

Meeting Cabinet
Portfolio Area Housing
Date 11th December 2024



REGULATOR OF SOCIAL HOUSING REGULATORY JUDGEMENT

NO DECISION REQUIRED

1 PURPOSE

- 1.1 The Regulator of Social Housing (RSH) is a statutory agency established by the previous Government to set and regulate standards which all Registered Social Landlords including Local Authorities are required to deliver, to help ensure tenants experience high quality homes and services.
- 1.2 Following a planned inspection the RSH has issued a Regulatory Judgement for Stevenage Borough Council, as part of the early stages of the Regulators first programme of planned inspections against the Consumer Standards, which took effect on the 1st April 2024.
- 1.3 This report sets out the findings of the inspection and confirms the actions required to support outcomes for tenants across all aspects of the Consumer Standards.

2 RECOMMENDATIONS

- 2.1 To note the Regulatory Judgement of a C2 Grade issued by the Regulator of Social Housing on the 27 November 2024, following a proactive planned inspection of Stevenage Borough Council, as a Registered Social Landlord.
- 2.2 To endorse the ongoing work in place which will include actions to ensure continuous improvement to address both the areas of improvement required

as part of the inspection process but to also complete the improvement plans already in place as considered by the Regulator as part of their Inspection.

- 2.3 That delegated authority is given to Strategic Director (RP) after consultation with the Portfolio Holder for Housing to develop and approve a Provider Improvement Plan with the Regulator for Social Housing.
- 2.4 That the Executive Housing Working Group will receive progress updates on the planned improvements on a bi-monthly basis.
- 2.5 That the efforts of the Leader, Members and Officers be congratulated for the achievement of a C2 grade and the strong level of assurance of the housing service that this judgement provides.

3 BACKGROUND

- 3.1 The Regulator of Social Housing (RSH) sets the standards which Social Landlords, including local authorities, must deliver to ensure tenants experience high quality homes and services.
- 3.2 In April 2024, the RSH assumed new powers arising from the Social Housing (Regulation) Act 2023, to proactively inspect all Registered Social Landlords (local authority landlords and housing associations) with over 1000 homes, as part of a continuing effort to drive up standards within the social housing sector.
- 3.3 Landlords will be subject to proactive inspection every four years and can also be subject to unplanned visits at any time. The proactive inspection regime will lead to a 'Regulatory Judgement' for each Social Landlord, which will be published by the RSH. The judgement is against the Consumer Standards, known as the 'C' Grade.
- 3.4 The Regulator uses 4 grades ranging from C1, where the landlord is delivering the outcomes required in all areas, to C4 where there are very serious failings.

Grading	Description
C1	RSH judgement is that overall the landlord is delivering the outcomes of the consumer standards. The landlord has demonstrated that it identifies when issues occur and puts plans in place to remedy and minimise recurrence.
C2	RSH judgement is that there are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed.
C3	RSH judgement is that there are serious failings in the landlord delivering the outcomes of the consumer standards and significant improvement is needed.

C4	RSH judgement is that there are very serious failings in the landlord delivering the outcomes of the consumer standards. The landlord must make fundamental changes so that improved outcomes are delivered.
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3.5 From the 1 April 2024 to the 27th November 2024 the RSH has published 42 Regulatory Judgements as set out within the table below.

Type of Landlord	C1	C2	C3	C4
Local Authority	1	9	15	1
Housing Association	9	14	3	0

3.6 Housing Associations have been subject to formalised inspections for a number of years and so are generally considered to be better placed to respond to the new regulatory framework, which is illustrated in the judgements published to date.

3.7 Registered Providers (Housing Associations) also receive gradings from the RSH for financial viability ('V' grade) and governance ('G' grade) however the Regulator has a narrower scope for Local Authorities.

3.8 There are 4 new Consumer Standards which took effect from the 1st April 2024 and which all Social Landlords will be required to comply with, which are:-

- Safety and Quality Standard
- Transparency, Influence and Accountability Standard
- Neighbourhood and Community Standard
- Tenancy Standard

3.9 These Standards cover 19 Required Outcomes which are then reviewed and considered as part of the regulatory regime.

4 REASONS FOR RECOMMENDED ACTIONS AND OTHER OPTIONS

Social Housing Regulation Inspection

4.1 An inspection of Stevenage Borough Council as a social landlord took place between June and mid-September 2024. All four of the Consumer Standards and all 19 areas of focus were considered as part of the inspection and the Regulatory Judgement has now been published.

