

Appendix 5

Cabinet – 31 July 2019

Addendum to Report C/19/15 - Supplementary Report

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.