

CWAG/NFA brief for smart clienting project 2021

1. Background

Since the tragic fire at Grenfell Tower in 2017 performance and compliance issues in social housing around fire and building safety, tenant engagement and consumer regulation have been in the spotlight.

The Regulator of Social Housing (RSH) has felt the need to write twice to all stock holding local authorities since then to remind them of their obligations for their tenants' safety under the Regulator of Social Housing's consumer standards. During that time, they have also issued regulatory notices to local authorities in respect of compliance with the Home Standard and specifically on compliance with a range of health and safety requirements.

The current regulatory framework requires there to be "serious detriment" to tenants before the Regulator can take action against Local Authorities or Housing Associations based on a breach of the consumer standards. In response to the Grenfell Tower tragedy the Government has announced it will be introducing a more proactive consumer regulation regime, which is set out in the Social Housing White Paper, published in November 2020 as a Charter for Social Housing Residents.

The proposed proactive regulation of the consumer standards will necessitate the inspection of all registered providers, including local housing authorities on a 4-year cycle. All registered providers, including local authorities, will be required to report on new tenant satisfaction measures which the RSH is developing.

The government is also introducing a requirement for identified and hence accountable named individuals with specific responsibilities. There is already a requirement for a Responsible Person under the Fire Safety Order. The draft Building Safety Bill brings in new duty holders of Accountable Person (in respect of higher risk residential buildings) and Building Safety Manager. The social housing white paper promises legislation "to place an obligation on landlords to identify and publicise a senior named person in their organisation who is responsible for ensuring compliance with their health and safety obligations". In addition, the RSH will be expected to demand that social landlords "identify a 'responsible person' for consumer standards compliance, as part of a wider requirement to provide greater clarity on the roles and responsibilities of senior staff".

Local authority landlords and ALMOs will need to consider their own governance models and performance monitoring frameworks to ensure they meet these requirements whilst best serving tenants and continuing to deliver excellent housing management services.

It is clear from central government as well as the Regulator of Social Housing that it is the local authority that will be ultimately held to account for service failures. However, as in practice it is ALMOs that deliver these services directly to tenants, both councils and ALMOs need to ensure their operating arrangements take into account the new regulatory framework and associated risks.

ALMOs were originally introduced to improve service delivery in council housing by setting up an independent board of a third tenants, a third councillors and third independents to purely focus on managing the housing, engaging tenants, and improving service delivery. They were heavily regulated by the Audit Commission to ensure they met high standards before they could access capital funding for Decent Homes. Working in partnership with their parent councils the evidence from that time shows they achieved that and set standards for others to meet across the housing sector. They are still among the highest performing organisations in the social housing sector and tenants value them.

The NFA and CWAG therefore want to work together to highlight and emphasise that this new regulation is welcomed by our sector and will not be a problem for councils and ALMO where co-operation is key to the long-term nature of their partnership. We will seek to showcase the ways in which this can and is being done across the sector for both other councils and ALMOs to learn from but also to promote RSH understanding of our sector.

A summary of recent separate surveys of NFA and CWAG members is attached at appendix 1 as a starting point for discussions.

Aims

- To set out and publicise a range of good practice and workable options for getting the most out of the council / ALMO partnership, to meet obligations and achieve best outcomes for tenants, within the proposed regulatory framework for the sector.
- To explore current clienting set ups within the council / ALMO sector and consider the clienting implications arising from regulatory compliance requirements.
- To identify and explore clienting issues and challenges and work together to highlight and agree workable solutions for the whole sector, the Regulator of Social Housing and government.
- To publicise findings and good practice to Councils with ALMOs, ALMOs, the Regulator of Social Housing, and other stakeholders with an interest in the clienting relationship.

The project outline

To set out the new regulatory framework in which ALMOs and their parent local authorities are working in.

To highlight the existing good practice that members have developed which would fit with the new regime with the aim of providing a suite of options for different local contexts.

To identify any obstacles which would need a change of policy or implementation from government or the Regulator of Social Housing to ensure that both the ALMO model

is still an effective way to provide excellent housing management services to tenants and that tenants and councils can be assured that their ALMO is being properly monitored and managed.

The methodology

Much of this work will be done through discussions with both NFA and CWAG members. To aid this the NFA and CWAG have set up a project steering group of ALMOs and Councils who sit on each of our respective Executive Steering Groups:

Nottingham City Council and Nottingham City Homes
LB Lewisham & Lewisham Homes
South Tyneside Council and South Tyneside Homes
Newcastle Council and Your Homes Newcastle

The NFA have also set up an ALMO advisory group of volunteer ALMOs to help contribute to the project and provide case studies:

Berneslai Homes
Blackpool Coastal Housing
Colchester Borough Homes
Derby Homes
Homes for Haringey
Stockport Homes
Tower Hamlets Homes

CWAG are also setting up a similar advisory group of councils.

We will utilise the survey results from both the NFA and CWAG and also undertake a desk-based review of existing good practice and policy documents.

It will also involve discussions with the Regulator of Social Housing to relay how councils' work and the particular operational pressures and practicalities that the RSH will need to take into account when setting out new arrangements in the areas of regulation that have not yet been finalised.

In addition, the draft report will be circulated to organisations listed below, along with any specific points of response, likely to be around the interface with new regulatory arrangements.

- Housing Ombudsman
- Local Government Association
- MHCLG
- Building Safety Regulator
- TPAS and other national tenant bodies
- Fire authorities

It will start off with a meeting of ALMO officers on the 4th February discussing issues and good practice examples, as well as a meeting of CWAG officers, followed by a

meeting of the joint steering group on 11th February. It could include further telephone conversations or meetings. It will include collecting and editing case studies and reviewing examples for best practice, possibly with external experts if available.

