

Tamworth Borough Council
Self-assessment of compliance with Regulatory Standards
September 2022

1. Introduction

Tamworth Borough Council (TBC) commissioned YD Consultants (YDC) to deliver a self-assessment of compliance with the Regulator of Social Housing's (RSH's) Regulatory Standards including the proposals in *The charter for social housing residents: social housing white paper* (SHWP) published in November 2020. This report sets out our summary findings. Detailed findings are set out at **Appendices One to Five**.

We would like to thank officers, councillors and involved residents who attended meetings and supported our investigations. The meetings enabled us to get an idea of how policies and procedures shared were being delivered and/or received.

In conducting the self-assessment we recognise that TBC continued to deliver services during the unprecedented COVID-19 pandemic which resulted in two years of service interruption from 23 March 2020 to 30 April 2022.

The RSH has four Consumer Standards all of which are applicable to TBC:

- Home Standard
- Tenancy Standard
- Neighbourhood and Community Standard and
- Tenant Involvement and Empowerment Standard.

Full assessments of compliance against the expectations of each of those Standards are attached at **Appendices One to Four**.

The RSH has three Economic Standards of which only the Rent Standard is applicable to TBC:

- Governance and Financial Viability Standard
- Rent Standard and
- Value for Money Standard.

A high-level assessment of compliance against the expectations of the Rent Standard is attached at **Appendix Five**.

In respect of the Governance and Financial Viability Standard and the Value for Standard we have set out a few comments below.

2. Executive Summary

On the Consumer Standards, with respect to all four Standards we have found evidence of compliance, but also some evidence of non-compliance and we have made recommendations to support compliance and improvement for each Standard.

The RSH is developing its approach to regulating the Consumer Standards and it is very likely that the RSH will develop regulating grades for the Consumer Standards, similar to the ones which it operates for the Governance and Financial Viability Standard for private registered providers (PRPs). The RSH rates PRPs from G1 to G4 for Governance and V1 to V4 for Financial Viability. In each case the top two grades are compliant ratings, whilst the bottom two grades are non-compliant ratings.

For the purposes of this report, we have assessed whether TBC would be compliant with each of the current Consumer Standards and have then assigned an overall grade for the Consumer Standards.

We have assumed that the RSH will operate a four-grade system as set out in the table below:

Grade	Explanation	Compliance Status
C1	The provider meets our Consumer Standard requirements	Compliant
C2	The provider meets our Consumer Standard requirements but needs to improve some aspects of its Consumer Standard arrangements to support continued compliance	Compliant
C3	The provider does not meet our Consumer Standard requirements. There are issues of serious regulatory concern and in agreement with us the provider is working to improve its position	Non-compliant
C4	The provider does not meet our Consumer Standard requirements. There are issues of serious regulatory concern and the provider is subject to regulatory intervention or enforcement action	Non-compliant

It should be noted that having aspects of non-compliance with Regulatory Standards does not necessarily mean that the overall grade will be a non-compliant grade, as the RSH will take account of the materiality of any non-compliance.

- On the Tenancy Standard we have concluded that TBC is compliant with the current Standard **(C1)**.

- On the Home Standard and the Neighbourhood and Community Standard, we have concluded that TBC is compliant with the current Standards but needs to improve some aspects of its Consumer Standard arrangements to support continued compliance **(C2)**.
- We have concluded that TBC is non-compliant with the current Tenant Involvement and Empowerment Standard **(C3)**. This standard is cross cutting across other Standards, in that access, customer care, tenant involvement, complaints and equalities apply to all landlord services and the RSH's Consumer Standards.

The RSH has stated that they expect compliance with all Consumer Standards now and preparation work to now be underway for compliance with forthcoming revised Consumer Standards from the SHWP, which itself is built around tenant involvement and influence, following the Grenfell Tower fire.

Overall, we have concluded that TBC would receive a non-compliant C3 rating on the current Consumer Standards.

Issues of serious regulatory concern exist but we believe that TBC would be capable of addressing them without the need for regulatory intervention or enforcement action.

