. Both documents are available on the Council's website.

4.35   The Council works with partners at a strategic and operational level to manage and address ASB. The Council's local antisocial behaviour groups include representatives from Grampian Police, Victim Support, local RSLs and community wardens. It agreed an information sharing protocol with Grampian Police in April 2006. The Council's partner agencies told us they are very satisfied with the Council's approach to partnership working in the management of ASB.

4.36   The Council's housing staff in each of its area offices act as the first point of contact for people reporting antisocial behaviour. Its antisocial behaviour unit supports local officers in more complex cases. The Council categorises complaints on a four point scale and it reports the volume of complaints within each category quarterly to the Housing Sub committee. However, it does not monitor or report the outcomes from complaints or service user feedback. The Council is aware of this weakness and told us that it plans to further develop its performance management framework for ASB to address this. The Council refer cases to mediation services provided by SACRO, and the outcomes are monitored by the partnership Mediation Advisory Group which is chaired by the Council's antisocial behaviour co-ordinator.

4.37   The Council has received relatively few complaints about serious antisocial behaviour. In 2007/08, it received 216 complaints of ASB or neighbour nuisance in total and it referred 29 to the mediation service. The Council has obtained three Antisocial Behaviour Orders (ASBOs) during the last three years.

4.38   The Council has clear procedures for its management of ASB and it maintains good records of the actions it takes to address ASB complaints. We also saw that it maintains good levels of contact with people affected by antisocial

behaviour. We found that the Council dealt with most cases of ASB appropriately and timeously.

4.39   The Council has a team of estate caretakers who regularly visit all the neighbourhoods covered by each of its local offices, but also target some areas it has identified for additional visits.

4.40   The Council has a comprehensive set of polices and procedures for the management of its estates. It sets out the standards it expects its estates to reach in its Estate Management Policy. The Council regularly monitors the condition of its estates. It also has a comprehensive management framework and improvement planning process to assist staff carrying out regular estate management inspections. Through these inspections it identifies and records areas of concern and potential improvements. It asks local community police officers and community wardens to comment on the estate it should inspect, although it does not actively engage local residents, tenants groups or elected members in these inspections.

4.41   The majority of the Council's estates are in excellent condition. The Council's survey of its tenants in 2007 asked respondents to indicate the three "best things" about their home, any common areas and their local neighbours and neighbourhoods. The three most commonly mentioned "best things" were related to neighbours and local neighbourhoods rather than tenants' homes. Our tenant assessors commented favourably on the high standards across all the Council's estates they visited.

4.42   In summary, the Council provides a comprehensive range of information on tenancy and neighbourhood management. It is good at dealing with antisocial behaviour, sustaining tenancies and identifying the support needs of vulnerable tenants. It evicts a relatively low number of its tenants and manages post-decree occupancy well. The Council also manages its neighbourhoods well.

Income maximisation

4.43   Following an extensive tenant consultation, the Council revised its cash collection procedures and from May 2008 provides tenants with a wide range of rent

payment options at a number of locations. The table below summarises the
Council's performance in collecting rent.

	2005/06		2006/07		2007/08*
	Council	National	Council	National	Council
Current tenant arrears as % of net rent due	3.9%	7.0%	3.1%	6.7%	2.9%
% of current tenants in serious arrears	1.7%	4.5%	1.2%	4.4%	1.2%
Total former tenant arrears (£)	127,251	n/a	145,636	n/a	165,881
Rent arrears written off (£)	n/a	n/a	44,048	n/a	53,910

Source: Audit Scotland's published performance indicators & the Council's inspection submission
* March 2008 figures not yet reported or validated

4.44   The Council's published performance in collecting its tenants' rent is excellent
and it has consistently maintained its position in the three best performing
councils in Scotland. At the time of our inspection, its level of arrears had risen
above the Council's target of 3.0%, but we saw that it had taken early action to
address this, including issuing a "please pay early" leaflet to its tenants, early
evening telephone calls and tea time visits to tenants in rent arrears.

4.45   The Council has been successful in preventing new tenants getting into rent
arrears, and we saw it refer tenants in rent arrears to local advice and support
organisations. The proportion of Council tenants in serious arrears is well below
national figure of 4.4%. Again, for the last three years, Moray's performance is
ranked within the top three best performing local authorities.

4.46   At £322, Moray has the third lowest average debt owed by tenants leaving their
tenancies with rent arrears. The Council's total of former tenant rent arrears
increased to £165,881 in 2007/08. At the same time, it has improved its
collection rate to approximately 38% of the money it was owed by its former
tenants. The Council has recognised that its performance in recovering rent
arrears owed by former tenants could be further improved and is taking steps to
address this.

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

	2005/06		2006/07		2007/08*
	Council	**National**	**Council**	**National**	**Council***
Turnover (no. of new vacancies as % of total dwellings)	6.3%	9.3%	6.1%	9.5%	5.7%
Total no. of re-lets	371	n/a	364	n/a	336
% of dwellings that were not low demand re-let within 4 weeks	69.2%	44.2%	75.0%	47.7%	69.4%
Average time (days) to re-let houses that are not low demand	29	64	28	51	29
% of total annual rental due lost due to voids	0.6%	2.3%	0.5%	1.9%	0.5%

Source: Audit Scotland's published performance indicators and the Council's inspection submission
* March 2008 figures not yet reported or validated

4.48   In 2006/07 the Council lost 0.5% of its total rental income because of empty houses, well below the national figure of 1.9%. The Moray has performed consistently well over the last three years. While the number of houses it has let has reduced by nearly 10% over the last three years, it has reduced the amount of lost rental income by over 23%.

4.49   In 2006/07 the Council report that it took an average of 28 days to let empty houses which were not low demand; well below the national figure of 51 days. The Council has maintained this strong level of performance over 2007/08. We saw good examples of the Council acting quickly to let houses that have become empty. It monitors the small numbers of, and reasons for, refusals of offers of its housing and we saw evidence of it making improvements in response to this feedback.

4.50   In summary, the Council's performance in income maximisation is excellent and it has sustained this over the last three years. It lets its houses quickly and to a good standard.

5.   How well is The Moray Council managing its assets and delivering repairs?

In this section we set out our assessment the Council's performance in managing its housing assets and in delivering a repairs service for tenants.

Grade

> The Moray Council has achieved a **B** grade for asset management and repairs. This is a **good** performance.

5.1   Our assessment is that The Moray Council's performance in its asset management and repairs has a number of strengths, but set against these there are some weaknesses. The Council's houses are generally in good condition. It has a strategic approach to asset management, its good investment planning means it is well placed to achieve the SHQS before 2015 and it manages its statutory duties on asbestos well. It lets its houses to a good standard and generally carries out repairs quickly.

5.2   The Council is not fully meeting its statutory duties on Right to Repair. The Council is aware that it needs to gather more feedback from tenants to help it improve the service. The Council showed a strong willingness to improve during our inspection, and we saw it quickly respond to our feedback. These are important factors in our grade assessment.

Tenant satisfaction

5.3   The Council's 2007 tenant satisfaction survey showed that:

- 82% of tenants were satisfied the overall repairs service; and
- 58% of tenants were satisfied and 20% dissatisfied with the Council's programme for improving its houses.

Asset management strategy and planning

5.4   The Moray Council has a good strategic approach to managing its housing assets. It has agreed a Corporate Asset Management Strategy, and while it does not at present have a detailed housing asset management strategy document, it has the component elements in a number of different documents. The Council links its agreed corporate objectives with its Single Outcome

Agreement (SOA), Local Housing Strategy (LHS), Strategic Housing Investment Plan, Investment Strategy and its delivery plan for the Scottish Housing Quality Standard. The Council's Community Services' Service Development and Improvement Plan also includes a number of aims and objectives relevant to the management of its housing assets.

5.5   The Council has a good understanding of current and future needs and demand for its housing stock. It is confident that its current houses are all sustainable and it has no areas of low demand, other than 28 of its smaller properties, mainly bedsits. In its housing needs studies carried out in 2001 and 2007, the Council identify that current and future needs and demand outweighed the available supply of affordable housing for rent in Moray. One of its key strategic aims is to address the shortfall in affordable housing, and it has responded by:

- getting Pressured Area Status granted to suspend Right to Buy in several of its areas where the demand for its houses is greatest;

- making best use of its own houses, for example, by giving additional points to tenants moving from houses suitable for adaptation;

- using its planning powers to incorporate an element of affordable housing in all new proposed housing developments;

- working well with local Registered Social Landlords (RSLs) to secure sites and development opportunities for the construction of affordable housing; and

- commissioning consultants to look into the feasibility of the Council building new houses for rent on sites it owns.

