HOUSING REVIEW 2023-24

INTRODUCTION

The 2023-24 financial year saw the commencement of the new North Yorkshire Council; a unitary authority covering the former county council and the seven former districts and boroughs of:

- Craven
- Hambleton
- Harrogate
- Richmondshire
- Ryedale
- Scarborough
- Selby

This has led to the creation of the largest single unitary authority by area; a huge 3,090 square miles, providing an extensive range of services across a diverse and largely rural area. The county is defined as being either sparsely populated (13%) or super-sparsely populated (85%), with a population density of 77 people per square kilometre compared to an English average of 434.

Three of the former Districts and Boroughs have a retained housing stock, preferring to keep housing services 'in house' as opposed to either forming an Arm's Length Management Organisation (ALMO) or transferring entirely to a Housing Association (HA). Consequently, the new authority has taken on the management of over 8,350 properties across the Harrogate, Richmondshire and Selby areas. Maintenance is handled primarily across a number of contracts, with a very small in-house workforce covering some routine repairs and servicing.

As a new Council in its first year of its operation, it has focussed on creating a consistent baseline of performance, integrating systems and aligning processes alongside essential restructuring of services; all against the backdrop of a more stringent and robust regulatory framework. This review will therefore summarise the following items:

- Delivery of the Tenant Satisfaction Measures (TSM; linked to full TSM summary – appendix A)
- Review of complaints (linked to complaints self-assessment – appendix B alongside the updated complaints policy and associated staff guidance appendices C&D)
- Management costs (appendix E)

This review concerns work completed over the 2024/25 financial year, identifies established gaps and highlights plans and proposals that will be introduced over the 2025/26 year.

TENANT SATISFACTION MEASURES

Introduction

The TSMs form part of the revised regulatory framework, with landlords required to survey customers on their perceptions of a variety of key services. For NYC the survey was delivered through a staged mixed-mode methodological approach whereby tenants with an email address were invited to complete the survey first, followed by a postal survey sent to a sample of non-respondents, and finally a telephone 'booster' survey.

In total, 2,241 responses were achieved from the original survey population of 8,329, split as follows:

- E-mail – 1,046 responses
- Post – 600 responses
- Telephone – 595

The return rate is well within the accepted levels for the purpose of meeting the requirements of both the regulator and the benchmarking service, Housemark. The margin of error was $\pm$ 1.8% against a required $\pm$4% with a confidence level of 95%.

Summary of key findings

To contextualise performance NYC has benchmarked its results with those of similar Local Authority landlords. The results not only highlight how the authority is performing in relation to similar landlords but also help to establish where significant gaps exist in performance.

Table 1: Summary of satisfaction scores vs other retained stock authorities

	NYC	Upper Quartile	Median	Lower Quartile	Quartile Position
Overall Satisfaction	**70%**	72%	66%	63%	2
Well maintained home	**68%**	72%	66%	63%	2
Safe home	**73%**	78%	73%	70%	2
Time taken - last repair	**65%**	69%	66%	59%	3
Repairs - last 12 months	**73%**	76%	70%	66%	2
Communal areas clean and well maintained	**61%**	69%	61%	54%	2
Positive contribution to neighbourhood	**55%**	67%	62%	55%	4
Anti-social behaviour	**50%**	58%	53%	50%	4
Listens and acts	**55%**	58%	54%	49%	2
Keeps you informed	**60%**	75%	71%	66%	4
Treats fairly & with respect	**69%**	70%	68%	63%	2
Complaints handling	**29%**	34%	29%	24%	3

For NYC the results help establish a baseline supporting the ongoing alignment of services and ensure sufficient focus is kept on areas of concern for customers, as well as helping identify areas where performance needs to be maintained as a minimum. By ranking the 'Overall Satisfaction' measure the consultants responsible for the survey placed NYC as joint 23rd out of the 93 organisations benchmarked, and 9th out of the Local Authorities.

