



ADUR & WORTHING
COUNCILS

Joint Audit and Governance Committee
21 March 2024:
Adur Joint Strategic Sub-Committee
14 March 2024

Key Decision [No]

Ward(s) Affected: All Adur

Housing Improvement Plan: March 2024 Progress Report

Report by the Director for Housing and Communities

Executive Summary

Purpose

- 1.1. This report provides a progress overview of the Housing Improvement Plan to both the Adur Joint Strategic Sub-Committee and the Joint Audit and Governance Committee, following the self-referral to the Regulator for Social Housing earlier this year.
- 1.2. Previous reports shared with both these committees have detailed the rationale for the self-referral, the response from the Regulator, and the scope of the work planned to address these issues in Adur Homes. This report sets out a summary of the work underway, the progress being made to improve performance and meet the required standards, and the issues that remain. The purpose and focus of all of this work is about delivering the Council's mission to ensure that everyone has a safe, secure and sustainable home.
- 1.3. This report provides an update on the progress being made on the outstanding Audit Actions, which have been integrated into the Improvement Plan. This includes an update on work being done to address outstanding Freedom of Information Act requests.
- 1.4. This work contributes to the delivery of the Council's mission to ensure that everyone has a safe, secure and sustainable home.

Recommendations

The Joint Audit and Governance Committee is asked to:

- 1.5. Note the good progress being made to ensure that Adur Homes becomes fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for our residents.
- 1.6. Consider the progress being made on the outstanding audit actions as captured in paragraph 9.
- 1.7. Note the progress being made with the overdue Freedom of Information Request at paragraph 2.1 (12) of this Report.
- 1.8. Note the progress being made in respect of complaints and that the wider changes around complaints policy is being reported to this committee under a separate report.
- 1.9. To agree to future update reports being brought to this committee every 6 months during 2024/5 during the second year of the Improvement Plan.

The Adur Joint Strategic Sub-Committee is asked to:

- 1.10. Note the good progress being made to ensure that Adur Homes becomes fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for our residents.
- 1.11. Extend the interim policies previously agreed by this committee for 2024/5. The policies are listed in 1.19 and will be reviewed during 2024/25.
- 1.12. Note the progress being made with the overdue Freedom of Information Request at paragraph 2.1 (12) of this Report.
- 1.13. Note the progress being made with regard to the progress being made on complaints and that the wider changes around complaints policy is being reported to the Joint Audit and Governance Committee



Background context

- 1.14. Members are reminded that reports are presented to this committee to provide an update on the work in progress following the self-referral to the regulator for social housing. This work is being developed through the Improvement Plan, which is now over halfway through the first year of a two year plan.
- 1.15. Our focus is on the delivery of good, safe and sustainable homes for all our residents, whose safety and wellbeing is paramount. There is a strong commitment to ensuring that our social housing in Adur meets this ambition.
- 1.16. Whilst this initial plan is work being carried out over the medium term, it is important to state that programme to improvement will require longer term transformation and work is being developed and referenced in this report.
- 1.17. Officers continue to meet with the Regulator for Social Housing on a monthly basis to review the elements of the improvement plan that relate to the self-referral, notably health, safety and compliance, decent homes and damp and mould.
- 1.18. Finally, Members are also reminded about the legislative change underway through the new Social Housing (Regulation) Act. Preparations are underway to ensure that Adur Homes is compliant with these changes.

Interim Policies

- 1.19. Adur Joint Strategic Sub Committee previous approved a number of interim policies during 2023/24. These policies were:
 - Payment Policy for Leasehold Works Charges
 - Leasehold Management Policy
 - Gas Safety Policy & Guidance
 - Lift Maintenance Policy & Management Plan
 - Health and Safety

- Electrical Safety Policy and Procedure
- Water Hygiene (Legionella) Risk Management Policy and Procedure
- Feedback & Complaints Policy and Procedure
- Compensation Policy

These policies are considered to be robust and fit for purpose but will be subject to review in 2024/25 to ensure they remain compliant as legislation develops and is implemented. Updated policies will be brought to the Adur Joint Strategic Sub Committee for approval.

