



THE SCOTTISH HOUSING REGULATOR

Report on Improvement Progress - Midlothian Council
September 2011

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1. Introduction

About this inspection

- 1.1 This inspection was carried out by the Scottish Housing Regulator under section 72 of the Housing (Scotland) Act 2001 on behalf of Scottish Ministers. Our purpose in inspection is to provide an independent external assessment of the effectiveness of housing service delivery and make recommendations to help improvement. Inspections are conducted within a published framework of *Performance Standards*.
- 1.2 We inspected Midlothian Council in 2008. At that time, we awarded the Council a “B” or “Good” grade for its asset management and repairs service and a “D” or “Poor” grade for its housing management services and also for its services to homeless people.
- 1.3 We have focused our review of the Council's progress on those areas of performance which we have identified as presenting the highest risk based on the evidence available at the time:
- access to housing;
 - lettings;
 - income maximisation;
 - services to homeless people;
 - leadership and strategic planning;
 - performance management and planning;
 - customer focus and influence; and
 - equalities and diversity.

The inspection team

- 1.4 The inspection team was led by Jonathan Grant and included Janet Buchanan, Mark Gibson, Marion McLellan (Inspectors), Laura Gillespie (Inspection Officer) and Terese Mullan (Tenant Assessor). We were on site between 04 and 08 April 2011. 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

- 1.5 We expect all inspected bodies to report our findings to tenants and other stakeholders, and respond to the issues raised in this report. We will continue to work with Audit Scotland and other scrutiny bodies on the Local Area Network, in order to monitor the Council's progress annually through the Shared Risk Assessment process.

- 1.6 We intend to follow up this Progress Report with targeted scrutiny activity of the Council's housing and homelessness services in 2012/13, subject to agreement with the Local Area Network and consultation with the Council.

2. Inspection overview

In this section we set out our overall assessment of Midlothian Council's performance and we summarise our inspection findings.

Inspection findings

- 2.1 Following our 2008 inspection, the Council has made some improvements to its housing and homelessness services. In its housing management service it has reduced the number of tenants it evicts, improved its range of housing information and improved its arrears performance. In its homelessness service it is good at sustaining tenancies, makes generally accurate assessment decisions, has improved its out of hours service and has increased its provision and improved the standard of furnished temporary accommodation.
- 2.2 The Council has not responded effectively to several other key recommendations and areas for improvement outlined in our last inspection report. Many weaknesses, some significant, remain in its housing and homelessness services. These include:
- its bypassing of large numbers of housing applications for reasons that do not comply with legislation;
 - its transfer led allocations policy and its use of local letting initiatives that do not always give sufficient priority to housing need;
 - its performance in managing its empty houses;
 - its homelessness service application process is not customer focussed;
 - it incorrectly cancels homeless applications;
 - its recording and reporting of some statistical data relating to the homelessness service is not reliable;
 - it has made limited progress towards the Scottish Government's 2012 target to abolish the priority need test;
 - its management and monitoring of its prevention and advice services is not fully developed;
 - it uses some poor quality bed and breakfast accommodation and does not carry out risk assessments before placing people in this accommodation;

- it does not always take account of peoples' needs for temporary accommodation or always provide temporary accommodation when it is required;
 - it regularly breaches the Unsuitable Accommodation Order; and
 - it takes a long time to provide secure accommodation for homeless people to whom it has a duty to house.
- 2.3 The Council is aware that it needs to examine the strategic direction of its homelessness service and how it prioritises the allocation of its housing. Currently the Council cannot demonstrate that it always strikes the right balance between meeting the needs of its existing tenants and those of homeless people and other waiting list applicants.
- 2.4 The Council has a new senior management team for its housing and homelessness services. The team has responded positively to our feedback on these findings. The Council recognises that it needs to focus its efforts to quicken its pace of improvement. It has initiated a range of comprehensive self assessment reviews in the last six months and aims to develop a culture of continuous improvement and customer focus within its new service structure. This process is at an early stage within the elements of its housing and homelessness services that we have assessed so it is generally too early for us to see the outcomes from these activities.

Key recommendations

- 2.5 Our report covers a range of issues. Midlothian Council must respond effectively to them. These are our most important recommendations, and reflect the areas in which the Council must deliver identifiable improvements.
- 2.6 Across its housing management activities the Council should:
- develop its approach to service planning and ensure it involves its strategic partners in developing its plans;
 - improve its customer focus in service planning and delivery and its management of complaints and appeals;
 - improve its approach to tenant participation and consultation; and
 - ensure it mainstreams equalities in its housing and homelessness services.

- 2.7 In specific housing management service areas, the Council should:
- ensure its housing allocations policy and practices comply with legislation;
 - continue to develop its approach to the analysis and evaluation of its lettings outcomes;
 - continue to improve its arrears management; and
 - improve its approach to managing its empty houses and report accurate performance data.
- 2.8 In delivering services for homeless people the Council should:
- improve how it plans its homelessness service and how it monitors its performance in achieving its homelessness objectives;
 - improve the accessibility of its homelessness service;
 - ensure it assesses homeless people's applications in accordance with legislation and guidance and meets its duties towards them;
 - quickly improve its approach to achieving the Scottish Government's 2012 target to abolish the priority need test;
 - improve the monitoring of its advice and prevention services;
 - ensure that it always meets its statutory duties to provide temporary accommodation;
 - continue to increase its supply of temporary accommodation to meet demand and improve its approach to the provision of temporary accommodation for homeless people; and
 - work to reduce the length of time it takes to provide secure accommodation for homeless people to whom it has a duty to house.

3. Context

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

About the organisation

- 3.1 Midlothian is in the east of Scotland. It adjoins Edinburgh's southern boundary, with the Pentland Hills to the west and the Moorfoot Hills to the south. The majority of Midlothian's population live in or around the main towns of Penicuik, Bonnyrigg, Loanhead, Dalkeith, Newtongrange and Gorebridge. The south of the Midlothian is predominantly rural, with the population spread between a number of small villages and hamlets. The authority shares borders with Edinburgh City, East Lothian, Scottish Borders and West Lothian.
- 3.2 The Council has a Labour administration and has 18 elected members consisting of:
- 10 Labour;
 - 5 SNP; and
 - 3 Liberal Democrats.
- The Council operates a Cabinet and Scrutiny system, with the Cabinet consisting of 7 members, each with their own allocated portfolios.
- 3.3 The Council delivers its housing and homelessness services through two of its service divisions. Communities and Wellbeing delivers housing management, homelessness and estates and community safety services, and Corporate Resources delivers property maintenance, asset management and revenue services. Both the housing management and homelessness services are delivered from a centralised office in Dalkeith.
- 3.4 The Council's average weekly rent level for 2010/11 is £48.80. This is lower than the Scottish average of £54.63. The Council has projected rental increases of 6% each year from 2011 to 2016.

About its current and future tenants.