5.6   In 2004, the Council commissioned research into the housing needs of older people in Moray. This work identified shortfalls in suitable houses for older people and the Council incorporated this in its LHS. We saw evidence of the Council working with RSL partners to develop new housing designed for the elderly and allocating increasing levels of resources to carry out adaptations to its own housing stock.

5.7   The Council has a good understanding of the condition of its existing houses. It carried out sample stock condition surveys in 1997 and 2005. The Council routinely updates this information and has added to it as it delivers its investment programmes. At present the Council holds stock condition information on around

73% of its houses and continues to reduce its reliance upon cloned information. It holds its stock condition information in a number of databases, but uses this effectively in the planning of its investment programmes. The Council is presently investigating the feasibility of consolidating its stock condition information on one database, and interfacing this with its existing ICT system.

5.8   In 2002 the Council commissioned a detailed structural survey by consultant engineers on all of its house types with non-traditional construction. The Council acknowledged that for one house type, it has not followed the engineers' recommendations to do regular inspections of specified elements. The Council immediately advised us that it would be introducing the cycle of inspections recommended by its consultants.

5.9   In 2001 the Council carried out a comprehensive option appraisal on the future of its housing stock. Through this the Council confirmed its ability to retain, improve and maintain its houses to The Moray Housing Standard, while keeping rents for its tenants at affordable levels. The Council developed a Housing Business Plan using this information and has this annually updated by independent consultants to reflect improvements made to the Council's houses, new stock condition information and reviewed planning assumptions. In this way, the Council demonstrates a strong approach to planning for the future of its housing assets.

5.10   Scottish Ministers have set a target that all social landlords' houses should meet the Scottish Housing Quality Standard (SHQS) by 2015. The Moray Council submitted its Standard Delivery Plan (SDP) in 2005 and Communities Scotland accepted the plan. In advance of the SHQS, the Council had developed, in consultation with its tenants, The Moray Housing Standard (TMHS), which goes beyond the SHQS. It reviewed TMHS in 2007, again in consultation with its tenants.

5.11   Achievement of the SHQS features prominently in the Council's strategic planning documents, with specific references in both the SOA and the Housing Service Improvement Plan. The Council regularly monitors and reports quarterly to elected members, the number of its properties achieving the SHQS and TMHS.

5.12   The Council carries out an annual risk assessment and scenario planning around its delivery of the SHQS and TMHS and incorporates this in its Housing Business Plan. It remains confident that it will achieve the SHQS and TMHS before the Ministerial target of 2015. The Council is presently piloting thermal insulation upgrading works to some of its houses with non-traditional forms of construction.

5.13   The Council is good at planning investment works, both planned and cyclical. Its investment programmes clearly include the work it requires to do to meet the SHQS. The Council has engaged with its tenants to identify the priorities for the investment programme and also in the development and review of TMHS. It provides tenants with details of its approved investment programmes in its half yearly tenant newsletter.

5.14   The Council is aware that to meet the SHQS it will need to engage with owners and encourage them to participate in common works. The Council has already successfully encouraged the majority of owners to contribute to the installation of door entry systems to common closes of tenement flats.

5.15   The table below summarises details of the Council's projected and actual progress to date on bringing its properties up to the SHQS.

	Estimated Projection								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total stock	6045	5917	5797	5681	5573	5470	5372	5282	5198
No. of dwellings meeting SHQS	3136	3673	4210	4747	5284	5470	5372	5282	5198
% stock meeting SHQS	52%	62%	73%	84%	95%	100%	100%	100%	100%
No. dwellings planned to bring up to SHQS	537	537	537	537	186	0	0	0	0
Actual No. dwellings brought up to SHQS	793								

Source: Inspection Submission

5.16   The Council significantly exceeded its planned target of bringing 537 of its properties up to the SHQS in 2007. The Council is confident all its properties will meet the SHQS by 2012, well before the target of 2015.

5.17   The Council reacted positively to the major flooding incidents which affected a number of its areas in 1997 and 2002. It is putting in place a number of flood alleviation measures and has also fitted flood guards to 247 of its houses that are at risk. The Council also has a flood alert system for its tenants and regularly updates a database with details of its vulnerable tenants whose homes maybe at risk.

5.18   In summary, The Moray Council has a good approach to the strategic management of its housing assets. It has a good understanding of needs and demand and is actively addressing the evident shortfall in the local supply of affordable housing. It has a good understanding of the condition of its stock and the Council is confident it will achieve the SHQS and The Moray Housing Standard for all its properties ahead of 2015.

Investment & home safety

5.19   The Moray Council has a good record of achieving its planned expenditure in its investment programmes. It spent £6.13m on planned, cyclical and major repairs works to its houses in 2006/07 and £6.69m in 2007/08. The Council's capital expenditure was £641 per house in 2007/08. This was significantly below the Scottish figure of £1373 and represented an increase on its previous year's figure of £628. This reflects the good condition of its houses currently. The Council has focused its investment programme on the need to achieve the SHQS and The Moray Housing Standard. The Council's current priorities include kitchen replacements, electrical upgrades, replacement heating systems and new doors and windows.

5.20   The Council has a good approach to involving its tenants in identifying strategic investment priorities and planning its proposed programme of investment works. The Council also consults its tenants on planned investment in their homes, including a range of choices on design and materials for new kitchens. It also

gives tenants vouchers for re-decoration following investment work, or in specified circumstances, the Council's contractor will carry out the re-decoration. It also helps tenants with a financial contribution towards the cost of re-instating floor coverings. This is a service user focussed approach.

5.21   The Council has acknowledged that it does not get sufficient feedback from its tenants who have investment work carried out to their homes. Its Housing Services does not ask tenants for their views following the completion of investment works, and while its Property Services does survey tenants, it has not analysed or reported the findings. As a result, the Council does not know if its tenants are satisfied with the specification, standard of the completed works or the performance of its contractor. The Council is now actively addressing this weakness.

5.22   The Council monitors its investment programme effectively and manages individual contracts well. It is confident that it will deliver its planned investment programme for the current year.

5.23   By law, The Moray Council must make safety checks every 12 months on all gas appliances and flues that it provides for its tenants. The table below summarises the Council's performance in carrying out gas safety checks.

	September 2008	
	No of houses	% of houses
Houses with gas appliances	4474*	-
Houses with current gas safety certificates	4466*	99.80%
Houses where safety check was carried out within 12 months of previous check	4411	98.76%
Houses where safety check was carried out up to one month after the due date	49	1.10%
Houses where safety check was carried out between one and three months after the due date	3	0.07%
Houses where safety check was carried out more than three months after the due date	3	0.07%

Source: Council's 2008/09 Q2 performance report.
 * These figures exclude 34 properties where the gas supply has been capped or drained down.

5.24   The Council is meeting its statutory duties on gas safety for the vast majority of its houses with gas. In recent years the Council has continuously reviewed its performance in this area and has introduced a number of improvements to its

processes. We saw that recent measures have further improved its performance in this area. It has excellent arrangements to inform tenants about the importance of gas safety checks and to arrange access for servicing. Where it does not get access, the Council has arrangements to force entry or to cap gas supplies to minimise risk. In houses where it considers future access may be a problem, the Council fits a mechanism to cut off the gas supply automatically when a scheduled safety check is overdue.

5.25   Gas servicing and repairs are carried out by the Council's Building Services and it has around 3% of its annual gas services audited by independent consultants. The Council has good systems in place to administer and monitor its performance in gas servicing. It reports its performance monthly to the Council's Gas Safety Group and quarterly to elected members.

5.26   The Council also carries out annual inspections on its oil fired and solid fuel heating systems and appliances. It also regularly carries out tests on the electrical installations in its houses.

5.27   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. The Moray Council produced its plan in February 2006 and it reviews it every two years. It has inspected its common areas and typical property types, has information on where asbestos containing material is likely to be found and records this information in its asbestos register, which it gives to its contractor. The Council has arrangements to keep information in the register up to date. It has arranged basic and enhanced asbestos awareness training for appropriate staff and ensures that all its contractors have similar arrangements. The Council's ICT system prompts staff to check its asbestos register when they order certain repairs, but it does not automatically identify where asbestos is known or thought to be present.

