

Report to:	Cabinet Council	Date of Meeting:	4 April 2024 18 April 2024
Subject:	Council Housing Governance and Management Arrangements		
Report of:	Assistant Director of Place (Economic Growth and Housing)	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Communities and Housing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report: seeks delegated authority for the formal adoption of a suite of council housing policies required to facilitate the management and maintenance of any new Council owned homes as part of the Council Housing Programme; details the future governance arrangements for the management of the Council's homes; and also seeks approval for an Early Acquisition Scheme including delegated authority to acquire additional properties for council housing provision.

Recommendation(s):

Cabinet is asked to:

- (1) Give authority to the Assistant Director of Place (Economic Growth and Housing) in consultation with the Cabinet Member for Communities and Housing to review and approve a suite of council housing policies to be adopted to facilitate the operational housing management of new council housing.
- (2) Give authority to the Assistant Director of Place (Economic Growth and Housing) in consultation with the Cabinet Member for Communities and Housing to agree any amendments and/or additions to the suite of policies including the adoption of any future policies that may be required.
- (3) Note the proposal to create a Housing Advisory Board as part of the future governance arrangements in respect of housing management.
- (4) Recommend to Council that Council approves a supplementary capital estimate of £750,000, for an Early Acquisition Scheme to acquire additional properties for Council housing to be included within the Capital Programme, funded through historic right to buy sharing agreement receipts and Homes England grant funding where this may be available and suitable.
- (5) If the supplementary capital estimate is approved by Council, Cabinet delegate

authority to the Executive Director of Corporate Resources and Customer Services and the Assistant Director of Place (Economic Growth and Housing), in consultation with the Cabinet Member for Communities and Housing and the Cabinet Member for Regulatory, Compliance and Corporate Services, to approve acquisitions to the Council Housing Programme up to a value of £750,000 funded through historic right to buy sharing agreement receipts and Homes England grant funding where this may be available and suitable.

Council is asked to:

- (1) Approve a supplementary capital estimate of £750,000, for an Early Acquisition Scheme to acquire additional properties for Council housing to be included within the Capital Programme, funded through historic right to buy sharing agreement receipts and Homes England grant funding where this may be available and suitable.

Reasons for the Recommendation(s):

To ensure that the Council has the necessary policies and governance arrangements in place ready to manage new council housing. Approval at this stage will allow the Council to progress to be operationally ready to take homes into management.

Given the homes at Buckley Hill Lane are not due for handover until early 2025, there is opportunity for the Council to consider early acquisitions to the Council Housing Programme to bring additional homes into management to help meet housing need as demand for social housing increases. The Council is seeing growing pressures on its homelessness service and temporary accommodation provided and early acquisitions into the programme could help to support this.

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative option in respect of the policy adoption is available. The Council is required to have a range of policies in place that will help to meet legislative and regulatory requirements for the management and maintenance of the Council's homes.

The Council could choose not to set up and operate a Housing Advisory Board. This option is not recommended. A number of existing stock holding local authorities operate a board type of arrangement. The creation of a Housing Advisory Board provides additional and strengthened governance arrangements to the landlord service that the Council will provide to future tenants. The Housing Advisory Board provides a good opportunity for tenants to help shape the service, be involved in and participate in decision making on key matters of the management and maintenance of the Council's homes. This also supports the new regulatory standard of 'Transparency, Influence and Accountability Standard' enabling opportunity for tenants to influence strategies, policies and services. The new standard will take effect from 1st April 2024 as part of the revised consumer standards and Code of Practice published by the Regulator of Social Housing. See Appendix 1.

The Council could choose not to support early acquisitions into the Council Housing Programme. However, given the Council intends to be operationally ready to manage homes in advance of the properties at Buckley Hill Lane being handed over there are

opportunities available to start bringing homes into management earlier and respond to the housing and homelessness pressures being faced in Sefton.

What will it cost and how will it be financed?

(A) Revenue Costs

Revenue costs will be required for the ongoing and long-term housing management and maintenance of the properties once they are in Council ownership. The cost of this service will be off set against the rental income that the Council will receive.

A full financial appraisal cannot be included within this report at this stage given property information, rent calculations and other financial information will only be known once a property is identified for acquisition. However, full financial appraisals will be produced for each property or properties proposed to be acquired including the initial capital and revenue implications, the ongoing revenue implications and the associated risks – both financial and non-financial – and how these will be managed. This will be presented to the delegated decision makers to support the decision and to ensure the acquisitions provide value for money.