- 3.5 Midlothian has the second lowest population of mainland local authorities in Scotland, with a population of just over 80,000 at the 2001 census. Recent population projections by the General Registers Office for Scotland (GRO) indicate that the population has increased slightly since this time, and it is estimated that it will continue to do so towards 2020.
- 3.6 Although the population of Midlothian has been aging in recent years, the percentage of people at pensionable age and over is still lower than the national average, at 17.7% compared to 18.6%.
- 3.7 Based on Scottish Government labour market statistics (modified in April 2011) unemployment in Midlothian is 4.9%, which is slightly lower than the Scottish average of 5.1%. The population in employment, either full-time, part-time or self-employed, is 74.9%, compared to 71.% nationally. 21% of the authority's working population are employed in the production and construction industries, which is higher than the national average of 16%.
- 3.8 At £481.90 per week, the average weekly earnings in Midlothian are slightly lower than the national average of £486.90. 30.2% of council tenants receive full housing benefit and 16.3% receive partial housing benefit.
- 3.9 The Council has a relatively small number of black and minority ethnic (BME) households. Based on the 2001 census, the areas BME population was 0.8%, which is lower than the Scottish average of 2%.

About its housing stock

- 3.10 Midlothian Council owns 6,553 properties, with 4,170 applications on its waiting list. A total of 1,685 new applications were added to the Council's waiting list in 2010/11.
- 3.11 The dominant tenure in Midlothian is owner-occupation, which at 63.5% is just slightly higher than the national average of 62.6%. 30% of homes are rented from the social rented sector, with 23.2% renting from the council and 6.9% rent from a RSL. 4.6% rent from a private-landlord.

- 3.12 Right to Buy sales have been decreasing in previous years. They have fallen from 112 in 2007/08 to 95 in 2008/09 to 30 in 2009/10. This represents 1.8%, 1.6% and 0.5% of total stock, respectively. Figures for 2010/11 (to January 2011) show Right to Buy sales increasing to 43; however, this still represents less than 1% of total stock.
- 3.13 Demand is high for council properties in Midlothian and the level of turnover is low. In 2007/08 and 2008/09 turnover was significantly lower than the national average. In 2009/10 turnover increased to 7.6%, which was closer to the national average of 8.9%; however the Council has stated that this increase was due to new build properties becoming available and to a new transfer-led allocations policy. For 2010/11 the Council project turnover falling back to around 5%.

Key Facts

- 3.14 The table below presents a summary of key information for Midlothian Council showing trends over the last three financial years.

Key facts	2008/09	2009/10	2010/11*
Houses owned	6,081	6,343	6,553
No. of applicants on housing list as at 31 March	3,737	3,800	4,170
Employees	#	#	3,989
Total possible rental income (£m)	13.9	15.4	16.6
% of Rental income from Housing Benefit (HB)	#	42.8%	44.4%
% of tenants in receipt of HB	#	#	46.5%
% of rent arrears	6.6%	6.5%	7.6%
Average weekly rent	£42.41	£46.22	£48.40
Average rent increase	4.0%	5.0%	5.0%
Houses re-let	597	589	397
No. of homeless applications	870	721	535

Sources: Midlothian inspection submission and Scottish Government Statistical Bulletins

*figures to 31 January 2011

#figures not provided by Midlothian Council

4. Inspection findings - Housing management

In this section we set out our assessment of the Council's performance in delivering progress in housing management.

Tenant satisfaction

- 4.1 The Council issued a postal survey to all of its tenants in 2009 to assess levels of satisfaction with its housing service. It received a response rate of 5.5% (358) with an average satisfaction rate of around 75%. The Council's analysis of the results concluded that tenants who responded to the survey were satisfied with all aspects of its housing service.

Access to housing

- 4.2 Our last inspection recommended the Council should:
- improve access; and
 - improve its approach to managing, cancelling and suspending applications.
- 4.3 The Council's housing list is open to those aged 16 or over. We found that since the last inspection the Council introduced a target to process applications which it monitors monthly. In 2010/11, the Council performed within its 21 day target, processing applications during the year between 2 to 18 days. The Council also told us it has set a target of 10 days for 2011/12.
- 4.4 At 31 March 2010, the Council had 3,800 applicants on its housing lists. This had increased to 4,252 by the time of our inspection.
- 4.5 The Council provides a range of useful information and advice on housing options and how the Council allocates its properties. This is available by contacting the Council's office in Dalkeith or through the Council's website. Following our last inspection, a quarterly newsletter was introduced and its booklet "Applying for Housing in Midlothian" was reviewed. This provides details of how the Council allocates its houses, stock availability, turnover and demand in the last quarter. Published in March 2011, the Council's Housing Options Guide outlines information available on both public and private housing options for the area.

- 4.6 The Council allows all housing applicants an unlimited choice in the number of areas they can choose. However, only transfer applicants can choose the type of house they would like. The Council also offers prospect interviews to applicants. It outlines its commitment to provide information in a range of formats and languages in its Communicating Loud and Clear policy. It also told us that it provides access to an interpretation service when requested by customers.
- 4.7 We found that although there is no Common Housing Register in operation in Midlothian, the Council does work with some local RSLs. It shares a common application form with Melville housing association. It also has in place formal nomination and protocol arrangements on section 5 of the Housing (Scotland) Act 2001 with Melville and the 8 other local housing associations. The Council told us it would like to develop these links to maximise access to social housing options in the area but does not yet have any plans in place to achieve this.
- 4.8 The Council actively manages its waiting list. We found its review process to manage its waiting list follows good practice. The Council takes the opportunity to up date its waiting list, applicants' information and preferences and also gives applicants a reasonable timescale to respond. Its approach includes clear guidelines on cancelling and reinstating applications.
- 4.9 The Council has a penalty policy in place that outlines its approach to cancelling and suspending applications for its houses. It cancelled 1185 applications between January 2010 and February 2011. We saw that the Council uses too many reasons to cancel applications. It told us it was confident that all of its cancellations complied with legislation and that it accepted the need to reduce the number of cancellation reasons it uses.
- 4.10 The Council now allows housing applicants to voluntarily suspend their application and a small number of applications are currently suspended. The Council informs applicants of the reasons for suspension, the length of suspension and their right of appeal. We also found that staff regularly review suspended applications. The Council's policy on suspensions is, however, restrictive as it currently suspends applicants for 12 months after two refusals of

- housing. We highlighted this as an area of improvement in our last inspection report.
- 4.11 The Council now monitors the reasons for bypassing applicants for an allocation. However, we found that it continues to bypass applicants for a wide range of reasons including those not permitted by legislation. Of particular concern were the 1002 applications the Council bypassed for arrears, even if it had repayment arrangements in place. This issue was highlighted in our 2008 inspection report and continues to be a significant weakness.
- 4.12 In summary, the Council has made some improvements since our last inspection, mainly in the quality and range of information it makes available to housing applicants. However, it has not addressed other areas for improvement highlighted in our last inspection report.

