

Committee: Overview & Scrutiny	Date: 4 th March 2014	Classification: Unrestricted	Report No:
Report of: Cllr Sirajul Islam, Chair of Working Group		Title: Housing Co-regulation – report of the Scrutiny Working Group. Progress Report	
Originating Officer(s): Shibbir Ahmed Strategy, Policy and Performance Officer		Ward(s) affected: All	

1. **SUMMARY**

- 1.1 This report follows up from the scrutiny review on housing co-regulation which was considered and noted by Cabinet in September 2013, the action plan to which was agreed. This report reviews the progress against the action plan.

2. **RECOMMENDATIONS**

The Overview and Scrutiny Committee is recommended to:

1. Note the report findings; and
2. Consider whether further scrutiny into housing co-regulation is required at this time, and should therefore form part of the work programme.

3. **BACKGROUND**

- 3.1 The housing co-regulation scrutiny report went to Cabinet in September 2013. The objective of the review was to:

- Understand how registered providers (RPs) are held to account and performance managed;
- Assess how well developed arrangements for co-regulation and new tenant scrutiny arrangements are in the borough; and
- Explore the requirement in Localism Act for a local 'democratic filter' to resolve tenant complaints and options for implementing this for council

managed housing stock as well as stock managed by registered providers in the borough.

3.3 Its key findings were:

- § Co-regulation arrangements had been adopted by all the RP's that we spoke to or received submissions from.
- § The level of implementation was varied - some excellent practice was highlighted but also some areas of particular concern which need further work.
- § It was evident that if co-regulation and tenant scrutiny was adopted fully (both in practice and in spirit) it could provide a real asset to housing providers in terms of inbuilt checks and balances and enable greater accountability for tenants.
- § Co-regulation has the potential to build knowledge and capacity of both tenants and organisations which can in turn lead to real improvements that are clearly recognised by tenants. However this requires a significant level of investment of time and resources.
- § The main gap and potential weakness of the co-regulation framework is that it is voluntary and not underpinned by the statutory regulations that were in place before, which means holding RPs to account on implementing co-regulation can prove to be very challenging.
- § Most of the RPs the review group spoke to were positive about the real opportunities that are available through the new co-regulation process such as improved joint-working between landlords, peer reviews, shared mystery shopping and area based scrutiny across several landlords.
- § Joint working can help pool resources and provide much better value for money on initiatives that could see real choice and influence for residents.
- § There appeared to be a genuine desire and appetite amongst the RP's that scrutiny spoke to for developing a sectorled and local partnership approach to performance management which involves tenants, housing officers and councillors, to work together to improve services and empower residents in the borough.
- § There are opportunities for landlords to focus resources on services and outputs that residents want and design more meaningful quality assurance methods with tenants.
- § There is also the possibility of incorporating self-assessment methodologies – such as that endorsed through “house mark” and more business to business opportunity learning rather than one a size fits all approach to meeting standards.

- § The Council wants, and is expected by residents, to play a role in ensuring that RPs manage to the highest possible standard in Tower Hamlets. However this expectation may need to be carefully managed as the local authority does not actually have any formal powers and its influence on RP's is limited and varies amongst the various providers.
 - § There is a need for local monitoring of management performance and to drive up standards.
 - § Improvements need to be tenant focused and RP / housing sector led rather than imposed from outside.
- 3.5 The report made 7 recommendations which were agreed by OSC. The body of this report outlines the progress against these recommendations.

4. BODY OF REPORT

- 4.1 **Recommendation 1:**
LBTH should publish annually a summary of resident engagement and scrutiny work within each RP and Tower Hamlets Homes.
- 4.2 Comment from service:
This responsibility was given to the Borough wide Resident Scrutiny Group. In recent months the Group have been concentrating on developing their capacity with a THHF funded mentor and once this work has been completed they will be asked to take this work forward.
- 4.4 Scrutiny Comment
We believe that this scrutiny review has been helpful in taking the first steps towards bringing information about the resident involvement and scrutiny together in one place, but recognise that further work could enable residents of different RPs to compare their own landlord's offer with those of its competitors. It would also be helpful for data on complaints to be centrally compiled and made available to the public. While capacity-building work is being undertaken, specific support to enable the timely production of this summary should be provided.
- 4.5 **Recommendation 2:**
LBTH should publish a report annually detailing the number of complaints recorded by each Registered Provider, the number/percentage resolved at each stage of the organisation's internal complaints process.
- 4.6 Comment from service:

This information is not currently routinely collected from RPs. The possibility of publishing this from the end of the 2013/14 financial year has been considered and at present Officers have concentrated on collecting PIs for Members Enquiries and complaints response performance against targets in the THHF agreed Performance Management Framework. The 2013/14 figures will be available in June 2014.