5.28   The Council revised its policy on letting houses in March 2008 following its annual review of its performance in managing empty houses and using feedback from its new tenant survey. It introduced a standard which its homes must meet when it lets them, and gives prospective tenants a simple but effective booklet

that clearly sets out the minimum standard they can expect. Very few of the Council's offers of housing are refused due to the condition. Under certain circumstances the Council will provide new tenants with decoration vouchers and will re-decorate properties for vulnerable tenants.

5.29   In summary, The Moray Council delivers its investment programme effectively and provides tenants with good information and assistance. The Council lets its houses to a good standard and lets prospective tenants know what they can expect. It has good arrangements to manage asbestos in its houses. The Council is meeting its statutory duties on gas safety for all but a small number of its houses with gas. It has good arrangements in place to manage this process.

Response repairs

5.30   The Moray Council's response repairs service is highly accessible. Its contact arrangements recognise the relative remoteness of some of its properties. It has recently developed a repairs booklet and on-screen diagrammatic displays in its offices – which it will soon include on its website – to help people with particular needs or with little technical understanding, accurately report repairs.

5.31   The Council uses its tenant surveys and repairs questionnaires to find out what tenants think about the repairs service. This includes how they prefer to report repairs, and shows that nearly all prefer to contact by telephone or by visits to local offices. In a survey in 2006, the Council found that 87% of tenants felt it was easy or very easy to request a repair. Tenants that we spoke to also thought that access to the repairs service was good.

5.32   The Council gives tenants good information on its response repairs service in a range of ways including its tenant handbook, website and newsletters. It recently issued all of its tenants with a booklet on the Right to Repair. At the time of our inspection, the Council was about to issue its first repairs handbook to its tenants.

5.33   The Council does not have a formal repair appointment system. It made appointments for only around 9% of all repairs in 2007/08 and this varies between its local offices. This is an increase on previous years. The Council is able to record and monitor when appointment repairs are carried out, but due to

ICT limitations, with the exception of gas safety checks, it cannot monitor its performance in meeting those appointments it does make.

5.34   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	Performance (%)			
		2005/06	2006/07	2007/08	National median
Emergency	2 hours	99.4	99.5	99.6	94.1
Urgent	1 working day	97.0	98.2	98.6	87.9
Routine	5 working days	93.8	96.2	97.8	89.1
Normal	20 working days	93.3	96.4	98.4	85.1
% of repairs due to be completed within 24 hours completed within target		99.4	99.5	99.6	93.9
% of all repairs completed in target		98.6	97.4	98.7	89.4

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

5.35   The Council has challenging targets for carrying out repairs. Its reported performance in meeting its targets has improved in each of the last three years and is significantly better than the national figure in all categories. However, we found weaknesses in the way the Council records its performance, including it measuring the time it takes to complete a repair from when it orders the repair not from when the tenant reports it – we estimate that it orders around 6% of repairs at least one day after the tenant reports it. The Council resolved some of the reporting errors during our inspection. These issues will have had some impact on the Council's reported performance.

5.36   The Council issues a receipt to tenants reporting repairs in its normal category, for qualifying repairs in its Right to Repair scheme and where it makes an appointment. Its receipt includes a form for tenants to provide feedback on their satisfaction with the competed repair. During our inspection the Council started to give tenants reporting routine repairs a receipt and feedback form. As a result, it now confirms around 65% of response repairs in writing and includes these in its feedback arrangements.

5.37   In 2007 the Council strengthened its procedures to deal with and publicise tenants' Right to Repair. Prior to that the Council effectively did not operate

Right to Repair. This is a significant weakness. It now gives tenants good information on the scheme. However, the Council continues to be poor at identifying repairs qualifying under Right to Repair and does not always tell tenants about their statutory rights when they report qualifying repairs. The Council's arrangements to monitor how well it is meeting the scheme requirements are underdeveloped.

5.38   Pre and post inspections are important ways of ensuring that repairs are carried out to a high standard and targeted accurately. The Council told us that it aims to minimise the number of repairs it pre-inspects to reduce the impact on repair times and make the best use of its staff resources. It does pre-inspect some repairs but has no target for the number of pre-inspections it will carry out or the timescale for inspection. The Council has identified that inaccuracies in the definition of ordered repairs contribute to the level of variations it needs to make to repair orders. It is reducing variations, but it varied 39% of orders in 2007/08. The Council has set a target to reduce variations to 20% of repairs in 2008/09 and anticipates that its new repairs identification software will help it meet this target.

5.39   The Moray Council has a post inspection target of 10% of works orders. It inspected around 8.3% of repairs in 2007/08. It does not include repairs to gas appliances in these arrangements. In addition to this target, it post inspects empty houses if the value of the work exceeds a defined threshold. It selects repairs for post inspecting by cost. The Council does not have a target time for these inspections and in 2007/08 did around 60% within 30 days.

5.40   The Council makes good use of the information it obtains from post inspections to identify remedial work, how often this is needed and why. It discusses this with its contractor at regular Maintenance Partnership Agreement meetings. The Council did not exceed its failure rate target of 1% of inspected repairs in 2006/07; however, this rose to 2.6% in 2007/08, but fell to 0.5% for the first half of 2008/09.

5.41   In summary, the Council's response repairs service is accessible, and it performs well in meeting its targets to complete repairs, although it has some weaknesses

in how it records this performance. It has improved its arrangements to manage Right to Repair, but its performance in identifying qualifying repairs continues to be weak.

Value for money in procurement

5.42   In 2007/08, The Moray Council's expenditure on repairs and maintenance was among the lowest in Scotland at £812 per house. This compares with the Scottish figure of £1,052 for 2007/08 and represents an increase on its spend in the previous year; £630 per house. The Council's budget for repairs and maintenance in 2008/09 is £4.872m or £823 per house. Its Investment Strategy shows that it plans to maintain its expenditure at similar levels for the following two years.

5.43   The Council spent 77% of its repairs and maintenance budget on planned and cyclical maintenance and 23% on response repairs in 2007/08. In that same year the Council carried out 23% of all response repairs as emergencies. It cancels relatively few of its ordered repairs. Its lower levels of investment and the proportion of its work that is planned, reflects the relatively good condition of its houses and its effective historical investment.

5.44   Since April 2004 the Council's Housing Services has been in a partnership with its Building Services to provide response repairs, empty house repairs, and some capital investment and planned maintenance contracts. Its Property Services provides technical and architectural services to the partnership. We saw that the Council routinely benchmarks its costs from the partnership against other local authorities and has used the agreement to address areas of concern with its contractor. Building Services has been successful in tendering for a number of projects with other local housing organisations.

5.45   The partnership agreement for response repairs included an interim review of the partnership's performance after eighteen months, but the Council did not carry this out. It was also due to have a full review of the agreement by April 2007, but did not complete this until August 2008. The Council agreed to extend the original agreement in April 2007, before it completed its review and with little evidence that it considered how satisfied tenants were with the service provided.

These are weaknesses in the administration of the partnership arrangements. The Council is introducing reviews following the completion of its maintenance contracts to assess its tenants' level of satisfaction with its contractors.

5.46   The Council procures some of its planned and capital contracts from external contractors, mostly using traditional competitive tendering and one using a balancing quality and price method.

5.47   For three of its external door replacement contracts, the Council negotiated with a contractor who had successfully tendered for similar contracts. The costs of one of the negotiated tenders exceeded the amount of the original tender, and we found no evidence that the Council had followed its own procurement procedures or that it considered tenants' feedback on the contractor's performance before negotiating further contracts.

5.48   In summary, The Moray Council's spending on repairs and maintenance in the past few years has been consistently lower than the national figure. This, and the proportion of its work that is planned, reflects the good condition of its houses and its effective historical investment. The Council's partnership agreement is effective with good working relationships between all partners; but it has not always met the commitments in the response repairs element of the agreement on demonstrating that it continues to represent value for money.

6.   How well is The Moray Council delivering services for homeless people?

In this section we set out our assessment of the Council's performance in delivering services for homeless people.

Grade

> The Moray Council has achieved a **C** grade for services to homeless people. This is a **fair** performance.