Adur Homes road to improvement and transformation

1.20. Adur Homes Improvement Plan

- 1.20.1. The Adur Homes Improvement Plan sets out a number of key priorities for the service, which primarily address the concerns of the Regulator (around compliance and decent homes) and also include wider-ranging priorities to ensure the whole service is transformed, including: systems, workforce, governance, asset management, health and safety compliance issues, tenancy management and engagement, complaints and FOIs.
- 1.20.2. Phased over a 24-month period, this is a relatively high level plan, which sets out clear accountable leadership and delivery, against challenging but realistic timeframes. Whilst this plan will deliver the work to address issues in the short to medium term, we recognise that the road to transformation of Adur Homes will require a longer-term approach and this is referenced within the plan.
- 1.20.3. Importantly, the plan also includes a high level risk assessment and an environment scan highlighting issues on the horizon that the service needs to plan for and adapt to.

1.21. Summary of progress against the Improvement Plan

- 1.21.1. The full Improvement Plan is set out below as a set of actions (Appendix 1), the risk assessment (Appendix 2) and performance indicators (Appendix 3). Each of these priorities is being tracked and regularly reviewed to drive forward progress through a new Housing Improvement Board.

In addition to the full plan we will also be ensuring the actions can be met through appropriate rent levels being set and rent arrears are managed effectively. Households with arrears need to be appropriately

supported in respect of income maximisation support, debt support if appropriate. As part of the wider work we will be benchmarking Adur Homes rent arrears level against that of other stock holding authorities and Registered Providers.

Below are some key areas to highlight for members of these committees. Each summary area referenced the relevant priority area (referenced as P):

1. Establishing the right leadership and workforce (Ps 26 and 32)

Our new Assistant Director for Housing and Homelessness Prevention, started their position in November. We have also been working hard to ensure a number of key positions are filled to deliver this work, including surveyors and housing officers (two of who will have started by the time this report is published). Unfortunately we lost our Tenant Engagement Lead post (who secured a promotion elsewhere) and this has led to some delays around engagement work. In addition, like many other providers we have experienced a lack of uptake to some professional areas. However we are working to address this and complete a housing organisational design over the coming months.

2. Reviewing and strengthening governance (P 29)

The Adur Homes Advisory Board is now meeting quarterly and work is continuing to ensure we have a complete board of tenant representatives. We were unable to recruit to the Tenant Engagement Lead vacancy in February so are reviewing the role profile and advert to go out for recruitment in March.

3. Compliance and health and safety (Ps 10.11)

This has been a significant area of focus.

Positive progress is continuing with gains being made across the compliance requirements of Adur Homes works towards a target of 100%. Some access issues are being faced in relation to gas servicing with the appropriate following action being taken e.g. access warrants. Where appropriate the additional costs incurred will be charged to the tenants in accordance with the Council's debt collection policy.

In the areas where 100% is being reached these works will continue with a full planned programme of works being developed for the coming year and resources will be concentrating on those other

areas to ensure 100% compliance is reached within an appropriate timeframe.

Performance data (Appendix 3) shows the continued progress made and continues to show a positive direction of this work. The focus is to continue close monitoring and work across all areas with greater attention to those areas that require the greatest effort to close the gap to bring us to 100% compliance.

4. Improving data and systems (Ps3, 4)

This continues to be a critical area of work as data capture, monitoring and reporting is paramount to the progress and success of Adur Homes future plans in relation to financial and operational management as well as meeting statutory and legislative requirements.

Work continues with the support of the council's Digital Team. Regular monitoring and reporting of issues continues and where necessary and appropriate, ongoing updates and improvement are implemented.

