Analysis of local authority housing management performance 2006/07

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Key points

- Across most indicators, local authorities sustained the consistent trend of improving performance seen over the past few years. Rent collection, however, generally levelled off in 2006/07, albeit sustaining the substantial gains seen in the recent past. Since 2001/02 the proportion of rent uncollected has fallen from 2.9% to 2.2%

- While rent arrears as a proportion of collectable rent remained constant in 2006/07, the proportion of tenants significantly in arrears was cut, nationally, from 6.6% to 5.5%. And, in keeping with the national policy focus on homelessness prevention, arrears evictions were cut by a fifth in 2006/07

- For the fourth successive year, authorities cut the typical period taken to relet empty properties. Since 2002/03 this has been reduced by almost six days to 35 days. The London figure has been cut by almost ten days over this period (to 32.5 days). However, the most substantial improvement in void relet times in 2006/07 was in the North (down from 50 days to 37 days)

- Improved response repairs performance (on at least one of the two main measures) was recorded in all regions in 2006/07. Again, this builds on a longer-term improving trend which has seen the proportion of urgent repairs completed on time increase by three percentage points to 96% since 2002/03, whilst over the same period the average time taken to complete non-urgent repairs has been cut from 17 days to less than 12

- The proportion of council properties without valid gas safety certificates was cut substantially in 2006/07, with the national median percentage falling from 1.7 to 1.0 of properties in management. Nevertheless, only 10% of councils recorded a zero figure for 1 April 2007

- Analysing trends for the four years to 2006/07, it appears that gains made by ALMO authorities have tended to be greater than those recorded by their non-ALMO counterpart councils. This supports the contention that performance incentives for ALMO authorities have driven up service standards. However, since non-ALMO performance has also tended to improve, it would be mistaken to believe that rising trends at the national level are entirely driven by the ALMO regime and the typical excellence of ALMO performance

- While housing management expenditure continued to increase in 2006/07, councils appear to have successfully contained the increase well below the general rate of inflation. London boroughs recorded a second successive year of management spending reduction *in cash terms* and, over the longer term, have significantly narrowed what was once a very large ‘management spending’ gap between themselves and authorities in other areas

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- The number of council properties classed non-decent was cut by some 15% during 2006/07 with most of this gain achieved through council or ALMO investment rather than through stock transfer. According to council estimates, the proportion of non-decent council property has been cut from 48% to 31% over the five years since 2002

- As yet, only eight authorities (three operating ALMOs) report having entirely eliminated non-decent stock. At the other end of the scale, three authorities (two with ALMOs) report non-decent stock continuing to exceed 70% as at April 2007

- Councils project that, by 2011, only 80,000 properties will remain non-decent (some 4% of estimated council stock at that time). Nevertheless, 47 councils (about a quarter) expect to be continuing to manage some non-decent dwellings in 2011. Four councils (two operating ALMOs) currently anticipate 2011 non-decent stock numbers exceeding 5,000.

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1 Introduction

Data sources

This report examines the housing management performance of local authorities in England in 2006/07. The analysis draws on data published within the Audit Commission's suite of BVPIs in December 2007. As in our analysis of LA PIs for previous years, the report also incorporates material from another key source, namely local authority HRA Business Plan Statistical Annexe (BPSA) returns. This follows from earlier decisions to remove from the BVPIs some key indicators of housing management performance. Since the indicators concerned (repairs completed on time, rent arrears percentage, unit management cost) live on in the BPSA dataset it seems logical for the scope of the report to extend beyond what are defined by the Commission and by CLG as 'BVPIs'.

The raw BVPI data is accessible through the Audit Commission website at:

http://www.audit-commission.gov.uk/performance/dataprovision.asp

Detailed BVPI definitions can be viewed at:

http://www.audit-commission.gov.uk/performance/guidance.asp

The BPSA data is also available via the CLG website at:

http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/localauthorityhousing/dataforms/357553/

One implication of using BPSA data alongside BVPI statistics is that the two data sets may contrast somewhat in quality terms. Whereas the BVPIs are subject to a standard form of audit developed as part of the overall Best Value framework, BPSA data is outside this system.

Analytical framework

The analysis focuses on indicators of housing management performance – rent collection, void management and repairs. Therefore, the scope of the report relates to LAs which retain a landlord function (and which submitted full or partial BPSA returns in 2007) – 205 of England's 354 London borough, metropolitan authority, shire district and unitary councils as at 31 March 2007.

As a rule, the regional, authority type and national figures included in the report are median values for the relevant group of councils. The intention here is to avoid any potential distortion which might result from a small number of LAs with 'extreme' figures (possibly resulting from erroneous data entry). Where values were missing for the year in question, we have generally substituted the value from the previous (or, where necessary, succeeding) year. No account has been taken of instances where individual figures have been asterisked as 'unreliable'.

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As in last year's report, we separately identify the performance of authorities which have delegated responsibility for their housing management services to ALMOs. The 'ALMO' group as defined here includes those authorities which had a functioning ALMO during 2006/07. On this definition 61 LAs have been classed as 'ALMOs' for the purposes of the analysis (four additional ALMOs were due to 'go live' early in 2007/08). The trend over time figures for ALMOs in tables one, three and four are also influenced by the fact that the constitution of this cohort of organisations changes from one year to the next. In 2006/07 the number of operational ALMOs increased substantially – from 38 to 61. In terms of authority type, the mix of new ALMOs is similar to those in existence prior to 2006/07 – a quarter are operating in districts, just under a third in London boroughs and just under a half in metropolitan boroughs and unitary authorities. However, it may be that, being more recently established, the 23 'new' ALMOs have yet to record the performance improvements seen among their longer established counterparts.

2 Housing management performance

Rent collection

2006/07 saw rent collection performance reaching a plateau across the sector, though London rent collection performance continued to improve, thereby narrowing the historic gap with other regions (see table one). Whereas the London rent collection median figure for 2001/02 was three percentage points lower than the national figure, the difference had been reduced to 0.8% by last year.

