

## **Cabinet**

**14 January 2025**

### **The Regulator of Social Housing – Inspection Outcome**

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

Report from: Adam Bryan, Director of Place

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#### **Summary**

This report outlines the Regulatory Judgement for Medway Council, following one of the first planned inspections to be undertaken in Kent and Medway against the new Consumer Standards, which took effect on 1 April 2024.

This report sets out the findings from the inspection and confirms the actions required to support the continuous improved outcomes for tenants across all areas of the Consumer Standards.

#### **1. Recommendations**

- 1.1. The Cabinet is requested to note the Regulatory Judgement issued by the Regulator of Social Housing following a proactive inspection of Medway Council.
- 1.2. The Cabinet supports the continuous improvement plan which includes the actions required to address the improvement areas confirmed as part of the inspection process.
- 1.3. The Cabinet agrees that the Tenants Panel and HRA Governance Group will monitor the progress against the continuous improvement plan, including being able to comment on progress updates in line with the plan, at each of its future meetings.

#### **2. Suggested reasons for decisions**

- 2.1. To enable the Cabinet to review and comment on the inspection findings
- 2.2. To facilitate the delivery of the actions required to support the continuous improved outcomes for tenants across all areas of the Consumer Standards.

### 3. Background

- 3.1. The Social Housing (Regulation) Act received royal assent in July 2023 and amended the original delivery of regulation under Section 193 of the Housing and Regeneration Act 2008.
- 3.2. The Social Housing (Regulation) Act amended the original Consumer Standards, with the Regulator of Social Housing (RSH) consulting on the revised standards between July and October 2023. The new Consumer Standards were published in February 2024 and, in addition, the RSH published its first Consumer Standards Code of Practice.
- 3.3. In April 2024, the RSH was given new powers following the introduction of the Social Housing (Regulation) Act 2023, to proactively inspect all social housing landlords (with over 1,000 homes) as part of a continuing effort to drive up standards within the social housing sector. This will be the first time that the spotlight will be shone back on local authority landlords, following a number of years of deregulation.
- 3.4. Local Authorities will be issued with regulatory judgement under the new Consumer standards known as the “C” Grade, with the highest grade achievable being a C1 and the lowest being C4. [Further information can be reviewed from the previous Cabinet paper published on 30 July 2024 - [Regulator of Social Housing - Consumer Standards](#) ]
- 3.5. All social housing landlords (with over 1,000 homes) will be subject to proactive inspection every four years, with the first inspections taking place in May 2024 (Q1 2024/25). Medway Council was selected for a proactive inspection for Quarter 2, 2024/25, with the initial notification on 30 May 2024.

### 4. The Inspection

- 4.1. An inspection of Medway Council’s landlord services took place between June and September 2024, with all four consumer standards in scope of the inspection.
- 4.2. The inspection consisted of contextual documentation, a scoping document [attached in Appendix 1], a two-day site visit including observations of the Tenant and Leaseholder Panel and the HRA Governance Group, and interviews with key senior management, Members, officers and tenants.
- 4.3. An inspection project group was set up and met weekly throughout the process (and continues to meet fortnightly), working collaboratively to provide the RSH with over 200 pieces of evidence, creating the contextual document and supporting presentation for the onsite inspection visit.

### 5. Medway Council – Regulatory Judgement

- 5.1. The Regulatory Judgement is now published, and the Council has been awarded a C2 grade. A copy of the regulatory judgement is attached in Appendix 2.

- 5.2. A Regulatory Judgement of C2 is the second highest grade, out of four consumer grades. The specific wording for a C2 grade is “Our judgement is that there are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed.”
- 5.3. The RSH expects landlords graded at C2 will develop a plan to drive relevant improvement and will be able to show that weaknesses have been addressed so that outcomes for tenants are improved. They also expect landlords to share relevant improvement plans with tenants. [Reference: [Guidance - Regulatory Judgements & Grades](#)]
- 5.4. The Regulatory Judgement recognised that “Medway Council demonstrated through the inspection that it understands where it needs to make improvements, and we have assurance that it is addressing the areas of weakness identified.”
- 5.5. The Regulatory Judgement identified areas of strength and compliance, but also some weaknesses. All except one had been identified prior to inspection and sound action plans were in place. The HRA must ensure that it retains an awareness and focus on all aspects of the Consumer Standard, and to actively address action required to support the continuous improvement plan.
- 5.6. Within the Judgement, the Regulator recognised that the HRA landlord services:
  - i) Provided assurance that it has appropriate systems in place to manage its health and safety responsibilities and to ensure the health and safety of its tenants in their homes and associated communal area.
  - ii) Medway Council has a proactive approach to identifying and responding to cases of damp and mould in its homes.
  - ii) Outcomes across the main areas of health and safety compliance are good, and performance is actively monitored by senior officers and councillors.
  - iii) Provided assurance that stock quality information is used to inform capital investment decisions to reduce non-decency levels.
  - iv) Evidence was provided that repairs and maintenance performance is generally in-line with its targets and has plans in place to reduce a current repairs backlog.
  - v) Provided evidence that tenants’ views have informed the requirements in Medway Council’s new repairs contract.
  - vi) Provided assurance that it provides prompt and appropriate action in response to anti-social behaviour and hate incidents reported, working in partnership with relevant organisations.