The system issues arising from the legacy system and provider relationship are being worked through and prioritised based on service critical areas. Training for staff is being provided and work is being done to ensure there is greater resilience within the team to manage and support our systems including ensuring we are better prepared to implement rent and service charge increases for 2024/25.

As system knowledge increases we are now in a position to implement the functionality available that has not been used to full effect. This work will further support improved service delivery and is also essential to improve our data transfers into possible future systems.

This development has resulted in the comprehensive training of key personnel, equipping them with the necessary skills to seamlessly execute day-to-day operations and facilitate the implementation of rent and service charge changes for the 2024/25 financial year.

Looking ahead, we have three significant initiatives in the pipeline, aimed at fortifying stability for our users, providing transparency for

our customers, and optimising our capability to fulfil data requests with increased efficiency. These endeavours signify our commitment to continuous improvement and the delivery of high-quality services to our stakeholders.

Concurrently, a discernible path is emerging, highlighting areas within our processes that can be refined to implement more efficient internal operational practices. This strategic approach aims to empower our colleagues to focus their efforts on serving and supporting our customers effectively. This is in line with our corporate strategy and rapid improvement program.

5. Achieving “Decent Homes” (P1)

Decent homes is one area of concern under our Regulatory Notice. In order to evidence that our homes are decent, we must have accurate up-to-date stock condition data.

A full stock condition survey project is being progressed with a proposed start in April 2024. This will capture the data that will support the development of the investment needs for the short, medium and long term planning process. This data is essential to ensure resources and programmes are aligned and allocated accordingly to the homes that are in the greatest need.

A financial projection has been submitted concentrating on key elements of the Decent Homes standard and has been subject to annual budget setting approvals.

Resources are now being allocated to manage not only the programme of works above but also the development of long term contracts with the support of both legal and procurement colleagues. This will identify procurement options and appoint contractors to undertake these works realising best value for money for Adur Homes.

6. Management of void properties (P 7)

Following the appointment of the two new contractors, together with new processes and procedures that place greater emphasis on the management process being implemented, this has proved successful with improvements in both quality of work, the number of properties being worked on and turnaround times decreasing.

The new processes include an automated pricing model for the specifications using the M3NHF Schedule of Rates, a national set of approved prices for many elements of works. This results in the contractor knowing exactly what work is required and what the costs for these are thereby safeguarding Council's budgets and using a national competitively set pricing model.

The backlog of void properties (those empty prior to April 2023) is reducing with 52 as at the end of February reduced from 73 at the beginning of October, compared to 132 at the start of the financial year last April. There have been 80 properties turned around and re-let since April 2023 and added to this 12 new build properties have been occupied across a number of developments. The challenge we have now is that any transfers of Adur Homes tenants into the refurbished properties create a resulting void that needs additional work.

Despite the continued high level of works and associated costs needed within the properties, confidence is growing on being able to reduce the number of void properties significantly over the coming weeks.

This will increase income levels that in turn will be reinvested and equally important, to ensure Adur Homes can provide as many properties to those residents in need of a new home.

7. Damp and mould (P13)

During the winter months, damp and mould cases do increase as we would expect and is recognised as a national issue. This has led to changes through the Awabbs law that will come into effect in 2024..

As at the beginning of February Adur Homes had 78 properties awaiting survey with 94 properties with works currently ongoing.

A new process is being trialled whereby within 5 working days of a report, the property is visited, cleaned and treated with a full survey being completed with necessary works identified and passed to surveyors for review and actioning.

Cases are prioritised based on the level of risk to individual households However it is recognised that this is a serious matter in

any home and every effort is made to identify and resolve the issues that are contributing to the cause whatever the reason.

The monitoring and undertakings in this area of work will continually result in improvements being made to the process and these will only benefit the residents and Adur Homes as the landlord.

8. Tenant communication and engagement (P20-23)

Following a number of successful engagement sessions at the end of 2023 we are now working through the next programme of engagement and identifying how we “show up” within Adur Homes communities. Whether these are sessions arranged by the Council or whether we are present at wider community events which may enable us to engage with a wider cross section of our residents.

