

Consultation on a Direction to the Regulator of Social Housing to set a Competence and Conduct Standard for social housing.

Councils with ALMOs Group Response

April 2024

Introduction

Councils with ALMOs Group (CWAG) represents stock owning local authorities where council housing is managed by ALMOs. There are currently 19 local authority members managing around 225,000 properties across England. CWAG is a Special Interest Group of the Local Government Association.

If you require any further information regarding this submission, please contact Alison Freeman (CWAG Policy Officer) email: alison.freeman@manchester.gov.uk

General comments

Our members agree that relevant professional qualifications have an important role in driving up professional standards. We understand the rationale underpinning the focus on senior managers and executives but would anticipate that in the longer-term professional training and associated qualifications will need to be rolled out earlier in peoples careers to ensure there is a suitable pool of qualified staff and a clear career progression pathway within the sector.

Overall, it is unclear that having senior staff with professional qualifications will of itself deliver the anticipated organisational benefits of 'empathy', 'reliability', 'honesty' and 'professional curiosity'. The requirement within the Standard for an up-to-date written policy for the wider development and management of skills-based training throughout the organisation will be at least as influential in driving positive change.

Organisational Impacts and Mitigations

The impact of these measures on staff recruitment and retention are likely to be more disruptive than identified in the impact assessment. There is a significant risk of underestimating the impact of losing older qualified staff early without sufficient time to implement the necessary succession planning.

In our view there should be scope within the regulations to agree mitigations if this is required to protect service delivery. This should include the option of a longer implementation timetable in certain circumstances.

Implementation time scales

The tight two-year implementation timescale from April 2025 is a cause for concern as it has the potential to reduce senior management capacity at a key point when organisations also need to maintain momentum in other important areas of performance and competence as

well as driving cultural and behavioural change. A longer implementation period of 4-5 years would allow for better planning and be less disruptive whilst ensuring all postholders in scope can study for the required professional qualifications without compromising service delivery.

Role Descriptions and link to qualification levels

We would like to highlight a potential anomaly in the definitions around senior housing managers and senior housing executives. In terms of councils with ALMOs, our members believe that those staff involved in clienting the ALMO and overseeing the ALMO management agreement should be professionally qualified.

In terms of the role descriptions, clienting activities are more closely aligned with the senior housing executive role description which has a requirement for a level 5 qualification. However, the equivalent organisation role would probably align more closely with senior housing managers where a level 4 qualification is required.

Training Provider Risks

The timescales set out in the consultation are challenging, requiring training providers to agree detailed course content and accreditation arrangements as well ensuring sufficient capacity to deliver high quality training at the appropriate level. If any aspect of the training package is subject to delay or quality concerns, the timescales will need to be adjusted.

Funding and additional costs

The costs associated with implementing these measures will in our view be significantly higher than estimated in the impact assessment. In addition, given existing recruitment and retention issues facing the sector we anticipate that there will also be an upward impact on wage levels.

No additional resources have been identified to cover these implementation and associated costs which will need to be funded from already stretched Housing Revenue Accounts. It is important that Government review these proposals within the wider context of the cumulative financial impact of other measures also being introduced at the moment, including enhanced regulation, escalating Housing Ombudsman charges and Awaab's Law.

Contractors

From the consultation it appears that the requirement to undertake professional qualifications will apply to certain staff employed by private contractors involved in the management of outsourced responsive repairs. This is an area where there could be a significant impact on service provision if for example contractors opt to withdraw from the social housing sector or contracts need to be renegotiated. This issue requires further work to assess and mitigate the risks involved in requiring certain roles in the private contractor to undertake social housing related professional qualifications.

Demographic Questions

1. In which capacity are you completing these questions?

- Landlord representative group

2. If responding on behalf of an organisation, please specify which organisation:

- Councils with ALMOs Group (CWAG)

3. If responding as an individual, where do you live? If you are responding as part of an organisation, where are you primarily based?

- N/A

4. Registered providers and services providers only: Where are the units of social housing stock you provide or manage primarily located?

- N/A

5. Registered provider or services provider only: How many units of social housing stock do you own or manage?

- N/A

6. Registered provider or services provider only: Do you provide supported housing?

- N/A

7. Registered provider or services provider only: How many employees and officers do you have in total

- N/A

8. Services providers only: How many registered providers do you manage delivery of housing management services for?

- N/A

Question 1: Do you agree with the content of the direction (Annex A) to setting the broad Standard relating to the competence and conduct of all social housing staff?