Table one – LA rent collection performance, 2001/02-2006/07

Performance indicator/year	London	South	Midlands	North	England	*ALMOs**
% of rent collected						
2001/02	94.0	97.8	97.0	97.0	97.0	
2002/03	94.4	98.0	98.0	97.0	97.1	
2003/04	95.2	97.9	97.9	97.0	97.1	*97.0*
2004/05	96.0	98.0	97.6	97.5	97.6	*97.2*
2005/06	96.6	98.2	97.7	97.9	97.8	*97.4*
2006/07	97.0	98.1	97.8	97.7	97.8	*97.4*
Year-end current tenant rent arrears as % of rent roll						
2003/04	4.7	2.3	2.1	2.9	2.6	*2.9*
2004/05	3.8	2.2	2.3	2.9	2.5	*2.9*
2005/06	3.4	2.2	2.3	2.4	2.4	*2.8*
2006/07	3.5	2.2	2.3	2.5	2.4	*2.8*
Uncollectable rent written-off as % of rent roll						
2003/04	0.9	0.4	0.5	0.8	0.6	*0.9*
2004/05	0.7	0.4	0.5	0.7	0.6	*0.7*
2005/06	0.9	0.4	0.4	0.7	0.5	*0.9*
2006/07	0.7	0.4	0.6	0.6	0.5	*0.7*

*Source: BVPIs and BPSA returns *Notes: 1. Figures show median 'scores' for authorities in each category. 2. ALMOs also included in relevant regional scores*

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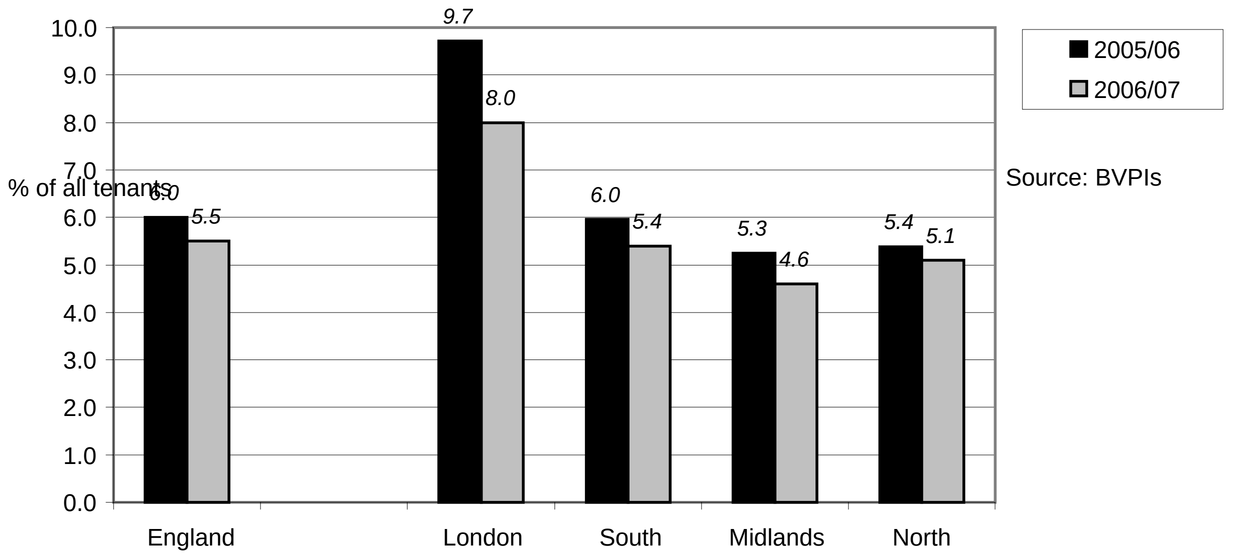
ALMO performance in 2006/07 was slightly inferior to the national norm. This reflects the fact that ALMO authorities disproportionately involve London boroughs and metropolitan authorities where – perhaps because of higher rates of deprivation and tenancy turnover – rent collection performance has historically been weaker than that recorded by (mainly smaller and more rural) district councils which predominate among 'traditionally managed' local authority landlords.

Perhaps partly reflecting the nature of newly-established ALMOs, arm's-length management organisations as a group recorded slightly weaker rent collection figures than their non-ALMO counterparts in three of the four broad regions of England.

A new indicator added to the BVPI suite in 2005/06 confirms the slightly weaker performance of London boroughs as compared with national norms but also demonstrates an improving trend for all broad regions. As shown in figure one, the national median proportion of tenants in significant arrears at year end 2006/07 was cut by half a percentage point. Reflecting their improving rent collection trend (table one), London authorities disproportionately improved here (see figure one).

Figure 1 - Tenants with >7 weeks arrears as % of all tenants



Two additional rent-related BVPIs introduced in 2005/06 are analysed in table two. These aim to measure the extent of LA legal action in respect of rent arrears. The Audit Commission considers that 'good performers' on these indicators are those recording low figures. Typically, legal action is initiated for around a quarter of 'tenants in arrears' (see table two). This figure is surprisingly consistent from region to region. The incidence of actual (rent arrears) evictions is rather more variable across the country with a typical Midlands authority carrying through rent arrears evictions equating to 0.48% of tenants annually, compared with only 0.26% for Southern authorities.

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Significantly, however, the use of evictions declined in 2006/07 – both nationally and in all broad regions, with the most significant reduction recorded by London boroughs. That this has been achieved alongside generally steady performance on rent collection and arrears management (see table one) is a welcome development.