The frustrations of the service delivered to tenants remain but there is also a level of understanding that the service is on a journey of improvement and a positive message from the residents has been that there is a noticeable improvement in communication.

We are redesigning our Tenant Engagement Lead role with the aim to recruit someone with a background in community development. The aim of this is to build communities within the wider Adur Homes community that will have different aims and aspirations for different areas. Part of the aspiration of the role will continue to be to enable tenant led resident groups and reading panels which are essential for meeting requirements on tenant engagement on policy.

The regulatory required tenant satisfaction survey work is complete, we can report that we have reached the minimum requirement for responses and a summary report is commissioned to report to members.

The Council's wider communications and engagement team continue to support the team by creating the [Adur Together newsletter](#). Each newsletter includes updates on key issues affecting Adur Homes tenants and leaseholders, including action we'd like our residents to take. Four editions of the newsletter have been published to date with the latest edition dated March 2024.

9. Managing outstanding audit recommendations (P31)

32 actions are recorded on the Housing Improvement Plan, which now incorporates the outstanding Housing Audit recommendations. Two actions are now completed with a further 14 actions currently on track. 14 actions remain partially on track, with much of the work required to be on track already in progress. Two actions have not yet been commenced: the review of the repairs service has been delayed due to the Council's redesign process now underway across the Directorate but will be undertaken following this process; the second action, the strategic approach to asset management, will be incorporated as part of the longer term business planning document, expected to be signed off later this year.

10. Managing complaints

Work has been progressing in relation to improving the approach to complaints to address the backlog and develop a much improved process to responding to enquiries and complaints.

Two new, aligned, complaints codes have been published:

- The [Housing Ombudsman Complaint Handling Code](#) (HO Code) which will come into effect on the 1st April 2024; and the
- [Local Government and Social Care Ombudsman Code](#) (LG & SCO Code) which was launched in February 2024 and Councils are encouraged to adopt as soon as they are able. The Local Government Ombudsman intends to start considering the Code as part of their processes from April 2026 at the earliest to give Councils the opportunity to adopt the LG&SCO Code into working practices.

Officers are reporting on this work and new requirements in full to the Joint Audit and Governance Committee (March 2024) to address the issues and compliance with these codes. For the purpose of this report Members are asked to note the following:

An action plan is under development to address each of the requirements of these codes for housing and this will be rolled out across the councils. This plan addresses a number of areas of practice including:

- Ensuring training is rolled out to those officers that we will be dealing with complaints;
- Addressing the staff capacity to respond to complaints as part of the organisational redesigns;

- Developed a draft Housing Complaints Policy to reflect the Housing Ombudsman's Code of Practice
- Developing a focus on the complaints process for the team
- Updated communications to help residents make complaints more easily including the Housing Ombudsman's contact details and their role in complaints intervention
- Developed a new approach as required by the Ombudsman to agree resolutions with tenants before sending a formal response.

At the time of writing there is a significant backlog of complaints and these are being worked through. Work will be undertaken to differentiate the root cause of a complaint to inform changes that need to be implemented in specific areas.

1.22. Working with the regulator in a changing legislative context

- 1.22.1. As previously reported, this year will see these standards change through the assent of the new [Social Housing Regulator Act 2023](#), which has now received Royal Assent. This will provide greater powers for tenants against serious hazards in their homes, ensure a better quality of service and quality of life.
- 1.22.2. This new legislation will enact the reforms outlined in the [Social Housing White Paper](#) aimed at improving the regulation of social housing, strengthening tenants' rights and ensuring better quality and safer homes for residents. This is currently out to consultation.
- 1.22.3. This sets out a new charter outlining what every social housing resident should expect from their landlord:
- **To be safe in your home:** Landlords will be required to ensure every home is safe and secure
 - **To know how your landlord is performing:** Landlords will be held to account regarding repairs, complaints, safety, and how they spend their Housing Revenue Account (HRA) money
 - **To have your complaints dealt with promptly and fairly:** The ombudsman will be strengthened, giving swift and fair redress for tenants when needed
 - **To be treated with respect:** The Regulator of Social Housing will be strengthened and there will be improved consumer standards
 - **To have your voice heard by your landlord:** Tenant voice will be increased, for example through regular meetings, scrutiny panels or being on housing boards

