



## **Inspecting for Excellence 2009 – Briefing Paper**

The Northern Housing Consortium held its 6<sup>th</sup> annual conference on 28<sup>th</sup> April 2009, with key note speeches from Peter Marsh, Chief Executive, TSA, Roy Irwin, Chief Inspector of Housing, Audit Commission, and Phil Morgan, Executive Director, TSA.

The TSA announced their first draft of the new housing standards at the conference, which feature in this paper.

This briefing paper covers the key points discussed at the conference.

### **Peter Marsh, Chief Executive, Tenant Services Authority**

Peter opened with an introduction to the TSA, highlighting their focus on outcomes for tenants and raising standards – to champion the needs and aspirations of tenants; challenge affordable housing providers to meet the highest standards, and to promote choice for tenants in affordable housing. He outlined the ten fundamental objectives of the TSA, including the opportunity for tenants to be involved in the management of their homes, ensuring the financial viability of social landlords, to encourage contribution to the wider well being of localities and to minimise burden and apply principles of good regulation.

Following the end of the National Conversation, 2009 will see informal and statutory consultation, new powers for RSLs, and in 2010 new powers for Local Authorities and ALMOs.

### *Regulation*

The TSA intends to be one landlord regulator, meaning that titles such as RSL, ALMO and LSVT will be irrelevant in terms of regulation, as all of these types of organisation are, in customer's terms, providing the same thing and should be regulated in the same way.

Outcomes of the National Conversation have shown that tenants have polarised views on landlord performance and want to be more involved, but that trust and keeping promises are more important to tenants than meeting targets. The tenant involvement here extends to much more than resident groups, and is moving towards tenants having an active role in how a landlord manages its properties.

The TSA's regulatory strategy is based on co-regulation – achieving regulatory outcomes will in part be undertaken by providers with their tenants rather than directly with the regulator, and a balance is to be reached between

formal and self-regulation, eventually moving more towards the latter over time. All of this should ensure a reduction in the burden of regulation, with tenant accountability mechanisms and local standards and codes in place to aid self regulation.

### *Expectations on housing organisations*

We can expect to see increased accountability for boards and tenants, with less reliance on what the regulator/inspector says. Once the basics are right, organisations will be expected to 'go the extra mile' for their customers, and organisations will define their own local deal instead of a one-size-fits-all approach.

### *TSA and the Audit Commission*

The Audit Commission are the TSA's inspectors of choice, with inspection remaining a key aspect of the formal regulatory tool-kit. Inspection principles will be used in the validation of self regulation, and the TSA and Audit Commission will be working together on joint housing studies, data sharing and benchmarking.

### *How will service assessment change?*

The TSA wants to put more information in the public domain, which will allow tenants, boards and others to compare providers on:

- Governance and viability
- Service delivery
- Involvement and engagement
- Local responsiveness
- Rents and tenure

Some standards will be pass/fail, others will be graded. TSA will be working with the Audit Commission to reform the KLOEs to support providers in responding to the new framework.

The TSA's approach will be risk-based – for those organisations where governance is strong, tenants are happy and services are good, the TSA do not expect to have much involvement - but inspections in this context should be viewed as part of the validation of self assessment. Where weaknesses are found, the TSA will intervene proportionately and work with tenants and landlords to raise the bar.

### *CAA*

The Audit Commission will look at the Local Authorities' strategic role – defining and meeting need, supply, homelessness etc while the TSA will look at local housing service performance, using information and assessments at a local level. This will allow the two to work in partnership, looking at how well providers and authorities are working together to meet local need.

## **Roy Irwin, Chief Inspector of Housing, Audit Commission**

### *Policy and resources*

Roy began his speech discussing the current economic and political climate, and the new initiatives put in place to assist people, with emphasis on questions around how these new initiatives, such as Mortgage Rescue, would reach 'places'.

Forthcoming challenges would be around local versus regional versus national, efficiency versus effectiveness, owning versus renting and regulating versus de-regulating.

### *CAA and housing assessments*

Roy described CAA as a way of assessing services that focuses on the question: "What is it like to live in this area?" It should be a catalyst for better local outcomes for people, better partnership working, more responsiveness and better value for money.

The key difference from previous assessments is the focus on outcomes, not just organisations – looking at how well people are served by their local public services. More attention would be given to local priorities, with a forward looking assessment. Roy mirrored Peter Marsh's statement that there would be more self-driven improvement and more reliance on self-evaluation and sector self-support, and a risk-based inspection programme.

Three key questions relating to area assessment were then laid out:

- How well do local priorities express community needs and aspirations?
- How well are the outcomes and improvements needed being delivered?
- What are the prospects for future improvement?

