

Report for: 17 September 2024 Cabinet

Title: Housing Annual Compliance Assurance Statement

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: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 This report provides the annual assurance statement on the Housing Service's position against the 'big six' compliance areas (gas, electric, fire safety, asbestos, legionella and lifts) as set out to Cabinet on 18 April 2023 in the report 'Housing Services Improvement Plan and Compliance Assurance Statement'.
- 1.2 One of the key priorities of the Housing Improvement Plan approved by Cabinet in April 2023 is improved compliance and carrying out an internal audit of these compliance indicators on a regular basis.
- 1.3 The Council's auditors Mazars carried out an audit of the service's compliance, reporting its performance against these indicators in May 2024. This report provides a summary of the outcome of this audit.

2. Cabinet Member Introduction

Every resident deserves a safe and secure home. Maintaining good quality, safe, warm, and sustainable council homes is a key priority for Haringey Council. This report sets out our progress against the 'big six' safety compliance areas – gas, electricity, fire safety, asbestos, legionella, and lifts.

One of the key priorities of Haringey Council's Housing Improvement Plan, approved by Cabinet in 2023, is to improve our compliance and reporting. The Council has since implemented a range of proactive safety and risk assessment programmes for all compliance activities. This is closely monitored through our governance process; on a monthly basis, the Council's internal monitoring and compliance board are presented with a key performance indicator report on the 'big six' compliance areas.

We also seek out, through Mazars auditors, independent review and assessment of the quality of our reporting and assurance to ensure that it is accurate and

robust. This provides assurance to the public and to elected members that Council Executives and Officers are appropriately managing property related Health and Safety risks.

One fundamental recommendation made by Mazars is concerning the accuracy and utility of our record keeping. They recommend that the Council move away from the use of spreadsheets in managing and tracking our progress on these 'big six' compliance areas. I am pleased that this work is already underway; a new digital compliance management system has been procured and is being implemented with fire and electrical management almost completed. The remaining gas, asbestos, lifts and water safety modules will be complete by the end of December 2024. Modernisation of our record keeping is a key part of a current programme of improvement in Compliance Management, which will also address other recommendations set out in the Mazars report.

3. Recommendations

- 3.1 That Cabinet note the report and the improvements being made to provide further assurance in future.

4. Reasons for decision

- 4.1 The purpose of this report is to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement.

5. Alternative options considered

Not applicable.

6. Background information

- 6.1 In December 2022, the Council commissioned a Property Compliance Health Check to assess the approach to managing six compliance areas: gas and heating; electric; fire and building safety; asbestos; water, and lifts. The health check found a number of areas of non-compliance, with several key recommendations made, particularly around overdue fire risk actions and electrical safety.
- 6.2 In January 2023, the Council wrote to the Regulator of Social Housing (RSH), the body that provides independent oversight of all registered social housing providers including local authorities and housing associations and made a voluntary self-referral for a potential breach of the Home Standard.
- 6.3 At the time of the self-referral the Regulator was also aware that 30% of the council's housing stock did not meet the Decent Homes Standard.
- 6.4 The RSH assessed the evidence provided as part of the self-referral and confirmed that the Council had breached two parts of the Home Standard on the

following grounds: non-compliance with the Decent Homes standard and the Council's identification of over one hundred Category 1 hazards; the high number of high risk fire risk assessments outstanding; and the Council being unable to confirm that electrical inspection condition reports (EICRs) had been completed within the last ten years for around 4,000 properties.

- 6.5 As a result, the RSH published a Regulatory Notice on 6th March 2023. This notice remains “live” for 12 months or until full compliance is achieved.
- 6.6 A report was presented to Cabinet on 18 April 2023 detailing the reasons why the Council was in breach of the Homes Standard, and the Council's Improvement Plan to address and resolve the issues raised. A subsequent Cabinet report on 11 July 2023 described the additional step of entering into a Voluntary Undertaking – statutory health and safety with the RSH to further demonstrate the Council's commitment to ensuring that we are working openly and transparently with the RSH with the aim of achieving full compliance and discharge of the Notice.
- 6.7 The Housing Services Improvement Plan and Compliance Assurance Statement report also set out the Council's commitment to produce an ‘annual Housing Compliance Assurance Statement’ - including an update on the Council's performance in the ‘big six’ areas of compliance with which the industry generally tracks performance with regards to the safety of homes within its ownership. It should be noted that these are not the only requirements with regards to safety, however the key ones to show adherence to standards. These are:
1. Gas
 2. Electrical
 3. Water/Legionella
 4. Lifts
 5. Asbestos
 6. Fire
- 6.8 On 11 July 2023 Cabinet authorised the Chief Executive to enter into a Voluntary Undertaking to the Housing Regulator under Section 125 of the Housing and Regeneration Act 2008.
- 6.9 **Table 1** below shows the compliance position for the six key compliance indicators as of December 2022. The Council subsequently made a self- referral to the Regulator of Social Housing in January 2023.