6.1   Our overall assessment is that The Moray Council has some strengths in the delivery of its homelessness service, but also some areas where improvement is required which impact directly on the quality of services to homeless people.

6.2   The Council has a strong homeless assessment process, works hard to ensure good access to its service and provides a good level of advice and information during interviews which helps to prevent homelessness. It is increasing its target for the number of its houses it lets to homeless people, although it can take a long time to secure permanent accommodation.

6.3   It also has a number of weaknesses in the service, some of which are significant. The Council:

- has not always provided temporary accommodation when this is required;
- relies heavily on bed & breakfast accommodation; and
- poorly manages the provision of temporary accommodation.

Access to service

6.4   The Moray Council received 860 applications for assistance from homeless people during 2007/08, up by 7% on the previous year, although down by around 22% on the number in 2005/06, which was however inflated by a local flooding incident. This represents 2.3% of all households in Moray, just below the national figure of 2.5%.

6.5   The Council generally interviews people who apply to it for assistance quickly. It makes appointments within five days for people who have somewhere to stay and aims to interview roofless people on the same day they apply. It reports that it sees 90% of roofless applicants the same day and around 72% of other

applicants within five days. The Council attempts to contact people who do not attend appointments by phoning or visiting their last known address. The Council has been successful in contacting many people who have not attended arranged interviews or subsequently lost contact, although it is aware that it takes considerable staff resources to do this.

6.6   The Council's first point of contact for homeless people is its area offices where staff give them application forms to complete and return. The Council does not record who it gives application forms to and calculates the time it takes to deal with an application only from when it receives the completed application form. During our inspection, the Council decided to reinstate its recording of who it gives application forms to and to review the results to ensure it is recording all applications from homeless people.

6.7   The Council's homeless team is based in Elgin town centre. Its offices have disabled access and private interview rooms. The Council has plans to further improve its reception facilities. The Council generally asks homeless people presenting at its area offices to travel to Elgin for interview but does not provide them with transport. However, we saw positive examples where the Council has provided outreach interviews and assessments by phone.

6.8   The Council provides a useful range of information on homelessness on its website. This includes good links to partner agencies, information pamphlets, its homeless policy and contact information for the service, including an out of hours phone number. The Council has good arrangements for translating its homelessness documents into community languages.

6.9   The Council told us it distributed homeless leaflets and posters to locations where homeless people would find them. We found that its publicity information is generally available, although the Council does not routinely monitor this. Our tenant assessors found that its homeless leaflet contains good information, although additional guidance on how to complete a homeless application form would assist applicants, along with details of whom they should contact for further advice.

6.10   The Council records all applications for assistance it receives out of hours, but does not routinely monitor and analyse this information. The Council told us it had reviewed its out of hours arrangements and it plans to analyse this information routinely in future. During the inspection, the Council calculated that it had received 37 out of hours applications in 2007/08 and it provided temporary accommodation to 16 of these households.

6.11   The Council does not have referral or discharge protocols with local hospitals, prisons or the armed forces and it does not record the source of referrals of homeless people from other agencies. This is a weakness. The Council told us it intends to review this when it reviews its homelessness strategy in 2008/09, even though the development of referral protocols is an action in its current strategy.

6.12   In summary, The Moray Council provides fair access to its homeless service. It generally interviews homeless people quickly and works hard to contact those who do not attend appointments. It publicises its service well. However, it does not have good information on how people access its service, including during out of hours, and it does not have referral protocols.

Advice and prevention

6.13   Through its Information and Advice Strategy and Homelessness Strategy the Council identified a wide range of initiatives it was to develop to help it prevent homelessness and its recurrence. It has delivered a number of these, including a helpful local housing options guide, awareness sessions at local schools and rent guarantee and furniture with rent schemes. However, the Council has not implemented a number of other actions contained in these strategies.

6.14   The Council has a service level agreement with the local Citizens Advice Bureau (CAB) to give homeless people independent advice. Homepoint have accredited CAB to provide Type 2 advice. The Council signposts people to local advice agencies, including CAB, in its homeless interviews and decision letters. The Council is working with its homelessness staff to gain Homepoint Type 1 advice accreditation.

6.15   The Council provides good advice and information to homeless applicants during assessment interviews. We saw it give both preventative advice and information designed to help people sustain their new homes. The Council makes good use of its housing options guide during interviews. We also saw it make direct referrals to agencies and Council projects, which could help people secure or maintain accommodation. The Council has a helpful advice and information checklist for when it works with homeless people, although we saw that it does not always complete it. The Council also provides good advice and support to new tenants through its Young Person's Officer and Resettlement Officer. We saw positive examples where this had worked well in sustaining tenancies.

6.16   In 2007/08, 95% of homeless people housed by the Council were still in their homes after 12 months, up 9% on the previous year. This is the same sustainment level for all people housed by the Council in 2007/08. The Council told us that it plans to analyse tenancy termination information from previously homeless people to understand the reasons why they give up their homes.

6.17   The level of repeat homeless presentations to the Council from people it had previously assessed as homeless is 4%; better than the national figure of 6.7%. The Council told us that repeat presentations from all people who had previously applied to it for assistance fell from 13.6% in 2006/07 to 9.9% in 2007/08.

6.18   The Council works in partnership with local supported accommodation projects managed by voluntary organisations to provide training and support to homeless people. However, we saw the Council did not always assess the support needs of homeless people or make referrals to support agencies. The Council acknowledged this and told us it was due to the limited supply of this type of support.

6.19   As we report above, the Council has a good process to involve homeless staff in its decisions on whether to evict tenants. It told us it has informal arrangements to allow local RSLs to notify it of their intention to evict. The Council is aware that it will need to improve these arrangements before April 2009 when the responsibility for notification becomes a legal duty on RSLs.

6.20   In summary, the Council has some effective prevention initiatives, it gives good, tailored advice and information to people during its homeless interviews and repeat homelessness is reducing. It has some weaknesses in ensuring all homeless people receive advice and information or an assessment of their support needs.

Assessment of homeless people

6.21   The Council has a duty to make all necessary inquiries to satisfy itself whether homeless applicants are homeless or threatened with homelessness, have a priority need and became homeless or threatened with homelessness intentionally. The table below provides an overview of the Council's assessment decisions for people who apply to it for assistance.

	2005/06		2006/07		2007/08	
	Council	Scotland	Council	Scotland	Council	Scotland
All applications assessed in period	1,108	60,058	807	58,663	807	55,709
% priority unintentional	24%	53%	38%	52%	49%	55%
% priority intentional	0.7%	2%	0.9%	2%	1.4%	2%
% non-priority	25%	17%	33%	17%	22%	15%
% not homeless	17%	9%	7%	8%	7%	7%
% lost contact/withdrew before assessment	21%	13%	12%	13%	14%	15%
% resolved prior to assessment	12%	7%	10%	7%	7%	4%
Proportion of assessments completed within 28 days	64%	-	64%	-	48%	-

Source: Scottish Executive Housing Bulletins and the Council's inspection submission

6.22   The Council has increased the proportion of homeless people it assesses as in priority need since 2005/06, although it is below the national figure for 2007/08. It has also reduced the proportion of applicants it assesses as not homeless and that it loses contact with.

6.23   Scottish Ministers have set a target to reduce the number of applicants who received non priority decisions by 50% by 2009, and to abolish priority need categories by 2012. The percentage assessed by the Council as non-priority has fallen significantly from 40% in 2003/04 to 22% in 2007/08, although the

reduction has slowed over the last three years and is higher than the national figure.

6.24   The Council has set a target to award priority decisions to 81.5% of homeless households by 2009. It has increased the proportion of people it gives priority to from 45% of those it assessed as homeless in 2003/04 to 68% in 2007/08. The Council deferred a decision on the expansion of its priority need definitions until it reviewed its allocations policy in March 2008. This presents a challenge for it to move towards the 2009 target, but it told us during the inspection that it would revisit this area before April 2009 to ensure it meets its target.

6.25   The Code of Guidance suggests a target of 28 days for the Council to complete its enquiries. The Council's performance in this area has worsened from 64% within 28 days during 2006/07 to 48% in 2007/08. The Council told us it has recently introduced new casework control measures to reduce the time it takes to make decisions. At the time of our inspection, it was too early to measure the impact of these changes. The Council has set a target for 2008/09 of notifying its decision to 70% of applicants within 28 days.

