

South Ayrshire Council

**Report by Assistant Director - Place
to Leadership Panel
of 26 October 2021**

Subject: Annual Assurance Statement – Housing

1. Purpose

- 1.1 The purpose of this report is to provide Members with an update on the Regulatory Framework for Housing and to seek Panel approval to submit the Annual Assurance Statement to the Scottish Housing Regulator and publish the statement for tenants and other customers.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 **notes the content of the Assurance Action Plan outlined in [Appendix 1](#);**
- 2.1.2 **approves the Annual Assurance Statement outlined in [Appendix 2](#);**
- 2.1.3 **approves the submission of the Annual Assurance Statement to the Scottish Housing Regulator by 31 October 2021 and its publication for tenants and others customers;**
- 2.1.4 **notes the requirements of the Regulatory Framework and the impacts of Covid-19 on the specific activities and areas of service delivery set out in paragraphs 4.2.1 to 4.2.6 and the progress against the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing; and**
- 2.1.5 **notes the equalities and human rights requirements prescribed by the Scottish Housing Regulator and the progress for future collection of equalities information made by the Council set out in paragraph 4.3.**

3. Background

- 3.1 Leadership Panels of 17 September 2019 and 24 November 2020 considered and approved previous Annual Assurance Statements (AAS) for South Ayrshire Council under the Regulatory Framework. The last AAS was submitted to the Scottish Housing Regulator (SHR) by 30 November 2020.
- 3.2 In February 2019, SHR published the new Regulatory Framework entitled 'Regulation of Social Housing in Scotland'. The Framework is SHR's statement on

Performance of Functions setting out how they will regulate both Registered Social Landlords (RSL) and the housing and homelessness services provided by local authorities. A summary of the key points from the Regulatory Framework is included at [Appendix 3](#).

- 3.3 For 2020 in recognition of the service pressures relating to the Covid-19 Pandemic ('the Pandemic'), SHR made changes to the timescales and deadlines for key elements of regulatory activity. In 2021, timescales and deadlines reverted to the original timetable, and the Council is required to submit its AAS to SHR by 31 October 2021. SHR have stated that the advisory guidance they published in August 2020 remains relevant and landlords should refer to it when producing their 2021 AAS.
- 3.4 For both local authorities and Registered Social Landlords, SHR monitor, assess, report and intervene (as appropriate) in matters relating to performance of housing activities, and how services are delivered to tenants, people who are homeless, Gypsy/Travellers who use official sites provided by landlords and factored owners. SHR wrote to all landlords on 24 June 2021, recognising that the Pandemic continues to impact on social landlords and on the services they provide to their tenants and service users. Landlords are being asked to identify within their AAS any non-compliance with regulatory requirements that is directly due to the Pandemic and distinguish this from non-compliance that is for other reasons, and to outline any potential impacts and associated actions being undertaken to manage and mitigate this.
- 3.5 When considering each of the Charter outcomes, a landlord may decide that improvement action is required to meet an outcome and must consider the materiality of the issue. Website links to the Scottish Social Housing Charter and statutory guidance published by SHR on Annual Assurance Statements are included in the background papers section of the report for reference by Members.
- 3.6 The Regulator uses the approved Assurance Statement, along with the Annual Return on the Charter (ARC) to consider and determine its' engagement with landlords. Following the submission of the 2020 AAS, SHR published updated Engagement Plans for all landlords at the end of March 2021. Within the 2020 AAS the Council reported compliance with all other requirements and outcomes, with the exception of full compliance in the area of gas safety, which was directly related to the impact of the Pandemic and associated restrictions at that time. SHR assessed this and were satisfied that the Council had appropriate arrangements in place to manage and mitigate this risk. Therefore, this area of declared non-compliance did not feature in the published 2021/22 Engagement Plan for South Ayrshire Council. The website link to the 2021/22 Engagement Plan for South Ayrshire Council is contained within the background papers section of this report. As outlined in the Engagement Plan, SHR held a follow up meeting on Friday 1 October 2021 with the Service Lead – Housing Services and the Co-ordinator (Housing) who has management responsibility for homelessness. The current access arrangements, the current challenges and responses to homelessness, and monitoring of the Rapid Rehousing Transition Plan were discussed. SHR were provided with updates and no additional assurances were required.
- 3.7 South Ayrshire Council's 2020/21 ARC was submitted to SHR on 28 May 2021. The return provided details of the Council's performance across the range of indicators within the 16 Charter Outcomes. Prior to submission of the ARC and taking account of Covid-19 restrictions at that time, a Microsoft Teams Meeting was held on 26 May 2021 which was open to all Elected Members, tenant

representatives and other interested tenants. At this session each of the indicators were discussed, information was provided on levels of performance and explanations were given for any variances in performance compared to 2019/20. The details from the 2020/21 Landlord Report published by SHR for South Ayrshire Council is attached in [Appendix 4](#).

