



Dacorum Borough Council

Assurance Review of Housing Regulatory Compliance and Building Safety

September 2024

Final



Executive Summary

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Delivery of safe & good quality affordable homes.



SCOPE

The purpose of the review was to provide assurance that the council is operating in compliance with the Building Safety Bill and other regulatory requirements.

KEY STRATEGIC FINDINGS

-  In line with the Building Safety Act 2022, high rise buildings have been registered with the Building Safety Regulator (BSR).
-  The Safe Homes team are working with consultants to input data to a dynamic system, so that real time safety assessment reports can be provided when requested by the BSR.
-  Fire safety assessments have been completed for all properties, however monitoring of smoke alarm compliance is not systematically evidenced and noted.
-  Use of a new system MRI Asset commenced from April 2024, with data currently being input. All records for each property will ultimately be on this one system.

GOOD PRACTICE IDENTIFIED

-  The Safe Homes team apply best practice frequencies to testing and servicing to exceed minimum legal requirements.
-  The Council provides access to void flats in high rise buildings for the fire service to carry out training simulations, and lessons learned are shared.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	2

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Monitoring of smoke alarm compliance is not systematically evidenced and noted.</p> <p>There is no-one currently responsible for overall monitoring of the smoke alarm testing compliance, including monitoring the files detailing the contractor reports that have not auto uploaded.</p> <p>Smoke alarm checks are part of the heating servicing contract, with a new contract in place from April 2024. The previous contractor included reporting of checks for smoke alarms within their reports for gas servicing / checks, not separate certificates for smoke alarms. For properties without gas installations, reliance was placed on the contractor records to confirm these had been checked for the annual smoke alarm testing.</p> <p>Copies of gas reports have been uploaded to the MRI Asset system, but no evidence is held of checks for those properties without gas, hence the system report details a total of 525 properties that have smoke alarm testing overdue. This will reduce over the year as the new contractor completes the annual checks and provides records to confirm.</p>	<p>Staff to monitor smoke alarm testing, and to ensure the numbers of properties where no separate report for completion of the required checks, are cleared by the end of the year.</p>	2	<p><i>DBC can evidence checks and records for smoke alarms across all of our stock – This should have been covered as part of the audit.</i></p> <p><i>The incumbent gas contractor captured this information within the LGSR and we received a weekly report where alarms were not present or needed replacing – this was acted on immediately. They were also tasked with attending non-gas properties annually and this information was held on a spreadsheet. In addition, supported housing properties are checked by the SHO and this information is held within InForm.</i></p> <p><i>Approximately 45% of our stock has an AICO gateway fully integrated smoke alarm system that allows us to monitor activations remotely.</i></p> <p><i>The new heating contractor is supplying an annual test certificate for smoke detection at every general needs property. This will be held on MRI Asset and allow for monitoring and scrutiny. Therefore, across the first year of the contract (commenced 1st April 2024) we will establish what every property has in terms of smoke detection and this will be held within MRI asset.</i></p> <p><i>We can still demonstrate compliance for all properties whilst this task is completed by reviewing the previous LGSR and weekly reports from the incumbent contractor.</i></p>	<p><i>In progress with all information available in separate systems or formats</i></p> <p><i>Full implementation of data in MRI Asset to be completed by 31/03/25</i></p>	Ricky Lang Head of Safe Homes

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>Portable Appliance Testing (PAT) is completed annually in July / August for all communal properties, such as sheltered housing and hostels where there are shared areas with portable electrical equipment.</p> <p>Sample testing confirmed that reports are held on the system, but it was noted that the reports do not include the date the tests were carried out.</p>	Request the contractors to include the date the testing took place on the PAT test reports.	<i>This information is being migrated into MRI Asset in quarter two. This will confirm date of the last test and when it is next due via a Power BI dashboard.</i>
2	Directed	<p>Good data management links to the "Golden Thread" of the Building Safety Act 2022. Management has identified inconsistencies in filing of various property records, resulting in loss of time to find these. A file naming protocol has been agreed and additional resources have been recruited to assist with this project.</p>	Progress with the ongoing file management and upload all records for the various properties to the MRI Asset system.	<i>The additional resource recruited to the team in quarter one continues to focus on data migration and build up the data portfolio with MRI Asset and Geometra.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings




Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place		-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	1 & 2


Other Findings


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New legislation and standards, which apply to the Council as social landlords, came into force in April 2024 - the transition arrangements of The Building Safety Act 2022 became fully in force from 6 April 2024, and the Regulator of Social Housing introduced four new consumer Standards for social landlords from 1 April 2024.

The audit review covered an overview of action taken by the Council to comply with the Building Safety Act, and sample testing of statutory requirements for regular testing of electrical (portable appliance testing and Electrical Installation Condition Reports), asbestos, and smoke alarms.
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There are up to date policies in place covering key areas of building safety, including the Building Safety Policy, Electrical Safety Policy, Asbestos Management Plan, and Safety in Communal Areas Policy (Housing). These include details of applicable legislation and guidance and other supporting corporate policies. The Building Safety Policy was approved by Cabinet in February 2024.

There are also various process flow charts which include the escalation process.
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The Safe Homes Manager confirmed that there are various contracts in place to support the five-year planned programme for housing maintenance, and for reactive repairs, with a Schedule of Rates in place for reactive remedial works, which may be required following regular assessments and inspections, or reported faults from the public or compliance officer visits.
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A service operational risk register is incorporated in the annual service plan. There is one risk coded red (score 12) relating to meeting the requirements of the Building Safety Act. Mitigating actions are detailed on the risk register, the Safe Homes team are working with external consultants to collate the data that will be required for safety assessment reports, as noted elsewhere in this report.

Other Findings



Following the introduction of the Building Safety Act, a Building and Resident Safety Management Group was set up, with meetings every two months chaired by the Assistant Director for Property Services, with Heads of Service and the Hertfordshire Fire Service attending the meetings. The minutes for the meeting in February 2024 noted discussions on the Building Safety Composite Report, the Building Safety Implementation Plan and customer engagement, with actions to be taken prior to the next meeting. The Group reports issues to either the quarterly corporate Health and Safety Committee, or direct to the Senior leadership Team (SLT), depending on the type of issue/urgency. SLT will subsequently report to the portfolio holder / Cabinet as appropriate.



The Safe Homes Manager confirmed that there are risk registers for the various contracts relating to building safety, and these are reviewed quarterly following monitoring meetings with the contractors.



Contract fraud risks are mitigated by the procurement processes and using frameworks for appointing contractors for the building safety compliance works.



Electrical Installation Condition Reports (EICR) are completed for domestic properties every five years, when a tenancy changes or rarely if the report recommends a more frequent review. There are 42 properties that are overdue for an EICR and one property where there is no confirmation that an EICR has been completed. These are properties where access has not yet been obtained. A team member is chasing these and has been successful in reducing the number of outstanding reviews from 373 at the end of 2023. If required there is a staged process to take through to legal court injunction, with seven of the remaining historical overdue cases already progressed to legal stage, four with injunction secured and three with court date pending. Progress with these is reported in the monthly Assurance report to SLT, which confirmed for June 2024 that 99.58% of properties have a satisfactory EICR. There is a risk if EICRs are not completed that this will invalidate insurance, penalties could be applied or in some cases criminal action taken. No recommendation has been made given that the actions already being taken has resulted in good progress and this is reported monthly to SLT. Electrical data from the Geometra system is being transferred to the MRI Asset system, which will become the master records when completed. Reports to the MRI Asset system are automatically uploaded, although occasionally these are rejected if there are minor errors on the system that need correcting.



