EALING COUNCIL

Review of Ealing Council's Position on Housing Health and Safety

April 2022

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1 INTRODUCTION

1.1 This report from ARK Consultancy Limited (ARK) sets out the findings arising from the Council's request for an urgent review of the health and safety arrangements in place as they apply to the Council's housing stock and housing related assets.

1.2 The brief ARK was required to comply with, made clear that the current situation falls short of the Council's expectations and duties as a major landlord. The brief also made clear that the need for improvement is recognised as part of the Future Ealing Delivery Programme. It is against this backdrop that a review to establish why this situation has arisen for the council and the full extent of the improvement required was commissioned and undertaken during March 2022.

1.3 As part of the review ARK examined information provided by the Council and interviewed key staff responsible for the operational management, oversight and delivery of housing related health and safety together with a member of the senior management team within the Council's wider (corporate) health and safety capability.

1.4 ARK wishes to place on record its gratitude for the openness and honesty it was afforded by staff and for the cooperation it received throughout the review process.

2 ABOUT ARK

2.1 ARK is an award winning multi-disciplinary specialist housing consultancy practice. Established in 1990, we operate throughout the United Kingdom. Our clients include over 500 local authorities, ALMOs', housing associations, support and care providers, charities, developers, contractors and a range of other statutory and voluntary agencies.

2.2 ARK provides a wide range of property asset management support and advisory services to social housing landlords, who own and manage from a few hundred to tens of thousands of homes, as well as to other asset owning organisations, including charities, local authorities (general fund assets), other public bodies and private clients.

2.3 ARK has recently successfully completed reviews responding to a similar brief to Ealing's for other clients, in some cases in response to regulatory intervention. These were completed by the same team responsible for undertaking this review.

3   ARK's Methodology

3.1   ARK's tried and tested methodology for this type of strategically important 'rapid review' was deployed.

3.2   To complete the review, ARK:

- Reviewed stock profile information and where possible reconciled this with the range of health and safety regimes ARK would expect to be in place for the Ealing property typography.

- Asked Ealing to complete ARK's **Building Safety Matrix** which aims to confirm the full extent of regularised health and safety activities (what, where, how often and by whom).

- Reviewed relevant policies and procedures.

- Reviewed systems used to programme and manage property related health and safety activities (including remedial works).

- Reviewed data capture, management and validation arrangements (including those accessed through third-party (contractor) systems and portals).

- Reviewed performance monitoring and performance management arrangements.

- Established the extent to which activities that positively attract additional assurance through specialist third party audits are in existence.

- Reviewed the operational management of the team or teams that collectively manage housing (and related assets) safety risks.

- Met key staff assigned to the advancement, design and management of the health and safety activities highlighted in the completed Building Safety Matrix.

- Attended site to review how IT systems are used to support, manage and track health and safety activities.

- Confirmed the extent to which procurement activities are formalised and support appropriate risk mitigation.

- Attempted to establish whether the Council:

    – knows all of its assets and has asset details recorded in an assets register

    – has a robust understanding of legal and best practice responsibilities?

    – has compliant contracts in place for all compliance areas

    – monitors compliance activities in a single corporate system (the single version of the truth)

    – obtains assurance through independent validation and verification

    – has robust and transparent reporting and early warning/escalation systems in place

3.3   At the end of this stage ARK established:

- Key weakness with the current arrangements.

- The extent to which there are robust formalised regimes in place for all known safety risks that require statutory inspection or testing (not just the 'big six').

- Whether policies and procedures support these regimes.

- The extent of any departures from legal requirements or commonly accepted industry best practice.

- Weaknesses in the current approach to maintaining accurate records and in prioritising and tracking remedial works.

- The capacity and capability of the organisational teams with responsibility for health and safety related property management.

- The availability and accuracy of key information and performance measurement/management arrangements.

- A set of recommendations and priorities for action.

3.4   ARK was not able to verify the full extent of any backlogs of inspections or remedial works or the adequacy of recovery plans as this information was not available. This is a key issue that does need to be addressed as a matter of urgency.

