

National Indicators for Local Authorities and Local Authority  
Partnerships: Handbook of Definitions  
**Draft for Consultation**

**NFA response**

**Summary**

The National Federation of ALMOs (NFA) represents all current and aspirant arms length management organisations (ALMOs) who between them manage more than one million council homes across sixty-seven local authorities. ALMOs, by virtue of their placement in the local community, are key partners for Local Authorities to work with in order to achieve their ambitions for the communities that they both serve.

The NFA welcomes the opportunity to comment on the draft handbook of definitions for the National Indicators for Local Authorities and Local Authority Partnerships.

The two indicators that relate to our members' core roles and that we have comments on, are:

- **NI 158 – the percentage of non-decent council homes of the total stock**
- **NI160 – the percentage of LA tenants that say they are satisfied or fairly satisfied with the overall service.**

Given that the trend is towards less inspections and a reliance upon a smaller number of national performance indicators to assess performance it is important to ensure that both the definitions and the use of those indicators are as accurate and as robust as they can be.

The key points of our response are summarised below.

**NI 158 – the percentage of non-decent council homes of the total stock, to be collected annually from the Business Plan Statistical Appendix**

The NFA views this consultation as an opportunity to clarify the wording of the Decent Homes indicator to ensure that people get the most up-to-date picture of non-decency as well as seeing the rate of change year to year.

The numbers of council homes and non-decent council homes is recorded by each authority in its Business Plan Statistical Appendix at the end of each financial year.

We agree that this process is well established and the general definitions and time frames are clearly understood by authorities.

However, the current phrasing of the questions on the BPSA are counter intuitive and the form asks for the number of non decent homes at the beginning of the financial year just gone, rather than the end as most people would expect, and then the percentage change over that year.

The data that has been analysed by Housing Quality Network Ltd over the past few years suggests that due to the counter intuitive nature of the question, some authorities are completing it incorrectly.

The NFA recommends that the questions on the BPSA be more transparent and ask the number of non decent stock at the end of the financial year just passed. That way the percentage change over the year can still be calculated by reference to the previous year's data, but Government, Local Authorities, ALMOs and tenants will get the most up-to-date picture of non-decency in the council stock at a glance.

As this data is being collected in order to demonstrate the progress towards making all council housing decent, the questions should clearly be asking for the most recent figures available. This would be more easily understood by tenants and ALMOs in monitoring progress against a local or the national target.

**NI160 – the percentage of LA tenants that say they are satisfied or fairly satisfied with the overall service. This is to be collected from a standard tenant satisfaction survey carried out every two years.**

The NFA welcomes the focus on tenant satisfaction as a key driver of landlord services for social housing. However, the NFA has some concerns about how the Audit Commission currently use the data in Comprehensive Performance Assessments (CPA) and how it will be used for the new Comprehensive Area Assessments (CAA) in the future.

For comparative purposes, the Audit Commission currently adjust the data to take account of the impact that deprivation has in an area, on tenant satisfaction, regardless of the quality of landlord services. It is widely acknowledged that many factors that are outside the control of a housing organisation will affect tenants' satisfaction with their services.

The NFA understands that deprivation is one of the biggest factors and it is relatively simple to adjust for, and the NFA supports the motivation in doing so.

However, it has been noted that this particular way of adjusting the data can lead to a situation where some authorities and ALMOs with high tenant satisfaction rates in non deprived areas are down-graded comparatively. This has a knock-on effect in the Comprehensive Performance Assessments (CPA) and may well have in the new Comprehensive Area Assessment (CAA) depending on how that methodology is developed.

As the rationale for the indicator is to encourage delivery of good housing management services by local authorities or ALMOs, the indicator needs to be one that motivates all organisations to do better. The current uplifting of deprived authorities has the unintended consequence of meaning that the best performing districts will never be in the top quartile no matter how good their tenant satisfaction is comparatively before adjustment.

As the significance that Government gives to tenants' satisfaction increases and the focus of performance assessment moves away from inspection towards a heavier reliance on performance indicators, it is important that the measure is compared and used in a way that is as robust as possible.

Performance indicators were only ever supposed to be exactly that; an **indicator** of performance, a can-opener, to provoke more questioning and investigation if necessary. The danger is that crude **indicators** will be used instead as demonstrating **actual** performance and local authorities and ALMOs could be unfairly penalised in the assessment framework.

Therefore, the NFA seeks a review, both of the measurement of the indicator and of the way in which the Audit Commission uses it to decide on performance ratings:

- All landlords and managing organisations are at different points in terms of the quality of service delivery and the satisfaction of their tenants. It would therefore be better if the indicator could capture both the actual rate of tenant satisfaction and the rate of improvement since the previous survey.
- An alternative way to use the data would be to compare similar authorities together using the groupings of London Boroughs, Metropolitan authorities and districts etc. that are currently used for comparison for other data. The NFA believes that this option should be considered with the development of the new set of indicators to see if it would lead to a more useful comparison both for those deprived authorities and others.
- Consideration should also be given to the interval required between surveys as Housing Associations are currently keeping their tenant satisfaction surveys to three yearly intervals, rather than two yearly. There is a need to think about the RSL sector as ultimately we assume government is aiming for convergence under a single social housing watchdog.

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