

Meeting EXECUTIVE
Portfolio Area Housing and Housing Development
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HOUSING CONSUMER STANDARDS - THE SOCIAL HOUSING (REGULATION) ACT 2023

KEY DECISION

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1 PURPOSE

- 1.1 The Social Housing (Regulation) Act 2023 introduces wide ranging changes to the provision and management of social housing.
- 1.2 Stevenage Borough Council as a Registered Social Landlord is subject to these changes and the report outlines the changes introduced by the Act, along with details of the response and preparation for the introduction of the legislation and the new Consumer Standards by the Regulator of Housing, in April 2024.

2 RECOMMENDATIONS

- 2.1 That the work being undertaken by the Council to prepare for the adoption of the Social Housing (Regulation) Act 2023, and its implementation through the Regulator of Social Housing and the new Consumer Standards and the Housing Ombudsmen be noted.
- 2.2 That the Executive approve the Housing Consumer Standards Action Plan, as seen in Appendix 1.
- 2.3 That a new Member led Executive Housing Working Group be established, to oversee the delivery of the Housing Consumer Standards Action Plan.

3 BACKGROUND

- 3.1 Following the tragedy of the Grenfell Tower fire in 2017, the Government published the Social Housing Green Paper - 'New Deal for Social Housing' and the Social Housing White Paper. This signalled an increased government focus on social housing, in particular in respects to building safety and ensuring greater transparency for residents, enabling them to scrutinise performance and have a voice in how their homes are managed.
- 3.2 The Social Housing (Regulation) Act (BD1) received royal assent on 20 July 2023 and lays foundations for changes to how social housing is managed. The legislation is driving some of the largest and far-reaching changes in the provision of social housing and is part of wider change and development in the sector.
- 3.3 It includes increased regulation of social landlords and new rules for protecting tenants from serious hazards in their homes. The Act brings forward a stronger and more proactive regulatory regime to improve standards in the sector and hold landlords to account for the service they provide to their tenants.
- 3.4 The new Act is both stringent and proactive and the Regulator of Social Housing (RSH) has been clear that their approach will be resident, and outcome focused, with enhanced powers to issue unlimited fines and order performance improvement plans.
- 3.5 During the course of the Bill additional amendments were tabled notably Awaab's Law, which was introduced following the tragic death of a young boy who lived in social housing with damp and mould issues, which the Coroner determined contributed to his death. As a result, landlords in future are likely to be required to fix reported health hazards within specified timeframes, subject to secondary legislation being passed.
- 3.6 Further developments have included the Building Safety Act 2022 and the Fire Safety Act 2021, which require buildings, particularly high-rise blocks over 18m to be safe and fit for purpose and introduces the Building Safety Regulator, which for housing will be the Health & Safety Executive.
- 3.7 Whilst the Housing Ombudsman Service (HOS) has also seen its role develop, following the introduction of new statutory provisions, as outlined within the new Housing Complaint Handling Code.

3.8 SOCIAL HOUSING (REGULATION) ACT 2023

3.9 Key changes introduced by the Act include: -

- Proactive Regulation, with the power to impose unlimited fines for non-compliance
- New Consumer Standards
- New Decent Homes Standard
- New Tenant Satisfaction Measures
- New professional qualification requirements
- Enhanced Powers for the Housing Ombudsmen

3.10 The RSH and the HOS are working closely together, in a complimentary manner to ensure that landlords meet expected levels of service delivery to tenants.

3.11 Proactive Regulation with the power to impose unlimited fines for non-compliance

3.12 The RSH is an independent body, responsible for setting standards that all registered providers of social housing must meet and holds landlords to account for compliance with these standards. Its remit covers both local authorities and Registered Providers (RPs, housing associations).

3.13 The RSH is moving to a much more proactive approach. Currently, they can usually only intervene on a consumer issue where a 'serious detriment' test is passed. This restricts investigations to those landlords who are believed to be in breach of the standards. The new Act removes this test and the RSH will be able to intervene in more resident complaint cases.

3.14 Under the new approach the RSH will inspect every large social landlord, including local authorities against the new consumer standards on a rolling four-year basis and will have the power to issue unlimited fines to social landlords who do not comply with the Consumer Standards. The Regulator will take a risk-based approach in prioritising inspections.