4   EXECUTIVE SUMMARY

4.1   From the work undertaken by ARK it is clear that the Council is committed to addressing the weaknesses it has identified in the way it oversees, manages and executes its legal and moral health and safety responsibilities as a provider of social housing.

4.2   In some areas the Council is ahead of its contemporaries in keeping tenants safe with the longstanding voluntary arrangement to undertake electrical safety checks every five years and installing smoke detectors that can be monitored and maintained remotely by Council staff being two cases in point. There are however significant, basic and fundamental weaknesses in current arrangements that result in the Council not having in place a robust system in place to manage tenant safety risks or discharge its health and safety risks effectively across the housing portfolio.

4.3   Apart from the two examples provided above it will be noted that there is little reference to good practice and where the Council has suitably controlled risk. Although we found several areas of good practice and a positive and proactive approach to keeping residents safe, this was not widespread and focussing on strengths rather than weaknesses was not part of the review. In any event good practice examples were not sufficiently material to affect the conclusions we have arrived at.

4.4 It should be noted that management recognises and accepts the weaknesses highlighted in this report and has already taken the first step to recovering the compliance position by recruiting a suitably experienced Director of Housing as the 'single controlling mind' with the responsibility for the oversight, management, coordination and timely delivery of all compliance activities pertaining to those property and land assets that sit on the Council's Housing Revenue Account.

4.5 ARK considers this appointment to be a major step forward. There is now a sense of urgency, frankness and transparency about the scale of the compliance challenge and what needs to be done to create and deliver a sustainable solution.

4.6 ARK is also aware that the Council's Chief Executive will now be chairing a working group that will oversee a recovery plan and will be ensuring that substantial resources that have recently been made available are deployed effectively. This is further evidence that the importance of compliance is now appropriately understood and supported.

4.7 Our review has identified five broad themes and associated weaknesses that cumulatively point to the magnitude of the recovery that is needed to put the Council in a position that it can be assured that statutory housing related health and safety related tests, checks, inspections and resultant remedial works are undertaken in a timely manner and accurately recorded in core corporate systems.

4.8 Providing that sufficient human and financial resource is deployed to address the weaknesses highlighted within the report, the immediate challenge and absolute priority of accurately quantifying and eradicating compliance backlogs (inspections and remedial works) is capable of being achieved in a matter of a few months, providing there is appropriate engagement with, and procurement of, competent service providers operating in the compliance market. It would however be unrealistic to view the IT/IS, data management and cultural challenges as short-term fixes and a minimum of a year is not, in ARK's considered opinion, an unrealistic timeframe for fully addressing the current challenges in these areas.

4.9 The five themes we have identified are:

1. Leadership, management and compliance team capacity
2. Use of Information technology and data management/integrity
3. Contract management/procurement
4. Performance monitoring and management
5. Culture

4.10 We have structured our report around these themes and for each, provide a commentary together with recommendations. We conclude the report by identifying what we consider to be the contributory factors and root causes to the current position that should be avoided if the risk of repetition in the future is to be averted.

5 FINDINGS

THEME 1: LEADERSHIP, MANAGEMENT AND COMPLIANCE TEAM CAPACITY

5.1 WEAKNESSES

- Previous absence of strategic direction or vision for compliance management.
- No single point responsibility/leadership (compliance champion).
- Absence of annual plans and targets for teams and individuals.
- Absence/management of a cogent recovery plan that aims to eradicate existing backlogs of inspections and remedial works.
- Incomplete/out of date policies and procedures.
- Performance reports limited in scope and detail.
- Areas of compliance (outside of the big 6) not given sufficient focus.
- Structure of compliance fragmented, and responsibility spread over several teams and Directorates.
- Insufficient resource deployed in key areas resulting in staff 'firefighting'.
- High staff turnover and significant reliance on temporary staff.
- Weaknesses in previous audits not always addressed in a timely manner (or at all).
- Staff training not up to date.