4.2 The Council has been awarded a C2 grade, the second highest and will be the 7th Local Authority landlord to receive this grade, a copy of the formal Regulatory Judgement can be found in Appendix A to this report.

- 4.3 The Regulatory Judgement recognises a track record of reviewing services, identifying areas for improvement and the ability to deliver against agreed plans. The judgement confirms that the Council has provided assurance that it meets the Consumer Standards in most areas but identifies that further work is required in some areas.
- 4.4 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”.
- 4.5 The RSH confirms within its guidance that “where we judge a landlord to be C2 this is because we have identified some weaknesses which we consider are material to the landlord’s delivery of the outcomes of the Consumer Standards, which if not addressed, are likely to lead to poor outcomes for tenants. We expect that 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. We expect landlords to share relevant improvement plans with tenants.”
- 4.6 As part of the Inspection the Regulator has identified that the Council has been able to demonstrate a strong track record of identifying issues, developing credible plans, and delivering the required improvements. The judgement confirms that the Council is self-aware and has plans in place to bring about the remaining areas of improvements required.
- 4.7 As part of the Judgement the RSH has identified a number of strengths and areas of compliance which include recognising that the Council: -
- a. Is meeting statutory health and safety testing and surveying requirements, and that performance is monitored by senior officers and councillors.
 - b. Provided plans to complete compliance actions following a risk-based approach for health and safety actions.
 - c. Provides an effective repairs service and takes action to improve the service and outcomes for tenants when issues occur.
 - d. Demonstrates a commitment to treating tenants with fairness and respect.
 - e. The Council identified issues in complaint handling and has made improvements, and it uses learning from this process to improve services.
 - f. The Council works with a range of partners to tackle ASB and uses its powers when appropriate, and with appropriate oversight.
 - g. Households were offered tenancies which were compatible with purpose, and the needs of individual households.
 - h. The approach to letting is fair and transparent and takes into account the needs of tenants.
- 4.8 The Regulators Judgement also identified areas where the Council needs to make improvements which are as follows: -

- a. Whilst the Council reports on its health and safety performance, it was identified that reporting did not include remedial actions which have arisen from testing and surveying.
 - b. Limited performance information is provided to tenants, and there are weaknesses in the Council providing meaningful opportunities for tenants to influence and scrutinise strategies, policies and services.
 - c. The approach to tenant engagement needs to be strengthened.
 - d. There is scope for the Council to improve its use of tenant information, which could strengthen the Councils ability to tailor services to tenants' individual needs and demonstrate outcomes for tenants.
- 4.9 The judgement highlights that the Council demonstrated through the inspection that it understands where it needs to make improvements, and the Regulator has confirmed that it will engage with the council as it makes improvements in these areas.
- 4.10 Following a Regulator Judgement all landlords that have not achieved a C1 grading, to set out details of its plans to drive the relevant improvement. Then to demonstrate that weakness have been addressed with improvements seen for tenants with details of this judgment and the approach being shared with tenants.
- 4.11 The Regulator has provided the Council with a named contact with whom there will be ongoing dialogue and we will work with them to confirm that the relevant plans are in place, and to ensure that appropriate progress is maintained against these plans. The Regulator has confirmed that they will be contact in December to arrange the first of these meetings.
- 4.12 As part of the Councils ongoing focus on service improvements a number of transformation and improvement projects are already in place, and these cover the areas identified by the Regulator as being in need to improvement.
- 4.13 It is therefore proposed that these individual improvement and transformation projects will continue, however for transparency and completeness it is proposed that a summary Regulatory Judgement Action Plan has been prepared below against which progress will be reported:

Areas identified within the Regulatory Judgement	SBC Response
1. Whilst the Council reports on its health and safety performance, it was identified that reporting did not include remedial actions which have arisen from testing and surveying.	The Council currently has a compliance scorecard that is reported to EHWG and through the Corporate H&S structure. Future performance reports to Cabinet will include remedial actions that have arisen from testing and surveying along with timescales for their

	remedy and will be reported quarterly.
2. Limited performance information is provided to tenants, and there are weaknesses in the Council providing meaningful opportunities for tenants to influence and scrutinise strategies and, policies and services.	Information on service performance will be published on a dedicated area on the Councils website, with quarterly tenant updates and summaries provided both online and via social media, along with an annual tenant's report. New scrutiny arrangements are being introduced to provide meaningful opportunities for tenant influence, as part of the new Resident Engagement Strategy. The Council is working with the Tenant Participation Advisory Service to facilitate independent scrutiny opportunities.
3. The approach to tenant engagement needs to be strengthened	The Councils new Resident Engagement Strategy is now being implemented, with additional resources being recruited to support this work.
4. There is scope for the Council to improve its use of tenant information, which could strengthen the Councils ability to tailor services to tenants' individual needs and demonstrate outcomes for tenants.	As part of a Council Transformation Project a Fair Access workstream is in place, this is delivering improved IT which will facilitate the way in which services can be tailored. Information will also be used in the development of strategies and services with details of outcomes being shared with residents. A Data Manager will be recruited to in Q4 24-25 to ensure tenant and stock data is accurate and available to support service improvement.

4.14 It is recommended that delegated authority is given to the Strategic Director (RP) after consultation with the Portfolio Holder for Housing to develop and approve a Provider Improvement Plan with the Regulator for Social Housing.

4.15 Progress against the plan will be reported to the EHWG on a bi-monthly basis, and to Cabinet as part of the Quarterly Corporate Performance Framework. Whilst action 1 is already being put in place, the full and comprehensive implementation of the remaining areas will form part of larger medium-term plans, however work on these areas is already underway, and the framework for the remaining areas is currently being implemented.

4.16 The Council has published details of the judgement along with details of the planned actions on its website and will also include details in the Annual Tenants Report.

Service Improvement

4.17 As outlined previously the Consumer Standards were updated in April 2024, which along with the developing legislative framework have all influenced the environment in which the inspection has taken place. As part of the Councils planning for the new regulatory regime a number of service reviews have been carried out and improvement plans put in place, however, due to the complexity or lead in time for some of this work it has not in all cases been possible to fully implement the current improvement plans.

4.18 As part of the Regulatory Judgement it was acknowledged that the Council already has a number of improvement plans in place and the Regulator has emphasised the importance of full delivery against these plans, which include those for: -

- Repairs
- Voids
- Damp and Mould
- Housing IT
- Fair Access

4.19 The achievement of a C2 grade is a positive outcome and testament to the considerable hard work, focus and effort by members and officers, in meeting the new Standards.

4.20 It is particularly reassuring that a number of the areas identified as part of the self-assessment of concern previously are now recognised as areas of strength, and that areas identified as needing to be developed and improved had already been identified by the Council. Importantly, there was nothing identified during the process that the Council was not aware of, did not make the inspection team aware of, or did not have credible plans in place to address.

Inspection Process

4.21 There are a number of stages to the inspection, with the Council initially required to provide a written submission in June 2024, setting out the local context, including details of Governance, staffing structures and the Councils strategic framework and priorities. The Regulator also considered details of the Councils various statutory data submissions including the Tenants Satisfaction Measures (TSMs) as part of the process to identify which of the 19 Specific Outcomes within the four standards would form the focus of the onsite inspection and the evidence review.

4.22 The next stage was the document review in which the Council was asked to provide both written context along with evidence for specific areas of focus. In total, this submission included 18 service area overviews, assessment responses, along with more than 300 documents, this was completed in July 2024.

- 4.23 The final stage was the onsite phase which took place in September, this included: -
- A formal presentation to the Regulator by Members,
 - 14 interviews with key Members and officers,
 - Attendance by the Regulatory Team at an Executive Housing Working Group
 - A resident consultation event for the new repairs policy and
 - A private face to face session for invited residents with the Regulators Inspection Team.
- 4.24 Following the inspection, the Regulator then requested 2 further rounds of information and sought clarity in respect of specific issues or areas during September and October.
- 4.25 The Regulator then considered its judgement which following their own internal review and moderation process was submitted to the Council in mid-November.
- 4.26 It is important that Cabinet formally note the outcome of the planned inspection, and importance of the continued delivery of planned improvements to ensure improved services, homes and outcomes for residents across all aspects of the Regulators Consumer Standards.
- 4.27 The Regulatory Judgement has not been consulted upon, however the RSH as part of their inspection met with residents, the Leader of the Council, key Portfolio Holders, the Councils Chief Executive and other officers.

