



<b>Scrutiny Topic:</b>	<b>HCA's Consumer Standards</b>
<b>Start Date:</b>	<b>November 2017</b>
<b>Audit Committee:</b>	<b>December 2017</b>
<b>Judgement:</b>	<b>All Required Outcomes Met</b>

## **Overview and Context**

### **1. Introduction**

The current version of the regulatory framework for social housing in England has been in effect since 1 April 2015 and is made up of a number of elements, including a co-regulatory approach and on-going compliance with a range of regulatory standards.

Registered providers, (RPs) of social housing must meet these standards, as set by the Homes and Communities Agency (HCA), which are classified as either economic or consumer, and each of these standards contains both required outcomes and specific expectations. While there is clearly an overriding role for the social housing regulator in determining compliance with the standards, it is ultimately the responsibility of Providers' Boards to ensure they are met and to decide how they will obtain assurance that this is the case.

The economic standards apply to all RPs and the regulator takes a proactive approach to gaining assurance that these are being met in line with their duty to protect social assets. The 3 economic standards are:

- Governance and Financial Viability Standard
- Value for Money Standard
- Rent Standard

The consumer standards apply to all RPs, as well as to local authorities, and the regulator takes a reactive 'light touch' approach to these, in line with their duty to minimize interference and to be proportionate, consistent, transparent and accountable. It is the regulator's responsibility to intervene only if failure to meet the standards has caused or could have caused serious harm to tenants. The 4 consumer standards are:

- Tenant Involvement and Empowerment Standard
- Home Standard
- Tenancy Standard
- Neighbourhood and Community Standard

### **2. Context of the review**

There is a regulatory requirement that on an annual basis Boards will "certify in their annual accounts their compliance with the Governance and Financial Viability Standard.... and consider compliance with the Economic Standards in the round". RPs aren't required to provide that same level of assurance to the regulator about meeting the Consumer Standards (although this may change in a post-Grenfell world). However, with due regard to the Board's overall responsibility

for being compliant with all standards, Great Places have taken a decision to review our approach and to determine our compliance with each consumer standard.

We decided to undertake this work jointly with customers for three specific reasons;

- to provide assurance to Audit & Assurance Committee and Board of Great Places around the current status in respect of the consumer standards;
- as part of a co-regulatory approach, to work in partnership to demonstrate transparency of services to customers and to form part of our strategy to amplify the customer voice;
- to provide a more impartial, objective review driven by the views and experiences of customers rather than of Great Places staff.

To keep this work manageable, the decision was taken to focus primarily on the required outcomes in each of the Standards, while appreciating the close link to the specific expectations and what is needed to fully meet those.

### **The Work of the Insight Scrutiny Group (written in the first person)**

#### **3. Aims and Objectives of our review**

The aim of our review of the Consumer Standards has been to work closely with Great Places staff to allocate judgements as to whether current service delivery meets each of the standards as set out in the Regulatory Framework, which in-turn will be used to provide assurance to the Audit & Assurance Committee and the Great Places Board around the current position and our view on compliance. The work will inform Insight's work-plan for 2018

We have worked to achieve this by concentrating on the following:

- become familiar with the content of the standards;
- scrutinise evidence of how Great Places claims to meet each standard;
- identify any gaps or areas for improvement;
- allocate a judgement for each of the standards;

#### **4. Our Approach**

We conducted our scrutiny of the Consumer Standards by building on the picture we gathered last year, by utilising knowledge we have gained through our 2017 programme of work, and by completing the following steps over a number of workshops and subsequent discussions:

##### **a. Presentation by Director of Business Intelligence**

Craig Daniel, Director of Business intelligence, presented an overview of the HCA's Regulatory Framework, including an outline of the economic and consumer standards. To add context, a summary of the development of the regulatory standards was provided, including how landlords are currently regulated and what is needed to evidence compliance with the consumer standards.

##### **b. Familiarisation with service standards**

Our review started by familiarising ourselves with the requirements, looking at each of the standards and sub-sections in turn to identify key words and emphasis to ensure we fully understood the scope of definition of the statements.

##### **c. Scrutinise evidence**

Once we had fully determined the meaning and requirements of each standard, for each we were presented several pieces of evidence to scrutinise, by Craig, by Sharon Brown, Head of Business Assurance, and by Tracy Gregory, Customer Involvement Co-ordinator. We were assured that this was evidence provided from relevant teams and individuals across the business which it was felt would demonstrate how each of the standards are currently being met.

