

LGA Strategic Housing Peer Challenge


Luton Borough Council

20 – 22 September 2022

Feedback report







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1. Executive summary

Luton Borough Council want housing to drive the Luton 2040 Vision to make the borough “A place to thrive”. The council understands that good housing is at the heart of thriving communities and a major determinant of health and wellbeing. Staff and members share this vision and there is a great deal of goodwill and commitment across the council to improve housing outcomes for residents, but to do this will require a renewed emphasis and investment in several areas:

Recruitment and retention: Luton needs a permanent and confident housing service that is fit for purpose to drive the Luton 2040 Vision. This will be achieved by an investment in people through a comprehensive People Plan for housing and BTS. The plan will need to address recruitment and retention, talent management, pay and reward and succession planning.

A sustained reduction in Temporary Accommodation (TA): Greater emphasis needs to be placed on the long-term management of TA across Luton with a particular emphasis on reducing the cost of TA and a sustainable model which supports the housing needs service.

Renewed focus on homelessness prevention: Realigning new and existing resources to the front end of the homelessness process to manage expectations and better support people to manage their own housing solutions and reduce the numbers of households who need to be placed in TA.

Strategic capacity to plan now and for the future: Increased resources and capacity for strategic housing capacity across the council to optimise whole system working and create and secure new housing opportunities in a challenging environment.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1. Temporary Accommodation

Review processes to ensure that the council is maximising income collection for Temporary Accommodation.

2.2. Temporary Accommodation

A Temporary Accommodation audit should be completed to understand the changing need and match to supply.

2.3. Temporary Accommodation

Financial investment is required in the homelessness service on an invest to save basis to: -

- a) Deliver a sustainable prevention led approach by staff who have permanent contracts.
- b) Establish in core budget a Homelessness Prevention Fund to support activities which prevent homelessness and reduces demand for Temporary Accommodation.

2.4. Temporary Accommodation

Produce a strategic action plan on Temporary Accommodation to include a review of costs and use of nightly lets and the range of Temporary Accommodation products.

2.5. People Plan

Develop and implement a People Plan for housing and BTS to include: -

- a) Staff retention and recruitment processes
- b) Talent development to include apprentices and national graduate programme.
- c) Succession
- d) Pay and reward linked to a review of job descriptions to ensure and reflect levels of responsibility.

2.6 Strategic Capacity

Increase strategic capacity withing Housing, especially support for new development, homelessness teams and the Private Sector Enforcement Teams.

2.7 Engagement with adjoining boroughs

Increase strategic level engagement with adjoining boroughs to pursue delivery of housing – growth team for delivery of out of area sites.

2.8 One Public Estate

Reinvigorate One Public Estate approach to review council assets to aid housing delivery.

2.9 HRA Business Plan

Complete and in-depth review of the HRA Business Plan to provide options for rent increase and to ensure that BTS understanding of stock investment needs are fully reflected.

2.10 Procurement

Investigate a more flexible approach to procurement for BTS to reflect the complexities of the current construction market so this can better deliver value for money.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Lead Officer Peer – Cecilia Tredget, Consultant
- Member Peer – Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homes, Bristol City Council
- Officer Peer – Nicola Turner, Housing Director, Great Yarmouth Borough Council
- Officer Peer – Zeldia Wolfle, Assistant Director of Housing & Communities, Reading Borough Council
- LGA Peer Challenge Manager, James Mehmed
- LGA PSO, Nikita Mehta

3.2. Scope and focus

The peer team considered the following five themes.

1. **Local priorities and outcomes:** Are the council's housing needs prioritised and informed by the local context? Is there strong join up between housing delivery and dependant strategies (e.g. Population wellbeing). Is the council delivering effectively on its priorities and achieving improved housing and wellbeing outcomes for all its communities?
2. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture:** Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
4. **Financial planning and management:** Does the council have financial plans in place to deliver the housing requirements and outcomes for the Borough?

5. **Capacity for improvement:** Is the organisation able to support delivery of local housing priorities? Does the council have the capacity and resource / skills to deliver the housing strategy and outcomes?