Table 1

Ref	Compliance Area	Percentage Compliance	No. of Properties Affected	Frequency	No. Complying
1.	Fire Risk Assessments (12-month rolling)	98.41%	1,637	Variable	1,611
2.	Gas Safety (LGSR) Domestic (GN, SH, HOS & PSL)	100.00%	14,736	Annual	14,736
3.	Electrical (EICR) (Domestic & Communal)	54.39%	15,962	5-yearly	8,681
4.	Asbestos Reinspections (Communal)	88.22%	781	Variable	689
5.	Passenger Lift Inspections (LOLER)	100.00%	149	Biannual	149
6.	Water Hygiene (L8) Risk Assessments	100.00%	487	Biennial	487

6.10 **Table 2** below shows the compliance position as at June 2024 and reflects the improvement in performance for both Fire Risk Assessments which are at 100%, and Electrical Inspection Reports which improved from 54% to 97.6% over the 18-month period. Asbestos has also improved its overall position from 92 properties overdue in December 2022, to 3 properties in June 2024.

6.11 In addition to the improvements for safety inspections outlined above, we have been successfully reducing the number of remedial actions identified in them. We have reduced overdue fire safety actions by over 5,700, and in particular high-risk overdue actions, that have reduced by more than 2,600 over the same period.

Health & Safety Compliance - The Big '6' P1 Summary 2024/25

June 2024

Ref	Compliance Area	Percentage Compliance	No. of Properties Affected	Frequency	No. Complying	Percentage Compliance last reported May 2024	Trend since previous report
1.	Fire Risk Assessments (12-month rolling)	100.00%	1,621	Variable	1,621	99.75%	↑
2.	Gas Safety (LGSR) Domestic (GN, SH, HOS & PSL)	99.79%	14,497	Annual	14,466	99.83%	↓
3.	Electrical (EICR) (Domestic & Communal)	97.60%	15,874	5-yearly	15,493	97.42%	↑
4.	Asbestos Reinspections (Communal)	100.00%	1,169	Variable	1,169	100.00%	↔
5.	Passenger Lift Inspections (LOLER)	100.00%	152	Biannual	152	100.00%	↔
6.	Water Hygiene (L8) Risk Assessments	99.14%	348	Biennial	345	99.13%	↑

6.12 In terms of June performance:

- Gas safety: 31 landlord gas safety records were expired at the end of June. However, all are managed within our access process. Of the 31:
 - 26 have since been completed.
 - 1 has been removed from the programme as no longer has gas supplied.

- 1 property raised health and safety concerns as there are severe hoarding issues and we are working with Tenancy management to resolve this and arrange clearance.
 - 3 are due in Court on 26/07/2024.
 - Electrical: All communal certificates are compliant. There were 381 homes where there has been no response or engagement by the tenants forcing us to explore legal action through the Courts. The Council was successful in applying for an injunction as a test case for one property on 20th July and arrangements are now being made to enforce it approval to gain entry. We have also sought legal advice regarding applying for a warrant and will now look to test this option through the court process.
 - Water hygiene: 3 sites were reported as overdue at the end of June. 2 were issues regarding security and infestation which have since been completed with one outstanding due to access following an unauthorised lock change. This is being arranged for replacement and completion of the Water Risk Assessment.
- 6.13 Access to properties for undertaking regulatory compliance testing is managed in accordance with our access procedures. A specific procedure for Gas Safety is set out in our current Gas Safety Policy and involves 3 stages of letters and then enforcement through the courts. During the interim period, every effort is made to contact the tenant and access the property both in and outside of normal working hours, in liaison with colleagues across different departments.
- 6.14 The gas access protocol is adopted for undertaking electrical inspections within tenants' homes. We have been successful in obtaining injunctions for access for gas safety checks and more recently through a test case for an electrical inspection, (due to different regulations in place), which we will now implement for the remaining difficult to access properties for electrical inspections. We are also looking at a quicker and more cost-effective option of obtaining a warrant for access in future.
- 6.15 All other compliance involves accessing communal spaces for which we take a more direct approach of notifying residents who have prevented access, e.g., by fitting additional locks to main entrance doors or service cupboards, that we will change locks if required. This approach has proved successful in both prompting residents to provide access and allowing us to gain access quickly with a locksmith in attendance.
- 6.16 One of the key priorities of the Housing Improvement Plan which was approved by Cabinet in April 2023 is improved compliance and one of the key actions was to: 'Ensure that your internal audit regime reviews all six compliance areas at least once every two years, and as a minimum, establishes whether Haringey is compliant with its legal and regulatory obligations.'
- 6.17 In March 2024 Mazars, the Council's auditors, were tasked by the Operational Director of Housing and Building Safety with undertaking a statutory

compliance audit in accordance with the requirements of the Housing Improvement Plan action as above, as follows:

- To provide assurance the Borough of Haringey is reporting accurate key performance indicators in relation to areas of statutory compliance in response to the regulatory notice and other recommendations raised.
- The audit to test data in the period January 2023 to December 2023.

