

Housing Regulation Update

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| Lead Member/Relevant Portfolio Holder | Councillor Pip Allnatt - Leader of the Council, Portfolio Holder for Housing and Landlord Services |

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| Corporate Priority: | High quality homes and landlord services |
| Relevant Ward Member(s): | N/A |
| Date of consultation with Ward Member(s): | N/A |
| Exempt Information: | No |
| Key Decision: | No |
| Subject to call-in: | No Not key decision |

1 Summary

- 1.1 Marking a significant change for the housing sector, the Social Housing (Regulation) Act 2023 became law on 20 July 2023, after a lengthy journey through the parliamentary process.
- 1.2 The Act introduces new regulatory arrangements for Social Housing Landlords, which landlords will need to be able to demonstrate compliance with by April 2024. It significantly strengthens the role of the Regulator for Social Housing (RSH) as the Government body responsible for overseeing landlords in the social housing sector, which contains Councils, Housing Associations, and some private sector social landlords.
- 1.3 The Act is significant for landlords and for tenants and brings with it increased requirements and expectations on the Council as a landlord, including a move towards a proactive inspection regime.

- 1.4 An update was provided to Scrutiny Committee in September 2023 which explained the work being undertaken by the Council to prepare for the changing regulatory regime.
- 1.5 This report provides a position update on the work being undertaken to prepare Melton Borough Council for the introduction of the new regulatory arrangements, including a health check on compliance with the current regulatory regime. It sets out areas of strength and areas where the council needs to have an increased focus.
- 1.6 This report also seeks approval to establish a Landlord Assurance Board in 2024.

2 Recommendations

That Cabinet:

- 2.1 **Notes the preparations, progress and actions being taken in readiness for the new housing regulation regime which takes effect from April 2024.**
- 2.2 **Notes the intention for management to review strategic and operational capacity to ensure continuing progress in key areas; ensuring excellence across the whole housing agenda.**
- 2.3 **Approve the establishment of a Landlord Assurance Board, as set out at Appendix A.**

3 Reason for Recommendations

- 3.1 To ensure Cabinet awareness and oversight of the regulatory context within which the Council is managing its housing function.

4 Background

- 4.1 The previous housing regulatory arrangements for social landlords were created as part of the Housing and Regeneration Act 2008, and replaced the former Housing Inspection regime with a co-regulation environment where social landlords were expected to work with the Regulator of Social Housing (RSH) to address any compliance issues they identified.
- 4.2 The new housing regulatory regime is being enacted through amendments to the existing legislation where possible, but also required changes to primary legislation in some areas. The Social Housing (Regulation) Act 2023 received Royal Assent on 20 July 2023 after a series of last-minute amendments.
- 4.3 The new regulations will replace the previous “self-regulation regime” with one which requires landlords to prove they are complying with national minimum service requirements. Compliance with the new housing regulatory regime is a statutory requirement for all social housing landlords with more than 1000 properties and on this basis, will apply to Melton Borough Council.
- 4.4 Housing Consumer Standards have existed for some time under the existing regulatory arrangements, and it is proposed to amend and update them. Full details of the

consultation document on the new consumer standards can be found on this link: [Consumer standards consultation \(publishing.service.gov.uk\)](https://publishing.service.gov.uk).

