

## Appendix C

**REPORT TO:** CMT  
**DATE:** Wednesday 21<sup>st</sup> August 2019  
**CONTACT OFFICER:** Kamal Lallian, Neighbourhood Contracts & Business Services Manager

### **HRA LANDLORD STATUTORY COMPLIANCE**

#### **1 Purpose of Report**

To provide CMT with assurance in regards to HRA tenanted stock managed by Housing Development and Contracts in response to:

The letter received by the council on 17th May 2019 (attached Appendix A) from the Regulator of Social Housing (RSH) reminding us of our responsibilities under its consumer standards, specifically part 1.2 (b) of the Home Standard, which requires that registered providers shall meet all applicable statutory requirements that provide for the health and safety of occupants in their homes, and specifically of the need to ensure that Member awareness and scrutiny of performance in this area is adequate.

#### **2 Recommendations**

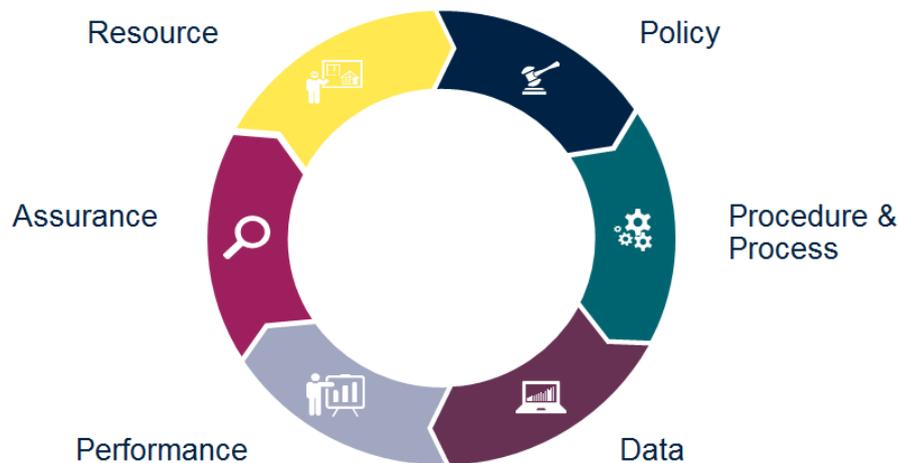
That CMT notes this position and accepts the following recommendations:

- That CMT endorses the HRA Tenanted Stock Landlord Compliance Strategy and accompanying escalation and reporting process to ensure compliance with the Statutory and Regulatory responsibilities as a Landlord and Employer and for which the Council are the 'Duty Holder'
- That whilst the Housing Development and Contracts service (HDC) are able to offer assurance on the 6,000+ properties managed within its HRA stock, it should be noted that the Council owns and manages a number of other properties e.g. through its housing companies, temporary accommodation etc. which are not covered by the compliance measures outlined within this report. As such, further assurance should be sought from all other managing agents in this regard.

#### **3 Background**

- 3.1 Compliance is the highest priority for HDC and a considerable amount of work and resources have been committed to addressing shortcomings in the position inherited at the start of the RMI contract in December 2017. To assess the progress made and provide an assurance position statement required by CMT and Members, the service is undertaking a review of the current position for assessment, works undertaken, recording and reporting against the consumer standards.

3.2 The compliance framework is assessed against 6 key components;



- **Policies** – ensuring key commitments, guiding principles, strategic roles and responsibilities and reporting are established in policy.
- **Procedure and Process** – ensure the Compliance Management Delivery Plans support the approach to implementing the Policy commitments.
- **Data** – review what is in place to ensure we understand and record the compliance requirements across the landlord tenanted stock.
- **Monitoring and Reporting** – how compliance activity is monitored and how it is reported to give visibility of performance at appropriate levels within the organisation.
- **Assurance** – what activities are in place to provide assurance that compliance activity is meeting requirements.
- **Resource** – how the organisation ensures that compliance activity is appropriately resourced, and whether staffing structures ensure that separate **Lines of Defence** operate.

3.3 **Lines of Defence** provide separation between;

- business operations (i.e. delivery of works)  
HRA Tenanted stock requires commitment and delivery from housing management for actions arising from FRAs, undertaking estate inspections and addressing no access issues allowing compliance works to be undertaken by Osborne who undertake technical delivery of compliance works, managed by the RMI Client Team.

oversight functions (strategy, reporting) – a **HRA Tenanted Stock Landlord Compliance Strategy** has been developed for consideration by CMT to agree a clear internal 'route map' and governance approach as to the audiences to receive updates and performance information in order to ensure that effective oversight and scrutiny takes place within SBC (including at Members level) of performance and service delivery relative to the council's statutory, legislative and regulatory obligations.

