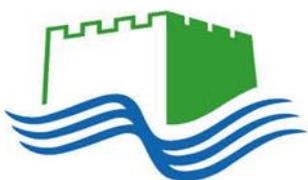


<p align="center"><b>Housing &amp; Regeneration Scrutiny Sub-Committee</b></p> <p align="center">16<sup>th</sup> February 2023</p>	
<p><b>Report of:</b> Karen Swift, Director of Housing and Regeneration</p>	<p><b>Classification:</b> Unrestricted</p>
<p align="center"><b>Future of Housing Management Services – consultation</b></p>	

<p><b>Lead Member</b></p>	<p><b>Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding</b></p>
<p><b>Originating Officer(s)</b></p>	<p>Nicola Klinger, Programme Lead – Housing Management Strategic Review</p>
<p><b>Wards affected</b></p>	<p>All wards</p>

## Executive Summary

Between 24 October and 18 December 2022, the Council ran an 8-week consultation on the future of services for people living in council homes. Residents supported the Council’s proposals to bring services back in-house, with 86% of tenants and leaseholders participating in the survey supporting this.

The Council will continue to engage with residents and stakeholders to shape and improve housing management services and work is being undertaken to consider a resident engagement strategy and governance arrangements, should services be brought back in-house.

### Recommendations:

The Housing & Regeneration Scrutiny Sub-Committee is recommended to:

1. Note the results of the consultation on the future of services for people living in council homes.
2. Discuss and provide input to work in the following areas:
  - Resident engagement
  - Governance arrangements
  - Shaping and improving services

## 1 REASONS FOR THE DECISIONS

- 1.1 The Housing & Regeneration Scrutiny Sub-Committee is an important stakeholder in the programme to review the future of housing management

services for Council tenants and leaseholders. Officers are committed to engage with the Committee at key stages in the programme and present a report on the outcome of the consultation with tenants, leaseholders and stakeholders on the future of services for people living in Council homes.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The Committee could decide not to engage with the programme to review the future of housing management services to review the future of housing management services for Council tenants and leaseholders.

## **3 DETAILS OF THE REPORT**

### **3.1 Background**

- 3.1.1 The Council has a Management Agreement with its Arms-Length Management Organisation (ALMO), Tower Hamlets Homes (THH), to provide housing management and maintenance services to its 22,000 council homes.
- 3.1.2 The current management agreement expires in March 2024 (with the option of a four-year extension).
- 3.1.3 In May 2022, to prepare for a decision on whether to extend the management agreement or provide services in a different way, the Council reviewed the options for providing housing management services. The review concluded that the preferred approach would be to bring services back in-house, with the other option to extend the management agreement for an additional 4 years.
- 3.1.4 In the autumn of 2022 (24 October to 18 December), the Council ran a consultation with residents on the future of services for people living in council homes. The Housing & Regeneration Scrutiny Sub-Committee ran a challenge session with officers on the consultation, with the Committee inputting into the methodological design and information materials for the consultation. The Committee asked that officers return to a committee meeting with a report on the outcome of the consultation once the consultation concluded and will continue to input into the programme across its lifecycle.
- 3.1.5 A decision on the future of housing management services will be taken in Cabinet on 22 February 2023.

### **3.2 Consultation methodology and results**

- 3.2.1 The consultation on the future of housing management services ran for 8-weeks between 24 October and 18 December 2022. It aimed to test the opinion of stakeholders (predominately council tenants, leaseholders, and freeholders) on two options:

- To bring housing management services back in-house under the direct control of the Council
- To extend the Council's management agreement with THH

3.2.2 A mixed method approach was used which included collecting stakeholders' views and feedback via a survey, drop-in events, a dedicated email address, information webinars and a focus group with THH's Board. The consultation was extensive, exceeding previous consultations on establishing the ALMO or extending the management agreement.

3.2.3 All tenants and leaseholders were posted an information pack, survey with unique reference code and calendar of events. A dedicated email address was established and the survey and information – including in Easy Read and translated versions – were available online, at Idea Stores, at drop-ins and via mail (on request). The consultation was publicised across all Council and THH communications channels (including newsletters, social media, and websites). A reminder letter was sent to all residents and posters were placed on estates.