We reviewed the evidence in-turn asking questions and requesting further detail when required, to enable us to reach an informed consensus of judgement based on the evidence available during the exercise.

**d. Identify any gaps or areas for improvement**

We discussed the evidence, including additional requested detail and, as a group, agreed where we found gaps and areas for improvement, which it was felt might enhance service delivery and compliance from a customer view.

**e. Allocate a judgement for each standard**

As we worked through each of the standards, we allocated a grade for each of the sub-sections, which enabled us to reach a decision on allocating an overall judgement for the whole standard.

The following table shows three grades, which the group was asked to use to reflect how Great Places meets the criteria outlined in each of the 4 consumer standards, and which is based around the wording within the Governance and Financial Viability grading approach:

Grade	Definition	Status
CS1	GPHG fully meets the Consumer Standards	fully met
CS2	GPHG meets the Consumer Standards but needs to improve some aspects to support and strengthen its compliance	met and improvement required
CS3	GPHG does not meet the requirements and there are areas of concern. Gaps exist, but work is ongoing to improve the position	non-complaint

**5. Reviewing the Consumer Standards**

To ensure that our work was proportionate and that time was well-spent, we focused on those areas which we had scored as CS2 in 2016 and therefore concentrated on the Neighbourhood and Community Standard, as well as those sub-sections within both the Home and the Tenant Involvement and Empowerment Standards where 12 months ago the panel felt that further improvement could be made.

Our discussions, and our subsequent conclusions, were along the following lines:

**Neighbourhood and Community Standard**

**1.1 Neighbourhood management**

*Registered providers shall keep the neighbourhood and communal areas associated with the homes that they own **clean and safe**. They shall work **in partnership** with their tenants and other providers and public bodies where it is effective to do so.*

We appreciated the framework provided by the Sustainable Neighbourhoods Strategy and the range of activity highlighted through the sustainable neighbourhood action plans, as well as the work of caretakers, the value of scheme inspections and the on-going input of Green Wardens. However, while we acknowledged progress made in the past year, we couldn't confidently amend the score here as we felt that there were still elements which haven't been fully implemented and actions or initiatives which we wanted to know more about. **Neighbourhood management is an area we would wish to review during 2018.**

**1.2 Local area co-operation**

*Registered providers shall **co-operate with relevant partners** to help promote **social, environmental and economic well-being**, in the areas where they own properties.*

Based on the evidence provided to us, we were surprised that this area wasn't already CS1 and were happy to upgrade the rating. We were impressed by the range of initiatives which promote well-being and the lengths being taken to help train, support and improve the skills of tenants. We felt that Great Places should be proud of what has been achieved in terms of each of the 3 categories of economic, social and environmental well-being, and our only suggestion would be that more could be done to raise the profile of the good work done, and particularly with customers. **We wish to upgrade this score to CS1.**

### 1.3 Anti-social behaviour

*Registered providers shall **work in partnership** with other agencies to **prevent and tackle anti-social behaviour** in the neighbourhoods where they own homes.*

We feel that this is one of the most challenging standards and although we have already reviewed this area, our experiences are that there are still a number of misconceptions and unclear expectations around anti-social behaviour, and that there is more work to do before we can confidently state that Great Places is performing beyond the required outcomes in the standard. **We would like more detail to have complete assurance and all feel that we should give this area another much closer look during 2018.**

## Tenancy Standard

### 1.1 Allocations and mutual exchange

*Registered providers shall enable their tenants to gain access to opportunities to exchange their tenancy with that of another tenant, by way of internet-based mutual exchange services.*

### 1.2 Tenure

*Registered providers shall offer tenancies or terms of occupation which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community, and the efficient use of their housing stock. They shall meet all applicable statutory and legal requirements in relation to the form and use of tenancy agreements or terms of occupation.*

**Both of the sub-areas, and the Tenancy Standard overall, scored CS1 in 2016, we didn't identify any major changes and consequently we didn't scrutinise this element in any depth this time around.**

## Home Standard

### 1.1 Quality of accommodation

*Registered providers shall:*

- (a) ensure that tenants' homes meet the standard set out in section five of the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard*
- (b) meet the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance, if these standards are higher than the Decent Homes Standard*
- (c) in agreeing a local offer, ensure that it is set at a level not less than these standards and have regard to section six of the Government's Decent Homes Guidance*

**This sub-area was rated as CS1 in 2016 and having obtained some additional assurance through our work into the Investment Programme, we didn't scrutinise this element in any depth this time around.**