For each of the Consumer Standards we have set out actions which will be required as the approach to Consumer Regulation is further developed and finalised following the passing of the Social Housing (Regulation) Bill.

3. Risk

There are a number of risks which TBC should be aware of and seek to manage as it develops its approach in relation to the Consumer Standards.

- a) The scope of our work was limited by needing to operate within the overall budget for this assignment. It is possible that, had we carried out further work, we would have identified further examples of non-compliance with the Consumer Standards.
- b) The action plan developed from the self-assessments represents a very substantial amount of work and it is not clear at this stage that TBC has the resources to deliver the required actions within a reasonable timeframe. Even if resources are available, there is a risk that competing priorities mean that actions are not delivered as planned.

- c) It is likely that the RSH's new approach to Consumer Regulation will be implemented within one or two years' time. At that stage TBC could be the subject of inspection at very short notice.
- d) Should TBC be assessed as non-compliant with the Consumer Standards, TBC would receive a non-compliant Regulatory Notice from the RSH.
- e) The organisation may also be "named and shamed" in line with the recent practice of the Secretary of State for Levelling Up, Housing and Communities tweeting about non-compliant Regulatory Notices and Serious Detriment findings published by the RSH and the Housing Ombudsman respectively.
- f) It should be noted that in many cases the publication of a non-compliant assessment by the RSH has serious consequences for the provider's senior officers. RSH has the power to remove officers.
- g) Non-compliance with Housing Ombudsman requirements on complaints, additionally carries the threat of being removed from the Housing Ombudsman's register of housing providers.

4. Developments in Consumer Regulation

Social Housing Green Paper

It is now over five years since the tragic fire at Grenfell Tower on 14 June 2017 when 72 people lost their lives. In response to the events of that night, in August 2018 the Government published a Green Paper *A new deal for social housing* which set out five core themes:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator and
- Ensuring homes are safe and decent.

Social Housing White Paper

In November 2020, the then Ministry of Housing, Communities & Local Government published the SHWP which set out what every social housing resident should be able to expect from their landlord:

1. **To be safe at home.** We will work with industry and landlords to ensure every home is safe and secure
2. **To know how your landlord is performing,** including on repairs, complaints and safety and how it spends its money, so you can hold it account

3. **To have your complaints dealt with promptly and fairly**, with access to a strong Ombudsman who will give you swift and fair redress when needed
4. **To be treated with respect**, backed by a strong consumer regulator and improved consumer standards for tenants
5. **To have your voice heard by your landlord**, for example through regular meetings, scrutiny panels or being on its Board. The Government will provide help, if you want it, to give you the tools to ensure your landlord listens
6. **To have a good quality home and neighbourhood to live in**, with your landlord keeping your home in good repair
7. **To be supported to take your first step to ownership**, so it is a ladder to other opportunities, should your circumstances allow

Towards a revised approach to Consumer Regulation

The RSH has subsequently taken steps towards a revised approach to Consumer Regulation, as well as making clear its expectations that landlords should not wait for the new regulatory regime to be established before starting to deliver on the commitments made by the Government in the SHWP.

In November 2021 the RSH published *Reshaping consumer regulation: our principles and approach* setting out its preliminary ideas which will be further developed in response to feedback from stakeholders, including tenants and landlords, initially focusing on four key areas:

1. Principles and outcomes
2. New consumer standards
3. Its consumer regulation approach and
4. Tenant satisfaction measures (TSMs).

The document identified six themes which the RSH thinks its Consumer Standards should cover:

1. **Safety**: Landlords' safety responsibilities, including safety within the home and in communal areas
2. **Quality**: Quality of the home, communal spaces and services to tenants
3. **Neighbourhood**: Landlords' role, working with other agencies, to contribute to the wellbeing of neighbourhoods in which tenants live
4. **Transparency**: Landlords' role in making information accessible to tenants including roles and responsibilities within landlords, so tenants know who is responsible for matters relating to consumer standards
5. **Engagement and accountability**: Engagement between landlords and tenants, including how complaints are handled. Landlords' accountability to tenants and treating tenants with fairness and respect and
6. **Tenancy**: Requirements on landlords in respect of tenancies, including allocations policies and opportunities for tenants to move.