Following a change of contractor, all properties had new asbestos surveys completed during 2023-24, an Asbestos Compliance Report was produced in March 2024 and provided to senior management and the risk and compliance officer. A programme of annual re-inspections is in place for the current year, to cover properties where there were non-accessible areas, and inspections for the 888 buildings where asbestos material is present. Any remedial actions identified at inspections are completed by a licensed contractor. As at June 2024 there were 2,575 actions raised for properties where there is a presence of asbestos materials, that have been assessed as low or very low risk, so the asbestos can remain in place subject to regular monitoring. Two medium actions were identified in June 2024 and have been issued to a contractor for further investigations. Sample testing for five properties where re-inspections had been carried out during April / May 2024, confirmed that reports are held on the system, full surveys had been completed in 2023, and no actions were required following the surveys or inspections.



The Building Safety Act also includes the requirement for resident engagement, following lessons learnt from the Hackett Report. The Council is trialling a new approach to working with residents of two high rise blocks of flats before the contract for fire safety upgrade works is tendered, with the first residents meeting in July 2024.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



Assurance reports are provided monthly to SLT. These cover various safety checks for housing properties including communal areas in blocks of flats. Seven metrics are provided, together with supporting narrative. The June 2024 report details two metrics that are RAG coded amber, and five coded green.

Those coded amber are the percentage of properties with valid gas certificate 99.99% (one property fell out of target at the end of June) and percentage of properties with satisfactory EICR 99.58%, as noted elsewhere in the report.



Discussions with key officers confirmed that contracts relating to various aspects of building safety and maintenance are closely monitored, from the reports of visits provided, system reports, reviewing weekly job trackers provided by some of the contractors, and regular meetings with the contractors to discuss progress and compliance to any KPIs in place. For example, there is a KPI with the asbestos contractor for the report to be provided within 10 days after their site visit, this is monitored at the monthly meetings with the contractor. There are also quarterly meetings, facilitated by the procurement manager, of management and contractors for the higher-level contract reviews.



The MRI Asset system is linked to Power BI, to obtain performance data when required, although as noted elsewhere in the audit report, only some records are currently on the MRI system, with an ongoing project to upload all compliance records to this system.



The Head of Safe Homes has monthly budget monitoring meetings with the HRA accountant.



Various environmental improvements are incorporated when carrying out property upgrades, for example fitting solar panels wherever possible, upgrading to LED equipment, installing various monitoring equipment in properties such as carbon dioxide monitors or combined carbon dioxide and fire alarms, sensors to monitor damp, and for new properties installing renewable energy where possible, to minimise the running costs of tenants. There is a legal requirement for doors to be sustainably sourced, and old doors recycled.

Other Findings



The Safe Homes team are working with consultants to input data to a dynamic system, so that real time safety assessment reports can be provided when requested from the Building Safety Regulator (BSR). While there is still considerable data to input, it is not expected that the BSR will be requesting any reports for possibly a few years. This system will also provide resilience to future changes of legislation.



A service Business Continuity Plan, and Business Impact Analysis for those responsible for responding during an incident are in place.



The council has funding for, and is in the process of installing, an Aico system into its various properties, with around 4,000 of the 10,000+ properties set up as "Gateways" so far. The system provides live data relating to monitoring devices via an online portal. It will enable several devices to be connected to the same system, bespoke safety equipment to be installed to suit the tenant's requirements and provide future cost-savings by being able to easily replace various monitoring equipment. This does not replace the required building safety checks but provides real time reporting and monitoring of incidents so that proactive action can be taken.



To encourage residents to report issues of concern, dedicated websites for specific blocks of properties have been set up, providing named contacts and mobile phone numbers for the relevant Tenancy Management Officer, Anti-Social Behaviour Officer and the Safe Homes Manager for building safety issues. The Safe Homes Manager advised that these websites are well used and that regular on-site visits are carried out to engage with residents and promptly resolve reported issues.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	14 th May 2024	14 th May 2024
Draft Report:	20 th August 2024	29 th August 2024
Final Report:	6 th September 2024	