

Item No. 23.	Classification: Open	Date: 20 October 2020	Meeting Name: Cabinet
Report title:		The Council's Relationship with Housing Associations	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Leo Pollak, Housing	

FOREWORD - COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING

With over 17,000 homes under their management, Southwark's 52 Housing associations are key partners in our efforts to ensure excellent housing services and secure affordable high quality homes for all Southwark residents. This report, as well as responding the Housing Scrutiny Commission's report on new service level agreements and arbitration routes for housing associations, also begins a wider review of the Southwark residents' relationship with housing associations the constructive role the council can play.

Since the last time an approved list of housing associations and other affordable housing providers accessing s106 funds was approved in 2011, the housing association sector has undergone many changes – deregulation, mergers and changing commercial context seeing a mission drift for many registered providers. In Southwark - a high value, high demand borough with significant affordability pressures – we are eager to promote those housing associations who have demonstrated a track record of high quality and timely delivery, as well as a commitment to meeting the housing needs of Southwark residents through the affordable housing and bedroom mix of schemes coming forward. We also propose new service level criteria for housing associations on responsiveness to repairs issues, anti-social behavior, fire safety compliance and keeping service charges affordable.

The proposed criteria we describe also give space for new entrants with the right set-up and mission, as well as housing cooperatives, community land trusts and almshouse charities operating in the borough.

Further to this review, the report also sets up a new arbitration route for longstanding issues and complaints to be resolved in consultation with Regulator for Social Housing, as well as refresher training for councilors on their Designated Person role in mediating issues raised with the ombudsman.

We hope these initiatives will begin an ever more constructive relationship with affordable housing providers, and create a new platform for learning and sharing best practice.

RECOMMENDATIONS

Recommendations for the Cabinet

That cabinet:

1. Agrees that the council sets out new criteria for reviewing the List of Registered Providers (RPs) for section 106 affordable housing based on the draft criteria set out in paragraph 12 of this report.
2. Agrees that as part of this criteria a new charter for RPs and Affordable housing providers in Southwark is created that sets out the Council's requirements for positive partnership work
3. Agrees that once the new set of criteria for inclusion on the List of RPs for section 106 affordable housing is agreed, that a new list is created and from then on reviewed annually.
4. Agree that training on Southwark Councillors' role as designated people within the Regulator of Social Housing's complaints process should be provided to Councillors, and that this role should be clarified in a letter to all housing associations operating in the borough.
5. Agree that the council should review the process through which land is purchased in Southwark for affordable housing delivery to limit competition between the Council and other RPs that can unnecessarily drive up land prices and reduce the amount of funding that can actually be invested into delivering social housing.

Recommendations for the Leader of the Council

That the leader:

6. Delegate authority for agreeing the final criteria for reviewing the list of RPs to the Cabinet Member for Housing.
7. Delegate authority to the Cabinet Member for Housing agree the charter for RPs.

BACKGROUND INFORMATION

8. There are just over 17,000 rented housing association properties in Southwark, managed by 52 housing associations. There are 8 housing associations with more than a 1,000 units each, but most have relatively small numbers in the borough. There are also about 3,000 shared ownership properties across the borough. The Peabody Trust is the largest housing association with a stock of 3,036 low cost rental units. Many of these housing associations have significant stock in other boroughs and nationally so we are not the only local authority trying to influence and communicate with these housing associations.
9. At the Housing and Scrutiny Commission meeting on 9 March 2020 the following was agreed:

1. That cabinet note the following recommendations from the housing scrutiny commission arising from the consideration of an item in respect of the council's relationship with housing associations:
 - i. That cabinet is requested to develop clear policy / review existing policy on prioritising issues such as fire safety compliance, residents' satisfaction and other key performance indicators at the point of initiating partnership working with housing associations with a view to possibly developing a service level agreement.
 - ii. That cabinet is requested to investigate the possibility of creating an arbitration panel to deal with serious complaints of service failure within housing associations.
 - iii. That the above recommendations be considered in consultation with the Housing Regulator.
2. That the cabinet request that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

KEY ISSUES FOR CONSIDERATION

Response to Point 1 - Review of List of Registered Affordable Housing Providers

10. To respond to point 1 raised at Housing and Scrutiny Commission meeting, the best route that the Council has to influence RPs is through the list of Registered affordable housing providers is contained within the Affordable Housing SPD and the criteria we can set for RPs to be on that list.
11. The current list of Registered affordable housing providers is contained within the Affordable Housing SPD (approved in 2008 and draft consultation update in 2011). The list contains 23 Registered Providers (RPs) broken down into two groups. The first group contains 15 RPs with a significant development and housing management role in Southwark. These RPs provide almost all new affordable housing in the borough. The second group contains 7 RPs contains with a smaller stock holdings in Southwark and/or providing specialist housing. The purpose of the list is to direct private developers to RPs who have a relationship with the Council.
12. It is recommended that officers review the list to ensure that the RPs are continuing to meet our requirements. The review could include the following criteria:
 - Commitment to Southwark Council's Registered Provider and Affordable Housing Provider Partnership Charter.
 - Demonstrate a commitment to inclusion and diversity ensuring that their services meet the expectations of all residents of Southwark.
 - Satisfactory regulatory judgement from the Regulator of Social Housing – Minimum grade of G1 for Governance and V2 for Viability
 - Where having experience of development in the borough, demonstrating a track record of timely and successful delivery, and track record of bringing forward development that meets the borough's housing needs (including %s of affordable homes and appropriate bedroom mix); or (where no experience) a demonstrable commitment to meeting housing needs.

