

DECISION-MAKER:	Cabinet
SUBJECT:	Southampton City Council Housing Landlord Service - Improvement Plan
DATE OF DECISION:	25 February 2025
REPORT OF:	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING OPERATIONS

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STATEMENT OF CONFIDENTIALITY			
None			

BRIEF SUMMARY

Southampton City Council is the landlord for its tenants and leaseholders who live in nearly 18,000 homes across the City. The housing Landlord service has been reviewed during 2024 to assess the level of performance it is providing and in response to the findings of low performance an initial improvement plan developed. This plan was in development when the new Social Housing Regulator completed their inspection of the services and it took full account of the consumer standards that the Regulator use to assess social landlords. The Inspection took place in August 2024 and reported and published its findings in November 2024. The Inspection Report is attached at Appendix A.

The Regulator Graded the Housing Landlord Service at the level of C3, on a scale that runs from C1 (best) to C4 (worst). This grading means that there are Serious failings in the delivery of the consumer standards and that the existing service are not considered strong enough to put this right without further engagement with the Regulator. The Regulator has now confirmed the arrangements to support Southampton in ensuring the serious failings are corrected. The arrangements were confirmed in January 2025. This Report is brought forward as a matter of urgency to ensure that the improvement of the Landlord Service is recognised as a priority for Southampton City Council, to agree the Improvement Plan to drive essential changes in performance ensuring that the required consumer standards are met and we provide a good quality homes and services for our Tenants and Leaseholders, and agree to establish a Housing Advisory Board to oversee the work on the improvement plan.

RECOMMENDATIONS:	
Having complied with paragraph 15 of the Council's Access to Information Procedure Rules.	
(i)	That the findings of the Social Housing Regulator and the C3 grading are accepted in full.
(ii)	That the commitment to improving the performance of the Housing Landlord function is agreed as priority for the Council
(iii)	That the Improvement Plan is agreed as the mechanism to drive performance improvement and support the improvement requirements of the Social Housing Regulator.
(iv)	That the Housing Advisory Board is established to oversee the Improvement Plan and ensure regular performance reports to Cabinet.
(v)	That the concerns and comments of Scrutiny are accepted and there are regular performance reports.
REASONS FOR REPORT RECOMMENDATIONS	
1	This report is submitted for consideration as a General Exception under paragraph 15/16 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public
2	The Social Housing Regulator published its Report on the Housing Landlord Service in November 2024 and confirmed that there would be the requirement for Southampton City Council to be subject to continued oversight to drive the improvements from a C3 rating, to a C2 level. This is the sanction that the regulator has applied following the C3 rating. These arrangements were confirmed in January 2025 and it is considered urgent to confirm the Councils' response to the report, the rating and the sanction applied. The Regulator findings and the developing improvement plan have been subject to Scrutiny ahead of this Cabinet Report.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3	The Social Housing Regulator inspection report, rating and sanction are those of the Regulator and the only options are to accept or reject.
4	The review of service performance that was undertaken before the inspection and an initial improvement plan developed.
5	It is already recognised by Cabinet that the Landlord service needed to make significant improvements.
6	The existing plans and those of the Regulator align and the report, rating and sanctions are already accepted in principle.
DETAIL (Including consultation carried out)	
7	Southampton City Council is the housing authority for the city and is responsible for fulfilling a range of duties to ensure that residents have access to safe, affordable and suitable housing options within its communities. The Corporate Plan states the commitment to deliver "Safe and Stable Home Environments" and to "focus on helping individuals to remain in a safe home, by providing quality housing across the city and access to support when needed."
8	SCC also has a Housing strategy (2016-2025) which sets out the aspirations for how it meets the housing responsibilities across the City and has prioritised housing in its

