

Cabinet

4 August 2026

Activity of the HRA Governance Group

Portfolio Holder: Councillor Louwella Prenter, Portfolio Holder for Housing & 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. Recommendation

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

2. Suggested reasons for decision

2.1. The report ensures the Cabinet is fully informed about the activity of the HRA Governance Group (the Group) and its impact.

3. Budget and policy framework

3.1. The HRA is ringfenced and therefore sits outside 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.
- 4.3. In July 2024, following the former Portfolio Holder for Housing and Property, along with two other Cabinet members being elected as Members of Parliament, a review of portfolios was undertaken and a new portfolio specifically for housing and homelessness was created.
- 4.4. In addition to the change in portfolio, at the Tenants Panel meeting on 12 July 2024, the group appointed their first Chair and Deputy Chair. This led to a review of the Group's Terms of Reference to include the following members:
- Portfolio Holder, Housing & Homelessness.
 - Portfolio Holder, Climate Change & Strategic Regeneration.
 - Chair, Business Support & Digital Overview & Scrutiny Committee (opposition Member).
 - Assistant Director, Culture & Community.
 - Chief Housing Officer.
 - Head of HRA Property & Development.
 - Head of Tenant Services.
 - Chair, Tenants Panel.
 - Deputy Chair, Tenants Panel.
- 4.5. The Group meets quarterly and has undertaken four meetings under its current membership. These meetings were held on:
- 18 July 2025.
 - 21 November 2025.
 - 24 February 2026.
 - 15 May 2026.
- 4.6. 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”.
- 4.7. The Group is supported by the Tenants Panel Chair and Deputy Chair following their appointment at the July 2024 Tenants Panel meeting.

Comments from the Chairperson 2025 – 2026 Cllr Louwella Prenter

- 4.8. As Chair of the HRA Governance Group, I am pleased to support the continued and robust scrutiny of activities relating to the HRA's Landlord Services.
- 4.9. The Group continues to review, monitor and scrutinise the service's continuous improvement plan in response to the Regulator of Social Housing (RSH) C2 grading. This is undertaken on a quarterly basis alongside the

Tenants Panel, ensuring that performance targets are maintained as the service works towards achieving a C1 grading.

- 4.10. In addition to overseeing the improvement plan, the Group continues to monitor the performance of the HRA service across key areas. These include tenant satisfaction through the Tenant Satisfaction Measures, tenancy management services such as rent collection and arrears, and property-related performance, including repairs and statutory compliance workstreams.
- 4.11. A clear understanding of the safety and quality of our homes remains essential to delivering positive outcomes for residents. This is supported by increased transparency through the quarterly publication of performance information within the One Medway Council Plan, alongside this annual report to Cabinet detailing compliance with, and progress against, the Consumer Standards.
- 4.12. I am particularly encouraged by the commencement of a £2.5 million programme of improvement works at St Albans Close in Gillingham, one of our largest estates. This programme includes full balcony replacements, fire door upgrades, enhanced insulation, and a range of improvements to communal areas.
- 4.13. Regulatory and financial due diligence has commenced in relation to the proposed transfer of a Registered Provider's housing portfolio within the borough into the HRA. Subject to approval, this transfer represents a cost-effective opportunity to increase the Council's housing stock, ensure existing tenants benefit from safe and well-managed homes, and contribute to meeting future housing demand within Medway.
- 4.14. The HRA has continued to expand its portfolio of affordable homes, with 29 new homes delivered over the past year. I am pleased that delivery is now projected to exceed the original target of 336 homes set out in the 10-year HRA Development Strategy. In addition, 44 homes currently delayed due to external factors are expected to be completed during the summer, alongside a further 19 units at Lennoxwood due for completion by the end of June 2026.
- 4.15. As the Cabinet is being requested to note the content of the report, there is no exploration of options.

Consideration of performance

- 4.16. A standing item for the Group considers various performance measures across the HRA. A detailed, quarterly performance report is drafted and present to the HRA Governance group each quarter. The performance report covers all applicable service areas and includes information on:
 - Average relet times.
 - Voids.
 - Anti-social behaviour cases.
 - Rent arrears and Universal Credit cases.

- Engagement & Big Door Knocks.
 - Repairs satisfaction & performance incl. works in progress (WIP) for repairs.
 - Planned works programme delivery performance.
 - Compliance performance (gas, electricity, legionella, asbestos, lifts & fire) including remedials.
 - Decent Homes compliancy.
 - Energy performance.
 - Asset survey outcomes.
 - Damp & Mould proactive engagement.
 - Complaints performance and trends analysis.
- 4.17. The quarterly performance reports are also scrutinised by the Council Property Safety board which is co-chaired by the Head of HRA Property and Development and The Head of FM in the corporate property team. This board provides an additional layer of professional scrutiny, giving the HRA Governance group additional assurance that the services performance is as per regulatory standards and to the required level.

Consideration of Strategic Items

- 4.18. Several strategic items have also been presented to the Group.
- 4.19. In September 2024 the group reviewed the Terms of Reference (ToR) following a change in membership, the initial continuous improvement plan created as part of the HRA's consumer standards gap analysis and an update on the new repairs and maintenance contracts. This meeting was originally scheduled for August but was moved to allow the Regulatory Engagement Team to observe.
- 4.20. Over 2025/26, the HRA Governance Group provided robust oversight of housing performance, with a particular focus on improving repairs delivery, addressing any contractor performance, and maintaining high levels of tenant satisfaction despite survey fatigue challenges.
- 4.21. In addition to the main Group, a workshop was held with Savills regarding the annual review of the HRA 30 Year Business Plan. This workshop allowed discussion around the various considerations of likely scenarios and an opportunity to stress test them. The workshop enabled the Group and Tenants Panel to have a voice in the annual review process, discussing what direction the plan should take.
- 4.22. The Group closely monitored compliance, maintaining near-full statutory compliance across gas, electrical, fire, and water safety, while strengthening processes for access, audit, and remedial actions.
- 4.23. Significant attention was given to damp and mould management in preparation for Awaab's Law, including proactive inspections, tenant support, staff training, and the rollout of environmental monitoring sensors to enable early intervention.