#### 3.2.4 Survey responses

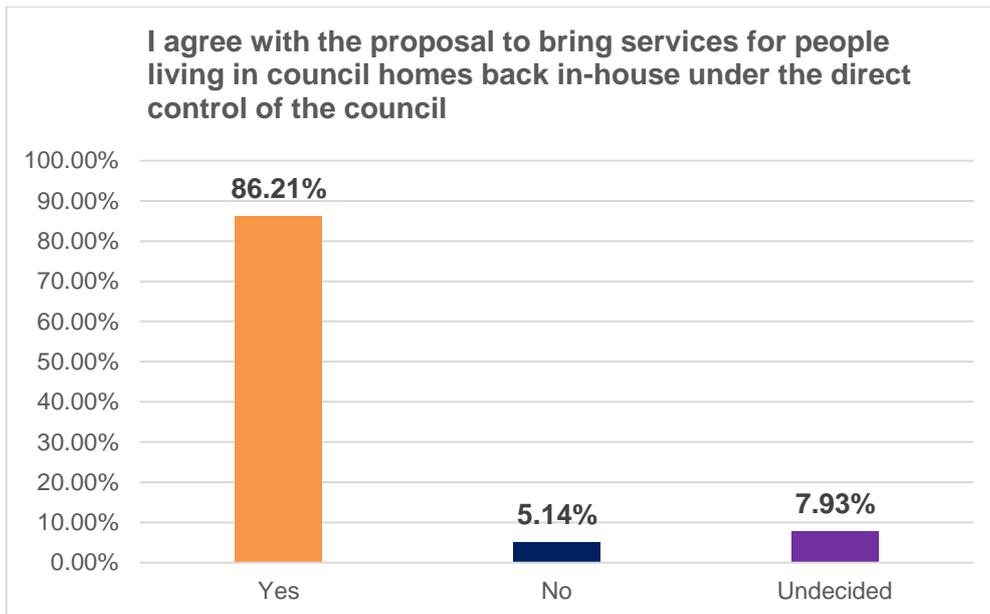
3.2.4.1 3,190 people participated in the survey<sup>1</sup>. This represents 12% of tenants and leaseholders.

3.2.4.2 86.21% of participants (2,750 participants) agreed that housing management services should be brought back in-house under direct control of the council, with 5.91% of participants (161 participants) disagreeing with this option and 7.93% undecided (253 participants).

### **Figure 1 - Responses to “I agree with the proposal to bring services for people living in council homes back in-house under the direct control of the council”**

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<sup>1</sup> An additional 183 responses were received however these were discounted due to use of an invalid or duplicated unique reference code.



3.2.4.3 Though more tenants participated in the survey than leaseholders (64% of participants were tenants while 31% of participants were leaseholders), tenants and leaseholders' opinions were similar, with 89.42% of tenants and 85.97% of leaseholders agreeing that services should be brought back in-house.

3.2.4.4 92% of residents found the information provided to them useful and easy to understand, while 96% understood that their rent, service charge and tenancy or lease agreement will not be affected due to the proposals.

3.2.4.5 There was representation across all protected characteristics in terms of survey participation and responses from all groups followed the general response trend when asked about the proposal to bring services back in-house. A full analysis of survey responses is set out in Appendix 1.

### 3.2.5 Response rate

3.2.5.1 A 12% response rate is consistent with the average response rate for other local authorities who have recently consulted on bringing their ALMO back in-house (e.g., London Borough of Haringey and Manchester City Council).

3.2.5.2 The response rate meets research and statistical principles required to assure the Council that the survey results are reasonably valid and reliable, and that the sample of 3,190 participants are representative of all tenants and leaseholders.

3.2.5.3 This is calculated by determining the following:

**Table 1 – Population size, confidence interval and confidence level**

Population size	26,796	Total no. of tenants, leaseholders and freeholders able to complete the survey
Confidence interval	3	The margin of error used to establish the range of values that a result would fall within if the population was sampled again. The standard value for this is 3. In this case, a confidence interval of 3 would predict that 83-89% (86% plus or minus 3) of participants would support the proposals to bring services back in house if the survey was repeated.
Confidence level	95%	The probability that the set of values (as established by the confidence interval) is also true for the population. 95% is a standard rate for survey data.

3.2.5.4 The sample size of survey participants required to ensure that confidence can be gained from any response to a question is 1,026 participants.

3.2.5.5 Therefore, it can be concluded the sample size of 3,190 was considerably higher than what is required according to research and statistical principles to be sure that if the survey was repeated the same results would be replicated, with between 83% and 89% of participants supporting proposals to bring services back in-house.

