



Agenda

Meeting: **Cabinet**
Date: **31 July 2019**
Time: **5.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Cabinet**

All Councillors for information

The cabinet will consider the matters listed below on the date and at the time and place shown above. The meeting will be open to the press and public.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>. Although unlikely, no guarantee can be made that Members of the public in attendance will not appear in the webcast footage. It is therefore recommended that anyone with an objection to being filmed does not enter the council chamber.

3. **East Kent Housing - Compliance Update (Pages 3 - 6)**

In late May it emerged that there were serious issues of non-compliance with regards to East Kent Housing's management of gas safety across East Kent's council housing stock.

As a result, the Monitoring Officer will, in accordance with her statutory duty, report on this breach to Cabinet on 31 July, and the report has been shared with all Members of the Council.

This report sets out the context to these issues of non-compliance and how they are being addressed. The report also sets out the steps the East Kent councils are taking to ensure these issues of non-compliance do not occur again, including the need to consider alternative options for the future delivery of the management of council housing. It will, therefore, serve as the means by which the Council replies (as it is required to do) to

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the Monitoring Officer's report.

The report also sets out details of wider compliance issues identified within the Council's housing stock which have been identified through an East Kent Internal Audit Investigation of compliance across the housing stock managed by East Kent Housing in East Kent. East Kent Housing has also identified detailed significant areas of non-compliance in respect of the pumping and water treatment plants which it manages. East Kent Housing (EKH) are urgently preparing detailed action plans to ensure that all areas of non-compliance are addressed as a priority.

*Explanations as to different levels of interest

(a) A member with a disclosable pecuniary interest (DPI) must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares a DPI in relation to any item must leave the meeting for that item (unless a relevant dispensation has been granted).

(b) A member with an other significant interest (OSI) under the local code of conduct relating to items on this agenda must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares an OSI in relation to any item will need to remove him/herself to the public gallery before the debate and not vote on that item (unless a relevant dispensation has been granted). However, prior to leaving, the member may address the meeting in the same way that a member of the public may do so.

(c) Members may make voluntary announcements of other interests which are not required to be disclosed under (a) and (b). These are announcements made for transparency reasons alone, such as:

- membership of outside bodies that have made representations on agenda items, or
- where a member knows a person involved, but does not have a close association with that person, or
- where an item would affect the well-being of a member, relative, close associate, employer, etc. but not his/her financial position.

Voluntary announcements do not prevent the member from participating or voting on the relevant item

Addendum to Report C/19/15 Supplementary Report

As at 31 July 2019

This report provides an update of the various work stream activity being proactively undertaken by the Council in partnership with East Kent Housing (EKH) and the other three local authority owners of EKH.

1. Contract & Performance Monitoring

- Council officers and the East Kent Housing (EKH) Chief Executive presented to Folkestone & Hythe Council's Overview and Scrutiny Committee (OSC) in July providing an update on issues relating to East Kent Housing contract performance and the emerging health and safety compliance concerns. East Kent Housing is preparing a response to the resulting actions, providing further information regarding complaint levels in respect to housing management and related services of their contractors, which will return to OSC for consideration.
- Corrective actions are being undertaken by EKH across a range of poorly performing areas, including new contract procurement supplemented with additional resourcing where necessary.
- Regular monitoring of performance of the Improvement Plan, approved by Cabinet in early 2019, remains ongoing:
 - Client Officers are scrutinising in detail overall delivery of the Improvement Plan and the reasons for any shortcomings.
 - Client Officers, Cabinet Member for Housing and the EKH Board councillor representative have been meeting and will continue to meet EKH to monitor local delivery of performance against the Improvement Plan.

2. Health & Safety Non-compliance

- The four Council Leaders met with the Chair of the EKH Board in June to express their concerns about the seriousness of the non-compliance issues identified and the need for the issues to be resolved urgently. Regular updates are being provided to Leaders.
- The Chief Executives of the four Councils and EKH have established a weekly meeting regime to raise and review the ongoing response to issues of non-compliance and subsequent audit report and investigation matters.
- A Folkestone & Hythe Council internal officer task group has been established and meets weekly to review all non-compliance matters and to review progress against actions.
- As at 31st July 2019 there is 100% compliance of Landlord Gas Safety Records (LGSR) in Folkestone & Hythe.
- EKH has commissioned the Housing Quality Network (HQN) to undertake an independent investigation into non-compliance of LGSR across its housing stock. The report will be presented to the EKH Board mid to late August, the results of which will be shared with the four councils thereafter.
- The Chief Executives self-reported the issue of non-compliance to the Social Housing Regulator, advising the Regulator of corrective actions being taken, and taking advice on the extent and range of the associated council-led investigations taking place.
- As part of its annual audit plan, East Kent Audit was commissioned to review a broader range of health and safety compliance relating to tenants. The audit has identified significant areas of non-compliance across the Council's housing stock.

EKH are preparing a detailed action plan to address the issues urgently including the potential for further additional funding to improve compliance arrangements. The final audit summary and action plan will be presented to relevant Audit & Governance Committees in August / September.

- Estate matters delegated to EKH relating to water treatment works, owned by the council, are also being reviewed to provide assurance that appropriate compliance matters have been addressed by EKH.
- The Council is jointly commissioning (with other council owners) an independent investigation into all aspects of health and safety non-compliance across its housing stock. This will be reported to Members as the work concludes through the coming months.
- The Council Chief Executives are assessing the EKH proposed financial implications arising from the internal audit recommendations. Associated budget decisions are expected to be presented to Members in July and through the autumn period.
- The four councils have commissioned a forensic investigation of invoice overpayments with the previous gas servicing and maintenance contractor. This may be the subject of separate legal action which will be reported to Members as the investigation progresses.

3. Strategic Review of Housing Management

- A strategic review of future housing management options is expected to report to Members during the autumn. Further, more detailed, analysis may need to be undertaken that considers transitioning from the current arrangements to a future model.
- There is a legal requirement for the Councils to consult tenants, testing opinion on changes to housing management. Guidance is provided by MHCLG and detailed work is in hand to consider this more fully. Members will be advised on the detail and proposals relating to this.
- The Council is reviewing the impact on the HRA Business Plan in terms of any additional changes to the way the housing and tenants services are delivered in the district.
- The Chief Executives are working closely with the Chief Executive of EKH to ensure that any potential implications are handled appropriately and sensitively with staff and unions.

4. Communications

- The key issue communicated to date has been that the matter has been taken seriously, resources mobilised swiftly to deliver the necessary corrective action, and that ensuring tenant safety is the critical priority. Care has been given not to alarm or cause unnecessary distress to tenants by signposting to specific contact points for further information.
- The Cabinet Member for Housing has scheduled a programme of visits to the EKH estate in the district throughout September to hear and understand the views of its tenants. The relevant Ward Members will be invited to join him in the programmed visits as these are arranged.
- The Council's communications team and East Kent Housing continue to manage all communications messaging to tenants and internal/external parties.

Revised recommendations to report C/19/15, notably a change to recommendation 3 and the addition of recommendation 4.

1. To receive and note report C/19/15.
2. That this report is adopted as the response of the Council to the Monitoring Officer in accordance with the requirements of S5A (8) and (9) of the Local and Housing Act 1989, and that a copy of it be provided to all Councillors and the Monitoring Officer.
3. That a further report is prepared on the wider issues of housing management for this Council and to commence consultation with the Council's tenants and other key stakeholders as soon as is practicable on future housing management options, reporting back by the end of November 2019.
4. To receive and note the range of related work stream activity as outlined in the addendum provided as a supplementary report relating to C/19/15.

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