Traditionally housing associations have performed better than LAs or ALMOs.
In terms of the areas where improvement is needed, the authority had already recognised complaints management as a significant concern at the point of the survey. This is largely attributable to challenges linked to the merger and the visibility of complaints at a corporate level: complaints were locally hosted, with access proving challenging for managers to assess what was going wrong and how appropriate redress could be achieved. Since then, a more harmonised complaints policy has been developed which has centralised complaints with a dedicated resource in place to support housing mangers to track and respond to complaints in a more effective and prompt manner.

In addition, it was recognised that responses to complaints were not consistent, or at times lacked sufficient acknowledgement of customers' needs. By having senior leaders take a more active role in reviewing and supporting complaints resolution, a more customer-focussed format for responding to complaints has been developed. Progress on both issues is tracked through ongoing Housemark benchmarking alongside regular reviews of complaints with key personnel.

Results also suggested a need to improve the contribution the authority makes to the local area. Judging by the additional feedback provided, this was clearly an area where the merger had had a direct impact, leaving customers unsure as to what the new council handled, its local visibility and lacking awareness of the wider regeneration and development work undertaken by the authority. This poses an important challenge for the authority about how it demonstrates its contributions locally: customers should feel empowered to report issues and become involved in their local communities. Since merger, work has been undertaken to review how customers are communicated with and how information is made available to them; this has highlighted some significant gaps, including around the website, which could improve how information is made available to customers; and elsewhere around more traditional communication methods that would likely reach those who are digitally excluded. It is expected that through the 2024/25 financial year there will be significant progress in this area, which will help customers better understand the functions of the new council and how it is positively contributing to their neighbourhoods.

Many of the issues identified in relation to how the authority contributes to the local area were also relevant to how satisfied customers were that they were being kept informed. These included a lack of communication around the service, accessibility issues with digital platforms and physical visibility across estates. In most cases these issues have been born out of the merger and restructures affecting the workforce as procedures and policies are transformed and aligned to a single service. Many of the issues around physical visibility rest with ongoing restructure work and it is expected that a new structure will create capacity for a much more estate-based and visible offer. Furthermore, services have started using a single customer access point to help track enquiries and understand demands and issues to help facilitate some of the transformation exercises; this inevitably has had an impact on knowledge management of particular estates, communities and properties that should be resolved as capacity and knowledge in the services increases alongside digital tools supporting of the council to provide the best possible customer experience.

For the authority the key drivers for satisfaction could be broadly defined as follows:

- Providing a well-maintained home
- Being treated fairly and with respect
- Satisfaction with repairs
- Time taken to complete repairs (last repair)
- Listening and acting on customer views
- Providing a positive contribution to the neighbourhood

Given the challenges facing the service with restructures and alignment of procedures, the level of satisfaction with the provision of a well-maintained home and the repairs service over the last twelve months is testament to the commitment and customer focus of front-line officers in delivering services that instil confidence in the landlord. It is recognised that the authority’s knowledge of stock condition is incomplete, which has ultimately contributed to its self-referral to the regulator: however, it is felt that the action plans in place to improve this knowledge will have the desired impact in improving confidence in its investment plans and ultimately in maintaining the housing stock at a high and desirable standard.

Table 2: Service information TSM measures

Building Safety				
Code	Item	LCRA	LCHO	Combined
BS01	Proportion of homes for which all required gas safety checks have been carried out			99.79%

BS02	Proportion of homes for which all required fire risk assessments have been carried out			56.48%
BS03	Proportion of homes for which all required asbestos management surveys or reinspection's have been carried out			Null (this has not been tracked this year due to merger)
BS04	Proportion of homes for which all required legionella risk assessments have been carried out			100%
BS05	Proportion of homes for which all required communal passenger lifts safety checks have been carried out			100%
Anti-social behaviour				
NM01 (1)	No. of antisocial behaviour cases opened per 1,000 homes			62.90
NM01 (2)	No. of antisocial behaviour cases that involve hate incidents opened per 1,000 homes			0.36
Decent Homes and Repairs				
RP01	Proportion of homes that do not meet the Decent Homes Standard	Null – it is currently difficult to accurately assess the number of homes that fail to meet Decent Homes through the data		
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale	%		
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale	%		
Complaints				
CH01 (1)	Number of stage one complaints received per 1,000 homes	12.03		12.03
CH01 (2)	Number of stage two complaints received per 1,000 homes	0.59		0.59
CH02 (1)	Proportion of stage one complaints responded to within the Housing	68.32%	%	68.32%

