

SCRUTINY REVIEW: THE ACCOUNTABILITY OF SOCIAL HOUSING PROVIDERS TO THE COUNCIL AND RESIDENTS OF STOCKPORT

Report of the Director of Place Management

1. Purpose of report

- 1.1 This report provides background information to guide and inform the scope of the review.

2. Background

- 2.1 Members of the panel may be aware that a very similar review was undertaken in 2002 by the relevant scrutiny committee at that time, with all actions implemented in full. This scrutiny review resulted in the establishment of 'Stockport Housing Partnership III' and shaped the current Partnership arrangements. Full details are available at:

<https://democracy.stockport.gov.uk/CeListDocuments.aspx?MID=15796&RD=Meeting&DF=28%2f10%2f2002&A=1&R=0>

- 2.2 Social Housing Providers are known by a number of names/acronyms including:

- Housing Associations or HAs
- Registered Social Landlords or RSLs, and more recently
- Registered Providers or RPs

- 2.3 Such 'registration' follows a lengthy process with the Government's 'Homes England' agency (formerly known as the 'Homes and Communities Agency' and 'Housing Corporation').

- 2.4 The Council is also a provider of social housing, with the Council owned housing managed and maintained by Stockport Homes (a wholly Council owned company or 'Arms Length Management Organisation' established in accordance with Government guidance). Stockport Homes was established as the Council's 'ALMO' in 2005 following a Government imposed option appraisal. This option appraisal required all stock holding councils to consider how, through one of four options, they would achieve the decent homes standard by 2010 within its housing stock. The preferred option at that time was 'LSVT' or 'Local Voluntary Stock Transfer' to an existing or new housing association. Such a transfer required a positive vote by tenants which failed to achieve enough support. The ALMO option was therefore approved and implemented, with the Council retaining ownership of the housing and the Government providing significant financial grant support to ensure the housing met decent homes.

- 2.5 In accordance with the original 2005 Management Agreement, the Council approved a 5 year extension in 2010. In 2014 a second full option appraisal was undertaken, with the Council approving the establishment of a new 27 year Management Agreement in 2015. It should be noted that Stockport Homes was also established as an RP in it's own right, with Stockport Homes now owning circa 300 properties in its own name. This registration was undertaken to facilitate access to grant for new affordable housing that, at the time, the Council was unable to access. The 2015 Management Agreement, together with associated 'flowdown' agreements ensures that the Council has governance measures in place over all housing stock owned and managed by Stockport Homes. Alongside a series of controls and measures within these agreements and relevant Council approved policy and decision reports which are considered by Scrutiny Committee and Cabinet, the Council also operates a 'Members Committee' with reports requested and received directly from Stockport Homes for consideration.
- 2.6 Given the existing governance arrangements already in place relating to the Council owned housing, and housing managed or owned by Stockport Homes, it is not proposed to include this housing within the scope of this review.

3. Powers/Governance measures

- 3.1 Setting aside the unique governance position of Stockport Homes as an RP in its own right, RPs are independent bodies controlled by boards, with their operations controlled and regulated in the same way as the Council, through measures imposed by Homes England and the National Regulator of Social Housing. This control is broad and extends from the provision of grant for new affordable housing development through to tenancy control and rent levels/increases, and the financial resilience of the organisation. New requirements and regulations are currently being introduced following the fire at Grenfell Towers and the tragic death of Awaab Ishak, with an increased focus on community/tenant involvement and proactive inspections of RPs.
- 3.2 The powers and control measures available to councils in their dealings with RPs are exactly the same as those available for addressing problems within the private rented sector, which generally would involve consideration of properties in accordance with the 'Housing Health & Safety Rating System' and enforcement through the Housing Act 2004 provisions. These powers address property condition only but do not currently extend to requiring compliance with 'decent homes'. The Government had committed to extend the requirement to meet 'decent homes' to the private rented sector, which would of course have meant changes to the enforcement powers, but to date this has not been implemented.
- 3.3 Any other working arrangements/agreements between councils and RPs have to be negotiated/agreed and are subject to both parties being willing to cooperate and adhere to such agreements. In recent years, with financial pressures on both councils and RPs, significant housing demand, and Homes England encouraging RPs to 'merge' into larger organisations, maintaining such arrangements has become increasingly challenging with councils being unable

to rely on the support or involvement of RPs and facing a 'free for all' with multiple RPs operating and competing within their areas.

4.0 Stockport Housing Partnership (SHP)

- 4.1 Stockport originally established a Partnership with a group of named RPs in 1992, with the underlying principle being to increase the social housing stock within the borough. At that time, it was extremely challenging for the council to develop social housing as grant assistance was only available to RPs. Partnership 1 saw the Council providing land, the Housing Corporation (now Homes England) providing the grant, and the named RPs developing the housing.
- 4.2 Partnership II saw a greater emphasis on regeneration, with the RPs working with the council to CPO/acquire a number of buildings in the Hillgate area to help spearhead the regeneration of the 'old town'. This was expanded through Partnership III to include a wider range of objectives and working arrangements, with an annual report produced each year.
- 4.3 The current Partners own between them 7733 housing units in Stockport, which represents over 95% of the RP stock (excluding Stockport Homes and Council owned housing) and about 6% of the total housing stock in the borough. The Partner RPs are:
- Arawak Walton: Arawak are a small specialist BAME RP with only 18 units in Stockport. They were invited into the Partnership in response to a study funded by the Partners which considered approaches/policies related to the BAME community. Arawak has worked with the main Partners to help develop/implement BAME related policies/approaches
 - Great Places: Great Places merged with Equity, one of the founding Partners, and joined the Partnership in 2019. They currently own 1643 units in Stockport and are an active development partner
 - Guinness Partnership: Guinness merged with Northern Counties Housing Association, one of the founding Partners, to create the Guinness Partnership approximately 10 years ago. They currently own 1613 units in Stockport and are an active development partner
 - Johnnie Johnson Housing Trust: JJHT are a small Stockport based RP and a founding Partner. Johnnie himself, was a decorated WWII fighter pilot, who set up JJ originally to support ageing/injured WWII colleagues. Johnnie was active within JJHT up until his death in 2003. They currently own 1015 units in Stockport, and although their general focus has always been on older person accommodation, they have been extremely active in the 'old town' regeneration and providing supported housing. More recently, although fully supporting the wider Partnership commitments, as a result of organisational changes, they have temporarily withdrawn from new development.
 - MSV (Mosscares St Vincents): MSV was created in 2017 from the merger of Mosscares and St Vincents Housing Associations. MSV own circa 9000 units, all within Greater Manchester. Mosscares (using their