Key outcomes

- A guide on clienting practice report for all members and other stakeholders
- A list of lobbying asks of government/ALMOs/Councils and other partners

Timetable

February	ALMO and CWAG members meet separately
11 th February	NFA/CWAG joint project steering group meeting
March/July	RSH consult on TSMs?
	Further meetings and case studies collected
July	New Director of Consumer Regulation starts – consult?
August/September	Publish?

Clienting Relationships – a Summary of NFA and CWAG surveys

Introduction

This short paper summarises the main findings from two independent surveys undertaken on clienting arrangements. In Spring 2020, the NFA undertook a survey of its ALMO members; in December 2020, CWAG undertook a survey of its local authority members. The NFA survey had 23 responses and the CWAG survey had 13 responses.

Overall clienting arrangements

1. The ALMO/ local authority model has always had a strong focus on localised arrangements and structures, so it is not surprising that there is a range of clienting models and monitoring arrangements. This includes differences in the sizes of local authority clienting teams and the seniority of officers, the frequency of monitoring meetings and the type of information reported. It also includes whether KPIs and other information is reported routinely or provided on a 'by-exception' basis.
2. In the NFA survey, just over half of ALMOs who answered stated that their parent local authority was both aware of its responsibilities **and** engaged with the ALMO on performance and compliance. The majority of ALMOs reported clear client monitoring relationships, although there were a few concerns about the impact of reducing resources on the client side.
3. A number of local authorities and ALMOs report that ALMO monitoring arrangements/ structures are currently under review due to the changes in the regulatory environment. The CWAG survey concludes that for those local authorities and ALMOs this is leading to more formalised liaison arrangements through an agreed communication or liaison protocol linked to the Management Agreement.
4. Within the NFA survey, we asked what the Council does with compliance data. In nine cases, the Full Council or Cabinet receives high level indicators with everything else managed through exception; in six cases, the ALMO reports to a sub-committee. This may require reviewing depending on the decisions the Regulator makes about where it expects accountability for the housing function to sit.
5. It is very likely that under the new Regulatory regime, the Regulator will expect the local authority as registered provider and owner of the homes to be their main point of contact, both in terms of the inspections and when things go wrong. The CWAG survey suggests that there is not a standard view about this across local authorities/ALMOs currently: only two of their respondents had a formal process agreed with the ALMO for reporting to the Regulator, for the majority the issue is still under consideration or would depend on the circumstances, and three respondents indicate a preference for the ALMO to

report (following consultation with the local authority and copying in the local authority).

Consumer Standards

6. The majority of ALMOs report to their parent Local Authority on the information contained within the Consumer Standards, but not necessarily against the standards themselves, except Health & Safety. Nearly all authorities report that they receive regular updates on the six Health & Safety risks.
7. The CWAG survey notes that many CWAG members have traditionally relied on KPIs linked to the Consumer Standards to demonstrate compliance, and this continues to be a route to assurance for most authorities; but there is evidence that councils are also seeking to update arrangements around compliance with the consumer standards to ensure landlord assurance is more explicitly addressed in their ALMO clienting arrangements. However, the survey finds that there is little evidence of local authorities seeking to put in place independent verification arrangements on consumer standards compliance.

Health and Safety

8. In the sphere of Health & Safety compliance, the majority of ALMOs report that they have commissioned external audits of their compliance status. In addition, all ALMOs report that they work with external partners on fire safety. Other areas where external experts have been used include gas safety consultants, asbestos and water consultants, and insurance assessors for lifts. It may be that there is a stronger focus on external audit in areas of health and safety than across performance and compliance more generally.
9. Nine ALMOs operate systems which allow real-time monitoring of health and safety compliance, while 11 do not, with 2 having partial systems. This reflects a broader picture of some ALMOs reporting that they were implementing new compliance modules or systems to allow integrated monitoring.
10. The CWAG survey showed that the majority of local authorities in the survey had decided to assign the Building Safety Manager role to the ALMO. It appeared from the survey that the majority of local authorities were still undecided about where the Accountable Person role would sit.

Data and Audit

11. Both the NFA and CWAG surveys picked up the fact that overall assurance and compliance are reliant on the quality and integrity of the data and systems being used to gather it. The NFA survey showed that the majority of ALMOs felt that their data systems were extremely or quite robust, although there were still a few concerns with data integrity and being dependent on manual systems. About two thirds of ALMOs which responded to the NFA survey were extremely or very confident that they could gather the necessary supporting information or data should the Regulator ask for it at short notice.

12. In the NFA survey, the majority of ALMOs (78%) reported that they had undertaken an audit/ self-assessment against the Consumer Standards; this included looking at management processes and systems, identifying strengths and weaknesses, and setting business and action plans. Some ALMOs also reported that they have used external consultants to review their performance, compliance and data systems, for example Nottingham City Homes employed Pennington Choices to undertake a full review of compliance against the main 6 Health & Safety areas.

13. The CWAG survey found evidence that some councils are auditing performance in key service areas as well as carrying out occasional verification checks on the quality of data provided by the ALMO. However, it also found considerable variation in approach and a lack of consistency between authorities. The CWAG survey notes that 'current assurance arrangements rely heavily on self-certification of compliance by their ALMO. Whilst this provides a measure of assurance, this would be strengthened by greater use of independent verification, scrutiny or audit.'