	Ombudsman's Complaint Handling Code timescales			
CH02 (2)	Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	0.00%	%	0.00%

As stated, the biggest issue facing the authority is the identified risk associated with its incomplete records around property condition and its compliance with the Decent Homes Standard. This is indicative of a service that has focussed on delivery at the expense of understanding its stock from a strategic asset perspective. This is a priority for the new authority to ensure its approach to planned maintenance and improvements is fully informed and appropriately costed alongside ensuring the properties are safe for residents. Additional resource is being invested in to help develop this insight and understand the issues in every property through a comprehensive stock condition survey that will help futureproof plans and ensure component information is effectively captured to inform these plans.

In relation to the management of asbestos the issue in identifying an overarching figure has been driven by the different ways this information is managed and stored. Across all sites identification is usually achieved in line with other works; however remedial works are then stored across a variety of platforms in different ways meaning no single picture exists of the work done to manage them (operational records are available per site as required). The creation of a single asbestos register is a priority for the 2024/25 financial year.

The service has also undertaken a significant review of its complaint handling; however, the biggest challenge in this area relates to the implementation of a single complaints policy across eight former councils, all using different systems and processes. This has required significant focus across the year to create a standard policy and centralised approach. Consequently, data for the first part of the year is inconsistent, meaning little confidence should be placed in the final figures. The full complaints summary provides greater insight into how this has developed across the year and the ongoing development of the service.

COMPLAINTS OVERVIEW

It is essential that customers of the service can seek appropriate redress for service failures and that the authority is acting on feedback and using this to inform service design and improvements. Under the previous local government arrangements (county council and district and borough councils) there were eight different complaints process in operation at the start of the financial year, all using different systems, with difficulties in aggregating data and forming a holistic view of complaints.

Providing this consolidated view has been essential to the service design over the year and a dedicated resource has been employed to help collate, track, and oversee housing related complaints (covering those attached to the landlord service, homelessness, management of private rented sector housing and development). As a result, performance in relation to complaints handling has shown improvement across the year; for example, in September (when tracking started) just 36.36% of stage 1 and stage 2 complaints were handled within target time; this figure increased to 75% in February before slipping back slightly in March to 56.25%.

In total 101 stage one complaints have been received across the year; in terms of broad categorisations, they can be defined as follows:

Table 3: Complaints Categorisation

Category	No. of complaints
Damp & mould	13

Disrepair	18
Other repair issues	39
Staff / Communication / Attitude	12
Housing allocations	8
Anti-social behaviour / neighbourhood management	6
Rents and arrears	2
Other	3

A significant proportion of complaints relate to the repairs service (as expected) with sizeable subsets linked to damp and mould and wider disrepair issues. Just seven of the disrepair complaints were resolved within target time and this highlights an area for improvement that the Council will look to address over the coming year. In most cases these have been reflective of more substantial investigation and work being required, and the inefficiency in processes to escalate and manage complaints once received. Furthermore, the feedback received suggests some of these cases could have been handled proactively if more information were available to customers alongside ongoing communication to keep them informed.

Of the complaints received, 51 have been upheld across the year; however just 32 of these were completed within target time. All 19 cases that were not upheld were closed within target time. This again may suggest that issues exist within the complaints process in terms of completing the investigations and feeding back to customers. Two complaints remained ongoing as of the year end, with the remainder being partially upheld; a categorisation the council will be moving away from for the 24/25 financial year.

In merging eight authorities' considerable effort has gone in to reviewing the complaints policy and ensuring it is aligned to the Code of Practice. The completed Self-Assessment can be found as appendix B with the Complaints Policy also included as appendix C and staff guidance as appendix D. In ensuring the council remains complaint with the code there have been several improvements made to the policy and processes throughout the year.

