

Committee:	Scrutiny	Date:	11 th October 2023
Title:	Council Housing Management Update		
Portfolio Holder	Cllr Arthur Coote Portfolio Holder for Housing and Equalities	Item for decision:	For information
Report Author	Kerry Clifford Director of Housing, Health and Communities		

Summary

1. At the final meeting of the Scrutiny Committee before the election, a scoping document for a review of Council Housing Management was presented.
2. The committee requested it be brought back to the first meeting of the new committee for consideration. Since that time, the situation has progressed, and much work has been done to address the concerns identified in the scoping document of March 2023.
3. At the Scrutiny Committee on the 22nd June 2023, it was recommended that rather than a full scrutiny exercise that would potentially detract officers from ongoing work to rectify areas where concerns have been identified, a progress report covering all areas requiring improvement would be acceptable and would offer assurances that these areas were being sufficiently addressed.

Recommendations

4. Scrutiny Committee notes progress to date on areas of concern and those still requiring improvement.

Financial Implications

5. The total value of the rent overcharges is £162,965.85 Of this, £151,468.27 is due to the incorrect CPI metric being applied as part of the annual rent setting process. The remaining £17,878.86 is due to incorrect bedroom sizes being on the system and this includes some dating back to before 2021.
6. Total costs relating to Reynolds Court are currently being sought and will be itemised in the deep dive investigation report that will be completed once all works are satisfactorily completed. We will seek to recover all and any outlay that UDC has had to pick up in the short and medium term.
7. There are no new financial implications at this stage.

Background Papers

8. None

Impact

9.

Communication/Consultation	There has been, and will continue to be, communication and consultation with tenants affected by any of the issues identified within this report and to inform them of our on-going commitment to provide fit for purpose services that comply with legislation, particularly the new Social Housing Regulation Act 2023, and any of the Consumer and Economic Standards that apply to UDC.
Community Safety	There are no impacts in relation to the wider community.
Equalities	There are no specific impacts.
Health and Safety	Health and safety issues have been a key feature in the issues faced by the Housing service and continue to be of primary importance.
Human Rights/Legal Implications	There are potential legal implications as explained in the scoping document that the council should comply with the Social Housing Regulation Act 2023 as well as any of the applicable Consumer and Economic Standards and statutory guidelines set out by Government.
Sustainability	There are no specific impacts.
Ward-specific impacts	All Wards.
Workforce/Workplace	There are no specific impacts.

Situation

10. Due to well publicised concerns and challenges in the last 18 months, which the council has moved to address, the Scrutiny Committee requested a scoping report on Council Housing Management for its March 2023 meeting to scrutinise the delivery of some elements of the service, particularly with regard to;

- a) Property repairs, maintenance and capital works programmes.
- b) The process of setting council housing rents and service charges for leaseholders in accordance with the Rent Standard 2020 as amended in 2023.
- c) The delivery of Housing Management functions and complaint handling in accordance with currently regulatory standards, being the Home Standard, The Tenant Involvement and Empowerment Standard, The Tenancy Standard and the Neighbourhood and Community Standard.
- d) The quality assurance of major refurbishment, new build standards and handover processes.

11. Property Repairs, Maintenance and Capital Works Programmes

- a) In August 2022 the council referred itself to the Regulator of Social Housing over concerns it may have breached the Home Standard with regards to some aspects of health and safety. Considerable work had been undertaken to address the issues and subsequent to the March Scrutiny Committee meeting, the Regulator wrote to the council to confirm that having reviewed the council's action plan and compliance data, it was satisfied the council was not in breach.
- b) Health and safety remains a priority and our Safer Homes Officer has reviewed our compliance policies and procedures to ensure that we are delivering in this area. These are due to be reviewed by CMT in October 2023 and will then be consulted on with tenants and shared with the Housing Board before being formally adopted.
- c) Since June we have revised our gas servicing and electrical check access procedure, bringing forward stages of the process with UNSL contractors and requiring the Housing Management team to intervene at an earlier stage where there are missed appointments or no contact. We have also engaged the use of injunctions to gain access to complete the checks and any remedial works that are identified. We have been successful in securing five injunctions to date with a further four applications in progress. This approach has meant that we have been able to access properties and identify property conditions issues and vulnerability that we were not previously aware of and for the housing officers to work with residents to address any issues.
- d) The council commissioned its own stock condition surveys, independently from UNSL, as well as subsequently damp and mould surveys (where damp and mould was evidenced as severe or moderate a result of the stock condition surveys). This was to inform our current position regarding damp and mould cases to the Regulator of Social Housing following the passing of Awaab's Law in February 2023 and compliance with the Decent Home Standard, as well as to inform future capital works programmes.

