

Agenda Item 11

Housing Review Board

4 March 2010

SB



Tenant Scrutiny – discussion paper

Summary

You will recall reports providing information about the Tenant Services Authority (TSA) coming to this Board in March 2009 and January this year. The TSA will take over regulation of our landlord function from the Audit Commission, as from April 2010. This report anticipates one of these changes and suggests that we begin discussions and preparations for it, not only to avoid negative comment from the TSA, but also to grasp this opportunity to improve our housing services for our customers.

Recommendations

- (i) That the contents of this report are discussed, and
- (ii) The report be referred to the Tenant and Leaseholder Customer Panel for consideration and comment, and
- (iii) That the Board invite a further report detailing the proposed local options and arrangements for tenant scrutiny.

a) Reasons for Recommendation

To help us prepare for regulation by the Tenant Services Authority which will commence in April 2010.

b) Alternative Options

Not to prepare for TSA regulation and not adopting scrutiny arrangements.

c) Risk Considerations

To be unprepared in 2010 and criticised by the TSA or receive a 'Poor' inspection result.

d) Policy and Budgetary Considerations

Resident Involvement Strategy update is due this year and will need to include our proposals for resident scrutiny and resident lead self-regulation.

e) Date for Review of Decision

Once the Tenant and Leaseholder Customer Panel have considered the subject.

1. Background

- 1.1 Over the last few years a cultural change within the housing sector has been taking place which puts a focus on the relationship between the housing provider and its customers. The Delivery Plan resulting from the Audit Commission's inspection of our housing management services reflects this, but from April 2010 regulation responsibility will be transferred to the new Tenant Services Authority (TSA).

- 1.2 The TSA has not yet released the full guidance on future regulation, but has made it clear it will be expecting providers to:
- Provide a range of opportunities for service user involvement;
 - Provide tenants with the ability to hold their landlord to account;
 - Provide more choice for customers;
 - Demonstrate customer insight;
 - Expect greater reliance on self-assessment, including resident lead self-regulation (scrutiny).
- 1.3 The gathering momentum around the introduction of self regulation is now bringing to fruition some practical models of resident lead scrutiny being incorporated into an organisation's daily business. The Chartered Institute of Housing (CIH) suggests that the key characteristics of this scrutiny are that it should be independent of other governance and management structures, would be formal in its operation, within its remit would have prescribed roles and operations, and that it would give customers the power to challenge and effect change.
- 1.4 The debate on the proposed extent of the customer scrutiny remit is ongoing, but it is expected that the TSA will provide guidance regarding their position within the new Standards Framework, which are to be published this year. In the meantime it would be prudent for the Housing Review Board to consider some of the implications of the creation of independent scrutiny arrangements and consider how it might interact within and build upon our present structures, and our current range of involvement activities.
- 1.5 Scrutiny is a robust approach that landlords can use to ensure their internal processes for managing performance and business decisions are tenant centred. Landlords are expected to make sure tenants are able to influence housing policies and how housing services are delivered, and to make sure tenants are able to be involved in scrutinising performance in delivering housing services.

2. Two scrutiny models for consideration

- 2.1 At a recent information sharing event hosted by the National Housing Federation (NHF) two Housing Associations, Teign Housing and Westlea Housing Association, gave an overview of the operation of their scrutiny arrangements, including some of the issues they have had to address. The table below illustrates some basic facts about the organisations and how the scrutiny panels fit within their present structures.

Name	Teign Housing	Westlea Housing Association
Type	LSVT stand alone	Group structure (Green Square Group)
Stock	3500	9168
Payment	No (Deputy CEO of the HA)	£8,000 non-tenant, recruited independently
Membership of Scrutiny Panel	Deputy CEO, 2 Board members, 5 independent tenants, Tenant Forum chairman, Senior Forum chairman = total 9.	10 members £1,000 each (+ chairman) = total 11.
Recruitment / selection process	Advertised to all tenants to apply application form and interview	Advert, application form and interview
Name	Teign Housing	Westlea Housing Association
Expenses	Yes	Yes

Estimated cost per annum	£2,000 = 57p per home	Min £20,000 = £2.18 per home
Special support	CEO's secretary provides secretarial support	Corporate services team provide secretarial support
Reporting	To Audit & Performance Committee	Directly to Group Board
Set up time	1 year preparation	1 year preparation
Additional costs	£5,000 year 1 training £10,000 year 2 training to give the scrutiny board the skills required to carry out full scrutiny work	Not known

2.2 Some interesting facts emerge immediately from this comparison, the most obvious being the overall cost of the Westlea model. Westlea estimate it will cost around £20,000 per annum to operate, whereas the Teign Housing model could be in the region of £2,000. Both assumptions exclude external training costs and the cost of the dedicated secretarial support. It will be interesting to research any local authority tenant scrutiny models.

