PLACE & SUSTAINABILITY COMMITTEE
23RD MAY 2013
RESIDENT SCRUTINY – PROPOSALS FOR INTRODUCTION
REPORT BY THE DIRECTOR OF PLACE

SUMMARY

This report sets out the proposal for the establishment of a housing resident scrutiny function. A process of ‘co-regulation’ is now a statutory requirement of all housing providers. The draft proposal has been developed in conjunction with representatives from the Kingston Residents Federation. It has been externally validated by an external specialist consultant to ensure compliance with the regulatory framework and good practice and agreed by the Housing Consultative Committee (HCC). Following feedback the proposal will be finalised and submitted to HCC and the Place & Sustainability Committee in September for approval.

This report also sets out the required revisions to the Terms of Reference for the Housing Consultative Committee as a result of the governance arrangements that need to be put in place.

Action proposed by the Lead Member for Better Homes

It is proposed that:

1. The proposal for a resident scrutiny function be approved for wider circulation and comment, noting comments received from the Housing Consultative Committee
2. The revised terms of reference for the Housing Consultative Committee arising from the establishment of a resident scrutiny function be recommended to Council for approval.
3. The proposal to establish a Residents Scrutiny Arbitration Panel to resolve any disputes that may arise from the Panel’s report and recommendations, comprising of one elected member, a member of a resident scrutiny panel from a neighbouring housing provider or local authority, and a representative from a local community group be recommended to Council for adoption
4. The implications for the HRA be noted.
5. The timetable for implementation be noted.

Reason for action proposed

To comply with the statutory requirements under the Localism Act 2011 and regulatory requirements from the Homes and Communities Agencies and to provide tenants and leaseholders with a greater say and stake in how their housing services are delivered.
1. BACKGROUND

1.1 The Localism Act 2011, embodies the Government’s commitment to decentralise decision making and allow residents to have the power to make a positive difference in their communities. In addition, the Tenant Services Authority, the housing regulator, was disbanded and the remaining regulatory functions transferred to the Homes and Communities Agency (HCA) in April 2012. This was launched alongside a new regulatory framework. The Social Housing regulator’s primary regulatory principle is co-regulation. This approach recognised that Boards (or Councillors) are responsible for the organisation’s performance, compliance with the regulatory standards and adherence to their own selected code of governance.

1.2 The new regulatory framework sets out standards that social landlords are expected to meet and categorised as economic and consumer standards. The details of the standards are set out below

<table>
<thead>
<tr>
<th>Economic Standards (Pro-active regulation but not wholly applicable to local authorities)</th>
<th>Consumer Standards (Reactive regulation)</th>
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<tbody>
<tr>
<td>Governance and Viability</td>
<td>Tenant Involvement and Empowerment</td>
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<td>Rent</td>
<td>Home</td>
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<td>Tenancy</td>
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<td>Neighbourhood and Community</td>
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1.3 Unlike the previous regulatory regime, there is to be a light touch approach to regulation and the HCA are solely concerned with monitoring the compliance against the economic standards. The job of monitoring the consumer standards has now passed to the landlord who must work in partnership with its residents to ensure these standards are met.

1.4 The HCA will only take an interest in consumer standards if it feels there has been a case of ‘serious detriment’. The Government expects that by giving residents a ‘direct say’ on issues that affect them, such as repairs, anti-social behaviour and estate management, residents will be engaged and empowered, ultimately, leading to an increased level of community cohesion.

1.5 For the purposes of this report the term ‘residents’ is used to describe tenants and leaseholders.

1.6 The implementation of a resident scrutiny panel is phase one of project nine of the OK5 strategic housing programme. Once approved through this Committee, it will be circulated for comment to the wider tenant and leaseholder community during the early summer and tested out through a series of focus groups.

1.7 What is resident scrutiny?

The Tenant Involvement and Empowerment Standard deals directly with delivering co-regulation and states that landlords have a duty to ensure that residents can influence and be involved in the scrutiny of performance and making recommendations about improvement. The Regulatory Framework sets out what is required from all housing
providers to ensure that residents are given a wide range of opportunities to influence and be involved in:

- the formulation of their landlord's housing related policies and strategic priorities
- the making of decisions about how housing related services are delivered, including the setting of service standards
- the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved
- the management of their homes, where applicable
- the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
- agreeing local offers for service delivery

Co-regulation is about ensuring that clear information is available to all residents so they are able to offer constructive challenge and make recommendations for improvements. The Council, in addition to working with residents to set up a scrutiny panel, will also explore other opportunities to engage with residents and ensure co-regulation in phase 2 of the project.