- 4.5 The new requirements will be within four key areas:
- **Safety and Quality Standard** – landlords must provide safe, good quality homes and services to tenants.
 - **Transparency Influence and Accountability Standard** – landlords must be open with tenants and treat them with fairness and respect.
 - **Neighbourhood and Community Standard** – requires landlords to work with others to provide safe and good quality neighbourhoods for tenants and that they feel safe in their homes.
 - **Tenancy Standard** – sets standards for fair allocations and lettings, and how tenants are managed and ended.
- 4.6 The four standards are supported by a Code of Practice, which explains how the Regulator will hold landlords to account through an inspection and grading system. A period of consultation on the proposed standards has recently closed, and detailed guidance relating to the standards is awaited.
- 4.7 The new regime significantly amends the role of the regulator from being reactive to being proactive on regulatory and enforcement matters. Under the former arrangements the RSH would normally only become involved with a social landlord if there was a self-referral or complaints from tenants. It would then be a matter for the RSH to determine if the breach reported represented a “significant detriment” before they could take regulatory action.
- 4.8 The changes include removal of the ‘serious detriment test’, and now enable the RSH to carry out a programme of inspections and require social landlords to submit performance and tenant perception data to them, which will be used to determine the proposed 4-year inspection programme priorities based on a risk assessment.
- 4.9 The new arrangements are not prescriptive about how landlords should achieve the required standards, as the clear emphasis is that they should work with tenants to define the services and approaches that meet tenants needs and service expectations and agree them on a local level. When the RSH are assessing compliance, they will look to check performance against locally agreed service priorities, apart from the core areas of safety and quality of homes.
- 4.10 There are a number of core elements of the **new** regulatory environment as detailed in sections below, and an Easy Read overview guide is available on the following link: [Standards for social housing tenants: Read our ideas and tell us what you think \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 4.11 At the heart of the new arrangements are the principles of landlords needing to be transparent about their performance and treat their tenants with respect. This is through **understanding the quality of homes** and having appropriate plans to keep them safe (compliant) and in a good standard or repair and improvement, and **understanding their tenants**, though holding, and using appropriate levels of tenant profile data to enable services to be shaped to meet tenants needs.

- 4.12 **Tenant Satisfaction Measures** (or TSMs as they are commonly known) form an additional standard in this suite of requirements. Landlords are required to provide tenant satisfaction survey data to the Regulator by June 2024 and should be actively obtaining this feedback in preparation.
- 4.13 TSMs include a series of 22 indicators that have been designed to provide a cross section of information about both the performance of the landlord and the perception of the service from tenants. There are 10 service specific performance indicators, and 12 tenant perception” indicators, assessing the views of tenants about the services they receive.
- 4.13.1 The survey must ask a series of set questions using a prescribed methodology to ensure the results are a representative sample of the tenants of the Council. The frequency with which the surveys must be conducted is not specified, but the expectation is that it should be at least annual. Further details of the TSM Standard requirements were published on 30 March 2023 and can be found on the following link: [TSM Standard \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 4.13.2 Details on how the Council has approached this, and the initial findings from the 2023 Tenants Satisfaction Survey are detailed at Section 5 of this report.
- 4.14 **Housing Consumer Standards Code of Practice** – this document is designed to support the new consumer standards and provide examples of the intentions of the new requirements, to guide landlords to ensure they comply. They are not a prescriptive list of specific requirements though, as the very ethos of the new arrangements is that landlords need to agree with their tenants how they are going to comply in a way that is appropriate for local circumstances and priorities. The full draft code of practice for consultation document can be found using this link: [Annex 2 - Proposed consumer standards Code of Practice \(accessible version\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- 4.15 **Economic and Governance Standards** – it is important to recognise that these standards exist within the wider housing regulatory framework, but they do not currently apply to Councils, as separate arrangements are considered to already be in place through the existing Local Government Audit oversight requirements. Housing Associations are required to be inspected periodically by the RSH with respect to this area and a poor outcome can have a significant impact upon their credit score when seeking to access market funding for developments.
- 4.16 **Inspection process** – the new regulation regime will see the reintroduction of the concept of a Housing Inspection, where officers from the Regulator will visit landlords to assess the service they provide against the requirements of the new regulatory regime. It is anticipated that these inspections will be of the “short notice” type, with as little as 48 hours’ notice of an on-site arrival. Current suggestions are that the regulator will operate a 4-year rolling inspection programme, which will be prioritised using a risk-based methodology, using information submitted as part of the TSM process and other data sources, such as analysis of complaints from the Ombudsman and direct approaches from tenants.
- 4.17 As part of the preparations for an inspection it is anticipated that landlords will need to submit an **In-Depth Assessment (IDA)** pro forma, to provide additional information to the regulator before their inspection takes place. The regulator is currently carrying out a series of pilot inspections to determine how the process will operate going forward.

