

Cabinet

30 July 2024

Regulator of Social Housing – Consumer Standards

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

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Summary

This report outlines the changes to the regulatory regime of the Regulator of Social Housing (RSH) following the introduction of the Social Housing (Regulation) Act 2023. It also provides a progress report on the action taken to date to review Medway Council's housing service to ensure that the Council operates within the RSH's regulatory framework.

The report outlines the two regulatory standards that housing services are required to comply with, including highlighting key risks and mitigation strategies.

This report was conceived as an update into the preparedness for the new regime. However, on 30 May 2024, the Council was informed that it would be inspected during Q2 of the regulators programmed inspection regime.

1. Recommendations

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

2. Suggested reasons for decision

2.1. To ensure the Cabinet is informed of the changes to the regulatory regime of the Regulator of Social Housing (RSH) and on the action taken to date to review Medway Council's housing service to ensure that the Council operates within the RSH's regulatory framework.

3. Background

3.1. On 17 November 2020 the Government announced the *Charter for Social Housing Residents: Social Housing White Paper*, which was to deliver on the Government's commitment to the Grenfell community and on the

Conservative 2019 manifesto pledge to empower residents, strengthen regulation and improve the quality of social housing.

- 3.2. Following on from the White Paper, a number of high-profile failings, findings of severe maladministration by the Housing Ombudsman and the death of Awabb Ishak reinforced the need to overhaul the regulation of social housing, this set up the pathway for the Social Housing (Regulation) Act 2023.
- 3.3. The Social Housing (Regulation) Act received royal assent in July 2023 it amended the original delivery of regulation under section 193 of the Housing and Regeneration Act 2008.
- 3.4. The RSH had the responsibility under the Housing and Regeneration Act 2008 to ensure all registered providers of social housing comply with two regulatory standards (Economic and Consumer standards).
- 3.5. The Social Housing (Regulation) Act amended the original Consumer Standards, with the RSH consulting on the revised standard between July and October 2023. The new Consumer Standards were published in February 2024, in addition to the revised Consumer Standards, the RSH published its first Consumer Standards Code of Practice.
- 3.6. During the consultation period, housing services held a workshop in conjunction with the Tenants Panel, this provided support with their first formal consultation response. The Tenants Panel in principle were supportive of the suggested changes and welcomed local authorities being inspected again.
- 3.7. The RSH will regulate providers of social housing against the following two standards from 1 April 2024:

Economic Standards

- The Rent Standard – applies to Medway and all registered providers.
- Governance and Financial Viability Standard – Does not apply to Medway but applies to housing associations and private registered providers.
- Value for Money Standard – applies to housing associations and private registered providers.

Consumer Standards – applies to Medway and all other registered providers.

- Neighbourhood and Community Standard
- Safety and Quality Standard
- Tenancy Standard
- Transparency, Influence and Accountability Standard (including the Tenant Satisfaction Measures)

- 3.8. The revised Consumer Standards consist of four sub-standards, each with their own required outcomes and specific expectations. In total there are 19 required outcomes and 59 specific expectations, all are required to be met under regulation. Please see Appendix 1 – Consumer Standards, for more information.

- 3.9. The RSH has created a new system for assessing how well social landlords are providing good quality homes and services, these are known as the Tenant Satisfaction Measures (TSMs). These measures should let tenants see how well their landlord is performing and give the RSH an idea of which landlords need to improve. Please see Appendix 2 – Tenant Satisfaction Measures for more information.
- 3.10. There are 22 TSMs, which cover five themes, ten are measured by the landlord directly and 12 are measured by carrying out a tenant perception survey. TSMs are required to be completed annually with the first report due for financial year 2023/24.
- 3.11. The revising of the standards aims to place social housing tenants at the heart of providers business:
- Ensure tenants are safe in their homes.
 - Listen to tenants' complaints and respond promptly to put things right.
 - Be accountable to tenants and treat them with fairness and respect.
 - Know more about the condition of every home and the needs of the people who live in them.
 - Collect and use data effectively across a range of areas including repairs.
- 3.12. Most social housing tenants live in decent homes, but the Regulator is clear that all landlords can improve. To hold landlords to account it will:
- Inspect larger landlords regularly to check they are meeting the outcomes in the standards.
 - Scrutinise data about tenants' satisfaction, repairs, and other relevant issues.
 - Continue to push landlords to protect tenants and put things right when there are problems.
 - Use a range of tools when needed, including new enforcement powers.
- 3.13. In addition to the above standards, all social housing providers are required to meet the Decent Homes Standard, this standard has been in place since 2010 and is due to be revised.
- 3.14. The RSH will be supported by the Housing Ombudsman and the Building Safety Regulator to ensure social housing providers are compliant and engaging with legal requirements.
- 3.15. For local authority housing providers, inspection will focus on consumer issues, the inspections will have the same focus on service outcomes and accountability. This means that any breaches may result in the issue of a regulatory notice of findings, enforcement of improvement plans, fines and referral to Chief Officers and Lead Cabinet Members.