- 3.8 Within the Council's governance arrangements and in the Housing Service, there are existing measures and processes to manage, scrutinise and report performance. These provide assurances and evidence that the Council is complying with the charter outcomes. The measures and arrangements outlined in the Assurance Action Plan at Appendix 1 support the Council's approach to scrutiny and offer evidence and assurance on compliance with the charter outcomes and regulatory requirements. Prior to the submission of the 2019/20 ARC to SHR, Internal Audit conducted an audit of selected housing indicators and concluded that reasonable assurance could be taken from the controls in place and the supporting evidence available. As part of the 2021/22 Audit Plan, Internal Audit conducted an audit of the AAS and their report in July 2021 concluded that in their opinion the findings from the audit demonstrated '*Substantial Assurance - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.*' There were no recommendations from the audit.

4. Proposals

- 4.1 Using available guidance, each of the Regulatory Requirements has been considered and it has been determined that the Council is complying with every requirement and outcome.
- 4.2 Despite this and although there are no material issues relating to compliance in other areas of activity, the Pandemic has impacted on service delivery and performance and the service is managing these operational challenges. In considering these current levels of performance, every effort is being made to improve performance in 2021/22. All housing activities are being monitored closely and should any issues emerge which are deemed material and notifiable to SHR, these will be brought to the Panel's attention. The main service areas which have been impacted include:

- 4.2.1 **Gas Safety Compliance** – In 2020/21, 7167 properties were due to receive a gas safety check, 6961 were successfully completed by their anniversary date. 206 properties were not completed by their anniversary date due to access difficulties, in some instances attributed to reasons relating to Covid-19 i.e. tenants or household members self-isolating or displaying Covid symptoms, or tenants or a household member shielding. There were 130 properties which were hard 'no access' instances, and taking account of the restrictions in place at that time, access could not be pursued. 179 of the 206 properties were completed in the 2020/21 reporting year, 27 properties remained outstanding as at 31 March 2021 and were being closely monitored by Officers with ongoing attempts being made to gain access.

All 27 properties have been successfully completed in the 2021/22 reporting year. In July 2021, the SHR requested an update from the Council on progress in dealing with the 27 outstanding properties. A response was submitted confirming that all properties had been dealt with and now had valid gas safety certification in place. Gas Safety procedures

to maximise access and manage instances of 'no access' are fully operational.

- 4.2.2 **Average relet times for empty houses** – In 2020/21 performance in this area was adversely affected by Covid-19, the average relet time was 51.4 days, compared to the Scottish average of 56.3 days. This continues to be a key area of service recovery, revised operating arrangements are in place with Property Maintenance to prioritise repairs in empty houses for those that have been accepted by or offered to homeless households. This allows the Council to secure permanent accommodation for homeless households as quickly as possible. In the period 1 April – 30 June 2021, 149 properties were relet by the Council, and the average relet time was 34.5 days.
- 4.2.3 **Homeless Applications and Provision of Temporary Accommodation** – The Council continues to fulfil its' legal duties to homeless households, dealing with homeless presentations and providing temporary accommodation where required. There is sustained pressure on available temporary accommodation. Updates are provided to the SHR for this area of activity as part of the Covid-19 quarterly return submitted by all landlords.
- 4.2.4 **Rent Arrears and Collection of Rental Income** – In 2020/21, despite the challenges of Covid-19, 99.8% of rental income was collected by the Council compared to the Scottish average of 99.1% and gross rent arrears stood at 3.8% of rent due, up from 3.4% in 2019/20. Historically the Council has performed well in this area. From recent 2020/21 benchmarking information provided to the Council from Scotland's Housing Network, the Council remains the second best performing Local Authority in terms of overall arrears at 3.8% and the best performing Local Authority in respect of current tenant arrears which stood at 2.0% of the rent due.

Officers are maintaining contact with tenants to provide ongoing advice and support to those who are experiencing hardship as a consequence of the Pandemic. Every effort is being made to secure repayment arrangements as an alternative to formal recovery action in compliance with the legislative changes introduced by the Scottish Government to provide additional protection to tenants. As at June 2021, the gross rent arrears were 4.2% of the rent due. Again, updates are provided to SHR for this area of activity as part of the Covid-19 quarterly return.

- 4.2.5 **Fire and Carbon Monoxide Detector Standard** – The deadline for this new standard is now 1 February 2022. It will form part of future reporting arrangements against the Scottish Housing Quality Standard as part of the criteria for 'Tolerable Standard' and will form part of the Council's reporting against the 2021/22 ARC. As at September 2021, 82% of the Council's housing stock meets this standard. Work in this area was halted when the lockdown was introduced on 23 March 2020 and re-commenced on 10 August 2020. Property Maintenance are now undertaking programmes of work and actively working to maximise compliance. Alongside this, planned work is being undertaken by James Frew Ltd for 2021/22 to complete elements of compliance work in properties, originally programmed to be part of the 2020/21 Internal Modernisation Programme,. Housing Services are managing any instances of no access

or tenant refusal to allow the work to proceed. Officers will continue to take all reasonable steps to maximise access. However, any non-compliance due to these reasons may have to be treated as exemptions in the Council's 2021/22 ARC submission to SHR.