- 4.24. Performance issues with key contractors were actively challenged, with enhanced contract management, regular review meetings, and actions to improve communication, reduce subcontractor reliance, and increase direct labour capacity.
- 4.25. The Group oversaw delivery of an extensive capital programme, including strong progress on boilers, windows, doors, and roofing, alongside improved in-house programme management and resident engagement approaches.
- 4.26. Void turnaround performance was scrutinised in depth, leading to new operational improvements such as group viewings, earlier advertising, process simplification, and pilot schemes to enhance property standards and reduce re-let times.
- 4.27. Tenant engagement was significantly strengthened through expanded forums, targeted communications, roadshows, and the development of a “know your tenant” approach to better tailor services and support vulnerable residents.
- 4.28. Complaints handling was improved through enhanced monitoring, adoption of Housing Ombudsman recommendations, increased learning from cases, and a focus on clearer communication and early resolution.
- 4.29. The Group drove continuous improvement through delivery of a formal improvement plan, adoption of new systems (including ASB case management and data platforms), preparation for regulatory inspection, and commissioning of external audit.
- 4.30. Wider strategic priorities were advanced, including delivery of new homes and temporary accommodation, progress toward EPC and decarbonisation targets, expansion of social value initiatives, and planning for future regulatory and legislative changes such as heat network requirements.
- 4.31. The Group also reviewed the outcomes of the 2025/26 Tenant Satisfaction Measures (survey element) including the comparison to the TSM (survey) for 2024/25. The TSMs highlighted an improvement in all areas, with increased satisfaction from tenants who had participated in Big Dook Knocks, showing the importance of engaging with our tenants face to face.

Impact of the Regulator of Social Housing inspection.

- 4.32. Medway Council was the first local authority landlord in the South East to be inspected by the RSH as part of the new statutory regulatory powers under the Social Housing (Regulation) Act 2023.
- 4.33. The HRA Governance Group formed an integral part of providing reassurance to the RSH Engagement Team during the scoping, document evidence submission and two-day on-site inspection. The HRA team was able to evidence the creation and objective of the Group, the influence and the voice of tenants being around the table to provide influence and scrutiny.

- 4.34. The Group will continue to provide assurance through their meetings by reviewing, challenging and scrutinising policies, practices, performance, the HRA 30 Year Business Plan and RSH continuous improvement plan in conjunction with the Tenants' Panel.

5. Options

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

6. Advice and analysis

- 6.1. 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 portfolio.
- 6.2. 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.
- 6.3. Over the last year the Group has evolved, aligning with the Consumer Standards and improvements highlight as part of the services' Regulatory Judgement, including the reporting of all remedials and works in progress within our property and compliance work streams. Ensuring that the tenants' voice is heard through the representatives of the Tenants Panel forming part of the Group.

7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Non-compliance with the RSH continuous improvement plan	To review and monitor compliance with the RSH's approved continuous improvement plan.	The Tenants Panel, and HRA Governance Group to review and scrutinise the plan quarterly, with bi-annual updates to CMT and annual updates to Cabinet.	C3
Non-compliance with the Consumer Standards	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. CMT to receive updates on a bi-annual basis	C3

Risk	Description	Action to avoid or mitigate risk	Risk rating
Lack of oversight of HRA Governance arrangements	A lack of appropriate transparency/governance/scrutiny causes poorer outcomes for residents that live in Council owned housing.	Cabinet to receive annual updates in relation to HRA activity in addition to quarterly updates to the HRA Governance Group. CMT to receive updates on a bi-annual basis	C3

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	1 Critical
B Likely	2 Major
C Unlikely	3 Moderate
D Rare	4 Minor

8. Consultation

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

9. Climate change implications

- 9.1. [The Council declared a climate change emergency in April 2019](#) - item 1038D refers and has set a target for Medway to become carbon neutral by 2050.
- 9.2. All Housing Revenue Account (HRA) new build developments are built to a minimum of EPC B. The HRA's recently completed several projects championing energy efficiency into the specification. Aburound House had photovoltaic panels (PV) to support the communal area electrical use included. Lennoxwood which consisted of 19 houses also had PV fitted to support the household's electrical consumption and reduce the cost of the annual electricity bill. The service also purchased Warick Crescent which is the first HRA scheme to be power by renewable technology by the way of air source heat pumps.
- 9.3. Under the Government's Social Housing Decarbonisation Fund (SHDF) Wave 2, the HRA completed energy retrofit works to over 100 of the councils worst energy performing homes using the "fabric first" method to support the climate change agenda. Works included insulation upgrades, glazing and boiler upgrades, ventilation improvements and low energy lighting.
- 9.4. There is an expanded property survey programme, to ensure that all council homes have a valid stock condition survey within 5 years. This target is set for March 2027. These surveys are comprehensive reviews of the fixtures and fittings, life cycles which then influence the review and management of the HRA 30 Year Business Plan.

10. Financial implications

10.1. There are no financial implications to the recommendations made to the Cabinet.

11. Legal implications

11.1 There are no direct legal implications to the recommendations made to the Cabinet. However, activity in the HRA is regulated by the Regulator of Social Housing and associated standards.

Lead officer contact

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Appendices

None

Background papers

None