Following feedback from these initial inspections, a further series of pilots has been proposed. Inspections under the former regime were a very resource intensive process, and the draft guidance on this aspect of the new regulations is eagerly anticipated to see how the balance can be struck between resourcing service improvements and supporting the inspection process.

- 4.18 **Interventions** – another significant difference between the former arrangements and the new environment is the range of interventions available to the regulator. These are much more robust and include the power to work with landlords to resolve issues where there is a genuine desire to do so from the landlord through to the removal of the senior management of a landlord and their replacement with the regulators nominees if circumstances justify it. This gives the regulator real “teeth” when dealing with non-compliant landlords who are not prepared to work with the regulator. Consultation on the use of these new powers is awaited.
- 4.19 **Grading of regulatory assessment** – it is anticipated that some form of grading system will be used to “score” the service provided by a landlord. The grading system to be used is not yet known. This may follow the Ofsted model of a single word outcome, or the current arrangements used for Economic and Governance assessments of Housing Associations, on a scale of 1 to 4. Consultation on this aspect of the new arrangements is expected in the coming months.
- 4.20 **Fees for regulation** – as the role of the Regulator has changed significantly, so has its staffing requirement to meet the new requirements and therefore the cost. These costs are recouped through charges to landlords based on number of properties, and consultation launched on 5 September proposes a charge to Melton Borough Council of circa £15k per annum for the new arrangements. Fees for proactive regulation have been built into the council’s budget (HRA).
- 4.21 **Professional Qualifications for Housing Managers** – in a late amendment to the legislation, the Secretary of State included a requirement that all Housing Managers should be professionally qualified. The sector is currently still digesting this announcement and awaiting further guidance for consultation about this requirement, as becoming a fully qualified Housing Manager requires a period of study, so some transitional arrangements are likely to be required. In preparation, a review of qualifications held by housing staff has been undertaken to allow for a check against the new requirements when this information becomes available. Subject to the outcome of this process, an increased training budget may be required, however, a proactive approach to staff training and qualifications has been underway with a number of staff achieving professional qualifications over the last 2 years, and others currently underway.
- 4.22 **New statutory roles** – the creations of roles within landlords to be champions of two key areas is also part of the new arrangements. The roles have been created to ensure that tenants are clear who is responsible for these key areas, as in many large organisations it can be unclear who to contact directly to voice concerns. The Council confirmed designation to these statutory requirements in July 2023 as part of the approval of the HRA business plan (see [Agenda for Council on Thursday, 28th July, 2022](#)).
- 4.22.1 The statutory Health and Safety role has been allocated to the role of Director for Housing and Communities (Deputy Chief Executive) as this complements the Council wide role in this area. Performance relating to health and safety is monitored on a monthly basis, in addition to annual spot checks through internal audit.

- 4.22.2 The role of Assistant Director for Housing Management has been appointed to the statutory role as Consumer Standards Champion, to oversee the delivery of the new requirements. The work of the Regulatory Assurance Lead is an important part of supporting the Assistant Director in this remit.