3.15 From 2024, the RSH will use new prescribed Tenant Satisfaction Measures along with evidence from tenants, previous monitoring data, and information from the HOS to help inform inspections for each landlord and identify areas of potential concern. Inspections may also take place on a reactive basis if the need arises.

3.16 The Act will enable the RSH to set standards relating to information and transparency, including requiring social landlords to provide residents with information on how they can make a complaint against them.

3.17 The RSH will also issue social landlords with performance improvement plan notices in the following instances:

- If they fail to meet a regulatory standard (or there is a risk it will fail to do so if no action is taken)

- If they fail to comply with directions around the Tenant Satisfaction Measures
- If the interests of tenants of social housing require protection

3.18 The RSH will have powers to set strict time limits (yet to be set) for social landlords to address Awaab's Law – requiring social landlords to respond to and investigate hazards that present a risk to the health of occupants such as damp, mould and unsafe homes, as well as temporarily decant and/or rehouse tenants to safe alternative accommodation within those time limits. The RSH will have the power to order emergency repairs and access homes at 48 hours' notice.

3.19 All social housing providers, including private registered providers and local authority landlords, will need to pay for regulation costs. This will cover expenses related to the new consumer standards and inspections.

3.20 New Consumer Standards

3.21 The RSH published a consultation on the proposed new consumer standards in 2023 and the new standards are due to be finalised in early 2024 and will be in place from April 2024.

3.22 The newly proposed standards set out increased expectations of landlords, with a particular focus on safety and transparency. The proposed standards are summarised below, and full details can be seen in BD2:

- *Safety and Quality Standard* – provide safe and good quality homes and services to tenants
- *Transparency, Influence and Accountability Standard* – to be open with tenants, treat tenants fairly and ensure tenants can access services, make complaints and influence decision making
- *Neighbourhood and Community Standard* – to ensure tenants can live in safe and well-maintained neighbourhoods
- *Tenancy Standard* – requires fair allocation and management of homes and tenancies

3.23 New Decent Homes Standard

3.24 A relaunched review of the existing Decent Homes Standard began in June 2023. The review looked at:

- An updated list of items which must be kept in a reasonable state of repair for homes to be considered 'decent'.
- An updated list of services and facilities that every property must have to better reflect modern expectations for a 'decent' home.
- Whether the current Decent Homes Standard sets the right standard on damp and mould to keep residents safe.
- Updates to how the condition of building components, such as roofs and walls, are measured - to make sure that buildings which are not fit for use cannot pass the standard.

- The introduction of a Minimum Energy Efficiency Standard for the social rented sector.

3.25 A consultation on the new Decent Homes Standard, reflecting the outcome of the review is expected although currently there is no confirmed timeline for this or the subsequent introduction of Decent Homes Standard 2. Meeting the Decent Homes Standard is specifically referenced as part of the revised Consumer Standards and is therefore required in order to be compliant.

3.26 New Tenant Satisfaction Measures

3.27 The RSH requires social landlords to collect information about their performance against new Tenant Satisfaction Measures (TSMs).

3.28 From April 2023, landlords have been responsible for collecting feedback on performance from tenants and to publish their TSMs annually. The aim is to improve transparency in the sector. Please see background document BD3.

3.29 There are 12 tenant perception measures which need to be collected via surveys and ten management information measures which also need to be reported. Surveys are underway to collect the 12 perception measures in line with the new Regulations whilst details of the 10 management information measures are now included as part of the Corporate Performance Reporting Framework.

3.30 The results will be compiled and reported jointly in June 2024.

3.31 New Professional Qualification Requirements

3.32 The Act will set qualification requirements for social housing managers to bring social housing more closely into line with other front-line services, including social work, teaching and, health and care services.

3.33 The implementation of the new legislation mandates that all senior housing executives and senior social housing managers must have, or be working towards, an appropriate level housing management qualification regulated by Ofqual equivalent to:

- a Level 4 Certificate or Diploma in Housing for senior social housing managers
- a Level 5 Certificate or Diploma in Housing or a foundation degree from the Chartered Institute of Housing for senior housing executives.