'Mossbank' brand) was the selected RP for LSVT stock transfer of the eight Manchester Council estates in Stockport in 2008/9, at which point they joined the SHP. MSV currently own 1337 units in Stockport and are an active development partner.

- Onward: Onward was created through a series of mergers of RPs across the North West. Within Stockport, this included Collingwood, which was a founding Member of the Partnership. Onward currently own 951 units in Stockport. Although generally an active development Partner, they are currently close to development capacity within the current Homes England affordable homes programme.
- 'Your': Your was also created through a series of mergers of mainly former local authority stock LSVT RPs across the north west. It originated from Manchester & District Housing Association, which was set up and based in Longsight, with stock initially in the south Manchester and surrounding areas. As 'M&D', they were a founding member of the Partnership and now own 1156 units in Stockport. Although currently not developing in Stockport, they have been active development Partners (most recently developing the challenging 'Covent Garden' scheme) and have confirmed that they will shortly be looking to develop again within the borough.

4.4 The SHP includes a number of obligations/commitments, including:

- Partner RPs provide a minimum of 50% or relets as 'nominations' to the Council for letting through the Council. This is managed by SHG on behalf of the Council, with nominations either as direct lets, or through Homechoice, in accordance with the Council's approved Housing Allocations Policy
- Partner RPs have committed to a Stockport 'Homeless Pledge' which includes supporting work undertaken with the Homeless & Housing Options service to provide accommodation and support to homeless/rough sleepers
- Partner RPs are committed to a series of obligations linked to the provisions of aids/adaptations and disabled facilities within homes they own, which includes providing supporting information (eg asbestos assessments), consents and facilitating works (the actual works are undertaken through Disabled Facilities Grant by SHG to all RP properties), and financially contributing to up to 50% of the cost of these works. Few councils have arrangements such as this, with even less obtaining financial contributions from RPs.
- Attendance at a series of Partnership meetings, most notably the senior officer quarterly Strategy Group meetings
- To work with and support the Council to deliver the Council's wider associated obligations. This includes contributing to the development and implementation of wider obligations, but also extends to addressing problems in individual properties/areas – in practice, where

the Council becomes aware of concerns/problems, these can be raised with senior representatives of the RPs and resolved quickly without the need to resort to statutory action.

- The Council will only support the allocation of Homes England affordable homes grant to Partner RPs. This has been a fundamental cornerstone to the Partnership, and is respected by Homes England. The Council is able to work with Partners to directly agree the types of development that is needed in particular areas, and to prevent direct competition between RPs for the very limited development opportunities within the Borough – such competition simply drives up landowner expectations, and makes development even more challenging. In practice this means that the Council is able to develop what is really needed, and not what developers/RPs can secure planning consent to build.
- The Council does have access to commuted sums from private developers to support the delivery of affordable housing. This is only available, subject to meeting relevant criteria and obtaining necessary approvals, to Partner RPs and has helped to deliver much needed schemes including for 'Looked after Children' leaving care, supported schemes for adults with learning disabilities and key regeneration schemes.

5.0 Proposed outline review plan

Stage	Key activity	Relevant meetings/ key dates
Scoping	Scope considered and agreed by Scrutiny Review Panel	September - October
	Scoping report considered at Economy, Regeneration and Climate Change Scrutiny Committee (for information)	12 October 2023
Evidence gathering	Evidence-gathering phase	November 2023 - February 2024
	Verbal update on review progress from panel members to Scrutiny Committee	23 November 2023 and 18 January 2023
Reporting	Draft final report (with recommendations) considered by the panel and signed off by the Chair	Early February 2024
	Draft final report published for consideration by the Scrutiny Committee	21 February 2024
	Draft final report of the Scrutiny Review Panel considered by the Scrutiny Committee and submitted for onward consideration by Cabinet	29 February 2024
	Cabinet considers panel report and recommendations	12 March 2024

Dates for a series of meetings for the Scrutiny Review Panel are to be confirmed.

It is expected that the panel will conclude the work for their review by the end of the municipal year 2022 - 2023. During the review, panel members will formulate a number of recommendations that will go on to be considered by the Economy, Regeneration and Climate Change Scrutiny Committee, and thereafter, the Cabinet.

6.0 Recommendations

- 6.1 The Scrutiny Review Panel is requested to:
- (a) consider and note the report; and
 - (b) consider the scope of the review and outline any areas which the panel may wish to scrutinise further.

Anyone requiring further information should contact Andy Kippax, Strategic Housing Lead | andy.kippax@stockport.gov.uk