3.2.5.6 Further, the confidence interval for a sample of 3,190 (population size 26,750 and confidence level 95%) is 1, meaning that the Council can be reasonably sure that, should the same survey be conducted with tenants and leaseholders, between 85% and 87% would support the proposal to bring services back in-house under the direct control of the Council.

### 3.2.6 Qualitative responses

3.2.6.1 Over 150 people provided qualitative feedback (via drop-ins, information webinars, emails or written response by completing and returning a postal survey) during the consultation. The majority of respondents agreed with the proposal to bring services back in-house. Residents believe that the Council would provide a better service, clearer communication, and better value for money. Residents suggested improvements to resident engagement, response to complaints (quickly and satisfactorily resolving complaints and issues) and accountability. Improved services (especially relating to repairs and responding to issues) and resident engagement were high priorities for residents.

3.2.6.2 Tenants and Residents Associations (TRAs) were involved in the consultation, providing feedback at drop-in sessions, information webinars and via written responses.

- 3.2.6.3 A focus group was run with the THH Board. The Board will continue to work closely with the Council to ensure residents receive the best services and are not negatively impacted by any transition period.

### 3.3 Resident engagement

#### 3.3.1 Resident engagement and communications plan

- 3.3.1.1 1,444 people completing the survey expressed an interest in being further involved in the future of housing management services.

- 3.3.1.2 As part of the Council's commitment to engaging with its residents, officers are developing a resident engagement and communications plan. Consideration is being given to a tiered approach which allows engagement at the level best suited to the resident. This includes:

- A periodical newsletter to those participants (1,444) who during the consultation expressed an interest in being involved in the future of housing management services.
- An engagement event attended by residents, senior council officers and members to discuss the Council's future plans for services including structures of housing management services, tenants and leaseholders' engagement strategy, service improvement focus areas and new legislation. Other local authorities would be invited to attend to share learning.
- Tenants & Leaseholders Housing Forum meetings held (virtually and in-person) on a regular basis which can be attended by any resident or owner of a council a home, with each meeting focusing on a themed discussion to make recommendations on what steps can be taken to improve services and engagement for residents.

#### 3.3.2 Resident engagement strategy and governance arrangements

- 3.3.2.1 Should a decision be taken to bring services back in-house under the direct control of the Council, a key area of focus will be developing mechanisms to ensure that there are high levels of engagement between residents and the Council, including ensuring that residents can scrutinise services and hold the Council to account.

- 3.3.2.2 Work will be undertaken to:

- Understand how current arrangements between THH and residents can be retained, strengthened, and transferred to the Council.
- Use residents' suggestions and feedback during the consultation and engagement events to strengthen engagement between residents and the Council.
- Provide different ways for residents to engage with the Council at different levels (from receiving a newsletter to participating in governance structures and creating an umbrella organisation for Tenant and Resident Associations).

- Consider examples and case studies from other local authorities and social landlords.
- Strengthen existing and develop new mechanisms through which residents and other stakeholders (e.g., Members and independents) can scrutinise and hold accountable an in-house housing management service.
- Work directly with tenants and leaseholders through the Tenants and Leaseholders Housing Forum, Residents Panel and TRAs to co-produce a new engagement strategy.

3.3.2.3 Areas of further interest generated from feedback gathered during the consultation and initial research on best practice in other local authorities include (but are not excluded to):

- Strategic Housing Board/Committee function with resident, independent and Member representation and ability to make recommendations to Cabinet.
- Strengthening of scrutiny function of Residents' Panel
- Umbrella organisation for Tenants & Residents' Associations
- Scrutiny bodies for specific service areas e.g., building safety.
- Neighbourhood and special interest panels and forums
- Forum/consultative group (c500-1000 people) signed up to be consulted e.g., via surveys and focus groups.
- Practice weeks (where senior officers spend time with frontline services) and estates walkabout

3.3.2.4 The programme team would welcome the views of the Committee on the resident strategy and governance arrangements.

### 3.4 **Shaping a new service**

3.4.1 If a decision is taken to bring services back in-house, a wide range of work to design, transfer and bed-in services will be required. This includes design of organisational structures and service integration projects, establishing resident engagement and governance arrangements, consultation and transfer of staff, novation (or termination) of contracts, transfer of budgets and assets and wind-up of THH as a company.

3.4.2 Proposals for a new service will be produced with stakeholders. This includes residents, Members, Council and THH officers and THH Board Members.

