

Communities Scotland
Inspection report

Orkney Islands Council

October 2006

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1. Introduction

About this inspection

1.1 This inspection was carried out by Communities Scotland 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.

How we assessed performance

1.2 Our inspectors asked two key questions:

- How good are the services we have inspected?
- How well are these services being managed for improvement?

1.3 In order to answer these questions inspectors:

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

1.4 We have awarded grades for the housing management, property maintenance and homelessness services. This is what our grades mean:

A	Excellent	Major strengths.
B	Good	Many strengths and some areas where improvement is needed.
C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses.
D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found.

¹ see glossary

The inspection team

- 1.5 The Orkney Islands Council inspection was managed by Iain Muirhead (Inspection Manager). The inspection team included Paul Milligan and Gordon Scobie (Inspectors) and Louise Irving (Inspection Officer). We were on site between 31 May 2005 and 17 June 2005. We would like to thank everyone involved in the inspection, particularly the councillors, staff and tenants of Orkney Islands Council for their time and co-operation.

Responding to this inspection

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

2. Context

Geography and population

- 2.1 Orkney consists of 67 islands, 18 of which are inhabited. The Orkney islands are seven miles north of the Scottish mainland. The islands have a population of just over 19,000. The main island - known as the mainland – is connected to two southern isles by causeways, and 16,500 of the islands' residents live on these three islands. The two main towns are Kirkwall (population 7,500) and Stromness (population 2,200), both of which are on the mainland.
- 2.2 The islands' population grew by around 4% between 1981 and 2001. Projections indicate that the population will fall over the next decade or so, although the number of households is projected to increase by 8% to 2014. The population age profile is broadly similar to that for Scotland as a whole: around three fifths of people are of working age, one fifth are children and one fifth are pensioners. The proportion of single person households and lone parent households is lower than the Scottish figure, and there is a higher proportion of married or cohabiting couples, both with and without dependent children. Projections suggest a change in the population age profile, with a decline in age groups aged under 45 and a growth in the older age groups.
- 2.3 The black and minority ethnic population in Orkney is significantly smaller than that for Scotland as a whole. At the time of the 2001 census 0.4% of the islands' population was non-white, compared with 2% for Scotland.

Economy and Employment

- 2.4 Key sources of employment include public sector agencies, the wholesale, hotels and restaurants sector, along with agriculture and fisheries. Unemployment is lower than for the highlands and islands area, and shows seasonal variations, reflecting the islands' reliance on tourism. A higher proportion of the Orkney population is economically active than for Scotland as a whole, and the proportion of self employed people is more than double the national average².

² see glossary

Average wages in Orkney are lower than the national average. Just under 50% of the Council's rental income is from housing benefit.

Housing tenure

- 2.5 Owner occupation is the dominant tenure in Orkney, and almost three quarters of the islands' population own their home. The social rented sector is significantly smaller than the national figure: less than 10% of the population rent their home from the Council; around 4% rent from one local housing association. Orkney Islands Council is the smallest local authority landlord in Scotland. The private rented sector is of a similar size to the social rented sector.
- 2.6 Council housing is concentrated on the mainland, and in particular in the main settlements. Slightly more than three fifths of the Council's houses are in Kirkwall, a further fifth are in Stromness, and 4% are elsewhere on the mainland. The remaining 15% of Council houses are on 7 outer isles.

Orkney Islands Council

- 2.7 Orkney Islands Council has 21 elected members, all of whom sit as independent councillors. The Council's key decision-making forum for housing issues is the Social Services and Housing Committee.
- 2.8 The Council delivers its services through seven departments and employs around 1800 staff. The housing and homelessness service is managed from the Housing Division of the Finance and Housing Department, which employs 17 staff. There has been substantial growth in the number of staff employed in the Division over the last three years. The Technical Services Department is responsible for managing elements of the property maintenance service for Council houses, along with delivering a range of other services for Council properties. Housing and homelessness services are delivered from one central location in Kirkwall.
- 2.9 As well as its landlord role, the Council has a strategic housing enabling role, through which it influences the future development of housing across all tenures in Orkney. The enabling role is managed from within the Housing Division by the same staff who deliver the landlord service.

2.10 The Council took the decision in 2001 to continue with its landlord role rather than transfer all its housing to an alternative landlord. Earlier this year the Council's Housing Revenue Account became debt-free. The Council intends to hold a seminar for elected members in the autumn to review the options and opportunities this brings.

Service delivery and context

2.11 Orkney has a number of distinctive characteristics which reflect its rural, island setting. Its remoteness limits opportunities for joint working with other local authorities, and leads to some constraints around contractor competition, other housing suppliers and infrastructure for new housing developments. Providing services within the islands can bring challenges in terms of logistics and cost. Orkney's remoteness also promotes a strong sense of local community and identity, which affects the closeness of relationship between councillors and their constituents and the visibility of councillors and staff to people accessing and using local services.

Key facts

	2002/03	2003/04	2004/05
Houses owned	876	838	819
Number of applicants on housing list ³ as at 31 March	333	591	581
Employees (full time equivalents)	12.5	16	17
Housing Revenue Account Gross Capital Expenditure	£800,000	£700,000	£800,000
Total possible rental income	£1,637,827	£1,601,393	£1,580,138
% of rental income from Housing Benefit	47.5%	47.6%	49.3%
% of tenants in receipt of Housing Benefit	51%	50%	53%
Current tenants' arrears as % of net rent due	2.6%	2.8%	3.8%
Average weekly rent	£37.74	£38.70	£39.90
Average rent increase	0%	2.6%	2.9%
No. of houses re-let	94	75	64
No. of response repairs carried out	1419	1150	1589
Maintenance spend per house	£661	£666	£647
Supervision and management spend per house	£432	£602	£629
Right To Buy ⁴ sales	20	38	23
Number of homeless applications	144	165	206
Number of evictions	0	0	0

Sources: Orkney Islands Council's Inspection Submission⁵ and Scottish Executive Statistical Bulletins

³ see glossary

⁴ see glossary

⁵ see glossary

3. Housing management

3.1 The grade awarded for housing management is:

C	Fair	Some strengths, but with many areas where improvement is required or with a small number of significant weaknesses
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We explain at the end of this section how the assessments we have made result in this grade.

How good is the service?

Access

Social landlords should provide open, fair and equal access to their housing lists and should work with partners to simplify and maximise access to housing.

- 3.2 Orkney Islands Council operates an open housing list and anyone aged 16 or over can apply at any time and will be admitted to the list. The allocations policy and other written information for applicants suggest that there are restrictions on who can apply for housing; these relate to local connection with Orkney and rent arrears. In practice staff do not apply these restrictions. The Council took immediate steps to revise its written information when we highlighted that it could act as a deterrent to applicants.
- 3.3 The Council is poor at publicising information for applicants on how to access its housing list. The Council's main customer service point, the 'one stop shop' in Kirkwall, does not hold any leaflets or other publicity about accessing Council housing. We saw no publicity about how to access housing in other Council public buildings or offices of partner agencies.
- 3.4 The Council has taken positive steps along with its partners to help simplify access to housing. Applicants fill in a common application form which allows them to be considered for housing by the Council, the local housing association and another local landlord. It is also working with its partners to develop a common housing register⁶.

⁶ see glossary

- 3.5 We reviewed a sample of recent applications and found that the Council processes these quickly: the cases we looked at were assessed within a week. The Council does not routinely record or monitor the time taken to process new application forms, and has no performance targets in this area.
- 3.6 The Council last reviewed its housing list in early 2005. This was the first review in three years, and resulted in more than 500 applications being cancelled. The Council managed the review well and cancelled applications only after giving applicants good opportunities to respond. There are currently 581 applicants on the housing list. The Council recognises the benefits of reviewing its list more regularly to ensure it remains accurate, and intends to move to an annual review from 2006.
- 3.7 The Council does not monitor the ethnicity of applicants for housing, and there are gaps in its information on the ethnicity of people it has housed. As a result, the Council is not able to assess whether black and minority ethnic groups are underrepresented on its housing list or in its allocation of housing.
- 3.8 The Council suspends applicants in accordance with its policy. Applicants who refuse a reasonable offer of housing are suspended for 12 months. This is not a user-focused approach, and we discuss the impact of the policy in paragraph 3.17 below. At the time of the inspection ten applicants were suspended, in each case for refusing a reasonable offer of housing. The Council confirms the suspension and its length in writing, but it does not advise the applicant of the right to appeal or make contact at the end of the 12 months to confirm the change in status. This is a poor approach.
- 3.9 Overall, the Council provides reasonable access to its housing list. It is working well to simplify access through its work with partners, and it processes applications quickly. However, it does not publicise information on accessing its list and has a poor understanding of how its approach impacts on black and minority ethnic groups. Its approach to advising applicants about the ending of their suspensions is poor.

Meeting need and maximising choice

Social landlords should meet housing need through lettings and should maximise choice for applicants.

- 3.10 The Council allocates houses using a date-based allocations policy. Within this, it considers homeless people and people with a medical or social need as specific categories; it assesses all other applicants on the basis of their date of application alone. In 2004/05 the Council allocated 35% of its empty housing to applicants with a medical or social priority; 31% to applicants who were unintentionally homeless and in priority need and 34% on the basis of date of application alone.
- 3.11 The allocations policy makes reference to some of the statutory need categories, but the Council's practice does not explicitly reflect this. As noted, 34% of all allocations in 2004-05 were made on the basis of the applicant's date of application. The allocations process does not take account of the housing needs these applicants may have. The Council does not analyse whether applicants it houses on the basis of their date of application have any housing need, nor does it consider the extent of that need. As a result, it does not know whether it is giving reasonable preference to applicants in need.
- 3.12 We found that the selection process for allocating housing lacks transparency, and is not always in line with the allocations policy. As a result, its allocations policy does not fully reflect its practices in allocating houses. In particular:
- there is no guidance for staff on how to prioritise between applicants, or between the categories of homeless and medical need applicants and date-based applications;
 - staff have wide discretion to allocate to the applicant they feel has the greatest need;
 - there is no audit trail to show why staff have chosen one applicant over another, nor details of why applicants have been bypassed;
 - the system for awarding medical priority is not transparent: there is no guidance for staff or information for applicants on the factors the Council takes account of when making a decision about awarding priority, nor on the criteria it uses to distinguish between the three levels of priority; and

- the publicity leaflet for sheltered housing does not explain how the Council will prioritise between applicants.
- 3.13 The Council does not routinely analyse the outcomes of its allocations policy. The policy has no clear objectives against which the Council can assess the outcomes. Overall, the Council's approach to allocating houses does not allow it to demonstrate that it treats all applicants fairly or equitably or that it gives reasonable preference to all statutory categories of need. This is a significant weakness. We discuss allocations from a homelessness perspective in section five.
- 3.14 The Council has been working for some time on a new choice-based allocations policy which it plans to introduce in 2006, after some delay. It had recognised that its allocations policy needed to be reviewed, although it had not identified, or taken action on, all the areas for improvement we have set out here.
- 3.15 The Council regularly gives elected members a list of the names and addresses of people to whom it has allocated a house, indicating where people have been homeless or have a medical need. This practice is poor and breaches individuals' confidentiality.
- 3.16 The Council gives applicants limited information about their housing options and the status of their application. It provides a summary version of the allocations policy and details about the housing in each local area. But its standard correspondence does not give any information to help people assess their prospects for a suitable house in their preferred area, or highlight other housing options available.
- 3.17 The Council does not provide applicants with a good level of choice of housing. It restricts choice by:
- limiting applicants to noting an interest in only two letting areas;
 - suspending applicants from being considered for housing for three months if they change their preferred letting areas; and
 - suspending applicants for 12 months if they refuse a single reasonable offer of housing.