6.26   The Code of Guidance recommends that councils should keep applicants informed of progress with their application. We found that the Council does not routinely do this, and this is a weakness in the context of the deterioration in its performance in completing enquiries.

6.27   The Council's decision letters clearly explain its assessments and provide information on the applicant's right to request a review. The Council's letters also signpost applicants to agencies which may be able to provide further advice, and we saw it translate these into other languages for non-English speaking applicants. It issues its notification letters within one day of making its decision. This is a strength.

6.28   The Council's assessment officers conduct sensitive, thorough and professional interviews with homeless people. All the applicants we spoke to felt they had received a good service at interview and that the Council had provided them with well targeted information. We found that the Council follows the correct sequence of enquiries, uses relevant guidance and case law when making

decisions and audits all of its homeless decisions.   The Council has an excellent approach to making homeless decisions. It is aware that this can impact on the length of time it takes to make decisions.

6.29   The Council has a duty to advise homeless applicants of their statutory right to request a review of its homelessness decisions. It notifies people of their right to request a review within 21 days in its decision letters. We found that the Council deals with reviews appropriately, although it sometimes takes a long time to do so and not all people who request a review can access help from advocacy services.

6.30   In summary, the Council has an excellent approach to making and notifying applicants about its homeless decisions. It has increased the proportion of homeless people it gives priority to; it has a challenge to move towards its 2009 target.

Securing accommodation

6.31   The Council uses a range of temporary accommodation for homeless people, including:

- three hostels;
- bed and breakfast (B&B) establishments;
- supported accommodation for young people managed by partners;
- furnished houses leased from private landlords; and
- furnished accommodation provided by the Council and its RSL partners.

6.32   The Council plans to lease a new build hostel at St Andrew's Court, Buckie from a RSL partner in the near future, although the completion of the hostel is delayed. This will provide the Council with access to eight single and five double rooms.

6.33   The table below sets out key figures on the Council's use of temporary accommodation.

	2005/06	2006/07	2007/08
	Council	Council	Council
Number of homeless households provided with temporary hostel accommodation	108	184	267
Percentage accommodated in temporary hostel accommodation	28%	31%	41%
Average length of stay for homeless households in temporary hostel accommodation (days)	133	128	109
Number accommodated in bed and breakfast accommodation	225	321	293
Percentage accommodated in bed and breakfast accommodation	57%	55%	47%
Average length of stay in bed and breakfast accommodation (days)	19	19	35
No. of families with dependent children accommodated in bed and breakfast accommodation	75	57	91
Number accommodated in Council furnished accommodation	45	60	66
Percentage accommodated in Council furnished accommodation	11%	10%	10%
Average length of stay in Council furnished accommodation (days)	267	185	235
Number of breaches of the Homeless Persons Unsuitable Accommodation Order	41	24	64

6.34   The number of people the Council accommodates temporarily has increased by around 66% over the last three years. The Council has reduced the proportion of people it places in B&B, although the total number it places, the number of families with children it places in this type of accommodation and their average length of stay all have increased. The Council does not place homeless people in temporary accommodation outwith its area. The Council uses furnished houses to temporarily accommodate homeless people, although at around only 10% this is a relatively small part of its temporary accommodation.

6.35   The Council recently commissioned research into the levels and types of temporary accommodation which it will need to meet future demand from the abolition of priority need in 2012. The Council is using the research information to develop a temporary accommodation strategy, which it aims to complete by March 2009. The research estimates that the Council requires around 200 additional units of temporary accommodation over the next seven years, with 53 in the first year.

6.36   During our inspection, the Council agreed to take various actions to address this
        shortfall in temporary accommodation. It plans to:

- use a further 15 Council houses as temporary furnished accommodation;
- add to the four properties secured through its private leasing scheme; and
- investigate if RSL and other landlords can increase their contribution to the
  available temporary accommodation stock.

        This is positive, but will still leave it short of its consultants' projection of 53 units
        of additional temporary accommodation in the first year.

6.37   The Council is aware that the length of time some people spend in homeless
        accommodation is too long. To help reduce pressure on its temporary
        accommodation, the Council recently changed its targets for permanent lets to
        60% for homeless people.

6.38   The Council does not always provide temporary accommodation to those people
        who require it. It told us it had not accommodated 11 homeless households in
        2007/08. The Council subsequently investigated these cases and told us it had
        offered accommodation to eight of these households but the accommodation had
        not been accepted by the applicants. It told us the remaining three were people
        who it had previously excluded from temporary accommodation. However, we
        found that some homeless people waited a considerable time for the Council to
        offer them temporary accommodation; the Council acknowledged that it did not
        accommodate some homeless people it had a duty to. This is a significant
        weakness.

6.39   The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004
        prohibits councils from using unsuitable accommodation for households with
        children and pregnant women for longer than 14 days, unless exceptional
        circumstances apply. The Council breached the Order 66 times in 2007/08 and
        exemptions applied in only two of these cases. One of the families has remained
        in B&B accommodation for over 300 days. The number of times the Council has
        breached the order has increased in each of the last three years. This is a
        significant weakness.

6.40   The Council records reasons why people refuse its offers of temporary accommodation. In 2007/08, a total of 49 households refused accommodation and the Council told us this was mostly because of location and families refusing B&B accommodation. The Council's recording of this information is positive, although it has not reviewed its approach because of this feedback.

6.41   The Code of Guidance recommends councils consider a number of factors when placing homeless people in temporary accommodation, including proximity to family and friends and accessibility of healthcare, employment, education, training and support. We found that the Council does not always consider these factors when placing people in temporary accommodation. Most of the homeless people we spoke to felt the Council had not taken account of their personal circumstances or preferences when it allocated them temporary accommodation.

6.42   We saw that the majority of temporary accommodation used by the Council is of a reasonable standard and its furnished houses are of a good standard. However, most service users we spoke to in B&Bs and some in hostels expressed dissatisfaction at the standard and location of their accommodation. The Council is aware that one hostel is in poor condition and is working with an RSL partner to replace it. A significant number of homeless people expressed dissatisfaction at the lack of choice of temporary accommodation available. A number of parents accommodated with children commented that their accommodation was unsuitable for their children.

6.43   The Council does not have a set of standards for its temporary accommodation, nor does it not carry out regular inspections of the establishments it uses. Only one of the B&B establishments used by the Council as temporary accommodation has a Houses in Multiple Occupation (HMO) license in place.

6.44   The Council does not always consider the suitability of its placements for every person it places in temporarily accommodation. The Council told us that it was not always able to take account of the assessments it does do because of the shortage of suitable accommodation. However, the Council has no procedures to ensure it provides appropriate support and supervision to people in temporary

accommodation. Most of the homeless people in temporary accommodation we spoke to told us that the Council did not maintain good contact with them.

6.45   The Council's partners provide good support to some homeless applicants in temporary accommodation they manage. The Council is aware that the supply of this type of accommodation is limited.

6.46   In summary, the Council provides a poor service to homeless people who require temporary accommodation. It does not always meet its duty to provide suitable accommodation, it relies heavily on B&B accommodation and the condition of some of its temporary accommodation is poor. The Council is committed to improving the supply and quality of temporary accommodation, although it faces a significant challenge to do this.

6.47   In 2007/08, the Council offered permanent accommodation to 62% of the people it assessed as having priority need. This figure excludes lost contacts, withdrawn applications and those resolved prior to discharge of duty. This is below the national figure of 78%. We found that the Council offers homeless people the same number of offers of permanent accommodation, in similar areas, as it gives to other applicants.

6.48   The Council operates in a challenging context with high demand for a limited supply of affordable rented houses. It has been granted Pressured Area Status for a number of its settlements. The Council told us that this context is a significant factor in how long it takes to allocate permanent accommodation to some homeless people. The Council took an average of 207 days in 2007/08 to house homeless people it had a duty to.

6.49   As we report above, the Council is making good use of section 5 referrals to access RSL houses for homeless people. During 2007/08, it referred 99 homeless people and 92 were successfully housed. It is working with local RSLs to further improve this process. In 2007/08, the Council let 48% of its empty houses to homeless people, and has set its letting target for homeless people for 2008/09 at 60%.