3.34 This requirement covers existing employees who are senior housing and property managers and those who have responsibility for the day-to-day management of the provision of services connected with the management of social housing. The government has now published its consultation on this area, which will be reviewed and will inform the approach to be taken and ensure that the relevant requirements are met. The transition period as proposed is only 2 years and it is expected that some of those needing the qualification are enrolled within 6 months of commencement of this requirement

3.35 Enhanced Powers for the Housing Ombudsman

- 3.36 The HOS investigates complaints and resolve disputes involving tenants and leaseholders of social landlords (housing associations and local authorities).
- 3.37 The HOS investigates complaints that it receives by requesting evidence from the resident and landlord then determining what is fair in all the circumstances of the case.
- 3.38 The Act provides the HOS with powers to publish statutory best practice guidance to landlords following investigations into tenant complaints and require a landlord to self-assess against HOS concerns. The HOS plans to engage with landlords and produce good practice guidance in 2024.
- 3.39 The HOS will have the power to issue a new type of order if shortcomings give rise to further complaints. Some remedies which had previously been recommendations will now become orders, with landlords required to provide evidence of compliance.
- 3.40 The Complaint Handling Code is now on a statutory footing and introduces a new legal duty on landlords to comply with the Code. The new code can be seen as a background document (BD4).

3.41 Housing Supply, Management and Maintenance 2023/24

- 3.42 In response to the emerging social housing regulatory regime and the wider housing need the Council has already been progressing a number of projects and programmes, in advance of the most recent developments. Details of achievements against these key areas is set out below.
- 3.43 The Council has provided 394 new affordable homes since 2014 with an accumulative target of 397 in place for Quarter 3.
- 3.44 Continued investment as part of the HRA Business Plan has seen the number of homes that meet the national Decent Homes Standard continues to increase and was reported in quarter 2 at over 84% and is planned to continue to rise.
- 3.45 A key priority within the Council's Climate Change Strategy action plan is the planning policy for zero carbon homes, exploring opportunities for renewable technologies across council buildings, and provision of energy efficient housing (including retrofitting of current council housing stock). In Quarter 2, 55% of Housing Stock had an EPC rating of C or above. Delivery of the EPC rating C programme will cost on average £5,000 per property to fund and these costs have been included in the recent Housing Revenue Account (HRA) 30-year Business Plan review.
- 3.46 The safety of the homes that the Council manages is also a high priority with continued investment in this key area. The most recent data set out in the table below shows that for performance continues to be at 100% in all areas, although as standards development there is a need for continued work to ensure performance remains at these high levels.

Corporate Performance Indicator	Actual - Quarter 2 2023/24 YTD	Target Quarter 2 2023/4 YTD
RSH BS01: Percentage of dwellings with a valid gas certificate	100%	100%
RSH BS02: Percentage of dwellings with a valid Fire Risk Assessment	100%	100%
RSH BS03: Percentage of properties that require an annual asbestos inspection / survey	100%	100%
RSH BS04: Percentage of sites with valid legionella inspections certificate	100%	100%
RSH BS05: Percentage of domestic passenger lifts with an in date LOLER inspection	100%	100%

Source: Corporate Performance Report 2023/24 Quarter 2

- 3.47 Both the improved performance against Decent Homes and improved energy efficiency with homes is being supported by the continuing wider investment in improving the existing housing stock through the Major Refurbishment Contract, which is delivering improvements to more than 500 blocks with an extensive programme including roofing, doors and windows, emergency lighting and fire safety works.
- 3.48 Work with the Housing Repairs Improvement projects is also progressing, with a detailed improvement plan in place following both internal review and scrutiny of services. This will deliver improved performance and ensure value for value in future service delivery.
- 3.49 The Council adopted a new Housing Allocations in October 2023, the new policy reflects current legislation, good practice and guidance, work is now underway to implement the new policy, which will also meet the new Regulatory requirements.
- 3.50 Improvements have also been made to way in the Council as a landlord provides support and assistance for residents. In many cases the vulnerability of those households moving into social housing is increasing whilst the needs of existing tenants are often complex and diverse.
- 3.51 Enhancements and an increasing person-centred approach supported by pre-tenancy assessments, tailored support packages, and ongoing tenancy audits, combined with the location of the ASB teams within the housing management teams is supporting this approach. This work is building upon the high performing sheltered and supported housing services, which continue to develop with individual support plans, targeted support for those hoarding and the need to sustain households in tenancies.
- 3.52 Work also continues in the approach to the collection of rental income and advice for tenants, with dedicated Welfare, Benefits and Debt advisors, who

provide targeted support to maximise household incomes and maintain high levels of rent collection.

