

18 June 2024

Report of	Strategic Housing Lead	Author	Geoff Beales ☎ 506514
Title	Review of Colchester Borough Homes Performance 2023/24 and Regulatory Update		
Wards affected	All wards		

1. Executive Summary

- 1.1 At the last Governance and Audit meeting attended by Colchester Borough Homes (CBH) in March 2024 a new reporting framework for 2024/25 was agreed that takes account of the new regulatory changes that commenced in April 2024. The Regulator of Social Housing (RSH) will be looking at the assurance that the Council and Councillors are getting on the safety, quality and decency of its homes. Along with this, tenants' views should be listened to and taken into account when providing services.
- 1.2 Full Council and Cabinet will receive assurance on adherence to the new RSH regulatory regime through the minutes from and work of the Governance and Audit Committee as the 'shareholder' committee of CBH, its arms length management organisation. Reporting in this way will itself support the Council in being able to evidence adherence to the new regulatory framework as the RSH will be looking at the assurance that Councillors are getting.
- 1.3 This first quarterly report of the year covers:
 - a regulation update
 - 2023/24 performance summary
 - a deep dive into the Safety and Quality Standard
 - a Housing Ombudsman Service update
 - relevant recent internal audit outcomes
 - a Tenant Scrutiny update

2. Recommended Decision

Committee is asked to:

- 2.1 Make any comments or recommendations to the Portfolio Holder for Housing (PfH) and CBH in respect of 2023/24 performance and, subject to this, to note the performance update contained in the report and **Appendix 1**.
- 2.2 Subject to any comments, note the regulatory update, information provided on recent internal audits, the Housing Ombudsman Service cases contained in the report and **Appendix 2** and the Tenant Scrutiny updates.
- 2.3 Note the performance and assurance information on compliance and safety and make any comments or recommendations to the PfH and CBH.

- 2.4 Agree to receive a “deep dive” into the stock quality element of the new Safety and Quality Standard as part of the quarterly report being considered at its September meeting.

3. Reason for Recommended Decision

- 3.1 CBH is a wholly owned arms length company of the Council and delivers the majority of the Council’s housing functions, in particular those connected with the Council’s housing stock and delivery of homelessness and housing advice services. As such CBH has a key role to play in contributing to the achievement of the Council’s Strategic Objectives. As the Council’s shareholder Committee it is appropriate for the Governance and Audit Committee to review CBH’s performance on a regular basis.
- 3.2 From 1 April 2024 the Council is in a new regulatory regime and it is imperative that the Council gains assurance on performance of its housing services. Where performance does not achieve the target, reasons or mitigations need to be considered to show that scrutiny has been undertaken and any risks are minimised and understood. The Council, as landlord, is responsible for meeting the regulatory requirements and should be assured of the safety, quality and decency of its homes. Along with this, tenants views should be listened to and taken into account when providing services.

4. Background Information

- 4.1 As the “shareholder” Committee for the Council’s subsidiaries, updates on CBH’s performance will continue to be reported to this Committee. In addition, at its March meeting this Committee agreed to receive quarterly reports on the quality of the Council’s homes, service performance and engagement with tenants. This will provide the information for Councillors to challenge and gain assurance of compliance, through CBH’s work, with the new RSH regulatory framework that commenced in April following enactment of the Social Housing Regulation Act 2023. Performance reported to Committee in March included in respect of the new Tenant Satisfaction Measures (TSM’s) that are being submitted to the RSH this month.
- 4.2 Colchester City Council needs to be assured that its properties are decent, safe and compliant. This assessment should be made based on accurate data about the stock and about tenants. It is also a requirement that tenants views are taken into account, considered and listened to. Information on services and performance should be published and made available for tenants to scrutinise.
- 4.3 The RSH’s existing Rent Standard is also applicable to local authority housing providers. In addition, a new Competency and Conduct Standard for housing staff introduced by the Social Housing Regulation Act was subject to sector consultation earlier this year and we are awaiting, post General Election, an update on the consultation outcomes. Not regulated by the RSH is the homelessness function of the Council.