Lettings

- 4.13 Our last inspection recommended the Council should improve its monitoring of the outcomes of its letting processes.
- 4.14 The Council's current allocations policy was approved in 2007 for implementation 2008, but was further amended mid 2009. The policy in its current format promotes a transfer led policy but still takes account of housing need and reasonable preference. However, we found the policy has a number of weaknesses:
- the Council only published its allocations policy on its web site in the last few weeks;
 - choice of house type is given only to transfer applicants;
 - although it monitors applications it bypasses it does not analyse the reasons and it does not comply with legislation;
 - it continues to cancel applications for criteria out with those outlined in legislation; and
 - the policy is transfer led and the Council has no clear lettings targets for the different categories of applicants.

- 4.15 The Council also uses several Local Letting Initiatives (LLIs) to determine access to all of its new build properties. We found the Council has not published clear rules to explain how its LLIs operate and has not clearly outlined the purpose of its LLIs or what it is trying to achieve by restricting access in this way. We found that the Council is not always allocating properties through its LLIs to housing applicants with a recognised housing need. Overall, this is a weakness.
- 4.16 We saw that the Council makes allocations in accordance with its allocation policy and maintains good audit trails for its decisions. Its lettings team assesses housing applications and the team leader checks all allocations.
- 4.17 The Council's transfer led allocation policy does not include letting targets for the different categories of applicants, including for homeless applicants. We found the number of homes let by the Council over the last 4 years increased but the percentage of lets to homeless applicants dropped, including a significant reduction from 44% of lets in 2007/08 to 28% of lets in 2008/09. The percentage of lets to transfer applicants increased over the same period, with a significant increase from 18% of lets in 2007/08 to 40% of lets in 2008/09.
- 4.18 In response to our last inspection, the Council now measures its lettings outcomes. It acknowledges that it needs to continue to improve how it analyses and evaluates its allocations outcomes, waiting list, allocations policy and local lettings initiatives outcomes.
- 4.19 The Council has recently begun an internal audit report on housing allocations. We saw an early draft of the report, which includes action points with timescales for improvement, some of which reflect the areas of weakness highlighted above. In addition we saw recent presentations to Elected Members that highlight current areas for improvement and future risks. These include the impact of the transfer led allocations policy, new Council house building in Midlothian, abolition of priority need in 2012 and the need and use of temporary accommodation.
- 4.20 The Council uses nominations to RSLs to increase housing options for people. In 2009/10, the Council nominated 117 applicants to RSLs, which resulted in 99 lets. The number of nominations reduced to 100 in 2010/11, with 92 lets.

However, the Council does not analysis or report on the different categories of applicants for successful lets.

- 4.21 In summary, the Council recognises its transfer led allocation policy has several areas of weakness, some of which we highlighted in our last inspection report. We saw recent progress to initiate a review of the allocations policy and an internal audit report that included action points to address some of the weakness we identified. We also saw an improving approach to the managing, monitoring and reporting of performance. However, it is too early to see any improved outcomes from these reports.

Income maximisation

- 4.22 Our last inspection recommended the Council should continue to work to reduce arrears.
- 4.23 The Council provides a good range of payment methods. Almost half of its tenants pay with their rent payment card at PayPoint/PayZone locations and Post Offices. With the remaining tenants paying by standing order and debit or credit card via the telephone and internet options. Midlothian also provides a cash collection facility at its only public housing office in Dalkeith.
- 4.24 The table below summarises the Council's reported performance in collecting rent.

	2008-09		2009-10		2010-11*
	Council	National	Council	National	Council
Current tenant arrears as % of net rent due	6.6%	6.1%	6.5%	5.9%	6.5%
% of current tenants in serious arrears	7.5%	4.4%	6.1%	4.2%	6.0%
Total former tenant arrears (£)	£579,441	N/A	£667,636	N/A	£606,301

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

*Unaudited figures provided by Midlothian Council

- 4.25 The Council's performance for current arrears is improving, from 7.5% in 2007/08 to 6.6% in 2008/09 to 6.5% in 2009/10. This is above the national figure and the Council's own target of 5.9% for the year end at 2009/10. However, the Council

- ranking continues to improve from 20th in 2007/08 to 16th in 2009/10 out of 26 Councils. It has also told us it has stabilised performance for 2010/11, at 6.5%.
- 4.26 In 2007/08, 7.5 % of the Council's tenants were in serious arrears. This improved to 6.1% in 2008/09 and stabilised at 6.1% for 2009/10. It has told us the year end figures for 2010/11 for serious arrears show a slight improvement to 6.0%. The Council's ranking also shows improvement from 23rd to 22nd out of 26 councils between 2007/08 to 2009/10. However, this is poor performance as it is significantly above both the national figure of 4.2% and the Council's own target of 5.6% for 2009/10.
- 4.27 The Council is aware that its performance in managing former tenant arrears is poor and needs to improve. The amount of former arrears has risen significantly from £551,578 in 2007/8 to £579,441 in 2008/09 to £667,636 in 2009/10. However, the Council has told us the figure for 2010/11 shows a drop to £606,301.
- 4.28 The Council aims to take eviction action only as a last resort. We found there has been a sustained and significant drop in the level of evictions in the last 4 years from 60 in 2007/08 to 15 in 2010/11. A reducing number of cases proceeding to court also reflects this good approach, falling from 145 in 2007/08 to 122 in 2010/11, while the number of decrees for possession has fallen from 108 in 2007/08 to 46 in 2010/11.
- 4.29 We found the Council recognises it needs to continue to improve its performance in rent collection. It monitors its performance through a suite of performance indicators and has set improvement targets. The Council told us it has been looking to be more proactive in its approach and now conducts regular case monitoring.
- 4.30 The Council also shows its commitment to improve by completing an internal audit on overdue income in December 2010. This includes a SMART action plan with key recommendations, assigned areas of responsibility and timescales. The Council is making good progress and is also planning to undertake a cost benefit analysis covering the potential development of a corporate debt policy.

- 4.31 Our last inspection report recommended the Council should improve its performance in letting empty houses.
- 4.32 The table below summaries the Council's reported performance in letting houses that have become empty.

	2008-09		2009-10		2010-11*
	Council	National	Council	National	Council
Turnover (no. of new vacancies as % of total dwellings)	4.3%	8.8%	7.6%	8.9%	7.5%
Total no. of re-lets	597	N/A	589	N/A	481
% of dwellings that were not low demand re-let within 4 weeks	31.4%	N/A	31.6%	N/A	37.9%
Average time (days) to re-let houses that are not low demand	62	41	55	43	49
% of total annual rental lost due to voids	2.8%	1.4%	3.0%	1.4%	1.4%

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

* Unaudited figures supplied by Midlothian Council.