- e) All category one hazards or non-conformity with the Decent Homes Standard are to be scheduled within year one and two of the Capital Works Programme. We are yet to sign off the Capital Works Programme for 2023/24 and 2024/25 as we are awaiting details of completed works and works in progress from UNSL and how that overlaps with our proposed investment programmes. We continue to work closely with them to get access to this information and so we can inform our future programmes. This is not delaying urgent requirement for capital investment in homes and a sign off procedure is in place between UDC and UNSL for recommendations ahead of the whole programme being approved.
- f) The Council has procured damp and mould contractors to complete mould washes and scope remedial works on its severe and moderate cases as UNSL were not able to procure and mobilise contractors to undertake this work by the deadline of end of September, as notified to UNSL by UDC in June 2023. Contractors are currently being mobilised and works scheduled to commence w/c 9th October 2023.
- g) In response to void turnaround times not being met, with an average 55 days 'in works' against a benchmark average of 11-15 days, UDC has been working with UNSL to re-engineer the key to key void process and has given UNSL a 'tracker' document to be used so we can identify where the process is breaking down. This remains a work in progress with little improvement over the last 3 months due to lack of UNSL in-house resource and the inability to schedule contractors in a timely way. This is a focus area for UDC to work with UNSL on drastically improving the in works turnaround of void properties. Positively, the standard of work in voids being returned to UDC has improved. Work is on-going and further update to scrutiny can be provided.
- h) In the meantime, UDC and UNSL have agreed a revised set of key performance indicators, across all areas of compliance as well as responsive repairs and tenant satisfaction. The KPI's will be reported at Liaison Board, the UNSL Board meetings as well as corporately. UDC and UNSL meet quarterly to review them. UDC have agreed with Norse Group Ltd and UNSL that it is necessary to re-negotiate the terms of the existing Service Level Agreement and the Share Holder Agreement that exists between all parties. Heads of Terms were issued to UNSL by UDC on the 29th October 2023, requiring information and setting out expectations around the process, with key milestones. Decisions linked to the re-negotiation will require the oversight and approval of Housing Board and Cabinet at various stages before the commencement of possible remobilisation activities.

12. The Process of Rent Setting

- a) Having commissioned Altair to conduct an independent audit of rent setting in the autumn of 2022, the council was found to be in breach of the statutory Rent Standard, on the basis that the incorrect CPI formula had been used when calculating the annual rent increase for the years 2021/22 and 2022/23.

- b) As is the requirement by the Regulator of Social Housing (RSH), UDC Self- Referred to RSH on 19th December 2023. In the Self-Referral letter, the Council set out the steps it would take to put the issue right. These steps included adjusting the rent charges to the correct amount, in line with the Rent Standard, communicating the issue to tenants, creating a new Rent Setting Policy and Rent Setting Sign Off Procedure to put in place new controls to prevent the issue recurring, contacting former tenants who had been affected and liaising with the housing benefit teams and with DWP regarding Universal Credit.
- c) Work has been completed to identify the overcharges, adjust rent accounts accordingly and ensure that the correct rents are now set. During this process it was identified that in addition to the CPI issue during the annual rent increase process, eleven homes had incorrect information regarding the number of bedrooms and as such, they had also been overcharged.
- d) The total value of the overcharges is £162,965.85. Of this, £151,468.27 is due to the incorrect CPI metric being applied as part of the annual rent setting process. The remaining £17,878.86 is due to incorrect bedroom sizes being on the system and this includes some dating back to before 2021.
- e) The overcharges have now been credited to rent accounts or have been addressed via Housing Benefit or Universal Credit. There were no tenants evicted due to rent arrears in relation to the overcharges.
- f) Following the recommendations from the Altair report we have set about re-engineering the annual process for setting rents and during a series of workshops, the following areas were identified as potential points of failure:
- Wrong CPI metric applied in the annual rent increase process
 - Wrong rent type – social (formula)/affordable
 - Incorrect information on properties e.g., bedroom size when homes are re-let
 - Mis-keying when inputting data on rents
 - Wrong information on property adverts when advertising on choice-based lettings scheme
 - Wrong information on offer letters
 - Wrong information on tenancy agreements
 - Incorrect information flow re Housing Benefit
 - Failing to meet statutory timescale for rent increase letters
- g) To mitigate these risks a series of flow charts have been designed to incorporate a new 'Rent Setting Sign off Procedure', which CMT will be asked to approve during October 2023.
- h) The matter of the Rent and Service Charge Policy is outstanding and is being led by the Director of Finance and the Director of Housing, Health and Communities. It is recommended that the Council updates this and gains approval as required by the Council's constitution. A draft Policy has been circulated for initial comment.

