

Management Update: Internal Audit report on Landlord Health and Safety

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1. Purpose:

Melton Borough Council is a registered provider for housing and has an obligation to act to ensure all homes where their tenants live are safe. The safety of tenants is a paramount consideration but the Council also has an aspiration to deliver high quality homes and housing services.

An internal audit review and report was requested by the Senior Leadership Team in early 2019 following issues identified with fire safety in housing properties. It was recognised that issues in one area of compliance could be symptomatic of wider issues and assurance was required for compliance of all areas of landlord health and safety including fire safety, water hygiene, gas safety, electrical safety and asbestos safety. The findings of the internal audit investigation were presented to the Audit and Standards Committee on 19th November 2019. A comprehensive management response was provided in acceptance of all recommendations by the audit.

The purpose of this report is to provide an update on the progress made on each recommendation. It also informs the committee of the additional actions taken by the Council in order to manage Health and Safety in housing assets

2. Background:

The internal audit review concluded with a range of recommendations for compliance of all areas of landlord health and safety including fire safety, water hygiene, gas safety, electrical safety and asbestos safety. While managing and maintaining safety in housing is an ongoing task, significant progress has been made across all 11 recommendations as identified in Appendix B.

The audit report identified the importance of data management to be a key contributor in managing compliance and recommended the need for a central and accessible database to ensure there is sufficient control and coordination of information in relation to the location, condition, compliance, works and repairs log, valuations, service charges and tenancy history. An extensive amount of work has been undertaken by officers to investigate the information relating to compliance stored in multiple locations and a range of formats. This information is being compiled, cleansed for quality and consistency and collated into accessible formats and locations to be able to use it meaningfully. As a result we have improved our understanding of the current status of compliance as well as the focus for future actions.

3. Update on Compliance Position as of 11th March 2020

The summary of the current position on all aspects of property health and safety in housing assets is as below:

Electrical safety: In November 2019 it was reported that the Council does not hold records of electrical inspection condition reports (EICR) for 376 properties. Through the right to buy process this was reduced to 364. A further 660 properties were reported in November to have records of inspection which were 5 years old or greater. The Council has appointed contractors to undertake inspections and produce EICR records for these properties. Good initial progress has been made with 244 properties inspected out of the 364 (67%) and 461 properties out of the 660 inspected (70%). Whilst the majority of tenants have granted access to enable these inspections to take place there are a number who have either been unavailable or refused access. These are being escalated currently and for those who continue to refuse, legal action will be pursued.. We had expected to be completed by the end of March 2020, however due to the access issues this is now expected to be completed at the end of April 2020.

Asbestos safety: It was reported in November that Council currently does not have asbestos management surveys for 411 properties. A UKAS accredited Asbestos Consultant was appointed in November 2019. A total of 337 properties have been surveyed which is an 87% completion rate. The remaining 49 are with the Consultant, some of which have been delayed due to access issues which are similarly being worked through with our legal team. We will continue to strive for 100% compliance in this area.

Gas safety: It was reported in November that the Council undertakes annual gas safety checks for gas supply, gas installation and gas appliances for a total of 1353 properties. This was an area were adequate and in place. However, due to concerns regarding data quality, the senior leadership team chose to survey the

remaining 482 properties, which are not currently on the annual rolling programme, so as to ensure there were no other gas supplies the council was unaware of.. The contractors have completed 378 inspections (76%) so far and found 9 properties that had gas supplies which needed annual inspections which have been added to the list of routine annual checks. Through an internal data cleansing exercise 58 additional properties were also found on the list of annual checks but no certificates could be located in evidence of that. These certificates were subsequently found and that datasets between the contractors and the council were reconciled to ensure this doesn't happen again. A new procedure has been agreed and implemented as part of a collaborative approach with the legal, enforcement and housing teams working closely with the contractors.

Water Hygiene: Again as part of the determination to check all areas of compliance, further inspections were undertaken to confirm the presence of communal tanks in November 2019. Six additional tanks were established in Rutland House which were immediately inspected, cleaned, chlorinated and water was tested for safety. No issues were found. These have now been added to the annual monitoring programme.

Fire Safety: In November it was reported that all inspections have been completed and the Council has received the new Fire Risk Assessments which had been conducted in October 2019. The findings of these assessments have been aggregated and uniquely identified within the data set for the recording of actions and progress. There were 6 substantial findings that were identified during the risk assessment process which were dealt with immediately. Out of 210 other actions identified, 50 of them have been collated and added to the capital works programme over the next three years. A contractor has been appointed through the established framework arrangement. Out of the remaining 160 actions, 97 (60%) are complete and further 59 (40%) are progressing and expected to be completed by April 2020.