The document confirmed that the RSH is considering how it might use several tools in its approach to Consumer Regulation:

- **Consumer inspections** – either as part of a planned programme of gathering assurance or where the RSH is responding to information that Standards are not being met
- **Reactive engagement** – responsive follow up on information that indicates a potential breach of the Standards (similar to how the RSH currently operates Consumer Regulation)
- **Desktop reviews** – reviewing information about landlords' performance from the TSMs and a range of other sources and
- **Data returns** – the RSH already collects a wide range of information from Private Registered Providers as part of its economic regulation and is considering the data that it might need for its Consumer Regulation to focus its engagement with providers (see also, TSMs below).

Tenant Satisfaction Measures (TSMs)

In December 2021 the RSH launched a consultation on the introduction of TSMs.

The RSH is proposing to introduce a new consumer standard which would include a requirement for registered providers to collect, publish and submit information about their performance against the TSMs.

The RSH is proposing 22 TSMs covering six themes as set out in the table below. RSH has said it intends to finalise the TSMs in the Autumn 2022, for *collection from April 2023 and publication of 2023-4 results from April 2024*.

The proposed TSMs, under 6 themes, are a mix of 12 tenant perception measures and 10 measures which would be collected through providers' management information, as follows:

1 Overall Satisfaction

- Overall satisfaction

2 Keeping Properties in Good Repair

- Homes that do not meet the Decent Homes Standard
- Repairs completed within target timescale
- Satisfaction with repairs
- Satisfaction with time taken to complete most recent repair

3 Maintaining Building Safety

- Gas safety checks
- Fire safety checks
- Asbestos safety checks
- Water safety checks
- Lift safety checks

- Satisfaction that the home is well maintained and safe to live in

4 Effective Handling of Complaints

- Complaints relative to the size of the landlord
- Complaints responded to within Complaint Handling Code
- Satisfaction with the landlord's approach to handling of complaints
- Tenant knowledge of how to make a complaint

5 Respectful and Helpful Engagement

- Satisfaction that the landlord listens to tenant views and acts upon them
- Satisfaction that the landlord keeps tenants informed about things that matter to them
- Agreement that the landlord treats tenants fairly and with respect

6 Responsible Neighbourhood Management

- Anti-social behaviour cases relative to the size of the landlord
- Satisfaction that the landlord keeps communal areas clean, safe and well maintained
- Satisfaction that the landlord makes a positive contribution to neighbourhoods
- Satisfaction with the landlord's approach to handling of anti-social behaviour

The RSH also published draft detailed requirements in *Tenant Satisfaction Measures: Technical Requirements* and *Tenant Satisfaction Measures: Tenant Survey Requirements*. In order to comply with the TSM Standard, providers would need to comply with those detailed requirements.

Social Housing (Regulation) Bill

In June 2022 the Social Housing Regulation Bill was introduced to Parliament. Key elements of the Bill are that:

1. The RSH will set up an Advisory Panel consisting of representatives of registered providers, secured creditors of registered providers, social housing tenants, local housing authorities, the Greater London Authority, Homes England, the Secretary of State for Levelling Up, Housing and Communities and other people as the RSH thinks fit to appoint
2. The RSH will conduct inspections for which it will have to give just 48 hours' notice to landlords
3. The RSH will have the powers to issue landlords with "performance improvement plan notices" if they fail to meet Consumer Standards (landlords will have to prepare an action plan and share it with the Regulator)
4. The RSH will have the power to carry out emergency works on properties which the landlord will be required to pay for
5. Standards relating to the safety of electrical installations will be extended to the social housing sector

6. Every provider will have to appoint a health and safety lead to monitor compliance, assess the risk of non-compliance and notify the RSH of any risks and failure to comply
7. Housing associations will be subject to an information-sharing process similar to the Freedom of Information Act 2000. Social landlords will have to provide tenants with information about their accommodation, facilities, safety and all services and will have to publish information about executive salaries and management costs
8. The serious detriment test will be removed, paving the way for a more proactive approach to Consumer Regulation
9. The RSH will be able to ask social landlords to collect and publish information relating to their compliance performance and
10. The Housing Ombudsman will have the power to issue a complaints code of practice and to order a member landlord to review its policies on specific issues.

