



Report to:	<b>STOCKPORT HOMES MEMBER COMMITTEE</b>		
	01 July 2024		
Report of:	<b>EXECUTIVE DIRECTOR OF RESOURCES</b>		
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Type of Report	Assurance		
Title of Report:	<b>REGULATORY STANDARDS COMPLIANCE ASSESSMENT 2023-24 AND REGULATION UPDATE</b>		
Purpose of Report:	To present the self-assessment against the applicable Regulatory Standards to Member Committee and to provide an update on Regulation of Social Housing Providers.		
Recommendation(s):	That Member Committee takes assurance from the self-assessment against the Regulatory Standards and note the Regulation Update which has been provided.		
Confidentiality	Non Confidential		
Resource Implications	There are no resource implications arising from the recommendations of this report.		
Impact on Risk Appetite and Risk Register	SHG has an 'Averse' risk appetite to taking legal / regulatory risks. The annual self-assessment against the Regulatory Standards ensures SHG is complying with the requirements and therefore working within the agreed Risk Appetite.		
	Risk No.	Risk Description	Risk Mitigation
	11	SHG is not adequately prepared for proactive	This risk is mitigated by having dedicated project structure in place to oversee preparations for the new approach to

		regulation by the Regulator of Social Housing	<p>Consumer Regulation as well as having an oversight body in the form of the Regulation Project Board considering wider regulatory requirements.</p> <p>In addition, the self-assessment process ensures SHG is compliant with current Regulatory Standards and the requirements to ensure SHG Board approves that position.</p>
Customer Voice	Customer Voice hasn't directly impacted on the contents of this report; however, the report does outline how SHG complies with the requirements of the Consumer Standards, of which customer voice is a key, cross-cutting, requirement.		
Equality, Diversity & Inclusion implications	There are no equality & diversity implications arising from the recommendations of this report.		
Regulatory compliance	The <b>Governance and Financial Viability (G&amp;FV) Standard</b> ensures Stockport Homes' operations are undertaken in a way that does not jeopardise its long-term financial viability.		

# 1 INTRODUCTION

- 1.1 On an annual basis, SHG undertakes a self-assessment against the Regulatory Standards which form the Regulatory Framework for Social Housing in England. This enables SHG to ensure they comply with the requirements and can evidence required outcomes.
- 1.2 A specific requirement of the Regulator of Social Housing (RSH) is that SHG must incorporate a statement within their Annual Accounts for 2023-24 to state that SHG Board has considered, and approved, such information. This is part of the Governance and Financial Viability Standard, where it states:
- The Governance and Financial Viability Standard sets out our expectations that providers must: certify their compliance with the Standard in their annual accounts<sup>1</sup>
- 1.3 The self-assessment against all Regulatory Standards was approved by SHG Board on 18 March 2024. This report contains information about those Regulatory Standards which apply to Local Authorities and is backward looking to cover the regulatory regime which was in place during 2023-24. There is an update within this report which outlines the changes which came into effect on 1 April 2024.

# 2 BACKGROUND

- 2.1 The Regulatory Framework which was in place during 2023-24 contained seven separate Regulatory Standards. These were grouped into Economic Standards and Consumer Standards:
- 2.2 Economic Standards:
- Governance and Financial Viability
  - Value for Money
  - Rent
- 2.3 Consumer Standards:
- Tenant Involvement and Empowerment
  - Home
  - Tenancy
  - Neighbourhood and Community
  - Tenant Satisfaction Measures<sup>2</sup>
- 2.4 For Large Private Registered Providers (with over 1,000 units)<sup>3</sup> there has been a system of proactive inspection of the Economic Standards, known as In-

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<sup>1</sup> Section 2.8 of the Governance and Financial Viability Standard

<sup>2</sup> This Standard came into effect from 1 April 2023, so this is the first time it's been included in the self-assessment process

<sup>3</sup> For example, large Housing Associations

Depth Assessments (IDA). This results in a G / V judgement as the outcome of the inspection. Compliance with the Consumer Standards has been reactive, with a Serious Detriment test in place as a threshold for intervention by the Regulator. Following investigation, if there has been found to be a breach of the Consumer Standards, then a Regulatory Notice is published.