4. A new inspection regime

- 4.1. Inspection could have occurred at any point in the four years commencing from 01 April 2024.

- 4.2. Following confirmation given on 30 May 2024 from the regulator that Medway Council's inspection will take place in Q2, officers submitted contextual information to the Regulator. On 02 July 2024 the Council received a letter that formally started the inspection and provided a scope for the RSH's enquiries. At the time of writing, officers are working on a document request list that will be submitted to the RSH by 5pm on 16 July 2024.
- 4.3. The RSH will expect to talk with the Chief Executive and Lead Members as well as staff and tenants, however they are likely to provide broad topics for discussion and allow the Council to field the most appropriate staff. The RSH will be observing a Residents Scrutiny Panel on 12 July 2024, then will undertake site work on 05 and 06 September 2024.
- 4.4. Inspection is a snapshot at a particular time, with the RSH aiming to conduct a programmed inspection of social housing landlords at least once every four years.
- 4.5. Inspections of local authority landlords are assessed on how well they are delivering against the outcomes of the Consumer Standards, however, may consider issues relating to the Rent Standard as it is applicable to local authority landlords.
- 4.6. Inspection is based on seven components with local authority programmed inspections based on two of the seven: Service outcomes and Transparency, Influence and Accountability. Within the individual components the RSH can tailor the landlord inspection to enable focus on what they consider are key issues and risks for that landlord. (See Appendix 3 – the Component and Key areas of focus applicable to local authorities).
- 4.7. When the RSH considers their provisional findings through corporate quality control and quality assurance procedures, these processes support the following:
 - That the RSH's work has been conducted in line with their requirements
 - The approach to inspections is consistent where appropriate, while providing flexibility to suit the individual circumstances.
 - Judgements are appropriate and evidence based.
- 4.8. Once the above has been considered a new regulatory judgement will be issued including a summary of the inspection findings, a meeting will also be arranged with the landlord to discuss the findings and gather feedback on the inspection experience.
- 4.9. Local authorities will be issued judgements under the Consumer grades, the RSH has already announced that very few, if any, are likely to achieve the highest grade (C1) in year one of the inspection program as there is significant improvement required across the sector. Please see Appendix 4 – Consumer grades for more information.

5. Medway Council – Readiness for inspection

- 5.1. In judging Medway Council's readiness for inspection, there are currently no available gradings, reports or learning from other local authority areas that relates specifically to the programmed regime (other responsive regulatory judgements are published online). Only a direct read across into the standards (Final versions published 02 April 2024) is possible. These standards are provided in Appendix 1.
- 5.2. The Council has made positive strides over a number of years to improve its offer to residents;
- Removing planned works from the corporate centre back to the housing service has allowed growth of a HRA funded direct team, improving oversight and delivery of stock investment.
 - Increasing the capacity of the Housing Service senior management team from one head of service to one Chief Officer and three Heads of Service (two of which are solely focussed on the HRA).
 - Retendering its repairs service from one major provider to several specific contracts to ensure competency, limit risk and reduce poor feedback from tenants in relation to subcontracted works.
 - Reshaping resident engagement with a back-to-basics approach (covered in more detail below).
 - Producing plans to improve areas of poor performance in relation to TSMs.
 - Improving visibility of Statutory Compliance Work with a clear tracker and inclusion in the Council Plan.
 - Implementing Damp and Mould calls to all residents.
 - Adopted Housing Strategy with a specific aim around participation and the HRA.
- 5.3. However, the Council needs to be cognisant of the fact that it has many more priorities and competing objectives than a housing association. It is therefore important for senior leaders to be aware of areas that need improvement.
- 5.4. The consumer standards clearly place a greater requirement on transparency and increased publication of information that allows residents and members to adequately scrutinise the delivery of services to residents in Council owned homes. The council has rightly provided a focus, through the one Medway Council Plan, on ensuring that homes provided by the Council are safe, well maintained, free from damp and mould and that residents are placed at the heart of decision making. Further reports will likely be required to ensure full compliance with the consumer standards, and these will be brought forwards by officers as necessary.
- 5.5. The Council has publicly reported on the results of the tenant satisfaction measures through a newsletter to its tenants, in previous reports to members of the overview and scrutiny committee and directly to the RSH through data collection. Scores in relation to Complaint Handling and Antisocial Behaviour were lower than the Council would want them to be.

