

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Bindu Arjoon

Title: Introduction of a Council Housing & Development Advisory Board

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

What is the report about?

- 1.1 This report seeks member approval to establish a Council Housing and Development (CHD) Advisory Board to improve oversight and governance of the management and maintenance of Council Social Housing as well as the Council's ambitious Social Housing Development plans.

Recommendations:

- 2.1 That Executive recommend to Council for approval, the creation of a CHD Advisory Board, with the composition and terms of reference detailed in sections 9 and 10 of this report.
- 2.2 That the terms of reference set out in paragraph 9 are agreed and the Council's constitution be amended accordingly.
- 2.3 That the Independent Remuneration Panel on Members' Allowances, be requested to consider whether the position of Chair of the CHD Advisory Board would attract a Special Responsibility Allowance (SRA) and if so, the level of SRA, and recommend this to Council accordingly.
- 2.4 That Executive recommend to Council a budget of up to £16,000 to cover the cost of an additional resource, if required and a budget of up to £10,000 for the Special Responsibility Allowance.

Reasons for the recommendation:

- 3.1 Council Housing represents a major area of business for the Council, with an annual income of over £20m and an asset base with a use valuation in excess of £240m. It is also an area facing current and future challenges as a consequence of a challenging financial and policy environment on the one hand, and significant ambitions to build over 500 new homes in the next decade and improving the energy efficiency/carbon footprint of our existing stock on the other.

- 3.2 Given the significance of Council Housing both in financial terms as well as in terms of the range of services it delivers to a large number of residents, there is a need to introduce governance arrangements to strengthen levels of scrutiny and oversight as well as provide a mechanism for greater professional challenge.

What are the resource implications including non-financial resources.

- 4.1 There will be some additional staff resources required in order to support this Advisory Board. This has yet to be determined but is likely to be a grade F for approximately 18.5 hours a week. This would cost in the region of £13,763 (pay award pending), this is calculated at the top of the grade and includes on-costs.
- 4.2 Reasonable expenses would be paid to the external advisors and tenant/leaser holder representatives, for example, travel expenses, child care/caring expenses etc. and refreshments will be provided at meetings. No additional allowance will be payable.
- 4.3 The Chair on this Board would potentially attract a Special Responsibility Allowance (SRA). This would need to be considered by the Council's Independent Panel on Members' Allowances, who would be guided considering comparable levels of responsibility to other similar roles in the Council (Portfolio Holder, Scrutiny Chair etc.) These amounts range from £3k to £10,675.

Section 151 Officer comments:

- 5.1 The potential additional cost is noted and will be built into the HRA budget, if required, along with the contribution towards additional members' expenses. If the budget is not required, or is different to that requested, members will be informed during the usual budget monitoring reports received by Council.

What are the legal aspects?

- 6.1 Please see the Monitoring officer comments below.

Monitoring Officer's comments:

- 7.1 It is important to flag that this is an Advisory group and as such does not have any decision making power.

Report details:

- 8.1 The Council's Housing stock delivers an income via tenants' rent of over £20m and has assets worth over £240 million. It is a significant business of the Council, delivering a range of services to over 10% of the city but with an influence that reaches beyond this.
- 8.2 As with all Registered Social Landlords the Council is regulated by the Regulator of Social Housing's (RSH) whose role is to set standards and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants.
- 8.3 Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' Boards and Local Authority Councillors who govern service delivery are responsible for meeting the relevant standards and determining

how this is done. It is expected that the CHD Advisory Board would support the Council's Executive to achieve this.

8.4 The Regulator's primary focus is on promoting a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

8.5 The Regulator take a co-regulatory approach which means:

- they regard Board members and Councillors as responsible for ensuring that providers' businesses are managed effectively and that providers comply with all regulatory requirements
- providers must support tenants to shape and scrutinise service delivery and to hold Boards and Councillors to account
- they operate as an assurance-based regulator, seeking assurance from providers as to compliance with the standards. In other words, the onus is on Exeter City Council as a provider to demonstrate their compliance to the Regulator. Where providers do not supply the requisite assurance, this will be reflected in the judgements reached.

8.6 The standards are classified as either 'economic' or 'consumer'. The economic standards currently relate to housing associations concerning governance and financial viability, value for money and rent standard. From April 2020 the rent standard will also relate to Local Authorities and Exeter City Council has been part of a pilot of its introduction.