(B) Capital Costs

Capital funding will be required to fund the acquisition of any properties. A sum of £750,000 is identified to provide an envelope for early acquisitions. Sufficient funding is available to support early acquisitions in the form of historic right to buy sharing agreement receipts following the Councils stock transfer to One Vision Housing.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

There are no direct financial implications that will arise following the approval of recommendations one to three within this report. There are however financial implications linked to the delivery of council housing and the ongoing management and maintenance of homes.

There will be a staffing requirement to the management of the Housing Advisory Board which will be met within the Housing and Investment Service.

Early acquisitions will require funding for the acquisitions as a capital cost and any associated costs such as legal fees. The cost of ongoing management and maintenance of the housing stock will be met from rental income from tenants.

Legal Implications:

In becoming a landlord of social housing, the Council is required to comply with all relevant legislation in managing and maintaining its homes. As a Local Authority Registered Provider, the Council will be regulated by the Regulator of Social Housing and required to comply with the standards set for local authorities. The policies detailed in this report will support the Council in meeting legislative and regulatory requirements. Proposed governance arrangements will provide additional oversight, accountability and tenant involvement in decisions around the management and maintenance of the

Council's homes.

Equality Implications:

An Equality Impact Assessment has been undertaken and no negative impacts have been identified. The EIA found that the provision of council housing and subsequent landlord service will have a positive impact on the protected characteristics of age and disability. The EIA will be reviewed and updated at the relevant review point and as work continues with the operational requirements to enable the Council to provide council housing.

The application of policies will need to take account of any possible impacts on individuals. This will be fully assessed and recorded for the policies.

Impact on Children and Young People:

In acquiring and/or developing new council housing, the Council will seek to meet and support any gaps in the existing social housing provision which may include future provision of homes to support looked after children and care leavers.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

The report recommendations are to support the introduction of a suite of housing policies and the creation of a Housing Advisory Board both of which will have a neutral impact at this time. New homes will be developed to high energy efficiency standards which will help to reduce energy costs for tenants living in council homes. Future policies will need to consider decarbonisation possibilities.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

New council housing will provide secure, quality homes to those most in housing need. Homes will be let wherever possible at social rent level which offers the most affordable route to social housing. New homes will be developed to high energy efficiency standards which will help to reduce energy bills for tenants.

Facilitate confident and resilient communities:

Provision of new council housing will provide additional housing choice to local communities in Sefton. Homes will be offered through Council tenancies enabling stability for households and families in housing need creating sustainable, confident, and resilient communities. A new housing management and maintenance service will be in place for tenants of any new Council owned homes and will support tenants and communities through this service.

<p>Commission, broker and provide core services: Provision of new council housing will become a core service. A new housing management and maintenance service will be provided to future tenants of the Council's home with functions delegated to an appointed housing management agent to deliver. Homes will be let through the existing allocations scheme, Property Pool Plus which is already in place as a core service.</p>
<p>Place – leadership and influencer: Not applicable.</p>
<p>Drivers of change and reform: New council housing will offer homes at social rent adding to the existing provision of social housing in Sefton and providing an alternative social housing offer to those in housing need.</p>
<p>Facilitate sustainable economic prosperity: Having a good place to live is essential for the future success and prosperity of our residents. Development of new council housing will generate direct and indirect employment and training opportunities supporting economic prosperity. Supply chains such as contractors, suppliers, technical and professional services will be supported throughout the development process.</p>
<p>Greater income for social investment: Rental income generated by new council housing can be reinvested back to deliver the positive social impacts outlined in this paper.</p>
<p>Cleaner Greener: Newly developed council housing will provide high quality homes and be energy efficient with low carbon design measures.</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7576/24) and the Chief Legal and Democratic Officer (LD.5676/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

The following appendices are attached to this report:

Appendix 1 - Regulator of Social Housing Consumer Standards April 2024

https://assets.publishing.service.gov.uk/media/65defb37f1cab30011fc4838/4. Annex_3 - Consumer Standards - FINAL.pdf

Background Papers:

Cabinet (06/04/2023) – Item 154 – Council Housing Business Plan

1. Introduction/Background

- 1.1 In November 2023 Cabinet approved the acquisition of 18 apartments from Sandway Homes at the Buckley Hill Lane development site in Netherton and the supplementary capital estimate for the scheme was approved by Full Council on 18th January 2024.
- 1.2 Sandway Homes, with their appointed contractor Challenger Building Services, have made a start on site with the 18 apartments programmed to be handed over to the Council early in 2025.
- 1.3 In April 2023 Cabinet approved the Council Housing Business Plan which set out proposals for the Council to deliver around 46 homes as part of a first phase of acquisitions for the programme. The report noted that a budget of approximately £5m is available accrued through the Right to Buy Sharing Agreement with One Vision Housing and S106 Commuted Sum income.