- 3.18 The Housing (Scotland) Act 1987, as amended, prohibits landlords from taking account of a person's age when allocating general needs houses. In six areas in Kirkwall and Stromness the Council allocates houses only to people aged 45 or over. This approach does not comply with legislation. The Council is aware that it is not acting in line with its legislative duty – during our inspection the Social Services and Housing Committee discussed a proposal to change this policy, but decided to retain the current approach and consider the issue further.
- 3.19 The Council has a nomination agreement with the local housing association, which gives applicants a further housing option. The level of successful nominations – at 31% over the last three years – is not as high as the Council would wish. The Council recognises the importance of making effective use of nominations and is in dialogue with the association to try to improve this.
- 3.20 The Council is poor at meeting need and maximising choice to applicants, which is a significant weakness. It does not know whether it is giving reasonable preference to applicants in need, its approach lacks transparency and it does not promote choice for applicants. It is not complying with its legislative duty by restricting access in some areas on the grounds of age.

Sustaining tenancies and preventing homelessness

Social landlords should maximise security of tenure for all residents of their accommodation, and should work to sustain tenancies and prevent homelessness through their delivery of housing management services.

- 3.21 Orkney Islands Council has achieved the sign-up of 99% of its tenants to Scottish secure tenancy (SST)⁷ agreements. At the time of our inspection it had put in place one short SST following the granting of an Antisocial Behaviour Order (ASBO) against one of its tenants.
- 3.22 The Council gives tenants good information about their rights and obligations at the sign-up interview. It does not currently have a handbook for tenants, although it has developed a new handbook that it intends to issue to all tenants in the near future; this will improve the quality of written information about the service. The Council also has a policy of carrying out a settling-in visit for new tenants within 2 to 3 weeks of the start of the tenancy. However, it does not

monitor the actual level of tenants receiving settling in visits, and was unable to confirm to us how many it carries out. Overall, the Council's approach to providing new tenants with information about the housing service and their rights and responsibilities is fair.

- 3.23 The Council has relatively settled tenant communities: in 2004/05 turnover⁸ was around one third lower than the national figure for councils. Only one tenant has abandoned a council house in the last three years. The Council rarely has to offer support to tenants to help sustain their tenancies. Nevertheless, it does have a range of methods in place to support tenants where necessary. The community accommodation officer, who is a trained social worker based in the housing division, works primarily with vulnerable homeless applicants, but also gives support to vulnerable tenants where necessary. In the case where an ASBO was granted the Council, in partnership with support providers, organised a package of support and is monitoring the tenancy closely. The Council has a positive and proportionate framework for providing support for people to sustain their tenancies.
- 3.24 Almost all the legal action the Council takes to recover possession of its houses is in response to rent arrears. It issued notices of proceedings to 55 of its tenants in 2004/05: 51 in response to arrears, 3 for antisocial behaviour and 1 for another reason. It has obtained three court orders for recovery of vacant possession in the last three years, all for rent arrears. It has not recovered vacant possession of any of its houses in the last three years, and no tenants abandoned their property after the granting of the order for recovery.
- 3.25 We reviewed the cases where the Council had been granted orders for recovery of vacant possession. We found that throughout the process the Council maintained a good level of contact with tenants through letters and home visits. It informed tenants clearly of the increasing seriousness of the situation and advised tenants to seek independent advice. The Council's advice and information officer also contacts people the Council takes legal action against, to offer housing advice and assistance and to refer them to other agencies. In each

⁷ see glossary

of the three cases the Council came to an acceptable arrangement for the repayment of the outstanding arrears.

- 3.26 The Council's approach to maximising security of tenure and preventing homelessness is a strength. It works effectively to provide support where it is needed and takes legal action only as a last resort. It is improving the quality of information for tenants but has a weakness around ensuring it carries out settling-in visits.

Quality of neighbourhoods

Social landlords should deliver services to ensure that neighbourhoods are attractive, well-maintained and safe places to live. They should deal appropriately with antisocial behaviour.

- 3.27 The majority of the Council's housing is located in a small number of estates in Kirkwall and Stromness, and the rest is dispersed across other, more rural areas. The neighbourhoods we saw were generally in a very good condition - well maintained and tidy, with no problems of graffiti, littering or vandalism.
- 3.28 The Council does not carry out routine inspections of its estates, or the small number of communal access areas, because of their good condition. It receives very few complaints from tenants about common areas. Staff use empty house visits and other contact with tenants to ensure they keep up to date with any emerging estate management issues. This is a proportionate approach to managing its estates.
- 3.29 The Council has developed a very good strategic approach to dealing with antisocial behaviour. Corporately, the Council has an antisocial behaviour strategy and supporting policies and procedures. Throughout Orkney there are low numbers of reported cases of antisocial behaviour and, generally, incidents are minor in nature. The Council has implemented corporate initiatives such as installing CCTV in Kirkwall town centre, employing Community Wardens in Kirkwall and Stromness, and developing an information sharing protocol with key partner agencies.

⁸ Turnover is the number of new vacancies as a percentage of the total number of houses.

- 3.30 Reported antisocial behaviour is not a significant issue for the Council's housing service. In 2004/05 it dealt with 16 reported cases. We found that the Council deals well with individual cases. Although its target of 7 days to respond to serious antisocial behaviour is very long, we found that in practice it is taking quick action by visiting tenants within 24 hours. The Council also keeps people well informed of the actions it is taking. Its approach to monitoring and reporting antisocial behaviour complaints and their outcomes is not well developed, although the Council is aware of this and has plans to develop its approach in this area.
- 3.31 The Council has well-maintained estates and neighbourhoods, and reported antisocial behaviour is very low. It has a proportionate approach to managing its estates and deals well with antisocial behaviour when it does occur. It is aware of the need to improve its monitoring and reporting framework.

Responsiveness to tenants

Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities.

- 3.32 There are two tenants' and residents' groups in Orkney, which are based in the estates in Kirkwall and Stromness with the highest concentration of Council housing. Neither group is currently a Registered Tenant Organisation. One of the outer isles with a small number of Council houses also has a tenant representative. The Council works positively with these groups and offers them a good level of support. Staff have consulted with these groups - as well as inviting comments from all tenants through its newsletter - in reviews of the allocations policy and the relet process. The Council has set up a strategy group to monitor the progress of the tenant participation strategy. The group consists of officers, a small number of tenants and residents, and an elected member. It also acts as a broader forum to discuss issues such as policy reviews and new publicity material. The Council intends to hold a tenant conference later in the year. It is clearly committed to supporting tenant participation.
- 3.33 Despite the Council's positive work in this area, the level of participation from tenants' groups has been fairly limited to date. The tenants' and residents' groups have a relatively small number of active members, and a significant

number of members are not tenants. However, representatives we met with spoke very positively about Council staff's approachability and a willingness to listen and to take account of feedback.

- 3.34 Beyond its positive work in promoting tenant participation, the Council does not have a thorough understanding of tenants' views of its housing management services. Its last comprehensive tenant survey was 12 years ago. Since then its most significant consultation with tenants was around the issue of potential stock transfer around five years ago. It has, as noted above, undertaken one-off exercises around specific policy issues, and it did carry out a consultation exercise around its recent rent increase. However, it has not sought broader tenant views on the quality of its housing services for a long time. The Council told us that its small size means that service users can make either staff or elected members aware of any concerns about service delivery. However, regular, reliable feedback from service users should be an important driver in planning, developing and improving services. The absence of a systematic approach to seeking views is a weakness.
- 3.35 The Council does not have a framework of service standards setting out for tenants and others the level of service they can expect to receive. It has no firm plans for establishing service standards, but it does intend to discuss their development at the tenant conference later in the year.
- 3.36 The Council opened its one stop shop in Kirkwall in April 2004, which acts as a single contact point for all Council service users. The office is completely accessible to people with physical disabilities and provides private interview rooms as well as an open plan reception area.
- 3.37 The Council produces a regular tenant newsletter which contains an informative range of articles about the service. Beyond this, there is currently little publicity material about the housing service. The Council is aware of this weakness and has developed a new handbook which it is due to issue to tenants shortly after our inspection. The Council can make information available in different formats and other languages, although it does not publicise this routinely. Staff have recently undertaken positive work to gauge the level of interest from tenants in

receiving information in alternative formats, firstly through the SST sign-up process, and now routinely through new tenancy sign-ups.

- 3.38 The Council does not have a systematic approach to dealing with complaints about its housing management services. We found a number of gaps in its approach:
- little reference to the right to complain in correspondence;
 - a lack of recording, monitoring, analysis or reporting of complaints;
 - an absence of procedures or guidance for staff; and
 - not highlighting in responses to complaints the option to take the matter further using the corporate complaint process and, ultimately, the Scottish Public Service Ombudsman.
- 3.39 More positively, we found that where the Council does identify a case as a complaint, it does deal appropriately with it. The Council was aware of some of the gaps we have highlighted, and intends to use new IT software to improve monitoring. It has no firm plans to address the other gaps. Overall, the lack of a structured framework for identifying and dealing with complaints undermines the more positive approach it takes in individual cases.
- 3.40 The Council has a positive approach to supporting tenants' groups and, although the level of participation is relatively low, it has worked hard to develop a framework for participation. However, in a number of key areas the Council as a landlord is not fully focused on its service users. It has an underdeveloped approach to understanding tenants' broader views of the housing service. It has not developed service standards, and does not have a systematic approach to complaints.