Table two – 2006/07 repossession actions in respect of rent arrears

Indicator		London	South	Midl'nds	North	England
No of tenants served with arrears NSPs as % of tenants in arrears*	2005/06	28	27	25	29	27
	2006/07	24	24	25	28	25
No of arrears evictions as % of all tenants (median LA value)	2005/06	0.49	0.29	0.44	0.43	0.37
	2006/07	0.37	0.26	0.48	0.41	0.32
No of arrears evictions as % of all tenants (regional estimate)	2005/06	0.56	0.37	0.61	0.53	0.51
	2006/07	0.40	0.31	0.52	0.46	0.42

*Source: BVPIs. *'tenants in arrears' defined as 'average no. of tenants in arrears during year'. Note: figures show median 'scores' for authorities in each category.*

Because larger (mainly urban) LAs tend to record proportionately higher rates of eviction than smaller councils, the median LA values shown in rows three and four of table two are not an accurate reflection of the proportion of all tenants in each region subject to rent arrears eviction. Such estimates are shown in rows five and six of the table. This takes the '% evictions' figure cited by each LA in its BVPI return and applies this to the total housing stock recorded for each LA in the BPSA dataset. The output from these calculations suggests that arrears evictions account for somewhat under half of one per cent of council tenants each year. This is consistent with previous research which has suggested that arrears evictions account for around 95% of all social landlord evictions.[1] Encouragingly, arrears evictions were cut by almost a fifth in 2006/07 (from 0.51% to 0.42% of all tenants).

The rent arrears eviction rate for ALMOs – 0.5% of tenants – was somewhat higher than for traditionally configured local authorities – 0.36%.

Eight LAs (mainly smaller districts but also including Bristol) reported zero rent arrears evictions in 2006/07. At the other end of the scale, six authorities evicted at least 1% of their tenants during the year.

Void management

At a national level, local authorities' void management performance in 2006/07 was improved for the fourth year in succession (see table three and figure two).[2] Improvement

[1] *Pawson, H, Flint, J, Scott, S, Atkinson, R, Bannister, J, McKenzie, C & Mills, C (2005)* Possession Actions and Evictions by Social Landlords*; London: ODPM*
http://www.communities.gov.uk/publications/housing/203568

[2] In 2006/07 average relet interval figures were required for both BVPI and BPSA returns. It is interesting to note that the figures were inconsistent for around 10% of LAs. Whilst there was little difference in the

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was recorded both at the national scale and in every broad region. It may be significant that the improving trend of the past few years has run alongside the widening take-up of choice-based lettings, an approach which has been shown as having the potential to facilitate void management efficiencies.[3]

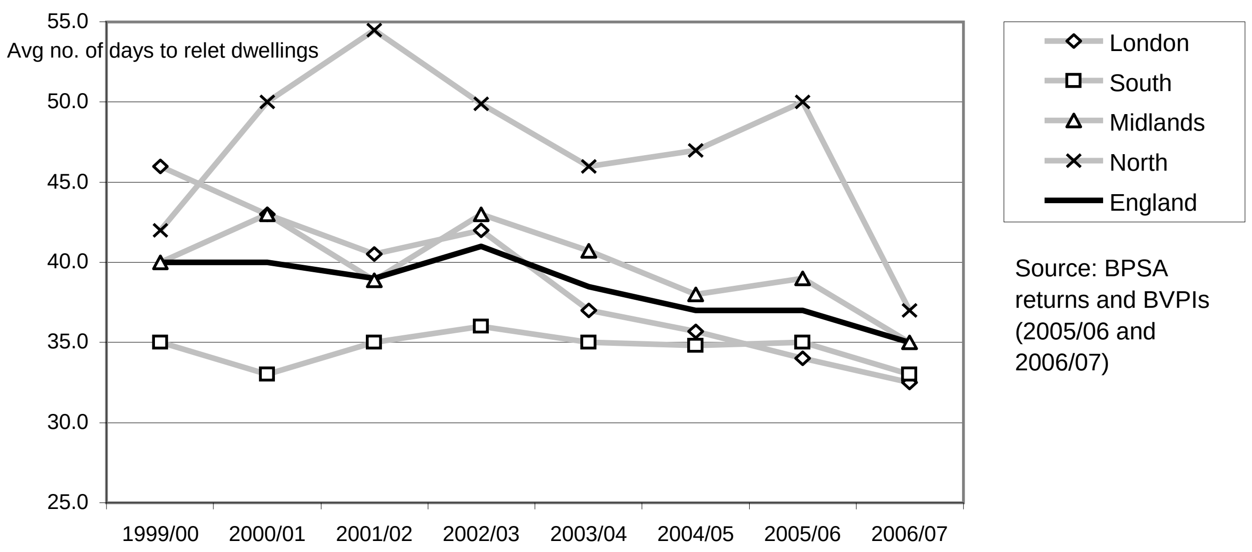
For the second year in succession, London recorded the best performance. However, by far the most marked improvement was seen in the North. Exactly what lies behind the tendency for greater volatility in the North region figures (see figure two) is not immediately obvious.

Table three – LA void management performance, 2001/02-2006/07

	London	South	Midlands	North	England	*ALMOs*
	Average relet interval (days)					
2001/02	40.5	35.2	39.0	51.0	39.0	
2002/03	42.0	35.5	43.0	49.1	40.9	
2003/04	37.0	36.0	41.0	43.0	38.5	*38.0*
2004/05	35.7	34.8	38.0	47.0	37.3	*39.0*
2005/06	34.0	35.0	39.0	50.0	37.0	*33.0*
2006/07	32.5	33.0	35.0	37.0	35.0	*36.0*

Source: BPSA returns and BVPIs (2005/06 and 2006/07). Notes: 1. Figures show median 'scores' for authorities in each category. 2. ALMOs also included in relevant regional scores

Figure 2 - Void management performance, 1999-2007



overall median values the differences for a few authorities were substantial. Note that, for 2005/06 and 2006/07, the analysis in this paper draws on the BVPI relet interval figures, not those in BPSA returns

[3] Pawson, H, Donohoe, A, Jones, C, Watkins, D, Fancy, C & Netto, G (2006) *Monitoring the Longer-term Impact of Choice-based Lettings*; London: DCLG http://www.communities.gov.uk/index.asp?id=1503598