The Bill is currently at the Committee stage in the House of Lords.

5. Methodology, our advice and approach to future inspection

In conducting our work, we considered compliance with the existing Consumer Standards, as well as work which will be required as the future approach to Consumer Regulation is confirmed.

As noted above, the scope of our work was limited by needing to work within the overall budget for the assignment. Our work on the Economic Standards was also based only on a high-level review of compliance.

The work undertaken by YDC consisted of an initial desktop document review and meetings with TBC councillors, senior management, officers and involved tenants.

In our approach to assessment, we interviewed managers and triangulated the information we gleaned from those interviews with front line staff, and/or residents (from TCG), and/or desktop review (including performance, satisfaction and outcomes data).

In most cases we took staff or documents at their word and had no reason not to. It is our advice that a more linked-up set of documents, with evidenced outcomes, accompanied by more staff and resident awareness will be required for the full and more detailed Regulatory Inspection.

We shared an initial draft of our assessments with officers and where appropriate we have reflected feedback in the revised assessments at Appendices 1 to 5, following further interviews.

It is our advice that staff need further support on preparation for inspection, in identifying and preparing relevant documents and in their approach to focusses interviews linked to the content of the standard being discussed. We would be happy to provide further support to TBC on these points.

6. Findings: Compliance Assessment – Consumer Standards

a) Home Standard (Appendix 1)

On the Home Standard, we have assessed compliance with the various aspects of the Standard as Compliant or Partially Compliant, with no aspects assessed as Non-Compliant.

Whilst the balance of assessment is slightly more towards Partially Compliant than Compliant, overall, we would grade compliance with the Home Standard as **C2 (The provider meets our Consumer Standard requirements but needs to improve some aspects of its Consumer Standard arrangements to support continued compliance)**.

The most urgent pieces of work to ensure compliance with the Home Standard is to develop a plan for completion of insulation works to comply with the current Decent Home Standard and to refresh the Asset Management Strategy. In the slightly longer term, TBC needs to prepare for the introduction of Tenant Satisfaction Measures relevant to the current Home Standard by the RSH and to quantify the costs of compliance on likely carbon zero targets in housing.

b) Tenancy Standard (Appendix 2)

On the Tenancy Standard, we have assessed compliance with the various aspects of the Standard as Compliant or Partially Compliant, with no aspects assessed as Non-Compliant.

As we have assessed only one aspect of the Standard as Partially Compliant rather than Compliant, overall, we would grade compliance with the Tenancy Standard as **C1 (The provider meets our Consumer Standard requirements)**.

c) Neighbourhood and Community Standard (Appendix 3)

On the Neighbourhood and Community Standard, we have generally assessed compliance with the various aspects of the Standard as Compliant or Partially Compliant, with one aspect assessed as Non-Compliant.

Whilst the balance of assessment is slightly more towards Partially Compliant than Compliant, and despite one aspect of the Standard being assessed as Non-

Compliant, overall, we would grade compliance with the Neighbourhood and Community Standard as **C2 (The provider meets our Consumer Standard requirements but needs to improve some aspects of its Consumer Standard arrangements to support continued compliance).**

The most urgent work to ensure continued compliance with the Neighbourhood and Community Standard is to address the Non-Compliant assessment on the requirement that “Registered providers shall consult with tenants in developing a published policy for maintaining and improving the neighbourhoods associated with their homes”. TBC also needs to agree a service standard for ground maintenance and Housing Maintenance Operatives.