5. Regulation update

- 5.1 On 1 April four new consumer standards came into force: the Safety and Quality Standard, Neighbourhood and Community Standard, Tenancy Standard, and the Transparency, Influence and Accountability Standard.
- 5.2 The Social Housing Regulation Act also introduced a new requirement for all registered providers of social housing to have a designated health and safety lead. This means that from 1 April, the City Council has been required to appoint a designated individual

responsible for monitoring compliance with health and safety requirements. The nominated officer is Philip Sullivan, Chief Executive, Colchester Borough Homes.

- 5.3 All landlords including this Council will be subject to an 'inspection'. Inspections of Local Authorities will focus solely on consumer issues and specifically the new Standards. Inspections commenced from 1 April 2024 and the Council can expect to be inspected sometime over the next four years. The Council will receive six weeks' notice and the inspection will likely include the following:
- A request for relevant information to enable a "document review"
 - Observation of meetings
 - Meetings with key people, including lead Councillors and tenants
 - An assessment of a range of evidence to check the Standards are being met
 - Follow up engagement if there are significant gaps
- 5.4 In response to the current regulatory changes we have:
- commissioned Savills to undertake a "mock inspection". This will identify further activity to assist with our preparation for an RSH inspection. The mock inspection has commenced and is planned for completion in July 2024. It includes observation of a CBH Board meeting, a document review, interviews with relevant CBH and Council representatives and observation of this Committee meeting (via the YouTube channel).
 - undertaken self-assessments against the new consumer standards to identify opportunities to enhance levels of assurance.
 - identified our health and safety lead and notified the RSH as required.
 - introduced a new regulatory assurance framework that includes the quarterly reporting to this Committee.
 - Engaged with the Colchester Institute to establish if there is a potential partnership relating to the new Competence and Conduct Standard and the professionalisation of the housing sector.
- 5.5 An introductory meeting with the RSH key contacts for Colchester has also been arranged for 17 June.

6. Review of Performance 2023/24

Committee is invited to review and make any comments or recommendations to the PfH and CBH in respect of the 2023/24 performance set out below and at Appendix 1:

- 6.1 **Homelessness (this is a statutory function not regulated by the RSH);** Demand was exceptionally high with 975 cases presenting during the year. At the end of March, we had 323 households living in temporary accommodation (86 households in B&B). The number of households on the Gateway to Homechoice register was 2,557 at year end. This included 468 in Band A and B waiting for a 3+ bed home.
- 6.2 **Rent collection;** 98.53% of rent was collected, above the 98% target. The total arrears outstanding at year end were £624k (1.9% as a percentage of debit raised). This was owed by 1,417 tenants, with 168 tenants owing more than £900. Around 75% of all arrears are now owed by Universal Credit (UC) claimants, which is a situation that we expect to increase with more migration of claimants to UC expected this Summer.
- 6.3 **Average days to re-let properties;** Performance for the year was 31 days against a target of 28 days. Pre tenancy end inspections have been introduced to mitigate one of the main challenges to quick turnaround of voids arising from the poor condition of homes being handed back. A new voids repairs contractor and a new void clearance contractor

were introduced during the year and the performance target of 28 days was met in each of the last 4 months.

- 6.4 **Repairs completion and satisfaction;** This has been an area of focus for improvement, with a service improvement plan developed following an internal review and a Resident Scrutiny report. Performance has improved from 74% of repairs complete on time in March 2023 to 83% at the end March 2024. Whilst improvement actions are ongoing there is good progress, particularly with the satisfaction of the in-house team at 94.87%. Customer satisfaction, including with contractors, increased alongside repair response times to 86% at year end.

The last year has been challenging financially in respect of repairs due, for example, to cost inflation and the volume of responsive repair work. Full details of costs associated with voids and responsive repairs will be contained in the HRA outturn report being considered at the July meeting of this Committee.

- 6.5 **Decent Homes Standard;** The number of properties not meeting the Standard reduced from 809 at the start of the year to 31 properties (0.52% of the stock) at year end. This is the best ever performance.

- 6.6 **Damp and mould cases:** 500 cases have been recorded and inspected in the past 12 months (compared to 374 in the previous year and 231 cases in 2022). The increased number is likely to be due in part to the national coverage of damp and mould cases as well as CBH's proactive approach to identifying cases through stock condition surveys. Resolving damp and mould cases remains a challenge due to the volume of cases and the difficulty in recruiting suitably competent staff. Temporary staff are being used at present to increase capacity.