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three days onsite at Luton Borough Council, during which they:

- Gathered information and views from more than 29 meetings, in addition to further research and reading.
- Spoke to more than 60 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

Across the council there is a recognition that housing needs to play a greater role in delivering the 2040 vision for Luton. Indeed, the lead portfolio holder for housing said, "If we don't get housing right, 2040 will not happen".

There are examples of where the organisation is working well together and across departments to drive the 2040 Vision e.g. Housing Operations and BTS on asset management within the HRA, using business intelligence data to benchmark more widely and inform service delivery to learn from others and financial modelling to aid

policy development. There are also examples of a determination to improve the private rented sector and all parts of the council are working together to introduce new measures to achieve this like the Additional and Selective Licensing Schemes.

However, it was clear that the under resourcing of teams is leading to silo working which is impacting on outcomes. There is evidence that staff shortages in many teams is hampering delivery and in BTS the inability to recruit is adding delay and cost to work. The lack of permanent experienced resources in the Housing Solutions team is preventing customers and staff achieving the best housing outcomes and people are being placed in temporary accommodation without the necessary processes being completed. This breakdown in process is leading to a significant build-up of arrears creating more work, lost revenue and people indebted with no realistic way of clearing it.

Housing strategy and development is well networked with external partners and adjoining councils and the draft housing strategy includes targets and actions that will drive the 2040 Vision if implemented fully. Overall, there is good knowledge of housing development and the supply of housing. Now, however, a lack of strategic capacity across housing and planning is leading to an underperformance in housing outcomes with only 3% affordable housing being achieved on s106 sites against a target of 20% in 2021/22. This is unlikely to change unless there is more strategic capacity across housing development starting with additional project resources to focus on out of borough delivery strategic sites coming forward which will require joint working with neighbouring authorities and other strategic partners to maximise the outcomes for Luton residents. There is also a need to increase capacity to grow the clienting role of strategic housing to deliver future schemes efficiently and intelligently and to engage fully in One Public Estate which could be the launch pad for maximising public assets across Luton.

Tenant participation is changing in Luton and there is evidence that new tenant voices are emerging. A partnership board and scrutiny panel has been set up and is working and has looked in detail at housing repairs. This work to increase the tenant voice needs to gather pace and more strongly influence policy shaping and HRA priorities and spend to meet the new requirements of the Social Housing White Paper. The HRA will need to dedicate more resources and have a clear focus, and this would be assisted by a tenant participation action plan.

Whole system thinking is evident and the formation of the Public Health and Wellbeing directorate, which includes the housing service, is a positive step in the right direction. There are examples of policy makers developing tools to introduce more joined up working and the use of business analysis and public health data is starting to be used. If housing, and the wider determinants of good housing are to drive the Luton 2040 vision then data intelligence will need to shape new policy across the council. As well as this the corporate buy in that is evident in the rough sleeping partnership needs to be extended to homelessness prevention where mental health, public health, drugs, and alcohol services need to play an active role.

4.2. Temporary Accommodation

There is some evidence that due to the hard work of officers the use of Temporary Accommodation (TA) is decreasing from a 1215 in May 2021 to 1079 in September 2022. The use of TA in Luton has been a challenge for many years and most recently (2019) the council engaged external consultants to advise them on homelessness prevention and their use of TA. Some of the recommendations in this report have been implemented and permanent job roles have been established in the Housing Needs teams and a TA action plan has been taken forward with the creation of dedicated resources to discharge into the private sector. This action plan now needs to be revisited considering Covid and a surge of homelessness presentations. Staff report that homelessness presentations have significantly increased from a monthly average of 200 to 400 in the past few months.

Addressing homelessness and TA is an urgent priority for Luton as costs and numbers of households increase daily. Homelessness prevention resources have been combined with housing solutions and this has reduced the effectiveness of prevention work. New resources now need to be injected into the Housing Needs service on a spend-to-save basis and there should be the re-introduction of a dedicated homelessness prevention team. Existing experienced homelessness prevention staff should be encouraged to return to this role. As well as this dedicated resource a Homelessness Prevention Fund should be included in the base budget to empower staff to support people to develop their own housing solutions. This team will also need to manage the message at the “front door” as there is evidence that

people presenting as homeless do not understand that social housing and even more so, council housing, is a scarce resource and not readily available to homeless applicants for many years. There are many examples of households in temporary accommodation for over 3 years and some over 12 years. Increasingly people in TA are having to move out of borough to meet their long-term housing needs.