- 5.6. Anti-Social behaviour. The Council undertook a baseline Tenant Satisfaction Measures (TSM) survey in March 2023, TP12 – handling anti-social behaviour result was based at 39%, with expected satisfaction being between 39-47%. Following the outcome of the baseline survey, the Tenant Services Team carried out a number of improvements, this included the launch of an ASB app that allows our tenants to record ASB including noise nuisance and loading up of photographic evidence, actively promoting ASB week last July in partnership with a number of public bodies, the recruitment of an ASB Officer to deal specifically with alleged cases and access issues for compliancy. The service was able to measure the improvement in October 2023, when the Council completed its first formal TSM survey. The TP12 outcome increased by 6% up to 45%.
- 5.7. Complaint handling. The council has continued to develop its complaints handling on to Microsoft Teams planner, this allows allocation of complaints to the appropriate teams, set timeframes for responses and subsequent approval. Under the baseline TSM survey in March 2023, the perception rating received was 28%. Whilst this was in the expected range, the follow up TSMs showed a reduction in satisfaction to 26.2%. This resulted in a revised complaints action plan, a briefing to the Chief Executive and a request to Inhouse (independent provider who completed the surveys) to carry out a deep dive (report produced in April 2024) into the response. The report produced two key areas for exploration repairs and ASB, the HRA have worked closely with the main contractor Mears to improve accessibility and communication, this has included the secondment of a customer care manager from their Canterbury branch while a replacement for the Medway branch is recruited. The Big Door Knock (BDK) surveys have also been amended to include questions relating to whether a tenant has reported a repair in the last 12 months and if so the level of satisfaction of the process and completed works.
- 5.8. To start to understand the reasoning for a lower satisfaction rate with ASB handling, all closed cases are now receiving an ASB survey, which is followed up by a telephone call if a response is not received in 7 days. This work is supporting the ASB improvement action plan.
- 5.9. The consumer standards also places a significant emphasis on how well the Council understands its homes, the quality and maintenance of those homes and how well it understands the needs of the people that live in homes provided by the Council. More information in relation the condition of homes is covered under separate reporting, Officers are also undertaking work in relation to improving the amount of data held in relation to its tenants and progress in relation to this will be reported to the HRA governance group.

6. Tenants Voice (Engagement)

- 6.1. A full review of the tenant engagement offer was undertaken which resulted in in the Council “going back to basics” in relation to engagement. The thinking behind this was due to a number of factors from significant disengagement during and after the pandemic to the variety of opportunities to engage.

- 6.2. In April 2023 following recruitment of a new Community Engagement Officer, the Residents Scrutiny Panel (the Panel) met to discuss the next 12 months and what both officers and panel members wanted to achieve. This included a review of the Terms of Reference for 2023-24 – these included expectations of officers and panel members, frequency of meetings (quarterly) and opportunities for one-off workshops or meetings to discuss specific projects.
- 6.3. Panel members have been involved in the tender process for the new repairs and maintenance contracts, panel members were provided training and met with officers to review contract requirements and evaluating tenders.
- 6.4. An enhancement to our Big Door Knock (BDK)¹ programme from bi-monthly to monthly (excluding December) has seen the Council increase the number of potential engagements from 1320 per annum to 2420 per annum. BDK's are now programmed 12 months in advance and published every quarter via Housing Matters. This allows for flexibility if a “hot spot” or service specific area need enhanced engagement.
- 6.5. Re-opening of the Rainbow Room in Hazlemere Drive as a community facility. After a number of years of being closed the former caretaker's office and community space was given a new lease of life with support from Mears and the building re-opened in December 2023.
- 6.6. The facility has been available for housing staff and partners since January 2024, this year's aspirations are to open the facility regularly and deliver tenant led services in partnership with both internal and external partners.
- 6.7. Creation and implementation of Housing's Tenant Commitments in partnership with the Panel, these highlight our commitment to our tenants;
 - **You** – respect, communication, accessibility and support,
 - **Your Home** – providing a competent workforce, easy to identify, sharing our performance, reacting to your concerns and checking you are happy,
 - **Your Community** – investment in your community, anti-social behaviour and staff awareness,
 - **Your Say** – clear complaints process, engagement, influencing and to publish and act on Tenant Satisfaction Measures and
 - **Your Commitments to Us** – respect, speak up, allow us access and pay your rent.