- 6.7 **Disrepair Cases;** The Council received 7 claims of disrepair in the last quarter with 29 claims received in the past year. There are currently 41 cases open and pending settlement. During 2023/24, 12 cases were settled at a total cost to the Council of £130,274 (of which £21,328 was paid to tenants and the remainder in legal fees). Generally the same solicitors from Manchester and Liverpool are instigating the claims. A recent assessment of other social landlords indicates that CBH and Colchester City Council's position in terms of volume of cases is neither unusual nor relatively high.

7. **Safety and Quality Standard Deep Dive**

- 7.1 Ensuring the health and safety of our residents is critical to the Council's role as landlord. It is at the centre of service delivery along with the quality of our homes. The RSH's new Safety and Quality Standard (SQS), which came into force on 1 April 2024, defines what the regulator expects of landlord authorities. The new SQS has the following five expected outcomes:

- **Stock Quality** – the Council must have an accurate, up to date and evidenced understanding of the condition of properties, that reliably informs the provision of good quality, well maintained and safe homes for tenants. Committee is asked to receive a “deep dive” in respect of this aspect of the new Standard at its September meeting.
- **Delivery of repairs, maintenance, and planned improvements to stock** - the Council is obliged to provide repairs that are ‘effective, efficient and timely’. To facilitate this it must show that there is an easy system in place for tenants to report faults, but also which allows for ongoing communication throughout the completion of works of both timescales and responsibilities.

- **Decency** – The Council must provide decent quality homes to tenants that meet the Decent Homes Standard.
- **Health and Safety** - Enshrined throughout the new SQS is the focus on prioritising building safety for residents. The Council needs to ensure their tenants' safety in every aspect of the building. This includes, but is not limited to, meeting all legal requirements of building safety, with all assessments carried out in reasonable timescales, and responses to any emergency repair requests or complaints being delivered with tenant safety at the forefront of the action being taken.

It is also worth noting that the Department for Levelling Up, Housing and Communities has launched a consultation in respect of [Awaab's Law](#). This includes a proposal that will require landlords to complete emergency repairs, such as damp and mould, broken boilers or gas leaks, within 24 hours. Other hazards would need to be investigated within 14 days, and once identified would need to be fixed within a further 7 days.

Adaptations - In cases of tenant homes that need adaptations, the SQS requires clear communication to tenants on how those requiring an adaptation will be assisted.

7.2 Key aspects of the SQS are included in the CBH Medium Term Delivery Plan. In addition, the Regulator has defined a suite of Tenant Satisfaction Measures (TSM) that must be measured and reported on annually. The 2023 TSM results were reported to Committee in March 2024 and these will be published by the regulator from Autumn 2024. The table below shows a summary of CBH's performance for the year 2023/24:

Safety TSM	Target 2023/24	Result 2023/24
BS01 – Gas safety checks	100%	100%
BS02 – Fire safety checks	100%	100%
BS03 – Asbestos safety checks	100%	99.17%
BS04 – Water safety checks	100%	100%
BS05 – Lift safety checks	100%	100%
TP05 – Satisfaction that the home is safe	Perception survey result	67%
Electrical safety – not a TSM	100%	99.83%
Quality TSM		
TP02 – Satisfaction with repairs	Perception survey result	66%
TP03 – Satisfaction with time taken to complete most recent repair	Perception survey result	63%
TP04 – Satisfaction that the home is well maintained	Perception survey result	66%

RP01 – Homes that do not meet the decent homes standard	0%	0.5% (31 homes)
RP02 – Repairs completed within the target timescale	95%	82.66%

7.3 CBH Board members receive performance information against the key compliance metrics at each of their meetings and consider risk relating to the consumer standards as part of the CBH Strategic Risk Map.

8. Housing Ombudsman Update

8.1 The profile of the Ombudsman within the sector continues to be very high. Its Complaint Handling Code sets out requirements for member landlords that allows them to respond to complaints effectively and fairly. The purpose of the Code is to enable landlords to resolve complaints raised by residents quickly and use the data and learning from complaints to drive service improvements. From 1 April 2024, the Code became statutory meaning that member landlords are obliged by law to follow its requirements.