- vii) Medway Council demonstrated that it provides a range of relevant and accessible information to tenants, including its performance in delivering landlord services.
- vii) That there are meaningful opportunities for tenants to influence and scrutinise Medway Council's strategies, policies and services.
- viii) Whilst some areas of tenant engagement are still being developed, Medway Council is committed to building on its existing arrangements to support tenants in influencing and scrutinising its services.
- ix) Observed a positive culture amongst officers, and a commitment to providing good services for tenants.
- x) Evidence that complaints are handled effectively and promptly addressed, and Medway Council provides accessible information to tenants about its complaints policy and its complaints handling process.
- xi) Medway Council demonstrated through the inspection that it understands where it needs to make improvements, and we have assurance that it is addressing the areas of weakness identified.

5.7. Areas requiring further development and improvement are also set out in the Judgement:

*Quality and Safety Standard*

- i) Improvement is needed in the reporting and oversight of remedial actions.
- ii) Medway Council has some gaps in its information it holds on the condition of its homes, as more than 45% of property records are not up to date.
- iii) Current repairs backlog.

*Transparency, Influence and Accountability Standard*

- iv) Action is needed to ensure that Medway Council has comprehensive information about the diverse needs of its tenants to better adapt and tailor its services to their individual needs.
- v) Medway Council acknowledges that it needs to improve the information it shares with tenants about lessons learnt and improvements made as a result of complaints handling.

## 6. Continuous Improvement

6.1. The HRA is committed to continuous improvement, with strong governance, tenant engagement and self-awareness.

- 6.2. The Regulator requires that landlords graded at C2 will develop a plan to drive improvement in the areas identified, and that the weaknesses identified have been addressed so that outcomes for tenants are improved and that the plan is shared with tenants.
- 6.3. The HRA will have ongoing dialogue with a named contact within the Regulatory Engagement Team, which will include demonstrating continuous progress against the actions identified.
- 6.4. The HRA had already developed a continuous improvement plan, and this has been reviewed to ensure that all actions identified have been included and have SMART objectives and targets for completion.
- 6.5. The HRA continuous improvement plan is attached as Appendix 3.

## 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 address the identified areas of improvement as prescribed in the Regulatory Judgement.	The Council does not act on the improvement areas as set out in the Regulatory Judgement, leading to the inability to demonstrate the required assurance.	<p>HRA continuous improvement plan.</p> <p>Inspection project group will continue to meet bi-weekly to review progress against the continuous improvement plan.</p> <p>Each quarter the Tenants Panel and HRA Governance Group will review the progress against the continuous improvement plan to ensure targets and actions are meet.</p>	CI
Failing to meet the Consumer Standards	The Council fails to meet the required outcomes of the consumer standard leading to a self-referral and subsequent actions	<p>HRA continuous improvement plan.</p> <p>Inspection project group will continue to meet bi-weekly to review progress against the continuous improvement plan.</p> <p>Each quarter the Tenants Panel and HRA Governance Group will review the progress against the continuous improvement plan to ensure targets and actions are meet.</p> <p>Annual gap analysis against the consumer standards.</p>	DI

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

## 8. Financial implications

- 8.1. The Council will need to fund the additional costs in line with the requirements of the Social Housing Regulation Act 2023, for example regulation and inspection fees, staff training and qualifications, changes to decent homes criteria. Provision has been made within the proposed HRA budget for 2025/26 that will be presented to Cabinet and Council in February 2025 for this with all operational actions, charges or system changes required.

## 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: Regulator of Social Housing Medway Council inspection scoping document

Appendix 2: Medway Council Regulatory Judgement

Appendix 3: HRA Continuous Improvement Plan

**Background papers**

[Cabinet Paper – 30 July 2024, The Regulator of Social Housing – Preparing for Inspection](#)