

Cabinet

30 July 2024

Activity of the Housing Revenue Account (HRA) Governance Group

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

Report from: Adam Bryan, Director of Place

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Summary

This report sets out the Council's arrangements for governance of its Housing Revenue Account (HRA). An annual report is a commitment from the Terms of Reference agreed by the HRA Governance Group.

1. Recommendations

1.1. Cabinet is asked to note the contents of the report.

2. Suggested reasons for decision(s)

2.1. This report ensures the Cabinet are fully informed about the activity of the HRA Governance Group and its impact.

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 HRA Governance Group was established in September 2022 to provide more established scrutiny of the Council's housing stock. Previously, the Council has had an Asset Management Group, however, given changes to regulation published through the Social Housing White Paper, officers recommended a group that had a broader remit but still included information in relation to assets and planned works.

- 4.2 Following the local election and changes in administration from May 2023, the Group revised its Terms of Reference and tenant representatives were brought into the Group that comprised of the following members:
- Portfolio Holder, Housing & Property
 - Portfolio Holder, Climate Change & Strategic Regeneration
 - Chair, Business Support and Digital Overview & Scrutiny Committee (opposition Member)
 - Assistant Director, Culture & Community
 - Chief Housing Officer
 - Head of HRA Property & Development
 - Head of Tenant Services
 - Policy and Partnerships Manager
 - Tenant and Leaseholder representatives
- 4.3 The Group meets quarterly and has undertaken four meetings under its current membership. These meetings were held on:
- 18 August 2023
 - 20 November 2023
 - 26 February 2024
 - 22 May 2024
- 4.4 The purpose of the Group is to “ensure good strategic management of the HRA, the scrutiny of key performance indicators and governance of decision making that will impact Medway Council’s tenants and leaseholders. Driving improvement and ensuring that Medway Council is a benchmark for other providers”.
- 4.5 The Group is supported by the Tenants Panel that comprises of 11 residents who are supported to provide scrutiny to HRA functions. The Group may also refer issues into the HRA Governance Group.

Comments from Chairperson 2023–2024 – Cllr Naushabah Khan

- 4.6 Having assumed the role of Chair of the HRA Governance Group in May 2023 I am pleased to support the active scrutiny of activities in relation to the Council’s housing stock.
- 4.7 I am particularly pleased to have invited residents on to the Group to provide not only greater, more informed scrutiny, but also to ensure that those that live in our homes have a direct link with elected members and senior officers through the Group.
- 4.8 There is more work for the HRA Governance Group to undertake in relation to how closely it aligns to the consumer standards as set out by the RSH.
- 4.9 Whilst the Council’s performance in relation to its tenant satisfaction measures has improved from its benchmark across a number of areas, it is clear that “satisfaction with complaint handling” and “handling of anti-social

behaviour (ASB)” are areas that need improvement, and I have instructed officers to work with our residents to identify how this can be achieved.

- 4.10 Furthermore, understanding the safety and quality of our homes is crucial in ensuring the best outcomes for our residents and I have requested that through the One Medway Council Plan, more information is published on a quarterly basis, as well as an annual report to Cabinet in relation to performance and the Council’s compliance with Consumer Standards.

Consideration of performance

- 4.11 A standing item for the Group considers various performance measures across the HRA. Performance measures include:
- Rate of pass/fail inspections of block cleanliness and grounds maintenance
 - Average relet times
 - Voids
 - Estate inspection completions
 - ASB cases
 - Rent arrears and Universal Credit cases
 - Engagement and door knock events
 - Repairs satisfaction
 - Compliancy performance (gas, electricity, Legionella, asbestos, lifts and fire)
 - Decent Homes compliancy

Consideration of Complaints Trend Analysis

- 4.12 A further standing agenda item is the consideration of complaints, the volume and numbers upheld and consideration of the trends and reasons collected for complaints being received.

Consideration of Strategic Items

- 4.13 Several strategic items have also been presented to the Board.
- 4.14 In August 2023, the Group considered feedback from the benchmark tenant satisfaction measures survey and discussed areas of lower performance, namely satisfaction with the handling of complaints and satisfaction with the handling of ASB.
- 4.15 In November 2023, the Group considered the business plan review undertaken by Savills, with various considerations of likely scenarios and stress testing of the HRA Business Plan. This plan was presented to the Regeneration, Culture and Environment Overview & Scrutiny Committee in January 2024.

- 4.16 Details of Awaab's Law and Consumer Standards were presented to the 26 February 2024 Group meeting detailing the future standards and impact for the HRA.
- 4.17 At the May 2024 Group meeting, the Chief Housing Officer and Tenant Engagement & Wellbeing Manager from Folkestone & Hythe District Council (F&H) (part of the Regulator's pilot programme) were invited to talk to the Group about their experiences of regulation. This included expectations around officer, member, tenant governance and evidence gathering.
- 4.18 In addition to the presentation from F&H, the Tenant Panel representatives provided an update on the Terms of Reference for their group which included the creation of a number of key roles to support their increased scrutiny of HRA activities. The Panel representatives provided recommendations for approval of a number of policies including the reviewed Pet and ASB policies.
- 4.19 The Group also received an update on the tendering and mobilisation of the new repairs and maintenance contracts.

Advice and Analysis

- 4.20 The presence of a cross party group with senior officer and tenant involvement is undeniably a positive feature of governance for Medway Council's housing stock. However, the work of the Group will need to evolve to align more closely with meeting consumer standards and providing the required evidence to demonstrate this.

Closer alignment to Consumer Standards

- 4.21 In reviewing the RSH's code of practice issued in April 2024 (the first to be published for social housing landlords) at numerous points, the code states the need for Boards and Councillors to assure themselves that tenants' views have been actively sought and considered as part of decision making.
- 4.22 Whilst this is taking place (contract tendering, review of policies, input directly to the Governance Group) and the Group has been informed of activity, this has not always been the case historically and it is recommended that each decision or update to the Group includes details as to specifically how tenants' views have been considered.

Reporting

- 4.23 Furthermore, reports to the Governance Group have focused primarily on presentations and it is recommended that, in addition to the presentation, a more formal report is issued per item, in a format that is appropriate for the Group to provide an auditable trail of information considered.
- 4.24 Finally, in relation to the code of practice statement, "Boards and Councillors of registered providers should have robust mechanisms in place to provide them with assurance that their organisation delivers the outcomes of the

standards”, it is recommended that the Group provide oversight to the Housing Service action plan in relation to meeting Consumer Standards. This will be presented to the next Group meeting in September.

5. Options

- 5.1. No further options are provided; the Cabinet is being asked to note the contents of the report.

6. Risk management

- 6.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Non-compliance with Consumer Standard	Governance arrangements of the HRA do not comply with the Consumer Standards as set out by the RSH.	Cabinet to receive annual updates in relation to HRA activity in addition to quarterly updates to the HRA Governance Group.	BII
Lack of oversight of HRA Governance arrangements	A lack of appropriate transparency/governance/scrutiny cause poorer outcomes for residents that live in Council owned housing.	As above	BII

For risk rating, please refer to the following table:

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

7. Consultation

- 7.1. No formal consultation has been undertaken in respect of this paper, however, tenant representatives are present on the HRA Governance Group.

8. Climate change implications

8.1. There are no direct implications in respect of this report.

9. Financial implications

9.1 There are no direct financial implications arising from the recommendations in this report.

10. Legal implications

10.1 There are no direct legal implications to the recommendation made to the Cabinet. However, activity in the HRA is regulated by the RSH and associated standards.

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Appendices

None

Background papers

None