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As demonstrated by figure two, the London figures continue an improving trend which has seen the region move from weakest to strongest performer on this measure over the past seven years. Over this period the typical London figure has been cut by a third.
At the level of individual authorities, 16 (mainly district councils) reported BVPI average relet intervals of 20 days or less. At the other end of the scale, 16 councils reported figures of 70 days or more. Again, these were mainly district councils. Only two metropolitan councils and two London boroughs were among this group. In interpreting these results it should be appreciated that the construction of the indicator makes it possible that an authority recording a lengthy average relet interval in any specific year might be being penalised for bringing back into use significant numbers of 'very old voids'. This is because (unless the properties concerned have been subject to capital works) the lengthy void periods for such lettings will need to be included in the 'average relet interval' calculation for the year they are let. By the same token, accumulating voids could enable an authority to post 'flattering' relet interval statistics for the year in question.

Response repairs

Improved response repairs performance (on at least one of the two main measures) was recorded in all regions in 2006/07 (see table four). As demonstrated in figure three this builds on a longer-term improving trend.

Table four – LA repairs performance in 2001/02-2006/07

	2001/02	**2002/03**	**2003/04**	**2004/05**	**2005/06**	**2006/07**
	Percentage of 'urgent repairs' completed on time					
London	92	92	93	94	96	96
South	94	94	94	95	96	96
Midlands	92	93	95	96	96	97
North	92	92	94	95	95	96
England	93	93	94	95	96	96
*ALMOs**			*95*	*97*	*98*	*97*
	Average no. of days to complete non-urgent repairs					
London	14.0	14.0	12.5	11.6	10.9	9.1
South	17.0	16.0	15.0	15.0	14.2	13.2
Midlands	20.0	22.0	17.8	17.0	13.0	11.8
North	19.0	17.8	16.0	14.8	11.6	10.9
England	18.0	17.0	16.0	14.8	13.0	11.8
*ALMOs**			*16.0*	*14.8*	*10.6*	*9.9*

Source: BPSA returns. Notes: 1. 'Urgent repairs' defined according to central government guidelines. 2. Figures show median 'scores' for authorities in each category. 3. ALMOs also included in relevant regional scores.

As regards the time taken to complete non-urgent repairs, 2005/06 saw significantly improved median values for all regions. The national figure has been cut by a third over the past five years. On this measure London boroughs continue to outperform authorities

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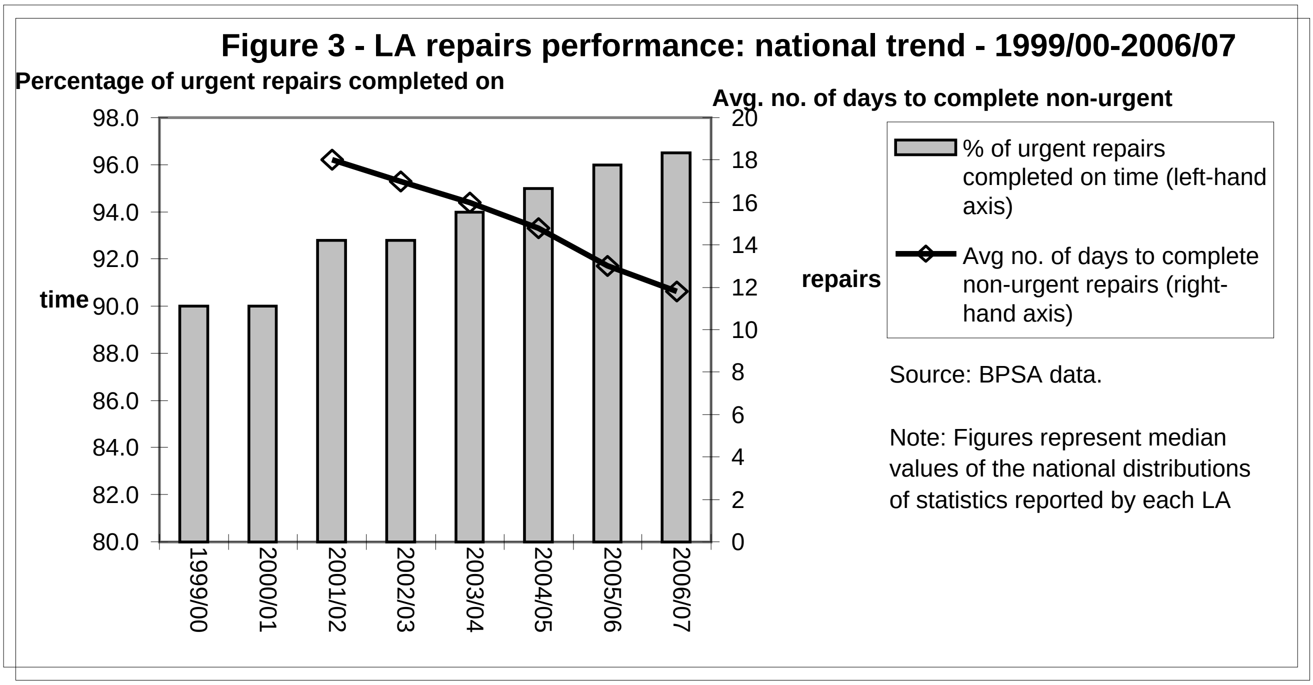
elsewhere, also recording a substantial further performance improvement in 2006/07 (see table four).



A new 'management and maintenance' indicator introduced in the 2005/06 BPSA return measures 'the proportion of CP12 (gas servicing certificates) outstanding at the end of 12 months at 1 April 2006'. About 90% of LAs completing 2005/06 returns supplied statistics for this indicator. The vast majority cited figures below 10%. As in 2006/07, however, a small number recorded figures above 90%. It is assumed that these LAs mistakenly cited the proportion of gas safety certificates *in place* (rather than the proportion outstanding). On this basis the following analysis has substituted proxy figures for these LAs (eg, 10% in place of 90% as originally recorded).