Is the service managed for improvement?

Resource management and efficiency

Social landlords should maximise their income, in a way that is fair to service users, and manage costs effectively.

- 3.41 The Council offers tenants a wide range of methods to pay their rent. Tenants can pay in person at its offices in Kirkwall and Stromness, by standing order,

direct debt, salary deduction (for Council employees) and through rent collectors that operate on the outer isles.

3.42 The table below summarises Orkney Islands Council's performance in collecting rent.

	At March 2003		At March 2004		At March 2005*
	Orkney Islands	National	Orkney Islands	National	Orkney Islands
Current tenant arrears as % of net rent due	2.6%	7.4%	2.8%	7.9%	3.8%
% of current tenants in serious arrears ⁹	2.3%	4.8%	2.2%	4.9%	2.8%
Total former tenant arrears (£)	£29652	n/a	£32689	n/a	£38843
Rent arrears written off (£)	£264	n/a	£0	n/a	£4836

Source: Audit Scotland's published performance indicators¹⁰ & Orkney Islands Council's inspection submission

* Figures for March 2005 had not been validated by the Council's external auditor by the time of our inspection.

3.43 Orkney Islands Council's total current arrears, as a percentage of net rent due, has risen by almost half over the last three years. Nevertheless, Orkney had the lowest level of total current rent arrears of any Scottish council landlord in 2003/2004. The percentage of tenants in serious arrears was the fifth lowest of the 15 Scottish local authorities in its peer group¹¹ in 2003/04 and well below the national figure. Like total arrears, the Council's level of serious arrears has risen in the last three years. Former tenant arrears have increased by almost one third over the same period.

3.44 The Council's corporate revenue team and the tenancy management team have joint responsibility for arrears control. Both teams are part of the Finance and Housing Department, and work effectively together. The revenue team monitors the rent accounts and issues the first arrears letters, and the tenancy management team generally makes any further contact with tenants. Both the revenue and tenancy management teams meet weekly to discuss all arrears

⁹ see glossary

¹⁰ see glossary

¹¹ see glossary

cases. These meetings allow staff to decide on any further actions that need to be taken on individual cases.

- 3.45 The Council takes prompt action to contact tenants when arrears arise - usually within 1 week - and it maintains good contact throughout the process. It places an emphasis on meeting tenants face to face, through home visits or interviews in its office. It has clear and comprehensive records of its arrears cases and the actions that it has taken. Staff use a good variety of methods to contact tenants and to escalate action. The Council uses notices of proceedings appropriately, issuing these only to tenants it is considering taking legal action against. It told us that a significant contributory factor to the increase in arrears over the last three years has been a small number of tenants with high arrears. In these specific cases the Council has chosen to work with the tenants rather than recover vacant possession. We found that, despite the rise in arrears, the Council's approach to pursuing arrears remains a strength.
- 3.46 The Council's close monitoring of, and significant personal contact with tenants in arrears allows it to identify vulnerable tenants at an early stage and take appropriate action. It is supportive of tenants in arrears, and provides them with good information about how its actions will escalate. It also gives tenants details of specialist advice agencies at an early stage in the arrears process. We found two areas where the Council could further improve its approach:
- it only rarely assesses individuals' income and expenditure to ensure that repayment arrangements are realistic; and
 - it has not considered the merits of seeking arrears payments directly from the benefits agency for people on income support.
- 3.47 The revenue team has responsibility for pursuing former tenant arrears. The level of former tenant arrears has grown by almost a third in the last three years. The Council has appropriate procedures to deal with former tenant arrears, and we found that staff follow these effectively. The revenue team issues an invoice to former tenants and pursues the debt through the use of standard debt letters. If the debt is not cleared, and/or no arrangements are made to repay the debt, the outstanding balance is passed to a debt recovery agency.

3.48 The table below summarises Orkney Islands Council's reported performance in letting houses that have become empty.

	2002/03		2003/04		2004/05*
	Orkney Islands	National	Orkney Islands	National	Orkney Islands
Turnover (no. of new vacancies as % of total dwellings)	10.6%	10.8%	7.8%	11.5%	7.8%
Total no. of re-lets ¹²	94	-	75	-	64
% re-let in <2 weeks	11.7%	14.5%	9.3%	16.4%	8%
% re-let in 2-4 weeks	24.5%	20.3%	22.7%	24.9%	34%
% re-let in >4 weeks	63.8%	65.2%	68%	58.7%	58%
Average time to re-let	65 days	76 days	76 days	73 days	52 days
% of total annual rent lost due to empty houses	2.0%	2.8%	1.4%	2.7%	1.3%

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

* Figures for March 2005 had not been validated by the Council's external auditor by the time of our inspection.

3.49 In 2003/04 Orkney Islands Council lost 1.4% of its rental income because of houses lying empty. This was the 8th lowest out of 29 council landlords. It improved this figure slightly in 2004/05, to 1.3%. In 2003/04 the Council's average time to relet houses was slightly longer than the national figure, but its average relet time improved significantly in 2004/05.

3.50 The Council recently reviewed its approach to managing how it relets its houses, after reviewing practices in other local authorities. It has introduced a number of practices to reduce the length of time houses are empty. Under the new procedures:

- staff inspect houses and organise repair work prior to the tenancy end date;
- staff select new tenants before the previous tenancy ends; and
- technical services and housing staff meet regularly to discuss performance.

3.51 These new practices are positive and are contributing to the improved performance. There is also scope for the new approach to deliver further improvements: we found that the inspections are not yet happening consistently, and the Council meets its target timescale for completing repairs in only half the

¹² see glossary

- cases we reviewed. The Council is not monitoring the effectiveness of its new practices.
- 3.52 The Council's estimated cost for the supervision and management of its houses was £629 for 2004/05. This is an increase of 46% from the figure in 2002/03, and was the sixth highest out of 29 council landlords. The Council told us that its actual expenditure in 2004/05 was significantly higher than its estimate, at £781 per house. It has highlighted that it does not have the same economies of scale as larger councils and that this impacts on the overall cost of its service.
- 3.53 The Council's performance in collecting rent is a real strength, although the level of arrears has risen in the last two years. It has improved its performance in managing empty houses, although it is not yet using its new practices consistently. Overall, it performs well in maximising its income.

Performance management

Social landlords should have clear objectives, standards and targets for housing management services, should monitor achievement of these, and should work to continuously improve services.

- 3.54 Orkney Islands Council's corporate strategic plan, "A Vision for Orkney", and its Community Plan set out a range of housing-related objectives. These focus largely on the Council's strategic and enabling housing role rather than its activities as a landlord. The Local Housing Strategy provides a framework for the future development of housing across all sectors on the islands.
- 3.55 The planning framework for the Council's landlord function draws on these strategic plans. During our inspection the Social Services and Housing Committee approved a housing service plan covering the next three years. The housing service plan is very basic, does not contain SMART¹³ objectives, and does not cover all key areas of the service. It does not provide a fully-formed framework for developing the service or prioritising specific areas for improvement. The Council intends to review and develop the plan following our inspection. The housing service is also due to undergo a best value service review in the latter half of 2005/06.

¹³ see glossary

- 3.56 The Council monitors its performance in reletting empty houses and rent arrears – the elements of the service covered by the statutory indicators. Beyond this, it has set very few targets or other local indicators to assess its performance or effectiveness in housing management. It does not have a performance management culture, and does not use performance information effectively to drive service improvements. Its reporting framework is underdeveloped. It has until very recently not reported its performance routinely to the Social Services and Housing Committee; it reported on key housing management areas for the first time only during our inspection. The Council has highlighted that IT limitations have influenced its lack of monitoring and reporting. It has invested in a new computerised management information system which it was testing at the time of our inspection. It expects to be able to widen its reporting in the near future as a result of new system; however, as yet it has not developed an expanded performance monitoring framework.
- 3.57 Staff have spent considerable time developing a range of written policies and procedures over the last two years; before this, there were no written policies and procedures for many elements of the service. The quality of policies and procedures to support service delivery is generally fair. In some areas - such as rent arrears and antisocial behaviour - they are very good; there are still gaps in some other areas, most notably allocations.
- 3.58 Overall, the Council's approach to planning and performance management is poor. There is no effective planning framework, and little by way of performance monitoring. Taken together, this represents a significant weakness which restricts the capacity of the service to plan systematically for improvement.

Public reporting

Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance.

- 3.59 The Council is required under the Local Government in Scotland Act 2003 to make service information available to the public. It meets this requirement by:
- publishing an Annual Performance Report and Annual Accounts, which describes performance against the statutory indicators and gives a useful summary of key actions for the housing service; and

- producing a shorter, more accessible summary that focuses on key achievements and future plans.
- 3.60 Beyond these corporate initiatives, the Council does not actively publicise the performance of its housing management service. It does not use its regular newsletter as a means of reporting on performance directly to its tenants. As noted earlier in this section, it has very few indicators or targets, which in the short term will restrict the range of performance information it is able to report to tenants.

Grade and overall assessment of housing management

- 3.61 Our overall assessment is that Orkney Islands Council's housing management service is fair. It has some strengths, but it also has a number of areas for improvement, a small number of which are significant weaknesses. We set out below the key factors that we have taken into account in coming to our overall assessment.
- 3.62 The Council has some strengths which have an impact on the quality of services. Key strengths are:
- its clean and tidy neighbourhoods;
 - its approach to supporting tenants' groups and promoting tenant participation;
 - dealing effectively with rent arrears in a way that reduces the need to take legal action against tenants; and
 - improved performance in reletting empty houses.
- 3.63 The Council has a number of weaknesses in housing management, a small number of which are significant. Its approach to allocating its houses is poor. It does not know whether it is giving reasonable preference to people in housing need and does not assess the housing need of all applicants; it does not promote choice for applicants or allocate its houses transparently; and it is not complying with its legislative duty by restricting access to housing in some areas. The second significant weakness relates to how the Council plans and manages the performance of the housing management service: there is no effective planning framework, and little systematic performance monitoring or reporting. Taken

together, these reduce the Council's ability to plan for improvement in the service.

