

East Kent Housing Performance Report - 2019/20 Quarter 3

Overview and Scrutiny Panel **20 February 2019**

Report Author	Tim Willis, Deputy Chief Executive and Section 151 Officer
Portfolio Holder	Cllr Helen Whitehead, Deputy Leader of the Council and Cabinet Member for Housing & Safer Neighbourhoods
Status	For Information
Classification:	Unrestricted
Key Decision	No

Executive Summary:

This report provides members of the Overview and Scrutiny Panel with an update on the performance of East Kent Housing (EKH) during the third quarter of 2019/20.

The report includes information relating to 3 areas of EKH's performance. These are:

- Performance against key indicators for the period from 1 October 2019 to 31 December 2019.
- Progress against the key outcomes identified within the approved EKH Improvement Plan.
- A current update in relation to EKH's management of tenant and leaseholder Health and Safety

Recommendation(s):

Members of the Overview and Scrutiny Panel are asked to:

1. Note and scrutinise the contents of the report provided by EKH, attached at annex 1 and the performance data attached at annex 2.

CORPORATE IMPLICATIONS

Financial and Value for Money	Although the performance of EKH has a direct impact on both finance and value for money, this report does not result in any specific financial implications.
Legal	There are no direct legal implications arising from this report.
Corporate	This is the monitoring report against the Corporate Priorities as agreed at Council on 15 October 2015 and details the performance against the targets set. It provides an update on the progress achieved by East Kent Housing against the outcomes and Key Performance indicators set out in the approved EKH Improvement Plan, agreed by Cabinet on 15 January 2019.

	It further provides information to members on the progress made by EKH in providing assurance about tenant and leaseholder health and safety, following the Monitoring Officer's report to Cabinet on 25 July 2019.								
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" data-bbox="435 768 1409 1025"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td>X</td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td></td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>There are not considered to be any adverse impacts for people with protected characteristics directly arising from this report. However EKH provide services to tenants and leaseholders with a range of protected characteristics and vulnerabilities</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	X	Advance equality of opportunity between people who share a protected characteristic and people who do not share it		Foster good relations between people who share a protected characteristic and people who do not share it.	
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Foster good relations between people who share a protected characteristic and people who do not share it.									

CORPORATE PRIORITIES (tick those relevant) ✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	X

CORPORATE VALUES (tick those relevant) ✓	
Delivering value for money	X
Supporting the Workforce	
Promoting open communications	X

1.0 Introduction and Background

- 1.1 East Kent Housing (EKH) are an Arms Length Housing Management organisation (ALMO) jointly owned by four East Kent councils of Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council. EKH was established on 1 April 2011 to provide housing management and maintenance services to tenants and leaseholders of the four councils.
- 1.2 EKH are directly managed by an Independent Board and provide services to the four councils under the terms of four respective management agreements. Action taken by the four councils in December 2019 removed the members of the board and replaced them with the chief executives of the four councils.
- 1.3 EKH provide regular quarterly reports on their performance against a range of key indicators to each of the four councils. The EKH performance report for the third

quarter (1 October 2019 to 31 December 2019) is attached at annex 1 and supporting performance data for the same period is attached at annex 2.

1.4 The EKH Performance Report provides an update for the council about EKH's activities across 3 key areas. These are:

- Performance against agreed Key Performance Indicators.
- Progress against the outcomes and performance indicators set out in the EKH Improvement Plan, agreed at Cabinet on 15 January 2019.
- Actions in relation to tenant and leaseholder health and safety, following the Monitoring Officer's report to Cabinet in relation to gas safety certificates on 25 July 2019.

1.4 Members of the Overview and Scrutiny Panel are invited to scrutinise the performance report provided by EKH.

2.0 The Current Situation

2.1 The four client councils have raised concerns about a number of key areas of the services provided by East Kent Housing. The EKH Improvement Plan was developed in response to concerns about areas of weakness that EKH have been unable to resolve. At the time key areas of concern related to:

- Procurement of key contracts for the delivery of the council's planned maintenance and capital improvement programmes.
- Contract management of a number of key contracts.
- Rent collection, particularly in relation to tenants in receipt of Universal Credit.
- Single System implementation.
- Organisational health and sustainability

Additional resources were provided to EKH to improve performance in these areas and the outcomes and indicators set out in the plan were agreed.