Table five – proportion of gas safety certificates outstanding

		London	South	Midlands	North	England
All LAs	2005/06	1.6	1.8	1.5	1.6	1.7
	2006/07	1.4	1.3	0.6	1.2	1.0
ALMOs	2005/06	0.4	0.0	0.3	1.1	1.0
	2006/07	1.0	0.6	0.1	0.7	0.8

Source: BPSA returns. Notes: 1. Figures represent the position as at 1 April 2006 and 1 April 2007. 2. Figures show median 'scores' for authorities in each category. 3. ALMOs also included in relevant regional scores.

All regions saw improving performance on gas safety checks in 2006/07 (see table 5). At a national level, the typical proportion of certificates outstanding was cut by over a third. ALMOs significantly outperform other LAs in every region on this measure. Four ALMOs

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are listed among the 19 authorities reporting more than 5% of certificates outstanding on 1 April 2007.

Whilst performance on this measure appears to have been improving rapidly, it should be acknowledged that social landlords with any gas safety certificates outstanding are in breach of the law. Only 10% of authorities reported a zero figure for 1 April 2007. It is also a fairly common observation in HQN mock inspections that recording procedures for gas safety certificate updating are capable of improvement.

Accounting for performance improvement

Looking back over the past five years it appears that housing management performance has improved significantly with respect to void management and repairs and slightly on rent collection. Accounting for this improvement is a major question for policymakers and researchers. This issue has, of course, been investigated before.[4] Nevertheless, given the continuing trend of performance enhancement it could be argued that it remains a highly relevant question and one which deserves to be revisited.

Research of the kind alluded to above is of course well beyond the scope of this briefing. However, it is relatively straightforward to address one of the hypotheses often put forward in housing press debate on housing management performance improvement; namely, that recent improvements are largely driven by the financial incentives built into the ALMO regime and mainly reflect the achievement of 'excellence' in service provision on the part of ALMOs.

If national-scale progress was entirely ALMO-driven, we would expect to see performance among authorities not opting for this approach having remained fairly static over the past few years. In fact, however, this does not appear to be borne out by the evidence (see table six). ALMO authorities[5] had, indeed, recorded significant performance improvements in the four years to 2006/07. However, performance gains were also recorded by non-ALMO councils, albeit to a slightly lesser extent on these indicators; this for authorities whose 'base year' (2002/03) figures were typically somewhat stronger than for ALMO councils.

[4] See, for example:
Housing Quality Network (2005) *Best Value in Housing: What Makes Local Authorities Improve and Sustain Their Performance*; London: ODPM
http://www.communities.gov.uk/documents/housing/pdf/140618
More, A., Pawson, H. & Scott, S. (2005) *Evaluation of English Housing Policy 1975-2000: Management Effectiveness:* http://www.communities.gov.uk/publications/housing/evaluationenglish
Audit Commission (2003) *Learning from the first housing ALMOs*, London: Audit Commission
http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=6BEC3DC0-85F3-11d7-B2D4-0060085F8572

[5] That is, councils which had set up an ALMO by the end of 2006/07

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Table six – comparing performance change in ALMO LAs and Non-ALMO LAs, 2002/03-2006/07

	ALMO LAs		**Non-ALMO LAs**		***Difference 2002/03-2006/07***	
	2002/03	**2006/07**	**2002/03**	**2006/07**	***ALMO LAs***	***Non-ALMO LAs***
% rent collection	97.0	97.4	98.0	98.0	*+0.4*	*0.0*
% rent arrears	3.00	2.76	2.47	2.35	*-0.24*	*-0.12*
Avg relet interval (days)	44	36	39	35	*-8.0*	*-4.0*
% urgent repairs on time	93.0	97.0	92.4	96.0	*+4.0*	*+3.6*
Avg time to complete non-urgent repairs (days)	16.3	9.9	16.4	12.7	*-6.4*	*-3.7*

Sources BPSA and BVPIs – as published in various years

Because of the relatively small number of PIs for which there is trend-over-time data, the evidence base here is admittedly limited. Nonetheless, available statistics (see table six) support the case that the incentives built into the ALMO regime have enhanced performance to a measureable degree. However, given that non-ALMO councils also recorded gains over the period, sector-wide performance improvements in recent years cannot be attributed solely to the ALMO regime. This raises interesting questions about the other drivers underpinning overall national trends.

3 Housing management costs

Across the country, LAs succeeded in restraining unit management expenditure more effectively in 2006/07 than over the previous three years (see table seven). The 2.3% increase recorded for 2006/07 was substantially below the rate of general inflation (RPI) which averaged 3.7% during the year. This contrasts with the previous two years where unit costs rose substantially ahead of inflation. The consequence, as shown in figure four, was a slight narrowing of the gap between the rents and RPI trends as seen since 2002/03.

The year-on-year change figures vary by region, most notably in that London boroughs again achieved a *cash terms* reduction in management spending. This extends a trend seen over the past few years where the London figure has been converging with the national norm; in 2002/03 the London median figure was 117% higher than the England figure whereas by 2006/07 it was only 62% higher. To some extent the relatively large percentage increases in the Midlands and the North since 2003/04 may reflect the higher management and maintenance allowances granted by ODPM/CLG to LAs in these regions in recent years.

Whilst ALMO councils continue to record management expenditure somewhat higher than those of non-ALMO authorities, it is striking that the former group succeeded in reducing spending *in cash terms* in 2006/07. Hence, the differential between the two groups narrowed considerably over the position in 2005/06 – see table seven).

