



Haringey Council

Agenda item:

Overview and Scrutiny Committee

On 10th January 2008

Report Title: The Performance of Social Housing Providers (Registered Social Landlords & Homes for Haringey) - Feasibility Report for Possible Scrutiny Reviews.

Forward Plan reference number (if applicable):

Report of: Chair of Overview and Scrutiny Committee

Wards(s) affected: All

1. **Purpose** (That is, the decision required)

1.1 To consider the feasibility of the Overview and Scrutiny Committee commissioning a full scrutiny review on the performance of Social Housing Providers in Haringey.

2. Recommendations

2.1 That Overview & Scrutiny Committee note the contents of the report and confirms its conclusions for further scrutiny involvement in Homes for Haringey.

2.2 That Overview & Scrutiny Committee note the contents of the report and confirm its conclusions to defer a possible scrutiny of RSLs in Haringey (RSL locality collaboration) to a time determined by the Committee.

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3. Local Government (Access to Information) Act 1985

Key background papers relating to this report (full papers Appendix A):

- Audit Commission (2007) Inspection of Homes for Haringey (Arms Length Management Organisation)
- Cave (2007), Every tenant Matters: A review of social housing regulation (Cave Review). Department of Communities & Local Government
- Hills (2007) Ends and Means: The future roles of social housing in England (Hills Report) London School of Economics (2007)
- Maclennan (2007) Better Futures for Social Housing in England. Joseph Rowntree Foundation
- Homes for Haringey Performance Management Framework (2006)

- Homes for Haringey: Business Plan 2007-2012 (2007)
- LBH (2005) Housing Strategy 2003-2008, Haringey Council
- Housing Corporation, 2006 Housing Associations in 2006: Performance Indicators

4. Introduction

There are currently over 22 million households in the UK. Nationally, housing tenure is predominated by that of owner occupation which according to the most recent estimates, make up 70% of all of households (DCLG, 2007a). This same data indicates that 19% of households currently live within the social rented sector, whose landlords are equally distributed between that of local authorities (10%) and Registered Social Landlords (9%).

The performance of the social rented sector in meeting key social policy objectives (decent homes, prosperous communities, tenant choice, community cohesion) has come under increasing scrutiny and has precipitated a number of national reviews (Hills, 2007; Cave, 2007; MacLennan, 2007). This report highlights national and local performance issues in relation to the management of the social rented sector and, using national and local reports and consultations with providers (see Appendices A & B), makes a number of recommendations as to the feasibility of undertaking a scrutiny review of this service area in Haringey.

5. Background

5.1 National backdrop

In the UK, the social rented sector has traditionally been characterised as that of municipally built, owned, and managed housing stock. In recent decades however, a more pluralistic model has evolved, where the nature, ownership and management of social housing is determined by a broader range of public bodies. The nature of social housing provision itself has diversified to reflect the changing nature of housing needs. Whilst general needs dwellings continue to predominate in the social rented sector, a broader range of supported accommodation and shared ownership schemes are now provided by public bodies. Similarly, local authorities have been joined by Registered Social Landlords (RSL) and Arms Length Management Organisations (ALMO) as key providers of social housing in the UK.

RSLs are publicly funded bodies that are registered and regulated by the Housing Corporation and which account for the majority (48%) of lettings in the social rented sector. From 2001, local authorities have been able to establish ALMOs (a company owned by the local authority) to manage and improve their housing stock. Whilst the local authority retains ownership and strategic direction of the housing stock, day to day management is contracted to the ALMO. Approximately 20% of the national social housing stock is currently managed by an ALMO. Local authorities remain a significant provider of social housing in their own right however, and continue to own and manage 32% of social lettings nationally.

5.2 Haringey context

Housing tenure in London boroughs and other metropolitan districts is characterised by lower rates of owner occupation and higher rates of privately rented and socially rented housing. Local estimates suggest that owner occupation accounts for just

49% of local housing tenures in Haringey and where the social rented and private rented sectors account for 29% and 22% respectively (LBH, 2005a). In total there are approximately 33,000 social rented households in Haringey; two thirds (21,000) are managed an ALMO (Homes for Haringey) and 12,000 owned and managed by RSLs.