5.2 COMMENTARY

5.2.1 The modern compliance environment in housing organisations is dynamic and challenging. For it to be managed successfully it requires a 'single controlling mind' that articulates corporate vision, plans and policies to subordinates from where the work actually starts. Compliance managers then support this through the effective coordination of compliance activities and in ensuring performance standards and targets are being met.

5.2.2 ARK found there to be the lack of the 'golden thread' that translates Council objectives into departmental, team and individual targets. Compliance leads openly admit to being driven by meeting what they perceive to be the legal requirements that protect the Council, rather than Council standards and priorities as they are not aware what these are. Team and individual staff member performance is not systematically discussed with team members and as a consequence opportunities to develop, motivate and support team members are being missed. A high turnover of staff and use of short-term interim managers has undoubtedly contributed to this position.

5.2.3   Policies do not exist for key activities (e.g., lift maintenance) and where they do exist, they are not subjected to planned periodic review. The absence of 'policy leads' also means that changes in legislation or emerging best practice are not considered in a timely manner.

5.2.4   Where they exist, procedures were often found to be incomplete or out of date.

5.2.5   From ARK's review of the property register provided by the Council, it is clear that there is a high degree of awareness of the full range of compliance activities that need to be undertaken and the frequency by which they are undertaken. ARK reviewed this information, reconciled it with the property register and found the 37 compliance activities (ranging from gas appliance servicing to playgrounds, lightning conductors, car park barrier testing etc) to be entirely consistent for the types of property on the register. A weakness however is in not being totally confident of which properties require such compliance regimes, particularly where this information is not captured as part of ongoing surveys (e.g., adaptive lifts/hoists, car park barriers etc).

5.2.6   ARK would also expect management to ensure there is reporting on all (37) compliance areas, but this is not currently the case. Performance reports are primarily limited to the 'big six' FLAGEL activities. (Fire, legionella, asbestos, gas, electrics and lifts). Consequently, neither senior management nor Cabinet have full visibility of compliance requirements or performance against them.

5.2.7   Whilst ARK found the team members it interviewed to be extremely competent and committed to keeping customers safe, the team is undoubtedly lacking the capacity (resources) to organise and plan compliance activities and simultaneously ensure that quality standards and other Council duties are being discharged effectively. By way of example, the responsibility for managing the gas safety requirements of circa 10,000 homes is placed with a single gas safety manager. This means that 100% of the Council's gas safety compliance capacity is placed with a single person who will be at work for no more than 10 months in any given year. For the remaining 2 months the Council's capacity in this high-risk area is 0%.

5.3   RECOMMENDATIONS

- The Council establishes a vision for compliance management – now being addressed given the recent recognition of the importance and the commissioning of this review.

- A robust and time bound recovery plan is developed and agreed for the eradication of compliance backlogs and progress is reported to senior management on at least a monthly basis. (Although there is a comprehensive improvement plan in place, this does not assess resource requirements nor identify what needs recovery and how this will be reported).

- The Council recruits a suitably experienced 'single controlling mind' who is capable of providing the direction necessary to deliver compliance activities effectively. We consider the very recent appointment of the new Director of Housing to address this point.

- Single point responsibility for the compliance management of HRA property and land assets is placed within an adequately resourced and experienced housing compliance team.

- A new suite of policies and procedures is developed, communicated to staff who need to apply them.

- Reporting arrangements are extended (for all compliance areas) and strengthened to allow the facilitation of early identification of issues requiring corrective action.

- A formal register of compliance policies (for all key areas) is established and is used as the basis for formal (periodic) review.

- A fundamental review of staffing requirements is urgently undertaken and acted upon.

- Compliance team leadership is required to formally report (at least monthly) on all compliance areas.

- Steps are taken to ensure that audit reports are acted upon and 'closed off' in a timely manner.

- Staff development and training needs are established and acted upon.

- Team and individual team member objectives and targets are established and reviewed regularly.

- Steps are taken to establish the high-risk areas where additional (specialist) third party support on the adequacy of compliance arrangements is needed.