2.5 For Local Authority Large Providers<sup>4</sup> and Small Private Registered Providers<sup>5</sup>, there has been no proactive inspection regime for the Economic Standards, and it is for SHG Board and the Council to ensure compliance with all relevant Regulatory Standards.

- For Stockport Homes, this is all the Economic and Consumer Standards
- For Stockport Council, this is the Rent Standard only from the Economic Standards and all the Consumer Standards.

2.6 From 1 April 2024, a new regulatory regime came into force which includes proactive inspection of the Consumer Standards, including inspection of Local Authorities. More information is provided at Section 4.

### **3 SELF-ASSESSMENT AGAINST THE REGULATORY STANDARDS**

3.1 A backward looking self-assessment for 2023-24 against the applicable Regulatory Standards has been undertaken which provides assurance of compliance with the Regulatory Framework. This is provided at **Appendix One**.

3.2 The self-assessment shows that there is full compliance in all applicable areas of the Regulatory Framework with areas of strong practice and work ongoing across the business to ensure SHG's services continue to comply as change and transformation takes place.

3.3 Some key changes from the 2022-23 self-assessment compared to 2023-24 include:

- Adherence with the rent cap of 7% for 2023-24 rent increases and relevant Business Plans being updated to take this into account
- Setting up a formal project management approach to regulation including a Regulation Project Board and a Consumer Regulation Project Group. This ensures oversight of regulation and that SHG is well-prepared for the new Consumer Regulation regime.
- Go-live of Phase 1 of Project Phoenix and the implementation of CX and Abris within the business
- Approval to a new Customer Voice and Influence Strategy which includes a new approach to customer oversight and scrutiny. A Customer Assurance Panel has been established and meeting will commence in Summer 2024. This panel will be called ASPIRE and this will further enhance customer voice and SHG's co-regulatory approach. A 'task and finish' approach to

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<sup>4</sup> Stockport Council

<sup>5</sup> Which Stockport Homes Limited is defined as given the stock owned is under 1,000 units

customer scrutiny will then be developed giving more customers the opportunity to be involved in shaping services

- Introduction of a Customer Charter and roll out of Customer Service training for front line staff
- Collection and analysis of the Tenant Satisfaction Measures (TSMs) and benchmarking against peers to inform reporting
- Approval of a new Supporting Communities Strategy
- Approval of new strategies relating to Data, Digital and Business Transformation & Change
- Agreeing a new approach to Service Reviews which are now underway – with the first one being on the repairs service
- Updated stock condition surveys being undertaken by Rapley's to achieve close to 100% completion by April 2025
- Continuing with work to fit Carbon Monoxide detectors in all properties as required by new regulations

3.4 The Council's Director of Place Management holds the following roles, as required by regulation / legislation:

- Health and Safety Lead as required by Section 10 of the Social Housing (Regulation) Act 2023
- Accountable Person as required by Part 4 of the Building Safety Act 2022 (Section 72)
- Responsible Person as required by the Regulatory Reform (Fire Safety) Order 2005
- Overall responsibility for compliance with the Consumer Standards as required by the new Transparency, Influence and Accountability Standard.

3.5 Stockport Homes hold a quarterly assurance meeting with the Director of Place Management and the Strategic Lead for Housing to ensure they receive the necessary assurance over delivery against the regulatory requirements including the specific roles outlined above. This meeting enables the Director of Place Management to challenge SHG and raise any issues as required.

## **4 REGULATION UPDATE**

4.1 A new Consumer Regulation approach came into effect on 1 April 2024. The Regulator of Social Housing has published final versions of the four new Consumer Standards and guidance in terms of how they will regulate against those Standards.

4.2 The Regulator will focus on assessing how outcomes have been delivered for customers when they undertake proactive inspections. When it is Stockport's turn to be inspected, the Council will be notified and will work in partnership with Stockport Homes to manage the process and provide required evidence.

4.3 The Regulator has recognised the role that SHG's Board plays in decision-making and will observe a Board Meeting at SHG as well as a related Council

meeting. As well as document review and meeting observations, there will be interviews with key staff, including SHG's Chair and CEO as well as the Council's Director of Place Management and the Cabinet Member responsible for housing.