5.2.1 Haringey ALMO (Homes for Haringey - HfH)

Homes for Haringey was established in April 2006 by Haringey Council to manage its entire social housing stock of approximately 21,000 units. Of these dwellings, approximately 15,000 were general needs, 4,500 were leasehold properties and 1,500 were supported housing. Whilst the housing stock continues to be owned by Haringey Council, Homes for Haringey has responsibility under contract for the day to day management of these dwellings which includes:

- Repairs & Maintenance
- Estate management
- Right to buy
- Rent collection
- Lettings (with LBH)
- Resident involvement

5.2.2 RSLs in Haringey

As of March 2007, there were 48 RSLs providing social housing (general needs, supported housing, shared ownership) for people living in Haringey. RSLs operating within Haringey range from large national organisations that provide almost 2,000 homes to others that just provide homes in Haringey or neighbouring boroughs. There are also a significant number of smaller ‘niche’ RSLs which provide specific needs housing (i.e. black and minority ethnic groups). However, the five largest RSLs manage over 2/3 of housing in this part of the social rented sector in Haringey (Housing Corporation, 2007a). The full distribution of RSLs by the number of dwellings Haringey is provided below.

Managed Stock	<100	101-500	501-1000	1001-1500	1500+
No. of RSLs	30	13	2	-	3

Aside from the management of existing social housing, RSLs play a critical role in the development of new lets in Haringey. RSLs are a conduit for the Housing Corporation to fund the acquisition and new development of social housing in the sector. Approximately 35% of new lets in Haringey are developed through RSLs (LBH, 2005).

6. Regulatory and monitoring framework for social housing

A different regulatory and monitoring framework exists for each of the three main providers of social housing. An outline of this framework is provided below.

Social Housing Sector	Regulation	Inspection
Local Authority Housing	Department of Communities & Local Government	Audit Commission
Arms Length Management Organisations (ALMO)	Stock managed under contract by local authority	Audit Commission
Registered Social Landlords (Housing Associations)	Housing Corporation	Audit Commission

6.1 Regulation and monitoring of local authority housing

For housing stock still owned and managed by local authorities, regulation and monitoring is still undertaken directly through the Department of Communities and Local Government. Here, the department sets out the operational and financial framework for local authorities to manage their housing stock where infringements may incur financial penalties. All aspects of the local authorities housing performance are open to independent inspection from the Audit Commission which grades the authority on the basis of quality of service provision (zero to three stars) and on the prospects for improvement (poor through to excellent).

6.2 Regulatory and monitoring of ALMOs

ALMOs, being a company owned by a local authority, manage housing stock under the terms and conditions set out in the contract that they have with individual local authorities. Monitoring and performance management arrangements are also set within the terms of the contract with the local authority. As with other companies ALMOs are required to have their own Management Board and executive functions to ensure that they comply with the governance arrangements and other terms of their contract. ALMOs are also open to inspection from the Audit Commission under the same conditions for local authorities,

6.3 Regulation and monitoring of Registered Social Landlords (RSLs)

To be eligible for public funding for the development of new housing or the management of existing housing stock, RSLs must be registered with the Housing Corporation. All those RSLs with a housing stock of over 250 are continuously assessed on their performance using a traffic light system in relation to following performance areas: financial viability, governance, management and use of resources (Housing Corporation, 2007a). RSLs are also open to inspection from the Audit Commission under the same conditions as other social housing providers.

7. Performance of Homes for Haringey

The following highlights current arrangements for the monitoring of the performance Homes for Haringey indicating the performance management framework, performance indicators and current performance against these indicators. A short commentary is provided at the end highlighting aspects of Homes for Haringey performance which may benefit from scrutiny review.

7.1 HfH Performance Management Framework

Homes for Haringey is contracted to manage housing owned by Haringey Council which is done so under contract. Externally, Home for Haringey reports its performance (and other contractual requirements) to the Executive of Haringey Council on a quarterly basis which is supplemented by monthly officer meetings between the two organisations. Internally, performance management is monitored through the Service Delivery Committee and Finance Audit Committees and through quarterly reports to the Executive Management Team and to other Committees of the Board of Homes for Haringey.

Performance management is supported through specialised intervention teams (internal and external), participation in ALMO benchmarking clubs and best practice

visits to high performing ALMOs. The performance of the organisation is also reported through Homezone, a regular newsletter circulated to all Homes for Haringey tenants.

