



<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	12 November 2024
<b>SUBJECT:</b>	Housing Revenue Account governance arrangements
<b>PURPOSE:</b>	To adopt the Housing Revenue Account Governance Framework: Housing Landlord Services 2024/25
<b>KEY DECISION:</b>	No
<b>PORTFOLIO HOLDER:</b>	Portfolio Holder for Strategic and Operational Housing
<b>REPORT OF:</b>	Jason King, Assistant Director - Housing
<b>REPORT AUTHOR:</b>	Vikki Cherry, Housing Transformation Programme Manager
<b>WARD(S) AFFECTED:</b>	All Wards
<b>EXEMPT REPORT?</b>	No

## SUMMARY

The Regulator of Social Housing adopts a co-regulatory approach, holding Councillors responsible for ensuring that the Council, in its role as a registered provider of social housing, is delivering the outcomes of the consumer standards.

The Housing Revenue Account Governance Framework sets out the governance arrangements in place for the Housing Landlord Service including:

- controls and assurance;
- roles and responsibilities;
- performance; and
- financial viability of the HRA.

The document also explains how these provisions link into wider Council governance arrangements.

Additional steps are necessary to allow tenants meaningful opportunities to influence and scrutinise our service and performance. Enhanced arrangements will be co-produced with tenants during 2024/25 and presented to Cabinet for consideration over the next 12 months.

## **RECOMMENDATIONS**

1. That Cabinet adopts the Housing Revenue Account Governance Framework: Housing Landlord Services 2024/25.
2. That Cabinet delegates minor operational amendments to the Framework to the Assistant Director – Housing, in consultation with the Portfolio Holder for Strategic and Operational Housing.

## **REASONS FOR RECOMMENDATIONS**

As a responsible social landlord, the Council is required to have robust governance arrangements in place to monitor and scrutinise the management of the Housing Landlord Service. The Regulator of Social Housing will consider the effectiveness of governance arrangements as part of their programmed inspection of the Council as a registered provider.

## **OTHER OPTIONS CONSIDERED**

**Do nothing** – to not adopt the Framework. This is not recommended as it is necessary to evidence the arrangements in place for governance as part of meeting the requirements of the outcomes of the Social Housing (Regulation) Act 2023.

## **1. BACKGROUND**

- 1.1 The Council has governance arrangements in place to monitor and govern decisions about Council services. It is necessary to have additional governance arrangements in place for the Housing Landlord Service in order to ensure compliance with the Social Housing (Regulation) Act 2023.
- 1.2 The Regulator of Social Housing adopts a co-regulatory approach, holding Councillors responsible for ensuring that the Council, in its role as a registered provider of social housing, is delivering the outcomes of consumer standards.
- 1.3 In 2022 the Council participated in a Local Government Association Social Housing Management Peer Challenge followed by a wider Council Peer Challenge in 2023. Both sets of Peers raised concerns about the governance arrangements in place for the HRA, recommending a 'greater emphasis on robust governance, oversight, and challenge across all aspects of the service to establish solid foundations for good governance'. This Framework sets out the newly established arrangements and how Officers have addressed these concerns.

## **2 REPORT**

- 2.1 A review of the governance arrangements for the Housing Revenue Account (HRA) has been carried out.

- 2.2 Governance arrangements have been produced with the Regulator of Social Housing's Consumer Standards in mind, particularly the Transparency, Influence and Accountability Standard. Changes includes enhanced scrutiny arrangements from Members, transparency around performance and risk management, details on roles and responsibilities of senior officers, including who has responsibility for compliance with the consumer standards, and management and remuneration costs (for the HRA).
- 2.3 As part of enhancing governance arrangements, the following groups have been established:
- Housing Compliance Clinic – monitoring compliance of health and safety responsibilities. Chaired by the Portfolio Holder of Strategic and Operational Housing along with attendance from the Deputy Chief Executive (Corporate) and s151 Officer and Assistant Director – Housing
  - Housing Governance Clinic – monitoring risk management, progress of audit actions, service KPI's, financial management. Chaired by the Portfolio Holder of Strategic and Operational Housing along with attendance from the Deputy Chief Executive (Corporate) and s151 Officer and Assistant Director – Housing
  - Housing Landlord Services Board – ensuring collective awareness and visibility relating to regulatory assurance, financial resilience, risk management, performance and compliance on all matters relating to being an effective and compliant landlord.
  - Complaints Officer Working Group – identifying themes and trends of complaints, driving service improvement in response to them, making recommendations to the Housing Governance Clinic and Member Responsible for Complaints. The Group also considers compliance of the Housing Ombudsman Service Complaint Handling code.
  - Housing Transformation and Improvement Programme Board – monitoring progress of the Transformation and Improvement Programme. Chaired by the Portfolio Holder of Strategic and Operational Housing along with attendance from the Deputy Chief Executive (Corporate) and s151 Officer, Assistant Director – Housing, Monitoring Officer and a variety of Assistant Directors from across the South & East Lincolnshire Councils Partnership. Melton Borough Council's Deputy Chief Executive and Housing Director for Housing and Communities attends as a critical friend.
- 2.4 Risk management has been improved following the establishment of an operational risk register and a separate tab on the corporate risk register, focussed solely on the HRA.
- 2.5 Roles and responsibilities have been established, with Lead Officers appointed for the following roles:
- Person responsible for compliance with the Consumer Standards
  - Lead Officer for Health and Safety
  - Responsible Person for compliance with Fire Safety
  - Accountable Person for compliance for Higher-Risk Residential Buildings
  - Lead Officer for Housing Complaints
  - Member Responsible for Complaints (MRC)
  - Lead Officer for compliance with the Rent Standard.
- 2.6 A suite of new performance metrics have been formed, reporting into existing corporate governance arrangements including Corporate Governance Clinic, Senior Leadership Team and Performance Monitoring Panel.