3.4.3 When designing services, there will be focus on:

- Ensuring the council is accountable to residents and the Regulator of Social Housing.
- Identifying and progressing opportunities to improve the customer journey and experience for residents by joining-up services. This

includes integrating services, co-locating services, cross-training frontline staff and developing joint initiatives.

- Identifying opportunities to make savings and generate income to the Housing Revenue Account so that these can be invested into housing management services, improvement of homes and new homes.

### **3.5 Performance and improvement of services**

3.5.1 When designing services, there will be focus on:

#### **3.5.2 Maintenance of performance**

3.5.2.1 Should a decision to be taken to bring services back in-house, significant focus will be given to the maintenance of the performance of services both pre, during and post any transfer period as this is a key risk of any insourcing programme. Housing management service performance will be monitored closely to ensure continuity of services, and a bedding-in period for transferred, integrated and new services/structures will be factored into any new initiatives/improvement plans.

#### **3.5.3 Improvement of services**

3.5.3.1 During the consultation, residents provided rich feedback on the performance of housing management services and provided suggestions for improvement across a wide range of areas. The feedback provided by residents in the consultation and through ongoing engagement will support the targeting of service improvements that are most important to residents.

3.5.3.2 Additionally, with the progression of the Social Housing Regulation Bill through parliament (expected to receive Royal Assent by July 2023), a new framework for the delivery of housing management functions will be introduced. The Bill will empower the Regulator of Social Housing to proactively ensure social landlords are compliant with consumer standards and the Council's housing management function (as a holder of more than 1,000 units of social housing stock) is expected to be assessed once every 4 years with the potential that it could also be the subject of ad-hoc reactive inspections outside of the four-yearly inspection regime.

3.5.3.3 The focus of the Bill is to ensure that social housing tenants' homes are safe but also that local residents are engaged and involved in decision-making and supporting wider neighbourhood development in their areas. The Bill will introduce a new set of Tenant Satisfaction Measures which are designed to provide tenants with greater transparency about their landlord's performance. These will go live on 1 April 2023 and will be published in the summer of 2024.

3.5.3.4 Work is being undertaken to understand how the Council's housing management services (currently within Tower Hamlets Homes) are performing against the new TSMs. Baseline performance against the new

TSMs (alongside resident feedback from the consultation and continuing engagement) will inform plans for the improvement of services. In addition, officers are already working through the current set of consumer standards to provide assurance and evidence of compliance. The Regulator of Social Housing recently published: [Reshaping consumer regulation: our implementation plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114444/reshaping_consumer_regulation_our_implementation_plan.pdf) which sets out how the new regime will work and highlights that some parts of the current Consumer Standards will remain relevant, there will be six themed new Consumer Standards (which may be subject to further change). The new Consumer Standards will cover Safety, Quality, Neighbourhood, Transparency, Engagement and Accountability and Tenancy.

#### **4 EQUALITIES IMPLICATIONS**

- 4.1 An Equalities Impact Checklist was undertaken prior to the consultation commencing and a full Equalities Impact Analysis was completed to ensure that all protected characteristics had an opportunity to respond to the consultation and that the Council mitigated as much as possible any obstacles which may have prevented residents from responding.
- 4.2 Two further Equality Impact Checklists will be completed prior to any decision being taken on the future of housing management services – the first for residents and the second for THH staff who will inevitably have concerns regarding the security of their employment.

#### **5 OTHER STATUTORY IMPLICATIONS**

None.

#### **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 The cost of undertaking the consultation exercise totalled less than £50k and will be contained within existing HRA resources.
- 6.2 A growth bid was approved at Cabinet on 25 January 2023 for the housing management review programme. One-off base budget growth totalling £261k has been approved, £72k in 2022/23 and the remaining £189k for 2023/24 in order to facilitate the programme should a decision be taken to in-source, funded by the HRA.

#### **7 COMMENTS OF LEGAL SERVICES**

- 7.1 Housing Law and the law relating to Best Value required the Council to consult with the relevant stakeholders whilst the decision-making process was at a formative stage. The Council was to then properly consider the results of the consultation prior to making any decision as to the future delivery of the Housing Management Function. This process has been followed and so the Mayor may make an executive decision in the

appropriate forum to move the delivery of the housing management legal function back in house if he so wishes

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- NONE.

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

NONE

### **Officer contact details for documents:**

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