- i) To provide further assurance, an internal audit in relation to Rent Setting will be commenced in November, the scope of which has already been defined. The Regulator will also be written to, updating them of our actions to date. As a reminder to the Scrutiny Committee, responsibility for internal audit rests with the Audit and Standards Committee.

13. Delivery of Housing Management and Complaint Handling

- a) The Housing Management team is continuing to conduct a gap analysis of its current position against the Social Housing Regulation Act 2023 and the Consumer and Economic Standards under which providers of social housing should operate. This piece of work will be concluded by the end of November 2023 and an action plan is being drawn up to ensure compliance across all areas.
- b) The team is also composing a list of all policies and related procedures to ensure that there is a policy review schedule in place and that they are updated regularly and in accordance with changes in legislation and good practice guidance.
- c) A review of the Council's Complaint Handling Policy has taken place against the backdrop of the Housing Ombudsman's code of conduct. The Complaint Policy is now compliant with the code of conduct requirements and all staff have been briefed via the staff briefing sessions. Online training provided via the Housing Ombudsman is being rolled out to all relevant housing staff, to be completed by the end of November.
- d) A complaints dashboard for housing has been implemented to track all complaints, the time it takes us to respond, documented lessons learned and actions taken. This is reviewed at a weekly meeting to ensure that we are compliant with the code of conduct and to ensure that any trends are spotted quickly. To go one step further, we will introduce satisfaction measures on our complaint handling during Q3.
- e) We have also completed the code of conduct self-assessment as required to be published, by the Housing Ombudsman. This will be shared with CMT during October prior to being published on-line and notified to tenants via the Newsletter. We are also keeping tenants updated on complaint handling via our Annual Report.

14. Quality Assurance of New Build Properties

- a) Reynolds Court, a sheltered housing block in Newport, has been subject of fire safety issues. Fire stopping measures were found to be inadequate and a further round of inspections had been triggered following a problem identified between the floors, these inspections had identified more issues which brought into question the quality of the fire risk assessment.
- b) Lovell, who developed the site had used a pink foam which most consultants deemed was not sufficient to provide the necessary prevention for fire in the places it had been used. Porterhouse, an independent party

brought in by UDC, had questioned the pink foam with Lovell but Lovell had said it was compliant and produced documentation which Porterhouse had accepted.

- c) Lovell have since been held to account and are now in the process of rectifying the issues, at their own cost. Lovell have identified in consultation with the Council, all the items which need to be remedied. Most items have been completed and for the remainder, Lovell are developing a time-bound action plan to deliver this by the middle of October 2023.
- d) The Council has been overseeing and approving the works that have been proposed and completed and will also be pursuing Lovell for the additional costs incurred by the Council as a result of the issues, such as the necessity to install a waking watch to ensure the safety of residents whilst works were completed.
- e) The Council will complete a deep dive inspection into how the issues occurred and the sequence of events for remedy and will also recommend steps to ensure that a similar situation doesn't result in existing and future development or refurbishments. A report will be produced during November and once all of the remedial fire safety measures have been completed.
- f) There will be earlier input from the Safer Homes Officer at the design stages of any future developments and regular inspection of contractors and progress of works on site. The development team will also be reviewing its handover process and sign off procedure to ensure that UDC's property services and compliance teams are involved at all stages of the development process and particularly prior to handover and letting of properties.
- g) A further update can be provided to Scrutiny Committee once the investigation has been completed, including costs and how we will seek to recover them from Lovell and any other culpable parties.

15. Once matters are settled, there may be value in the Scrutiny Committee doing a piece of work on lessons learned, but this cannot happen in the short term for reasons set out in the scoping document of March 23.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Outstanding issues relating the council housing management are not effectively	1	3	Comprehensive reporting to Scrutiny and Cabinet

addressed			
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- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.