- 4.33 To improve the management of its empty houses was a key recommendation from our previous inspection report, but since then performance in rent lost has steadily deteriorated. The Council accept this, and acknowledge this remains an area of significant weakness.
- 4.34 We found the rate at which the Council's houses become empty has risen significantly since our last inspection. At the same time as it has focused on re-housing current Midlothian Council tenants into its new build properties the cost to the Council of lost rent has increased. Turnover has increased from 273 in 2007/08 to 590 in 2009/10. The turnover percentage for 2009/10 of 7.6% is below the national figure of 8.9%. The Council told us that turnover for 2010/11 has reduced significantly by 19% with 479 properties becoming available for relet.
- 4.35 The Council's performance for rent loss from its empty houses is poor. Its performance shows a steady increase over the last 3 years, from 2.5% in 2007/8, to 2.8% in 2008/09 to 3.0% in 2009/10. This is double the national figure for

- 2009/10 of 1.4%. In monetary terms, the void loss increased from £346,783 in 2007/08 to £486,203 in 2009/10.
- 4.36 The Council's reported figures for the length of time it takes to relet houses for non low demand stock has improved since 2008 but has also been significantly above the national figure over the same period. Its performance for low demand stock over this period has deteriorated, at 103, 133 and 148 days respectively, this is significantly above the national figure of 75 days for 2009/10.
- 4.37 The Council told us its unaudited figures for 2010/11 show some improving performance in the time it takes to let non low demand houses and in the amount of rent it loses from its empty houses. Its significant reduction in lost rent is likely to reflect the significant reduction in the number of empty properties becoming vacant within the year. We also found that the Council had reported inaccurate empty house figures in the past. It told us that it has now updated its performance measures and expects its reported 2010/11 figures to be accurate.
- 4.38 The Council recognises the need to improve its poor performance and recently began a detailed service review. The review is to be completed by the Council's corporate Business Transformation Team. We saw that the scope of its review is comprehensive and includes analysis, peer review and process mapping. The Council also told us once completed the review findings will form the basis of an action plan to direct and monitor improvement.
- 4.39 In summary, the Council has made some progress on income maximisation. It has significantly reduced the number of tenants it evicts and has improved its performance in arrears management. The Council acknowledges its trend of poor performance in its management of its empty homes and has initiated a service review to drive improvement. However, it is too early to see the outcomes of this.

5. Inspection findings - Services to homeless people

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

Access to homelessness services

- 5.1 Our last inspection recommended the Council improve the accessibility of its out of hours service.
- 5.2 Midlothian Council received 648 applications for assistance from homeless people in 2010/11. Whilst Midlothian accounts for 1.6% of Scotland's working age population, it only accounts for 1.2% of Scotland's homelessness applications. Since 2008/09, homelessness applications in Midlothian have fallen by 26%. The Council attributes this reduction to changes it has made to its homelessness services following our last inspection.
- 5.3 The Council delivers its homelessness service from a centralised homelessness team based in Dalkieth. The Council's offices are in a convenient town centre location. However, it has not reviewed how accessible this is for those who may have difficulty attending an interview in Dalkieth. The Council provides homelessness assessment interviews in other locations for people with specific needs when requested to do so. However, it does not publicise this service well and applicants have only used it 5 times in around 700 interviews in 2010.
- 5.4 In our last inspection report, we highlighted the Council's restrictive policy of closing the homelessness service for two hours at lunchtime. The Council continues to close the service at lunchtime, although now for one hour. It also further restricts access by closing for an hour on Wednesday morning, at 3.30 on Friday afternoon and for two weeks in December. Homeless people must instead use the Councils' standby service during these periods.
- 5.5 All homeless applicants who approach the Council are initially directed to the POINT, a one-stop shop the Council established following recommendations we made in our last inspection report. It is located in a converted shop, close to the Council's other offices. Council staff provide a range of information and advice to help people make more informed choices on their housing options. Everyone

who presents to the Council as homeless is provided with a housing options interview before a homelessness assessment is carried out. However, the Council's approach can act as a barrier to homeless people making an application. For example, it requires applicants to provide a significant volume of evidence before they can make a homelessness application. We also found a number of other weaknesses in how the process works, some of which are significant:

- there is a lack of customer service in the process, which routinely results in homeless people either waiting a long time for a homelessness interview or deciding not to attend a homelessness interview;
- it is not always clear how or why the Council decides when people should be referred for a homelessness interview; and
- there is no effective safeguard to ensure that everyone who needs to make a homelessness application does so.

5.6 Together these weaknesses mean that it is more difficult for homeless people to access Midlothian Council's homelessness service than it should be. A number of organisations that we contacted during our inspection raised significant concerns about the difficulty some homeless people have in making an application. This was also an area of weakness during our last inspection.

5.7 Immediately prior to our visit, the Council's corporate Business Transformation Team completed a service review of how people access its service. The report made a number of recommendations and the Council accepts that its current approach requires improvement. It has drafted an action plan to implement its review but it is too early for us to see any improved outcomes.

5.8 Because the Council does not record homelessness applications until the homeless interview, it is under-reporting the number of people it loses contact with at the initial access stages. The Council measures the length of time it takes to make an assessment decision from the point of the assessment interview, rather than from when the applicant first approaches the service. This means that the Council is also under-reporting how long it takes to make an assessment decision.

- 5.9 We found several areas where the Council's approach has improved since our last inspection:
- the Council's out of hours service has improved and it has better monitoring in place;
 - it produces a better range of publicity material around homelessness and has improved its approach to distributing this; and
 - it has improved the information it gives people about homelessness on its website.
- 5.10 In summary, while the Council has made some improvements since our previous inspection it still provides poor access to its homelessness service. It cannot be sure that everyone who needs to make a homeless application does so; there are significant barriers to making a homeless application; and its overall approach is not customer focussed. The Council has drafted an action plan to implement its recent comprehensive service review but it is too early for us to see any improved outcomes.

Advice and prevention

- 5.11 Our last inspection recommended the Council should meet its duty to provide homeless people with advice and assistance.
- 5.12 The Council has a duty to ensure that homeless people can access good quality, free advice and information about homelessness and its prevention. It sets out its strategic approach to providing information and advice in its Housing Information and Advice Strategy. We saw that the implementation plan is not SMART and that the Council has not regularly reviewed progress against the plans' objectives.
- 5.13 Following our last inspection the Council introduced a dedicated advice and prevention service, the POINT, which we refer to above. We found some weaknesses in the Council's approach to providing housing advice at the POINT:
- there is a lack of privacy in the interview areas;
 - the quality of information and advice provided varied;
 - interviews were not always structured;
 - people were not told about the our of hours service; and

- notes on the information and advice provided were limited.
- 5.14 The Council records the information and advice it has provided on a database and it gives service users a written record of what has been discussed. This is positive. However, the Council does not contact service users to ensure that the information and advice provided has helped resolve their housing situation or prevent them becoming homeless. This means it does not know how effective its service is. It also does not audit the quality of the information and advice it provides.
- 5.15 The Council also has a duty to provide information and advice to non priority applicants and intentionally homeless applicants to help them secure accommodation. We found it does not record the advice and assistance it provides in sufficient detail and cannot demonstrate the type or quality of advice it is offering. Third parties that we spoke to told us that the information provided was not always sufficient to help people secure their own accommodation.
- 5.16 An external provider, Aspire, delivers the Council's support service. It provides advice and assistance in life skills and money management. The Council has an emergency duty service to provide support to people in an immediate crisis situation and we saw that this works well. The Council is aware that it receives insufficient reports from Aspire to demonstrate the effectiveness of the service. This was an area of concern in our last inspection. The Council plans to include an improved performance monitoring framework when it procures a new contract for its support services in 2012.
- 5.17 The Council also signposts people to other agencies but it does not make formal referrals or monitor the outcomes. This means that it does not know how effective the service is.
- 5.18 The Council has some positive initiatives to help prevent homelessness and repeat homelessness. These include:
- training for staff to the Scottish National Standards for Information and Advice Type I and II;
 - a young homemaker pack;

- a housing education programme in every secondary school;
- furniture packages;
- mortgage to rent;
- a health surgery at the POINT; and
- a mental health development worker based in the homelessness section.