3.64 Other areas for improvement in the housing management service include:

- weaknesses in responding to service users, particularly the lack of a systematic approach to seeking feedback and gaps in the complaints framework;
- not advising applicants about the end of the suspension of their applications; and
- gaps in public reporting of performance.

4. Property maintenance

4.1 The grade awarded for property maintenance is:

D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found
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We explain at the end of this section how the assessments we have made result in this grade.

How good is the service?

Access to the repairs service

Social landlords should have arrangements in place that make it easy for tenants to report repairs and to have them carried out.

- 4.2 The Council's repairs service is accessible during office hours: tenants can report repairs in a variety of ways - by phone, in writing, by e-mail or directly at the Council's one stop shop in Kirkwall.
- 4.3 The arrangements for reporting repairs outwith office hours are less easily accessible for tenants. When tenants telephone the out of hours service they hear a message which gives the telephone number of four building inspectors and asks that they call each number in turn until they reach an inspector. This approach is not user-friendly, and the Council has not monitored how well the arrangement works in practice. The Council is in the process of negotiating with another agency with a view to using its out of hours emergency call system. If successful, this should give tenants a more streamlined service and will allow the Council to monitor its performance more effectively.
- 4.4 The Council currently gives tenants limited information about the repairs service. New tenants get useful guidance on how to report repairs at tenancy sign-ups, and the regular tenant newsletter gives contact details for the out of hours service. However, there are no publicity leaflets, or information on the Council's website, explaining repairs responsibilities, categories of repair or target timescales for completing repairs. The Council does not issue a receipt for repairs to confirm work details or timescales, although imminent changes in its IT

system will allow it to send receipts from later this year. The new tenant handbook, which the Council is due to issue shortly after our inspection, will improve the level of information about the repairs service.

- 4.5 While the Council does not operate a formal repairs appointment system it passes tenants' access preferences to its contractors and expects the contractor to finalise arrangements. The Council told us that there have been no complaints about this arrangement, but it has not asked tenants for feedback on how convenient they find it.
- 4.6 The weakness in the out of hours service arrangements, the limited publicity material and the lack of structured feedback from tenants undermine the accessibility of the repairs service. The Council has recognised that it needs to make the service more accessible and is making some progress.

Speed and quality of response repairs service

Social landlords should set challenging targets for completing repairs, strive to achieve them and ensure repairs are completed to a high quality.

- 4.7 The Council's targets for completing repairs are 24 hours for emergencies, 3 days for urgent repairs and 28 days for routine repairs. The target for emergency repairs is similar to the target set by the majority of Scottish councils. The table below summarises the Council's reported performance against these targets over the last three years.

	Orkney Islands' target response time	Performance			
		Orkney Islands			National median ¹⁴ 2003/04
		2002/03	2003/04	2004/05*	
Emergency	24 hours	89.4%	86.5%	85.4%	
Urgent	3 days	80.4%	76.7%	73.1%	
Routine	28 days	81.2%	86.2%	84.2%	
% of repairs due to be completed within 24 hours completed within target		89.4%	86.5%	85.4%	95.1%
% of all repairs completed in target		83.1%	83.7%	81.6%	85.9%

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

* Figures for March 2005 had not been validated by the Council's external auditor by the time of our inspection.

¹⁴ see glossary

- 4.8 The Council's reported performance in completing repairs against its target timescales has deteriorated in the emergency and urgent categories over the last three years, and has improved in the routine category. In 2003/04 it had the second lowest completion rate of repairs due in 24 hours of the 28 councils that reported performance, and its performance in this area declined further in 2004/05. The Council does not receive the job completion time for emergency repairs jobs from all its contractors. As a result, its reported performance against its 24-hour target is not fully accurate.
- 4.9 The Council is working with its main contractor to address performance issues. Staff advised us that they believe the contractor does not accurately report the actual completion date, and that it completes repairs more quickly than the reported figures suggest. The Council intends to look more closely at the contractor's method of reporting, but at the time of our inspection it had not gathered any evidence to demonstrate that actual performance is better than the levels it reports.
- 4.10 Pre-and post-inspections are important tools for ensuring repairs are targeted accurately and carried out to a high standard. The Council told us that it sets a target to undertake 20% pre-inspections of repairs and 10%-15% post inspections. It has no formal criteria for identifying jobs for pre- and post-inspection, it does not monitor how many inspections it carries out and could not tell us how many inspections it has undertaken. As a result, it cannot be sure that its approach is proportionate and targeted. It does not systematically assess the outcomes of post-inspection work or use information from inspections to assess contractors' performance.
- 4.11 The Council operates a Right to Repair¹⁵ scheme, but the scheme does not comply with key statutory requirements. When a tenant reports a repair the Council does not assess whether the repair is covered by the scheme, advise the tenant if it is a qualifying repair or give details of an alternative contractor. The Council is also unable to accurately assess whether contractors are completing qualifying repairs on time because of gaps in reporting, as discussed above. It has not paid compensation to any tenant under the scheme. It has met with its

main contractor in an attempt to improve its information on repair completion times, but it has no firm plans to address the other gaps. This is a significant weakness, particularly given the Council's relatively poor performance in completing repairs within target timescales.

- 4.12 There are major areas where improvement is needed in the Council's response repairs service. Its reported performance is poor, there are weaknesses in its approach to ensuring quality through pre- and-post inspections, and it does not comply with the statutory Right to Repair scheme.

Physical quality of houses

Social landlords should have good information about the condition of their houses and should deliver effective maintenance programmes that take account of housing quality and home safety needs.

- 4.13 Scottish Ministers have set a target that all social landlords' houses should meet the new Scottish Housing Quality Standard (SHQS) by 2015. Landlords were required to prepare a plan showing how they will achieve this, by April 2005. The Scottish Executive and Communities Scotland will assess each local authority's plan. The Council has submitted its standard delivery plan and expects that most of its houses will meet the SHQS by 2015. It has projected that 101 (12%) of its houses will not meet the energy efficiency requirements of the SHQS, even after planned improvements, because of the narrower range of fuel options on the islands. It has requested that the Scottish Executive relaxes this element of the SHQS pending the outcome of a forthcoming energy study.
- 4.14 The Council has recently cleared its housing debt. It has developed a 30 year business plan as part of its preparation for achieving the SHQS.
- 4.15 The Council undertook a survey of the physical condition of 25% of its houses in 2000. It updated this work through a small sample survey of 4% of its houses in 2005 as part of its SHQS preparation. The survey concluded that the Council's housing has been well maintained and is generally in satisfactory condition.
- 4.16 The Council recognises that it needs to improve how it records and makes use of the information it holds about its houses. It intends to use the findings from the

¹⁵ see glossary

survey along with the professional knowledge of building inspectors to develop a more comprehensive information base on its houses' condition. It also proposes to complete a further survey to enhance its knowledge and inform its future maintenance programmes, including its work to achieve the SHQS, although this will not be completed until 2010. The Council intends to update its delivery plan as necessary following this survey.

- 4.17 The relatively severe climate and the absence of mains gas on the islands are important contextual factors that have influenced the Council's approach to maintaining and improving its houses. It has taken a systematic approach to improving its houses, based on a long-term maintenance programme. Almost all houses have electric central heating and double glazing. The ongoing investment programme includes central heating replacement, new windows and doors, kitchen and bathroom renewal and roof repairs and renewals. The Council also has in place a cyclical programme of work dealing with cavity wall and loft insulation, electrical inspections and maintenance painterwork. Recent tenant surveys of planned maintenance¹⁶ work have shown an average satisfaction rating of 86% with the work. The Council generally delivers improvement contracts on time, although it highlighted to us that some specific contracts, particularly painterwork, can slip due to a shortage of local contractors. Overall, the Council has worked well to improve the physical quality of its houses.
- 4.18 The Council has installed hard wired or battery operated smoke detectors in the majority of its houses. It was unable to quantify how many houses do not have smoke detectors, although staff indicated the number was small.
- 4.19 From May 2004 social landlords have had a statutory duty to manage asbestos in the common areas of their properties. The Council has few properties with communal areas. It does maintain an asbestos register for its houses and has a set of procedures for dealing with asbestos, but has not met the statutory timescale to prepare a written asbestos management plan or taken steps to determine whether asbestos is present in common areas.

¹⁶ see glossary

- 4.20 The Council has a formal standard on the condition it expects its houses to be in at the start of the new tenancy. We found that houses are being let in a good standard, and the Council advised us that there is a very low level of applicants turning down offers because of the house condition.
- 4.21 The Council is working well to improve the physical quality of its houses and deliver improvements, and it lets houses in a good condition. It needs to do more to fully understand the condition of its houses, and has not yet fully met its legal duty on the management of asbestos.

Responsiveness to tenants

Social landlords should place the people they serve at the heart of their work, treat them with respect and be responsive to their views and priorities.

- 4.22 The Council does not have a consistent approach to obtaining and using tenant feedback to evaluate and improve its property maintenance service. There are positive aspects in planned maintenance: it routinely carries out postal surveys following planned maintenance work, and surveys have had a response rate of more than 55%. However, the Council does not routinely seek feedback from tenants on its reactive repairs service. The absence of structured feedback from tenants makes it difficult for the Council to plan properly for improvement, and is a significant weakness. The Council had recognised before our inspection that it needs to improve in this area, and will shortly introduce new IT software that will automatically generate a postal repair survey form after each job. This should enable the Council to begin to build a clearer picture of tenants' views of the response repairs service.
- 4.23 The Council gives tenants a degree of choice in planned maintenance work, by offering options where possible, such as kitchen layouts and styles. For one project, in one area, it allowed tenants to prioritise the order of work between central heating and double glazing. Beyond this, it has not consulted with tenants in setting or reviewing standards, priorities or policies across its property maintenance service. It has not asked tenants for their views on priorities for the planned maintenance programme.

- 4.24 We also found a small number of areas where the Council has had a more responsive, tenant-focused approach to delivering the property maintenance service:
- the Council made changes to how it manages elements of its property maintenance service on one of the outer isles in response to feedback from the local tenant representative; and
 - Council staff recently developed a protocol, in consultation with the tenant participation strategy group, which formalises arrangements for notifying tenants of proposed works and enhances the range of tenant choice of materials.
- 4.25 We discussed the Council's approach to dealing with complaints in the housing management section of the report. The weaknesses we identified in that section - not publicising the right to complain; a lack of recording, monitoring, analysis or reporting; an absence of procedures or guidance for staff - are also relevant for the property maintenance service. More positively, we found that where the Council has identified cases as a complaint, it does deal appropriately with them, and we saw examples where it had considered reviewing its practices in light of a complaint. As in housing management, however, the lack of a structured framework for identifying and dealing with complaints undermines the more positive approach in individual cases.
- 4.26 The Council is not yet fully focused on delivering a responsive property maintenance service. It has made some improvements which show a greater tenant focus, but a significant weakness remain around complaints, feedback on response repairs and involving tenants in developing the service.