Followed by the outcome focus, influenced by local priorities:

- How safe is this area?
- How healthy and well supported are people?
- How well kept is the area?
- How environmentally sustainable is the area?
- How strong is the local economy?
- How strong and cohesive are local communities?
- How well is inequality being addressed?
- How well is housing need met?
- How well are families supported?
- How good is the well-being of children and young people?

In order to establish how well housing need is met, housing markets, vulnerability and homeless households, housing conditions and neighbourhoods would be looked at.

### *Reporting CAA*

Area assessments would be reported with narrative and red or green flags where appropriate. Assessments of each public body will have links to the assessments of councils, PCTs, schools etc. This will include reporting of the National Indicator Set, allowing tailored comparisons, and national and themed reports to share learning.

Inspectorates would be looking for high levels of engagement with and knowledge and understanding of communities, ambitious shared vision for place and communities, self awareness and effective performance management across organisations and partnerships, and sustainable improvements in citizen satisfaction, priority outcomes and value for money.

### *Audit Commission role beyond CAA*

Service inspections will still remain a key part of housing's regulatory framework, and the Audit Commission remains the statutory inspector of housing services for the TSA as outlined in the Housing and Regeneration Act 2008, and is the inspector and regulator of LA non-landlord functions.

### *Housing Inspections 2009/10*

There will be a mixture of standard and short notice inspections in Housing Associations, and the year will consist of 10 – 15 standard inspections, and 40 – 50 short notice inspections.

There will be 18 – 24 ALMO inspections, up to 30 LA inspections (with a mix of strategic and landlord services), and up to 12 re-inspections of previously inspected poor, zero star rated services.

For HAs, the Audit Commission have received a programme of 25 SNIs received from the TSA for the first half of 2009/10, with the focus being on previously inspected, 1 star HAs. There will be a sharper focus on outcomes from residents' perspective, but the scope of inspections is much narrower (but will still include cross-cutting KLOEs). Further changes may still be possible to SNI in light of experience gained both in the pilot scheme and in 'real' SNIs.

For LAs, over 40 responses were received to the initial consultation, and pilots, which will include ALMOs, will run up to June 2009. A decision will be made on the use of SNI for LAs in summer 2009. There are still some issues around how SNI will fit in with the CAA framework, but it was clear that CAA is

here to stay, with Roy linking CAA back to the TSA as part of a domain-wide approach.

Going forward, the Audit Commission is to implement this year's inspection programme, consider the extension of SNIs across other LA work, and will carry out studies and research.

### **Phil Morgan, Executive Director, Tenant Services Authority**

The emphasis of Phil Morgan's presentation was on co-regulation, working with organisations and tenants at a local level.

In a theme first identified by Professor Martin Cave's review, the overarching aim is a system of co-regulation. The TSA intend to share with tenants, landlords and wider stakeholders the areas in which they propose to set standards. They propose to do this collaboratively, with emphasis on organisations helping themselves while the TSA ensure the capacity is there to do it. In order to work collaboratively, the TSA will bring together an overarching sounding board, supported by stakeholder panels of tenants, landlords and advisers to the sector.

The local conversation element of the TSA's consultation with tenants has been very successful, and Phil touched on what he called "the golden thread". This is a change to the golden thread we have become used to (Vision/strategy/action) and instead posed – where tenants have given a key area of interest, the questions asked will be 'have we listened?' 'What have we done?'

The housing standards were then discussed and for the first time the draft areas to be covered by the standards was publicly announced. Phil stressed that the below list is not definitive and that the standards were much more than words or boxes to be ticked:

1. Rent
2. Quality of accommodation
3. Tenant empowerment
4. Tenure
5. Financial viability
6. Governance
7. Allocations and lettings
8. Anti-social behaviour
9. Choice
10. Repairs and maintenance
11. Customer service (including complaints)
12. Diversity
13. Supported housing
14. Information
15. Local area co-operation
16. Health and safety, security

The standards have a clear plan of development going forward, which is to ensure clear definitions, identify the key issues that need to be covered by each standard, consult with stakeholders using a range of approaches, and to develop a list of key questions/topics to be covered in consultation to feed into the development of the standards. Any crossover between standards will be identified.

### **Summary**

All three key speakers were keen to stress that the regulators and inspectors will be working with one another and with all stakeholders in the sector to apply the principles of co-regulation. As could be expected, the focus is on outcomes for tenants and they will be placed at the heart of self-assessment, formal inspection and housing standards.

**Northern Housing Consortium  
Performance Improvement Team  
May 2009.**

If you would like to discuss any of these areas in more detail or learn more about our support work in getting prepared for the new regime please contact the Performance Improvement Team on 01915661000 or [performance@northern-consortium.org.uk](mailto:performance@northern-consortium.org.uk)