The Council plans to introduce a mediation service and a rent deposit guarantee scheme.

- 5.19 The level of tenancy sustainment in 2009/10 for homeless people is 96%, similar to that for all its other new tenants. This is significantly better than the national figure of 82%. The level of repeat presentations at 4.5% is also better than the national figure of 6.1%. Overall, this is a good outcome.
- 5.20 Since April 2009 landlords and creditors have informed the Council when they plan to take re-possession of a house or carry out an eviction action. The Council sends out standard information to those who are at risk of losing their home. The Council is aware that there are weaknesses in the way it records this information and it does not know how effective it is at preventing homelessness. It has purchased a new IT system which will allow it to track these cases and the outcomes.
- 5.21 In summary, the Council has made some improvements since our last inspection. It has introduced a housing advice service and provides a range of services to support homeless people. It has a low level of repeat homelessness and is good at sustaining tenancies. However, there remain weaknesses in the way it plans, delivers and monitors its advice and prevention services.

Assessment of homeless people

- 5.22 Our last inspection recommended the Council ensures it assesses homeless people's applications in accordance with the legislation and guidance and meet its duties towards them.

5.23 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:

	2008/09		2009/10		2010/11
	Council	Scotland	Council	Scotland	Council
All applications assessed in period	868	58,068	807	56,879	641
priority unintentional	57.7%	57.2%	60.2%	61.9%	70.9%
priority intentional	1.2%	2.7%	2.2%	2.5%	2.5%
non-priority	15.5%	12%	12.7%	11%	14.9%
not homeless	3.7%	6.6%	2.9%	5.9%	3.4%
applicant resolved homelessness prior to assessment	13.1%	4.5%	17.1%	4.7%	0%
lost contact before assessment decision	4.7%	11.4%	2.9%	7.4%	1.6%
withdrew application before assessment decision	4.3%	5.2%	2.1%	6.1%	6.7%
ineligible for assistance	0.1%	0.5%	0%	0.4%	0%

Source: Scottish Government Housing Bulletins and the Council's Inspection Submission.

- 5.24 The Council's pattern of assessment decisions changed significantly in 2010/11. The percentage of applicants it found to be 'unintentionally homeless and in priority need' or 'non-priority' both increased. Meanwhile, the percentage of applicants who 'resolved their homelessness prior to assessment' significantly reduced.
- 5.25 The Council's decision categories on its ICT system do not match those on the Scottish Government's HL1 system. The Council told us that there are compatibility problems between the two systems. These issues mean that the Council's figures on its reported assessment decisions are not fully accurate.

- 5.26 Scottish Ministers set a target to reduce the number of applicants who receive non-priority decisions by 50% by 2009, and to abolish the priority need test by 2012. The Council did not achieve its 2009 target. Since then, the Council's progress towards the 2012 target has continued to be slow. In April 2011 it increased the age ranges for which applicants would be deemed to be in priority need. However, the Council has reported that it is unlikely that it will be able to meet the 2012 target and its limited focus over a number of years on achieving this national objective is a significant weakness.
- 5.27 The Code of Guidance recommends that councils should notify people of the outcome of their application as quickly as possible, and suggests a target of 28 days. In 2010/11, the Council completed 87% of its decisions within 28 days, slightly below its target of 90%. However, it is better than the Scottish figure of 78% in 2009/10. In line with the Code of Guidance, it aims to notify applicants within one day. Whilst the Council's performance in this area has improved to 78%, we saw a number of cases where the Council took longer than necessary to send out a homelessness decision letter.
- 5.28 The Council's decision letters contain all the relevant information recommended in the Code of Guidance. While its letters are easy to understand, we found a small number of cases where the Council failed to send a decision letter.
- 5.29 We saw some positive examples of the Council taking a sensitive approach during homelessness interviews. However, we saw a number of weaknesses in the Council's approach to interviewing homeless people:
- it does not always give applicants a sufficient opportunity to explain their circumstances;
 - it does not always tell applicants how long the assessment process is likely to take or what is the next step after the interview; and
 - it does not routinely offer interviews with a member of staff of the same sex.
- 5.30 We identified these weaknesses in our last inspection and the Council's lack of progress is a significant weakness.

- 5.31 The Council recently introduced a quality assurance system to ensure that its assessment decisions are accurate. It randomly audits a sample of cases each month. This is a good approach and an improvement since our 2008 inspection.
- 5.32 In our last inspection we found weaknesses in the Council's decision making and found it cancelled around 25% of homeless cases, due to applicants not providing evidence. We found that in most cases the Council now makes accurate assessment decisions, with no significant errors in the cases we reviewed. However, the Council still requires applicants to provide evidence themselves, despite it having a duty to investigate the applicants' homelessness. We also saw some cases where the Council cancelled applications when applicants did not provide this evidence, although less than during our previous inspection. This is a weakness.
- 5.33 The Council assesses applicants with drug or alcohol misuse problems as not being in priority need if they are not engaging with treatment services. This is a weakness as it has a duty to assess an applicant's vulnerability, rather than the applicant's willingness to engage with treatment services.
- 5.34 In summary, the Council is fair at assessing homeless households. It generally makes accurate assessment decisions and has recently improved quality assurance. However, its limited focus on achieving the Scottish Government's 2012 target, continued weaknesses in its approach to homeless interviews and its reliance on applicants providing evidence themselves are significant weaknesses.

Securing accommodation

- 5.35 Our last inspection recommended the Council should:
- improve its management of temporary accommodation; and
 - improve its approach to permanently housing homeless people.

- 5.36 The Council uses a variety of temporary accommodation for homeless people, dispersed across its area, consisting of:
- 180 furnished Council flats and houses;
 - 202 furnished and unfurnished properties leased from Orchard and Shipman;
 - 114 furnished and unfurnished properties leased from the private rented sector;
 - 2 RSL properties;
 - supported accommodation;
 - houses in multiple occupation (HMO); and,
 - bed and breakfast (B&B) accommodation.
- 5.37 Since our last inspection, the Council has significantly increased the supply of temporary accommodation and demolished the poor quality Portacabins it previously used. But there is still a shortage of temporary accommodation for homeless people including appropriate accommodation for people with chaotic lifestyles. There is a mismatch between the profile of homeless applicants and the Council's temporary accommodation. We also saw that the Council is not always making the best use of its stock as it has available rooms which it is not using.
- 5.38 One of the actions of the Council's Homelessness Strategy was to develop a robust accommodation strategy by June 2009. The Council did not finalise the strategy until December 2010. We saw that the new strategy is an improvement and outlines generally SMART objectives and actions. The Council is aware that it continues to provide insufficient temporary accommodation. It told us that it plans to address this by:
- increasing the supply of supported accommodation through its new build programme;
 - purchasing properties through its spend to save programme;
 - increasing the number of properties it leases from the private sector;
 - working with local RSLs; and,
 - reviewing its allocations policy.