Is the service managed for improvement?

Resource management and efficiency

Social landlords should manage the cost of their services effectively and procure repairs and maintenance services in a way that takes account of quality and cost.

- 4.27 Orkney Islands Council spent £647 per house on repairs and maintenance in 2004/2005. This is a slight reduction on the two previous years, and is the 3rd lowest level of expenditure of the 29 councils managing council houses in Scotland.

- 4.28 As highlighted elsewhere, the technical services department has responsibility for managing the property maintenance service for the Council's houses, with input from the housing division. The technical services division is responsible for maintaining all Council buildings. All repairs and maintenance work on the Council's housing is carried out by external contractors.
- 4.29 The Council told us that there is a general shortage of contractors on the islands - particularly outwith the mainland - and that as a result it encounters significant difficulties in procuring contractors to carry out maintenance work. Most of the workload for contractors is on the mainland, reflecting the location of the vast majority of the Council's housing. The Council uses a multi-trade contractor for most response repair work on the mainland; it generally uses local contractors on the outer isles, and on some islands there is only one local contractor. We found that there is no significant difference in repairs performance between the mainland and the outer isles. The contractor supply issue highlights the importance for the Council of working closely and effectively with its contractors.
- 4.30 The Council competitively tenders for its main repairs contract on a 3 year fixed term basis and for planned maintenance contracts. It negotiates with the smaller contractors on the outer isles. It uses the Council's financial regulations as a framework for procuring contractors, and has supplemented these for its main repairs contract with a pre-qualification assessment that considers quality factors as well as cost. As noted elsewhere, the Council has improved its level of liaison with its main contractor. Nevertheless, gaps remain in its overall framework for reviewing contractors' performance, particularly for response repairs.
- 4.31 We also found weaknesses in the Council's monitoring and control of the cost of repairs. It uses a schedule of rates (SOR) for its fixed term contract, but it does not use this to price the cost of response repairs before issuing jobs to the contractor. The Council reviews all invoices but does not routinely assess these against the SOR unless an invoice seems excessive. It does not monitor the scale of variations - where the final cost of the job is different from the original price. These gaps restrict the Council's ability to ensure it is receiving value for money from its contractors.

4.32 The Council has a very effective approach to recovering costs for rechargeable repairs¹⁷, particularly in relation to void properties. The revenues section of the finance and housing division is responsible for pursuing rechargeable repairs, and successfully recovers significant costs: in 2003/2004 the Council raised £4058 in rechargeable repairs invoices and recovered £3841 in the same year.

Performance management

Social landlords should have clear objectives, standards and targets for property maintenance services, should monitor achievement of these, and should work to continuously improve services.

4.33 The Council does not have a strategic planning framework for its property maintenance service. We assessed the approach to housing management service planning in the previous section, and these points are relevant here. The local housing strategy and the SHQS delivery plan have a particular relevance for the property maintenance service. However, the Council has not developed clear objectives to drive improvements in the service, and there are no operational plans or agreed priorities for the service.

4.34 Beyond the response repairs statutory performance indicator, the only element of the service with a clear performance monitoring framework is repairs to empty houses. The Council has not set targets for other key areas of the service and does not routinely monitor or analyse its performance. It could not supply us with information on key areas of its performance ahead of the inspection. There is not a clear focus on performance management in the property maintenance service.

4.35 The Council's approach to reporting on performance is also poor, both operationally and strategically. The capacity for reporting, both at senior staff and elected member level is restricted by the lack of systematic monitoring. The Social Services and Housing Committee, which has a remit to oversee the Council's housing role, receives only limited routine performance reports on the property maintenance service – an annual report on the planned maintenance programme and short summary updates on the progress of the programme. The only other reporting of performance to elected members is the annual response repairs statutory performance indicator, which is reported to the Monitoring and

¹⁷ see glossary

Audit Committee. As with the housing management service, the current level of reporting does not give elected members a solid information base to inform strategic decision-making.

- 4.36 There are significant gaps in the Council's policy and procedural framework for property maintenance, and these contribute to the weaknesses we found in our inspection. The Council's maintenance policy has not been reviewed since 1994, and elsewhere in this section we have highlighted gaps in areas such as procurement, ensuring quality through pre and post inspections and Right to Repair.
- 4.37 Despite the absence of an overarching planning framework, we did see some examples of positive work being done to develop the services, such as:
- the recently-established regular liaison meetings between key technical services and housing staff, leading to better co-ordination in responding to issues tenants have raised;
 - the development of the planned maintenance protocol, which we discussed earlier; and
 - work to improve procedures for contractors reporting repair completion times.
- 4.38 Overall, however, the Council's poor approach to performance management and planning remains a significant weakness.

Public reporting

Social landlords should give stakeholders the information they need about the organisation and its plans, services and performance.

- 4.39 The housing newsletter includes occasional articles about the property maintenance service, and the Council has used it to present the summary findings of its planned maintenance surveys. However, it has not used the newsletter to report more broadly on its property maintenance performance, its service or its plans. The absence of targets and plans in place currently restricts its ability to report effectively to tenants on its performance. The Council's annual performance report does not highlight the Council's response repairs performance, but refers to it only in a summary of the statutory performance indicators in the statement of accounts. Overall, the level of public reporting on the property maintenance service is poor.

Grade and overall assessment of property maintenance

- 4.40 Our overall assessment is that Orkney Islands Council's property maintenance service is poor. The Council has some strengths in its property maintenance service, but it also has major areas where improvement is needed, which impact on the quality of the service tenants receive. There are early signs that the Council is starting to tackle some of the weaknesses we identify in this report, and we did see evidence of some progress, but the overall level of current performance is still poor.
- 4.41 In coming to our overall assessment we have taken account of the balance of the strengths, and the areas that need to be improved across the service. The Council's houses are in satisfactory condition, and it has worked well to improve the physical quality of its houses. However, we also found major areas where improvement is needed:
- its performance in completing repairs on time is poor;
 - it has not sought feedback from tenants on the repairs service, has not involved tenants in shaping the property maintenance service, and does not have a robust complaints framework;
 - it does not have a clear strategy for developing its service or a robust approach to assessing its own performance; and
 - its out of hours repairs arrangements are not user-friendly.
- 4.42 We also found a number of other weaknesses in the service. It does not meet its statutory obligations on Right to Repair or the management of asbestos. There are gaps in how it assesses the performance of its contractors, and it needs to improve its information base on the condition of its houses. The level of information for tenants on the repairs service is poor, although this should be improved with the introduction of a tenant handbook.

5. Homelessness services

5.1 The grade awarded for homelessness services is:

D	Poor	Major areas where improvement is needed or where a number of very significant weaknesses are found
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How good is the service?

Access to homelessness services

Local authorities should provide open, fair and equal access to their homelessness services and should provide a 24 hour crisis response service for roofless households.

- 5.2 Orkney Islands Council received 208 applications for assistance in 2004/05, which equates to 2.2% of all households in Orkney. This is a significant increase on the 2003/04 year's figure of 1.8%. The 2003/04 figure was lower than the national rate of applications, which stood at 2.3%.
- 5.3 The homelessness service is delivered during office hours by a specialist homeless team which is centrally located close to the Council's one stop shop in Kirkwall. As noted already, the one stop shop has been in operation for over a year and provides access to a range of Council services. One stop shop reception staff pass all enquiries on to the homeless team. Reception staff do not have any knowledge of homelessness and are not equipped to answer general questions on the homelessness services. The Council intends to provide reception staff with basic training on housing and homelessness.
- 5.4 The Council is poor at publicising the homelessness service and how people can access it. There are no leaflets or other information about the homelessness service or how to access it in the one stop shop, or in other Council public buildings. The Council's website provides very limited information on services for homeless people. Given the Orkney Islands' rural nature and the fact that the one stop shop is the only access point for the homelessness service across the whole Council area, the lack of wider publicity about the service is a significant weakness. We saw no publicity in other prominent locations in Kirkwall such as the offices of partner agencies. The Council is aware of the lack of publicity material for the homelessness service and at the time of inspection was at an

- advanced stage of producing leaflets for the service. In addition, the Council is carrying out a whole-scale review of its printed information and is working on the development of a new Council website.
- 5.5 The Council generally works informally with other bodies whose clients may require access to the homelessness service, and we saw examples of this in practice. It has formal referral protocols with only a small number of partner agencies. The Council does not record referrals received from other agencies nor how applicants found out about the service, and so is unable to monitor the effectiveness of these access arrangements.
- 5.6 The Council provides an out of hours service so that homeless people can approach the Council outwith office hours. Under the access arrangements, people are directed to initially contact police or health service staff by telephone, who then liaise with Council staff. Access arrangements for the service are not well publicised, and we spoke to one homeless person who advised us that he slept rough as a result of not being aware of it.
- 5.7 We saw that the Council provides homelessness appointments quickly - either on the same day if the person is roofless or within a few days for other applicants. Although there are target timescales for interviews, the Council does not monitor performance.
- 5.8 The Council does not record initial approaches from people who contact the Council for assistance. As a result, it cannot accurately track all initial enquiries to ensure that they are responded to appropriately, or monitor how many people it loses contact with prior to interview. A further consequence of not recording initial approaches by homeless applicants is that the Council is under-reporting the number of people seeking assistance on Orkney. Staff took steps to deal with this weakness when the inspection team highlighted it.
- 5.9 The Council's one stop shop provides high quality, private interview facilities that are modern, comfortable, welcoming and accessible to disabled people. It embraces positive practice around interviews – such as making available same-sex interviews and allowing people to bring a friend or advisor – although it does not fully publicise these options.

5.10 The Council records equalities information from homeless applicants. However, it does not use this information to monitor whether black and minority ethnic applicants and people with disabilities are receiving fair access to, and outcomes from, the service.

