

FAREHAM

BOROUGH COUNCIL

Report to Housing Scrutiny Panel

Date: 08 February 2024

Report of: Director of Housing

Subject: New Consumer Standards from the Regulator of Social Housing

SUMMARY

From the 01 April 2024 new Consumer Standards for social housing providers will come into force. The new standards are intended to protect tenants and drive improvement in the services that social landlords provide.

These new standards will apply to Fareham Housing and all other Registered Providers and Local Authority providers. Through changes in legislation the Regulator will undertake inspections and have stronger enforcement powers to make social housing providers address issues.

This report provides an overview of the anticipated new Consumer Standards, how Fareham Housing currently performs against the draft standards, actions anticipated, and a need for increased governance.

RECOMMENDATION

It is recommended that the Housing Scrutiny Panel notes;

- (a) the content of the report, and the current anticipated performance against the draft emerging Consumer Standards;
- (b) the intention to produce an action plan relating to compliance with the Standards, to be reported at a later Panel meeting.
- (c) the section relating to governance and may wish to discuss and suggest approaches to increase governance and scrutiny (internal, Member, and customer) of Fareham Housing progress and performance against the standards; and
- (d) that a further report will be produced for the Council's Executive in 2024. This will relate to the Standards, and any proposed changes of the governance structure.

INTRODUCTION

1. The Grenfell fire tragedy, and the death of Awaab Ishak, have focussed attention on the quality of social housing like never before. The government's policy response to these tragedies led to the Social Housing (Regulation) Act 2023, which became law on the 20 July 2023.
2. Although many sections of the new Act are not yet in force, one aspect that will apply from April 2024 is increased regulation on social housing providers, with a stronger and more active role now given to the Regulator of Social Housing (the 'Regulator') to deliver the governments expectations on behalf of social housing customers.
3. In autumn 2023 the Regulator consulted on a set of new consumer standards. The final form of consumer standards is expected to be confirmed shortly and will apply from 01 April 2024.
4. Like many social housing providers, Fareham Housing have been looking at the areas of the draft new standards to understand where we comply, areas that require improvement, and areas that may need new workstreams or approaches to ensure compliance.
5. The Regulator will have a four-yearly cycle of inspections of all social housing providers.

THE NEW STANDARDS

6. We are currently waiting for the confirmed consumer standards, so at this stage the outline below, and further assessment of our performance later in this report, is based on the draft standards (autumn 2023).
7. The draft consumer standards are split into four categories: -
 - **The Safety and Quality Standard** – requires landlords to provide safe and good quality homes and landlord services to tenants.
 - **The Transparency, Influence and Accountability Standard** – requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account.
 - **The Neighbourhood and Community Standard** – requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
 - **The Tenancy Standard** – sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords.
8. Within each of the four categories there are multiple 'specific expectations', which total 61 in number.
9. A full list of the draft Specific Expectations (i.e. emerging standards) is included at Appendix A.

THE NEW INSPECTION REGIME

10. As part of assessing compliance and performance against the new standards, the Regulator will undertake an inspection of each provider once every four years. The indication at this stage is that it will be risk-based, which would suggest that those providers who are already flagged as having concerns with the Regulator and/or Housing Ombudsman, may be inspected in earlier years.
11. The Regulator will provide advance notice before they arrive, and they will set out the scope of their inspection. This will include requesting certain information, and meetings to be arranged. It is anticipated that any inspections will include speaking to lead Councillors, tenants, and observing governance measures (for example potentially observing a Housing Scrutiny Panel).
12. The Tenant Satisfaction Measures (which have previously been explained to the Panel, and with the first reporting year being 2023/24) will also be reviewed.
13. Similarities have been made between the anticipated inspection process and that of Ofsted inspections at schools. This has been verbally referred to by the Regulator. We can therefore anticipate that the inspection process will be intense and thorough.
14. The Regulator has recognised and verbally confirmed at multiple workshops and consultation events that they are not expecting those social landlords who are inspected during 2024/25 and 2025/26 to score well. This recognises that measures to work toward compliance will take time.
15. For clarification, the Regulator will not get involved in individual complaints. This will remain the remit of the Housing Ombudsman.

FAREHAM HOUSING – CURRENT PERFORMANCE

16. The significant changes that have arisen in the social housing arena in the last 12 months have already begun to radically change the way we work. One example is the repair service which had successfully operated for many years without a rigid set of targets and performance indicators; customer satisfaction was good and in recent years there were few customer complaints and no Housing Ombudsman cases relating to the repair service. However, with the introduction of national performance reporting measures (through the new Tenant Satisfaction Measures) a return to targets and performance indicators has already been introduced.
17. There are many areas where the need to do more and improve had already been identified. Officers have already made proactive steps to address some matters (such as beginning a process toward 100% stock condition surveys). There are also other areas where there are significant gaps to be addressed (such as tenant engagement, which largely stalled during the COVID pandemic - further information relating to this is included at paragraph 23-24).
18. A full overview of the draft Specific Expectations is provided at Appendix A, together with Officers assessment on a RAG (red, amber, green) rating basis as to whether we fully meet, partially meet (or are working toward), or fail to meet the standards. The same table at Appendix A also includes further explanation of the RAG rating given at this time.
19. Of the draft 61 Specific Expectations, the position in February 2024 for Fareham

Housing is interpreted as; Red 11%, Amber 56%, Green 17%; and n/a 5%.