5 IMPLICATIONS

Financial Implications

- 5.1 There are no direct financial implications arising from the inspection or this report. As part of the preparation for the new Regulatory regime the Council has already made appropriate financial provision, and the C2 is in part to the additional focus that this investment has facilitated. It should be noted however that the regulatory framework in which the Councils housing service operates continues to develop with additional legislative requirements planned and new guidance due to be issued. As details of these areas are known they will be considered as part of the Councils normal budgetary process.

Legal Implications

- 5.2 The Social Housing (Regulation) Act 2023 extended the Regulator of Social Housing's inspection regime under the Housing and Regeneration Act 2008. It also introduced new duties for social landlords, including relating to health and safety and electrical safety. These new duties add to the Council's existing legal obligations towards its tenants, including repairing obligations.

- 5.3 Additionally, the Council must now comply with the Housing Ombudsman Complaints Handling Code which is underpinned by statute. Any gaps or areas of concern must be brought to the attention of the Senior Leadership Team, Councillors and if applicable at any stage, the Regulator for Social Housing. The Regulatory Judgement provides positive assurance on a number of areas and clarity on the aspects where further improvement is required.
- 5.4 The outcome of the Regulatory Judgement will be shared proactively with the Council's Internal and External auditors.
- 5.5 Whilst it is essential that the Council has proper regard to the findings of the Regulatory Judgment, members are reminded that this is only one measure of compliance with the Council's legal obligations, and it must continue to proactively manage compliance with all such obligations whether or not expressly addressed in the Judgment.

Risk Implications

- 5.6 The Council takes the Consumer Standards and the outcome of the Regulatory Judgement seriously and will continue to maintain a corporate focus to ensure effective oversight, transparency and accountability. This includes strengthening the approach by which tenants are able to influence housing service policy and performance.
- 5.7 Improvement and performance oversight will continue to be maintained through the EHWG, especially overseeing the delivery of existing Improvement and Transformational Plans for repairs and maintenance, data management, system change and tenant engagement and scrutiny.

Policy Implications

- 5.8 The new Regulatory framework and the additional duties and obligations has been considered in the preparation for the inspection and as part of the wider policy framework which exists for housing. This judgement does not impact directly upon this, as the required framework is in place, but the wider environment continues to develop and will be monitored through the Councils normal performance management framework.

Staffing and Accommodation Implications

- 5.9 Additional resources have been approved in year to drive Resident Engagement and Influence activities as well as improvements across voids and repairs. No additional implications have been identified at this time.
- 5.10 There may be a future requirement for additional or specialist project management resource to ensure that improvement action plans can be delivered in a timely way. This will be considered as each Transformation Programme is delivered and progressed.

Equalities and Diversity Implications

- 5.11 The Regulatory Judgement confirms that the Council provided assurance that it treats tenant with fairness and respect. The judgment also confirms that the council needs to improve the collection, quality, and use of tenant

information to strengthen the Council's ability to proactively tailor services to tenants' needs and to more clearly demonstrate outcomes for tenants.

- 5.12 Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination and consider the potential impact decisions and actions on each of the protected characteristics.
- 5.13 Plans currently in place as set out previously will ensure compliance with the relevant standards.

Information Technology Implications

- 5.14 The delivery of a number of elements of the improvement plans are dependent on the implementation of a number of IT related projects, which includes the implementation of new compliance software, the NEC Cloud migration, along with the NEC upgrade, and the additional system capability.
- 5.15 Each of these areas is being delivered as part of a separate improvement project with formal oversight in place.

Other Corporate Implications

- 5.16 The Judgement has been provided by the Regulator of Social Housing, and as a Registered Social Landlord the Council is subject to the ongoing regulation of this agency.
- 5.17 In addition to the planned inspection which has now taken place the Regulator is able at any time to undertake responsive inspections or to seek assurance for any area that is subject to its oversight.

Other Implications

- 5.18 None

BACKGROUND DOCUMENTS

- 1.1 All documents that have been used in compiling this report, which may be available to the public, i.e. they do not contain exempt information, should be listed here:

BD1 [Consumer Standards Code of Practice](#)

APPENDICES

- A Stevenage Borough Council RJ Final
- B <Insert Appendix Heading...Press Return to add more appendix titles>