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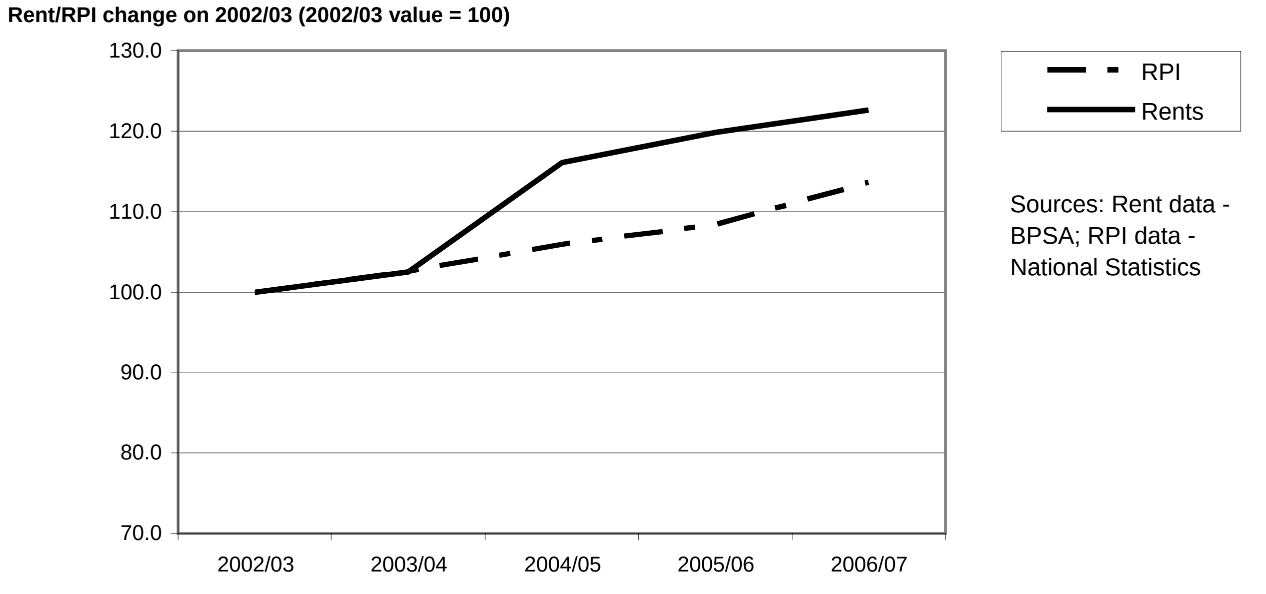
Table 7 – LA weekly unit housing management expenditure 2002/03-2006/07

	London	South	Midlands	North	England	ALMOs
	Average weekly unit management cost (£)					
2002/03	26.00	12.31	10.00	9.67	12.00	-
2003/04	25.16	12.58	10.50	10.22	12.30	14.15
2004/05	26.00	14.00	11.76	11.96	13.93	15.12
2005/06	24.14	14.28	12.78	12.16	14.38	16.06
2006/07	23.87	14.90	13.70	12.71	14.71	15.53
£ change 2002/03-2006/07	-2.13	2.59	3.70	3.04	2.71	
£ change 2005/06-2006/07	-0.27	0.62	0.92	0.55	0.33	-0.53
% change 2002/03-2006/07	-8.2	21.0	37.0	31.4	22.6	
% change 2005/06-2006/07	-1.1	4.3	7.2	4.5	2.3	-3.3

Source: 2007 BPSA returns. Notes: 1. Figures represent mean rather than median values for each cohort of LAs. 2. ALMOs also included in relevant regional scores. 3. Unlike other tables, the historic figures in this table are those as reported by the 2006/07 cohort of LAs in their 2007 returns. An issue here is that, in retrospect, LAs frequently reduce their estimates of costs as in previous years (below the figures reported for the same years in previous returns).

Figure 4 - Trend of median England rent and RPI, 2002/03-2006/07



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4 Stock condition and progress against the Decent Homes standard

The BVPIs include a measure for the proportion of dwellings assessed as failing to meet the Decent Homes atandard. As at April 2007 the median proportion of council homes classed as non-compliant with the standard was 21% – see table 8. At a regional level, and at the level of individual authorities, the figure varies substantially. At the top of the scale, three authorities (Easington, Newcastle, and Castle Morpeth) report 'non-decent' scores of at least 70%, whilst eight councils (Alnwick, Brent, Hinckley & Bosworth, Hounslow, Lancaster, Redditch, St Albans and Westminster) report zero figures. Notably, three of these have achieved full DHS compliance via the ALMO route.

Table eight – LA stock condition: % of stock 'non-decent'

	London	South	Midlands	North	England
1 April 2003	44.9	32.3	30.1	41.4	36.1
1 April 2004	42.5	29.0	30.0	43.0	33.0
1 April 2005	41.9	26.8	28.2	35.5	31.2
1 April 2006	39.5	21.0	25.0	31.0	26.0
1 April 2007	33.2	14.4	18.6	23.4	21.1

Source: BVPIs. Note: Figures show median 'scores' for authorities in each category.

Table nine – incidence of non-decent LA housing, April 2007

Broad region	Total stock Apr 2007	Estd non-decent stock Apr 2007	Non-decent % Apr 2007	*Non-decent % Apr 2002*	*Change in non-decent % 2002-07*
London	451,649	151,921	33.6	*55.4*	-21.8
South	521,353	120,203	23.1	*35.6*	-12.5
Midlands	395,213	110,555	28.0	*46.0*	-18.0
North	606,100	234,935	38.8	*52.9*	-14.1
England	1,974,315	617,614	31.3	*47.9*	-16.6

Source: BVPIs and BPSA returns

The non-decent housing figures presented in table eight refer to the median non-decent percentage for each region. The actual proportions of non-decent homes in each region are somewhat different (because of the 'distortion' to the table eight figures caused by the fact that larger authorities tend to have higher non-decent scores). These proportionate figures are shown in table nine. Thus, on local authority estimates, just under a third of all LA housing remained non-decent as at April 2007.

