
Meeting of the Housing and Safer Communities Select Committee – 13th September 2023

Report of the Director of Housing and Communities

Update on Property Condition and Compliance

Purpose of report

1. The purpose of this report is to provide an update on Property Condition and Regulatory Compliance in Council owned homes.

Recommendations

2. It is recommended that the content of the report is noted.

Background

3. Within housing services a number of potential issues with data quality and performance reporting were identified relating to property checks and efficiency data, in late 2022. These issues indicated that the reported position on areas such as Decent Homes and energy efficiency needed further validation, along with further validation of Building Safety and Compliance data and records.
4. The issues identified did not indicate that homes are inherently unsafe, but that improvements were required in the quality of our data evidence – such as documents not being readily available on document management systems.
5. Between November 2022 and February 2023, the data inconsistencies were investigated and in March 2023 the position was validated, identifying that the Council could not fully validate its position in relation to several key Health and Safety elements of the Decent Homes Standard.

6. As a result of the concerns identified we felt it right to proactively refer ourselves to the Regulator of Social Housing (RoSH) to determine whether there had been a breach of one of the RoSH Regulatory Standards, and this referral was made on 10th March 2023.
7. On 27th April 2023 RoSH published a Regulatory Notice concluding that:
 - a) Dudley Metropolitan Borough Council (Dudley MBC) has breached the Home Standard; and
 - b) As a consequence of this breach, there was the potential for serious detriment to Dudley MBC's tenants.

The test that RoSH has to apply when considering a referral is two-fold – firstly whether one of the regulatory standards has been breached and, if so, whether the breach has caused (or has the potential to cause) serious detriment to Council tenants, hence the wording of the Regulatory Notice.

8. Following the self-referral in March 2023 a recovery plan to rectify the potential breach commenced, with significant progress being made in advance of the Regulatory Determination in April. This recovery plan continues, with progress reported through monthly meetings with RoSH.

Property Condition

9. In November 2022 the Secretary of State wrote to all providers of social housing following the tragic and avoidable death of Awaab Ishak, which has subsequently led to the introduction of Awaab's Law. The Secretary of State asked all social housing providers to set out what action they would be taking to ensure a robust understanding and plan for damp and mould in homes. As part of its response the Council set out its intention to undertake a Stock Condition Survey (SCS) of 100% of homes to verify information on damp and mould captured by staff and reported by customers, and to identify any unknown or potential future damp and mould issues in a housing stock with an average age of >60 years. Savills, an industry expert, were subsequently appointed to undertake the SCS through the Places for People Procurement Hub "Strategic Asset Management Services Framework".
10. Due to the data concerns identified the scope of the SCS work has been widened to give us a complete, up to date and robust picture of every home. This will include stock condition, a damp and mould assessment, new EPC certificate and an assessment against the current Decent Homes Standard. Aside from providing assurance as to property condition and the data we hold about that home, it will also enable us to review and reset our 5, 10 and 30 year investment priorities.

11. A robust and up to date understanding of the actual condition across DMBC's housing portfolio will inform four key elements:
 1. Impact on customers
 2. Meeting Decent Homes and regulatory standards
 3. Planning for future investment
 4. Understanding long term housing needs and property viability
12. The SCS exercise has been broken into three separate programmes each consisting of circa 7,000 properties which will allow Savills to manage the access process and allow DMBC resources to respond to any immediate Housing Health and Safety Rating System (HHSRS) or Decent Homes works that may be immediately required. The no access properties will be addressed as the 3 phases progress, and the team will engage with these customers through legal access routes where required to ensure access.
13. The findings from the circa 5,700 properties that have been accessed during the first phase has identified that the current position on Decent Homes is closer to 90.7% compliance, and it is anticipated that following completion of the 100% SCS exercise is in the region of 80% Decent Homes compliance.
14. The potential volume of works, cost and the necessary contract supply chain required to recover the decent homes position will not be fully realised until the beginning of Q4 2023/24 when the results of the second phase are delivered. At this point there will be sufficient robust data to develop the necessary programmes for the coming 5-year recovery phase and the following 10-year and 15-year investment phase.
15. The SCS exercise will support all future stock viability and decisions including investment and retention programme decisions. A further update will be provided to the Select Committee at the end of Electrical Installation Condition Report the next quarter and will include validated volumes of works and the potential resources and timelines for delivery.

Building Safety and Compliance (BS&C)

16. The recovery programme for the Building Safety and Compliance project has moved at pace since it commenced in March 2023. This has included the establishment of a dedicated recovery team to deliver and oversee all strategic, operational and governance arrangements associated with the recovery of the Decent Homes and BS&C position across Asset Management and Housing Maintenance.