One of the biggest challenges facing the authority related to the definitions used for complaints and this had the impact of misidentification of service requests and complaints. Since aligning the policy to the code, the Council has become much better at separating out such issues, meaning complaints often relate to a service failure and service requests move through appropriate customer service channels. The authority has also clearly defined what exclusions exist in relation to complaints that can be taken forward; this is again extremely useful for the new organisation as it helps to manage customer expectation whilst also creating a clear standard for staff to work towards.

One of the biggest changes for the service during the year was the introduction of a dedicated Housing Complaints resource located centrally within the Complaints Team. This has ensured that the corporate approach to complaint handling is followed, that management information is much easier to access and there is a single point of contact overseeing statutory compliance. Since introducing this resource performance has greatly improved and managers and senior leaders are much more informed regarding the nature of complaints, issues around resolution and concerns around escalations and referrals to the Ombudsman.

Due to the merger of services and significant changes across Housing structures throughout the year, the Council has a week record of learning from complaints with very little evidence of changes to procedures or organisational learning. Where complaints have proved useful is in helping define and shape new policies; a major piece of work that will run through much of the 24/25 financial year. Understanding the level of complaints levied at particular services and the reasons for these complaints will prove valuable for service design and help ensure procedures meet the needs of customers and communities. It is expected that in the next review of complaints more information regarding practical changes will be highlighted.

MANAGEMENT COSTS

The HRA finances are also worth discussing and show a service that has generated a surplus over the last year. There are a number of operational reasons behind this linked to effective rent recovery processes and a significant salary underspend due to the need to restructure and the creation of a single housing service.

Housing Revenue Account – Outturn Financial Year 2023/24 (£1,775k Surplus)

The Housing Revenue Account's (HRA) financial performance has exceeded estimates for the 2023/24 financial year. Some of the in-year savings/surpluses have been generated as a result of fortuitous circumstances, such as improved investment returns and inflation on utilities settling below expectations. Overall, the HRA revenue budget is broadly sound based on current activity and rent collection rates are good.

This, along with assessment of the four key financial performance metrics, provides a stable ground to progress the ambitious housing delivery programme, meet the upcoming challenges around regulatory standards, reduce void turnaround days and continue to move towards active planned maintenance programmes and away from higher-cost responsive repairs.

Performance Metrics

Whilst the performance metrics were introduced as part of the 2024/25 HRA Business plan and Medium-Term Financial plan, the 2023/24 estimates were calculated to establish a baseline for tracking future performance.

The table below sets out the actual results of the four key metrics, showing the benchmark/'golden rule' values against the budgeted position and outturn. All four measures exceeded target and an improvement against budget, with no new borrowing being undertaken in year.

Table 3: Key Financial Metrics

Measure	Benchmark/Golden Rule	Budget	Actual
Operating Margin	(Min) 20%	28%	33%
Interest Cover	(Min) 2.00	2.95	3.71
Debt Turnover	(Max) 4.00	2.57	2.55
Minimum Working Balance	£12,450,000	£18,703,266	£21,079,788

Operating Margin: Operating margin shows an improved position as a direct result of lower than anticipated costs and exceeding income targets.

Interest Cover: This is a measure of the HRA's ability to service its debt interest costs. The improved position is a result of net operating income (income-expenditure) exceeding budget, and lower than budgeted interest costs.

Debt Turnover: This is another measure of debt affordability (the ratio between the HRA's debt and gross income). The improved position is due to income exceeding target. The HRA debt repayments were made in year as planned within the budget.

Minimum Working Balance: The estimated working balance included in the 2023/24 budget was calculated ahead of 2022/23 year end, and therefore, the increase in working balance is a result of improved outturn versus budget for financial year 2022/23, plus the surplus of £1,775k from the 2023/24 financial year.

Revenue budget – summary of the main variances
Income

Dwelling Rents (£265k surplus): Income collection remained high throughout the year and therefore the improved position is due to savings against estimated bad debt provision contributions, following an assessment of the arrears position.

Charges for Services and Facilities (£125k shortfall): There are various smaller variances within this heading, including £33k shortfall in RTB admin fees, £35k shortfall in Lifeline service income and £18k relating to rechargeable works to the GF.