3.53 The delivery of these programmes and projects has served to improve the Council position in advance of the new Regulatory regime

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 As a Registered Social Landlord Stevenage Borough Council is required to comply with the relevant requirements of the Social Housing (Regulation) Act 2023, along with the requirements of the RSH and the HOS. This section of the report identifies a number of workstreams and programmes, each of these give consideration to relevant options and considerations.
- 4.2 Key to meeting the new regulatory framework are the new Consumer Standards and although these remain proposed at the current time, the final standards are expected to closely mirror those that were consulted on by the Regulator.
- 4.3 Details of the Building Safety framework are in place and confirmed, whilst the Housing Ombudsmen Service's new Complaint Handling Code were published on 8 February 2024.
- 4.4 The process adopted by officers and Members has been to assess against the new and proposed standards and develop an action plan, which will be subject to on-going monitoring and review.
- 4.5 The initial stage has seen the completion of a 302-point self-assessment of current service provision arrangements against the new Consumer Standards using the Housing Quality Network's best practice toolkit.
- 4.6 From the self-assessment a number of actions have been identified relating to the following five standards: -
- Safety and Quality
 - Transparency, influence and accountability
 - Neighbourhoods and Community
 - Tenancy
 - Competence and Conduct
- 4.7 The High Level Action Plan as seen in Appendix 1, sets out details of the main actions to be taken under each of the standards and the proposed associated timescales.
- 4.8 A summary of the work being undertaken to ensure future compliance is set out below.
- 4.9 **Strategic Context and Oversight**
- 4.10 There is an expectation from the RSH that key Councillors and senior management will have a clear understanding of key issues within the service.

There also needs to be effective communication and integration across services with “single version of the truth”, which is set out within a clear strategic and policy framework.

- 4.11 It is recommended that an Executive Housing Working Group (EHWG) be established, which will include key Executive Members, the Strategic Director along with relevant Assistant Directors and Heads of Service. Initially the EHWG will not have decision making powers but members of the group do have their existing delegated powers that can be used when required. The focus of the group is to ensure Members are informed, advised and consulted on key housing issues and can receive assurance on compliance with legal and regulatory obligations. Terms of reference for the group can be seen in Appendix 2.
- 4.12 The EHWG will help develop the HRA Business Plan and housing policy framework, receive context and information reports on key services, whilst monitoring progress against the agreed action plan. It will also receive updates on other key workstreams and priority areas such as building safety, service transformation and performance.
- 4.13 In order to help provide transparency and consistency, work is underway to review, update and expand the current suite of housing policies, to ensure that they comply with legislative and regulatory requirements.
- 4.14 **Resident Engagement**
- 4.15 The Consumer Standard require social landlords to develop a culture of on-going and integrated customer involvement, which is wider than small groups which may have had a limited focus in the past.
- 4.16 In response a new Resident Engagement Strategy and Framework is being developed, which will be brought forward in consultation with residents. This will set out the way in which the Council involves residents which is accessible and suited to the needs and preferences of residents.
- 4.17 In order to ensure that the approach is fully compliant and reflects good practice the Council has engaged the services of TPAS, which is a nationally recognised specialist in this area, to support the development of the framework which will be presented to the Executive later in the year. This will ensure that residents have the best possible opportunity to scrutinise, monitor performance and service delivery, across those areas of the service which are most important to them.
- 4.18 Work is also underway on a High Rise Building Resident Engagement Strategy, as required under the Building Safety Act, which will set out how the Council will engage, consult and inform residents that live within the blocks around these issues.
- 4.19 **Complaint Handling**
- 4.20 Resident satisfaction with the delivery of services, and the way complaints are handled are a key focus area for the RSH and HOS. The new Act places the Housing Ombudsman’s Complaint Handling Code on a statutory basis from

April 2024, along with giving them the ability to intervene in delivery, with Annual reports to be published on landlords' performance.

