



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Rural and Communities Overview and Scrutiny Committee

8 December 2022

Report of: Councillor Robert Reid
Cabinet Member for Housing and
Property

Housing Regulatory Compliance Update

Report Author

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This report seeks to update Committee on actions to ensure regulatory compliance of the Council's social housing landlord function following the non-compliance notice issued by the Regulator of Social Housing.

Recommendations

That Committee:

1. That the Committee notes the latest compliance position following the ongoing meetings with the Regulator of Social Housing.
2. That the Committee receives a further update report at its next scheduled meeting.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Housing that meets the needs of all residents
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial considerations arising from the compliance requirements have been substantially incorporated in the HRA budgets for 2022/23 and further budgetary proposals are being considered for inclusion into the 2023/24 budget. However, the HRA financial outlook remains challenging against a backdrop of rising demands, material price increases and managing customer expectations.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.2 The updates to Committee allow members to track progress against key risk areas, which is to be welcomed from a governance perspective. The legal implications for non-compliance are incorporated within the risk ratings.

Completed by: Mandy Braithwaite, Legal Executive

Risk and Mitigation

- 1.3 The necessary risk issues, logs, and mitigations will be identified through the necessary work plans, and any work outputs agreed with the Regulator. Clearly dealing with significant compliance matters requires a comprehensive approach to risk management, particularly in respect of assessing priorities and critical

actions. The necessary and agreed risk assessment process will be discussed and agreed with the Regulator at the appropriate time to ensure outcomes are as far as possible managed and objectives achieved.

Health and Safety

- 1.4 The key focus in meeting the regulatory standard is to ensure tenants, leaseholders, their households and visitors live in homes that are, as far as is reasonably practicable, safe with hazards minimised. This is reflected in the key compliance areas that are monitored and reported to Committee.

Diversity and Inclusion

- 1.5 All the necessary safeguarding and equality issues will be identified and complied with as the necessary compliance and improvement activities take place. Each equality and safeguarding impact are carefully considered when actioning a compliance or regulatory change. This is especially so when managing such matters for vulnerable households and particularly those occupying specialist accommodation such as designated sheltered accommodation.

Climate Change

- 1.6 Any capital improvement plans especially in the context of dealing with essential gas, electrical and other works will aim to maximise energy efficiency measures, and reductions in carbon emissions.

2. Background to the Report

- 2.1 The Committee will be aware the Chief Executive determined, in consultation with the Leader and Cabinet Member for Housing and Planning, 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.
- 2.2 Monthly meetings have been taking place with the Regulator to cover issues of focus in terms of the regulatory framework, focussing on the Homes Standard. Our current performance and plans are shared at this meeting. The discussions and requests for information have been provided as required, and this has allowed the Regulator to continue to work with Officers in a constructive and helpful way.
- 2.3 The Committee has now received nine update reports since March 2021 that have confirmed the Regulatory Notice served on the Council and provided an outline of the work that officers would continue to ensure we logically and methodically progress through a programme of improvement.

- 2.4 The Committee determined that it would wish to receive update reports on progress at each of its meetings to ensure that Members had oversight of broad progress around the key areas of activity and could engage with Officers and scrutinise work where required. It identified the following core headings as a means of updating Members and would identify the following information to assist this process. In addition, at the meeting on 01 July 2021, Committee requested sight of the Improvement Plan; the latest version is appended to this report.

3. Key Considerations

- 3.1 **Updating Tenants and Members:** Following on from previous briefings, further All Member Briefings will be arranged to ensure Members are fully informed on progress and continued challenges.
- 3.2 As reported to the Committee's meeting in June 2022, a full tenant consultation exercise has been undertaken – "The Big Listen". This involved several questions on both the current experience of tenants in terms of the services the Council offers as a landlord, and what they would like to see prioritised in the Housing Revenue Account Business Plan, which will require a complete review in 2022/23. The questions were based on the Regulator of Social Housing's proposed Tenant Satisfaction Measures and the initial report was provided to Committee in the meeting on 23 June 2022.
- 3.3 Section 4 of the AMS gives further detail of the key challenges in the context of the Council's asset base and operating environment, and places emphasis on the ongoing responsibility of the Council to ensure compliance with applicable health and safety responsibilities. It commits to an ongoing programme of regular costed building condition surveys to inform a proactive, planned maintenance programme and reduce the need for more expensive reactive repairs.
- 3.4 A key activity to support the HRA Business Plan review is up-to-date information on the Council's housing stock. As noted in previous reports, the last full Stock Condition Survey was completed in 2009; good practice suggests comprehensive Stock Condition survey should be completed every 5 years, usually by undertaking a survey of 20% of the stock each year. The Survey has now concluded, and analysis of the findings continues.
- 3.5 The Council continues to utilise its Rant and Rave feedback, seeking real time feedback from tenants following responsive repairs. We continue to see overall satisfaction of 4.5 out of 5, demonstrating sustained high satisfaction at the point where repairs are undertaken.
- 3.6 An all Councillor briefing on Housing was delivered in November, providing an update on the work ongoing across the teams to provide an understanding of the current priorities, projects and pressures that the team are currently dealing with.

