



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Rural and Communities Overview and Scrutiny Committee

11 March 2021

Report of: Councillor Robert Reid

Cabinet Member for Housing and
Planning



Regulatory Non-compliance Notice

Covering the actions and impacts of the regulatory findings in respect of publication of non-compliance notice by the Social Housing Regulator.

Report Author

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Corporate Priority:	Decision type:	Wards:
Housing	Non-Key	All Wards

Reviewed by:	Ken Lyon, Assistant Chief Executive	26 February 2021
Approved by:	Karen Bradford, Chief Executive	26 February 2021
Signed off by:	Councillor Robert Reid , Cabinet member for Housing and Planning	3 March 2021

Recommendation (s) to the decision maker (s)

1. That the Committee notes that the non-compliance notice in respect of the Regulators findings has now been published by the Regulator of Social Housing.
2. That the Committee notes the further work and other activities associated with working with the Regulator of Social Housing in dealing matters of non-compliance identified within the Notice.

- 3. That the Committee receives further reports which identify progress in respect of core work activities agreed with the Regulator and aimed at restoring full compliance, to allow the notice of non-compliance to be removed at the appropriate time by the Regulator.**

1 The Background to the Report

- 1.1 As Members will be aware the Chief Executive determined to self-refer the Council to the Regulator of Social Housing. Since this referral Officers have been providing further data and details relating to the core issues of non-compliance for the Regulator to consider and review. This information has included the agreed Improvement Plan for recovery, as approved by members of the Council, and other details indicating actions taken to begin the process of rectifying matters of compliance concern.
- 1.2 Two meetings have also taken place with the Regulator to discuss points of clarification and finalise information requests. These meetings and the requested information have been provided as required, and this has allowed the Regulator to reach a decision and issue and publish the appropriate notice. This is attached for Members to refer to as Appendix A.
- 1.3 Members will see under the heading 'Regulatory Findings' that two primary conclusions have been reached by the regulator. These are:
 - A) South Kesteven District Council has breached part 1.2 of the Homes Standard; and
 - B) As a consequence of this breach, there was the potential for serious detriment to South Kesteven Council tenants.
- 1.4 In making this determination the Regulator has however concluded that it would not at this time use its legal powers against the Council, given that officers have demonstrated adequate steps have been taken to strengthen the senior management resources, and has already taken action to begin improvements in respect of key compliance issues. Following the service of the notice however the necessary journey to full compliance needs to now be undertaken and the initial and ongoing core activities and actions are as follows:
- 1.5 **Updating Tenants and Members:** Just prior to the publication of the Notice a further 'all member' briefing session was undertaken, this presentation including a detailed update on ongoing progress around compliance, updating of the Improvement Plan, and indications of service improvements such as major IT project implementation and contract works to progress the journey to full compliance was concluded.
- 1.6 Tenants have also received a further update letter relating to the notice, and confirming further progress achieved around service improvement areas since the original letter was sent in November of 2020. It is proposed that this committee receives further improvement plan progress reports, and further planned all member briefings will take place as required. Finally, a current review on how best to engage and seek tenant involvement for the future will be completed, and then implemented to ensure the Council fully complies with requirements of the new Housing Act in this critical respect.
- 1.7 **Audit Review Process:** As the Committee will be aware the original Audit report completed and submitted to Rural and Communities Overview and Scrutiny Committee, and Governance and Audit included towards the end of 2020 contained a significant amount of recommendations to begin the process of recovery. It was agreed a further review audit should be undertaken to identify progress and this has been completed during the week commencing 15th February 2021. The full report will be presented to the next Governance and Audit Committee to be held on the 18th March 2021 but officers will update this committee during consideration of this report. It is anticipated that as part of the audit workplan for 2021 a further detailed audit will be completed for housing services

during the summer of 2021. The objective of these continuous pieces of detailed work, is to intensively and forensically review and evidence base around the necessary compliance and service improvements required to provide assurance to members around process and regulatory compliance. This committee will also play its full role in reviewing and scrutinising these report details and further recommendations as they come forward.