8.2 With increased customer awareness and ongoing media campaigns by the Ombudsman, it is likely that cases referred to them by our tenants will increase. This will mean further cases opened by the Ombudsman for investigation into CBH complaints. The Ombudsman is allowed to conduct further investigations beyond an individual complaint to establish whether any presenting evidence is indicative of a systemic failing. These reports can then be referred to the Regulator of Social Housing. There is also a new approach to sharing learning from severe maladministration cases. In a recently published report ([Learning from Severe Maladministration Cases](#)) on taking the key lessons from severe maladministration decisions, one landlord was ordered to pay the resident £6,400 in compensation for leaving him and his children with damp and mould conditions for 5 years, due to failure in dealing with a leak. This report was based around the themes of the recent spotlight report on [Attitude, Respect and Rights](#). This outlines clearly that landlords must take a 'human centric' approach and adapt to the needs of residents effectively and without stigma or marginalisation.

8.3 CBH has completed a self-assessment against the new Complaints Handling Code and this will be submitted, as required for landlords with over 1,000 homes, to the Housing Ombudsman Service by 30th June 2024. Consistent with many in the sector, CBH is continuing to see a higher volume of complaints being escalated to the Ombudsman and more findings of maladministration. These will be routinely reported as they arise to the Governance and Audit Committee along with any lessons learned from both CBH complaints and sector wide reviews.

8.4 A summary of Housing Ombudsman case findings for the year 2023/24 is attached to this report as Appendix 2. This shows the outcomes and determinations made against the Council during the year 2023/24.

8.5 Under the new code the Council is required to have a 'Member responsible for complaints' (MRC). The role is to champion a positive complaint handling culture and to provide assurance to the governing body on the efficacy of its complaints system, including challenging the data and information provided to the Board. We have two MRC's and these are Geoff Beales, Housing Strategy and Assurance Manager for the Council and Ray Sharpe, CBH Tenant Board Member.

8.6 Housemark were commissioned by CBH to carry out a complaint's accreditation assessment in late 2023. The accreditation format is made up of two stages, with the first looking at compliance with the Housing Ombudsman's Complaints Handling Code and the second element focusing on an in-depth service review. CBH successfully achieved the Housemark Complaints Accreditation, with a 'good' grading. Housemark were also satisfied that CBH is fully compliant with the Housing Ombudsman Complaints Handling Code scoring 'adequate' or 'substantial' compliance across every requirement. Several recommendations were made relating to systems, data and resources. An action plan has been created to record and monitor progress against the recommendations. Housemark noted best practice evidenced by the compliance with complaint handling times, and the commitment to capturing lessons learnt from complaints and building them into service improvement plans going forward.

9. Internal Audits

The following two internal audits of relevance to the new regulatory framework have recently been completed.

9.1 **Assurance Review of Tenant Satisfaction Measures;** The scope of the audit was to provide assurance that the Council and CBH have adhered to the RSH's guidance on Tenant Satisfaction Measures data collection. There are 4 potential internal audit assessments – "substantial" and "reasonable" being positive and "limited" and "no" being negative. The audit outcome was substantial assurance with no identified nor recommended actions.

9.2 **Assurance Review of Gas Servicing, Fire Safety, Legionella, Electrical Safety and other statutory compliance;** The scope of the audit was a review of compliance with the statutory requirements with respect to gas servicing, fire safety, legionella, electrical safety, asbestos management and lift maintenance. There are 4 potential internal audit assessments – "substantial" and "reasonable" being positive and "limited" and "no" being negative. The audit outcome was reasonable assurance with three recommended important actions. The recommended actions relate to work that is either already programmed or included in an action plan.

10. Tenant Scrutiny Update

10.1 Tenant inspection is a process where trained residents inspect the services their landlord or service provider delivers against the standards that are set for those services. CBH recruited new Inspectors in the summer of 2021, and there is now a team in place to inspect and scrutinise the services they choose on behalf of all tenants and leaseholders. All the Inspectors have undertaken formal training from TPAS to support them in their role.

10.2 All Tenant Scrutiny reports are shared in the Tenant Inspection section of the CBH website. An update on the Responsive Repairs scrutiny presented to the CBH Board in March 2023 and the Social Media scrutiny presented to Board in August 2023 was considered at the CBH Board meeting in June. The purpose of the update report was to review progress in delivering actions arising from the previously undertaken scrutinies. The update considered by Board included feedback from Inspectors involved in the original scrutinies. Where there is ongoing work the Inspectors have asked for an update to be reported to CBH's Operations Committee meeting in November and this has been included in the meeting programme.