2. Regulation of Social Housing

- 2.1 The Council has registered with the Regulator of Social Housing as a provider of social housing based on the intention to acquire homes in the near future. The Regulator of Social Housing operates a regulatory framework which sets to promote a viable, efficient and well-governed social housing sector able to deliver quality homes and services for current and future tenants. This includes a set of standards that Registered Providers are required to meet, setting required outcomes and specific expectations. The Regulator takes a co-regulatory approach to regulation meaning that councillors of local authorities are responsible for ensuring that providers are being managed effectively and meeting regulatory requirements.
- 2.2 Compliance is assessed against a set of Economic and Consumer Standards. Only one of the Economic Standards applies to Local Authority Registered Providers, this being the Rent Standard, whilst all Consumer Standards apply.
- 2.3 The Social Housing (Regulation) Act 2023 received Royal Assent in July 2023 bringing forward some of the biggest reforms to social housing, and in particular the regulation of social housing in decades. Largely a result of the tragic events at Grenfell Tower which saw serious issues on the safety and quality of social

housing identified as well as the way in which social housing tenants are treated by their landlords.

2.4 The law brings forward some ground-breaking changes, including a new set of consumer standards which will be effective from 1st April 2024. The new consumer standards are:

- The Safety and Quality Standard – requires landlords to provide safe and good quality homes and landlord services to tenants.
- The Transparency, Influence and Accountability Standard – requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account. This standard incorporates Tenant Satisfaction Measure requirements.
- The Neighbourhood and Community Standard – requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
- The Tenancy Standard – sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords.

3. Council Housing Policies

3.1 A number of policies are necessary to ensure that the Council can effectively manage its homes and the tenancies that will be in place with tenants. A suite of policies have been reviewed and are in the process of being drafted ready for adoption. The full list includes:

- Aids and Adaptions Policy
- Anti-social Behaviour Policy
- Damp and Mould Policy
- Decant Policy
- Council Housing Domestic Abuse and Violence Policy
- Neighbourhood Policy
- Placement and Support for Care Experienced Policy
- Property Safety and Compliance Policy
- Rent Arrears and Credit Management Policy
- Rent Setting Policy
- Repairs and Maintenance Policy
- Resident Involvement Policy
- Right to Buy Policy
- Service Charge Policy
- Tenancy Policy
- Void Policy

3.2 In addition to the above list, there are a number of existing policies that the Council has in place that will be relevant to the management and maintenance of new council housing. This includes:

- Corporate Complaints Policy
- Equality, Diversity and Inclusion Strategy
- Data Protection Policy
- Property Pool Plus Policy

- 3.3 The suite of policies will require review at relevant points, and this will be staggered to ensure that this review process can be effectively managed given that the proposal is to adopt the policies at the same time. Policies will also require review upon legislative and/or regulatory changes, as well as learning from best practice such as publications from the Housing Ombudsman Service. Whilst the above list of policies is comprehensive, there may be need for additional policies to be developed and adopted.
- 3.4 Future tenants of council homes will be consulted on any policy changes that may be required and the Housing Advisory Board as described further in this report will play an important role in the review and consultation.

4. Housing Advisory Board

- 4.1 Officers have been reviewing and considering options for governance arrangements for the Council Housing Programme with a view to ensuring that appropriate, proportionate and robust arrangements are in place with key officers and Members to enable oversight and accountability in light of regulatory and legislative requirements, particularly the consumer regulatory changes that are currently in the process of being introduced and that will be effective from 1st April 2024.
- 4.2 The Transparency, Influence and Accountability Standard is relevant to tenant engagement and requires housing providers to meet the following required outcome:
- “Registered providers must take tenants’ views into account in their decision-making about how landlord services are delivered and communicate how tenants’ views have been considered”.
- 4.3 The recommended proposal is to create a Housing Advisory Board who will have the following role in respect of the Council’s housing management:
- Review the Business Plan
 - Review capital and revenue budgets
 - Prepare, discuss and review draft reports on key decisions informing recommendations to Cabinet / Council
 - Review high-level performance statistics
 - Consult and review policy changes
 - Consult on Regulatory / Legislative draft consultation responses
 - Review and monitoring of risk
- 4.4 The Housing Advisory Board will support Cabinet in the oversight of its housing management services to tenants and provide added opportunity for tenants to be involved in the management of their homes, including to influence decision-making about how landlord services are delivered supporting the required outcome of the Transparency, Influence and Accountability Standard detailed in paragraph 4.2.