4.11 Scrutiny Comment

It is important that adequate resources are put in place for performance information to be routinely collected from a central place in order to provide clear, up-to-date and independent benchmarking information on the performance of local RPs to residents and Members. This includes complaints and their resolution by RP, as recommended by the review group.

4.12 Recommendation 3:

LBTH should build on the work undertaken in 2010 and 2011 to develop a standard “local offer” to tenants in the borough to embed a Local Quality Assured Scrutiny Framework of Standards agreed by all “partner” RPs.

4.13 Comment from service:

Extensive work has been carried out on local offers and it was eventually decided that each RP should monitor their own as their particular themes are chosen by their own residents. Common themes of Repairs, ASB and VFM run across most local offers. This has been revisited as part of the 2013/14 work programme with RPs and the Borough wide Resident Scrutiny Group but there is no appetite to develop standard local offers amongst RPs or their tenant representatives at present. We will, however, be discussing the local offers RPs have individually implemented as part of the review process within the Performance Management Framework.

4.16 Scrutiny Comment:

The scrutiny review made it clear that one of the ways of improving standards and driving up performance is to take into consideration the local charter on standards developed by the LBTH Tenants Federation. It is a charter of basic principles which Tower Hamlets Tenants and Residents have called on all Registered Providers of Social Housing to adopt, and should be incorporated in RPs' offers.

4.17 Recommendation 4:

LBTH should be more pro-active in seeking to empower resident Board members and scrutiny panel members of local RPs to robustly hold those organisations to account, for example through independently-led seminars and good practice sessions.

4.18 Comment from the service:

Independently led seminars can be provided by a number of agencies and housing training providers as well as by housing 'trade bodies'. THHF has funded an independent consultant to work with the Resident Scrutiny Panel who is being supported by the Council to develop the work of the group. This work will be completed in April 2014 at which point the group will develop its work plan for 2014/15.

4.19 Scrutiny Comment:

Although there is no statutory obligation or expectations from RP's to receive support from local authorities, we felt it was nonetheless important for Tower Hamlets Council to take a more proactive and supportive approach in developing the governance and scrutiny process for local tenants.

4.20 **Recommendation 5:**

LBTH should be more pro-active in working with RP's in seeking to provide adequate training, information and support for tenants, staff and the governing body in order to make tenant scrutiny as effective as possible.

4.21 Comment from service:

Independently led seminars can be provided by a number of agencies and housing training providers as well as by housing 'trade bodies'. The feasibility of further support by the council will be investigated within available resources. As set out above, THHF has funded an independent consultant to work with the Resident Scrutiny Panel who is being supported by the Council to develop the work of the group. Officers from RPs who support tenants on the panel have also been involved in this process.

4.24 Scrutiny Comment:

The feasibility of offering further support to RP's by the council should be fully investigated within available resources as this key to developing the governance and scrutiny process for local tenants. The scrutiny review panel are keen for TPAS to be invited by RP's to take part in their annual accreditation of resident scrutiny.

4.25 **Recommendation 6:**

The preferred option for dispute resolution advocated by the review group is to have an independent complaint panel to review the complaint with the tenant in attendance.

4.26 Comment from service:

The Council has worked closely with THHF to consider the options for dispute resolution and an independent complaints panel has been given consideration. At present work is on-going to support creation of an independent tenants' complaints panel for the Council's housing, which could be shared with registered providers. Other Providers, notably Poplar Harca have set up a tenant panel and are also sharing their experience and expertise with other providers through THHF.

4.30 Scrutiny Comment:

Having considered the various dispute resolution options and mechanisms available through the co-regulation framework, the review group felt that the most appropriate option was to have an independent tenant led complaint panel that required limited involvement of local elected councillors and one that is supported and resourced by RP's working in partnership.

