

Report for: Audit Committee - 14 December 2023

Item number: 7

Title Quarterly Internal Audit Update – Housing Services and Building Safety Report

Authorised by : David Joyce, Director of Placemaking and Housing

Lead Officer: Jahedur Rahman, Operational Director of Housing Services and Building Safety

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-key decision.

1. Describe the issue under consideration

1.1 This report provides an update on progress against the audit recommendations of the Council's external provider (Mazars) during 2022/23 and 23/24 on Housing Services and Building Safety for the following service areas: Customer Experience (Repairs); Leaseholder (Services); Stock Condition; Gas Safety; and Stock and Stores.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 It is recommended that Audit Committee note the report.

4. Reasons for decision

4.1 This report provides Audit Committee with assurance that Housing Services and Building Safety are delivering the external audit recommendations conducted on the Council's behalf by Mazars LLP, for the relevant service areas.

4.2 A total of 34 recommendations were made in 22/23 and 23/24 by the Council's auditors in respect of the services set out in paragraph 1.1 of this report. Of these 7 were Priority 1 (fundamental), 22 were Priority 2 (significant), and 5 were Priority 3 (housekeeping).

4.3 It should be noted that monitoring delivery of audit recommendations will be carried out by the Housing Services and Building Safety senior management team on a quarterly basis via their management team meetings.

- 4.4 A summary of the progress for each of the five areas where audits were conducted is set out below:

Customer Experience (Repairs) - July 2023

	Priority One	Priority Two	Priority Three
Complete	1	2	0
Substantially complete	2	0	0
Partially complete	1	4	0
Outstanding	0	0	0

Leaseholder (Services) – July 2023

	Priority One	Priority Two	Priority Three
Complete	0	1	1
Substantially complete	0	0	0
Partially complete	0	3	0
Outstanding	0	1	0

Stock Condition – June 2023

	Priority One	Priority Two	Priority Three
Complete	1	0	0
Substantially complete	0	2	0
Partially complete	0	1	0
Outstanding	0	0	1

Gas safety - May 2023

	Priority One	Priority Two	Priority Three
Complete	0	2	1
Substantially complete	0	0	0
Partially complete	1	0	0
Outstanding	0	1	1

Stock and Stores – January 2023

	Priority One	Priority Two	Priority Three
Complete	0	0	0
Substantially complete	0	0	0
Partially complete	1	3	1
Outstanding	0	2	0

4.5 The Council assumed direct responsibility for its housing stock following insourcing from Homes for Haringey on 1 June 2022. It should be noted that Housing Services and Building Safety service has a relatively new senior management team in post who are aware of the recommendations in respect of the ALMO and are progressing the inherited actions.

Customer Experience (Repairs)

4.6 The majority of recommendations for this audit have been completed or where not complete, substantial progress has been made.

4.7 In respect of progress against the four Priority 1 (Fundamental) recommendations, the current position is:

- **Repeat repairs** (substantially complete):
 - Contact centre staff have access to repairs history screen and additional training - Dec 23 completion – **(complete)**
 - Recalls being progressed- Aug 23 completion **(being progressed as part of Total Mobile project to increase service automation and move away from reliance on spreadsheets) –**
- **Repair jobs incorrectly marked as complete** (substantially complete):
 - Head of Repairs to review the two cases identified- July 23 completion **(complete)**
 - Additional staff training on correct process – Dec 23 completion **(complete)**
 - Review of photographs and codes – July 23 completion **(complete)**
 - Inclusion of resident contact details – Nov 23 completion – **separate project with Total Mobile as current system does not allow this.**
- **Priority codes in Northgate** (partially complete):
 - A review of the repairs and maintenance policy including priorities within this is underway and draft document produced – Nov 23 completion (partially complete)
 - Guidance and training – Dec 23 completion (partially complete)

- **Leadership team reports to include performance data from contact centre and long term open repairs (complete)** – New KPIs in place since April 23.

4.8 Other completed actions include the introduction of a new escalation matrix; and introduction of a repairs online account.