- 4.5 The frequency of meetings, size of the board and composition will need to reflect number of homes that the Council has within management. This is something that will develop in time as the number of homes in management increases and something that will be kept under review. Composition of the board will include Councillor representation, Senior Officer representation, representation of the housing management agent for the Council's homes and as the Council Housing Programme grows and develops over time, there may be opportunity to include tenant representation. Terms of reference for the Housing Advisory Board will be developed in accordance with the below timescales.

Implementation and Timescale

- 4.6 At present, there is an Officer Steering Group in place who act as a Programme Board providing an additional level of governance to the Council Housing Programme and created to develop the work programme and operational matters required to bring forward council housing in Sefton, manage the strategic decision-making process and programme risk.
- 4.7 As we move closer to acquiring the properties at Buckley Hill Lane, which is forecast to be January 2025, the proposal is to phase the Steering Group into a Shadow Board circa. 6 months before handover of the properties and the Shadow Board then into the formal Housing Advisory Board as the properties are handed over and taken into management. Details and timescales for the transition are set out below.
- 4.8 *Shadow Board* - Create a shadow board around September 2024. Items for discussion/agenda will be those required in advance of on-boarding properties including lead in updates to take the homes into management. The Shadow Board will not include a tenant representative as the Board will be operational in advance of any properties being in management and tenanted. The Shadow Board proposal is for Sandway Homes to be in attendance as a key stakeholder to the Council's first bulk acquisition and to provide input as the properties move closer to completion.
- 4.9 *Housing Advisory Board* - As properties are taken into management and the Council becomes a landlord, the Shadow Board will transition to a formal Housing Advisory Board. The Housing Advisory Board will likely evolve as the Council Housing Programme expands and more homes are taken into management. The composition of the Housing Advisory Board will be kept under review, including the future opportunity for tenant representation.

5. Early Acquisition Programme

- 5.1 Recommendations one to three of this report relate to the operational readiness of the Council to become a social housing landlord. Cabinet and Council has previously approved the acquisition of 18 new apartments from Sandway Homes at the Buckley Hill Lane development. These homes will be ready for handover in early 2025. In advance of this, there is opportunity to acquire a number of properties earlier from the open market where housing need and demand is identified for a property type or to meet a specific need such as adapted properties or move on accommodation for households in temporary accommodation.

- 5.2 Demand for the Council's homelessness and housing options service remains very high with pressures being faced around the provision of temporary accommodation for homeless households and move on accommodated for those households currently living in temporary accommodation.
- 5.3 This report identifies an envelope of up to £750,000 of capital funding from the existing capital receipts held from the Right to Buy Sharing Agreement with One Vision Housing through which early acquisitions are to be funded.
- 5.4 Property acquisitions of this nature on the open market mean that the Council may need to move relatively quickly to progress an offer. Each acquisition will be supported by a financial appraisal and approval sought in accordance with the recommendations in this report. A full financial appraisal cannot be included within this report at this stage given property information, rent calculations and other financial information will only be known once a property is identified for acquisition. However, full financial appraisals will be produced for each property or properties proposed to be acquired including the initial capital and revenue implications, the ongoing revenue implications and the associated risks – both financial and non-financial – and how these will be managed. This will be presented to the delegated decision makers to support the decision and to ensure the acquisitions provide value for money.
- 5.5 A future report will be brought to Cabinet to update on the progress of early acquisitions within the Council Housing Programme.

6. Conclusion

- 6.1 Delivering new council housing and progressing early acquisitions will provide an additional opportunity to provide social housing across Sefton and to help to meet housing need within the borough and respond to homeless pressures. In becoming a social housing landlord, the Council will be regulated by the Regulator of Social Housing and expected to comply with the regulatory framework. This framework is currently going through a period of change with new standards set to be introduced in April 2024.
- 6.2 A suite of policies is set out to be developed and adopted as required by legislation and/or regulatory requirements which will provide effective governance associated with the management of new council housing for Sefton. Developing a Housing Advisory Board will further strengthen governance of the management of new homes, supporting Cabinet and importantly offering opportunity for tenants to be involved in the shaping of landlord services. It is acknowledged that as the Council Housing Programme progresses, the board will need to be reviewed and to ensure tenant representation is proportionate.