- 6.18 The audit covered all the 'Big Six' areas of compliance.
- 6.19 Their report confirmed the accuracy of the data for four of the six compliance areas. Electrical showed a minor 1% variance due to the report provided being updated in real time compared to the sample data used.
- 6.20 With regard to Water Hygiene Risk Assessments, historically, the management reviewed the contractor's tracker monthly, during the contract meetings. That information was used to update the monthly KPI report, and no monthly copy of the tracker was saved. This has now being revised with monthly reports being saved for future reference. However, Mazars do acknowledge the methodology used by the team for the KPI calculations. Such issues which rely on spreadsheets and contractor information will also be addressed by the implementation of the new Compliance System as covered later in this report.
- 6.21 To confirm the accuracy of the reported data, Mazars performed sample testing on assessment certificates, to ascertain that the data presented within the programme trackers reconciled to the corresponding certification. The final element of the review aimed to assess the completeness of remedial action tracking, for the actions arising from the health and safety assessments across the 'big 6' compliance areas.
- 6.22 The report highlights inaccuracies between dates on certificates and the corresponding dates held in trackers with the detailed results. The report confirms that the errors are due to the use of spreadsheets and the associated need for manual inputting. The implementation of the Housing Service's new Compliance System will address these issues. However, the level of assurance for compliance accuracy demonstrates that these variances have not affected the level of compliance reported monthly.
- 6.23 Mazars have identified two key risks regarding the significant use of manual spreadsheets allowing for input error, and undefined expectations regarding remedial actions.
- 6.24 Mazars acknowledge the current work to implement the new Compliance Management System. This project commenced in February 2024 following the award of contract to the software provider. This will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024.

- 6.25 The implementation of a new Compliance, Performance & Data team within Building Safety & Compliance service, and the new Compliance System, policies, processes and procedures will greatly improve compliance management, monitoring and reporting. The new Compliance System will report compliance based on the uploaded certificate and will automatically extract, record, allocate and report on actions identified so there will be no need for spreadsheet-based action trackers. In the meantime, the Compliance Performance & Data Manager will implement spot checks on current action tracking and monthly records will be retained.
- 6.26 Mazars' audit report is provided at Appendix 1, including the detailed findings, test results and management responses, which incorporates those relating to Housekeeping, regarding improvements on monthly record keeping (4.3) and results of on-going data validation (4.4).

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?

By meeting the compliance requirements and keeping residents safe in their homes the service is contributing to Theme 5 of the Corporate Delivery Plan – Homes for the Future, particularly the following outcome: **An improvement in the quality of housing and resident services in the social rented sector.**

8. Carbon and Climate Change

By maintaining accurate data compliance, Haringey can ensure the undertaking of regular servicing, maintenance, and safety checks, of gas appliances and other mechanical & electrical equipment. This ensures they are working safely, reliably, and as efficiently as possible. By doing so, the Council is contributing to reducing carbon emissions through both optimum performance and minimal repair visits by engineers.

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

9.1 Finance

Finance notes the content of this report. There are no specific financial implications arising from this report on its own.
Financial and non-financial decisions to ensure compliance will go through the normal governance process.

9.2 Procurement

Strategic Procurement notes the contents of this report and confirms there are no immediate procurement related issues in respect of this report

9.3 Assistant Director of Legal & Governance

- 9.3.1 The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in drafting the report.
- 9.3.2 The RSH has statutory responsibility for setting and enforcing housing standards in the social housing sector, including local authority housing.
- 9.3.3 As a registered provider of Social Housing the Council is required to comply with the consumer standards set by the RSH, these include the Home Standard.
- 9.3.4 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.
- 9.3.5 Following the Council's self-referral, the RSH was satisfied that the Council had breached Parts 1.1 and 1.2 of the Home Standard (see above), and that there was potential for serious detriment to Haringey's tenants, and issued a (non-statutory) Regulatory Notice¹.
- 9.3.6 The RSH though took a co-regulation approach and will work with the Council as it seeks to remedy the breaches. In the event of failure by the Council, the RSH has a range of enforcement powers.
- 9.3.7 The Assistant Director of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendation in the report.

9.4 Equality

The Council has a Public Sector Equality Duty 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 those 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/fait, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

¹ Regulatory notices are issued in response to an event of regulatory importance (for example, a finding of a breach of...a consumer standard that has or may cause serious detriment) that [the RSH], in accordance with [its] obligation to be transparent, wish[es] to make public

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

This report does not have any direct positive or negative equality impact. The Annual Housing Compliance Assurance Statement indirectly contributes to Haringey council's housing improvement plan. Black people, disabled people, women and those from a low socioeconomic background are over-represented in our social housing stock, so it is expected that it will have an indirect positive impact on those who share protected characteristics.

10. Use of Appendices

Mazars' Audit Report: Statutory Compliance KPI Assurance

11. Background papers

- 18 April 2023 Cabinet report Housing Services Improvement Plan and Assurance Statement:
<https://www.minutes.haringey.gov.uk/documents/s138659/Housing%20Services%20Improvement%20Plan%20and%20Compliance%20Assurance%20Statement.pdf>
- Agreement of voluntary undertaking with Regulator for Social Housing:
https://www.minutes.haringey.gov.uk/documents/s140428/FINAL%20July%202023%20Voluntary%20Undertaking_17.17.pdf