We are encouraged to learn that work is on-going to support creation of an independent tenants' complaints panel for the Council's housing, which could be shared with registered providers. We believe this should be in place, and RPs encouraged to make use of it, as soon as possible.

4.31 Recommendation 7:

LBTH should encourage THHF to establish a cross-RP Tenant Panel to consider complaints from residents of member organisations.

4.32 Comment from service:

As the experience and expertise of individual partners develops in relation to Tenants Panels, the Council will consider through THHF the feasibility of taking forward a cross RP Tenant Panel.

4.35 Scrutiny Comment:

We recognise the challenges and resource constraints of THHF and understand the development journey of RPs. We hope that serious considerations are given to fully exploring the formation of a cross RP Tenant Panel.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

5.1 This report reviews the progress against the action plan that was agreed by Cabinet in September 2013.

5.2 There are no specific financial implications emanating from this report, but in the event that the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial

approval before further financial commitments are made - in conjunction with Tower Hamlets Homes and other Registered Social Landlord (RSL) partners.

6. LEGAL COMMENTS

- 6.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Executive to provide a response.
- 6.2 The Tower Hamlets Community Plan contains the Council's sustainable community strategy within the meaning of section 4 of the Local Government Act 2000. The Partnership seeks to tackle inequality and promote inclusion under the theme of One Tower Hamlets. It also makes affordable housing and housing quality priorities under the theme of A Great Place to Live. A number of the recommendations arising from the review are for the Council to work with its registered provider partners to promote management standards and co-regulation. Provided that the limits of the Council's powers are respected, the recommendations are capable of being carried out within the Council's statutory functions.
- 6.3 Section 51 and Schedule 2 of the Housing Act 1996 prescribe a framework for the handling of housing complaints from the social rented sector. Amendments made by the Localism Act 2011 took effect from 1 April 2013, shifting responsibility for local authority housing complaints to the Housing Ombudsman (registered provider complaints had already been going to the Housing Ombudsman).
- 6.4 Tenants and other individuals may have complaints against social landlords investigated by a housing ombudsman pursuant to a scheme approved by the Secretary of State. Under an approved housing complaints scheme, it is the duty of the relevant housing ombudsman to investigate any complaint duly made and not withdrawn. The housing ombudsman must determine a complaint by reference to what the ombudsman considers fair in all the circumstances of the case.
- 6.5 A complaint against a social landlord will not generally be "duly made" to a housing ombudsman under an approved scheme unless it is referred on to the ombudsman in writing by a designated person. This requirement has been referred to as the "democratic filter". A designated person who can refer a housing complaint to the housing ombudsman is –

- a member of the House of Commons,
- a member of the local housing authority for the area, or
- a designated tenant panel.

6.6 A designated tenant panel is a group of tenants which is recognized by a social landlord for the purpose of referring complaints against the social landlord. The social landlord is required to keep its housing ombudsman informed of any tenant panels which it recognizes. The Council may work to support the establishment of one or more tenant panels to deal with complaints against the Council as landlord.

6.7 When considering its response to the recommendations of the Overview and Scrutiny Committee, the Executive must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't.

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 Co-regulatory principles and localism underpin the regulatory approach with tenants at the heart of the decision making processes.

7.2 The new frameworks seeks to capture the need to be as inclusive as possible by providing the opportunity for all tenants to play a role in ensuring that RPs manage to the highest possible standard in Tower Hamlets.

7.3 More than a quarter of all affordable housing stock in the borough is managed by Registered Providers (RPs) hence they are absolutely key to the successful implementation of the Council's housing strategy.

7.4 This report aims to highlight the close partnership that is needed between the Council and RP's and puts forward a set of recommendations to ensure the success of the co-regulatory approach; the protection of consumer standards; and the drive for continuous service improvement.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no direct environmental implications arising from the report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 There are no direct risk management implications arising from the report. Risks relating to the recommendations will be monitored through the council's corporate risk register and directorate risk registers. Risks are assessed for

likelihood and impact, and will have responsible owners and programmes mitigating actions.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no direct implications of crime and disorder as a result of the recommendations of this review.

11. EFFICIENCY STATEMENT

11.1 There are no direct efficiency implications arising from this report or its recommendations.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
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None	
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12. APPENDICES

Appendix 1 – Scrutiny Review and Action Plan