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

	2008/09	2009/10	2010/11
Number accommodated in bed and breakfast accommodation	442	465	410
Percentage accommodated in bed and breakfast accommodation	61.7%	43.5%	39.0%
Average length of stay in bed and breakfast accommodation (days)	36	81	73
Number accommodated in hostel accommodation	37	60	70
Percentage accommodated in hostel accommodation	5.2%	5.6%	6.7%
Average length of stay in hostel accommodation	226	155	212
Number accommodated in Council furnished accommodation	178	281	250
Percentage accommodated in Council furnished accommodation	24.9%	26.3%	23.8%
Average length of stay in Council furnished accommodation (days)	288	286	342
Number accommodated in private sector accommodation	59	263	322
Percentage accommodated in private sector accommodation	8.2%	24.6%	30.6%
Average length of stay in private sector accommodation (days)	60	179	311

Source: the Council's Inspection Submission

5.40 The number of people the Council placed in temporary accommodation increased by nearly 50% between 2008/9 and 2009/10 and remained constant in 2010/11. The Council has significantly increased its use of the private sector accommodation and reduced the number of people it places in B&B. However, the average length of stay in B&B has doubled from 36 to 73 days.

5.41 The number of people in furnished accommodation has remained constant. However, the average length of stay increased to 342 days and nearly half of those in furnished accommodation have been there for more than a year. The Council acknowledges that the length of stay in temporary accommodation reflects constraints on its supply of permanent accommodation.

5.42 The Council does not always meet its statutory duty to provide temporary accommodation to homeless people. When someone refuses an offer of temporary accommodation, we found that the Council withdraws B&B accommodation. We also found that it does not always provide further

accommodation when it evicts someone from temporary accommodation and it still has a duty to provide temporary accommodation. Overall, this is a significant weakness.

- 5.43 The Council continues to rely heavily upon B&B accommodation. We visited some B&Bs and found the standards varied from good to poor. The Council carries out weekly visits to people in B&B accommodation and this is a good approach. People we spoke to were generally satisfied with the standard and positive about the weekly visits however, some people felt intimidated in the B&B accommodation and others felt that the accommodation the Council provided did not meet their needs.
- 5.44 We found weaknesses in the Council's management of B&B accommodation:
- the Council has a high use of out of area placements;
 - it does not routinely visit B&B accommodation to assess the standard;
 - it does not carry out risk assessments before placing people in B&B;
 - it is not implementing its cross boundary protocol with the City of Edinburgh Council;
 - the B&Bs used by the Council do not all have HMO licenses;
 - the Council does not have copies of current gas and electric certificates or a system for recording and monitoring them; and
 - the B&Bs do not all meet the recommended standards in the Code of Guidance.

Many of these issues were highlighted as weaknesses in our last inspection report.

- 5.45 The Council uses HMO accommodation for people with support needs. The accommodation we visited was of a good standard. The Council meets weekly with the support provider to review cases.
- 5.46 We visited the Council's furnished properties, private sector properties and Orchard and Shipman properties and found the standard was generally good. People we spoke to confirmed this. However, the Council does not have up-to-date gas and electric safety certificates for all of these properties.

- 5.47 The Council provides a useful information pack to people when they first move into temporary accommodation. It carries out settling in visits and then carries out routine visits to ensure that households are aware of progress with their homeless and housing application. It also uses this contact to check people's circumstances and provide advice and assistance. This is a good approach.
- 5.48 Some tenants find the rents in temporary accommodation unaffordable; this was an area of concern in our last inspection. The Council told us it plans to help address this by increasing the number of unfurnished properties in partnership with a local RSL. The Council offers to store furniture but this is only available to people who are on housing benefit. This does not comply with legislation.
- 5.49 The Code of Guidance recommends councils consider proximity to family and friends, healthcare, employment, education training, and support when placing people in temporary accommodation. We found that the Council is not always able to do this because of the limited supply of temporary accommodation.
- 5.50 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 prioritises households with children and pregnant women it places in unsuitable accommodation for moves to more suitable accommodation, but it does not always achieve this within 14 days. The Council has reported breaches of the Order in each of the last three years. In 2010/11 it reported 22 breaches and the average time spent in unsuitable accommodation was 4 weeks. This was an area of concern in our last inspection and remains a weakness.
- 5.51 The Council has a duty to provide temporary accommodation for people it assesses as not having a priority need, or being intentionally homeless, for a period that gives them a reasonable opportunity to find accommodation for themselves. We found in some letters and leaflets the Council advises it will only provide temporary accommodation for 28 days. This does not meet the recommendations in the Code of Guidance and was an area of concern in our last inspection report.

- 5.52 The Council does not monitor refusals to temporary accommodation. Therefore it is difficult for the Council to effectively plan its provision for temporary accommodation. This was also a weakness in our last inspection report.
- 5.53 In 2009/10 the Council spent a total of £1,933,060 to provide temporary accommodation. It recovered only £396,474 in housing benefit leaving a cost to the Council of £1,536,586. The Council has a 10% overspend on its 2010/11 budget for temporary accommodation. It has reduced its budget for B&B accommodation by almost a quarter for 2011/12. The Council is aware that weaknesses in its approach to allocating its houses and in its management of empty homes impact on the service homeless people receive and the cost of its temporary accommodation.
- 5.54 In summary, the Council has made some improvements but has not responded effectively to address many of the weaknesses identified in our last inspection report. It is aware that it continues to provide insufficient temporary accommodation. While it is developing further plans to improve, it is too early to see the outcome of these.
- 5.55 The Council introduced a transfer led allocations policy in 2008. After the introduction of the new allocation policy the proportion of lets to homeless people reduced significantly. Although it increased the following year it has still not returned to previous rates. In 2010/11, only 32% of lets were to homeless people. The Council is to consider reintroducing a minimum target for the number of lets it makes to homeless people as part of a planned review of its allocations policy.
- 5.56 The Council takes a long time to offer permanent accommodation to homeless people, although this is partly due to its challenging context. In 2010/11 the average time between the Council making an assessment decision and an offer of housing was 82 weeks. At March 2011 there was a backlog of 768 households waiting to secure permanent accommodation. This is the equivalent of more than one year's homeless applications.