The current allocations policy and particularly the homeless quota, may be incentivising homelessness and this needs to be considered. There is a view from staff that homelessness applicants see the banding quotas as a route or pathway to a home and this needs to be discouraged and is part of the messaging at the “front door”.

Greater control needs to be in place over TA and its budget and this needs to be part of a strategic action plan for the short, medium and long-term plans for TA.

Immediately steps need to be taken to control spend on more costly forms of TA such as nightly lets as part of a longer-term plan to rationalise the different TA products to create a pool of accommodation that will meet the long-term needs of the homelessness service. Luton have been innovative in developing several different TA products but now these are competing with each other and potentially impacting the Private Rented Sector market, and the interest of the landlord is being served rather than that of the council. Coupled with this is a lack of up-to-date information of the households in TA and their current needs. A comprehensive audit of all TA including home visits is required to better understand the overall requirements of the TA population and this will inform the strategic action plan.

Additional strategic resource will be necessary to develop and manage a more strategic and robust TA plan. This resource should save money by ensuring that the most efficient use is made of TA accommodation whilst monitoring and ensuring nominations from social landlords are being secured and used effectively via the Council’s Allocation Policy as some nominations are currently being managed outside of the policy and Choice Based Lettings scheme.

There is currently a fragmented approach to the discharge of households from TA into the private sector and some staff reported that some of these are re-presenting

as homeless. Discharging households in TA into the private sector will be easier following an audit and should be informed by the TA strategic action plan which in turn should learn from other councils who are managing TA effectively.

4.3. Organisational and place leadership

Staff are positive about the leadership by directors, and this includes non-housing staff. It was said that “Luton is a nice place to work, no blame culture.” There was some evidence of good internal relationships between the housing service and other corporate teams. The lack of capacity was cited as the main reason for poor communication between services and some staff reported that they do not have the time to follow up and connect in the way they would if they had more available time.

The rough sleeping partnership is a particularly good example of strong partnership working. The partnership is adequately resourced and there is evidence of strong multi-agency working with dedicated social workers involved in case work to support some of the most vulnerable in Luton. It is unclear how much partnership working takes place outside of the rough sleeping partnership to support the prevention and relief of homelessness.

There is an understanding that improving private sector housing is at the heart of wellbeing and is central to achieving the Luton 2040 Vision. There is evidence that the private sector team have built a strong mailing list of private landlords across Luton but there is a disappointingly low engagement. There is a need to build on this strong start and build an effective landlords forum that works for both the council and its landlords. There is currently no private tenants forum in place and this would also be a benefit to improving the outcomes for the large community in the private rented sector.

4.4. Governance and Culture

Staff are positive about working for the council despite the challenges they face in recruitment and retention. It was said that it is a “Nice and interesting place to work” There was evidence that some staff in the housing service feel overwhelmed and unable to do their best and this is mainly due to the lack of capacity and the inability

to recruit permanent people to key positions. Permanent posts in the Housing Needs Team are unable to be filled with permanent staff. Other teams reported staff leaving after short periods, using Luton to gain experience and then leaving. Solving the recruitment and retention issues will not be easy as adjoining local authorities and similar employers pay more for the same level of responsibility.

The size and scale of the recruitment and retention issues in housing requires a comprehensive approach and it is recommended that a People Plan for Housing and BTS is developed. This plan should not only include the development of staff retention and recruitment processes that meet the challenges of housing and construction but also talent development, succession planning and pay and reward. In terms of talent development, the plan should cover the role of apprentices and consider the LGA Graduate Programme to grow strategic capacity in the housing service. Pay and reward needs to be linked to a review of job descriptions to better reflect the levels of responsibility of job roles.

Members at Luton are committed to tenants and the housing service has a passionate and long serving lead member with a tenant centric approach. However, if all members are going to understand and deliver the housing priorities that will drive Luton 2040 then some work needs to take place to widen their technical knowledge and there is the need to build in succession planning also.