Leaseholder (services)

4.9 There were no Priority 1 recommendations made in respect of this audit. One Priority 2 recommendation was made with immediate effect and this has been completed:

- **Establishing a review process for Section 20 costs** (costs relating to recharges to leaseholders for major works carried out on their properties):
 - Confirmed that the necessary checks are completed (**complete**)

4.10 Several recommendations for this audit are overdue but progress has been made. There is now a permanent Head of Home Ownership in place and some recommendations have been implemented or are close to being implemented including defining the Section 20 criteria and statutory limits for qualifying long-term agreements.

Stock Condition

4.11 This audit had one Priority 1 recommendation which has been completed. This is in relation to:

- **Insufficient oversight of the stock condition programme (complete):**
 - Weekly progress reports from the Council's compliance consultants
 - The Council's monitoring board are receiving monthly performance reports
 - A shared survey project folder has been created on the Council's shared IT system to record all documentation associated with the project.

4.12 Most of the other recommendations from this audit have been completed or substantially completed. In addition to having effective oversight in place of the stock condition programme this includes improved updating of the stock condition database and subsequent reporting. However the recommendation around improved controls of the stock condition database is outstanding and will not be resolved until a new asset management database is in place which is one of the actions in the Housing Improvement Plan.

Gas safety

4.13 This audit had one Priority 1 recommendation:

- **Gas register** (partially complete)
 - Data cleansing and reconciliation within Northgate – original timescale April 23 but this has had to be revised to Nov 24 as data validation work in June 23 identified further work is required
 - Introduce automation of gas servicing process – May 23 completion – procurement underway with new system implementation anticipated from April 24
 - Reconciliation of two contractor databases – May 23 completion – complete, and ongoing.
- 4.14 Good progress has been made with a number of the other recommendations of this audit including completing a review of 'no access' procedures; monitoring and reporting landlord gas safety record (LGSR) failures; and property reconciliations. However, the review of the gas safety policy has been outsourced due to resource constraints and to ensure wider sector input. The original completion date has been put back from September 23 to January 24. Additionally resident satisfaction with gas repairs is not currently monitored through the Northgate system and this will require significant development. This will be looked at through the development of the new compliance system.

Stock and stores

4.15 This audit has one Priority 1 recommendation:

- **Materials monitoring** (partially complete)
 - Repairs team to devise KPIs for stock management and ensure these are regularly reported to track performance – March 23 completion – an interim project is underway with the internal performance team to provide performance reports, prior to moving to reporting via the Total Mobile repairs system.
- 4.16 Due to personnel changes it is acknowledged that there have been delays in providing the management response to this audit. However the service is now stable and nonetheless, some progress has been made with implementing the recommendations, although not as much as the service would have wished. In terms of progress, this includes increasing depot security; and restocking of vans with electrical and plumbing materials.
- 4.17 Delays in providing management responses to audits will be avoided in future due to the implementation of Housing Services and Building Safety quarterly audit monitoring arrangements as set out in paragraph 4.3.