THEME 2: USE OF INFORMATION TECHNOLOGY AND DATA MANAGEMENT/INTEGRITY

5.4   WEAKNESSES

- Corporate Open Housing Integrated Management System (OHMS) is not systematically used to record compliance requirements or activities (no single version of the truth).

- Attribute information is incomplete/missing (e.g., adaptive lifts).

- Excessive use of spreadsheets increases the risk of manual entry errors and prevents reconciliation, validation and reporting of property records, attributes, programmes and performance.

- Programmes/reporting are not reconciled to core lists.

- In some areas OHMS is totally bypassed.

- Repairs/compliance records on OHMS are incomplete.

- Contractor records are not interfaced with OHMS.

PROPERTY	PEOPLE	PERFORMANCE	PROGRESSION

5.5   COMMENTARY

5.5.1   The ability to meet statutory health and safety requirements relies on the Council having good quality data about its tenants and its stock and being able to demonstrate the data is sufficiently extensive and accurate. Good quality data held in a single corporate repository allows social landlords to better assess and manage risks and provides a 'single version of the truth'.

5.5.2   In common with many other social landlords, the Council uses the proprietary Capita Open Housing Integrated Housing Management System (OHMS) for recording and actioning housing management and maintenance activities and the Council has recently decided to invest in the OHMS Compliance Module to further integrate and manage landlord compliance activities. This, which is an important and positive decision, has yet to be implemented but is planned for 2022/23.

5.5.3   As a minimum this will allow the Council to:

- Record compliance regimes required at block and property level.
- Identify last and next inspection dates across all programmes and compliance activities.
- Track remedial actions through to completion.
- Provide codified reasons why properties are not on programmes.
- Have a single chronology of compliance activity at block and property level.
- Interface compliance data held on contractor systems.
- Produce performance and exception reports

5.6   RECOMMENDATIONS

To ensure that the system is used as designed, and delivers the outcomes and outputs required, it is recommended that the Council:

- Ensures key compliance information is systematically captured as part of the ongoing stock condition survey programmes.
- Ensures the asset architecture (parent and child hierarchy) of the OHMS property database allows information to be recorded where it is needed e.g., property/block/scheme level.
- Remedial work is prioritised, ordered and tracked through to completion using OHMS.
- Validates useful information contained on any spreadsheets prior to any migration to the compliance module.
- Removes the option of staff recording compliance information (including programmes) on individually held spreadsheets.
- Is explicit with contractors on what information is required to be interfaced with OHMS and how this is to take place.

- Mandates that programme and performance reports are principally derived from data sources and fields within OHMS.

- Ensures staff are adequately trained on how to use the OHMS system and compliance module.

- Undertakes periodic reconciliation exercises to validate the accuracy of information held on OHMS with external databases held by statutory/regulatory bodies or agents thereof (e.g., gas supply information held by XoServe on behalf of Cadent).

- Considers appointing a dedicated project manager as a matter of urgency to manage the transition and full implementation of the new OHMS compliance module.

THEME 3: CONTRACT MANAGEMENT/PROCUREMENT

5.7 WEAKNESSES

- The planning horizon for procurement insufficient to optimise VfM.

- The contract register not systematically updated.

- Approved contract extensions are not always formalised.

- The rationale for contractor selection awards is not always clear.

- Contractor capacity to respond to changing workload.

- Timeliness of contractor payments.

- Compliance procurements are not formally reviewed prior to retender (i.e., asset lists, standards and specifications).

- Hard targets for removing backlogs are not in place or communicated to the supply chain.

- Contractor performance reviews are not systematically undertaken or recorded.

5.8 COMMENTARY

5.8.1 Predicting and planning for procurement activities and ensuring they exploit the Value for Money advantages that can flow from taking a long-term approach to forming contractual relationships and managing these relationships effectively are key components of service delivery success and compliance risk management and mitigation.

5.8.2 From ARK's review of the Council's contract register used to record and track compliance related contracts and agreements it is clear that it is not used to review procurement priorities and to plan future market engagement exercises. It is also clear that where contract extensions are approved these are not systematically converted into formalised variations to the original contract. The absence of this formality places an additional and unnecessary contractual and service risk on the Council.