6.50   In summary, the lack of affordable housing is a challenge in Moray. The Council takes a long time to accommodate homeless people it has a duty to house, but has increased its target for the proportion of lets it gives to homeless people in 2008/09. The Council gives homeless people the same numbers of offers of housing, in similar areas, as it gives other applicants.

7.   Is the housing service at The Moray Council managed for improvement?

Leadership and strategic planning

7.1   The Council has a clear strategic planning framework. The Moray Council and its partners concluded a Single Outcome Agreement (SOA) with the Scottish Government in 2008. The SOA is the over-arching statement of their agreed strategic focus. It specifies the local outcomes that represent Moray's contribution to the national priorities set by the Scottish Government. The Council and its partners set out their agreed vision and local priorities for Moray in its 2006/10 Community Plan. It is presently revising the local Community Planning structures to ensure local elected members' are represented and involved. The Council hopes that this will bring clear political and democratic leadership to the Community Planning processes. Following the May 2007 elections the Council's new administration, in the absence of a published manifesto, considered and agreed its main priorities for the period 2008/11. It published these in December 2007 and sent them all householders and its staff. It identified its key priority for housing as working with the public and private sectors to increase the supply of affordable housing for rent and purchase in Moray. It has reflected this priority in its Single Outcome Agreement, its Local Housing Strategy and Service Development and Improvement Plans. The Council has also set out its cultural values and these underpin the development and delivery of all of its services. It does not at present have an up to date Corporate Plan.

7.2   The Council's Housing Strategy Group and Homelessness Strategy Group both bring together a wide range of partner organisations and stakeholders involved in shaping the strategic direction for housing in Moray. All of the partner organisations we contacted were positive about working with the Council and about the strategic direction it has recently adopted. The Council makes all of its strategic plans available on its web site.

7.3   The Council's Housing Service operates within its Community Services directorate. The Council has in place a corporate framework of annual service improvement plans which elected members review and approve. In this way, the

Council sets a clear direction for its housing and homelessness services. The
Community Services' Service Development and Improvement Plan 2008/09 sets
out its priorities for the Housing Service. Its 2008/09 Service Improvement Plan
for Housing demonstrates clear links to corporate strategic objectives, LHS
objectives and, where appropriate, its homelessness strategy. It also has
Service Improvement Plans for each section within the Housing Service.

7.4   The Council highlights its organisational priorities to staff through Chief Executive
        briefings on the Council's intranet and through its regular staff newsletter. It
        gives its staff the national outcomes from Scottish Government, the local vision
        and outcomes agreed by the local Moray Community Planning Partnership and
        the corporate values of the Council. We saw that its staff have a good
        awareness of Housing Services' main objectives. Following feedback from its
        staff in a recent survey, the Council is arranging its first staff conference later in
        2008 to help reinforce its corporate priorities.

7.5   The Council's Corporate Management Team regularly reviews Service
        Improvement Plans and progress is reported to elected members every quarter.
        The Senior Management Team, including Heads of Service, meets monthly and
        provides an opportunity to discuss progress on the Council's priorities. We saw
        effective leadership in the Council's Housing Services and good support from key
        elected members. Moray's partner organisations were generally positive about
        working with the Council.

7.6   The Council developed its current homelessness strategy in partnership with a
        range of internal services and external partners. The original strategy covered
        the period between 2003 and 2008. It contained an action plan and it regularly
        monitors and reports on its progress. It has achieved many of the proposed
        actions, but has been slower to move others forward, particularly around
        temporary accommodation. The Council is presently preparing a new
        homelessness strategy for the period up to 2013.

Performance management, planning and reporting

7.7   The Moray Council is presently reviewing its corporate performance monitoring
        framework with the intention of aligning this with the Scottish Government's

adoption of its "Scotland Performs" model. Its Housing Services has a good, well established approach to performance management. We found a significant strength in its high level of self-awareness of its performance. We also saw evidence of it using performance information to drive forward service improvements.

7.8   The Council's Housing Service improvement plan is supported by defined, generally SMART, objectives and actions. It has incorporated a range of key performance indicators (KPIs) in its improvement plans which are approved annually by elected members. Its improvement plan is underpinned by improvement plans for each section and each area office detailing its specific targets and contribution to the service level objectives. Its Housing Management Team regularly monitors progress at its meeting every two months. It does more detailed monitoring and scrutiny of performance at regular meetings of its Housing Operational Team, Planning and Development and Housing Needs Management Teams and its Building Services Managers' Team. It has embedded effective performance management within the culture of the service and we saw good discussion and staff engagement at regular area office team meetings. Its staff members can also access up to date performance information through the Council's intranet.

7.9   The Council has a comprehensive, easy to understand monthly traffic light report which covers all its key performance indicators. Where it has identified a performance area as "red", or requiring improvement action, we saw it prepare detailed reports and action plans to deliver improvement. It also provides comprehensive quarterly reports to members on the Communities Committee for its strategic functions and the Housing Sub committee for its landlord services. The Council makes these reports available to the public on its website.

7.10   The Council has a clear commitment to continuous improvement in Housing Services, demonstrated by its:
- regular meetings between managers and individual staff members for the development and review of personal training plans;
- Housing Training and Development Strategy and Action Plan 2009/12, recently approved by elected members;

- regular participation in a range of benchmarking networks and in peer reviews; and

- area housing teams self-auditing of particular policy or service areas in order to identify inconsistencies, gaps in service or best practice.

7.11   The Council is committed to further improving its present performance management framework and intends to make a number of changes to it for 2009/10.

7.12   The Council provides elected members with a thorough overview of the operation of the homeless service in Moray. The Council recently undertook work to self-assess and map operational services to homeless people. The Council is aware it must use this baseline information to improve its performance information and target setting in homelessness.

7.13   The Council generally has good comprehensive written procedures in place to guide staff.

Customer focus and influence

7.14   The Council has a corporate Customer Care policy which includes a range of standards and covers much of what it does. It reviewed these in 2007. In June 2008, it reviewed its service standards for housing management and makes these available in leaflets and posters on its website and in its offices. It has written these standards in plain English and they clearly tell customers what they may expect to happen when they request a service. The Council uses a range of methods to monitor its performance in meeting its targets and reviews and reports regularly to elected members on its performance.

7.15   As we report above, the Council is good at giving people information about its housing services and its performance information.

7.16   The physical accessibility of the Council's offices is fair; it is about to refurbish its Buckie office to provide better facilities for customers and the homeless service is planning to improve its reception facilities. All offices have loops for people with hearing difficulties and it makes signers available by appointment. It provides

posters in community languages in the Council's offices which give information on facilities available to people who do not have English as a first language.

7.17   The Council agreed its tenant feedback policy in 2005. It has a number of ways of gathering and interpreting customers' views on its services and we were able to see that it had responded positively to feedback received. Its methods include:

- three yearly, satisfaction survey of 10% of its tenants;
- rolling surveys of new tenants and some of those who have had repairs done;
- corporate mystery shopping exercises; and
- outcomes from complaints procedures;

The Council recognises that it could do more to gather service users' views and we saw evidence of its commitment to do more in this area.

7.18   The Council sends questionnaires to every homeless person who it gives a homeless decision letter to. It collates the returns in an annual report which is presented to the Homeless Strategy Group. However, the response rate is low at around 14% for 2007/08, and the Council has struggled to use the information to identify potential improvements to its service to homeless people. As part of the Council's new homeless strategy it proposes that the Strategy Group's Information and Advice Theme Group should consider the survey information more regularly.

7.19   The Council has carried out 10% sample tenant satisfaction surveys in 2001, 2004 and 2007.   It published the results of the 2007 survey on the Council's website and summarised these in its tenant newsletter. The Council has developed an improvement plan to address tenants' expressed concerns and progress is being regularly monitored and reported twice a year to elected members.

7.20   The Housing (Scotland) Act 2001 requires the Council to publish a tenant participation strategy. The Act also requires landlords to inform and consult tenants about changes to its services and to take tenants' views into account when making decisions that will affect them. The Council has a good, long established, approach to involving tenants groups in what it does. At the time of

our inspection it had six Registered Tenant Organisations (RTOs), and five are local forums representing almost all of its tenants. Each of these local groups is represented on an umbrella group, the Tenant Core Group and six representatives from this group are non-voting members of the Council's Housing Sub committee.