- 2.6 Budgets continue to be monitored by Budget Managers, the s151 Officer and Members. To enhance arrangements, a contract has recently been awarded to produce a HRA Business Plan and narrative including validating and stress testing data.
- 2.7 Arrangements have been established to allow for Council specific benchmarking on items such as health and safety compliance and repairs timescales.
- 2.8 Arrangements have allowed Members the ability to truly scrutinise the service, ensuring Officers are delivering the outcomes of consumer standards, however additional work is required to ensure tenants are also able to scrutinise the service (as per the consumer standards). We will discuss this further with tenants during 2024/25 as part of our engagement project. A further iteration of the Framework will be produced within 12 months following consultation and involvement with tenants.

### **3. CONCLUSION**

- 3.1. The Framework strengthens the Council and HRA's position around governance with newly established arrangements now embedded as part of Business as Usual. Further work is required to deliver the consumer standards allowing tenants the opportunity to review the service delivered.

### **4. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 4.1. Governance arrangements for the HRA strengthen the wider governance of South Holland District Council.
- 4.2. South Holland as a sovereign partner Council continues to contribute to the overall reputation of the Partnership. Therefore, continuing to show preparedness for an upcoming external inspection will support the Partnership's reputation.

### **5. IMPLICATIONS**

#### **5.1. SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP**

- 5.2. None.

#### **5.3. CORPORATE PRIORITIES**

- 5.4. To support the corporate priority of efficiency and effectiveness, the HRA governance arrangements have been drafted with existing corporate arrangements in mind, in order to maximise on existing established working groups and committee arrangements regarding Council governance.

- 5.5. A further iteration of the framework (co-produced with tenants) will support the delivery of the Council's local priority of engaging with tenants to help shape service delivery in the district.

#### **5.6. STAFFING**

5.7. A Portfolio Holder decision was published in May 2024 appointing individuals as lead officers for items including compliance with the consumer standards, health and safety, fire safety and complaints.

5.8. **WORKFORCE CAPACITY IMPLICATIONS**

5.9. Delivering the outcomes of the consumer standards places additional demands on the Council in its role as a registered provider. Arrangements in the Framework place additional duties on the Housing Management Team and the Business Support Team. Capacity continues to be monitored by the Assistant Director-Housing.

5.10. A paper on resources will be brought to Members in due course (as part of the wider Transformation Programme).

5.11. **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

5.12. It will be necessary to establish methods whereby tenants can regularly scrutinise the service provided by the Council as a registered provider. (This is an expectation of the Regulator of Social Housing and will be reviewed as part of our programmed inspection.) In order to deliver the outcomes of this standard, it is anticipated that the Council will need to establish a tenant scrutiny panel/similar. The establishment of this panel, including adopting its terms of reference, is an Executive decision.

5.13. **DATA PROTECTION**

5.14. None.

5.15. **FINANCIAL**

5.16. None.

5.17. **RISK MANAGEMENT**

5.18. Transparency and scrutiny arrangements have been enhanced as part of the new governance framework. However, the ongoing lack of tenant scrutiny is a risk to the authority. Work towards establishing meaningful tenant engagement opportunities has begun as part of the Transformation Programme, and Officers aim to have this established by the end of the financial year.

5.19. The Framework makes reference to the Person Responsible for Compliance with the Consumer Standards and a procedure has been established regarding self-referral to the regulator of Social Housing, should a material breach of the consumer standards be found. This risk is mitigated by the many working groups and clinics established along with new KPIs set.