5.11 The Council provides poor access to the homelessness service. Although there are positive elements, particularly the quick appointments and good quality interview facilities, the weaknesses around publicity for the service, including the out of hours service, and gaps in recording and monitoring service delivery, impact significantly on the overall accessibility of the service.

Assessing homeless applications

Local authorities should treat homeless people fairly and consistently and be responsive to their individual needs when assessing their application for help.

5.12 The table below provides an overview of Orkney's assessment decisions for people who apply to it for assistance. We discuss key trends and the Council's performance in the paragraphs below.

	2002/03		2003/04		2004/05
	Orkney	National	Orkney	National	Orkney
Total number of applications assessed in period	144	47,740	152	49,937	205
Priority unintentional	31%	54%	32%	54%	32%
Priority Intentional	3%	3%	1%	2%	2%
Non-priority	8%	21%	7%	21%	6%
Not homeless	10%	9%	18%	8%	9%
Lost contact/withdrew before assessment	19%	9%	21%	9%	25%
Resolved prior to assessment	13%	4%	14%	6%	23%

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

5.13 The percentage of people the Council assessed as unintentionally homeless and in priority need remained fairly static between 2002/03 and 2004/05, and was significantly lower than the national figure. Over the same period the percentages of people assessed as not in priority need and intentionally homeless in priority need fell slightly. The percentage of people assessed as not in priority need was less than half the national figure in 2002/03 and 2003/04. The percentage of people assessed as not homeless almost doubled between 2002/03 and 2003/04, then fell back to close to its earlier level in 2004/05.

- 5.14 We saw that the Council's homelessness assessment interviews are good quality and client focussed overall. People we spoke to were pleased with the quality of their homeless assessment interview and felt that they had been treated with respect and courtesy. We saw that the Council's staff give applicants:
- good information on the homelessness assessment procedure;
 - details of section 40 of the Housing (Scotland) Act 1987, about false information and withholding information, in a non-threatening way;
 - adequate opportunity to discuss their housing circumstances and to ask any questions that they may have;
 - the name and telephone number of the interviewing officer; and
 - a 'looking for accommodation' form to record their search for accommodation.
- 5.15 We did find two areas where there were gaps in information for applicants during the interview. Staff do not give applicants information on their right to appeal or the Council's complaints procedure. On being advised of this, the Council took immediate steps to ensure that homeless applicants are advised of the right to appeal.
- 5.16 The Council has a duty to make all necessary inquiries to satisfy itself as to whether people who apply for accommodation, or for assistance in obtaining accommodation, are homeless or threatened with homelessness, have a priority need, and became homeless or threatened with homelessness intentionally. We reviewed 42 homeless applications across a range of assessment decisions and found that in some cases the Council makes good decisions in line with legislation and the Code of Guidance. However, we found that there were delays in a significant number of assessments and that this often resulted in cases being closed inappropriately. This undermines the effectiveness of the Council's approach and is a significant weakness.
- 5.17 During 2003/04 the Council closed 21% of applications as 'lost contact/withdrew prior to assessment', which was more than twice the national level. The level in Orkney increased further to 25% during 2004/05. We found weaknesses in how the Council manages these applications, including instances of delays in making contact with applicants and not maintaining contact. We found instances where

- a more proactive approach could have allowed it to issue a decision on the key homelessness questions rather than closing the case as a lost contact.
- 5.18 The Council also closes a high percentage of cases as 'resolved prior to assessment': in 2003/04 it closed 14% of cases on this basis, compared to the national figure of 6%. Orkney's figure for 2004/05 increased further to 23%. We found that in a number of instances the Council had not progressed these cases quickly, and as a result it had issued assessment decisions only after applicants had made their own arrangements to secure alternative accommodation, which in some cases was insecure private rented housing.
- 5.19 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. The Council's reported performance in making decisions on applications within 28 days has declined from 58% 2002/03 to 26% in 2004/05, and it took an average of 45 days to issue a decision in 2004/05. The delays we have described contribute to the long average time for making decisions . We saw only one case where the delay was justified because it was more complicated and involved delays in gathering evidence. In addition, the Council's practice of not recording approaches from homeless people as formal applications until they are interviewed means that its reported performance is likely to be better than its actual performance.
- 5.20 The Council's decision letters do not provide applicants with all the relevant information. Letters do not:
- set out clearly the decision the Council has reached on all the main issues that it should consider in assessing homeless applications;
 - include full information on the right to appeal and the appeal process in the text of all letters – it does give information on a separate sheet, although not in a user-friendly format; or
 - always give information on sources of independent housing advice.
- 5.21 The Council has a client-focused approach to interviewing homeless applicants, and we saw some evidence of decisions being made in line with legislation and the Code of Guidance. However, the delays in taking cases forward and closing

cases inappropriately undermine the quality of decision-making and the effectiveness of the Council's response to people who apply for assistance.

Temporary accommodation

Local authorities should make available an adequate supply of good quality temporary accommodation to meet the needs of homeless people.

5.22 Orkney Islands Council has a relatively large pool of temporary accommodation. It uses 59 of its houses as self-contained, dispersed temporary accommodation for homeless people. This housing is mainly in Kirkwall, with a smaller number in Stromness and St Margaret's Hope. It also leases a small, but growing, number of houses from private landlords to supplement its own supply of temporary accommodation. It does not use hostel accommodation. It does place people in bed and breakfast. The table below sets out key figures on Orkney's temporary accommodation.

	2002/03		2003/04	2004/05
	National	Orkney	Orkney	Orkney
Number accommodated in bed and breakfast accommodation	-	12	28	54
As % of total	36.7%	24%	37%	43%
Average length of stay (days)	26	3	12	10
Number accommodated in Council furnished accommodation	-	38	48	73
As % of total	25.6%	76%	63%	57%
Average length of stay (days)	142	230	167	252

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

5.23 Between 2002/03 and 2004/05 the number of people the Council placed in temporary accommodation has risen by more than 150%. In 2004/05 the Council placed just under three-fifths of people who required temporary accommodation into its own furnished housing; this is a reduction of a quarter over three years. There has been a significant increase in both the number and the proportion of people placed in bed and breakfast accommodation.

5.24 We found that the Council meets its statutory duty to provide temporary accommodation to those homeless applicants who access the service although, as noted earlier, the service is not well publicised and we spoke to one person who slept rough as a result. The quality of Council-owned temporary

accommodation is good. The Council has a dedicated staff member who ensures that temporary accommodation is clean, well-furnished and well-maintained. It provides temporary accommodation quickly to people who need it, including out of hours. Homeless people we spoke to were satisfied with the quality of their temporary accommodation.

- 5.25 All the Council's temporary accommodation is mainstream housing with floating support given as required. A small number of houses are suitable for people with disabilities. The Council is aware that the range of accommodation available may not meet the needs of all client groups, and is in the early stages of addressing this through its homeless strategy. The Council has gradually increased the supply of temporary accommodation to its current level by leasing units from the private sector, purchasing a small number of additional properties and by sourcing surplus properties from other Council departments and external agencies.
- 5.26 The length of time people stay in Council furnished accommodation is high and increasing significantly. In 2002/03 people stayed an average of 230 days, which was more than 50% longer than the Scottish average for that year. In 2004/05 the average length of stay had risen to 252 days. A number of people have remained in temporary accommodation for more than three years. Council staff highlighted to us that, as a result of the long stays in temporary accommodation, people have developed support and social networks and used local schooling during their stay in temporary accommodation. In some cases this has resulted in people being reluctant to move to permanent accommodation in other areas, or has meant that networks have been lost when people do move on.
- 5.27 The Council is increasingly placing people who require temporary accommodation into bed and breakfast accommodation. Between 2002/03 and 2004/05:
- the number of applicants placed in this type of accommodation has more than quadrupled and the percentage of people placed in bed and breakfast has increased from 24% to 43%;
 - the average length of time people spend in bed and breakfast has also more than doubled to 10 days - although in 2002/03 (the last period where national

information is available) the average length of time in bed and breakfast was significantly lower than the national figure of 26 days; and

- the number of families with children placed in B & Bs has increased from 4 to 11.

- 5.28 The Council has a good approach to moving applicants into mainstream temporary accommodation as soon as possible and to minimising the time that families with children spend in B & B. No families with children spent more than six days in B & B accommodation during 2004/05. The Council has not had to place people in bed and breakfast accommodation outwith Orkney.
- 5.29 The Council uses a range of facilities, from large hotels to smaller establishments, as bed and breakfast accommodation. It advised us that it uses only properties that are tourist board-approved, but beyond this does not set or monitor standards for the accommodation that it uses. Some Bed and Breakfast accommodation for homeless families does not provide access to cooking facilities.
- 5.30 The Council recognises that people's length of stay in its furnished temporary accommodation is long and getting longer. It has taken some positive steps, such as working with other agencies to increase the supply of temporary accommodation. However, it does not have a clear strategy for maximising the effectiveness of its temporary accommodation. For example, it has not assessed the extent to which the current level and range of accommodation meets demand; and it has no strategy, or targets, for reducing its use of bed and breakfast accommodation.
- 5.31 The Council provides temporary accommodation quickly. It has committed a relatively high number of its own houses to temporary accommodation. Its own accommodation is good quality. However, the average length of people's stay has risen significantly, and it does not have a clear strategy for improving how it uses its temporary accommodation. It is increasingly relying on bed and breakfast accommodation, and does not set or monitor standards for this provision.

Permanent accommodation

Councils should, so far as possible, make offers of permanent accommodation quickly and should offer the same level of choice and quality of houses as to other applicants.

- 5.32 We found that the Council meets its statutory responsibility to provide unintentionally homeless applicants in priority need with permanent accommodation. The Council does not have a target timescale for offers, nor does it record or monitor how quickly it makes offers. In the absence of this information, the Council gave us information on the time between when it issues a decision letter and the date it closes the case, for cases where the applicant was unintentionally homeless, in priority need and housed by the Council or the local housing association¹⁸. The average time taken in 2002/03 was 117 days, and by 2004/05 this had more than doubled to 306 days. These figures reflect the long stays in temporary accommodation we have already highlighted, and represents a significant weakness. Some people we spoke to expressed concern about the length of time they had to wait for a permanent home.
- 5.33 The Council told us that its ability to offer people permanent housing quickly is restricted by the relatively small, and reducing, stock of Council housing. While there are supply issues, we found that the Council's allocations system is a key factor influencing why homeless people need to wait so long for permanent housing. We discussed in section three how the Council does not know whether it is giving reasonable preference to people in need. We saw no evidence that the Council has a strategic view on the relationship between how it allocates all of its houses and how quickly it can house homeless people. Until our inspection it had not routinely analysed how many of its houses it allocated to homeless people. Figures the Council produced for the inspection showed that it allocated 31% of its houses in 2004/05 to people who were unintentionally homeless and in priority need. This is almost double the percentage of lets to homeless people in 2002/03. We saw no evidence that the Council has considered how its decisions on allocations, and in particular the prioritisation of homeless applicants, could affect the time homeless people wait for the offer of a permanent house. In the context of its current performance, this is a significant weakness.