## 1.2 Repairs and maintenance

*Registered providers shall:*

- (a) *provide a **cost-effective** repairs and maintenance service to homes and communal areas that **responds to the needs** of and **offers choices** to tenants and has the objective of completing repairs and improvements **right first time***
- (b) *meet all applicable statutory requirements that **provide for the health and safety** of the occupants in their homes.*

Based on the evidence provided to the group and utilising the wealth of information shared through our recent reviews of repairs and of the investment programme, we are now completely satisfied that this sub-area is CS1. We have been impressed by the high levels of customer satisfaction, especially in relation to the attitude of the operatives and call handlers, and have received lots of positive data around cost-effectiveness, around customer choice and around increasing the frequency of jobs being completed right first time. We have also been given good assurance around issues of health and safety (and we are getting more through our current review of fire safety) and the performance figures in this area speak for themselves. **We wish to upgrade this score to CS1.**

## Tenant Involvement and Empowerment Standard

### 1.1 Customer service, choice and complaints

*Registered providers shall;*

- (a) *provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards*
- (b) *have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly (CS1)*

### 1.2 Involvement and empowerment

*Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:*

- (a) *the formulation of their landlord's housing related policies and strategic priorities*
- (b) *the making of decisions about how housing related services are delivered, including the setting of service standards*
- (c) *the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved*
- (d) *the management of their homes, where applicable*
- (e) *the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, agreed with landlords, and sharing in savings made,*
- (f) *agreeing local offers for service delivery (CS1)*

**Both of these sub-areas were scored as CS1 in 2016 and consequently we didn't scrutinise this element in any depth this time around.**

### 1.3 Understanding and responding to the diverse needs of tenants

*Registered providers shall:*

- (a) *treat all tenants with **fairness and respect***
- (b) *demonstrate that they **understand the different needs** of their tenants, including in relation to the equality strands and tenants with **additional support** needs*

Staff we have spoken to during the course of our work this year, processes we have scrutinised, and evidence we have been provided with, have all been convincing arguments that Great Places seeks to be inclusive, is conscious of the huge diversities in existence and actively seeks to meet all the various different needs in order to deliver fair and equal services.

It clearly feels like this is built into the values of Great Places and there is a strong commitment here rather than things being done to tick a box. **We wish to upgrade this score to CS1.**

## 6. Overall Judgement

Based on our deliberations following the evidence received, we have updated the table as follows. Any upgrades in ratings are highlighted in green, any downgrades in red.

STANDARD	SUB-AREA	RATING FOR 2016	RATING FOR 2017
<b>Neighbourhood and Community</b>			
	Neighbourhood Management	CS2	CS2
	Local Area Co-operation	CS2	CS1
	Anti-social Behaviour	CS2	CS2
	<b>Overall Rating</b>	<b>CS2</b>	<b>CS2</b>
<b>Tenancy</b>			
	Allocations and Mutual Exchange	CS1	CS1
	Tenure	CS1	CS1
	<b>Overall Rating</b>	<b>CS1</b>	<b>CS1</b>
<b>Home</b>			
	Quality of Accommodation	CS1	CS1
	Repairs and Maintenance	CS2	CS1
	<b>Overall Rating</b>	<b>CS2</b>	<b>CS1</b>
<b>Tenant Involvement &amp; Empowerment</b>			
	Customer Service, Choice & Complaints	CS1	CS1
	Involvement & Empowerment	CS1	CS1
	Understanding Diverse Needs	CS2	CS1
	<b>Overall Rating</b>	<b>CS2</b>	<b>CS1</b>

Generally, Insight were pleased with the additional evidence of work undertaken by Great Places during the last 12 months and are confident that all the Consumer Standards are being met and that Great Places complies with its regulatory duties in terms of all the required outcomes.

In summary, the group has given judgements as highlighted below.

Consumer Standard	Judgement
Neighbourhood & Community	CS2
Tenancy	CS1
Home	CS1
Tenant Involvement & Empowerment	CS1

Based on our revised judgements, Insight intend to concentrate their work programme for 2018 on what is expected within the Neighbourhood and Community Standard and are particularly keen to gain more knowledge around neighbourhood management, social, environmental and economic well-being and anti-social behaviour.

We are also aware that there is a possibility that, following the findings of the public inquest in the Grenfell Tower fire, the Regulator may revise the Consumer Standards – both in terms of what is required and how they are regulated within organisations. If that does happen, then we will spend more time, and go into more depth, in reviewing compliance with the Standards, both required outcomes and specific expectations, in 12 months time.