- Demonstrate a commitment to excellence in the design of new affordable housing.
 - Compliance with the borough's nominations policy.
 - Commitment to using Southwark assets to keeping housing costs affordable for Southwark residents.
 - Commitment to developing new affordable homes for Social Rent (in accordance with the Rent Standard)
 - Demonstrate a commitment to keeping service charges affordable.
 - Work with the Council to provide transparency around fire safety of residential buildings.
 - Commitment to providing good customer service and carrying out effective repairs and maintenance on affordable housing.
13. The above criteria are an indicative draft and more work is required to define them. As part of that work, a new Registered Provider and Affordable Housing Partnership Charter will be drafted that will incorporate some of the above criteria. This report recommends that authority is delegated to the Cabinet Member for Housing to agree the final version of the Registered Provider Partnership Charter.
14. The criteria and charter will need to be defined in a way that allows for RPs of various sizes to be included, and allows new RPs to be added when appropriate. These revised criteria should also allow for non-RPs that could also provide new affordable housing in Southwark, such as Housing Cooperatives and Alms House Charities.
15. Is expected that defining new criteria, agreeing a new Registered Provider and Affordable Housing Provider Partnership Charter and conducting the initial review will take about 6-9 months. Thereafter an annual review is proposed.

Response to Point 2 - Role Regulator of Social Housing

16. The council does not have a direct role in the regulation of housing associations but the local authority could refer an issue to the regulator to investigate if it had a particular concern. The Regulator of Social Housing regulates registered providers of social housing, including local authorities, to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. All local authorities are regulated, including those whose stock is managed by an Arm's Length Management Organisation (ALMO) or a Tenant Management Organisation (TMO).
17. The objectives of the Regulator of Social Housing are set out in the Housing and Regeneration Act 2008. In summary, their role is to:
- protect social housing assets
 - ensure providers are financially viable and properly governed
 - maintain confidence of lenders to invest into the sector
 - encourage and support supply of social housing
 - ensure tenants are protected and have opportunities to be involved in the management of their housing
 - ensure value for money in service delivery.

18. The Regulator of Social Housing has set out a number of standards that housing associations, councils and ALMOs must comply with. For consumer standards their role is reactive in response to referrals or other information received. Their role is limited to intervening where failure to meet the standards has caused or could have caused serious harm to tenants. The regulator does not have a legal duty to consult or inform local authorities, but the regulator will endeavor to keep local authorities informed as appropriate to the particular circumstances of each case.
19. Housing associations and councils are both legally required to be members of an ombudsman scheme. The Ombudsman provides guidance on the establishment of complaints systems. If a housing association tenant wants to complain about their landlord, they need to initially contact their landlord. If this fails to resolve the issue the resident can escalate the complaint through a designated person. This could be an MP, Councillor or a tenant panel. The designated person can try to help resolve the issue. If they don't succeed they can refer this to the housing Ombudsman.
20. The report proposes that training on this role as a relevant person in the complaints process is provided to all Southwark Councillors so that they are better equipped to deliver positive results for Southwark residents.
21. There is also a requirement to clearly set out this role for housing associations operating in the borough, and this report recommends that this can be done in a letter sent from the Strategic Director of Housing and Modernisation to all housing associations operating in Southwark to clarify the complaints process and the role of the designated persons within that.
22. Where serious concerns are raised, the council can bring them directly to the Regulator of Social Housing. It is not recommended that a separate arbitration panel be established, as this would replicate the existing regulatory mechanisms.

Legal implications

23. The report refers to the significant contribution that Housing Associations make to the provision of housing within the Borough of Southwark with 17,000 properties being managed by around 52 different Housing Associations or Registered Providers ("RPs"). Paragraph 11 refers to 15 of the RPs providing nearly all the new affordable housing within the Borough and it is these 15 which are currently listed in section 106 Agreements.
24. Paragraph 16 refers to the role of the Regulator of Social Housing. It should be noted that when, in recent years, Southwark had to bring court action against a Housing Association which was in breach of its commitments under the terms of a section 106 Agreement relating to the Jam Factory, the support provided by the then Regulator was very limited.

Financial implications

25. Work needed to undertake the review outlined in paragraph 12 of this report will be assigned to appropriate officers and the associated costs are expected to be met

from within existing budgets. Similarly, the costs associated with meeting the training needs of councilors referred to in paragraph 20 will be contained within existing budgets.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC20/013)

26. This report makes recommendations in response to matters raised by members of the Housing and Scrutiny Commission at their meeting on 9 March 2020 concerning the council's relationships with Registered Providers. Implementing the report's recommendations will require a review to be undertaken by officers of the current list of Registered Providers as well as training for councillors, with the cost of both to be met from within existing budgets as outlined in the financial implications section of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet Agenda and minutes – 14 July 2020	Southwark Council Website	Paula Thornton and Virginia Wynn-Jones Phone: 020 7525 4395/7055 Email: paula.thornton@southwark.gov.uk; virginia.wynn-jones@southwark.gov.uk
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6654&Ver=4		
Housing Scrutiny Commission agenda and minutes – 9 March 2020	Southwark Council Website	Everton Roberts 020 7525 7221
Link: http://moderngov.southwark.gov.uk/mgAi.aspx?ID=56507		

AUDIT TRAIL

Cabinet Member	Councillor Leo Pollak, Cabinet Member for Housing	
Lead Officer	Stephen Platts, Director of Regeneration	
Report Author	Osama Shoush, Housing Regeneration Programme Manager	
Version	Final	
Dated	12 October 2020	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	12 October 2020	