The local authority estimates summarised in table nine suggest that in the six years since the Decent Homes standard target was first set, the proportion of non-decent council housing has been reduced by about a third. This has been achieved partly through stock transfer – with many authorities recording the largest 'failure rates' at the start of the period

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having subsequently handed their properties over to housing associations. In the main, however, reductions have been achieved through investment by the councils which remain in the sector in 2006/07. In a significant minority of cases this has been progressed via the ALMO route.

Some would argue that the incidence of non-decent council housing is reducing more slowly than might have been expected. There are a number of factors which need to be taken into account here. Firstly, much of the impact of ALMO funding has yet to feed through into completed works. Secondly, continuing sales under the Right to Buy probably tend to push up the percentage of non-decent homes because dwellings purchased are likely to be in better than average condition. Thirdly, many original non-decent estimates seem to have understated the extent of non-compliance at that time. For example, some 58 councils recorded a *higher* non-decent percentage as at April 2005 than the figure previously cited for April 2002. This suggests that post-2002 surveys have revealed previously hidden defects.

It is also important to appreciate that social landlord estimates on the extent of compliance with the Decent Homes standard might be over-optimistic. *Inside Housing* (14 December 2007) recently reported the significant disparity between the sum of social landlord estimates of homes failing to comply with the DHS and the figure as estimated through the English House Condition Survey. The former was more than 20% below the latter.

Table ten – Non-decent homes: local authority projections 2008-2011

	2007	2008	2009	2010	2011
	actual	target	target	target	target
London	151,921	117,707	90,762	58,272	28,858
South	120,203	88,802	69,108	48,447	14,831
Midlands	110,555	79,725	52,337	26,761	11,318
North	234,935	157,671	103,930	89,943	24,997
England	617,614	443,905	316,137	223,423	80,004

Source: BPSA returns 2007

Putting on one side these concerns about the reliability of LA estimates, it is interesting to consider the council projections for non-decent homes in coming years as included in the 2007 BPSA dataset. As shown in table 10, these suggest the 2007 total being reduced by nearly 90% over the period to 2011. However, over 80,000 council homes are expected to remain non-decent at that time. Forty-seven councils – almost a quarter of all authorities – expect that they will be continuing to manage non-compliant stock at that time. Four councils – Camden, Doncaster, North Tyneside, Tower Hamlets – all anticipate more than 5,000 non-decent homes remaining in their ownership in 2011. As illustrated in figure five, estimates suggest that the highest ‘non-decent rate’ in 2011 will be in London.

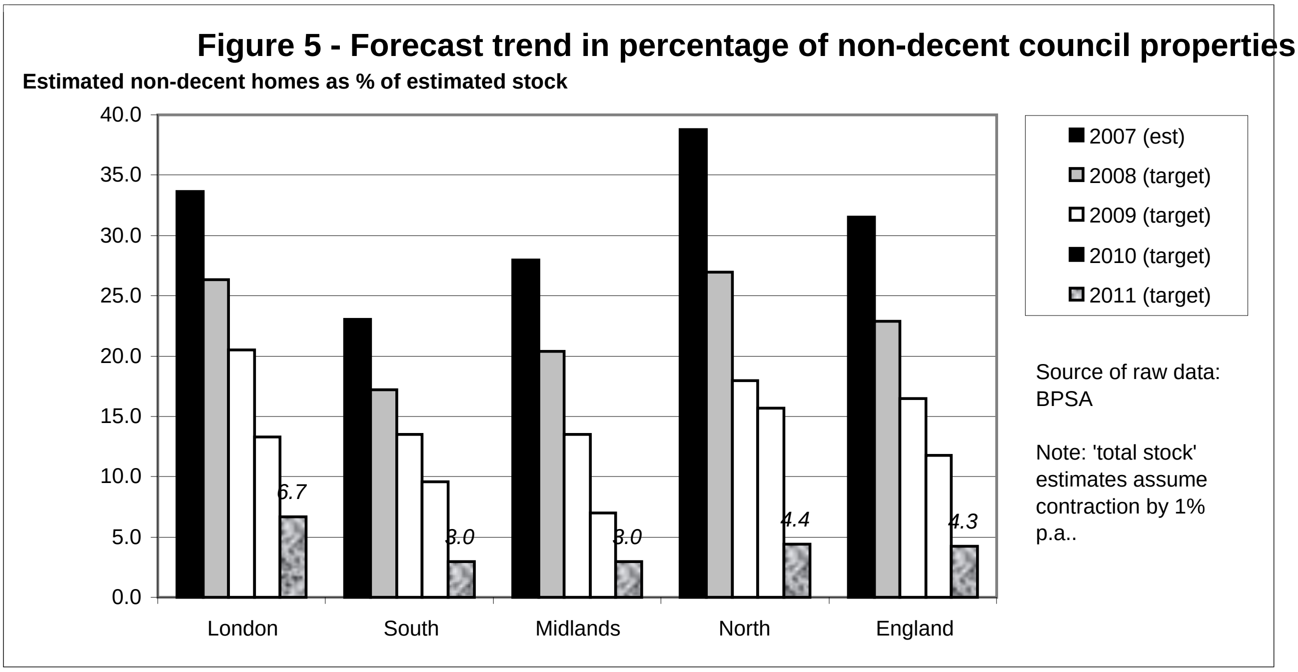

Table nine shows that the highest incidence of non-decent housing in 2007 was in the North. On this measure, the fastest progress in reducing the scale of non-decent housing has been seen in London where the percentage of non-compliant homes fell by nearly 22% over the five-year period covered by the table. This is particularly notable because – in contrast to other regions – hardly any of this has been achieved through stock transfers.

Drawing on BPSA data we can break down the body of non-decent housing stock according to the four distinct compliance criteria. As shown in table eleven(a), nearly three-quarters of non-decent stock (74%) fails the standard in respect of disrepair. Figures are particularly high for London and the North. Some properties will, of course, be rated non-decent on two or more of the four criteria.

