

Cabinet

30 July 2024

Housing Revenue Account (HRA) Performance 2023/24

Portfolio Holder: Councillor Louwella Prenter, Portfolio Holder for Housing and Homelessness

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Summary

The report provides Members with an update in respect of performance within the Housing Revenue Account (HRA) Landlord Services. This is an annual report to the Cabinet, the contents of which are provided on a quarterly basis to the HRA Governance Group.

1. Recommendations

1.1. The Cabinet is requested to note the content of the report.

2. Suggested reasons for decision

2.1. Receiving this report will ensure the Cabinet is fully updated in respect of performance within the Housing Revenue Account (HRA) Landlord Services.

3. Budget and policy framework

3.1. The HRA is ringfenced and therefore sits outside of the General Fund budget.

3.2. The activity referred to in this report relates to functions that are regulated by the Regulator of Social Housing (RSH).

4. Background

4.1. The Council's HRA Landlord Services (Tenant Services Team and Property & Development Team) provide tenancy management and maintenance services to tenants and leaseholders of Medway Council. The HRA manage approximately 3000 council homes and 218 leaseholders across a geographical area from Brompton to Rainham, with significant stock levels in Gillingham and Twydall.

- 4.2. In 2020 the government published The Charter for Social Housing Residents social housing white paper, and this document detailed several proposed changes to improve how people live in social housing accommodation. The RSH published 'Reshaping Consumer Regulation: our principles and approaches' which provided further detail.
- 4.3. The document described the steps being taken by the RSH to help improve how people live in social housing homes. One of the key changes in the document was the introduction of a set of tenant satisfaction measures (TSM's), with the aim of the new measures to:
 - let tenants see how well their landlord is performing.
 - give the regulator an idea of which landlords need to improve.
- 4.4. In September 2022, the RSH published its new 22 Tenant Satisfaction Measures (TSMs). The TSMs focus on: Technical Requirements (10) measured by landlords directly and the TSMs: Tenant Survey Requirements (12) measured by landlords carrying out tenant perception surveys.
- 4.5. The TSMs came into force on 1 April 2023, with the service now being required to collect data annually, and to input TSMs outcomes by Q1 of the following year.
- 4.6. Ensuring that the Council has effective scrutiny and transparency of performance information in relation to its housing stocks and tenancy management is a fundamental part of complying with the new Consumer Standards as set out by the RSH on 29 February 2024 and effective from 1 April 2024.
- 4.7. The HRA reviews compliance performance monthly to compliment the quarterly reports it presents to the HRA Governance Group.
- 4.8. Cabinet will receive updates on a quarterly basis on HRA performance through the One Medway Council Plan going forward, however this report covers information specifically relating to the 2023/24 financial year.

5. Options

- 5.1. As the Cabinet are being requested to note the content of the report, there is no exploration of options.

6. Advice and analysis

- 6.1. The report attached in Appendix 1 details the key areas of performance in relation to the HRA landlord services.
- 6.2. Most tables and information provided are self-explanatory; however, the body of this report will focus on areas that officers have highlighted.

7. Repairs

- 7.1. Responsive repairs are carried out by the HRA's main contractor Mears, and within the contract each type of repair is given a priority (emergency, urgent and routine) and response timescale to complete each type of repair.
- 7.2. Repairs performance is closely monitored by the HRA Property Services Team, this includes holding monthly operational contract meetings (to review day to day works) and bi-weekly meetings (to discuss complaints, disrepair claims, inspections, scheduling, and updates on works in progress).
- 7.3. Strategic core group meetings with senior officers from Mears are held every quarter to agree the strategic direction of travel for the contract and any required operational changes.
- 7.4. Key areas to note:
 - reduction in customer satisfaction for repairs (collated by Mears), however Mears have increased the number of satisfaction surveys that have been sent following the completion of a repair, which has resulted in an increase in responses. Mears continue to work on collating post works surveys to increase the data returned and influence service improvement.
 - Mears have been unable to recruit a new Customer Care Manager, and this role is pivotal in ensuring the improvement in service delivery and tenant satisfaction. Mears have temporarily seconded a member of the customer care team at the Canterbury branch to ensure that there are not any gaps in service provision for Medway Council tenants.
 - Under the current repairs contract, key performance indicators (KPIs) for repairs have been subject to incremental increases, this has not allowed for reviews or resetting to ensure that the KPIs are realistic and able to highlight performance issues. This has resulted in unachievable targets for some KPIs as the contract has matured.
 - A new repairs and maintenance contract is due to start 1st September 2024. The new contract has a larger suite of KPI's, along with some monthly reporting requirements that the contract is going to need to produce. This data will assist the service in continuing to better understand the stock and those that live in these homes.