7.2 HfH performance indicators

Homes for Haringey have a suite of 25 Key performance indicators, 18 of which relate to targets within the Comprehensive Performance Assessment and 7 are additional local targets. Target levels are set within the top quartile of London and national performance and agreed with the contractor (Haringey Council). The performance of Homes for Haringey against these indicators is measured monthly using a traffic light system and a balanced scorecard and reported to structures within the monitoring framework set out above (7.1). The key areas of service provision covered within this suite of performance indicators include:

- Rents (i.e. rent collection/ arrears rates);
- Repairs (urgent and non-urgent completion);
- Voids (re-let times of properties);
- Tenant satisfaction (overall, participation);
- Customer service (call answering, complaints, member enquires);
- Finance (invoices paid).

7.3 HfH - Current Performance

Homes for Haringey was inspected by the Audit Commission in August 2007 which resulted in the service receiving a 2 stars rating (good) with promising prospects for improvement. The inspection made a number of key observations highlighting positive aspects of Homes for Haringey's performance which included a strong approach to customer services, a good approach to diversity issues; a strong culture of tenant involvement and good management of estates. Rent collection at was identified as being weak within Homes for Haringey.

It was also noted that since the last inspection (2005) there had been a marked improvement in some services whilst some services continue to remain problematic:

- | Marked improvement | Ongoing developments needed |
|--|---|
| <ul style="list-style-type: none">▪ Access to services▪ Customer care▪ Diversity▪ Resident involvement▪ Leasehold management | <ul style="list-style-type: none">▪ Rent arrears▪ Aids & adaptations |

In relation to performance specifically, the Audit Commission report concurred that the performance of Homes for Haringey is managed well in which there were clear structures in place to oversee and ensure that the organisation met its key strategic and operational targets. The performance strengths of Homes for Haringey were identified to be thus:

- Clear performance framework;
- Performance clearly linked to the Business Plan;
- Performance supported by Capital Investment Strategy;
- Utilisation of specialist teams to ensure continuous improvement;
- Good record of responding to underperforming areas identified in previous inspections.

7.4 Commentary for possible scrutiny review

- Homes for Haringey has recently undergone a rigorous inspection process which has highlighted a number of positive service features and areas for service development. As has been highlighted in the inspection, the organisation has a good record of responding to required developments within the service.
- Whilst there is concern that the performance of Homes for Haringey for some key performance indicators has deteriorated in recent months (most notably voids where the re-let time has increased from 31 days to 55 days in the period April to October 2007) it is apparent that the service is taking remedial action. For example, in the case of voids, a Void Improvement Plan has been developed which is now overseen by the Director of Housing Improvement.
- One of the problems in measuring the performance of HfH is that some of the performance indicators relating to HfH are dependent to some degree on the role of Haringey Strategic & Community Service. Some services, such as the management and re-let of voids, still require the involvement of both HfH and HSCHS in meeting related performance indicators.
- The importance of performance monitoring of Homes for Haringey is illustrated through the fact that many of its performance indicators are instrumental to Haringey Councils overall Comprehensive Performance Assessment process and key targets within the local Sustainable Community Strategy.
- The contractual relationship between Homes for Haringey and Haringey Council is central to the performance management framework of the ALMO. No overt concerns have been reported in this relationship. Indeed, as this relationship is still in its relative infancy (ALMOS status granted in April 2006), it is expected that contract monitoring arrangements will naturally develop and mature in which the strategic housing needs of Haringey may be furthered.
- HSCHS itself has also recently undergone inspection from the Audit Commission (November 2007). It is expected that this inspection may encompass the relationship that the service has with its housing providers such as Homes for Haringey and RSLs, thus the conclusions of the inspectorate would appear to be central to developing proposals for a possible scrutiny review involving the service (and its relationship with Homes for Haringey). The inspection report is due to be published in January 2008.
- Historically, there has been some uncertainty as to the strategic leadership of the Haringey Strategic and Community Housing Service given the turnover in key positions. It was noted from both HSCHS and Homes for Haringey that this has not helped in developing continuity in contract management arrangements between the organisations. A new Assistant Director for housing has been appointed at HSCHS and a new Chief Executive of Homes for Haringey is expected to be appointed by April 2008.
- As a result of issues raised as part of the scrutiny of the Cabinet's Budget proposals for 2008/9, the Overview & Scrutiny Committee has decided that it wishes to receive performance reports from Homes for Haringey on a regular

basis. This will allow the Committee to monitor the performance and question the Chief Executive of Homes for Haringey and eth specific Cabinet portfolio holder.