7.21   The Council's produced its present tenant participation strategy for the period 2008/12 following a review involving the Tenant Core Group, supported by independent consultants. The Council provides training and resources for RTO members; however, we found no evidence of the Council discussing and agreeing an annual consultation programme with its RTOs. We also found no evidence that the Council adequately consulted with its tenants or applicants on the recent "interim" changes to its allocations policy. This is a weakness.

7.22   The Council has involved representatives from the Tenant Core Group in a number of short life groups reviewing specific documents published for its tenants. Core Group representatives are also members on the Council's Tenant Participation Working Group and Best Value Review Group. The Council involves Core Group members and RTOs in contributing regular items and updates to the Council's tenant newsletter. The Council is presently investigating the potential for more frequent, local versions of its newsletters for tenants.

7.23   The Council presents progress reports on tenant participation to the Housing Sub committee every quarter, and produces an annual review. The Council works well with its RTOs; feedback that we received from them on the Council's approach was very positive. Overall this is an area of significant strength for the Council.

7.24   We saw that the Council gives its local forums direct influence over conditions in their estates by working with them to identify areas where environmental improvement works will be carried out. The Council has a total budget of £180,000 to fund these works in 2008/09.

7.25   The Council makes it easy for customers to complain about its housing and homeless services. It helps potential complainants by an advice leaflet that has versions specifically designed for young people and for people with learning

disabilities. However, only one of the three versions indicates that the Council can make information available in a different format or language. All formal complaints concerning housing services are dealt by the Council's Head of Service; this helps to ensure they are dealt with consistently and that complainants receive a high quality reply. We saw examples of where the Council had improved how it did things as a result of complaints it had received. It has good arrangements for monitoring performance in dealing with formal complaints, although the Council does not accurately record its performance where it has extended its original response target timescales. As a result, it may be overstating how well it performs. Its responses consistently advised complainants about the next stage in the complaints procedure and about the Scottish Public Services Ombudsman service, although not where they can get independent advice.

7.26   The Council does not have procedures to guide staff and complainants on how it handles informal complaints, nor does it monitor or analyse this type of complaint. This is a weakness. The Council have now introduced a revised corporate database which will now allow informal complaints to be recorded.

7.27   The Council has a three stage appeal process for homeless applicants unhappy with its decisions and offers of permanent accommodation. The Council does not accept appeals on temporary accommodation placements; this is a weakness. Other than this, the Council's appeal process reflects the requirements of the Code of Guidance, but also provides additional stages of appeal including to its Housing Appeals Sub committee. In response to our feedback during the inspection, the Council told us it would review its appeals process, allowing and publicising appeals in all required areas and investigating how it can reduce the time people wait for a decision.

Equalities and diversity

7.28   The Council's approach to equality and diversity has some strengths but also some weaknesses. It has set out its corporate commitment in its Equalities Strategy published in 2005, and it commissioned research looking at "Equality in Moray" in 2006. It has an associated action plan which it updates annually and

regularly reports progress to elected members. The Council is currently reviewing its strategy.

7.29   The Council has recently established an Equalities Forum which held its inaugural meeting in May 2008. The Forum includes local and national representatives from race, disability, gender, faith, age and LGBT groups. The Council advised that it will use the Forum in future for consultation exercises and the consideration of Equality Impact Assessments.

7.30   The Council has a strong corporate focus on promoting equalities. We saw evidence of this commitment in:

- the Chief Executive's briefing for all staff carried on the Council's intranet in 2007;
- the hosting of four, half day corporate social awareness events held for all staff;
- its corporate guidelines for managing and promoting equalities issues;
- its intranet-based corporate guidance on Impact Assessments of policies and functions; and
- it makes Racist Incident Monitoring Forms available to all staff and these are monitored corporately.

7.31   As we report above, the Council makes translations of key documents widely available; it supports the "Happy to Translate" initiative and has developed a series of "Welcome to Moray" publications and events.

7.32   In association with City of Aberdeen and Aberdeenshire Councils, in 2002 the Council jointly commissioned research into the housing needs of ethnic minority groups in the area. It subsequently reflected the findings and recommendations of the consultants in its Local Housing Strategy.

7.33   In 2004, the Council commissioned research into the housing and support needs of older people in Moray. The Council has now established an Older Persons Strategy Group and this is currently developing a local strategy and associated action plan. It is now carrying out a review of sheltered housing in Moray.

7.34   The Council collects ethnic monitoring information for applicants and new tenants. We saw that the Council gathers information relating to new applicants' disabilities only where these directly impact upon their housing needs. We also found that it has been gathering this information from fewer people recently and that it does not routinely analyse or use this to plan future service delivery. The Council's homeless team collects good information on the ethnicity of applicants; however, it also has not used this information to plan the services it provides. During the inspection, the Council told us it plans to address these weaknesses.

7.35   The Council's area offices are generally accessible to people with disabilities, although some of its front desk counters are too high for people in wheelchairs. We also found that external signage was poor at one of its area offices. During the inspection, the Council told us it plans to resolve these issues.

7.36   The Council is legally obliged to assess the potential impact of policies and procedures on various equalities groups. We saw that the Council completed its first impact assessment in December 2007. Since then, it has completed three others and it told us that it aims to complete all high and medium priority assessments by December 2008. However, we found that the Council had not carried out any form of Equalities Impact Assessment before introducing its changes to its allocation policy in 2008. This is a weakness.

Efficiency and value for money

7.37   The Council has adopted a prudent approach to managing its Housing Revenue Account (HRA), thereby securing the funding it needs to continue its investment in its houses.

7.38   The Moray Council's average rent is £39.40 per week in 2008/09. This was significantly lower than the average for all Scottish councils and is the lowest rent charged any Scottish local authority. The Council's stated aim is to maintain rents for its houses at affordable levels in recognition of the prevailing low wage economy in Moray.

7.39   To achieve this, and improve and maintain its houses to a good standard, the Council has put in place a comprehensive, long-term business plan for its housing service. It originally developed its plan in 2001 and has it reviewed and

updated annually by independent consultants. This annual review includes a risk assessment and a sensitivity analysis, and the Council puts in place a strategy to minimise the potential impact of identified risks. Its current plan confirms the Council's ability to meet the Scottish Housing Quality Standard (SHQS) by the Ministerial target date of 2015 and The Moray Standard while maintaining projected annual rent increases at the Retail Price Index (RPI) plus 1%.

7.40   The Council's HRA has maintained a surplus of around £900,000 over the last 3 years. In 2008/09, the Council expects to have a small surplus, thereby increasing its carry forward marginally.

7.41   The Council allocates its central service re-charges equitably between its delivery services using actual costs, and periodically checks this for accuracy. It also splits any surpluses generated by its Building Services equitably between its HRA and General Services account. The Council also uses these surpluses to invest in new initiatives in its Building Services designed to enhance services to tenants.

7.42   The Council's housing debt is currently around £36 million, which at around £6,000 per house, puts it marginally above the figure for local authorities in Scotland. The Council is presently exploring the potential of using its capital receipts to fund earlier repayment of its debt.

7.43   The Council generally uses receipts from Right to Buy (RTB) sales to reduce its debt. In the present financial year, the Council will use around £1million of RTB receipts to fund investment in its houses. In recent years the Council has had a drop in the number of sales, but this has largely been offset by significant increases in property values locally. The Council is aware that any future reliance on these sales receipts could represent a risk to its proposed investment programme, particularly with the current market conditions. It is also aware that its continuing efforts to increase the areas covered by Pressurised Area Status, and therefore exempt from the Right to Buy, may exacerbate this risk. The Council has confirmed that it has the capacity to slow its programme of improvements or increase its prudential borrowing, as a contingency should this risk materialise, while still meeting the target of 2015 for the SHQS.

7.44   Following the serious local flooding incidents in 1997 and 2002 the Council has
        not been able to access affordable insurance for its properties affected by this
        risk. The Council has set aside a contingency fund to cover costs arising from
        these potential risks. The fund presently stands at some £1.8 million and the
        Council adds £0.25 million to it each year.

7.45   The Council's total rental income has remained stable over the last three years.
        Its Right to Buy sales have fallen from 196 in 2005/06, to 128 in 2007/08. The
        impact on its rental income has been offset by its annual rent increases. The
        Council's rental income base is unlikely to grow over the next few years, and it is
        committed to keeping its annual rent increases at a maximum of RPI plus 1%.
        The Council is considering its potential to build new houses for rent. The Council
        has a stated position that it will only build new houses if it can demonstrate that
        this will have no detrimental effect on its existing tenants.

