Championing better homes and communities

Housing Ombudsman – response to the Repairing Trust Call for Evidence
NFA response
October 2024

Submitted via email to the Housing Ombudsman Service

Introduction

The NFA (National Federation of ALMOs) is the trade body which represents arms-length management organisations across England. All are not-for-profit bodies wholly owned by their parent councils, created to manage council-owned housing and deliver housing-related services.
The NFA represents 17 ALMOs across the country managing nearly 200,000 local authority-owned properties. ALMOs also build and acquire new stock. They deliver housing services for tenants and their wider communities.

For more information on our submission, please email Lisa Birchall, NFA Head of Policy at lisa.birchall@almos.org.uk.

Summary

The NFA was pleased to meet with the Housing Ombudsman Service on the 12 September to feed in our thoughts about the call for on housing maintenance, *Repairing Trust*. We have shared the call for evidence with our members to provide individual responses, so we have restricted our comments to more broad themes.

Please can you sign off the content of any member case studies that you would like to use publicly in your report with us prior to publication.

1. Work that has been undertaken since the Grenfell Tower Fire

The Grenfell Tower Fire and subsequent Social Housing White Paper marked a defining point for our members, and they have undertaken a huge amount of work to review and improve their repairs and maintenance services. The death of Awaab Ishak in Rochdale, alongside the many public examples of poorly managed damp and mould cases in the social housing sector, have led to an increased focus on damp, mould and condensation and wholesale improvement of how this is managed. The work of the Housing Ombudsman, both in terms of its Complaints Handling Code and learning centre, has driven improvements. Finally, the publication of the Consumer Standards by the Regulator of Social Housing has made it very clear what is expected of landlords and shaped much of the work to improve services.
Areas that the ALMO sector has been focused on include:

- Tightening governance and assurance structures, and as part of this, bringing an increased strategic focus on the management of damp, mould and condensation.

- Reviewing and refreshing tenant involvement and scrutiny of services (particularly of relevance, scrutiny of repairs services and complaints
- Completing full reviews of repairs services
- Investing in clearing repair backlogs from COVID-19.
- Commissioning external audits of services to give an independent assessment of governance arrangements, tenant engagement mechanisms, and compliance against the Consumer Standards.
- Investing in new housing management and asset management systems, as well as other technology such as Power BI and customer apps.
- Undertaking 100% stock condition surveys and developing processes for capturing ad hoc data between surveys.
- Improving the capture of data relating to tenants so that services can be better tailored to their needs; and working on identifying the organisational silences. Improving processes around capturing and using EDI data.
- Looking at contractor arrangements and management, and staff training (for example, through 'toolbox' training sessions).
- Looking at DMC procedures and preparing for the implementation of Awaab's Law.
- Many of our members already operated 'Every Contact Counts' or 'Eyes Wide Open' style procedures so all staff could flag up issues, but these have been looked at and improved.

It will be really useful for the Housing Ombudsman Service to recognise in its report that there are many social landlords in the sector that are delivering high-quality repairs and maintenance services and have been working hard to continuously improve. This is reflected in the TSM scores that many landlords have received, particularly around satisfaction with repairs and the safety and quality of the home. We value the Housing Ombudsman's learning centre as a way of sharing good practice and think this will be particularly useful for members.

St Leger Homes Doncaster has done a lot of work to review and update how the tenant voice is heard in complaints handling and management. The organisation moved from a Tenants' Appeal Panel (which used to look at Stage Two complaints) to a new sub-group of the Scrutiny Committee. The sub-group take a random selection of complaints every quarter, reviews the quality of the response, the outcome and whether they agree, the learning that was included and whether it was sufficient. They then share their findings with officers, who take that learning to discuss at Heads of Service meetings. The Chair of the sub-group also meets with the relevant Head of Service if they are not in agreement about the outcome of the complaint. This – along with other changes the organisation has introduced – has provided an independent challenge and made sure that tenants can hold the organisation to account.

Wolverhampton Homes has developed a new digital platform in collaboration with the NEC Housing Management software, which went live in November 2024. This platform provides an easy-to-use, high-quality interface for customers to interact with the organisation, including allowing them to manage their repairs digitally; booking, amending and cancelling appointments through the App (something which has reduced No Access and failed appointments). Customers were involved in the design of the app which has contributed to a significant uptake in users.
When customers sign up with the app, they create a new account and check their data, which they can update at any time. This has enabled the organisation to ensure that the data they hold on existing tenants is up-to-date and remains so. While customers can continue to contact the organisation through more traditional means, the app is proving very successful.

2. Preparation for Awaab's Law

Our members have been undertaking a lot of preparation for Awaab's Law, in particular in relation to damp and mould. This includes new reporting processes and governance of DMC matters; updated IT systems, improved staff training, improved communication with tenants, partnering with contractors to change processes and bring in further dedicated resources to manage DMC; new processes and timeframes for booking in and responding to damp and mould, and new processes for following up with tenants following remedial action.
However, while members have supported the principles of the proposals, they have raised difficulties with the practicality of implementing some of the proposals; particularly the extension to all 29 HHSRS hazards, the use of calendar days rather than working days, the difficulties around staffing and skills to assess vulnerability in relation to specific hazards, and some of the proposed timeframes. There is a real risk that repairs services are overwhelmed and this leads to poorer outcomes for tenants.
We are currently asking the government to consider restricting the number of hazards that Awaab's Law applies to, focusing on those that result from a property defect which is the landlord's responsibility to fix; to roll out Awaab's Law in a phased way to the hazards so that members have a chance to prepare for them in the same way they have done with damp and mould and to allow the preparation of detailed guidance to help with assessment; and to regularly review the implementation so learning can be shared. We are also asking for government to move to using working days rather than calendar days to match the other legislation in the sector.