3.0 Implications for East Devon

3.1 Some of the issues for debate include:

- Strategic fit – our resident participation arrangements are illustrated at **annex 1**. The Tenant and Leaseholder Customer Panel currently when invited to do so comment on proposed policy and procedures changes such as introductory tenancies, decommissioning, communal cleaning and systems thinking reviews. A separate Scrutiny Panel would require a clear brief and scope for operation.
- Terms of Reference – would be required to define the parameters within which the Scrutiny Panel would work, the extent of its authority and the responsibility of roles in relation to other groups and the Housing Review Board, and recognise the organisation's agreement to self-regulate based upon resident-lead plans and targets.
- Customer enforcement – issues include joint action planning and monitoring, an escalation plan and Notice to Act (with evidence) for regulator requests to assess/inspect.

3.2 The CIH suggests that scrutiny related activities include:

Activity	EDDC
• Estate inspections	Yes
• Walkabouts	Yes
• Service review panels	Yes
• Complaints review group	No
• Contractor review and appointment panels	Partial
• Performance indicator monitoring and review	Partial
• Mystery shopping	Yes
• Citizens Juries	No
• Tenant audit/tenant inspections	Agreed (LGR outcome awaited)

3.3 We presently carry out many of these activities; the Repairs Monitoring Group has some involvement in reviewing contractor performance, but not in their appointment and we are investigating the operation of Citizens Juries and how these might relate to our participation model.

4. Risk Implications

- 4.1 Some of our customer involvement activities have specifically been created to demonstrate customer influence and indeed also contain scrutiny elements. Having said this, we have had only limited success in allowing our customers to hold us to account/challenge and providing real choice across the service.
- 4.2 It is also possible that the TSA may require, as a minimum, a separate scrutiny element within their standards framework. In either case it is advisable to begin discussing these issues now, to have any form of scrutiny effective during 2010/11. Both the illustrative models took a year in the planning and set up process alone.
- 4.3 There is a risk that we may not be able to find people willing to give their sustained commitment for this level of participation. The TSA's own commissioned research suggests that only a small proportion of tenants would be likely to become involved in activities requiring sustained commitment and the Board will be aware that it is an ongoing challenge to gain this support. (*Understanding Tenant Involvement, TSA publication, April 2009.*)

5. Resource Implications

- 5.1 Common to both models are dedicated secretarial support and the Housing Strategy Unit, within which our Tenant Participation team sits, presently enjoys only part time, temporary administration support, both models have support from either the senior management or corporate services. Westlea Housing Association pays an independent Chairman £8,000 per annum, and bore the cost of advertising for this person, plus the payment of £10,000 per annum to panel members. On top of this they incurred costs for training, venues, transport, child-minding, refreshments and staff time, bringing their model in at over four times the cost of Teign Housing's approach.
- 5.2 We have made provision for tenant scrutiny in our 2010/11 budget with a budget of £5000 to get us started.
- 5.3 Our Resident Involvement Strategy is due to be reviewed and updated this year, which is timely in view of the TSA's expectations.

6. Conclusions

- 6.1 As a council we have well developed scrutiny functions. Tenant scrutiny has similarities with the corporate arrangements, but differs fundamentally in that customers rather than elected members are expected to scrutinise policy and performance.
- 6.2 After our initial discussions on the subject I suggest that we further research good practice in this area, assess TSA guidance once issued, and learn more from others through mentoring. We then need to devise arrangements that we think will work for us and assess the implications on existing tenant participation and engagement arrangements.
- 6.3 This presents an exciting opportunity to refresh and improve our interaction with tenants as well as continuously improving the housing services we deliver.

Legal Implications

The Housing Review Board is an Overview and Scrutiny Committee with tenant members on it. Under the Local Government Act 2000, housing functions vest formally with the Executive Board,

and policy development and scrutiny (amongst other things) is carried out by the Housing Review Board.

The models referred to above for Teign and Westlea Housing Associations relate to freestanding organisations not under the control of a council. The TSA guidance will also need to be considered in relation to councils that retain their housing stock, as East Devon does.

As the Housing Review Board is itself an innovative approach to scrutiny, service delivery and tenant involvement, it may be possible to build on this further. Any legal implications can be considered when the TSA guidance is available.

Financial Implications

There is a sum of £34,560 in the Tenant Participation budget for 2010/11 of which £5,000 can be utilised for this work.

Consultation on Reports to the Executive

To be reported to the Tenant and Leaseholder Customer Panel.

Background Papers

- ❑ Understanding Tenant Involvement, TSA Publication, April 2009
- ❑ Housing Review Board reports on the TSA March 2009 and January 2010.
- ❑ TSA consultation on a new regulatory framework for social housing in England, November 2009.

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Housing Review Board
4 March 2010