TBC also needs to prepare for the introduction of Tenant Satisfaction Measures relevant to the current Neighbourhood and Community Standard by the RSH.

d) Tenant Involvement and Empowerment Standard (Appendix 4)

On the Tenant Involvement and Empowerment Standard, we have assessed compliance with the various aspects of the Standard as Compliant, Partially Compliant or Non-Compliant.

As we have assessed TBC as Non-Compliant with approximately half of the requirements of the Standard, overall we would grade compliance with the Tenant Involvement and Empowerment Standard as **C3 (The provider does not meet our Consumer Standard requirements. There are issues of serious regulatory concern and in agreement with us the provider is working to improve its position).**

The most urgent work to return to compliance with the Tenant Involvement and Empowerment Standard is to refresh the involvement strategy to pick up the missing elements of the Regulatory Standards; to clarify the role of local offers and service standards; expand engagement to more residents and a wider demographic of residents, including through developing digital engagement; engage residents earlier in policy development; refresh the complaints policy, especially on the definition of complaints and to meet the Housing Ombudsman’s 2022 Complaint Handling Code; complete a new STAR survey and develop work on resident insight, and finally, to develop an action plan within landlord services for promotion of TBC’s aims on equality, diversity and inclusion.

TBC also needs to prepare for the introduction of Tenant Satisfaction Measures relevant to the current Tenant Involvement and Empowerment Standard by the RSH.

7. Compliance Assessment – Rent Standard (Appendix 5)

Attached at **Appendix Five** is work conducted on the Rent Standard. We concluded that “Based on the limited scope of work conducted and the findings set out above

there is nothing to suggest that TBC would not be assessed by the RSH as compliant with the Rent Standard. From a governance perspective, TBC should update its rent setting policy document” on each occasion when the methodology to collect rents is changed by the RSH.

8. Other Economic Standards

As noted above the Governance and Financial Viability Standard is not applicable to TBC and in many aspects, it would be difficult for TBC to demonstrate compliance with the Standard as it is an organisation-wide Standard, rather than one which relates solely to landlord services.

However, from a governance perspective, missing reporting assurance on compliance and performance needs to be considered by the Council, the Corporate Leadership Team and the new Homelessness and Social Housing Sub Committee. Whilst a short report goes to residents in the annual report to tenants, there are gaps in assurance reporting to responsible officers, the Corporate Management Team and Council Members.

The Cabinet and CEO were positive their current review of Performance Management Systems can be updated to incorporate reporting recommended in this report on performance, assurance and satisfaction.

The Leader of the Council is a Council tenant, with extensive experience in his role. The Leader, Cabinet and CEO are all committed to join up Council services.

It will be crucial for this joined up approach to work together to deliver the action plan from this report and appendices, given that actions are spread across Departments and Committees.

The Council has a strong focus on digital services and sees this as an opportunity for cost savings. Digital services on resident engagement, for which there are many tools available are not present yet or planned at TBC. Such a move would assist in hearing from the wider resident voice on landlord services.

The Council are broadly aware of the changes planned in the SHWP on decarbonisation and safety, which will be included in a new Decent Homes Standard, funding for this is yet to be determined.

The Council will need to resolve the Complaints Policy conflict between the Housing Ombudsman and Local Government Ombudsman approaches and if unable to do so, may need to have a separate Landlord Services Complaints Policy.

In terms of the Value for Money Standard, the 2020/21 annual report to tenants does set out ways in which value for money is achieved, however it does not enable tenants and other stakeholders to assess whether value for money is actually being

achieved. As TBC develops its performance reporting arrangements, consideration might be given to including the RSH's expectations around reporting value for money, where appropriate.

9. Next steps

An action plan (**Appendix Six**) has been developed from the self-assessment. Actions are graded Red, Amber and Green to reflect their relative significance and are categorised as:

- Corrective actions on compliance (urgent)
- Other suggestions for improvement (advisory), and
- SHWP related actions (to be planned)

The next steps in developing the action plan are to identify leads, resources, milestones and delivery deadlines for each task.

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5th September 2022

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