- 3.6 **Regular Meetings with the Regulator:** Monthly meetings between the Chief Executive, Director of Housing and Property Services, Assistant Director of Housing, and the Regulator's Officers take place as scheduled; the next meeting at time of writing is due in December 2022. Progress has been significant right across the landlord health and safety compliance function (latest monthly figures attached as Appendix One to this report) and the relationship with the Regulator is positive, with the Regulator acknowledging that the Council is moving to a position to seek removal of the Notice that was formally served in February 2021.
- 3.7 That removal is contingent on three issues:
- (a) Sustained maintenance of performance in relation to the key landlord health and safety areas (i.e. those shown on Appendix One)
 - (b) Clear programmes of work related to the actions that arise from those areas (these are provided to the Regulator on a monthly basis)
 - (c) A satisfactory external audit of the above, providing external assurance. Scoping work in relation to this external audit is underway, with actions to address potential gaps identified and clear responsibilities and timescales for those actions delegated.
- 3.8 To enable the Regulator to remove the notice we are required to undertake an external audit of our compliance related functions. The outcomes of this audit shall then provide assurance to the Regulator on our current performance and governance structures. We are currently seeking quotations from audit companies to undertake this work utilising an audit scope that has been agreed with the Regulator. This scope can be found as (Appendix Three – Regulatory Compliance Audit Scope).
- 3.9 Committee may find additional comment on Appendix One helpful:
- 3.9.1 Legionella – 100% compliant, evidencing consistent and proactive management of this compliance element.
 - 3.9.2 Gas – 99.14% achieved in October, again slightly down from the excellent result of 100% of properties with an up-to-date gas certificate in April. Of the forty properties without, all have appropriate actions up to date, including obtaining warrants to be served to gain access. A verbal update will be provided to Members with the outcome of those Court Hearings.
 - 3.9.3 Electrical testing – this shows the position in relation to properties (both dwellings and communal areas) with an up-to-date electrical certificate, with the current position being 88.15% with a current satisfactory certificate. Committee will note that compliance has increased to the highest point yet for electrical testing.
 - 3.9.4 Asbestos – this shows 100% compliance in terms of asbestos inspections.
 - 3.9.5 Fire Risk Assessments – this shows all communal blocks assessed as “higher risk” have been inspected, and corrective actions are being programmed and completed. It is consistent with the Council's Fire Safety Management Plan.
 - 3.9.6 Lift inspections – all properties are currently compliant.

- 3.9.7 Smoke and CO – this shows the position for all the alarms within all our properties being 99.34% compliant. This is a recently introduced Regulatory requirement which came in to force on the 1st of October 2022, again those properties that are non-compliant totalling thirty-nine are all being dealt with through due process.
- 3.10 **Leadership Compliance Meetings:** Chaired by Cabinet Member for Housing and Planning and attended by the Leader of the Council, the Chief Executive, the Director of Housing and Property, and the Assistant Director of Housing, these meetings have been a continued feature of the more detailed compliance review process being undertaken. Members of this group ensure specific responses to the changing compliance review process and manage tenant and communication responses to actions associated with key service and regulatory responses such as agreeing the scope and nature of key issues to be covered by the next SKYline magazine publication, due in December 2022.
- 3.11 **Regular Reports to Committees and Cabinet:** the necessary reporting to appropriate committees will continue. Members are invited to comment on this report content and confirm their views and observations relating to the detail contained within this report.

4. Other Options Considered

- 4.1 These will be further determined through work with the Regulator, the adjusted Improvement Plan, and consideration of key outputs by Members, Leadership Compliance meetings, and All Member briefing sessions as arranged.

5. Reasons for the Recommendations

- 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. Consultation

- 6.1 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 latest Skyline publication, dedicated customer telephone enquiry line, and an updated web site detailing compliance issues and signposting services. This process will continue as required and the engagement with tenants particularly will be amended to reflect changing needs and requirements.

7. Appendices

7.1 Appendix 1 – Summary Paper relating to core compliance areas as at October 2022.

Appendix 2 – Improvement Plan October 2022.

Appendix 3 – Regulatory Compliance Audit Scope