The 4 consumer standards are:

- The Home Standard, which relates to the quality of the home and repairs and maintenance
- Tenancy Standard, this relates to allocations, mutual exchanges and tenure types
- Neighbourhood Standard, relating to neighbourhood management, local area co-operation and tackling anti-social behaviour
- Tenant Involvement and Empowerment Standard, which relates to customer service choice and complaints, involvement and empowerment and understanding and responding to the diverse needs of tenants

8.7 By having Independent Board Members (to include tenant representatives) as well as Councillors on the Advisory Board it would allow for a wide range of relevant experience and expertise to assist in the planning of Housing budgets, development of new homes and the delivery of the housing management service. The independent members will be able to consider the challenges faced by social housing due to external factors, give examples of good practice within the sector and would review and make recommendations in relation to performance and compliance with health and safety regulation.

It is good practice within the sector to 'engage in an appropriate level of consultation with tenants, members, officers and other stakeholders in a way that it delivers

efficient management and control of the HRA business plan'. *Chartered Institute of Housing Voluntary Code for a Self-Financed Housing Revenue Account 2013*.

- 8.8 Many Social Landlords have governance structures whereby a Board or Committee receive regular information about how the housing service is being delivered against a range of performance target criteria and objectives. As a Council, elected members already provide an over-view scrutiny and direction for the HRA – a CHD Advisory Board would enhance this process and not replace it, as it will function in an advisory capacity and not as decision- making body.

Terms of reference

- 9.1 The proposed terms of reference are:

- a) The Board shall work in advisory capacity to the Council;
- b) It will review, advise and make recommendations in relation to the Council Own Build (COB) programme and future activity in increasing the number of homes for residents owned by the Council, through acquisition and development opportunities;
- c) The Board will have oversight and review the major capital programmes such as the retro fitting programme to improve the energy efficiency of Council Housing properties;
- d) The Board will have an oversight of HRA budget monitoring, works schedule progress, tenant engagement and satisfaction;
- e) The Board will be aware of the government regulatory regime and give advice accordingly, ensuring that the Council has processes in place to comply with current regulations and standards as they relate to social housing;
- f) It will be able to recommend the allocation of resources within the budgetary framework agreed by the Council;
- g) The Board will recommend to Executive/Full Council the HRA medium term financial plan and Business Plan including revenue and capital budgets;
- f) It will review on a quarterly basis key performance and budgetary information;
- g) The Board will review Housing's Risk Register;
- h) The Board will consider and have oversight of Housing strategies, policies or service standards, including the overall Housing Strategy;
- i) It will consider and make recommendations on any other significant matters affecting Council Housing;
- j) The Board will report directly to Executive and Council as appropriate; and
- k) The Board will be chaired by an Elected Member of the Council

Composition of the Board

10.1 It is proposed that the Board will consist of:

- Five elected members to include: the Executive Member Portfolio Holder for Housing, Development and Services and will be reflective of the political structure of the Council
- Service User – the Chair of the Tenant Leaseholder Group
- Five External advisors/stakeholders
- The Director responsible for Council Housing and Housing Development
- Appropriate Officers will be invited to attend meetings of the Board when relevant

10.2 The Board would constitute up to five external advisors/stakeholders drawn from the following stakeholder areas;

- A representative from the Social/Affordable Housing sector in *Exeter (for example a retired Chief Executive or senior person from a local housing association)*
- A representative from health and social care
- A legal representative
- A financial representative
- A representative from the Police force

10.3 In addition to the HRA Housing Advisory Board, there will be a separate Tenants'/Leaseholders' Group to scrutinise performance and undertake other projects (in line with the Tenant Involvement and Empowerment Standard). Details will be decided and formalised as part of the current review of the Tenant Involvement Strategy.

How does the decision contribute to the Council's Corporate Plan?

11.1 The proposals in this report are consistent with the corporate objective of delivering high quality, value for money services and building great neighbourhoods.

What risks are there and how can they be reduced?

12.1 The main risk is that the Board will not operate as envisaged and exercise the appropriate degree of challenge. The quality and experience of the external appointees are likely to be important factors in this regard and the recruitment process will therefore need to be carefully planned and managed.

Equality Act 2010 (The Act)

13.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 13.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 13.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 13.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

Carbon Footprint (Environmental) Implications:

- 14.1 The HRA Advisory Board has a key role to play in the Council delivering on its target of delivering our carbon reduction target (carbon neutral by 2030). The Board will advise on key areas such as building energy efficient homes and the retro fitting of our existing stock.

Are there any other options?

- 15.1 There is the option of not establishing a specific Advisory Board for the HRA, but this is not supported for the reasons given in section 3 of this report.

Director, Bindu Arjoon

Author: Lawrence Blake, Service Lead - Housing Tenancy Services

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275