5 Main Considerations – Current Position and Preparations for Regulatory Change

- 5.1 The housing sector continues to face a number of challenges and as a landlord, the Council is still on a journey of improvement.
- 5.2 In 2019, Melton Borough Council took proactive action to identify and address long-standing issues within its housing service, adopting a comprehensive Housing Improvement Plan. At the time, the Council made a self-referral to the Regulator, having identified a number of challenges relating to landlord health and safety and compliance. Following a review and engagement with the Regulator, they found it would not be proportionate to find a breach of the Homes Standard, reflecting on the positive progress the council had made since the establishment of the Housing Improvement Plan and the commitment to continue taking positive action. The Council has continued to progress the investment and improvements that were committed to at the time and significant work has been undertaken to strengthen and improve the Council's housing service, with a number of notable achievements.
- 5.3 Maintaining progress and momentum is requiring continued officer time in improving services whilst simultaneously dealing with a reactive service environment to meet the needs of tenants, and proactive preparation for regulatory change and long-term strategic planning for the Council's housing function and services.
- 5.4 There remain areas of challenge and risk, including some areas of service delivery which have been reported to members through performance, audit, risk and financial management arrangements.
- 5.5 **Health Check: Current Consumer Regulations**
- 5.6 Whilst the details of the new regulatory requirements are awaited, landlords should be actively preparing now, ahead of an In-Depth Self-Assessment (IDSA) becoming a requirement for all landlords to complete.
- 5.7 As part of its preparatory work, the Council has been carrying out a health check against the existing Consumer Regulations, to identify any areas of risk or concern. Of the 93 individual requirements, the housing service is assessed as being compliant with 82 (88%) of them with 11 (12%) requiring further work and improvement.
- 5.8 This process has been helping in providing assurance on several key areas, whilst also identifying areas that require further focus and attention. Where this has been the case, action is being taken to mitigate in a planned and managed way.
- 5.9 Details are shown in the table below, and the current working version of the 'health check' diagnostic and associated draft action plan can be found at Appendix B. Areas of improvement arising from the diagnostic and actions required are shown below:

| Standard | Requirement | Improvement / Action Required |
|--|--|---|
| Neighbourhood and Community Standard | <ul style="list-style-type: none"> 2.1: Neighbourhood management - Registered providers shall consult with tenants in developing a published policy for maintaining and improving the neighbourhoods associated with their homes. This applies where the registered provider has a responsibility (either exclusively or in part) for the condition of that neighbourhood. The policy shall include any communal areas associated with the registered provider's homes. | <p>Service Charge action plan includes actions to develop a policy, review current services, better charging and tenant consultation on spec.</p> |
| | <ul style="list-style-type: none"> 2.2: Registered providers, having taken account of their presence and impact within the areas where they own properties, shall: 2.2a: Identify and publish the roles they are able to play within the areas where they have properties 2.2b: Co-operate with local partnership arrangements and strategic housing functions of local authorities where they are able to assist them in achieving their objectives | <p>More work to be completed to provide required evidence of approach. This is aimed predominantly at multi landlord estates in urban areas so has limited relevance to a rural setting.</p> <p>To consider as part of Service Charge action plan</p> |
| Tenant Involvement and Empowerment Standard | <ul style="list-style-type: none"> 1.2.1c: The scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved | <p>To consider including tenant representation on the landlord assurance board</p> |
| | <ul style="list-style-type: none"> 1.2.1e: The management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks | <p>New tenant involvement strategy provides a framework to undertake this but limited practical evidence to date</p> |
| | <ul style="list-style-type: none"> 1.2.1f: Agreeing local offers for service delivery. | <p>New tenant involvement strategy provides a framework to undertake this but limited practical evidence to date</p> |
| | <ul style="list-style-type: none"> 1.3.1b: Demonstrate that they understand the different needs of their | <p>Tenant data identified as a risk and an action</p> |

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| | tenants, including in relation to the equality strands and tenants with additional support needs. | plan will be developed to address this. |
| | <ul style="list-style-type: none"> 2.2.1a: Supporting their tenants to exercise their Right to Manage or otherwise exercise housing management functions, where appropriate | Providing information on the web site with links to the relevant.gov.uk page, and details of a contact should suffice to achieve this requirement, but currently not in place. Add to new tenant webpage. |
| | <ul style="list-style-type: none"> 2.2.1d: Providing support to tenants to build their capacity to be more effectively involved. | Tenant engagement framework in place but limited reach and impact. Establish landlord assurance board. Engage TPAS to support in strengthening this area. |
| | <ul style="list-style-type: none"> 2.3.1: Registered providers shall demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants. | Engagement tracker in place and examples of positive engagement. However, this is an area in need of further improvement. Launch tenant webpage. Tenant data identified as a risk and an action plan will be developed to address this. |