A scrutiny panel will have access to lots of Council information and will conduct investigations into specific aspects of the services they receive. It is important that the scrutiny panel create their annual work plan (which will set out what they will be investigating) based on evidence, including performance information, benchmarking, complaints, satisfaction surveys and interviews with key members of housing staff.

The project team, comprising of Council Officers and representatives from Kingston Residents Federation, undertook extensive research and benchmarking to ensure the proposals developed for the Royal Borough of Kingston reflected learning and good practice from other housing providers and specialist organisations.

2. PROPOSAL

The proposed scrutiny process is represented diagrammatically at Annex 1. A structure chart indicating its reporting lines is set out at Annex 2.

2.1 Title: The resident Scrutiny function at the Royal Borough of Kingston will be known as the Kingston Residents Housing Scrutiny Panel (KRiSP).

2.2 Membership: KRiSP will comprise a membership of up to 20 tenants and leaseholders with a subset of five/six members per scrutiny investigation. Ideally the Panel will be proportionally representative of Kingston’s social housing mix. However, a pragmatic approach will need to be taken depending on the level of difficulty experienced in attracting tenants and leaseholders to volunteer for the panel who meet the role specification. There will also be a need to have in place a plan for on-going recruitment to allow for succession planning and an inevitable rate of 'drop-out'. The Panel will not include staff or elected members.

2.3 Governance: KRiSP will provide its reports and recommendations in the first instance to the Housing Management Team and the Kingston Federation of Residents who will then have up to three weeks to comment. Following agreement of the recommendations and improvements that will be taken forward, the Housing
Management Team will be required to draw up an implementation plan within three weeks. The implementation plan will be formally approved through the next meeting of the Housing Consultative Committee (HCC). As the HCC currently meets three to four times a year this may mean meetings will need to be held more frequently to ensure that the approval of the scrutiny investigation recommendations and the implementation plan are not delayed. Alternatively HCC could consider forming a sub group for this purpose.

Recommendations and improvements that require a change in policy, or have a significant financial implication must also be approved through the Place & Sustainability Committee. On occasions recommendations with specific estate based implications may require submission to the relevant Neighbourhood Committee. The Housing Management Team will be responsible for monitoring the implementation plan and will report on progress to KRiSP, the Resident Participation Review Group (RPRG) and the HCC on a six monthly basis.

2.4 Housing Consultative Committee: It is proposed that the HCC should form part of the new scrutiny governance arrangements and that its constitution be amended to take account of its additional role in relation to resident scrutiny. The revised terms of reference are attached at Annex 3.

2.5 Scrutiny Investigations: There will be one investigation commencing in quarter four of 2013/14 and two investigations in the year 2014/15. The process will then be reviewed to determine whether this could be increased to three per year thereafter. Investigations are resource intensive and require significant time from resident scrutineers and the staff involved in the investigation. Investigations will be operational as well as strategically focussed. The group will make recommendations to improve service delivery and also highlight where performance exceeds their expectations.

KRiSP will meet bi-monthly whilst the sub groups leading each individual scrutiny investigation will have the flexibility to meet as frequently as required at times most convenient to the panel members. However, Council resources to support the actual note taking of meetings will be limited to a maximum of one day per week to make best use of the resource. This resource will be provided initially through a dedicated Project Officer, as outlined in the support arrangements below.

2.6 Scrutiny topics: KRiSP will be responsible for selecting the topics for scrutiny based on the regulatory standards and with due regard to the advice of the Housing Management Team on service priorities and from the wider resident community, including The Federation. The Panel will only scrutinise services provided by the Housing Service under the Place Directorate, although this will include some services involving third party service delivery, such as estate services and repairs. The Panel will maintain an annual rolling schedule of planned investigations. This will be subject to regular review and modification according to prevailing needs and priorities.

2.7 Panel member expenses: It is proposed that the Council offers reimbursement of travel, childcare and relief care costs. It will provide the venue and refreshments for all meetings. It will also provide panel members with the necessary tools to carry out their roles such as access to IT equipment and the internet, assistance to support any special needs, eg Braille, audio or translation, if required. In addition it is proposed to incentivise panel members with vouchers up to the value of £400 per member per annum: £25 for each bi-monthly meeting attended and £250 for each scrutiny investigation a panel member leads or participates in (average of one per year per panel member). The cost of providing incentives will, therefore, total £8,000 per annum.
Advice from Legal and Revenues and Benefits is that the acceptance of vouchers, provided as a ‘gift’ or ‘thank you’ should not affect any entitlements that a panel member may be claiming. However, panel members will be required to sign for receipt of the vouchers on the basis that is their responsibility to make any necessary declarations.