8. Electric - Domestic

- 8.1. The social housing sector has a requirement to undertake electrical tests to domestic dwellings every 10 years, compared to 5 years in the private sector.
- 8.2. The Department for Levelling Up, Housing and Communities (DLUHC) released a consultation document in June 2022 ([Electrical safety in the social rented sector](#)). The aim of the consultation was to follow the commitment in the Social Housing White Paper to consult on electrical safety standards in

the social sector, the consultation sought comments on the following proposals:

- Proposal A: Mandatory checks on electrical installations for social housing at least every 5 years.
- Proposal B: Mandatory Portable Appliance Testing (PAT) on all electrical appliances that are provided by social landlords as part of a tenancy.
- Call for evidence: Mandatory checks on electrical installations for owner-occupier leasehold properties within social housing blocks at least every 5 years.

8.3. The outcome of this consultation is yet to be published.

8.4. In preparation for this (anticipating impending change due to this being an existing standard in the private rented sector), the HRA Property Services Team amended its electrical testing programme from April 2023 to bring forward domestic electrical tests to align with 5-year testing requirements.

8.5. Mears are making satisfactory progress on this programme and the service aims to achieve 100%, 5-year domestic electrical testing compliance by March 2025.

8.6. Key areas to note:

- Mears have historically put recommendations on their Electrical Installation Condition Report (EICH) certificates recommending a re-test every 5-years regardless of the current 10-year requirement.
- The service has already begun moving towards a 5-year testing programme in anticipation for a change in standards.

9. Asbestos

9.1. For asbestos compliancy, the social landlords are required to report on asbestos that is located in communal areas. In the case of the HRA, this consists of 248 blocks (general needs and Homes for Independent Living (HFIL) schemes).

9.2. The Property Services Team undertake reinspection based on existing and historical communal surveys. Reinspection frequency is risked based using a risk management matrix which considers: asbestos type, location, and risk of disturbance.

9.3. The frequency of the inspection is completed every 1 – 5 years depending on the outcome of the risk management matrix.

9.4. While all blocks have a minimum of an asbestos management survey, some re-inspections this year have not been completed with the required timescale.

9.5. Key areas to note:

- In preparation for the new repairs and maintenance contracts starting on 1 September 2024, new surveys were instructed to all communal areas at the end of 2023/24 and works are currently underway to complete these with a target completion date of 31/8/2024.
- The team are reviewing the current inspection programme to bring forward some re-inspections to mitigate the reduced compliancy during February (81.91%) and March (72.90%) 2024.
- New asbestos surveying and remedial contracts are due to start 1st September 2024

10. Lifts

- 10.1. Compliance for lifts covers two areas, **passenger lifts** which are required to be monitored under the Lifting operations and Lifting Equipment Regulations (LOLER) and **domestic lifts** which are in individual council homes (in some cases this can be multiple lifts).
- 10.2. The HRA currently has 8 passenger lifts, which are all located in HFIL schemes with each lift receiving a 6 monthly survey undertaken by Allianz.
- 10.3. The average monthly service compliance figure is 78.13%, however it is important to note that the 8 lifts were fully LOLER compliant by the end of the financial year.
- 10.4. The HRA has approximately 90 domestic lifts (including stair lifts, through floor lifts and access lifts into/out of properties), which are situated across the general needs and HFIL properties.
- 10.5. Over the last year, the Property Services Team have completed a key piece of data intelligence work regarding the number and location of lifts, prior to this the HRA did not have a comprehensive understanding.
- 10.6. Key areas to note:
- Passenger and domestic lift compliancy is managed as part of the Council's corporate contract and undertaken by Allianz, one of the key challenges reporting compliancy is the delay in receiving service inspections reports and the management of survey deadlines.
 - The Property Services Team are working closely with the Corporate Team and Allianz to review the current reporting process to support both the HRA compliance and corporate compliance.
 - While domestic lift compliancy on average is 91.38% and 95.83% for the end of year, challenges continue with no access. The Property Services Team are working alongside the Tenant Services Team to encourage access for this workstream and several other compliancy workstreams.