5.20. **STAKEHOLDER / CONSULTATION / TIMESCALES**

- 5.21. The draft governance arrangements were presented to Informal Cabinet on 2 September 2024 to enable their comments and feedback to be provided to the Policy Development panel. Policy Development Panel reviewed the document on 24 September 2024 and supported the proposals, with no changes suggested.
- 5.22. The Portfolio Holder - Strategic and Operational Housing and the Deputy Chief Executive (Corporate Development) and S151 Officer have been consulted. They continue to be regularly updated as Chair and Sponsor, of the Housing Transformation and Improvement Programme Board. Meetings have been held with the Monitoring Officer to adopt new ways of working and slotting within wider corporate governance arrangements.
- 5.23. In addition, the Chairman and Vice-Chairman of Performance Monitoring Panel, Portfolio Holder for Corporate, Governance and Communications, and Chairman of Governance and Audit Committee have been consulted.
- 5.24. Housing Managers have supported embedding new working arrangements and have been consulted as part of developing the new governance provisions.
- 5.25. Tenants have not been involved with drafting this document. They will be consulted during 2024/25 as part of the Tenant Engagement Project (within the Housing Transformation and Service Improvement Programme). This project has started, with our reengineering engagement piece anticipated to be concluded at the end of the Summer.
- 5.26. **REPUTATION**
- 5.27. As a Registered Provider, the Council will be subject to inspection by the Regulator of Social Housing at least once during 2024-2028 as per the Social Housing (Regulation) Act 2023. This inspection will determine the frequency of future inspections.
- 5.28. The increased public focus on social housing issues could increase the risk of reputational damage to the Council if findings of non-compliance were published by the regulator.
- 5.29. **CONTRACTS**
- 5.30. None.
- 5.31. **CRIME AND DISORDER**
- 5.32. None
- 5.33. **EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**
- 5.34. None.
- 5.35. **HEALTH AND WELL BEING**
- 5.36. None.
- 5.37. **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

5.38. None.

5.39. **LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER**

5.40. This paper contributes to the following Missions outlined in the Government's Levelling Up White paper:

- Housing - review our voids and repairs standard with tenants.
- Digital Connectivity – working to increase digital uptake by providing training for those who want it and offering more services digitally such as Housing Repairs.
- Skills – we will equip our colleagues with the information, professionalism, skills and capacity to embed change.
- Crime – we will review our approach to managing Anti-Social Behaviour, Domestic Abuse and Hate Crime.
- Pride in Place – we will increase estate and property inspections
- Wellbeing – we will continue to offer tenants in-house tenancy support and enhance partnership working.

**17. ACRONYMS**

17.1 SELCP – South and East Lincolnshire Councils Partnership

17.2 KPI – Key Performance Indicator

17.3 HRA – Housing Revenue Account

<b>APPENDICES</b>	
Appendices are listed below and attached to the back of the report: -	
APPENDIX A	Housing Revenue Account Governance Framework: Housing Landlord Services 2024/25
APPENDIX B	Equality Impact Assessment
APPENDIX C	Summary of the HRA Governance Framework

<b>BACKGROUND PAPERS</b>	
Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed
LGA Social Housing Management Peer Challenge 2022	<a href="https://www.sholland.gov.uk/article/22624/LGA-Peer-Challenge">https://www.sholland.gov.uk/article/22624/LGA-Peer-Challenge</a>
LGA Corporate Peer Challenge 2023	<a href="https://www.sholland.gov.uk/council">https://www.sholland.gov.uk/council</a>
Regulator of Social Housing - Consumer Standards	<a href="http://www.gov.uk/government/consultations/consultation-on-the-consumer-standards">www.gov.uk/government/consultations/consultation-on-the-consumer-standards</a>

The Charter for Social Housing White Paper	<a href="http://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper">www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper</a>
The Better Social Housing Review	<a href="http://www.bettersocialhousingreview.org.uk/">www.bettersocialhousingreview.org.uk/</a>
SHDC Landlord Strategy 2024-2026	<a href="https://www.sholland.gov.uk/media/24482/SHDC-Housing-Landlord-Strategy-2024-2026/pdf/SHDC_Housing_Landlord_Strategy_2024-2026.pdf?m=1707905746373">https://www.sholland.gov.uk/media/24482/SHDC-Housing-Landlord-Strategy-2024-2026/pdf/SHDC_Housing_Landlord_Strategy_2024-2026.pdf?m=1707905746373</a>
Housing Ombudsman Complaint Handling Code	<a href="https://www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/">https://www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/</a>
SHDC Complaint Handling Self Assessment 2024	<a href="https://www.sholland.gov.uk/Housing-Feedback">https://www.sholland.gov.uk/Housing-Feedback</a>

## CHRONOLOGICAL HISTORY OF THIS REPORT

Policy Development Panel – 24 September 2024

## REPORT APPROVAL

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