5. Background information

5.1 The information has been compiled from information held by Housing Services and Building Safety.

- 5.2 Delivering against the auditors' recommendations is part of our commitment to ensuring that we have robust compliance arrangements in place.
- 5.3 The Council self-referred to the Regulator of Social Housing (The Regulator) in January 2023 following an external health check of our health and safety compliance where we identified a potential failure to meet our statutory health and safety requirements. The external health check found a number of areas of non-compliance, with several key recommendations made, particularly around overdue fire risk actions and electrical safety. Since the self-referral the Operational Director of Housing Services and Building Safety and Director of Placemaking and Housing have been meeting on a monthly basis with the Regulator to monitor the Council's progress and provide the appropriate level of assurance that our plans are on track.
- 5.4 We have entered into a Voluntary Undertaking - Statutory Health and Safety with the Regulator (June 2023) for completion of a range of actions to address governance; data quality and lack of suitable IT systems; and programme management and reporting issues. The Regulator adopts an assurance-based co-regulation approach. This means that the local authority executive, usually the cabinet, in local authority landlords are responsible for ensuring they comply with the regulatory standards set by Regulator. Our commitment as part of this voluntary undertaking is to deliver an Improvement Action Plan and a longer-term data plan to improve compliance and asset management services and safety.
- 5.5 The external health check found 8,282 properties without a valid electrical installation condition report (EICR) within the last five years in December 2022. As at 6 October this number had reduced to 1054. The external health check also found 4,769 open high priority fire risk actions which should have been completed within 30 days as at December 2022. As at 6 October the number of high priority actions had reduced to 2,345.
- 5.6 In terms of strengthening our compliance arrangements as recommended by the external health check, the Council is procuring a new Compliance Management System, and initial evaluations have concluded. We will agree a more detailed mobilisation and project plan with the successful supplier.
- 5.7 At the point of in-sourcing the Regulator was also aware that 30% of the housing stock did not meet the Decent Homes Standard. As at October 2023 the current estimate for homes made Decent in 2023-2024 is 73.3% which means Haringey remains on track to meet the target agreed with the Regulator for 1000 homes made decent in 2023-2024.
- 5.8 As part of our Voluntary Undertaking with the Regulator we have agreed March 2024 for completion of these actions and we are currently on track to achieve them. The Regulator has stated their confidence in the Council's improvement plans and direction of travel in relation to the Voluntary Undertaking.

6. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes’?

- 6.1 By ensuring that we are delivering our services as efficiently as possible in accordance with audit recommendations, we are contributing to Corporate Delivery Plan Theme 5 – Homes for the Future, particularly the required outcome of ‘An improvement in the quality of housing and resident services in the social rented sector’.

7. Carbon and Climate Change

- 7.1 The report includes delivery of audit recommendations relating to the implementation of the Council’s housing asset management strategy, which includes measures which contribute to increasing the energy efficiency of council homes. Measures to increase oversight and reliability of stock condition surveys and data will assist the Council in ensuring that its investment resources are targeted accurately and that council residents are living in homes that are warm and dry, and contribute to reducing expenditure on heating.

8. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

8.1 Finance and Procurement

There are no specific financial implications arising from this report on its own. The cost of implementing any of the recommendations contained in this report is met or will be contained within the approved relevant housing services budget.

8.2 Head of Legal & Governance [Benita Edwards – Head of Legal Services]

The Head of Legal Services has been consulted in this report. The Regulator of Social Housing (RSH) has statutory responsibility for setting and enforcing housing standards in the social housing sector, including local authority housing. Section 198A of the Housing and Regeneration Act 2008 enables the RSH to use its regulatory and enforcement powers if a registered provider such as the council has failed to meet a consumer standard. As a registered provider of Social Housing, the Council is required to comply with the Consumer Standards set by the RSH (which includes the Home Standard) as well as other statutory requirements such as the Landlord and Tenant Act 1985, the Building Safety Act 2022 and the Fire Safety Order 2005.

Following the Council’s self-referral, in March 2023 the RSH issued a Regulatory Notice, having been satisfied that the Council breached parts 1.1 and 1.2 of the Home Standard and that there was potential for serious detriment to Haringey’s tenants.

The RSH has taken the co-regulation approach and will work with the Council as it seeks to remedy these breaches. It will need assurance that the Council is rectifying the issues identified. Where it is not satisfied, the RSH has a range of

enforcement powers including imposing penalties, awarding compensation to tenants and censure of employees under Chapter 7 of the Housing and Regeneration Act 2008 where there has been mismanagement.

This report is for noting the work being done by the Council to meet its duties and comply with the requirements of the RSH. As such, the Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing approval of the recommendation in this report.

8.3 Equality

The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

This report provides an update on progress against the audit recommendations on Housing Services and Building Safety for the following service areas: Customer Experience (Repairs); Leaseholder (Services); Stock Condition; Gas Safety; and Stock and Stores.

While the audit recommendations are concerned with improving a range of housing services which impact on residents living in council homes and on council leaseholders, there are not considered to be any specific equalities implications to this report as they benefit all residents living in council homes. This report is therefore considered to have a neutral impact on those who share protected characteristics and has no implications on the PSED in Haringey.

9. Use of Appendices

There are no appendices to this report.

10. Background papers

Haringey Council Voluntary Undertaking – Statutory Health and Safety