- 1.8 **Regular Meeting with the Regulator:** It has already been agreed with the Regulator that now that the Notice has been published, monthly meetings between the Chief Executive, Director of Housing and Property Services, and the Regulators Officers will take place. The first of these was due to take place on Friday 26th February. It is intended to update this committee as to the outcome of this initial meeting during consideration of this report. A work plan of activity along with the necessary update briefings with the Regulator will be arranged, and this committee will be advised as to progress and any issues or challenges arising following these sessions. Clearly the review and updating of the Councils improvement plan will be brought forward for Members to review and comment on as required.
- 1.9 **Weekly Leadership Compliancy Meetings:** Chaired by Portfolio Holder for Housing and Planning and attended by the Leader of the Council and the Chief Executive, these meetings have been a continued feature of the more detailed compliance review process being undertaken. These will continue and will manage and direct specific responses to the changing compliance review process, direct and inform work around specific issues of member involvement through the all member briefing process, and manage tenant and communication responses to actions associated with key service and regulatory responses.
- 1.10 **Regular Reporting to Committees and Cabinet:** The necessary reporting to appropriate committees will continue to be planned into the Council's business activities. This includes the specific scrutiny role of this committee in the ways identified above, and where necessary and as required or identified by the Regulator to Cabinet and indeed full Council.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 The necessary consultation with the tenants and members of the Council has been undertaken through timely reporting, dispatch of letters to advise tenants of progress, the Skyline publication, dedicated customer telephone enquiry line, and an updated Web site detailing compliance issues and signposting services. Further appropriate reports on the detailed elements of non-compliance have been scrutinised through detailed audit submissions, and the review and updating process of the high-level Improvement Plan.

3 Available Options Considered

- 3.1 These will be further determined through further work with the Regulator, and by way of Improvement Plan and consideration of key outputs by Members, and the weekly Leadership Compliance meetings.

4 Preferred Option

- 4.1 To proceed in conjunction with the support and guidance of the Regulator, and to ensure audit and regulatory requirements are fully met by way of timely actions, reporting, and agreed improvement plan activity.

5 Reasons for the Recommendation (s)

- 5.1 To secure as determined by the Regulator a return to full compliance in respect of housing services, including the identification of appropriate resources, funds, and service improvements in a timely manner.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 To continue to build upon the Improvement Plan process, seek to secure a deliverable work plan with the regulator, and provide timely and necessary information for members so that robust decision making, and customer improvements can take place.

7 Financial Implications

- 7.1 The financial considerations arising from the compliance requirements have been incorporated in the budgets presented and approved by Council on 1 March 2021. However, should there be any subsequent financial considerations during the year arising from the ongoing actions then these will be considered by members at that time.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

- 8.1 The necessary legal impacts have been identified and considered as the process of dealing with compliance progresses. Further consideration and advice from legal services will be secured as necessary. The Monitoring Officer will provide a verbal update at the meeting.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

- 9.1 All the necessary Safeguarding and equality issues will be identified and complied with as the necessary compliance and improvement activities take place.

10 Risk and Mitigation

- 10.1 The necessary risk issues, logs, and mitigations will be identified through the necessary work plans, and any work outputs agreed with the Regulator.

11 Community Safety Implications

- 11.1 These will be identified as part of the compliance mitigation and implementation plans.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 12.1 Any capital improvement plans especially in the context of dealing with essential gas, and electrical works will aim to maximise energy efficiency measures, and reductions in carbon emissions. Detailed contract reports for such activities will provide the necessary detail to approval by Members.

13 Other Implications (where significant)

- 13.1 None currently.

14 Background Papers

- 14.1 Previous reports, and correspondence with Regulator.

15 Appendices

15.1 As above, Appendix A - Regulator Notice.

Report Timeline:	Date of Publication on Forward Plan (if required)	N/A
	Previously Considered by:	N/A
	Final Decision date	11 March 2021