11. Knowing our stock and decent homes

- 11.1. Under the RSH Consumer Standards (Safety and Quality) there are five key expectations which include stock quality, decency, health and safety, repairs, maintenance and planned improvements and adaptations.
- 11.2. Stock quality – the expectations are that registered providers must have an accurate, up to date and evidenced understanding of the condition of their homes that reliably informs the provision of good quality, well maintained and safe homes for tenants.
- 11.3. The HRA stock at the end of March 2024 was 94.80% compliant against the Decent Homes Standard. This has been achieved following a significant works programme to reduce the number of properties that do not meet the standard. This is however only one measure of stock condition and needs to be considered in conjunction with formal stock condition surveys.
- 11.4. As of March 2024, the HRA owned 3027 domestic dwellings (properties). Of these properties, 2760 properties have a stock condition survey that is older than 5 years (the industry standard), and 267 have a valid stock condition survey (SCS), which equates to only 8.73% of the stock.
- 11.5. A 5-year cyclical programme was implemented in April 2023 with the target of 600 stock conditions surveys completed per annum, however the service took the decision to move the HRA Stock Condition Surveyor from the residential programme and onto communal area block condition surveys in Q3.
- 11.6. This decision was taken to ensure that all components to the blocks were surveyed prior to the budget build in December 2023, and that the programme of works required for these blocks (248) were accurate and necessary budgets were created for the next 3 years.
- 11.7. This has highlighted a risk for the HRA. The Property Services Team have introduced a number of actions to mitigate the risks while completing the stock condition surveying programme.
- 11.8. Mitigation actions introduced to support and compliment the SCS programme:
 - Decency surveys – these are completed by HRA Property Services Technical Officers and an external consultant, these surveys are completed to validate the Remaining Life (REM) of key Decent Homes components such as kitchens and bathrooms. These were completed to 986 properties in 2023/24.
 - Housing, Health & Safety Rating System (HHSRS) – these are completed every time a HRA Property Services Technical Officer visits a council property. These surveys are highlighted as supporting the “*mitigation of risk*” by the DLUHC as they check the property for any health and safety hazards. These were completed to 1063 properties in 2023/24.
 - Energy Performance Certificates (EPC) – these are currently completed by a consultant; these assess the properties energy performance levels. The

service aspires to upskill existing staff to bring this function in house. 729 properties had EPCs completed in 2023/24.

- 11.9. In April 2022, the Property Services Team took the decision to adopt a more proactive approach to managing and mitigating damp and mould to reduce the risk of disrepair claims, and make sure that the housing stock was being kept in a decent and safe condition. The team proactively contact tenants and ask if the tenant has any repairs they want to raise, if they have any Damp or Mould issues and if they have anything else they would like to discuss. Jobs are then raised, and the outcomes of these calls logged on a tracker.
- 11.10. In 2023/24, the Property Services Team averaged 198 calls per month, with an average of 87 successful contacts per months.
- 11.11. Damp or mould (D&M) was not reported on each occasion. Where it was, a referral was made to a property surveyor or a Mears operative for a physical visit to be undertaken. If D&M was located, appropriate works were raised and completed.
- 11.12. In addition to the proactive calls, all tenants contacted during Big Door Knocks are asked if they have D&M in their property and officers will review, raise repairs or inspections.
- 11.13. Mears Operatives have also begun capturing this information on their PDA devices and are prompted to check for Damp or Mould prior to them being able to start their job.
- 11.14. Key areas to note:
 - 457 tenants advised during their contact call that they had damp or mould in their property. Of these 457 properties, jobs were raised to 386 of them.
 - 485 properties in total received a Damp and mould treatment, with a total of 550 jobs being raised. This equates to 16.02% of the housing stock.
 - 509 of the 550 jobs raised were completed (92.55%).
 - The service continues to attempt to gain access to those properties that are outstanding.