Lifts: All out lifts are subject to a thorough scheme of examination on an annual basis. On inspection in 2019 remedial works were identified in 3 of our blocks which have been now completed.

Engagement with the Regulator for Social Housing (RSH): The Council has proactively engaged with RSH since October 2019 and kept them updated with the progress made in improving the level of compliance in each area of property safety in housing assets. The last update was sent on the 11th March and we now await their response which is anticipated in the next week or two.

4. What else are we doing?

In addition to the above, there are a number of actions that the Council has taken to ensure this area is adequately resourced with appropriate governance and continuing oversight. A summary of these are set out below:

Housing Improvement Plan: The Council approved the adoption of the Housing Improvement Plan on 4th November 2019 which authorised the release of a significant level of investment into the Council's landlord services. The HIP approved over £2m investment in the housing services by creating 16 new posts to improve whole service delivery across all areas of compliance and tenancy management. Since this date, we have significantly improved our capacity to more effectively manage and maintain our housing stock going forward and this work continues.

Corporate Restructure: A Corporate Restructure was approved by the Employment Committee on 7th November. This established a new, consolidated Housing and Communities directorate and created the potential for additional housing expertise and capacity at a senior level within the organisation. It established a new role for Director for Housing and Communities as well as a new permanent Housing Asset Manager role to provide clear direction and leadership to the team and improve accountability and responsiveness for housing maintenance and compliance functions. Both roles are now recruited and the new director will start from the 3rd April 2020.

Fire Safety Capital Programme: On 22nd January 2020 Cabinet approved a report containing a series of recommendations in relation to fire safety. The report identified all actions required, approach to prioritisation and risk management and relevant costs and timescales in achieving that. A sum of £2.7m is approved over the next three years to improve fire safety in housing properties. The Council has shared this report with Leicestershire Fire and Rescue Service (LFRS) for information and comment. The programme of works is being planned and communication with tenants will be managed with support from Tenants' Forum (TFEC) for each block.

Interim HRA Business Plan: The Council approved an Interim HRA Business Plan on 26th February 2020 to ensure that resources are available and allocated appropriately for management, maintenance and development of our homes in a viable and affordable fashion. Just over £13m is allocated over the next three years for capital projects to deal with property safety compliance as well as routine maintenance projects for roofs, windows, kitchens, bathrooms and so on.

Data Management and IT system: To improve data quality and management on 26th February 2020, Council approved the procurement of a new housing IT system which will address current shortcomings and facilitate much improved understanding of council assets and compliance requirements going forward. The new system will be implemented over the course of this year.

Tenancy Management: The consultation for the revised tenancy agreement is underway. A review of rents and service charge review was undertaken and included in the budget setting process. The programme of preparing person based assessment is on-going. The Housing Allocations policy is being reviewed.

Oversight and Governance: A Housing Improvement Board was established in November 2019, and now meets on a monthly basis. It is chaired by the Leader of the Council, and attended by Chief Executive. It is supported by other council officers, a critical friend from a neighbouring Local Authority as well as representatives from the tenants' forum. It oversees the work programme and ensures sufficient grip and oversight from the strategic leaders in the organisation. Weekly strategic and operational meetings also take place to ensure sufficient grip and delivery on a continuing basis. In addition, compliance in Housing Assets has been added to the Corporate Risk Register which is monitored at a Corporate level and is reported to Cabinet quarterly. The Council is engaging proactively with the Regulator of Social Housing (RSH) as well as Leicestershire Fire and Rescue Services (LFRS).

5. Going Forward:

The actions outlined above, clearly demonstrates the significantly improved position in all aspects of compliance to property safety in housing assets. The council should be confident in the leadership being provided by the Cabinet and senior officers and the plan set out to tackle compliance in delivering positive results.

The main challenge being faced by officers in completing the required tasks is getting access to properties when the tenants are not responding or denying access. A procedure has been established to tackle the 'no access' issues with relevant legal involvement to ensure all properties are inspected for safety issues and where needed, appropriate actions are being undertaken to keep the tenants safe.

A key risk to consider in implementation of actions to maintain compliance to property health and safety is the current crisis of COVID-19. This will have an impact on the available workforce from contractors as well as the Council. The safety of the workforce as well as tenants will need to be considered. We will need to monitor the risk based on the available Government guidance.

From the 3rd April the responsibilities for managing the Housing Revenue Account (HRA) and the Housing Assets team will transfer to the Director for Housing & Communities who will continue to provide quarterly updates to the Audit and Standards Committee on Landlord Health and Safety.