Table eleven(b) sets the non-decent statistics within the context of overall stock numbers for each region. Hence, it can be seen that nearly a quarter of all council housing (almost a third in the North) is non-decent due to disrepair. Only just under a tenth of all council homes (8%) fail the standard on the 'thermal comfort' criterion. This is the only one of the four criteria where the overall incidence of 'non-compliance' for London is below the national average.

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Table 11 – breakdown of non-decent stock (as at 1 April 2007) by compliance criteria

(a) Percentage of stock failing decency standard on each criterion as % of ***total non-decent stock***

	Percentage of *non-decent* stock non-compliant due to:			
	Statutory unfitness	**Disrepair**	**Lack of modern facilities**	**Lack of thermal comfort**
London	10	80	20	18
South	7	61	17	26
Midlands	7	66	16	36
North	9	80	20	28
England	8	74	19	27

(b) Percentage of stock failing decency standard on each criterion as % of ***total stock***

	Percentage of *total* stock non-decent due to:			
	Statutory unfitness	**Disrepair**	**Lack of modern facilities**	**Lack of thermal comfort**
London	3	27	7	6
South	2	14	4	6
Midlands	2	19	4	10
North	3	31	8	11
England	3	23	6	8

Source: BPSA returns

5 Tenant satisfaction

Typically, across England, around four in every five tenants (79%) is 'very satisfied' or 'fairly satisfied' with their council's overall housing service (see table twelve). In interpreting these figures the official guidance on measurement and reporting of tenant satisfaction should be borne in mind. CLG stipulates that LAs should undertake tenant satisfaction surveys using the NHF's STATUS methodology and that these should be conducted at least every three years. On this basis we can expect that only about a third of LAs will report updated tenant satisfaction figures annually. Partly for this reason, the national and regional figures tend to remain fairly stable from year to year.

Overall, ALMO satisfaction ratings tend to be somewhat lower than for traditionally-managed local authorities (see table twelve). This might be seen as surprising given the evidence on typically more marked performance improvements made by ALMOs (see table six) and the involvement of tenant board members. However, given that they are typically established in urban authorities and manage relatively large numbers of (generally less popular and more difficult to handle) flats, the satisfaction figures for ALMOs as shown here look reasonably creditable.

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Table twelve – tenant satisfaction ratings, 2006/07

(a) Percentage of tenants satisfied with overall landlord service

	London	South	Midlands	North	England
All LAs	68	81	78	77	78
ALMOs	*68*	*81*	*77*	*75*	*74*

(b) Percentage of tenants satisfied with opportunities for participation

	London	South	Midlands	North	England
All LAs	56	65	66	64	64
ALMOs	*58*	*69*	*67*	*64*	*64*

(c) Percentage of tenants satisfied with their authority's repairs service

	London	South	Midlands	North	England
All LAs	67	83	79	77	79
ALMOs	*69*	*77*	*78*	*76*	*76*

Source: BVPIs (a) and (b); BPSA (c). Notes: 1. Figures show median 'scores' for authorities in each category. 2. ALMOs also included in relevant regional scores

6 LA housing management top performers

Local authority 'top performers' are identified here in relation to upper quartile thresholds across three PIs selected as key indicators of housing management performance – see table thirteen. LAs are assessed within four (admittedly crudely defined) authority type 'peer groups' as shown in the table.

As shown in table fourteen, six authorities reported figures in the top quartile for their peer group in respect of all three indicators. Another 30 authorities were placed in the top quartile on two of the three indicators.

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Table thirteen – key housing management PIs – upper quartile performance thresholds by LA type, 2006/07

	London borough	District council	Met borough	Unitary council
Avg relet interval (days)	26.0	25.0	36.3	28.0
% of urgent repairs completed on time	98.5	98.4	98.5	98.0
% rent collected	97.6	98.8	97.7	98.6

Sources: BVPIs and BPSA returns

Table fourteen – 'top performer' LAs in 2006/07

LA	LA type	ALMO?	Region	No of 'top performer' scores
City of London	London boro	No	London	3
Harrogate	District council	No	Yorks & Humberside	3
Newark & Sherwood	District council	Yes	East Midlands	3
North Kesteven	District council	No	East Midlands	3
Poole	Unitary	Yes	South West	3
Rotherham	Met boro	Yes	Yorks & Humberside	3
Ashford	District council	No	South East	2
Barnsley	Met boro	Yes	Yorks & Humberside	2
Bassetlaw	District council	Yes	East Midlands	2
Berwick-upon-Tweed	District council	No	North East	2
Blyth Valley	District council	Yes	North East	2
Bracknell Forest	Unitary	No	South East	2
Carrick	District council	Yes	South West	2
Castle Point	District council	No	East of England	2
Darlington	Unitary	No	North East	2
Dudley	Met boro	No	West Midlands	2
East Riding	Unitary	No	Yorks & Humberside	2
Exeter	District council	No	South West	2
Gedling	District council	No	East Midlands	2
Guildford	District council	No	South East	2
High Peak	District council	Yes	East Midlands	2
Islington	London boro	Yes	London	2
Leicester	Unitary	No	East Midlands	2
Lewes	District council	No	South East	2
North Cornwall	District council	No	South West	2
Ribble Valley	District council	No	North West	2
Runnymede	District council	No	South East	2
Sandwell	Met boro	Yes	West Midlands	2
Shepway	District council	No	South East	2
South Derbyshire	District council	No	East Midlands	2
South Northamptonshire	District council	No	East Midlands	2

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LA	LA type	ALMO?	Region	No of 'top performer' scores
Tandridge	District council	No	South East	2
Three Rivers	District council	No	East of England	2
Thurrock	Unitary	No	East of England	2
Wandsworth	London boro	No	London	2
Wear Valley	District council	Yes	North East	2

Source: BPSA and BVPIs

ALMO representation in table fourteen – at eleven authorities – is roughly proportionate to the ALMO share of all LAs. And although certain regions (notably North West and West Midlands) appear in the list only infrequently, this is mainly a reflection of the smaller numbers of councils continuing to operate as landlords in these areas.

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