- Independent assurance and effective governance - HDC have implemented third party independent assurance of compliance activity, including 10% monthly quality assurance of all works undertaken in regards to gas servicing, electrical checks, water management, lift inspections and asbestos management. FRAs and review of actions are also commissioned independently.

This separation of function must be embedded in the culture of the organisation so we continually ensure we have 3 separate lines of defence to review and provide assurance of our statutory responsibilities.



- 3.4 SBC operates a complex, multi-ICT systems environment with Capita as the core, 'master' system but with three further systems operating across the 'Big 6' compliance areas;
- Risk Hub (Fire Safety),
  - Alpha Tracker (Asbestos Management) and
  - RAMIS (Gas, Electrical, Water and Lifts Safety).

In addition, a further separate contractor ICT system (Accuserv) operates in order to process works delivery activity (completed servicing/risk assessments etc.) by Osborne.

These multiple systems have been necessary as reliance upon RAMIS as the sole system for recording and managing compliance has proven woefully inadequate. HDC took the decision to purchase and manage compliance in our highest risk areas through different systems. There is industry acceptance that there is no single ICT system available that can manage all 6 areas effectively. HDC have provided detailed specification requirements for inclusion in the brief being prepared by Housing (People) Services to commission a new housing system for the council.

- 3.5 To mitigate the risk that is inherent in operating multiple systems HDS are commissioning a '**deep dive**' **data assessment** process in order to test the comprehensiveness and validity of both the core, 'master' system data

(Capita) and all of the landlord compliance datasets. This will provide us greater understanding of the validation of data across the various systems for us to review our data governance and data quality assurance processes and introduce any enhancements required to bolster assurance that landlord compliance data is accurate, updated and evidenced as so, on a regular, systematic basis.

3.6 HDC will also commission '*spot inspection*' akin to ofsted inspections providing 48 hour notice for scrutinising compliance across business operations to ensure effective implementation of the compliance management delivery plans by Osborne and SBC.

3.7 **HRA Tenanted Stock Landlord Compliance Strategy**

The strategy attached at Appendix B sets out clear lines of reporting at organisational level, and within the governance structure of the RMI contract. It also includes an escalation route for reporting health and safety compliance incidents ensuring immediate escalation to CMT and corporate communications team where council reputational/financial risk is identified. All other incidents will be reported via the monthly reporting updates through RMI and organisational structures.

The reporting arrangements and escalation route ensure compliance with RSH consumer standards and ensure that Member awareness and scrutiny of performance in this area is adequate..

This strategy can be adopted by other departments for reporting and providing assurance and are not contradictory but complement existing functions and arrangements, for example the functions that are core to housing management can be reported via the same structure proposed in the HRA Tenanted Stock Landlord Compliance Strategy

4 **Proposal**

CMT to accept the recommendations contained within section 2 above.

5 **Risks**

All areas of Statutory Compliance by their very nature are risks to the Council, its members, officers, residents and operatives. These risks are managed against the various categories of compliance as highlighted in 3 above.

6 **Five Year Plan**

With regular management reviews, implementing policies and procedures which contribute to achieving our five year plan and removing any risks of serious detriment to residents, staff and operatives.

7 **Transformation**

How does this align with the Transformation journey - the request is CMT reflect and refer for inclusion within Delivery Work Streams.

8 **Budget and resources**

There are sufficient budgets allocated for the maintenance equipment and services.

In addition there is a substantial budget allocated to the management and upgrading of communal areas to flatted blocks in this financial year. A major programme of works was identified by Fire Risk Assessments (FRA) and Asbestos Management Surveys undertaken in 2018; these works are now programmed in with Osborne to be completed within the financial year. One area that is still being considered are the options available to deal with large numbers of fire doors to flats, some were replaced in the last 5 years but do not meet current regulatory requirements or need to be tested to ensure they do meet required standards, others will need to be replaced and some others will need repairs or adaptations. Details are still being considered and further budgets may be required in the year ahead to deal with these issues.

9 **Key timetable**

FRA management issues and works identified to be completed by 31 March 2020.

10 **Conclusion and next steps**

A report will be presented to the Neighbourhood and Community Services Scrutiny Panel on 5<sup>th</sup> September 2019 and will include reporting on statutory compliance for HRA stock. A copy of the HRA Tenanted Stock Landlord Compliance Strategy, will also be included as an appendix, once agreed by CMT.