2.8 Training and Development: A high quality training programme will be essential in developing an effective scrutiny panel and an external specialist will be commissioned to deliver both induction and on-going training. It is also proposed that the Council considers seeking the possibility of some form of formal accreditation for the training in due course. This could be a further means of attracting volunteers and enhancing an individual’s job prospects.

2.9 Support: An external specialist consultancy will be retained for a period of approximately six months to provide 15/20 days of independent training and initial support and mentoring to the Panel and staff, plus an additional 1/2 days per annum on an ongoing basis.

Members of KRiSP will need access to performance information. As this function has now been centralised this has implications for the appropriate corporate teams. It is not envisaged that there will be a performance report specifically created for the Panel but they will need to have quick access to performance information that is easy to understand and their requests for data will need to be responded to promptly: An information protocol should be developed for the Panel. It is also likely to mean that new and different types of information may need to be collected and systems will need to be developed and put in place to support this.

A lead housing officer will also need to be appointed for each scrutiny investigation as the point of reference and internal manager of the investigation: This will usually be the manager for the service area being scrutinised.

A project resource will also be dedicated to supporting and facilitating the work of the Panel and the first scrutiny investigation. This resource will also be responsible for organising meetings, note taking and report writing and acting as the conduit between the Panel, the performance team, lead housing officer and any external organisations. The cost of the Project Officer for an initial six month period has been budgeted for within the project. Thereafter support needs will be reviewed and provision will be made within the HRA to meet the on-going requirement, probably on a part time basis.

2.10 Budget: In addition to the cost of a support role, provision will need to be made in the HRA for the associated expenses for the Panel to undertake its work, incentives, training, ongoing recruitment etc. It is estimated a budget of c£55,000 per annum will be required in total. This budget will be directed by the Panel and managed by the support role.

2.11 Arbitration/Disputes: If KRiSP believes any of their recommendations are rejected inappropriately or that the recommendations that have been agreed are not being implemented, the Panel will invite the Head of Housing to a meeting of the Panel with the aim of resolving the issue/s. If the matter/s is not resolved the Panel will further raise with the Director of Place and the lead elected member for housing. In the event that matters still remain unresolved it is proposed that a separate panel is established comprising of one Councillor, not previously involved in the process, a member of a resident scrutiny panel from a neighbouring housing provider or local authority and a representative from a local community group. Its decision(s) will be final.
2.12 Communication of Scrutiny Plan and Outcomes: KRiSP’s work plan will be available on the website and published in the Housing Services’ Annual report. KRiSP will have editorial control over the content of its scrutiny reports and recommendations and requests for modifications will not be permitted prior to submission. Communication of the recommendations and actions arising from each scrutiny investigation will also be communicated through these means, and publicised as widely as possible via the local media. Regular updates will also be included in ‘HomeLife’ (the Council’s newsletter for its tenants and leaseholders) and Home Truths, the Federation’s newsletter for residents.

3 FEEDBACK FROM HOUSING CONSULTATIVE COMMITTEE

3.1 The Housing Consultative Committee welcomed the proposals for KRiSP at its meeting of 24th April 2013 and agreed that they should be more widely circulated for comment, subject to approval by the Place & Sustainability Committee.

3.2 The provision of incentives to panel members caused some debate with mixed views noted. It was accepted that this would be subject to wider consultation through the planned focus groups and that panel members would have a choice as to whether they wished to receive vouchers in return for their participation. It was requested that any impact on benefits or other income should be explored further with confirmation sought from HMRC, if possible, that the receipt of vouchers as a ‘gift’ would not have a detrimental effect.

4 TIMESCALE

4.1 Initial proposals developed by Project Team: Agreed with Housing Management Team, HCC and P & S Committee in May 2013

4.2 Communication and dissemination: A comprehensive communications plan to build awareness and interest, both internally and externally, is being rolled out. This includes press releases, events, posters, articles in housing newsletters and briefings for staff and Residents Associations. During the period June to mid-July tenants and leaseholders will be asked to comment on the proposal outlined in this report and a specialist consultancy (Housing Quality Network) has been recruited to run a number of focus groups with tenants, leaseholders and staff.

4.3 Recruitment to the Scrutiny Panel: Recruitment to the Panel will take place during the summer. Interviews will be conducted jointly by housing staff and the Kingston Federation of Residents with a view to appointing a panel by end of September.