- 5.34 The Council can use the local housing association as an option for housing homeless people, either on a voluntary basis or through its statutory powers. It has a preference for using voluntary nominations as a way of securing housing (for people who are homeless and other applicants). As discussed in paragraph 3.19, the Council recognises the importance of achieving a higher level of successful nominations. The Council also has a statutory power under Section 5 of the Housing (Scotland) Act 2001, by which it can require the association to house homeless people. It has made only limited use of this tool, with three referrals – all successful – over the last three years. Overall, the Council is not currently making best use of this opportunity to work with the local housing association to house homeless people.
- 5.35 The Council treats homeless people the same as other housing applicants: it makes one offer of permanent housing and allows applicants to note an interest in two letting areas. Although this does not represent a good level of choice, as discussed in paragraph 3.17, the restriction applies equally to all applicants. The Council gives homeless applicants access to the full range of houses, including those in high demand. We saw evidence of the Council taking account of people's wishes to maintain access to support and family networks. This approach helps to ensure that it is creating sustainable tenancies.
- 5.36 The Council meets its statutory duty to provide unintentionally homeless applicants in priority need with permanent accommodation. It treats homeless people no less favourably than other applicants, although it does not provide a good level of choice to applicants generally. It performs poorly in ensuring that homeless households are offered permanent accommodation quickly, and does not maximise the opportunities from the local housing association.

Preventing homelessness

Local Authorities should work to prevent people from becoming homeless and to reduce the incidence of repeat homelessness.

- 5.37 The Council published its Homelessness Strategy in 2003. The strategy sets out a number of proposed actions that the Council and its partners identified were

¹⁸ This analysis does not cover precisely the same timeframe as the time to make an offer of permanent accommodation,

- needed to prevent homelessness. The Council has made some progress in implementing the homelessness strategy, although it has introduced some of its proposed actions behind schedule, and made limited progress in others.
- 5.38 The Council is working well in providing effective support to vulnerable individuals who may be at risk of homelessness. It achieves this through:
- employing a community accommodation officer, who is a trained social worker based in the housing division;
 - offering floating support through its home support team;
 - multi-agency working through case conferences in specific cases; and
 - liaison between the homelessness, home support, and tenancy management teams.
- 5.39 The level of repeat homelessness – households that have applied more than once to the Council in the same financial year – is high. In 2004/05 19% of households applying for assistance had applied more than once during that year. This is an increase from 17% in 2002/03 and significantly higher than the national figure reported for 2003/04 of 8.5%.
- 5.40 We discussed in section three the Council's effective approach to dealing with rent arrears and antisocial behaviour. These practices also make an important contribution to the prevention of homelessness amongst Council tenants. The Council also helps to make tenancies sustainable by providing assistance to new tenants with decoration costs and by providing ex-homeless tenants with assistance with decorating costs and with obtaining furniture and kitchen equipment. The Council has a rent deposit scheme in operation and provides funds to Age Concern to enable the provision of furniture to new tenants.
- 5.41 The Council works with a range of other agencies on homelessness prevention. It has a social care and health discharge protocol with NHS Orkney, although no clients have been referred through this route in the last year. It also works informally with other agencies, and recognises that it needs to formalise this, for example by developing appropriate protocols with key partners. It took initial

but it does give some indication of how long it takes people to access permanent housing, and shows the trend over time.

steps to establish a private landlord forum in late 2003, and intends to set up a register of private landlords and improve liaison with this sector.

5.42 The Council is making progress towards ensuring that housing information and advice is freely available in Orkney. It recently finalised an information and advice strategy after some delay, and is in the early stages of implementing this. It has undertaken a range of actions, including:

- funding a homelessness and welfare rights post at the Citizens Advice Bureau;
- employing a dedicated information and advice officer with responsibility for developing advice services; and
- training homelessness staff to Homepoint standards in the provision of information and advice, with plans to extend this to all housing staff, the staff of other social landlords in Orkney and key partners in the voluntary sector.

5.43 The Council's preventative work has a number of positive features, especially with regard to the provision of support to vulnerable individuals, although there is a high and growing level of repeat presentations. There are a number of gaps in provision, but the Council is aware of these and has a commitment to working positively to eliminate them.

Responsiveness to homeless people

Local authorities should place homeless people and those threatened with homelessness at the heart of their work to prevent and alleviate homelessness. They should treat them with respect and be responsive to their views and priorities.

5.44 The Council has developed a small number of service standards for the homelessness service. These are outlined within the new homelessness procedure manual and a recently developed – but as yet unpublished - Homeless Persons' Charter. The Council has not yet publicised these to service users or taken steps to monitor its performance in relation to them.

5.45 The Council operates an appeals scheme for homeless applicants who are unhappy with its decisions. The scheme meets statutory requirements, but we found that elements of it are not user-friendly. The timescale for reviewing appeals is long, particularly given its importance for applicants. The process is not well-publicised:

- the right to appeal is not highlighted in the text of all decision letters or letters making offers of permanent accommodation;
- there is no written information about it in any other publicity material; and
- staff do not advise applicants of the right to appeal at the homeless assessment interview (although, as noted earlier, the Council changed its approach during the inspection when we highlighted it).

5.46 The Council received six appeals during 2004/05. It upheld three appeals, and rejected the other three. We examined all of these and saw that Council staff dealt with appeals sympathetically, and that the appeal decision in each case was appropriate and based on a review of additional information. However, we also found gaps in how the Council had managed the process:

- it did not advise people who had lodged appeals of sources of independent housing advice;
- it did not offer an interview to discuss the appeal more fully, or give advice on how the Council could help individuals conduct their appeal;
- it did not always meet its own target timescale for dealing with appeals, and in one case it did not give an individual its decision in writing; and
- it does not have a systematic approach to using information from appeals to review or improve services.

5.47 The Council received nine complaints about the homelessness service during 2004/05. All nine were from people who had lived in temporary accommodation, and concerned the level of charges for cleaning and other works after the person had left the accommodation. We examined all of these and found that the Council had responded appropriately, but it did not use the information from the complaints to review or improve the service.

5.48 The Council has taken positive steps to seek feedback from people using the homelessness service. As part of the development of its information and advice strategy it held workshops involving people who had used the service, to help inform the content of the strategy. It has also twice carried out postal surveys of people who had previously presented as homeless, to ask their view on the service they had received. Although the response rate was low (12%), the Council felt that it provided useful information on service quality. It has not yet

used the feedback to inform service improvements. It intends to develop this approach and carry out further regular surveys and also examine more broadly how it gathers feedback from service users.

- 5.49 There are strengths as well as areas for improvement in how the Council engages with and responds to homeless service users. The Council's appeals and complaints schemes are not well-publicised, and it has no published standards for the service. It does deal well with the small number of complaints and appeals that it receives. It has taken some positive initial steps to gather feedback from service users, and has plans to develop these further.

Working with partners

Local authorities should work corporately and co-operate with other organisations, to ensure that the needs of homeless people are met quickly and appropriately.

- 5.50 The Council has worked constructively and openly with a range of internal and external partners to deliver services to homeless people. It has worked with a range of local agencies in developing its key homeless planning tools. It:
- developed the homelessness strategy in co-operation with a range of internal and external partners;
 - worked with Orkney NHS on the development and implementation of the health and homelessness strategy; and
 - canvassed the views of external partner agencies to inform the development of the advice and information strategy.
- 5.51 The Council is also working well with other agencies to deliver a range of practical projects, including:
- providing funding to enable the provision of housing, money and welfare rights advice services by the Citizen's Advice Bureau;
 - working with Women's Aid and Orkney Housing Association to enable the building of a refuge for women fleeing domestic violence;
 - providing funding to Age Concern to enable the provision of furniture to homeless households; and
 - setting up and working with a supported employment project.
- 5.52 The Council has worked positively with other landlords to increase the supply of housing for people who are homeless. It has leased housing from private sector

landlords for use as temporary accommodation, and has worked with Orkney Housing Association and Orkney Islands Property Development Ltd to secure permanent housing for homeless families. We discuss the Council's partnership working with the local housing association in more detail elsewhere in this section.

- 5.53 As noted, the Council adopted an inclusive approach to the development of the homelessness strategy. However, the approach to monitoring the implementation of the strategy has been less inclusive. Since the launch of the strategy in 2003 the strategy monitoring group has not met, and partner agencies have not been involved in monitoring its implementation. The Council has not made available information on its progress or key outcomes. The Council is aware of this weakness and told us that intends to reconvene the strategy monitoring group shortly, although it had not set dates or a forward programme of meetings.
- 5.54 The Council largely works well with internal and external partners to secure services for homeless people. Partner agencies that we consulted were broadly pleased with its approach, with the exception of the Council's approach to involving them in monitoring the implementation of the homelessness strategy.

Is the service managed for improvement?

Resource management and efficiency

Social landlords should procure homelessness services in a way that takes account of quality and should manage the cost of their services effectively.

- 5.55 The Council's overall expenditure on the homelessness service has fallen slightly over the last three years. In the same period there has been a significant increase in the cost of bed and breakfast accommodation. The Council has not carried out a comprehensive review of how the service is delivered in the last five years, although it has made incremental changes to the staffing structure. A best value review of the service is planned for the second half of the current financial year.
- 5.56 The Council uses its main contractor for carrying out cleaning work in its temporary accommodation. Housing staff have identified a need to review how

this element of the service is charged and managed following complaints by tenants, and plan to undertake this in consultation with internal colleagues.

Performance management

Local Authorities should have clear objectives, standards and targets for their homelessness service, should monitor achievement of these, and should work to continuously improve services.