- 4.4 To prepare for the new regime, SHG has put in place project management arrangements to ensure areas for improvement were identified and an Action Plan developed. This work has been led by senior staff and priority actions have been completed. A Standard Lead has been appointed to take overall responsibility for S compliance with the requirements and completion of any actions identified. The Standard Leads are:
- **Safety & Quality** – Tim Pinder, AD of Assets and Development
  - **Neighbourhood & Community** – Anila Khalid, AD of Neighbourhoods
  - **Tenancy** – Anne-Marie Heil, AD of SKylight
  - **Transparency, Influence & Accountability** – Martin Saunders, Head of Customer Access
- 4.5 During Autumn 2023, each Standard Lead led a series of workshops with key Managers to understand the requirements of the new Standards and identified where there was strong compliance and where there were actions needed to strengthen the approach or close a gap that had been identified. This work was completed using the HQN Consumer Regulation Toolkit. A workstream relating to Data, Governance and Reporting was also established to address some cross-cutting elements of the Standards, as well as one for Competency and Conduct<sup>6</sup>.
- 4.6 Some of the areas for improvement identified included:
- Customer vulnerability data – how it is accessed by staff and used to make decisions about how to tailor services. This has led to the development of a Customer Vulnerability Policy and the creation of a group of champions who will roll this out into the business.
  - Reviewing / updating SHG's Service Standards – this links to work on developing a new Customer Charter and will ensure there is more clarity for customers about expectations and service outcomes.
  - Updating the SHG website with additional information for customers for certain service areas – this ensures SHG are providing all relevant information in an accessible format. Some additional information has been added to the website which is beneficial for customers.
  - Reviewing the format of information provided and whether other media could be used e.g., videos / infographics – work is ongoing to ensure information presented to customers and stakeholders is accessible and easy to understand
  - The quality of stock condition data held and how that is used to inform stock investment decisions – at the end of March 2024, 30% of properties had an

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<sup>6</sup> The consultation on the Government direction to the Regulator was issued in February 2024 so whilst some initial work has been undertaken using the HQN Toolkit, a wider piece of work is now ongoing following SHG submitting their response to the consultation. This is being led by the Strategic Lead for Culture and Engagement.

updated stock condition survey which provides rich data to be used for asset management planning

- The repairs service and increase in demand / customer expectation as well as SHG's performance against repair timescales – as noted above, a repairs service review has commenced and has included several consultation sessions with customers to gain their insight into how improvements can be made. A new Repairs Policy will be developed and launched
- How SHG promotes the range and breadth of support / community based services available for customers to access – more information has been added to the SHG and SKylight websites to ensure effective signposting for customers
- Ensuring that SHG can evidence how it has learnt from complaints and how services have been improved because of feedback – there are strengthened processes in place to ensure learning is obtained from complaints and that it drives service improvement. SHG have completed the self-assessment against the Housing Ombudsman's Complaint Handling Code.
- Reviewing the overall number of strategies and policies in existence to ensure the 'golden thread' was more easily evidenced and understood – work is ongoing to develop a new performance management framework and streamline some reporting processes to make information clearer and easier to understand
- Improvements required around reporting from CX – this will include more dashboard reporting and an improved approach to business insight to drive decision-making.

4.7 SHG's Internal Auditor, PWC, have completed an internal audit on SHG's approach to preparing for proactive consumer regulation and that was a 'low risk' report with two advisory findings being raised, which have been addressed. PWC identified a range of good practice in terms of the approach to project management and the working groups that had been established to undertake a thorough review of the draft version of the Consumer Standards.

## **5 CONSULTATION**

5.1 Feedback on the self-assessment has been provided by Heads of Service and Assistant Directors. All of the Standard Leads have been involved in this process as well as in the preparation for consumer regulation work.

## **6 CONCLUSION**

6.1 This report outlines how SHG (as a Small Private Registered Provider) and the Council (as a Large Local Authority Provider) meet the requirements of the Regulator that were in place during 2023-24. The self-assessment process is a key part of SHG's overall approach to ensure effective governance and regulatory compliance and enables key stakeholders to be assured that the requirements of the Regulatory Standards are being met and be able to certify compliance.

- 6.2 The update on changes made to the Regulatory Framework ensures Member Committee are aware of the new proactive inspection regime and what that means for Stockport.

## **7 RECOMMENDATION**

- 7.1 That Member Committee takes assurance from the self-assessment against the Regulatory Standards and note the Regulation Update which has been provided.