	corporate plan recognising that housing is a foundation for “individuals and families to achieve a high quality of life”.
9	To meet those aspiration SCC has retained its housing stock and the associated Housing Revenue Account (HRA) as a result the Council is one of the largest landlords in the south east and provides 18,155 homes.
10	The Housing Asset Management Strategy 2022-2026 includes the investment plans for the landlord housing and sets out the approach to managing, maintaining, and improving homes to a good standard, including energy efficiency and net zero targets
11	The delivery of the Landlord Housing service has not met the aspiration set out in the strategy and policies set out above. Performance levels have fallen below reasonable standards and do not consistently meet the requirements of the recently established Regulator of Social Housing, or the needs and expectations of tenants and leaseholders. The deterioration of the service has taken place over a number of years. The current position shows that the landlord service is not operating to a reasonable level with the performance on tenant satisfaction, rent arrears, voids, repairs and decent homes standards being of specific concern.
12	The investment in the housing stock decent homes standards has been poor with continued priority given to fire safety investment on the capital programme. Over the last 5 years the number of non-decent homes has increased from 6.7% of the stock to 47.7% (December 2024). This work is delivered by the plans set out in the Asset Management Strategy for the Housing Stock. Performance in delivering the investment plans has been around 50/60% and the investment levels confirmed have not provided sufficient investment to maintain the stock at decent homes standards, this means that the stock has not had the investment needed or the funding required over a number of years. This investment plan is the critical foundation to meet performance standards for Decent Homes, repairs and voids. The plan operates to control investment over the year and reversal will take a year to be clearly establishing a positive trend, service productivity, cultural and performance management changes will show improvement quicker but this will be initially marginal.
13	The percentage of homes that meets the decent homes standard is also one of the Key Performance Indicators set out in the Corporate Plan. The failure to meet the standards and the steep decline was recognised by the inclusion on the Corporate Risk Register in April 2024.
14	The Landlord services was subject to inspection by the Regulator of Social Housing in August 2024. The Regulator inspection regime was established from 1 April 2024. This inspection looked at the range of services, tenant relations, engagement, and the current performance levels. Assessment is made against a defined framework including value for money, material risks to the future financial viability of the stock. The service receives a rating of C1, 2, 3 or 4, with C1 being the most positive. The Regulator has a range of powers including intervention and fines.
15	Following the inspection the final report was received on the 27 November 2024 and the overall rating was of C3. Our earlier self-assessment had determined that this rating was likely, and the work to improve standards and develop a comprehensive improvement plan was already in development and contained in the Transformation Programme as the Good Landlord project. The self-awareness and the development of the plan was recognised by the inspectors and the full report is attached at Appendix A. This report has been considered by Scrutiny on 12 December 2024 and requested open and transparent sharing of performance information and details of progress to be regularly reported.

16	The delivery of Southampton City Council housing responsibility is across the Departmental Structure of the Council and decisions made through the formal decision-making Governance which has led to the proper consideration of housing landlord matters and the HRA in silos, lacking the single focus on outcomes for tenants and leaseholders.
17	The separation of responsibilities and accountabilities has developed the tendency to work in silos despite reasonable co-operation between officers and decision making. This is most evident between the landlord management function and the asset management functions. The professional priorities of the services are not consistent, and the main functions and plans and projects need a better joint focus between the demands of homes of people and the assets management of the Council.
18	The Good Landlord Transformation project has directly addressed the Solo'd approach, and the improvement plan runs from the development of a new Housing Strategy, asset management rationalisation and planning and the specific landlord activities with the focus on outcomes for tenants. The Improvement plan outline and detail are attached at Appendix B.
19	There will be significant change in the way tenant engagement is committed to and tenants and leaseholders will have greater engagement, and opportunity to influence and see how they are influencing service actions, decisions and outcomes.
20	This is a major transformation programme, the Improvement plan will deliver the Good Landlord Transformation plans and to support this work good practice drawn from Local Authorities that have improved and maintained good services shows that a focused Board overseeing the improvement plan, alongside the Regulator gives focus and strength to driving a demanding and difficult improvements over the 3 and 5 years timelines set out. To learn from this good practice the Housing Advisory Board make up has been reviewed and it is proposed this is strengthened with an Independent Chair being appointed and tenant and lease holder representatives invited to attend, and membership being reviewed and strengthened as the work progresses. The Terms of Reference and current membership proposals are included at Appendix C.
21	It should be noted that the board is set up under the governance of the Cabinet, it has no decision-making powers and all the work on the improvement plan is subject to all the Governance of the Council for decisions and Scrutiny.

RESOURCE IMPLICATIONS

Capital/Revenue

22	There are significant budget implications for both Capital and the Housing Revenue Account as priorities, efficiencies and realignment of investment decisions are confirmed. These will be brought forward for specific decision and details set out in separate and clearly HRA finance Reports and Landlord Asset Management Reports being brought forward for consideration with implications and impact clearly set out before agreement.
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Property/Other

23	The Landlord Services holds a stock of 18,155 homes, which is also considered as property to be maintained and managed in an effective and efficient way. As the improvement work is developed as part of the Landlord Asset Management plan the viable life of property types, the investment requirements to meet Decent Homes standards and the needs and rights of tenants and Leaseholders will be considered in detail and decisions on stock brought forward for full consideration and decision.
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LEGAL IMPLICATIONS

<u>Statutory power to undertake proposals in the report:</u>	
24	Housing Act 1985 and Housing Act 1996
<u>Other Legal Implications:</u>	
25	Southampton City Council is the housing authority for the city and is responsible for fulfilling a range of duties to ensure that residents have access to safe, affordable and suitable housing options within its communities.
RISK MANAGEMENT IMPLICATIONS	
26	The low level of Decent Homes Standards currently being met in the property in the Housing Revenue Account is registered on the Corporate Risk register and oversight will be managed there, with the improvement plan having a programme delivery framework that will have a risk log constantly reviewed.
POLICY FRAMEWORK IMPLICATIONS	
27	The Proposals contained in this Report are in accordance with the Council's Policy and specifically supports the Housing Strategy ambition of providing "good quality, affordable and sustainable housing" to support "strong resilient neighbourhoods".

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Report of the Social Housing Regulator
2.	Housing Improvement Plan
3.	Terms of Reference for Housing Advisory Board

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	/No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Regulator of Social Housing www.gov.uk