- 5.57 The Code of Guidance emphasises that homeless people should be treated the same as other households in the choice that they have and in the number of offers that they may be entitled to. In Midlothian, homeless people can choose any number of areas but can not choose specific house types. They only receive one offer of housing. From an analysis of lets we found that the Council allocated 26% of new build properties in 2010 to homeless people but only flatted accommodation. The proportion of difficult to let properties allocated to homeless people was much higher than other categories at 62%. The Code of Guidance advises that placing homeless people in hard to let housing is not good practice.
- 5.58 The Council does not allocate permanent accommodation to people who have been provided with a private let as temporary accommodation during the first six months of their tenancy. It also does not advise them of this when they take up their tenancy. This was an area of concern in our last inspection report and remains a weakness.
- 5.59 The Council uses nominations and section 5 referrals to secure accommodation for homeless applicants from RSLs. In 2010, 30 of 70 nominations were to homeless people. The Council has made one section 5 referral since 2007/08. In 2009/10 approximately 10% of RSL lets in Midlothian were to homeless people.
- 5.60 Regulation 5 of the Homeless Persons (Provision of Non-Permanent Accommodation) (Scotland) Regulations 2010 allows Councils to discharge their duty to homeless applicants by securing a Short Assured Tenancy in the private rented sector, subject to a number of conditions on tenancy length, support, affordability and consent. However, Midlothian Council is not using these new provisions.
- 5.61 The Council does not know the final outcome for about a quarter of the cases it has closed in 2010/11 where it had a duty to provide permanent accommodation. The Council attributes this to people who have been offered B&B but then make their own arrangements due to the waiting time for permanent housing and do not inform the Council of their change of address. The Council also does not

know the final outcomes for a significant number of people it found to be intentionally homeless or non priority. Since 2007 it has not known the final outcome for 73% of those cases.

- 5.62 In summary, the Council works in a challenging context but continues to have a poor approach to providing permanent housing for homeless people. It offers people housing in areas where they want to live but takes a long time to accommodate homeless people to whom it has a duty to house. It also does not always make best use of available resources to meet its duties to homeless people.

6. Is the housing service at Midlothian Council managed for improvement?

Leadership and strategic planning

- 6.1 Midlothian Council's housing service has undergone significant change in the last 12 months. The Council revised its divisional structure, reducing from 6 to 3 divisions, in July 2010 following a major management review. Its housing and homelessness services are now located within a new Housing and Community Safety Unit in its Communities and Wellbeing division. A new senior management team for its housing and homelessness services is also in place.
- 6.2 The Council told us that the aim of its new management team is to develop a strong culture of continuous improvement within its restructured housing and homelessness services. It is aware that it is at the early stages of this challenging process within the elements of its housing and homelessness services that we assessed. To kick start the improvement process, the Council began a pilot Public Service Improvement Framework (PSIF) self assessment review in September 2011. While this is a positive approach and produced useful data, it is unclear when the review will be completed and it is too early to see improved outcomes.
- 6.3 The Council is aware that it needs to improve its housing and homelessness services. Its Corporate Business Transformation Team is working with its housing service to complete assisted self assessment reviews designed to make its processes more efficient and effective, although it is too early to see any results from this work. The Council is also aware that it needs to review the level of resources it commits to support its delivery of improvements in its housing and homelessness services.
- 6.4 The Council sets out its vision and direction for its housing and homelessness services in its March 2011 Housing and Community Safety Unit service plan. This is the first service plan developed for the new Housing and Community Safety Unit. We saw that the plan is generally SMART and sets out a range of objectives, although the Council is aware that several areas for improvement, including its proposed allocations policy review, are not fully addressed in the

- plan. It is too early for us to assess progress against the new service plan objectives.
- 6.5 The Council does not routinely and effectively consult on its housing and homelessness service plan priorities and service objectives with its tenants, other residents and other important stakeholders. This restricts the Council's awareness of its customers' and partners' views and limits the quality of its service planning. Several stakeholders who responded to our information request were critical of the Council's approach and reported a perceived lack of interest from the Council in developing partnership working. Overall, this is a weakness in the Council's approach to planning.
- 6.6 The Council is aware that some of its housing and homelessness plans and strategies developed before the 2010 re-structure are out of date and that it did not regularly monitor progress or adjust its action plans to reflect changing circumstances. The Council is also aware that it does not have a documented service planning process or an annual review process to assess progress and adjust priorities with its housing and homelessness objectives. More recently the Council has begun to record and track progress with objectives on its corporate ICT performance management system. This is an improvement since our 2008 inspection.
- 6.7 The Council's approach to communicating its service priorities to its staff is under developed. It is aware that some of its staff reported a lack of understanding of direction and the desired long term outcomes from its housing and homelessness services. The Council aims to use its new service plan to provide clear priorities and include some of the plans objectives in the development of staff Personal Development Plans (PDPs) for all of its staff by October 2011.
- 6.8 The Council's approach to planning its homelessness service is weak. Its homelessness strategy does not always establish clear service priorities linked to an assessment of need for specific homelessness services and available resources. The strategy does not include a set of SMART objectives and related measures of success. The Council only began to routinely monitor the strategy's

incomplete action plan in 2011. The Council is now using its corporate performance management system to monitor progress.

Performance management and planning

- 6.9 Our last inspection recommended the Council should implement an effective performance management framework.
- 6.10 The Council has improved its approach to measuring and reporting the performance of its housing and homelessness services. It uses a good range of indicators and measures to track performance and has recently introduced a good monthly head of service report. It regularly reports its performance at service, division and committee levels. The Council is aware that it uses a large amount of performance indicators and that it needs to review these in order to rationalise them and align them with its new service plan and other strategic objectives.
- 6.11 The Council has set improvement targets for some of its performance indicators and it has seen improvement in several of these measures. It is also aware that it does not always set realistic and achievable targets and that this is an area for improvement, particularly in its homelessness services.
- 6.12 The Council is developing its approach to performance improvement planning. We saw several recent examples of service review and internal audits, for example on its allocations policy and its arrears process. This is a positive approach although it is too early to see any results. The Council also recently began to monitor progress with its improvement action plans through its corporate performance management system which is positive. The Council is aware that it needs to further develop its approach as several actions are not SMART and some action plans are drawn from out of date strategies.
- 6.13 The Council benchmarks its performance information with the Scottish Housing Best Value Network (SHBVN) but has not yet used this information to promote service improvement. It does not use comparative performance information in its performance reports but told us it aims to do this later in 2011.

6.14 The Council does not have a policy and process review timetable for its housing and homelessness services and does not know whether all of its housing and homelessness policies and procedures are up to date with legislation and good practice. This is a weakness. We saw that its housing allocations policy is not fully compliant with legislation.

Customer focus and influence

6.15 Our last inspection recommended the Council should:

- continue to develop its approach to tenant participation; and
- improve its understanding of service user views of its services.

6.16 The Council does not have a current customer service plan to deliver direction and develop its customer focus in its housing and homelessness services. The Council is developing a corporate customer service strategy which it expects to roll out to include housing and homelessness services within the next 18 months.

6.17 The Council has set corporate “Customer First” service standards but does not know whether these are achieved within its housing and homelessness services. There are no specific housing and homelessness service standards nor are there service standards focussed on the particular housing needs of disabled tenants.