- **To have a good quality home and neighbourhood to live in:** Landlords will be required to keep homes in good repair and the Decent Homes Standard will be reviewed
- **To be supported to take your first step to ownership:** Increasing the supply of good quality social homes, and working to give as many residents as possible the right to purchase their own home.

1.22.4. As we work with the regulator over the coming year, there will be a focus on the transition to these new standards to ensure that compliance is adapted to meet these. The focus of Adur Homes in the key areas detailed above have placed us in a really positive position to meet the requirements of updated standards.

We are confident the current improvement plan and actions already underway will meet the requirements of the new legislation. However, as additional detail is made available, we will test the details of the new standards against the improvement plan and make updates where required. For example, if the definition surrounding the Decent Homes standard changes we may need to reassess the timeline and financial demand in this specific area.

If the requirement around tenant engagement is changed we are well placed with a resident engagement role to be flexible to meet those changes.

We will work with other local housing providers to help implement learning in respect of the new legislation. We will update members if the improvement plan needs to be updated and inform why changes have been required.

We have taken a wider whole systems approach to addressing complaints to ensure we can meet the requirements of current and future legislation. This will see joint working between the housing and resident services teams as well as the Housing Ombudsman to address the handling and processing of complaints.

Engagement and Communication

1.23. In undertaking this work a range of engagement and communication has been carried out, as referenced above as part of the Improvement Plan. In addition, members have been briefed about this work throughout.

- 1.24. A communication and engagement plan has been developed and a new newsletter developed to inform residents about the work underway.

Financial Implications

- 1.25. The resources to ensure compliance with the regulator's standards must be found within the Adur HRA which is a ring-fenced account. Overall, the HRA has a significant budget available to it (£14.8m) and every endeavour will be made regarding best use of this existing resource to deliver the improvement plan and realise value for money
- 1.26. However, to enhance the HRA's financial resilience for unforeseen requirements beyond the current budget, the council has reviewed the calculation of depreciation for Adur Homes. Specifically, increasing the proportion of the overall valuation on council properties applied to residual value (the remaining value of an asset after depreciation) from 30% to 40%. It's important to note that residual value itself is not subject to depreciation. This adjustment is based on professional judgement, considering the limited availability of land in the South East of England.

Furthermore, the introduction of a de minimis value for componentisation (breaking down an asset into its individual components for accounting purposes), means components valued below £10,000 are now depreciated along with the main structure. This change follows benchmarking, which highlighted that our depreciation charge per dwelling was higher than that of similar-sized councils. The resulting annual depreciation charge is now directed to the Major Repairs Reserve (funds set aside for significant property repairs), contributing approximately £400,000 per year to the HRA's capacity. However, any capital resources used to support the revenue budget will need to be replaced by borrowing at an estimated revenue impact of £45,000 per £1m additional borrowing in a full year.

- 1.27. Development of a new Housing Revenue Account Business Plan is currently underway and this will enable the service to track the management of resources to deliver against the government's Decent Homes Standard and to ensure compliance in all other service areas.