- 5.10 Keeping the regulation health check, evidence base and action plan under review is important in supporting the council to ensure it can confidently demonstrate it meets and where possible, that it exceeds the minimum requirements.
- 5.11 The regulatory health check has identified particular emerging theme about the absence of **meaningful tenant profile data**. The Regulator requires a landlord to understand its tenants and to be able to use that information to shape the services it offers. Through the self-assessment, the Council has identified that it has limited tenant data, or that the data quality is compromised as tenant data is not held in a single location. A review of complaints has also identified that there are examples of customer contact details not always being updated.

- 5.11.1 Officers have assessed that is not an issue that would require self-referral to the regulator, however, it does need to be an area of focus and improvement.
- 5.11.2 This will be prioritised based on the importance of the type of data to scope out and understand the issue fully, to inform an action plan to address the challenges identified. A key requirement is to ensure that the council can capture, analyse and report confidently and consistently on tenant data, ensuring a robust approach to data management and associated updating of customer records.
- 5.11.3 An action plan will be produced that explains the steps the council must take to gather and store the data that is needed.

5.12 **Tenant Satisfaction Measures – Update and Initial Findings**

- 5.13 Tenant Satisfaction Measures form an additional requirement in the new regulatory regime. Landlords are required to provide tenant satisfaction survey data to the Regulator by June 2024 and should be actively obtaining this feedback in preparation.
- 5.14 The Council has commissioned sector experts Housemark to carry out its Tenant Satisfaction Survey in 23/24 (see decision notice reference [CEX295](#)), which will enable results to be provided to the Regulator by June 2024. Independent survey mechanisms such as this are considered most appropriate to this and enable benchmarking with other landlords.
- 5.15 The survey has now concluded with over 495 responses received during November and December 2023. Analysis of the findings is underway, and as survey results are still being compiled across landlords, it is not yet fully clear how the council is performing in this regard in relation to its peers, but early indications show both areas of strength and areas requiring focus and improvement. Further work will be undertaken on the areas requiring improvement.
- 5.16 The following key points can be noted:
- a) **Overall satisfaction** is often used as the main headline to measure service performance, The Council received a score of **63.4%** (below the current sector average of 72.3% (though this may be subject to change as highlighted above)
 - b) **Highest scoring** TSMs were:
 - i) 78.7%: Proportion of respondents who report that they are satisfied their home is safe (sector average also 78.7%)
 - ii) 73.8%: Proportion of respondents who report that they are satisfied that communal areas are clean and well maintained (sector average 66%)
 - iii) 72.7%: Proportion of respondents who report that they are satisfied about being kept informed about things that matter to them (sector average 78.2%)
 - c) **Lowest scoring** TSM:
 - i) 27.7%: Proportion of respondents who report that they are satisfied with the approach to complaint handling (sector average 34%)
 - d) **Benchmarking**: when benchmarking with overall satisfaction, this currently suggests an 8.9% negative difference in overall satisfaction between Melton Borough Council

and the sector average / peer median score (this remains provisional as the sectoral analysis is not yet complete)

- e) **Overall**, there are some encouraging elements, particularly in terms of asset management and safety. However, there is room for improvement, particularly in terms of how the council engages with tenants, and how it manages complaints and anti-social behaviour.

5.17 The Council took the decision to add two additional insight questions to its TSM survey, providing an opportunity to understand why tenants gave a certain score. It is these insights that will enable the Council to further consider how it can best improve as a landlord.