6.18 The Council completed its first large scale tenants satisfaction survey in 2009 and this is an improvement from our last inspection. However, its postal survey received a low participation rate of 5.5% and the Council intends to adopt a similar process for its follow up survey later this year. The Council has not used the findings of the survey to produce an improvement action plan to address areas with lower satisfaction results. The Council has also not directly tested service quality, for example by using mystery shopping, although it told us it has ambitions to develop this approach in the future.

6.19 The Council uses service specific satisfaction surveys across the homelessness services, estates management and allocations. Results are reported monthly. This is positive and an improvement since the 2008 inspection, although the Council receives relatively few responses.

- 6.20 The Council recently began to operate a corporate customer complaints and feedback scheme. The Council monitors and tracks progress against its ten day response target but we saw that this target is not always achieved. Very few housing customers use the corporate scheme and the majority of complaints instead come directly to the housing and homelessness service from Elected Members. To deal with the high volume of complaints, the service has developed a bespoke system to track and manage Members' complaints. This means that the service is required to run two parallel systems which is inefficient.
- 6.21 We found that the Council deals with complaints and appeals to a variable standard. Not all response letters included information on how to appeal, how to access independent advice and how to approach the Public Services Ombudsman. One complaint was partially upheld by the Ombudsmen in 2010 and the Council was slow to act on the recommendations.
- 6.22 The Council's approach to tenant participation and consultation remains underdeveloped. It has made some improvements since 2008, for example it recently created its first tenant participation post. However, other initiatives, such as its annual tenant conference and estate walkabouts are poorly attended and do not have a focus on outcomes. The Council supports one Registered Tenants Organisation (RTO), Midlothian Tenants Forum (MTF), which has 15 members. No other tenant organisations have been established in Midlothian since 2008. MTF has been involved in consultation activity with the Council, for example on the development of the new tenant participation strategy in November 2010. The Council is aware that it needs to improve how it involves MTF in decisions such as setting service standards, influencing service objectives and rent increases. Tenants that we spoke to during the inspection were generally critical of the lack of meaningful consultation and participation opportunities provided by the Council.
- 6.23 The Council's Tenant Participation Strategy is out of date and we found evidence of only limited monitoring of progress against the objectives during the intended lifetime of the strategy. The Council is currently drafting a new strategy. It told us that it aims to see a growth in participation, including from younger people and

- disabled people, more involvement in service planning and review and improvements to the annual conference.
- 6.24 The Council's approach to rent increase consultation is poor. It issued a letter to all of its tenants and waiting list applicants in 2010. This set out potential rent increase levels linked to the projected number of new Council houses the increase would fund. The Council received a low level of response to its letter and its final decision to raise rents by 6% was supported by 4 tenants. While it is appropriate for landlords to aim to enter longer term rent agreements with tenants this needs to be done in an inclusive, accurate and comprehensive manner. We found many weaknesses in the Council's approach including the exclusion of MTF from the consultation process, incorrect important information in the consultation document and no opportunity for tenants to influence the options presented by the Council. The Council has no plans to consult with its tenants on rent increases for a further five years.

Equalities and diversity

- 6.25 Our last inspection recommended the Council ensure it continues to promote equalities issues and mainstream equalities throughout its activities.
- 6.26 The Council is aware that its approach to equalities in its housing and homelessness services is an area of weakness and that it has not made significant progress in this area. It has not outlined a timetable and plan to show how its housing and homelessness services will comply with equalities legislation and how the Council intends to develop its services to better meet the needs of equalities groups.
- 6.27 The Council monitors and reports applications received and lets made by ethnicity, disability and from gypsy/travellers which is positive. However, this information has not been used in service planning and development. The Council plans to improve equalities training and include an equalities objective within its forthcoming staff Personal Development Plans.
- 6.28 The Council's approach to ensuring equality of access to its housing and homelessness services for disabled people and those with particular needs is

- underdeveloped. It has not audited the Point to ensure it complies with disability discrimination legislation and the Council does not know whether its housing office in Dalkieth fully complies. While the Council can provide access to Language Line and provides information in other formats on request it does not know which of its tenants needs communication in alternative formats, for example for rent increase consultation letters or rent arrears letters. It does not have a list of its properties that have been adapted for particular needs and therefore cannot provide this information to disabled applicants for its housing. We also found that the Council places homeless applicants with mobility problems within B&B accommodation where the applicants are required to use stairs to access the accommodation.
- 6.29 The Council's approach to ensuring its housing and homelessness plans, policies and processes are assessed for equalities needs is poor. While it has completed an Equalities Impact Assessment (EQIA) for its Social Housing Investment Plan (SHIP) and for its housing application form, it has no plans to ensure all of its housing and homelessness services are subject to EQIAs. In addition it has recently recognised that changes to housing and homelessness services policy and service delivery may have a high negative impact on equality groups. Its transfer led allocation policy and local lettings initiatives have not been subject to an EIA despite a commitment by the Council to complete this assessment in 2008. This followed concerns expressed by several stakeholders during the consultation process in 2008 that an allocations policy with restrictions based solely on the applicants current address could be inequitable.

7. Next Steps

- 7.1 This report highlights our findings following this housing inspection. We expect the Council to respond effectively to our recommendations and to deliver identifiable improvements in its performance.
- 7.2 If you would like to see Midlothian Council's response to our findings you should contact the Council by:
- Telephone:** 0131 271 3225
- Email:** kevin.anderson@midlothian.gsx.gov.uk
- Website:** www.midlothian.gov.uk

Sources of evidence

Groups and third parties consulted

- Tenants' and Residents' groups
- The Council's external auditor
- Scottish Government – Housing and Regeneration Team
- Scottish Public Service Ombudsman
- Local Registered Social Landlords
- Shelter

Interviews/Meetings

- Housing Convenor
- Chief Executive
- Director of Communities and Wellbeing
- Head of Housing and Community safety
- Staff from Housing and homelessness services
- Staff from Corporate Services

Reality checks

- Observation of information and advice to service users
- Shadowing of allocations
- Shadowing of tenancy sign up interview
- Shadowing of an accompanied viewing
- Review of housing list applications and allocations
- Review of information for applicants and tenants
- Review of complaints
- Review of arrears cases
- Review of legal actions against tenants
- Empty property visits

Key documents reviewed

- Inspection Submission
- Housing management and homeless service performance reports
- Relevant policies and procedures
- Minutes of meetings and associated reports
- Tenants' newsletters and other publicity material
- Council's website
- Outcome reports for housing management
- Protocols with other agencies
- Local Housing Strategy
- Single Outcome Agreement
- Community Plan
- Corporate Plan
- Service Plans

Glossary

Benchmarking	A process used by organisations to systematically compare service processes and performance to identify best practice.
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.
Housing list	A list of applicants for housing that is used by the local authority to allocate its housing stock.
ICT system	Information and communication technology 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.
Performance Standards	Housing standards for all social landlords in Scotland, jointly agreed by the SFHA, COSLA and Communities Scotland.
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.
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.
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.
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.

Statutory Performance Indicator (SPI)

Indicators of local authorities' performance that are published by the Accounts Commission for Scotland.

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.

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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