Blackpool Coastal Housing has re-written its damp and mould policy to align with the proposed changes coming from Awaab's Law, particularly focused on timescales and process of inspecting, organising and carrying out works.

BCH has been looking to technology to help the organisation identify, predict and prevent repairs. They are piloting sensors within properties which monitor temperature, humidity and movement, sending information back to a central database where BCH Repair Managers can use a dashboard to identify any concerns within the property. The organisation is also developing a neighbourhood management tool using information from across the business (including rent arrears, anti-social behaviour, repairs, investment and tenancy turnover) to help prioritise investment needs in the future, based on the way that the property is performing from the rounded evidence.

The organisation has developed a highly popular training awareness on damp and mould for non-technical staff within BCH to attend and offer this training to colleagues within the Council. The organisation also provides advice and support for gas and electrical servicing contractors who may visit tenants' homes during the normal course of their contractual responsibilities and identify issues.

3. Consideration of the challenges that face the local authority sector

The context that local authority and ALMO repairs and maintenance services are operating in is an important part of the picture which we would like the Housing Ombudsman Service to explore in its report. While this does not excuse the poor quality of services that some tenants have experienced, there is a perfect storm of pressures that have reduced capacity and resilience in the sector, and made it increasingly difficult to deliver the services that tenants expect and invest in further improvements to repairs and maintenance services.

The main challenges include:

- Cost pressures as a result of recent turbulence in the economy and markets, and high inflation, coming on top of years of below inflation rent increases; combined with an increased demand for services.
- Significant problems with staff recruitment and retention; and in some places, a lack of suitable contractors. This is a widespread problem across the construction and maintenance industries, but due to budgetary constraints local authorities cannot afford to match the pay of housing associations and the private sector. Staff turnover and an ageing workforce combined with a raft of new requirements is putting severe day-to-day pressures on repairs & maintenance teams.
- An ageing housing stock, with the last Decent Homes Programme over 20 years ago.
- Increasing complexity in the households now being housed in the social rented sector which impacts on the complexity of the services delivered, with a corresponding decline in the web of support services that these households may have accessed before.
- The fact that Asset Management and Repairs Teams are in the centre of a large amount of competing new policy and regulatory changes alongside the pressures created by inflation, staffing shortages and funding pressures.

By way of context, Savills has just published an updated analysis of expenditure pressures in Housing Revenue Accounts, commissioned by the Local Government Association, Association of Retained Council Housing, and the NFA (October 2024). In summary it finds:

- Local authority housing finances are facing a perfect storm of challenges, many of which have considerably worsened in the last 18 months since Savills previously looked at them. These challenges do not arise from one single driver alone and are instead the result of a variety of pressures which are all combining to add up to the sort of challenges which faced the sector prior to 2012.
- The 2012 self-financing settlement set out assumptions for Housing Revenue Account investment and debt levels which are now wildly out of line with reality. This is in part due to recent turbulence in the economy and markets – with high inflation and interest rates – but is also a result of policy interventions since 2012, including the fact that rents have been held below inflation over the last eight years.
- Capital investment in homes over the cost of the self-financing settlement was estimated at an equivalent of around £64.2bn over 30 years in 2012; it's now up to £96.1bn; a difference of £31.8 billion that local authorities need to find.
- Most discussion in the run up to the Autumn Budget has focused on a ten-year settlement allowing annual rent increases of up to 1% above CPI. The Savills research shows that while this would eventually balance HRA income and expenditure over 30 years, it would leave an income shortfall over the initial 5 to 10 years of between £6-7 billion.
- Even were councils given the option to gradually increase rents back to what they would have been without the lower than inflation rent increases from 2016-2024, there is likely to be a need for additional finances to be deployed into Housing Revenue Accounts in the short-term in order to keep them afloat, with many councils facing the impossible choice between HRAs going into deficit or failure to meet statutory repair obligations, including Awaab's Law.

In relation to repairs pressures, the Savills research finds:

- Inflationary pressures on capital and day-to-day repairs and maintenance widespread, with headline inflation greater than both the core CPI and BCIS maintenance and development inflation.
- Average increases in repairs budget allocations above 12 per cent for 2024/25. In practice, however, there is a widespread experience of local authorities overspending against budgets. Volumes of repairs are higher, and rates are higher across the board.

4. Miscellaneous comments

We have a couple of final, more general points that we request the Housing Ombudsman consider when writing the final report and using its case data:

- Members would find it useful when the Housing Ombudsman Service is talking about the learning from its cases to provide context around the number of landlords that these cases refer to (as a proportion of the whole sector), and how many cases of poor performance relate to – say – the top 10 poor performers.

- It is right that the Ombudsman holds landlords to the highest possible standards of service delivery. Inevitably, as more and closer regulation has been rolled out over recent years, and as the public debate has evolved, the Housing Ombudsman Service has had to take a view on whether their adjudication baseline should also evolve. Over time, we can see that certain types of failure are now attracting findings of severe maladministration where they would once have been judged to be maladministration or service failure. We would welcome an explicit explanation of this process in the report to make it clear that in some cases the adjudication baseline has changed rather than – as might be concluded – that a rising number of severe maladministration judgements is evidence that landlord service delivery is becoming ever worse.