Conclusions:

The Homes for Haringey performance management framework is fully established and sufficiently resourced to make it an effective vehicle. HSCHS and Homes for Haringey have undergone recent rigorous external audit. Homes for Haringey has subsequently been awarded two stars and as a result Central Government are likely to be able to release significant funds to help the council achieve its decent homes standards.

Limited potential for scrutiny involvement has been identified particularly at this moment in time. A further external audit of Homes for Haringey is expected in 18-24 months time. A scrutiny review at this time is unlikely to add value, therefore the committee may wish to conclude that further scrutiny involvement above that already identify is unnecessary.

8. Performance of RSLs in Haringey

The following highlights current arrangements for the monitoring of the performance RSLs in Haringey, indicating the performance management framework, performance indicators and current performance against these indicators. A short commentary is provided at the end highlighting aspects of the performance of RSLs operating in Haringey which may benefit from scrutiny review.

8.1 Performance Management Framework

RSLs are regulated and monitored by the Housing Corporation as such these organisations are not directly accountable for their performance to Haringey Strategic & Community Housing Service. Given the number of RSLs operating in the borough (n=48) such arrangements would be impracticable and unmanageable. It is however important that there is good communication, liaison and robust working relationships between RSLs and Haringey Strategic & Community Housing Service given the volume of social housing provided by RSLs and their role in providing new lets in Haringey.

Haringey Strategic & Community Housing Service thus supports liaison and partnership working between itself and RSLs and across the sector generally through the operation of a number of strategic and liaison housing forums (see Appendix C). 5 representative RSLs are invited on to the Integrated Housing Board which oversees the strategic direction of all housing services in Haringey. Organisational and developmental issues are the focus of the Haringey Housing Group to which all RSLs operating in Haringey (together with Homes for Haringey and HSCHS) are included. Finally, a number of cross-cutting theme groups (new developments, lettings, anti-social behaviour) are also supported within Haringey at which RSLs are also invited to participate.

To further improve the relationship between HSCHS and RSLs, Preferred Partner Status (PPS) has been developed with a limited number (n=6) of RSLs in Haringey. The 6 preferred RSL partners in Haringey are:

- Servite Housing
- Circle Thirty Three
- Presentation
- London & Quadrant

- Family Mosaic
- Metropolitan Housing Trust

Through the operation of PPS, it is anticipated that a closer relationship will be fostered between selected RSLs and HSCHS which will present further opportunities for collaborative and partnership working to help the locality meet its strategic housing objectives. RSLs that have obtained preferred partner status have also developed the Preferred Partner Housing Group in Haringey to further develop collaborative working opportunities among this significant group of providers.

8.2 RSL Performance Indicators

The Housing Corporation has developed a new streamline suite of 12 performance indicators which is effective from 2007/8 (see below). Performance data is collected and published through the Housing Corporation where individual reports are freely available for all RSLs operating in Haringey.

- Vacant general needs dwellings
- Re-let time
- SAP rating (energy efficiency)
- Failing decent homes standard
- Tenant satisfaction with landlord
- Tenant participation
- Satisfaction with repair time
- Tenants satisfied with new homes
- Routine repairs completed on target
- Tenant rent arrears
- Shared ownership satisfaction
- Satisfaction with sales process

8.3 Current Performance

The following performance data is based on all those RSLs managing more than 10 properties in Haringey and relates to the performance of the whole RSL, not just that stock operated in Haringey. Given the above, the performance of RSLs in Haringey should be interpreted with some caution; the data perhaps representing the performance of RSLs London wide rather than Haringey specifically.

Performance Indicator	Average Performance of Haringey RSLs		2007 National Average
	2006	2007	
Overall tenant satisfaction	71%	68%	79%
Tenant satisfaction repairs	-	67%	76%
Tenant satisfaction participation	57%	51%	63%
Shared ownership satisfaction	60.6%	51.0%	63.0%
Tenant arrears	6.2%	6.9%	5.4%
Average re-let time	-	82 days	40.1 days
Failing Decent Homes std.	-	13.1%	13.0%
Routine repairs in time	93.5%	91.8%	94.9%

Source: Housing Corporation, Haringey Local Profile 2007

8.4 Commentary for possible scrutiny review

- RSL preferred partners indicated that they were broadly satisfied with the partnership arrangements that existed between Haringey Council and themselves. Preferred partnership status has brought an improvement in working relationship between RSLs and Haringey Council. There were also

emerging opportunities for yet further partnership working with the development of Preferred Partnership Group.