17. The recovery programme is split into two distinct streams:
 1. Delivering a recovery programme that will satisfy RoSH requirements surrounding data, physical compliance delivery and demonstrating that the Authority can sustain this for a minimum of 6 months from March 2024 (which is the 12-month deadline for recovery from the non-compliant position)
 2. Designing and embedding a strategic BS&C function with associated policies and procedures that is linked to the strategic asset management plan and provides a fully assured and system-based process for monitoring, reporting and delivering BS&C activities.
18. The work to recover from the non-compliant position continues to deliver positive results at pace, this has been supported greatly by the open dialogue and regular monthly meetings which the working group and RoSH have been having since March 2023, which include the Deputy Chief Executive and the Cabinet Member for Housing and Safer Communities.
19. Robust framework and governance arrangements have been put in place to validate the current recovery phase, and to ensure that the authority has arrangements and measures in place to remove the risk of another breach in the future. These include:
 1. A full data cleanse and reconfiguration of all housing related asset data which exists across all authority databases.
 2. The development of a revised BS&C Policy Framework and processes in conjunction with Savills to ensure that we embrace best practice from across the sector and embed the appropriate mechanisms and culture in the teams to support change.
 3. A review of the current supply-chain which will see a supportive contract supply-chain being procured, allowing services to track, monitor and challenge any underperformance prior to failures in delivery.
 4. Evaluation of the current staffing resources to ensure the Authority has the appropriate level of technical and strategic capability in place to deliver its future requirements.
 5. A review of existing systems to ensure appropriate technological solutions to capture and report upon data and to wrap both governance and assurance around the new ways of working.
20. While the programme management and future arrangements are being embedded the BS&C team are working with the Housing Management and Communications team to ensure we maintain open and up to date communications with our customers, tenant groups and Housing Board.

Finance

21. The cost of the SCS programme will cost £3.25m and the outcome of the programme will inform the short, medium and long term investment needed in our homes. A further report on future investment will be presented as the SCS data is gathered.

Law

22. There are no direct legal implications associated with this report, although the SCS programme will help ensure the Council's compliance with statutory duties associated with property condition and compliance and will help to demonstrate compliance with the Regulator of Social Housing's regulatory standards.

The objectives of the Regulator of Social Housing (RSH) are set out in the Housing and Regeneration Act 2008 (as amended). The RSH Board is accountable to Parliament for the discharge of an economic regulation objective and a consumer regulation objective. Within these two objectives are a number of Regulatory Standards which apply to local authorities and against which RSH will assess our compliance. The RSH Standards which apply to local authorities are:

- Rent Standard (economic standard)
- Home Standard (consumer standard)
- Tenancy Standard (consumer standard)
- Neighbourhood and Community Standard (consumer standard)
- Tenant Involvement and Empowerment Standard (consumer standard)
- Tenant Satisfaction Measures (TSM) Standard (consumer standard)

As well as the RSH Regulatory Standards there are a number of other regulatory and legislative obligations which apply to the provision of social housing, including:

- The Social Housing (Regulation) Act 2023
- The Decent Homes Standard
- The Housing Act 1988
- The Fire Safety (England) Regulations 2022
- The Building Safety Act 2022
- The Control of Asbestos Regulation 2012
- The Control of Substances Hazardous to Health
- Lift Operating and Lifting Equipment regulations 1998
- Gas Safety and (Installation and Use) Regulations 1998

Risk Management

23. Risks associated with property condition and compliance are recorded and managed through both the Corporate Risk Register and the Directorate Risk Register.

Equality Impact

24. There are no equality impact implications arising directly from this report. However, there may be differential impacts on individuals, families, and communities in respect of any issues identified through the SCS programme, and these will be managed on an individual basis as required.
25. Any works completed on our homes as a result of the SCS programme will have a positive effect on children and young people living in our homes.

Human Resources/Organisational Development

26. Whilst this report does not have any immediate organisational development/HR or transformational implications, the RoSH recovery programme includes a theme around our future target operating model and associated structure. As work on the recovery programme progresses, all HR implications will be managed in accordance with our policies and procedures with support from the HR department.

Commercial/Procurement

27. The final commercial impact will not be fully understood until the beginning of Q4 2023/24. It is envisaged that a procurement exercise will be necessary to engage future partnering contractors and a framework of SMEs to support the 10-year delivery plan that will be developed for 2025 to 2035 programmes. This will be undertaken in coordination with procurement and finance teams.

Environment/Climate Change

28. Any environmental implications will only be fully understood in 2024/25 when the performance of our stock is fully understood and when the programmes for recovery and the impact on sustainability as well as the supply-chains CNZ impacts, and DMBC's offsets are realised.

Consideration will be given to reaching the council's commitments on climate change and meeting net-zero targets.

Council Priorities and Projects

29. The SCS programme and data validation plan will support the following key priority areas with the Council Plan:

- Dudley the Safe and Healthy Borough - Residents live in safe communities where safeguarding of vulnerable people of all ages protects them from harm and supports the prevention of crime and exploitation.
- Dudley Borough the Destination of Choice - A place of healthy, resilient, safe communities where people have high aspirations and the ability to shape their own future.

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