5.18 The Council's Scrutiny Committee is due to consider a position update on housing regulation in April 2024, and as part of this will receive a detailed update on the Tenants Satisfaction Measures. It is proposed that this meeting will also include an opportunity for the committee to engage directly with Council tenants.

5.19 A separate and more detailed report on Tenant Satisfaction will also be provided to Cabinet ahead of the TSM data being submitted to the Regulator.

5.20 **Benchmarking: Housemark**

5.21 The Council has recently subscribed benchmarking services via sector experts Housemark (see decision notice ref CEX288) and is now submitting data. At the time of drafting this report, the Council is not in receipt of detailed benchmarking information. When it is available and has been validated, it will become an important source of evidence, assurance and clarity on areas requiring further work and improvement.

5.22 **Establishing a Landlord Assurance Board**

5.23 Effective governance, assurance and oversight are essential to deliver high quality council homes and landlord services. This report represents just part of the overall responsibilities of the council as landlord, and whilst the Council has well established mechanisms to monitor performance, risk and compliance, it is important to draw together the various strands of the landlord service that collectively demonstrate how the Council operates and performs as a landlord so that these can be considered together, enabling collective awareness of this key agenda, whilst also supporting continuous improvement. To ensure collective awareness and visibility relating to regulatory assurance, financial resilience, risk management, performance and compliance on all matters relating to being an effective landlord, it is proposed to establish a **Landlord Assurance Board** in 2024. This assurance board provides an opportunity for collective ownership of one of the Council's most significant areas of responsibility.

5.24 It is considered that tenant voice is a critical part of having an effective Landlord Assurance Board. A role profile will be developed to provide clarity on this remit and expressions of interest from tenants will be sought and assessed against the role profile. Whilst there is no remuneration for this role, the Council will fund a package of training and support via the Tenant Participation Advisory Service (TPAS).

5.25 The Landlord Assurance Board would not replace any existing structures, scrutiny or decision-making arrangements. However, it will provide a single focus for political and

professional leaders to consider housing matters in one place and ensure there is a focus and grip on housing, regulatory responsibilities, and tenant voice.

- 5.26 The Landlord Assurance Board will provide an annual report for consideration by Scrutiny Committee, Cabinet and Council. This will also form part of the Council's overall governance and assurance arrangements, forming part of the Annual Governance Statement
- 5.27 The draft terms of reference can be found at Appendix A.
- 5.28 **Capacity for Improvement**
- 5.29 The capacity to improve, deliver and ensure strategic and operational capacity and focus for one of the Council's most significant areas of responsibility is an important consideration.
- 5.30 Since 2019, and through the Housing Improvement Plan, the Council has made significant progress in improving its council homes and landlord services. It is though clear, from the regulatory preparations being undertaken, that the Council would benefit further from enhanced strategic focus on matters relating to tenants, tenant voice and service improvement as a focussed and distinct programme or portfolio of work. The Senior Leadership Team are currently exploring options that would best support this, to ensure excellence in the way the council manages homes and support the people who live in our homes and in turn, positively and proactively demonstrate excellence against the revised consumer standards. Any changes associated with this will be facilitated through a separate decision record and implemented in accordance with the Council's HR Policies and Procedures.

6 Options Considered

- 6.1 To not prepare for the new regulations – this was rejected, as failure to prepare for and meet the new regulatory requirements would result in a poor assessment of the Council and would negatively impact tenants. The Council takes its responsibilities to tenants and as a landlord seriously.
- 6.2 To not report the progress update to Cabinet – however, this would not reflect the transparency required to ensure members are aware of and able to have oversight of the new regulations and the Councils current position and preparations for the new regulatory regime. Transparency and oversight of the preparations being undertaken are key, including reporting to scrutiny committee on this. The continued inclusion of Housing Regulation on the Scrutiny Committee work programme is welcome.
- 6.3 To provide Cabinet with a full report and assessment of the councils' position and preparations is considered to be the most appropriate way forward to ensure oversight of the Councils preparations for the new arrangements, to ask questions of officers and offer any comments to Cabinet regarding the approach being taken or areas of concern or necessitating further action.