12. Tenant Satisfaction Measures (TSM)

- 12.1. The HRA undertook a TSM perception benchmarking exercise in March 2023 and received the outcomes in June 2023.
- 12.2. A full report was provided to the Tenants Panel and HRA Governance Group. The report raised two areas of concern. The areas of concern were complaint handling and anti-social behaviour complaint handling.
- 12.3. Following the outcome report, individual action plans were created to support improvement in the two low performance areas alongside an overall TSM improvement plan.

- 12.4. The HRA's formal TSM perception survey was undertaken by an independent body between September and October 2023. The formal response rate was 25.5% (2887 tenants were invited to complete the TSM survey – 737 completed) with 63.6% completing the survey online and 36.4% completing the survey via telephone. (This response rate is within the acceptable parameters to comply with the TSM requirements).
- 12.5. The HRA was presented with the outcomes in December 2023. While a positive trend was noted in all perception measures, except complaints handling which saw a decrease in satisfaction from 28% in March to 26.2% in December 2023.
- 12.6. The HRA commissioned a review of the complaint responses received from the TSMs to understand why more tenants stated they had made a complaint than what was being recorded by the service, and to also understand the main reason for the low satisfaction rates.
- 12.7. This highlighted low satisfaction with the handling of anti-social behaviour (ASB) cases and repairs. The Property Services Team are working in conjunction with Mears to increase repair completion surveys and working with the Customer Care Manager to improve the overall service delivery for tenants.
- 12.8. Section 13 provides an overview of improvements with ASB case management and satisfactory resolutions to ASB complaints.
- 12.9. The TSM perception survey outcomes were presented to both the Tenants Panel and the HRA Governance Group, highlighting response rates based against a number of data collection criteria.
- 12.10. The complaints action plan was reviewed and updated considering the outcomes. A key change has been the introduction of a complaints survey once the complaint has been resolved.

13. Anti-social behaviour

- 13.1. Following the benchmark TSM Perception Survey that was undertaken in March 2023 with reported outcomes received in June 2023, one of the areas that the HRA landlord function did not perform well was the "*handling of anti-social behaviour*". This resulted in a new action plan to improve the ASB case management offer to tenants, see point 5.8.3 for further details.
- 13.2. Following the HRA's first official TSM Perception Survey in September/October 2023, the results saw an improved satisfaction rate by 6% (45% overall satisfaction with ASB handling).
- 13.3. Key areas to note: ASB improvement action plan.
 - Recruitment of a specialist ASB Housing Officer within the Tenant Services Team
 - Recruitment of an ASB Apprentice – completing the Resolve ASB & Community Safety Officer Apprenticeship

- Implementation of the ASB App to support improved reporting mechanisms for tenants.
- Introduction of monthly case management reviews with the ASB officers and Tenancy Manager
- Review and update of the HRA ASB Policy in partnership with the Tenants Panel and HRA Governance Group
- Increase use of ASB tools including Medway Council's first Family Intervention Tenancy
- Introduction of an ASB closure survey

14. Complaints

- 14.1. Compliant handling was highlighted as an area of low satisfaction in both the benchmarking TSMs in June 2023 and the first formal TSMs in October 2023.
- 14.2. Complaint trends analysis is presented to the HRA Governance Group on a quarterly basis, this includes the number of complaints (Stage 1 and Stage 2) received throughout the quarter, general causes and lessons learnt.
- 14.3. Following the formal TSMs a briefing was provided to the Chief Executive highlighting areas of concern and actions to mitigate ongoing risks, a revised action plan was produced and continues to have a watching brief as part of the Housing Senior Management Team monthly meetings.
- 14.4. The Social Housing (Regulation) Act 2023 empowered the Housing Ombudsman to issue a code of practice about the procedures social landlord members should have in place for considering complaints.
- 14.5. The Housing Ombudsman have a legal duty to monitor compliance with the Code and this will involve ensuring landlords:
- Have scrutinised and challenged its compliance with the Code at its governing body through review of its self-assessment against the Code, its complaints handling performance and its learning from complaints, and published the outcome on its website annually.
 - Complies with the Code in practice.
 - Complies with the Code in policy.
- 14.6. Where landlords do not meet the requirements in any of the areas and does not move into compliance within a reasonable timescale (issued by the Ombudsman), then they can issue a Complaint Handling Failure Order (CHFO).
- 14.7. The HRA Landlord Services have included preparation for the new Code within the complaints action plan and have submitted and published Medway's Complaint Handling Code Annual Submission.
- 14.8. Key areas to note:
- Increased awareness on how to make a complaint, this has included a poster campaign in all HFIL schemes and blocks of flats, how to make a