4.4 Final Report to P&S Committee: A further report setting out the final proposal will be presented to the Place & Sustainability Committee in September 2013 for approval.

4.5 Introduction of the resident scrutiny function: Induction and initial training will be undertaken during October to enable the first scrutiny panel to be held early November and a scrutiny topic selected, ready for the first scrutiny investigation to commence in January 2014.

5 FINANCIAL IMPLICATIONS

5.1 The budget for the development and establishment of a new resident scrutiny function is £60,000. This is funded through funded the OK5 Programme.
5.2 It is projected that an annual budget of £55,000 will need to be met through the HRA from 2014/15 onwards to fund the resident scrutiny function.

6. LEGAL IMPLICATIONS

6.1 The regulatory framework under the Localism Act 2011 requires all housing providers to implement a process of ‘co-regulation’. The establishment of a resident scrutiny function is the most effective way of meeting this obligation.

6.2 The Constitution of the Housing Consultative Committee will need to be amended in order to take account of its new role in respect of reports and recommendations from KRiSP. The residents scrutiny proposals complement but do not duplicate the established elected Member scrutiny function in holding housing services to account.

7. RISK ASSESSMENT

7.1 Governance of the project: The development of the resident scrutiny proposal has been undertaken within the Council’s project management framework. The project is one of nine projects within the OK5 strategic management programme. The Programme Manager reports progress monthly at the Housing Project Board.

7.2 Staff Buy-in: Resident scrutiny requires the buy in of housing staff to the process. This means some change in the relationship between staff and residents. Residents, through co-regulation, will have more say in how services are delivered to them. Housing has traditionally been responsible to a Government led regulatory body. This is still the case for economic issues but the localism act is forcing residents to act as a quasi-regulator. Being answerable to the people you are delivering services to, rather than a ‘higher’ body, requires a cultural shift and greater transparency. Through the communications and engagement plan that underpins the Resident Co-regulation and Scrutiny project there will be series of awareness raising and training events to mitigate this risk. The effective leadership of the senior management team will also be critical.

7.3 Resident Buy-in: According to the recent STAR survey only 44% of tenants were satisfied that their housing service listens to their views. Prior to the start of the Better Homes works just over a year ago, tenants had suffered from a severe lack of investment in their homes for a long period of time. In addition, there have been two failed attempts at a housing stock transfer. Residents need to believe that scrutiny will empower them to drive the service improvements and changes they would like to see.

7.4 Recruitment to the Scrutiny Panel: Resident engagement is currently centred on the Federation, Resident Associations and to a lesser extent the Sounding Board (c65 members). Historically, the Council has experienced difficulty in attracting tenants and leaseholders to become involved with the housing service. An extensive communications and engagement plan is underway; however, recruiting suitable resident volunteers for the scrutiny panel is probably the most significant risk to the project.

7.5 Implementation of Recommendations: The recommendations arising from resident scrutiny may have cost implications and require changes that had not originally been envisaged or planned for. Whilst some provision for this can be made from 2014/15
within the HRA, there may be occasions when the recommendations cannot be implemented for good reason. This may lead to frustration from residents and a perceived sense of the process failing. It will, therefore, be important to manage resident expectations and ensure good communications.

7.6 Cost v Benefits: Naturally, there is a cost to implementing a resident scrutiny function. Feedback from housing providers who already have a resident scrutiny process in place are largely positive and it is anticipated that Kingston’s housing service will benefit from increased resident involvement and this new approach. Nevertheless, it is important that the benefits can be measured and effectiveness assessed. Developing criteria for measuring success, therefore, forms part of the project.

8. EQUALITY IMPACT ASSESSMENT IMPLICATIONS

8.1 Resident involvement is subject to regular equalities monitoring and the recruitment process will be particularly sensitive to equality matters. A completed Equalities Impact Assessment (EqIA) is attached as Annex 4. The EqIA will be updated regularly throughout the project.

9. ENVIRONMENTAL IMPLICATIONS

9.1 There are no direct environmental implications arising from the implementation of resident scrutiny. However the recommendations from the scrutiny panel, once it is a functional body, may lead to some, positive, environmental impacts for local tenants, leaseholders and, indeed, the wider community.

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- Background papers
  - Regulating the Standards (May 2012) HCA
  - Regulatory Framework (March 2012)
  - Resident Scrutiny Questionnaire
  - Scrutiny Research Summary
  - Tenant Scrutiny Now and in the Future (TPAS, HouseMark and CIH)