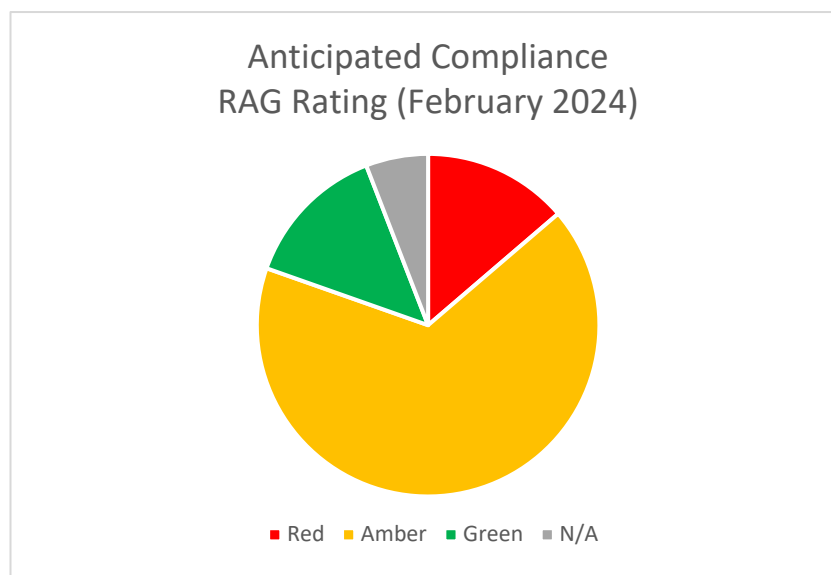


Figure 1: RAG rating as proportion

20. The RAG rating assessment has been based on performance against the draft Specific Expectations, as interpreted by the Housing Management Team. How the Regulator will determine compliance remains to be seen, and this is likely to become clearer as inspections at other social landlords take place and are published during 2024/25. The self-assessment at this stage can therefore only be seen as a guide and it may be that officers have been too forgiving, or too strict in this interim self-assessment.

ACTIONS

21. From Appendix A and the RAG rating against the draft Specific Expectations (i.e. the standards), initial actions have then been identified by officers to improve compliance. These are listed in Appendix B, having been split into simple, significant, and pending.

Simple – actions and tasks that are relatively simply, and which might include improved transparency or website improvements to better articulate and demonstrate what we are already doing.

Considerable – actions which will take more time, and which will involve significant alterations to our systems, or new policies or procedures, and other similar tasks that will take time and involve significant officer time.

Pending – actions where measures have already been put into place that will achieve compliance, but where time will need to pass to allow information or data to be gathered to enable compliance.

Ongoing – where compliance will likely vary depending on snapshot of data, and therefore an ongoing strive for compliance will be required.

22. These initially identified actions will be developed into a more formal Action Plan once the consumer standards have been finalised and published. The more formal Action Plan will include detail and anticipated completion/compliance against individual expectations in the Standards. In the meantime, Officers will begin to make progress to address the actions identified.

TENANT INVOLVEMENT & ENGAGEMENT

23. A key aspect of the emerging Standards is the need to give tenants a range of meaningful opportunities to influence and scrutinise strategies, policies, and services. This is a Specific Expectation of the draft Standards, and reflected in many further expectations.
24. The process to recruit a Principal Tenant Engagement Officer began at the beginning of January 2024. This post will provide leadership around all tenant engagement matters and undertake various tasks such as developing and embedding a new Tenant Engagement Strategy, and embedding and supporting other approaches which might include tenant focus groups, tenant panels or community initiatives. They will also lead in our communication with housing customers through the most appropriate channels, whether that be social media, magazines or other forms.

GOVERNANCE

25. Officers anticipate that the introduction of new regulations and new Consumer Standards will require a different or enhanced governance structure, and increased scrutiny on actions and performance against the Standards.
26. Although at this time the Housing Scrutiny Panel will remain the principle democratic channel for this (with overall responsibility with the Executive Member of Housing), Officers will be considering the need for any further scrutiny or oversight, and what additional governance might look like. This will likely include increased oversight and scrutiny from tenants, and if or how this should inter-relate with Member involvement. It will be vital that tenants can influence decisions and monitor performance of the Council as their landlord.
27. A further report is expected to be prepared for the Executive which will include recommendations for a future governance approach. Officers will be reviewing best practice and other examples at Local Authority housing providers, and the Housing Scrutiny Panel may wish to suggest ideas or discuss thoughts on potential approaches to governance.
28. It is likely that any additional or revised approach to governance will not be proposed until the final Consumer Standards have been issued and understood.

RISK ASSESSMENT

29. There are no significant risk considerations in relation to this report, but it does highlight the move toward cyclical inspections of Fareham Housing by the Regulator of Social Housing. It also identifies that more work is required to improve our compliance (when assessed against the draft standards). There is therefore a risk that should Fareham Housing be selected for inspection in the immediate years, then a favourable outcome is unlikely.
30. The Regulator has recognised that compliance for all parties is unlikely in the early years, but the risk of early inspection is possible. There is also a risk that key posts within the team may not be filled (for example the Principal Tenant Engagement Officer), or other pressures may apply that will make it harder to quickly move forward with the actions identified.

CONCLUSION

31. The introduction of Consumer Standards by the Regulator of Social Housing is a significant change in the social housing sector. Early compliance with the expectations of the Standards (which are currently draft) is unlikely, and a detailed action plan will be developed for Fareham Housing to move toward compliance.
32. The process will take time; a list of actions has already been identified, and this will be formally reviewed and turned into an Action Plan once the Standards are confirmed. Resourcing the required actions and changes will also require careful thought, and workstreams will need to be prioritised.

Appendices: A – Consumer Standards: RAG rating on Draft Specific Expectations
B – Initial Actions identified to improve compliance

Background Papers: None

Reference Papers: None

Enquiries:

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