

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 04 December 2023

Report Title

Housing Property Services Compliance Resources

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

Lynsey Stephenson, Head of Housing Property Services, Adult Care, Housing and Public Health.

Ward(s) Affected

Borough Wide

Report Summary

The Council has a duty to ensure residents can live safely in their homes. All landlords need to make sure they meet legal and regulatory requirements for property standards. The key areas of focus are fire, gas, electrical and water safety, lifts, asbestos, damp and mould hazards and carbon monoxide. Other areas of risk include radon gas, trees, play areas, repairs, structural (e.g. RAAC) and neighbourhood centres.

Non-compliance in any of these areas carries a significant potential risk to our tenants, residents, members and staff. It is therefore imperative that appropriate controls and measures are in place to provide assurance that the risks are managed appropriately.

This report seeks approval to introduce a new dedicated Housing Compliance and Health and Safety team to strengthen the internal assurance and oversight of risk control and compliance within the housing property service.

Recommendation

1. That the Assistant Director of Housing approves the establishment of a new housing compliance staffing structure and compliance management software.

List of Appendices Included

Appendix 1- Proposed Compliance Team Structure

Background Papers

N/A

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A

Council Approval Required

No

Exempt from the Press and Public

No

Housing Property Services Compliance Resources

1. Background

- 1.1 The Regulator of Social Housing's Home Standard includes requirements of the Council to ensure that the housing stock meets the Government's Decent Homes standard, that a cost effective and efficient repairs and maintenance service is available, and that all applicable statutory requirements that provide for the health and safety of occupants in their homes are complied with. The Regulator is currently consulting on an updated version of the Standard, called the "Safety and Quality Standard", which strengthens these requirements even further. The Regulator is also shifting its approach from passive consumer regulation to proactive inspections.
- 1.2 The housing service is currently undertaking a self-assessment against draft new regulations which has highlighted compliance and stock conditions as two of the three main risk areas (the third relates to the quality of the data held about tenants).
- 1.3 The assessment process has highlighted that key performance indicators in compliance areas achieve relatively high levels of performance. However, the processes, systems and quality assurance in some areas needs strengthening in order to provide sufficient assurance that compliance requirements are being met. This can only be achieved through the implementation of a dedicated compliance team to provide greater assurance around property standards and health and safety.

2. Key Issues

2.1 Issues identified.

- 2.1.1 Responsibilities for compliance currently sit within different service areas within Housing, Corporate Asset Management and with contractors and there is no co-ordinating function with overall responsibility for property compliance. Officers who manage and monitor compliance also manage the operational delivery of services. There is a clear need for independent scrutiny and overview of the functions within the service.
- 2.1.2 This is compounded by lack of capacity in certain parts of the service. The volume of work in some areas has increased (e.g. new requirements on carbon monoxide installation; damp and mould; fire safety) but this has not been matched with increase in staffing, meaning staff with technical specialisms and more experience, who are ideally placed to quality assure works and provide assurance on compliance, are increasingly utilised to oversee delivery of works instead.
- 2.1.3 There is systematic quality assurance, performance monitoring and proactive risk management in some compliance areas however this needs to be improved and consistent across all areas.
- 2.1.4 Systems for monitoring compliance tend to be paper or spreadsheet based. In some areas NEC (the housing system) could be used but isn't, while in

others NEC is unlikely to be sufficient and instead investment in new IT systems needs to be considered.

2.1.5 The recent issue of RAAC and new requirements for building safety, fire safety and carbon monoxide highlights that the landscape of housing property compliance will continue to evolve. The service needs to be positioned to horizon scan effectively so that appropriate level of assurance can be given much sooner than is currently the case when new requirements are brought in.

2.2 Improvement Plan

2.2.1 A property services assurance framework has been developed which sets out the specific requirements on the service (legislative, regulatory, local policy) and how the risk of non-compliance is managed through appropriate controls.

2.2.2 An action plan has been developed which identifies specific improvement actions for each area of compliance. This action plan is being monitored on a regular basis through the Housing Safety and Quality Improvement Group which consists of a range of service representatives across housing and is Chaired by the Assistant Director of Housing.

2.2.3 An external contractor has been procured to undertake a full audit of property and asset management compliance which includes the following:

- (i) a robust assessment of compliance, whether adequate controls are in place to ensure ongoing compliance in RMBC's housing property services and asset management functions, and whether the controls specified in the policies are working properly.
- (ii) provide an assessment that the policies and procedures in these areas are suitable and sufficient.
- (iii) provide an assessment of the effectiveness of the systems and processes that are in place to monitor and provide assurance on compliance.
- (iv) assess the approach to planning, collecting, managing and using stock condition information.
- (v) make recommendations on all these areas as relevant to form the basis of any improvement work.

The report should be available in January 2024. It will allow the service to test the findings of the deep dives and strengthen improvement actions until additional resources are in place.

2.2.4 The 'three lines of defence' model is as follows.

- First Line of Defence: This is the information gathered from operational staff and systems and is owned by front line staff and managers.
- Second Line: Internal assurance and oversight of risk control and compliance. This line of defence is missing from the structure.
- Third Line: External assurance providing independent oversight by internal audit, Ombudsman, external auditors, Regulator etc.