- 4.21 In response to the changes a Corporate Task and Finish Group on Complaint Handling, which is chaired by the Assistant Director Corporate Digital and Transformation has been established. This group is updating the Councils Complaints Policy and reviewing the Corporate Complaint Handling ICT system, along with considering options for improvement, in order to meet the new requirements.
- 4.22 This group will also progress work to update procedures and will complete the Housing Ombudsman Self-Assessment against the Code, which will be reported to Members and published prior to 30 June 2024. Additional work is also underway to review or develop wider associated policies including those on equalities, reasonable adjustments, compensation and managing unacceptable behaviour.
- 4.23 Within the Housing Service the operational delivery of complaint handling is now subject to increased oversight, review and monitoring. This has been achieved in part by establishing a fortnightly Housing Complaints Handling Clinic with representation across the service and Chaired by the Strategic Director. This group has now reviewed all stage 2 and Housing Ombudsmen cases and in some cases has identified additional learning or interventions, it is also able to monitor trends, advise on interventions and maintain oversight.
- 4.24 Monitoring in line with the HOS's requirements is impacted by the limitations of the current Corporate Complaints System and so alternative provision has been put into place as an interim measure, until new software is identified and implemented.
- 4.25 An ongoing government focus on complaints in social housing, is expected to result in a future increase in cases. The area which is seeing the largest number of complaints is associated with repairs. A repairs improvement project is being delivered as part of the Corporate Transformation Programme in order to address the root causes of many of these issues and has been informed by the Community Select Committee's recently completed scrutiny review of the repairs service.
- 4.26 **Housing Stock – Safety and Quality**
- 4.27 Whilst forming part of the RSH Consumer Standards the quality and safety of the housing stock is also central to current and emerging building safety legislation, which is also expected to be reflected within the new Decent Homes Standard.
- 4.28 The Council has in place a comprehensive approach to ensure the safety of the housing stock, although developing and changing standards, regulation and guidance mean that services and approaches will continue to be adapted as required.
- 4.29 **Building Safety Compliance** - Work has been underway to improve services, data and operating procedures, as a result the most recent performance data which was reported as part of the Corporate Performance Scorecard in line with the RSH requirements, was that the percentage of gas certification, valid

Fire Risk Assessments and asbestos, legionella and lift inspections were all at 100%.

- 4.20 **Management of voids** – This is now part of the Housing Transformation Programme; this means that on-going work will be overseen by the Transformation Portfolio Board and the EHWG. A review of the Council’s Voids Service has been completed and a business case for the future delivery model is to be presented to the Executive for approval during June 2024. Improvements will result in improved customer satisfaction, improved housing quality, value for money and reduced turnaround times.
- 4.21 **Responsive Repairs** – This project is part of the Housing Transformation Programme for Housing and will also be managed through the same process as the voids improvement programme. A review of the Repairs Service has been completed and an improvement programme has been developed with the aim to deliver a more effective and efficient repairs service. This includes enhancing the Council’s inhouse Repairs Service and the implementation of a new contractor supply chain. The procurement of the new contractor framework will commence in March 2024 and the outcome will be reported to the Executive to enable contracts to be awarded in June/July 2024.
- 4.22 **Damp, Mould and Condensation** – This programme also falls under the Housing Transformation Programme and work continues to improve the detection, remedy and prevention of damp and mould. Awaab’s Law will impose specific timescales and processes in relation to reporting specified issues and may form part of the new Decent Homes Standard. This is being reflected within the Council’s improvement plan rather than waiting for secondary legislation to be passed.
- 4.23 Another area that forms part of the Housing Transformation Programme is **Housing ICT**, this area is of particular importance to the Council as housing software systems underpin all areas of service delivery. It is therefore essential that systems are utilised effectively and efficiently. This project will closely link not only with other transformation programmes but other areas of delivery and improvement, which in turn will contribute to on-going compliance with the RSH Consumer Standards.
- 4.24 **Service Standards**
- 4.25 As a registered social landlord the Council is required to clearly set out the type, level and extent of the services, support and assistance that it will provide to residents. In order to help provide this clarity, work is underway to develop service specific standards, which are to be developed in conjunction with residents and will need to be published.
- 4.26 The standards will set out what residents can expect along with details of how services can be accessed, feedback provided and how performance against these standards will be measured. The standards are being developed with the relevant managers across the housing service and will be presented to the Executive Housing Working Group in due course.
- 4.27 **Council Preparedness**
- 4.28 The new legislation and associated framework are introducing a new format and approach to regulation, as outlined within the report in a number of cases

the regulations are still emerging and will continue to do so over coming years. It is therefore essential that the strategic and performance structure of the service is set up in a way that will respond and develop as the framework develops. Building on the performance and outcome focused requirements whilst listening and responding to the needs and aspirations of residents.