Investment Income (£563k surplus): Investment income exceeded budget estimates due to improved investment returns (4.98% v 4%) and stable HRA balances.

Expenditure

Repairs & Maintenance (£175k overspend): There are overspends within repairs and maintenance budgets associated with; void repairs £361k, other planned maintenance works £220k and general repairs £309k associated with mould works, roofing works and substantial reliance on external contractors for electrical works. These costs are offset by underspends; predominantly salaries £308k, repairs compensation payments £90k and other items £154k to arrive at the net position.

Supervision & Management (£976k underspend): Utilities budgets are underspent by £520K. Budgets were inflated by 100% as part of 2023/24 budget setting, but increases haven't been as high as expected. There has been a £50K underspend in water/sewerage charges, £95K underspend associated with a delay in system development, £212K underspend in salaries across the supervision and management areas (principally linked to vacant posts), and £78K underspend relating to HRA contingency not being utilised.

Interest Payments (£242k underspend): Saving as a result of lower than anticipated borrowing as no new borrowing has been undertaken in year, with £2.355m voluntary revenue provision made in year towards existing debt repayment (as budgeted).

The full 2023/24 Revenue Budget Outturn Report can be founds as appendix E and is taken from the final accounts documentation.

2024/25 ACTION PLAN

Given the challenges facing the department it has worked extensively to produce a comprehensive action plan for delivery; the bulk of which will commence in the 2024/25 financial year. Throughout the year it has extensively baselined knowledge in order to develop and scope the plan, understanding where it is not compliant with the regulatory standards but also where gaps in data, intelligence or poor performance are recognised.

The plan is fully risk rated, with a clear acknowledgement of the organisational dependencies that exist that will be required for its delivery; largely linked to ICT and other central service support. The plan, whilst high level also allows for emerging issues to be identified and tracked through a live action tracker that is regularly reviewed and updated at the Housing Improvement Board that is ultimately responsible for overseeing the delivery of the action plan.

As of Q1 2024/25 the main restructure exercises will be complete, meaning work will progress at pace on the creation of single processes and procedures that capture the best of the legacy organisations where possible or even developed anew. The new structures will also allow for increased capacity in key services such as tenant involvement, anti-social behaviour and tenant safety; areas the authority has already recognised as being of concern, whilst a single allocations policy and CBL system will be live for the whole county as of April 2025.

Financially the HRA is in a healthy position however it is recognised that investment is needed to improve services; this will be delivered through a dedicated HRA Business Plan, this will have a number of benefits for the authority but the most significant is the creation of a dedicated £2.1M fund to help drive towards future compliance.

CONCLUSION

The 2023/24 year has been a challenging one for the service. Forming from three areas as part of a wider merger has created several issues that continue to be developed and resolved. For North Yorkshire Council the priority has been to create a solid, consistent and transparent baseline from which to operate; however, this has proved to be far more challenging than envisioned due to the inability to merge data sets accurately, different recording means and methods, different procedures and policies and a constantly evolving workforce that has led to the loss of key personnel and ultimately their skills and knowledge. The authority is determined to provide the best possible service for customers and through much of the feedback received from tenants' satisfaction is largely positive, although there are areas for improvement. Creating this transparent baseline and becoming a more data-rich and insight-led business will continue to be a key driver for the authority, with the understanding that this will help create a much richer customer experience and ensure value for money across the housing service.

Financially the authority is in a strong position with its HRA, and this bodes well for its future investment and improvement plans. Ensuring that this is now targeted in the right areas will be a priority and this will be informed by a comprehensive stock condition survey programme that will begin early in 2024/25; thereby creating a consistent and solid baseline of stock data and ensuring the authority has all required information up to date concerning decent homes status, safety and compliance issues and identifying short, medium and long-term priorities for future investment programmes.

Given the position inherited by NYC and the challenges it has experienced this year it fully recognises that its self-referral to the regulator for non-compliance reflects its determination to improve. Whilst there are some good practices and examples of compliance across the business its inconsistency is ultimately the biggest risk at this moment in time; coupled with a lack of accessible data and intelligence from which effective business decisions can be made.