Business cases have been developed for a new dedicated Housing Compliance Service to strengthen the “second line of defence” and boost capacity in key areas. The proposed roles are set out in the structure attached as Appendix 1. Benchmarking has been undertaken with other housing providers including Local Authorities, Arm’s Length Management Associations (ALMO’s) and Housing Associations and the majority have a dedicated and separate compliance function to provide the relevant oversight and assurance in relation to compliance. The compliance team would have responsibility for all areas of compliance, health and safety and building safety in relation to housing property services and asset management. They would be responsible for:

- Defining the Council’s compliance responsibilities and articulating the approach through a framework and policies.
- Monitoring, scrutinising and challenging areas of compliance including ensuring controls are working effectively.
- Providing regular assurance reports on compliance to the Senior Management Team, the Cabinet Member, tenant representatives and scrutiny.
- Developing robust procedures, processes, and policies on all areas of compliance, including ensuring ‘no-access’ processes are being followed.
- Acting as internal expert advisors on technical areas of compliance and ‘on-boarding’ new compliance responsibilities as they are proposed and implemented by the Government and the Regulator
- Developing and monitoring consistent on-site health and safety practices within the housing property service, Strategic Housing and Development Service and the contractors

2.2.5 Procurement of dedicated compliance management software is being scoped. Currently, compliance monitoring reports are reported on various systems, spreadsheets and by contractors. Quality assurance of certificates is undertaken by officers instead of by specialist systems, which drains capacity. There are Compliance Management Systems which offer full compliance monitoring and the ability to read and check certificates for errors. An allowance is being made in the HRA business plan for 2024/25 (subject to relevant approvals).

3. Options Considered and Recommendation

3.1 **Option 1:** Continue to manage with existing resource (not recommended).

The Council could continue to manage the service with existing resource. This is not recommended because it does not provide sufficient assurance in relation to compliance as highlighted in section 2.1.

3.2 **Option 2:** This option would provide a dedicated compliance staffing team only to oversee property compliance (not recommended). This is not recommended as the compliance management software is required in addition to staffing as set out in 2.2.5.

- 3.3 **Option 3:** This option would provide a compliance management software system only (not recommended). The dedicated staffing team is required to provide sufficient oversight and assurance in relation to compliance.
- 3.4 **Option 4:** This option would provide a dedicated compliance staffing team and compliance management software (**recommended option**) This is the preferred option to ensure there are robust systems, processes and oversight to provide assurance on housing property compliance.

4. Consultation on proposal

- 4.1 Staff within the housing property service and other housing service areas have been consulted on this proposal. Discussions have also taken place with asset management and regulatory and community safety services within Regeneration and Environment.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Subject to approval, the posts will be subject to pay and grading and it is anticipated that they will be advertised in January 2024. The compliance software would require a procurement process to be undertaken for potential implementation of the software in summer 2024.

6. Financial and Procurement Advice and Implications

- 6.1 The additional staffing resources identified is estimated at £487k (subject to pay and grading). The compliance software is estimated between £40k-£60k per annum.
- 6.2 Procurement of a compliance management system would be subject to a tender process.

7. Legal Advice and Implications

- 7.1 The Social Housing (Regulation) Act 2023 came into force on 20th July 2023. The Act seeks to introduce regulations that strengthen the accountability of social landlords for providing safe homes, quality services and the treatment of its residents. The Act puts an onus on social landlords to investigate and rectify serious health hazards.
- 7.2 A number of the provisions will require regulations to come into force which are expected in early 2024. The regulations will provide for the Regulator to take proactive steps to ensure that there is compliance and impose unlimited fines where appropriate.

8. Human Resources Advice and Implications

- 8.1 The report recommends that additional staffing resource is introduced to the service with responsibility for overseeing property compliance.
- 8.2 Some existing staff with responsibility for property compliance would be transferred to the new structure and therefore subject to a HR consultation process.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The robust management of property compliance functions reduces the potential risks to children and vulnerable adults.

10. Equalities and Human Rights Advice and Implications

10.1 The proposals reduce the potential risk to individuals with protected characteristics.

11. Implications for CO2 Emissions and Climate Change

11.1 The proposed compliance resource will take responsibility for compliance with carbon monoxide legislation ensuring that properties comply with legal CO2 requirements.

11.2 The team will also ensure compliance requirements are being met on government initiatives including EPC C and net zero.

12. Implications for Partners

12.1 The compliance team will undertake quality assurance checks and oversee compliance of the repairs and maintenance contract partners to ensure appropriate control measures are in place and that the works comply with health, safety and legislation.

13. Risks and Mitigation

13.1 Non-compliance carries a significant safety, reputational, financial, and legal risk to the Council.

13.2 The introduction of the compliance team and management software will reduce the potential risks to the Council and residents providing assurance that the service is adhering to requirements.

14. Accountable Officers

14.1 Lynsey Stephenson, Head of Housing Property Services, Adult Care, Housing and Public Health.

14.2 James Clark, Assistant Director of Housing, Adult Care, Housing and Public Health.

Report Author:

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