11. Equality, Diversity and Human Rights implications

- 11.1 The work undertaken in homes ensures that the services remain operational and efficient, tackling inequality in living standards and providing home improvements for the tenants. This is also true of the wider Housing Investment Programme works planned through an Asset Management Strategy. The Equality Impact Assessment for the Council's Asset Management Strategy is available on the Council's website.
- 11.2 Through the Housing Procurement Strategy within the Asset Management Strategy, staff ensure that all future procurement and purchasing documentation recognises, understands, and supports the Council and CBH policies regarding equal opportunities, diversity, and human rights.

12. Strategic Plan References

- 12.1 The services and projects delivered by the Council and CBH contribute directly to the following Strategic Plan 2023-2026 priority areas:
- **Respond to the climate emergency**
 - Reduce our carbon footprint.
 - Ensure Council homes benefit from increased energy efficiency.
 - **Deliver Modern Services for a Modern City**
 - The Colchester Council family of organisations work together to a shared and ambitious vision for the future of our city.
 - Continue to invest in our homes to deliver quality social homes and services for tenants and leaseholders.
 - Put communities and their needs at the heart of our vision and support local areas as they help shape and deliver services which are most important to them.
 - Work closely with partners, charities and organisations to add value.
 - **Improve health, well-being, and happiness**
 - Tackle the causes of inequality and support our most vulnerable people.
 - Work with residents and partners to address quality of life and issues of happiness.
 - **Deliver homes for those most in need**
 - Increase the number and quality and types of affordable homes.
 - Meet our duty to prevent or assist those facing homelessness.

13. Consultation

- 13.1 Performance information and monitoring is developed in conjunction with CBH Board Members, Council Officers and the Portfolio Holder for Housing. As part of its development, it is also subject to scrutiny by tenant and leaseholder representatives.

14. Publicity Considerations

- 14.1 The Medium-Term Delivery Plan 2022-27 has been widely distributed which contains all the performance information for 2023/24 and targets for 2024/25. Performance information reflects the move to a set of new Tenant Satisfaction Measures and a regulatory regime.

15. Financial implications

- 15.1 The budget for the Housing Revenue Account is approved by Cabinet and Full Council each year. Individual contract awards for 2023/24 have been delegated by Cabinet to

the Portfolio Holder for Housing. Sufficient budgetary provision has been made to fund work to ensure that homes remain decent safe and compliant.

16. Health, Wellbeing and Community Safety Implications

16.1 Improving and maintaining the Council's housing stock is thought to have broadly positive implications for communities across the Borough. Adhering to the new consumer standards and ensuring properties are safe and compliant forms part of the new regulatory regime that commenced in April 2024.

17. Health and Safety Implications

17.1 It is a requirement of the quality element of the contract tender process that bidders demonstrate an excellent approach to the management of Health & Safety and understand the implication of both working in tenants' homes and conducting planned works in a safe manner.

17.2 Through the role of Contract Administrator Colchester Borough Homes will ensure Health and Safety and Construction, Design and Management Regulations and requirements are fully complied with throughout any programme of works in and around tenants homes.

18. Risk Management Implications

18.1 Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public engagement and, ultimately, poor outcomes for citizens and service users. It increases the risk that the Councils and CBH's priorities will not be delivered. Reviewing the arrangements, governance and performance and identifying and addressing the key issues minimises these risks.

19. Environmental and Sustainability Implications

19.1 Ensuring properties remain desirable and in a safe condition has clear benefits for current and future tenants' health and wellbeing.

19.2 As part of the Housing Asset Management Strategy a Housing, Environmental and Sustainability Strategy has been produced. Using a specialist energy efficiency modelling database, we have looked at scenarios for delivering all our homes to EPC Band C by 2030. Funding has been secured from the Social Housing Decarbonisation Fund to ensure delivery of this target.

Appendices

- Appendix 1 - Medium Term Delivery Plan 2023/24 Performance Information
- Appendix 2 - Summary of Housing Ombudsman case findings 2023/24