- Yes

Question 2: As set out in paragraphs 15a and 46b of the policy statement, do you agree that only individuals who have a substantive role in managing delivery of housing management services should be in scope of the qualification requirements?

- Yes

Question 3: Do you agree with the guidance on the scope of housing management services (paragraphs 1-3 of Annex B1)?

- Yes

Question 5: Do you think that there are any other functions not listed above which should be in scope?

- No

Question 6: Are there any functions listed above that you think should not be in scope?

- No

Question 8: Do you agree with the proposal outlined above that individuals must have been in their role for more than 6 months to be classed as a Relevant Person or Relevant SP Manager (except where they are subject to a probationary period) as detailed in paragraph 15c, 46d and 46e of the policy statement?

- Yes

Question 9: Do you agree with the proposal that those staff who have a probation period should have, or be working towards, a qualification within 9 months from the point at which they take up their role as detailed in paragraph 15d and 46f of the policy statement?

- Yes

Question 12: As outlined in section 3.1 of the policy statement, do you agree that a level 4 qualification is the correct level for a senior housing manager and individual who is a services provider?

- Yes – with caveats.

We would like to highlight a potential anomaly in the definitions around senior housing managers and senior housing executives. In terms of councils with ALMOs, our members

believe that those staff involved in clienting the ALMO and overseeing the ALMO management agreement should be professionally qualified.

In terms of the role descriptions for senior housing managers and senior housing executives, clienting activities are more closely aligned with the senior housing executive which has a requirement for a level 5 qualification. However, the equivalent organisation role would probably align more closely with senior housing managers where a level 4 qualification is required.

Question 13: As outlined in section 3.1 of the policy statement, do you agree that a level 5 qualification or a foundation degree is the correct level for a senior housing executive?

- Yes – please see comments on question 12

Question 15: Do you agree that the criteria that qualifications must meet as set out in section 3.2 of the policy statement is appropriate for ensuring senior housing managers and senior housing executives gain the skills, knowledge, experience and behaviours they need to deliver high quality and professional services to tenants?

- Yes

Question 17: Do you agree with our approach to defining what it means to be ‘working towards’ a relevant qualification as outlined in the policy statement?

- Yes

Question 19: Considering the costs and benefits outlined within the impact assessment, do you agree that all existing staff within the sector should have, or should begin working towards a relevant qualification within 24 months as outlined in section 4.1 of the policy statement?

- No,

We believe there is potential for considerable disruption and recruitment problems as the policy is rolled out, particularly if significant numbers of older senior staff opt to leave the sector rather than undertake the required study.

Whilst ALMOs in general currently already have good coverage of staff with relevant qualifications there are concerns about staff retention as the measures are likely to result in employment pressures and loss of qualified staff, particularly to the RSL sector which has a greater capacity to raise wages in the face of staff shortages.

In these circumstances we believe it would be helpful to include scope within the regulations for organisations to apply for a longer transition period if the current proposals are causing or likely to cause risks to the quality and delivery of services to tenants.

Question 20: Do you have any additional comments or evidence about the potential impact of the policy proposals as assessed in our impact assessment (Annex C)?

- Yes

The monetarised cost benefit analysis lacks robust data and should be reworked once there is a much clearer picture of the numbers of staff involved and the likely cost of undertaking qualifications as experience shows that rising demand in this area also tends to result in higher costs.

Assumptions around the benefits to be derived from these measures will in practice be impossible to isolate given the wider changes to regulation and complaints handling that are also taking place.

Question 24: Do you agree with our proposal as outlined above and described in section 3.6 of the Policy Statement that there should be transitional arrangements in place for those with partially relevant qualifications (which meet or exceed the requirements in section 3.1 of the policy statement, but do not meet all the course content criteria in section 3.2)

- Yes

Question 26: Do you agree with our proposal as outlined above and described in section 3.7 of the policy statement that there should be transitional arrangements in place for those who have completed an apprenticeship programme without a qualification element provided they meet other criteria (as above)?

- Yes

Question 31: Are there any other bodies representing the interests of services providers that you think the Secretary of State should nominate as a body with which the Regulator must consult on the regulatory Standard in relation to these requirements, other than the National Federation of ALMOS and the National Federations of TMOs?

Councils with ALMOs Group is the representative body for councils where management is delegated and therefore has a key interest in regulatory requirements as they relate to ALMOs.