7.46   The Council's total management and supervision expenditure on the Housing
        service as a whole continues to compare favourably with other Scottish councils.

	The Moray Council	Scotland
	£ per house	£ per house
2005/06 Actual	569.00	548.00
2006/07 Actual	577.00	606.00
2007/08 Unaudited Accounts	610.00	622.00
2008/09 Budget	657.00	673.00

7.47   As with the Scottish figure, the Council's expenditure is rising, but at a slower
        rate over the three years to 2007/08. This increase is largely due to the
        reduction in the number of houses that the Council manages, meaning its costs
        for service delivery are spread over fewer houses. It lost just over 4% of its
        houses through Right to Buy from 2005/06 to 2007/08. The Council has
        recognised that it needs to monitor this trend of increasing management costs.

7.48   The Council launched a "Designing Better Services" initiative in March 2008, and
        it has an internal working group working with consultants to evaluate a number of
        potential changes to the Council's systems and service delivery. Among these
        are a number of initiatives which may impact upon it housing service provision
        and associated costs.

7.49   The Council has set aside an area on its intranet for individual staff members to bring forward improvement ideas. Its corporate improvement ideas team gives staff direct feedback on their suggestions. The Council is presently considering whether to provide some token of thanks to staff members bringing forward suggestions for efficiencies.

7.50   The Council's homeless staff do not have a current procurement procedure to guide them. It currently procures white goods and furnishings for its temporary accommodation through local businesses without tendering. However, it collects good information on comparative costs for these products and has begun a process to ensure its services are appropriately procured in the future.

7.51   The Council set its 2008/09 budget for temporary accommodation is £484,000. It now estimates that its expenditure will increase to £718,000 due to escalating costs associated with the use of Bed and Breakfast establishments. This is a situation it has faced in previous years.

8.   Next Steps

8.1   This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, asset management and repairs service or homelessness service to submit an improvement plan to us within eight weeks of the publication of this report.

8.2   The Moray Council's improvement plan should show how it intends to respond to our findings in its homelessness service. The plan will be agreed with us. We follow up improvement plans at regular intervals.

8.3   If you would like to see The Moray Council's improvement plan you should contact:
Jill Stewart
Chief Housing Officer
The Moray Council
High Street
Elgin
IV30 1BX
Telephone: 01343 563532
Email: jill.stewart@moray.gov.uk
Website: www.moray.gov.uk

Sources of evidence

Groups and third parties consulted

- Tenants' and Residents groups
- The Council's external auditor
- Scottish Government Tenant Rights and Participation Team
- Homepoint
- Scottish Government's Anti–Social Team
- Scottish Government's Social Housing Division
- Scottish Public Service Ombudsman
- Local Registered Social Landlords

Interviews/Meetings

- Elected members
- Chief Executive
- Director of Community Services
- Chief Housing Officer
- Team Leader - Audit
- Staff from Housing Services
- Staff from Building Services
- Staff from Property Services
- Staff from Homelessness Services
- Tenants and tenant representatives

Reality checks

- Observation of information and advice to service users
- Observation of temporary accommodation for homeless people
- Shadowing of allocations
- Shadowing of tenancy sign up interview
- Shadowing of an accompanied viewing
- Shadowing of assessment interviews with homeless people
- 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 homelessness assessments and appeals
- Review of complaints
- Review of antisocial behaviour cases
- Review of arrears cases
- Review of legal actions against tenants
- Review of reported repairs
- Review of planned maintenance and improvement projects
- Review of stock information database
- Estate visits

Key documents reviewed

- The Moray Council's Inspection Submission
- Housing management performance reports
- Repairs and maintenance reports
- Relevant policy and procedures
- Minutes of meetings and associated reports
- Minutes of Council Committees
- Tenants' newsletters and other publicity material
- Council's website
- Outcome reports for housing management, property maintenance and homelessness
- Protocols with other agencies
- Local Housing Strategy
- Homelessness Strategy and Review
- Information and Advice Strategy
- Strategic Housing Investment Plan
- Single Outcome Agreement
- Corporate Plan
- Community Plan
- Service Plans
- ASB Plan
- Tenant Participation Strategy
- 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:

- The Council Housing Sub committee has six non-voting tenant representatives, nominated from the Moray Tenants' Core Group – an umbrella group representing its local Registered Tenant Organisations.

- A Best Value Group monitors the Housing service's performance and reports to the Housing Sub committee. Included in its membership are two tenant representatives.

- The Council makes the application form for its houses, along with details of how it assesses priority for housing, available in a number of languages and these are available in all of its housing offices.

- The Council regularly organises "Welcome to Moray" sessions for migrant workers. These are held on the premises of a number of major local companies who employ migrant workers and a range of local organisations participate including housing. It also has a useful "Welcome to Moray" booklet which is available in a variety of languages.

- The Council has in place a formal assessment process to decide on whether to proceed to eviction or not. A number of partners, both internal and external, are involved and the Council will only proceed to evict once staff from its homeless service have formally agreed to it.

- The Council had in place a range of publications and advice to assist people make a complaint. This includes leaflets specifically designed for young persons and people with learning difficulties.

Glossary

Anti Social Behaviour Order (ASBO)
ASBOs are preventative orders designed to protect individuals from further antisocial 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.

Asset management
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.

Benchmarking
A process used by organisations to systematically compare service processes and performance to identify best practice.

Capital Programme
Programme of major repair works funded mostly from borrowing.

CFCR
Capital funded from current revenue

Common housing register (CHR)
A register of all applicants for social housing used by two or more landlords within an area.

HomePoint
A team within the Scottish Government that supports providers of housing information and advice services.

HomePoint has broken down advice activities into three types:
- Type I   active information, sign-posting and explanation.
- Type II   casework.
- Type III   advocacy, representation and mediation.

Housing list
A list of applicants for housing that is used by the local authority to allocate its housing stock.

Housing Revenue Account (HRA)
The budget a local authority has from rental income for managing and maintaining its houses and Housing Services.

ICT system
Information and communication system.

Notice of Proceedings (NOP)
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.

Partnering
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.

Performance Standards Housing standards for all social landlords in Scotland, jointly agreed by the SFHA, COSLA and Communities Scotland.

Planned maintenance The planned renewal or maintenance of key property components.

Pre-inspections Inspections undertaken to ascertain the nature of the repair required.

Post inspections Inspections undertaken following work to check the suitability and quality of repairs.

Procurement The way an organisation obtains services or materials from other organisations or agents.

Qualifying Repair Repairs that qualify for inclusion in the Right to Repair scheme.

Registered social landlord (RSL) A landlord providing social rented housing that is registered and regulated by the Scottish Housing Regulator.

Registered Tenant Organisation (RTO) A tenant-representative group meeting certain conditions set down in the Housing (Scotland) Act 2001 and registered with a social landlord.

Response repairs Day to day repairs carried out on a reactive basis, distinguishable from planned, capital or cyclical maintenance.

Right to Buy The right of many Scottish tenants to buy their property at a discounted price, depending on length of tenancy.

Right to Repair 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.

Schedule of Rates (SOR) A costed list of all or most of the day-to-day repairs that a client is likely to instruct a contractor to do.

Scottish Housing Quality Standard (SHQS) A minimum quality standard for all of Scotland's social homes. Landlords should achieve the standard by 2015.

Scottish secure tenancy (SST)	The Housing (Scotland) Act 2001 establishes the Scottish Secure Tenancy as the tenancy for all tenants of social landlords in Scotland.
Short Scottish secure tenancy (SSST)	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.
Section 5 referral	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.
Shadowing	An inspection technique that involves accompanying and observing staff while they carried out their day-to-day tasks.
SMART criteria	Performance management acronym for: Specific, Measurable, Achievable, Relevant and Timebound.
Statutory Performance Indicator (SPI)	Indicators of local authorities' performance that are published by the Accounts Commission for Scotland.
Stakeholder	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.
Tenancy agreement	Legal document or contract between landlord and tenant setting out the rights and responsibilities of each.
Tenant assessor	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.
Tenure	The method by which a person occupies a property i.e. tenant, lodger, owner-occupier.
Variations	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.
Void	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.

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Availability in other formats

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