In addition, in order to maximise the Council's progress against the forthcoming Scottish Housing Quality Standard (SHQS) requirement for Electrical Safety standards that will need to be met by 31 March 2022, Fixed Electrical Testing is currently being carried out at the same time as work to upgrade or replace fire and smoke detectors, where certification will be required before March 2022. This proactive approach has been put in place to reduce the instances where access is required to tenants' homes' and will place the Council in a stronger position to achieve this new standard by 31 March 2022. As at September 2021, 90% of the Council's housing stock meets this standard.

4.2.6 **Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing** – In 2020/21, 89.4% of the Council's housing stock met SHQS and 7.6% of the stock was classified as being in 'exemption or abeyance'. These are properties either earmarked for demolition or where the Council is unable to undertake the required work due to minority ownership within mixed tenure blocks or where the tenant has refused planned improvement work due to personal or medical reasons. 92.8% of the Council's housing stock met the Energy Efficiency Standard for Social Housing (ESSH). Internal modernisation works were postponed in 2020/21 due to Covid-19, but programmes of work resumed in August 2021, and reprofiling of the capital investment programme has taken place. Compliance works and programmes for other external works including roofing and render upgrades, external wall insulation and window replacement are progressing which will continue to contribute to these standards.

4.3 In a letter dated 24 June 2021, SHR advised that it was their intention to ask each landlord to include an update on their position in complying with equalities and human rights in their 2021 AAS. SHR expected the guidance on equalities data collection would have been available to landlords. However, the impact of the Pandemic slowed the production of the guidance. SHR published national guidance for Scottish Social Landlords on collecting equalities information on 19 August 2021. SHR have advised that they with the assistance of the Scottish Human Rights Commission they expect to publish a briefing on the right to housing this year. In recognition of this position, SHR have asked landlords to provide them with assurance in the AAS that appropriate plans are in place to implement an effective approach to the collection of equalities information and that the Council has started to consider how it can adopt a human rights approach in its' work. The service is reviewing the published guidance and will confirm any changes required to existing processes. Further details are outlined in the 'Equality and Human Rights' section of the Annual Assurance Action Plan.

4.4 The Assurance Action Plan outlined in Appendix 1, includes details of assurance and evidence available. Members are asked to consider the Assurance Action Plan outlined in Appendix 1, approve the submission of the Annual Assurance Statement in Appendix 2 to the Scottish Housing Regulator and agree to publish this statement to tenants and other customers.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations. The operational risks outlined in paragraph 4.2 which arose as a consequence of the Pandemic , continue to be managed effectively within the service.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that the Council would fail to submit the Annual Assurance Statement to Scottish Housing Regulator by 31 October 2021, and it would fail to meet its' requirements in terms of the Regulatory Framework.

8.2.2 Rejecting the recommendations would impact on the reputation of the Council.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 5](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Commitments 1 and 6 of the Council Plan: Fair and Effective Leadership/ Leadership that Promotes Fairness; and A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

13. Results of Consultation

- 13.1 There has been consultation with tenant representatives and interested tenants, who were provided with a copy of the 2020/21 Landlord Report and the draft Assurance Action Plan, via a Microsoft Teams Meeting on Thursday 30 September 2021. Updates were provided on current service delivery, the operational challenges being faced by the Council and the current practices relating to the collection of equalities information and proposals for further work in this area. Tenants were also consulted on the content of the draft Assurance Action Plan, comments and feedback received from the meeting have been reflected in the Action Plan at Appendix 1. Tenant representatives commented on the level of regulation and scrutiny and acknowledged the range and volume of work undertaken to deliver housing services and meet the existing reporting requirements.
- 13.2 Consultation has taken place with Councillor Philip Saxton, Portfolio Holder for Housing and Community Wellbeing, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Assistant Director – Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the ‘Council and Leadership Panel Decision Log’ at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Submit the Annual Assurance Statement to Scottish Housing Regulator	31 October 2021	Service Lead – Housing Services
Publish the approved Annual Assurance Statement on Council website for tenants and other customers	31 October 2021	Service Lead – Housing Services

Background Papers Report to Leadership Panel 17 September 2019 - [Annual Assurance Statement – Housing](#)

Report to Leadership Panel of 24 November 2020 – [Annual Assurance Statement - Housing](#)

Scottish Housing Regulator – [Annual Assurance Statements: advice for landlords on temporary changes to our regulatory approach in response to Covid-19](#)

Scottish Housing Regulator – [Engagement Plan for South Ayrshire Council from 31 March 2021 – 31 March 2022](#)

Scottish Housing Regulator - [Regulation of Social Housing In Scotland – Our Framework – February 2019](#)

[Collecting Equality Information: National Guidance for Social Landlords – August 2021](#)

[Scottish Government – Scottish Social Housing Charter – April 2017](#)

[Scottish Housing Regulator - Annual Assurance Statement – Statutory Guidance – February 2019](#)

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Date: 20 October 2021