complaint has been included in the Council’s Housing Matters (tenants’ newsletter) and every tenant contact on the Big Dook Knocks are asked if they know how to make a complaint and if not, officers provide advice and guidance.

- Financial remedies are considered as part of both Stage 1 and Stage 2 as highlighted as best practice.
- Prior to a formal Stage 2 response, each complaint is reviewed by senior managers and then signed off by a Head of Service that is not responsible for the area in which the complaint has been made.
- All Housing Ombudsman draft outcomes are discussed at specific Ombudsman Review Panels which are led by the corporate Customer Relations Team, this includes expected requirements, evidence submission and lessons learnt.
- Housing Services take an active role in the Corporate Complaints Group reviewing Council complaints, trends and resolutions.

15. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Stock safety	The HRA Landlord Services fails to comply with regulatory safety requirements	<p>Review how compliance remedial actions are monitored.</p> <p>Continue to undertake HHSRS assessments on every technical officer visit.</p> <p>Performance reporting to be discussed at monthly Housing Senior Management Team meeting.</p> <p>Quarterly updates to Tenant Panel and HRA Governance Group.</p> <p>Review compliance software packages with a view to moving away from spreadsheets.</p> <p>New specialist compliance contracts to start 1 September 2024.</p>	BIII
Stock Condition	The HRA Landlord Service fails to complete the targeted of a minimum of 600 stock condition surveys per annum.	<p>Quarterly review of completed stock condition surveys to ensure programme is on target reported to the Tenants Panel & HRA Governance Group for further scrutiny.</p> <p>Review of all surveys completed as part of the risk mitigation programme as highlighted in section 11.8.</p>	BIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
ASB	Low satisfaction rate for TSM Perception survey	Action plan created, to be fully implemented and monitored.	BIII
Tenant Satisfaction Measures	<p>Reduced satisfaction rates for all TSM Tenant Perception (TP) Survey outcomes. 11/12 TP measures improved between the baseline survey and first official survey.</p> <p>To continue to improve the TP outcomes to 12/12 for 2024/25 survey.</p>	<p>Arrange survey provider for 2024/25 – surveys to be completed during the same period as 2023/24.</p> <p>Continue to promote the participation with the TSMs via Housing Matters, Big Door Knocks (BDK) and social media promotion.</p> <p>Continue to comply with action plans for key poor performance areas (complaints & ASB)</p> <p>Highlight the TSMs are part of the onboarding for the new contractors during July – August 2024.</p>	CIII
Complaints	<p>Reduced satisfaction from TSM Perception Survey outcomes.</p> <p>Failure to comply with the Housing Ombudsman's Complaint Handling Code which can result in a Complaint Handling Failure Order.</p>	<p>Action plan created and monitored.</p> <p>Continue to promote how to complain via Housing Matters, BDKs, social media and poster campaign.</p> <p>New complaint handling survey for all complaints.</p> <p>Completion and publication of the Complaint Handling Code Annual Submissions Form within the prescribed timeframe.</p>	BII

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

16. Consultation

16.1. There has been no consultation on this report. Tenants' views have been sought however, as part of the data collection and those findings are provided within the body of this report.

17. Climate change implications

17.1. There are no direct climate change implications arising from this report.

18. Financial implications

18.1. There are no direct finance implications arising from the recommendations in this report. All expenditure and income in relation to the HRA is funded from the HRA ringfenced budget.

19. Legal implications

19.1. Although there are no direct legal implications arising from this report the changes to the regimen for inspection and reporting on Social Housing will have an impact on the HRA going forward.

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Appendices

Appendix 1 - HRA Performance 2023/24

Background papers

None