The council responded quickly to the impact of covid on the economy and Luton Airport in their emergency budget June 2020. This budget has had a major impact not only on the workforce that reduced from circa 4000 to 2500 but also in a culture of tight fiscal control. This control now needs to be reassessed and some flexibility reintroduced as it is having adverse effects. Examples of this negative impact are reduced staff capacity, particularly on the front line and in strategic development in housing and in procurement in BTS who are sometimes prevented from achieving best value due to the need to follow corporate procurement policy not appropriate for the construction industry. Staff want to be empowered to innovate and reported that is sometimes felt like “Banging your head against a brick wall”.

4.5. Financial Planning and Management

The Finance team have clear understanding and needs of housing, and this is demonstrated in the work they are doing to support the HRA in relation to rent levels.

They understand the challenges facing the HRA in terms of delivering new homes whilst also responding to the decarbonisation agenda, Fire Safety Act and Building Safety.

There is a clear corporate performance management framework in place and regular financial monitoring takes place. There are some areas that could be improved, and performance measures could be introduced to tackle some of the current challenges such as the number of housing association relets where it is not known if the Council is receiving all the nominations it is entitled to.

Financial management is not always consistent, and this is evident in the financial management of TA where there needs to be better control to limit spend and to maximise income. Staff showed they understand there are budget pressures, but the overall demands on the team acts as a barrier to taking a strategic overview of what the costs of TA are, what level arrears exist in TA when procuring TA. Nightly lets need to be used only in as an emergency pending moves to cheaper forms of TA.

Resources could be invested on a spend to save basis and an example of this would be putting in place a Homelessness Prevention Fund (like the DLUHC grant) to stem the flow of homelessness applicants into the housing needs service. This fund should be built into the base budget and would empower experienced staff to resolve homelessness at an earlier stage, like they used to, and save money overall.

Another example of where the council could maximise its income would be the licensing schemes and whether they have been costed properly to ensure that they appropriately funded with the necessary level of staffing to make them a success.

There is a clear HRA business plan in place, and strong asset management aided by a strong working relationship between housing and BTS which means overall the condition of the stock is good. Soon the HRA business plan will require a fundamental review, and this will aid the decision making on future rent levels (within the context of the formal rent consultation) and ensure that BTS and other partners are clearly sighted on the ambitions of the HRA. This review would provide greater clarity regarding the decarbonisation of housing assets and how this work will take place within the wider corporate framework. There has been a long-held view that the sheltered housing assets in Luton also need a fundamental review and it would be advisable that this took place with sheltered housing residents providing their views

through a community consultation, alongside the review of the HRA business plan.

4.6 Capacity for Improvement

It is evident that there is an enthusiastic and knowledgeable workforce in the housing service, but recruitment issues and short-term staff are undermining their capacity to deliver what is required. There are also pockets of innovation and best practice like the Rough Sleepers Partnership and the retrofitting of the tower blocks at Penhill and Leabank at Marsh Farm Estate. Foxhall Homes is providing an example of delivering affordable housing on market sites in Luton.

The lack of capacity and resources across the housing service is leading to people being too stretched and not communicating effectively leading to duplication, lack of coordination and inefficiencies. An example of this is in the homelessness service which is struggling to deliver a good service due to blockages and inefficient processes. Another example is energy efficiency which is disjointed and needs to be coordinated across BTS/council stock and the private rented sector. There was some evidence that the RTB service could be reviewed following learning from best practice elsewhere. Other councils are using home visits to all applicants to ensure that RTB applicants have all the necessary information and are eligible before they take forward their application.

There is evidence that learning from complaints takes place and that business intelligence is starting to be used to benchmark performance to local authorities with similar characteristics to Luton. It is clear, however, that additional strategic capacity will be necessary to address current challenges and to drive future changes.

The housing service has commissioned a new IT system to go live in June 2023. The current IT system is not serving the organisation well and it does not appear to have a CRM function that all users can use to provide a manage the customer journey. It is unclear whether the problems with IT are due to the system or a lack of training or the time it takes to extract what is needed from the current system. Lessons need to be learnt before introducing the new system and steps could be taken to talk to other housing services who use the new system so that the most is

gained from this major change. As well as this there will be a need for a comprehensive training plan for users introducing them to the new system in a coordinated way.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge.

In the meantime, Rachel Litherland, Principal Adviser for the East of England Region, is the main contact between your authority and the Local Government Association.

Rachel is available to discuss any further support the council requires.

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