2.4 More recently significant performance issues materialised in relation to Landlord Gas Safety Records (LGSRs) and these were reported to Cabinet on 25 July 2019. Although the position in relation to LGSRs has now been recovered and the council has no properties with an outstanding LGSR (as at 1 November 2019), the service failures raised questions about the reliability of data and the performance of EKH in other areas of statutory compliance such as electrical certification, lifts, fire safety and legionella testing. The initial responses to these service failures was set out in the report to Cabinet in July. The quarter 3 performance report from EKH provides an update on progress to date.

2.5 A summary of the audit findings was also considered by the council's Governance and Audit Committee at its meeting on 25 September 2019. Follow up audits in other areas of health and safety management will be completed as EKH complete required actions relating to these areas.

2.6 Officers of the council have scrutinised the report provided by EKH and bring the following issues to the attention of the panel, based upon the information provided.

- **Rent Arrears:** The report from EKH indicates that total current rent arrears have further increased from £802,126 to £844,808 during the quarter. Additional resources were provided in this area as part of the Improvement Plan and it had been hoped that improvements would be showing by now.

EKH have explained that arrears built up when households move onto Universal Credit are having a significant impact and that on average these debts take many months to be cleared. EKH anticipate improvements in the level of rent arrears over time.

- **Voids:** EKH have reported that a high number of voids requiring major works before they can be relet, including asbestos removal works, is impacting on overall average void times. Overall performance has deteriorated during quarter 3.
- **Capital Programme Delivery:** Despite progress in recent months on a number of procurement projects there remain concerns about the speed of delivery of the approved capital programme and EKH are reporting that significant slippage, particularly in relation to work planned for Royal Crescent in Ramsgate, list refurbishments, roof works and external decorations into 2020/21. Spend at the end of quarter 3 amounts to only 16.87% (£963,488) of the approved programme for the year. A further £1,562,838 is committed to being spent during the year, being the projected total to 44% of the budget.
- **Tenant and Leaseholder Health and Safety:** Significant concerns were raised in this area in the Monitoring Officer's report to Cabinet on 25 July 2019. As a result the council has commissioned a specialist consultant to conduct a thorough review of Health and Safety Management at EKH. The council has extended this commission to assist in preparing a detailed recovery action plan. The concerns have been reported to the Regulator for Social Housing, who has invited the council to enter into a voluntary undertaking setting out in detail how it will recover this position. Work by the East Kent Audit Partnership has increased the assurance rating for gas safety to substantial, for water safety to reasonable and for data integrity to reasonable. EKH's report provides an update on progress so far towards providing greater assurance in relation to tenant and leaseholder health and safety.

2.7 Council officers are meeting regularly with representatives from EKH to ensure that there is a continued focus on improving performance and EKH will continue to report progress quarterly.

2.8 The continued levels of performance were considered by Cabinet at its meeting on 17 October 2019. The Cabinet considered a report on the potential options for the future of the council's landlord service and agreed that its preferred option is to bring the management of the council's housing stock back in house. A consultation exercise with tenants and leaseholders ran from Tuesday 22 October 2019 until Friday 20 December 2019. Cabinet considered the outcome of this consultation at an extraordinary meeting held on 17 February 2020.

Contact Officer:	Bob Porter, Head of Housing and Planning
Reporting to:	Tim Willis, Deputy Chief Executive and Section 151 Officer

Annex List

<i>Annex 1</i>	EKH Performance Covering Report - 2019/20 quarter 3.
<i>Annex 2</i>	EKH Performance Data - 2019/20 quarter 3.

Background Papers

Title	Details of where to access copy
EKH Improvement Plan	https://democracy.thanet.gov.uk/documents/s62538/Proposed%20East%20Kent%20Housing%20Improvement%20Plan%20-%20vF.pdf
Response to Monitoring Officer's Report - Gas Safety Certificates	https://democracy.thanet.gov.uk/documents/s65089/Response%20to%20Monitoring%20Officers%20Report%20-%20Gas%20Safety%20Certificates.pdf
Options Appraisal Report	https://democracy.thanet.gov.uk/documents/s66097/Cabinet%20report%20-%20EKH%20Options%20-%202019_10_20.doc.pdf

Corporate Consultation

Finance	Chris Blundell, Head of Financial Services
Legal	Estelle Culligan, Head of Legal & Democratic Services