7 Consultation

- 7.1 Scrutiny Committee considered a report on this matter in September 2023 and will receive a further update in April 2024.

8 Next Steps – Implementation and Communication

- 8.1 The Council will continue to respond to consultations from the RSH as they are issued to ensure the views of Melton Borough Council and our tenants are shared with the regulator to help shape the new arrangements.
- 8.2 Analysis of the outcome of the Housemark Benchmarking information, Tenants Satisfaction Survey information and housing regulation health check will enable the Council to see areas of strength and improvement in terms of both cost and performance, to produce an action plan to address any issues requiring attention.
- 8.3 The Housing Service Plan will be updated to incorporate any required actions to improve services following completion of these reviews.
- 8.4 Preparation for an inspection and the submission of required pro forma information will be undertaken as soon as the new arrangements are confirmed, which is expected to be early in 2024.
- 8.5 The Landlord Assurance Board will be established no later than February 2024.

9 Financial Implications

- 9.1 The Council will need to fund the additional costs in line with the requirements of the Social Housing Regulation Act 2023, for example – regulation and inspection fees, tenants satisfaction measure reporting, staff training and qualifications, changes to decent homes criteria. Provision has been made within the Council's budget for this.
- 9.2 The Council's decision to engage with Housemark will further support transparency and performance management and monitoring. Finance and housing colleagues are working together to ensure proactive engagement with benchmarking opportunities.
- 9.3 Finance and housing colleagues continue to work closely to manage and monitor budgets, capital programme spend and income generation. Specific action is being taken to improve income collection performance as it is important income streams are maximised to help fund the additional burdens. The action to address rent arrears forms a key part of this.
- 9.4 The financial headroom remains tight with the HRA with the average annual surplus reducing since the business plan was approved due to increasing costs and resource pressures which continue to be lower than the national average. Care must be taken to balance resource availability with delivery requirements.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Council must demonstrate preparation for and compliance with the requirements of the Social Housing Act 2023, in addition to compliance with existing requirements. Risks,

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. Preparations so far are considered robust, and the report is clear that there are areas of continued development and improvement.

- 10.2 There are a number of ways in which the Council can demonstrate good governance and oversight relating to Housing Regulation. These include:
- a) Inclusion in the Council's Annual Governance Statement 2023/24 as a core focus
 - b) Inclusion in the Internal Audit Programme, with a number of audits undertaken, underway or scheduled, and being reported to the Audit Committee
 - c) Regular monitoring of performance and risk via Senior Leadership Team and Cabinet
 - d) Reporting to SLT on Regulatory Readiness assessment and recommendations for improvement or action
 - e) Reporting to Scrutiny and Regulator on Damp and Mould response
 - f) Proactive implementation of revised tenant engagement arrangements
 - g) Portfolio Holder meetings, specific portfolio for Housing and Landlord Services

Legal Implications reviewed by: Interim Assistant Director for Governance & Democracy (Monitoring officer)

11 Equality and Safeguarding Implications

- 11.1 None arising directly from this report.

12 Data Protection Implications (Mandatory)

- 12.1 No new requirements identified.

13 Community Safety Implications

- 13.1 Requirements regarding Anti-Social Behaviour and the management of communal areas contained within the proposed Housing Consumer Standards will need to be fully embedded within the Councils approach to ASB once the final standards have been issued.

14 Environmental and Climate Change Implications

- 14.1 None arising directly from this report.

15 HR and Staffing Implications

- 15.1 New statutory roles – the creation of roles within landlords to be champions of two key areas is part of the new regulatory arrangements. The roles have been created to ensure that tenants are clear who is responsible for these key areas, as in many large organisations it can be unclear who to contact directly to voice concerns. The Council

confirmed designation to these statutory requirements in July 2023 as part of the approval of the HRA business plan (see [Agenda for Council on Thursday, 28th July, 2022, 6.30 pm - Melton Borough Council](#)).