- 5.57 The Council's long-term overall aim for homelessness is to contribute to the homelessness task force's aim of eliminating homelessness by 2012. The homelessness strategy sets out a range of objectives to support its aim. We saw that the Council has made progress in implementing elements of the homelessness strategy action plan. As noted already though, much of this has been significantly behind schedule and there are some actions where limited or no progress has been made. The homeless strategy contains a set of nine indicators that seek to measure its impact. The Council does not collate the data for each indicator or report on progress made. The Council does not measure progress made in meeting the aims and objectives of the strategy.
- 5.58 The gaps in monitoring the implementation and effectiveness of the strategy reflect a broader weakness in how the Council manages the performance of the homeless service. We have highlighted throughout this section areas where the Council either does not collect performance information or does not make use of the information that it does collect. The Council had difficulty in providing us with accurate performance information ahead of our inspection. We also found that although staff acknowledge many of the areas for improvement we found during our inspection, the Council does not have a systematic approach to planning for improvement.
- 5.59 As a result of these gaps, the Council does not have an accurate picture of the overall effectiveness of its service and cannot be certain that it is effectively meeting the needs of homeless people. It is unable to measure the effectiveness of its strategies for preventing homelessness or repeat homelessness. This is a significant weakness.
- 5.60 The Council produces regular reports for the housing and social services committee detailing the number of homeless presentations in Orkney, and also

specific reports on issues such as the development of a new strategy or review of a particular element of the service. However, the committee does not receive regular reports summarising the performance of the homelessness service, or information on the effectiveness of the homelessness strategy. Overall, as with housing management and property maintenance, there are significant gaps in the reporting framework for homelessness.

- 5.61 The Council has recently developed a comprehensive procedures manual for homelessness staff which, for the first time, provides staff with written guidance on how to deliver the service. This is a significant improvement. It generally provides good guidance for front-line staff, although we identified areas – particularly in dealing with homeless applicants - where staff do not follow the guidance.
- 5.62 The homeless section, which delivers the service, currently has six members of staff. The section's structure was last reviewed in 2002, which resulted in one additional post. Since then, there has been a significant staff turnover and a number of long-term vacancies. The full staff complement was in place for the first time only shortly before our inspection.
- 5.63 The Council has a clear strategy for addressing homelessness in Orkney. It is making some progress in implementing the strategy. However, the absence of effective performance monitoring and any clear planning framework for improvement is a major weakness in the service.

Public reporting

Local authorities should give stakeholders and service users the information they need about the homelessness service, its plans and performance.

- 5.64 The Council's approach to public reporting on its plans for the homelessness service and on its performance is poor. Its Annual Performance Report provides summary information on key performance indicators, but it has no further publicity about how the homeless service performs. As noted earlier, it has not produced an update of performance against the homelessness strategy.

Grade and overall assessment of homelessness services

- 5.65 Our overall assessment is that Orkney Islands Council's homelessness service is poor. The Council has some strengths in its homelessness service, but it also has major areas where improvement is needed which impact directly on the quality of services to people who may be in housing crisis.
- 5.66 In coming to our overall assessment we have taken account of the balance of the strengths and areas that need to be improved. The Council has a positive approach to providing support to people who may be homeless, provides quick appointments and access to temporary accommodation and works constructively with its partners. However, there are also major areas where the service needs to be improved, which undermine how service users experience the service:
- access to the homeless service is poor;
 - we saw delays in assessing homeless applications and inappropriate closing of homeless cases;
 - homeless people are having to stay in temporary accommodation for very long periods; and
 - the Council is not making the most effective use of its own housing or maximising the opportunities from the local housing association, in securing permanent accommodation.
- 5.67 The Council's performance in key areas of the service has declined over the last few years. It is taking the Council longer to assess homeless applications; the length of time people stay in temporary accommodation – and the wait for an offer of permanent housing - is rising; and more people are being placed in bed and breakfast accommodation.
- 5.68 There are also weaknesses in the Council's planning and performance management framework for the homelessness service. Although its homelessness strategy provides a clear framework for key elements of the service, the Council does not effectively monitor its progress; more broadly, it has an underdeveloped approach to managing its performance. The Council does

recognise many of the weaknesses we identified during our inspection, but it does not have firm plans in place to address them systematically.

6. Recommendations for improvement action

These are the key areas that need to be targeted for improvement action. They are broadly in order of priority within each of the key service areas.

Across all of its landlord and homelessness activities, Orkney Islands Council should:

- develop effective planning and performance management frameworks, to help it to make structured improvements in the delivery of services and to establish an effective performance management culture;
- make service users aware of their right to complain, develop a framework for recording, monitoring and reporting complaints, and use this to help improve services;
- gather feedback from service users consistently and use this to inform service improvements, and put in place methods for tenants to influence the shape of services and priorities; and
- improve how it publicises its services and its performance.

In housing management, Orkney Islands Council should:

- ensure that it gives reasonable preference to people in housing need when allocating its houses, and promote choice;
- ensure that its approach to allocating houses is transparent and complies with its statutory duties; and
- monitor the impact of its new empty house relet practices.

In property maintenance, Orkney Islands Council should:

- improve its performance in completing response repairs;
- ensure that it implements new arrangements for the out of hours service and monitors their effectiveness;
- develop a more systematic approach to assessing the quality and cost of contractors' work; and
- ensure that it meets its statutory responsibilities in relation to the Right to Repair and asbestos.

In homelessness, Orkney Islands Council should:

- ensure that it provides homeless people with access to permanent accommodation quickly, by making effective use of its own houses and those of the local housing association;
- improve access to the homelessness service;
- ensure that the time people spend in temporary accommodation is minimised;
- ensure that it maintains regular, proactive contact with homeless people and makes assessment decisions correctly and as quickly as possible;
- develop a clear strategy for ensuring a sufficient supply of temporary accommodation, and set and monitor standards for bed and breakfast accommodation; and
- publicise the right to appeal against homelessness decisions.

7. Next Steps

- 7.1 This report highlights our findings following this housing inspection. We expect all organisations to respond effectively to our recommendations using their own improvement planning processes. We ask organisations that receive fair or poor assessments overall in their housing management, property maintenance or homelessness, to submit an improvement plan to us within eight weeks of the publication of this report.
- 7.2 Orkney's improvement plan should show how the organisation intends to respond to our findings in housing management, property maintenance and homelessness. The plan will be agreed with us. We inspect once every five years and follow up improvement plans at regular intervals.
- 7.3 If you would like to see Orkney Islands Council's improvement plans you should contact:

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Sources of Evidence

Groups and third parties consulted

- Audit Scotland
- Citizens Advice Bureau
- Communities Scotland Tenant Participation Team
- Northern Constabulary
- Orkney Housing Association
- Scottish Public Service Ombudsman
- Scottish Energy Efficiency Office
- Scottish Environment Protection Agency
- Tenants' and residents' groups and area representative
- Voluntary Action
- Women's Aid

Interviews / meetings with Council staff

- Convenor of the Council
- Convenor of Social Services and Housing Committee
- Convenor of Audit and Monitoring Committee
- Chief Executive
- Director of Finance and Housing
- Director of Technical Services
- Assistant Director of Housing
- Principal Housing Officer
- Project Officer
- Community Accommodation Officer
- Homelessness staff
- Allocations staff
- One Stop Shop staff
- Antisocial Behaviour Co-ordinator
- Housing Officers
- Head of Corporate Property
- Customer Services Manager (Technical Services Department)
- Technical Services staff
- Legal services staff
- Facilities Manager
- Quantity Surveyor
- Revenues Manager
- Senior Executive Officer

Key Reality checks

- Review of arrears cases
- Review of legal actions against tenants
- Review of antisocial behaviour cases
- Review of complaints
- Review of reported repairs
- Review of housing list applications and allocations
- Review of section 5 referrals
- Review of empty house management records

- Review of information for applicants and tenants
- Shadowing¹⁹ arrears interview
- Estate visits
- Empty property visits
- Observation of information and advice to service users
- Observation of committee meeting
- Review of allocations, including cancelled applications
- Observation of homeless staff interviewing homeless applicants
- Review of homeless applications
- Visits to temporary accommodation
- Attendance at a case conference

Key documents reviewed

- Orkney Islands Council's inspection submission
- Corporate plans, including A Vision for Orkney and Orkney 2020
- Housing Division's plans and performance reports
- Local Housing Strategy
- Scottish Housing Quality Standard Delivery Plan
- Antisocial behaviour strategy and policy documents
- Rent arrears policy and procedures
- Void policy
- Maintenance policy and procedural documents
- Minutes of meetings and associated reports
- Advice and information strategy
- Annual performance report 2003-04
- Allocation policy, application form and guide to policy
- Tenant newsletters
- Council's web site
- Outcome reports for housing management, property maintenance and homelessness
- 'Reporting to you'
- Homelessness strategy 2003 and updates
- Health and homelessness strategy and action plan
- Homelessness procedures
- Consultant's report on advice and information provision
- Advice and information strategy

¹⁹ see glossary

Examples of Positive Practice

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

Housing Management/Homelessness

Community Accommodation Officer

The Council provides support to vulnerable households through a community accommodation officer. The community accommodation officer, who is a trained social worker, provides tailored advice and support – in cooperation with internal and external partners - to a variety of client groups, including homeless households who have been placed in temporary accommodation - and assists with sustaining tenancies and preventing homelessness.

Glossary

Average	The arithmetic mean – the sum of all the values divided by the number of values.
Common housing register	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 which is used by the RSL to allocate its housing stock.
Inspection submission	Documents submitted by the landlord at the start of the inspection to provide information on its performance, context and how it is structured.
National median	The central value of the ordered performance of all Scottish RSLs.
Peer group	A group of organisations facing similar tasks and challenges with which comparisons can be made. RSLs choose which peer group they belong to when they submit their APSRs.
Performance indicator	A measure of how a RSL is achieving its objectives. Performance Indicators can be compared with a pre-set standard (a benchmark) or with other organisations.
Performance Standards	Housing standards for all social landlords in Scotland.
Planned maintenance	The planned renewal or maintenance of key property components.
Rechargeable repairs	Work that is the responsibility of the tenant but has been done by the landlord.
Re-lets	Lets made to the second or subsequent tenant. Distinguished from new lets that are made when the property is first built or modernised.
Right to Buy	Many Scottish secure tenants have the right to buy their property at a discounted price subject to length of tenancy.
Right to Repair	A scheme which gives tenants legal rights to have certain repairs in defined times.
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.

Serious arrears

Where a tenant owes more than 13 weeks rent payments and this is more than £250

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, Realistic and Time Bound.

Regulation & Inspection

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