- A number of RSLs highlighted that they currently undertake a range of complimentary and support activities (i.e. worklessness, training, anti-social behaviour initiatives) for their social housing residents which is not collected or collated by Haringey Council. Measures need to be put in place to ensure that this data is captured as this may help the Council meet its key strategic and business planning targets.
- RSLs indicated that further strategic mapping was needed in Haringey to clearly identify what services are currently provided across the borough by all housing providers (housing stock, housing services provided and ancillary services). This data this would help RSLs to identify shared working objectives, geographical areas of work and opportunities in which they may be able to work more collaboratively with other housing providers in Haringey.
- On the basis of initial discussions with RSLs there would appear to be some benefit in examining in greater detail how housing providers (RSLs and HfH) work together on neighbourhood management issues (cleanliness, maintenance of public areas, estate inspection, ASB) and in agreeing standards for the maintenance of neighbourhoods. Since the completion of consultations with RSLs however, HSCHS have developed a Common Management Standards Working Group for all RSLs and Homes for Haringey. The inaugural meeting of this group is in January 2008.
- Consultation with RSLs identified that further direction from the HSCHS as regard to the nature of service provision that may be required in the future (i.e. supported housing needs) and how services can work together to meet these needs.
- The Housing and Regeneration Bill (2007) is currently in its passage through parliament. This makes provisions for the establishment of the Homes and Communities Agency to replace the Housing Corporation and English Partnerships. This will unify arrangements for the planning, development and funding of new housing. Regulation of the RSL sector will be undertaken by the newly formed Office for Tenants and Social Landlords (OFTenant).

Conclusions:

Performance management of RSLs is undertaken through the Housing Corporation and through inspections undertaken by the Audit Commission. Such evaluative data is widely published and distributed.

Given the size, nature and independent status of RSLs, it is inherently difficult for Local Authorities to develop robust working partnerships with all such organisations that may operate in their locality. HSCHS however have made a number of developments to further improve and develop this working relationship through the development of Preferred Partner Status and in supporting the creation of new liaison forums which appear to be well received in the sector.

One possible area for possible scrutiny review has been highlighted within the report: RSL and HfH collaboration for estate / area management. It is suggested that the housing provider liaison framework and the Common Management Standards Working Group should be given further time to develop as both are in their relative infancy. It is therefore suggested that the Committee may wish to defer a possible scrutiny review to enable local measures to be taken to be assessed and to allow changes in the national performance management structure of RSLs to take effect.

Appendix A - References & Bibliography

Audit Commission, 2007	Inspection of Homes for Haringey (Arms Length Management Organisation)
Audit Commission, 2007a	Housing after transfer: The Local Authority Role
Audit Commission, 2007a	Seeing the Light: Innovation in local public services.
Cave, 2007	Every tenant Matters: A review of social housing regulation (Cave Review). Department of Communities & Local Government
DCLG, 2007	Learning from Arms Length Management Organisations – The experience of the first three rounds. Housing & Regeneration Research Group,
DCLG, 2007a	Housing & Planning Key Facts – Analytical Services Directorate
HfH, 2006	Homes for Haringey Performance Management Framework
HfH, 2007	Homes for Haringey: Business Plan 2007-2012
HfH, 2007a	Homes for Haringey: Performance Report to October 2007
Hills, 2007	Ends and Means: The future roles of social housing in England (Hills Report) London School of Economics (2007)
Housing Corporation, 2006	Housing Associations in 2006: Performance Indicators
Housing Corporation, 2007	National Impact Assessment Report 2006-7
Housing Corporation, 2007a	Haringey Local Authority (RSL) Performance Indicator Profile www.gishousingcorp.gov.uk
Housing Ombudsman, 2007	Annual Report 2006/7
LBH, 2004	Report of the Scrutiny Review of Registered Social Landlords in Haringey, Haringey Council
LBH, 2005	Housing Strategy 2003-2008, Haringey Council
LBH, 2005a	2005 Housing Needs Assessment Update, Haringey Council
Maclennan, 2007	Better Futures for Social Housing in England Joseph Rowntree Foundation

Appendix B - Feasibility Study Informants –

Haringey Council

- Head of Housing & Supply
- Performance & Quality Assurance Manager
- Homes for Haringey Liaison Officer
- Service Improvement Team

Homes for Haringey

- Performance Manger

RSL

- Servite Housing
- London & Quadrant Housing
- Presentation Housing
- Metropolitan Housing Trust
- Family Mosaic

Appendix C – Haringey Housing Boards