- 15.1.1 The statutory Health and Safety role has been allocated to the role of Director for Housing and Communities (Deputy Chief Executive) as this complements the Council wide role in this area. Performance relating to health and safety is monitored on a monthly basis, in addition to annual spot checks through internal audit.
- 15.1.2 The role of Assistant Director of Housing has been appointed to the statutory role as Consumer Standards Champion, to oversee the delivery of the new requirements. The work of the Regulatory Assurance Lead is an important part of supporting the Assistant Director in this remit.
- 15.2 Changes to the job descriptions for both roles will be required, and details of these roles need to be shown clearly on the Council’s website.
- 15.3 As per paragraph 5.30, the Senior Leadership Team are currently reviewing resources and strategic capacity to ensure an effective and appropriate response to the regulatory health check. It is clear that the Council would benefit from an enhanced strategic focus on matters relating to tenants, tenant voice and service improvement as a focussed and distinct programme or portfolio of work. The outcome of this review will be considered through a separate decision record.
- 15.4 **Professional Qualifications for Housing Managers** – as one of a number of late amendments to the legislation, the Secretary of State included a requirement that all Housing Managers should be professionally qualified. The sector is currently still digesting this announcement and awaiting further guidance for consultation about this requirement, as becoming a fully qualified Housing Manager requires a period of study, so some transitional arrangements are likely to be required. In preparation, a review of qualifications held by housing staff has been undertaken to allow for a check against the new requirements when this information becomes available. Subject to the outcome of this process, an increased training budget may be required, however, a proactive approach to staff training and qualifications has been underway with a number of staff achieving qualifications over the last 2 years, and others underway.

16 Risk & Mitigation

| Risk No | Risk Description | Likelihood | Impact | Risk |
|---------|---|------------|--------|--------|
| 1 | MBC have not prepared adequately for the new regulations being implemented | 2 | 3 | Low |
| 2 | MBC cannot afford any costs arising from the new arrangements / changing regulatory context | 2 | 2 | Low |
| 3 | Negative outcomes from an inspection process cause reputational damage and results in significant intervention from the regulator | 3 | 3 | Medium |

| | | Impact / Consequences | | | |
|------------|---------------------|-----------------------|----------|----------|--------------|
| | | Negligible | Marginal | Critical | Catastrophic |
| Likelihood | Score/ definition | 1 | 2 | 3 | 4 |
| | 6 Very High | | | | |
| | 5 High | | | | |
| | 4 Significant | | | | |
| | 3 Low | | | 3 | |
| | 2 Very Low | | 2 | 1 | |
| | 1 Almost impossible | | | | |

| Risk No | Mitigation |
|---------|--|
| 1 | Detailed preparation underway, responding to consultations and undertaking comprehensive service review programme, plus diagnostic review of compliance with current arrangements. |
| 2 | Provision for process support and payment of fees to be incorporated into the HRA budget for 23/24 and beyond. Will also be included in the HRA Business Plan review process. |
| 3 | Extensive and well-resourced preparations underway. Strengthen through clear actions outlined in the report. |

17 Background Papers

- 17.1 Social Housing Regulation Act 2023
- 17.2 HRA Business Plan 2022 - 2052
- 17.3 HRA Asset Management Plan
- 17.4 Q2 Performance Report

- 17.5 Internal Audit Reports:
- 17.5.1 Landlord Health and Safety 2022/23 and 2023/24
- 17.5.2 Strategic Management of the HRA 2022/23
- 17.5.3 Voids 2022/23
- 17.5.4 Right to Buy 2022/23
- 17.6 Scrutiny Report, Damp and Mould response

18 Appendices

- 18.1 Appendix A: Draft Terms of Reference – Landlord Assurance Board
- 18.2 Appendix B: Regulation Health Check