¹ Big Door Knocks (BDK) involve all HRA staff from Chief Housing Officer to our apprentices, officers visit a specific location within our stock and knock on approximately 220 homes. The officers then engage with our residents asking them to complete a landlord services survey, establish any identified needs to tailor services, any damp or mould, outstanding repairs, and what improvements they would like to see in their communities. We also provide information from other services such as Adult Education and the Local Plan consultation information.

- 6.8. From April 2024, the Tenants Scrutiny Panel has been renamed to the Tenant and Leaseholders Panel (the Panel), within their remit the Panel will now task members within the group to carry out two individual scrutinies per year. This year the Panel have chosen complaints and Council adaptations; this supports a key area of perceived failings and a key area of concern under the Consumer Standards (See Risk Management below).
- 6.9. In partnership with the Panel, a new Resident Engagement Opportunities document has been produced (see Appendix 5) which sets out the new roles within the Panel and provides the representatives with more opportunities to challenge and hold the Council accountable as a landlord.
- 6.10. Panel members have had the opportunity to consider the roles, expressions of interests have been submitted with expected take up of posts to be confirmed at July's Panel meeting.
- 6.11. Panel meetings are now held at the Rainbow Room, travel support and expenses are available to all representatives. Following a recent recruitment drive we now have 12 Panel members covering a range of areas, ages, gender, and ethnicity.
- 6.12. A relaunch of Housing Matters; following consultation with our Panel, September 2023 saw the relaunch of a magazine style tenants newsletter. The new Housing Matters is available in print, email and on the Council's website. This year will see a special summer edition which will be dedicated to the new repairs and maintenance contracts and will be provided to all tenants in print format.

7. Risk Management

- 7.1. The table below highlights our top three risks at present, these will change as the service progresses with its preparation for inspection.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Failing to meet the consumer standards	The Council fails to meet the required outcomes of the consumer standard leading to a regulatory judgement and subsequent actions.	At this point in time, so close to an inspection taking place, this risk can not be avoided. It is currently unlikely that the Council would received a C1 grading (the only grading that meets the standard) Officers have and will continue to develop plans to meet the consumer standard. However, some areas will be more quickly achieved than others.	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

8. Financial implications

8.1. There are some additional costs to be incurred which will be met from within the HRA ringfenced budget. These are;

- Additional resources to support delivery of data cleansing, review and updating, proposal of an initial fixed term two-year contract for a Customer Insight and Data Officer.
- Recruitment of a Housing Business Systems Analyst to support key ICT improvements and implementation of Phase 2 repairs and maintenance modules within NEC.
- Cost of inspection – consideration of resourcing requirements to prepare for inspection once the six-week notice is issued. Further engagement with Folkestone and Hythe District Council following their presentation to the recent HRA Governance Board.

9. Legal implications

- 9.1. The report sets out the requirements of legislation which the Council is required by law to adhere to.
- 9.2. Compliancy with section 193 of the Housing and Regeneration Act 2008 as amended by the Social Housing (Regulation) Act 2023.
- 9.3. Inspections are carried out under section 201 to section 203A of the Housing and Regeneration Act 2008.

10. Other considerations

- 10.1. A consultation closed on 28 March 2024 with regards to the new Competence and Conduct Standard for social housing. The Social Housing White paper in 2020 committed to conducting a review of 'professional training and development' provision to consider the appropriate qualifications and standards for housing staff in different roles, including senior management.
- 10.2. The Social Housing (Regulation) Act 2023 provides that the standard may require Registered Providers (including local authorities) to:
- a. comply with specified rules about the knowledge, skills, and experience to be required of Relevant Individuals, and the conduct to be expected of Relevant Individuals in their dealings with Tenants.

b. secure that their Senior Housing Executives and Senior Housing Managers have, or are working towards, a specified qualification in housing management or type of such qualification in housing management.

c. take steps to secure that Relevant Managers of their Services Providers have, or are working towards, a specified qualification in housing management or type of such qualification.

10.3. The consultation outcomes are expected soon, in preparation for the new standard a review of housing staff qualifications has commenced to understand the current compliancy against the proposals and the potential new burden the new standard will require.

10.4. This also gives housing additional opportunities to consider a wider professional qualification within the service, support the intended outcomes of Medpay, career progression and succession planning for the service.

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Appendices:

Appendix 1 – Consumer Standards 2024

Appendix 2 – Tenant Satisfaction Measures

Appendix 3 – Component and Key areas of focus

Appendix 4 – Consumer grades

Appendix 5 – Resident Engagement Opportunities

Background papers

[The Charter for Social Housing – White Paper 2020](https://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper)

<https://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper>

[The Social Housing \(Regulation\) Act 2023](https://www.legislation.gov.uk/ukpga/2023/36/contents)

<https://www.legislation.gov.uk/ukpga/2023/36/contents>