Legal Implications

- 1.28. Under Section 111 of the Local Government Act 1972, the council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of its functions.
- 1.29. Section 1 of the Localism Act 2011 empowers the council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 1.30. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.31. Section 8 of the Housing Act 1985 continues to place a duty on every local housing authority to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Background Papers

- [Adur Homes Compliance with Housing Regulator Standards - Joint Audit and Governance Committee 26 September 2023](#)
- [Regulatory Compliance Notice for Adur Homes - Joint Audit and Governance Committee 30 May 2023 and Adur Joint Strategic Sub-Committee 15 June 2023](#)
- [Regulatory Standards](#)
- [Decent Homes Standards](#)
- [Housing Strategy: Enabling communities to thrive in their own home” 2020-2023;](#)
- [Social Housing Act summary](#)
- [The Charter for Social Housing Residents - Social Housing White Paper](#)
- [Landmark Social Housing Act receives Royal Assent to become law](#)

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Sustainability & Risk Assessment

1. Economic

- 1.1 Thriving Economy is one of the four Missions identified in Our Plan and will therefore become one of the key documents informing the direction and prioritisation of the council's work with regard to Adur Homes.
- 1.2 Providing a decent home that is secure, affordable, warm and modern, supports the wellbeing of our residents, enabling those who are able to work to enter and sustain employment and contribute to economic activity.

2. Social

2.1 Social Value

- 2.1.1 Residents and communities are central to Our Plan and 'Thriving People' is one of the four Missions identified in Our Plan. This mission aims to ensure people are healthy, resilient and resourceful, that they can access the right help when they need it and everyone has a safe, secure and sustainable home.
- 2.1.2 One of the three overarching Principles in Our Plan is Participative, which is based on the explicit intention to work more closely with citizens to involve them in deeper and more meaningful conversations about service design and delivery. Our work to meet the Decent Homes Standard (and the other housing standards linked to tenant participation) therefore forms a central part of the council's commitments.

2.2 Equality Issues

- 2.2.1 The council is subject to the general equality duty set out in section 149 of the Equality Act 2010. This duty covers the following protected characteristics: age, gender, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation.
- 2.2.2 In delivering housing services the council must have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation

- Advance equality of opportunity between different groups
- Foster good relations between different groups

2.2.3 The participative principle in Our Plan describes the council's commitment to providing truly inclusive services by listening to underrepresented voices, creating equal access and meeting our equality duties.

2.2.4 The council's legal duties (Equality Act 2010) will inform the development and delivery of the improvement plan, in relation to eliminating discrimination, advancing equality of opportunity and fostering good relations.

2.2.5 Decisions, actions and areas of investment relating to implementation of the improvement plan, may require Equality Impact Assessments.

2.3 Community Safety Issues (Section 17)

2.3.1 The council is committed to the promotion of communities as safe places. Our Plan seeks to progress delivery of the council's community safety commitments by strengthening working partnerships with the Police, communities, businesses and multidisciplinary teams across the council.

2.3.2 As part of our ongoing work to meet the Neighbourhood and Community Housing Standard will see to keep the neighbourhood and communal areas associated with the Adur Homes clean and safe, co-operate with relevant partners to promote the wellbeing and help prevent and tackle anti-social behaviour.

2.4 Human Rights Issues

2.4.1 The actions set out in the report will enable the council to identify solutions that will enable our residents, communities and neighbourhoods to flourish.

3. Environmental

3.1 Thriving Environment is one of the four Missions identified in Our Plan and key actions include achieving net zero carbon, resilience to climate change and increased biodiversity by restoring natural habitats and minimising waste.

3.2 The improvement plan, as part of the wider work plan for Adur Homes, will as part of these commitments actively contribute to carbon reduction, waste minimisation and biodiversity improvement objectives.

4. Governance

4.1 In line with the constitution this report is being taken to the Joint Audit and Governance Committee to note and comment. Additional engagement has been undertaken with the Adur Joint Strategic Sub-Committee and the Adur Homes Management Board.

4.2 Further updates, including the improvement plan will be brought to the Joint Audit and Governance Committee on a quarterly basis.

[Appendix 1 - Improvement Plan](#)

[Appendix 2 - Risk Assessment](#)

[Appendix 3 - Performance Indicators](#)