- 4.28 Whilst good progress is being made by the Council there continues to be challenges and opportunities for the housing service to develop. As work progresses further updates and reports will be presented to the Executive not only on the overall approach but on individual workstreams and projects.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Financial provision (where known) has been made within the HRA Budget for 2024/25 and resources allocated through the HRA Business Plan over the medium to longer term in response to the new legislation including the Social Housing (Regulation) Act 2023 and Fire and Building Safety regulations.
- 5.1.2 Any additional resourcing requirements arising from emerging regulations and supporting guidance will be reported through future Quarterly Budget Monitoring reports or via specific reports to the Executive and/or Council.

5.2 Legal Implications

- 5.2.1 This report sets out the requirements of the Social Housing (Regulation) Act 2023 and the steps the Council is taking to meet those requirements. Relevant individual decisions will be considered on a project or programme basis and appropriate legal advice will be obtained at that time.

5.3 Risk Implications

- 5.3.1 This report sets out the requirements of the Social Housing (Regulation) Act 2023 and the steps the Council is taking to meet those requirements. Relevant individual decisions on risk will be taken as part of the normal risk management process, it should be noted that relevant areas are currently monitored and updated through this process.

5.4 Policy Implications

- 5.4.1 As outlined within the report there are a number of areas where there is a need to review, update or develop policies. Where this is necessary the policies will be brought forward as part of the agreed policy framework for consideration.

5.5 Climate Change and Environmental Implications

- 5.5.1 The quality of the home and the requirement to have informed asset investment plans is a key feature of the Social Housing (Regulation) Act 2023. Although this has been a requirement under previous legislation, the more vigorous enforcement of these requirements will promote the delivery of measures to make homes more thermally efficient and prepare for the Government's decarbonisation agenda. Further updates will be provided to Members once the specific requirements of the enhanced Decent Homes

Standard are known.

5.6 Equalities and Diversity Implications

- 5.6.1 The new Consumer Standards set out specific expectations for landlords on knowing their customers and how services should be delivered to them, based on their protected characteristics and any other identified need.
- 5.6.2 Compliance with the requirement of the Act will deliver improved services to all protected groups. Whilst this report is for information as service specific requirements are identified they will be developed in consultation with residents and in line with the relevant legislation and guidance.

5.7 Community Safety Implications

- 5.7.1 The report sets out the requirements of the Social Housing (Regulation) Act 2023 and the steps the Council is taking to meet those requirements which include the approach to ASB, Hate Crime and Domestic Abuse. As outlined, there are a number of areas where there is a need to review, update or develop policies and service delivery. Where this is necessary the work will be developed as part of the agreed process for consideration.

5.8 Information Technology Implications

- 5.8.1 The report sets out the requirements of the Social Housing (Regulation) Act 2023 and the steps the Council is taking to meet those requirements which include the use of data, systems and associated IT which support and enable delivery of the service. As outlined, there are a number of areas where there is a need to review, update or develop operational systems and future requirements will be captured within a Housing Systems Roadmap. Resources have been allocated within the HRA Budget 2024/25 to support the delivery of new systems and to further development existing software.

BACKGROUND DOCUMENTATION

All documents that have been used in compiling this report, which may be available to the public are listed here:

- BD1 The Social Housing (Regulation) Act 2023
- BD2 Regulator of Social Housing proposed Consumer Standards
- BD3 Regulator of Social Housing TSM Tenant Survey Requirements
- BD4 Housing Ombudsmen Complaint Handling Code 2024
- BD5 HRA Business Plan 2024/25

APPENDICES

Appendix 1 - Draft Consumer Standards Action Plan

Appendix 2 - Executive Housing Working Group – Terms of Reference