5.8.3 ARK also noted that contractor performance reviews are not systematically undertaken or recorded and used as an opportunity to ensure contractual obligations and performance standards are met or recovered where underperformance is an issue.

5.9 RECOMMENDATIONS

ARK recommends that the Council:

- Strengthens its procurement capability and develops a procurement strategy that acts as the framework within which procurement decisions are taken. (There are consortia options available that can reduce procurement workload and speed up PCR 2015 compliant contract awards).

- Maintains an accurate and up to date contracts/agreements register and uses this to manage the procurement cycle.

- Extends the planning horizon for procurement exercises so as to ensure there is sufficient time to make informed decisions about procurement options and routes.

- Assesses and aligns the capacity of the supply chain with the increase in work necessary to eradicate current compliance backlogs.

- Introduces a systematic approach to undertaking and recording the outcomes of contractor/supplier performance reviews.

- Introduces a systematic approach to collecting, recording and verifying contractor insurances and competencies/certificates (e.g., Annual GasSafe registration renewals for engineers working in Council properties).

THEME 4: COMPLIANCE PERFORMANCE MONITORING AND MANAGEMENT

5.10 WEAKNESSES

- There is an underdeveloped approach to monitoring and managing performance at compliance activity level.

- Performance reporting focus is limited to small number of compliance areas (the big six).

- Performance reports are silent on the extent of any problems and backlogs and timelines for addressing them.

- Escalation procedures not in place to ensure there is adequate visibility and organisational focus on addressing health and safety critical problems that are likely to impact on customer safety and/or statutory compliance.

5.11 COMMENTARY

5.11.1 The current approach to reporting to senior management and Cabinet on compliance activities is currently limited to Fire Safety, Legionella, Asbestos, Gas Safety, Electrical Safety, Lift Safety (the FLAGEL big six). This means that the Council's governing body, senior management and operational management do not have complete visibility of the full 30+ compliance regimes that are undertaken within the housing stock and related assets.

5.11.2 ARK also found that performance is being measured by reference to individually held spreadsheets rather than corporate systems. This means that measurement criteria can be interpreted by officers rather than set by the Council and allows for the potential that performance figures can be misreported.

5.11.3 The absence of a robust, simple and systematic escalation processes across all compliance areas means that departures from agreed performance standards are not being predicted, captured and corrected promptly or reviewed by appropriate management levels. Using gas safety as an example such an escalation process typically involves:

- LGSRs' overdue by 31 days to 60 days being formally reviewed at Head of Service level.

- LGSRs' overdue by 61 days to 90 days being formally reviewed at executive level.

- LGSRs' overdue by 91 days plus being formally reviewed by the organisation's governing body or committee thereof.

5.12 RECOMMENDATIONS

ARK recommends that:

- The Council's governing body review and strengthen the control environment applicable to the housing compliance environment.

- Agreement is reached on what performance reports are to be received by whom and at what frequency.

- Performance definitions and measurement criteria are established for all compliance areas (beyond the big 6).

- The Council's governing body receive assurances that weaknesses identified in internal audit reports and other surveillance reports are actioned and signed-off in a timely manner.

- The Council's governing body and senior management consider seeking periodic additional external expert assurance in those areas considered to present the greatest health and safety risk to tenants (e.g., Gas safety, fire safety).

THEME 5: PREVAILING CULTURE

5.13 WEAKNESSES

- Lack of vision, team direction, stability and cohesion.
- Core values are unclear.
- Individualistic approach to compliance management.
- Silo working prevalent and mistrust between departments.
- Staff feel unempowered to raise concerns or suggest improvements. (management has hitherto been reluctant to hear about concerns or consider ideas).
- Little learning from the 'front line'.
- Attention to detail lacking in key areas.
- Continuous improvement not embedded or part of the day job.
- Performance feedback routines not embedded.

5.14 COMMENTARY

5.14.1 Within the social housing environment, an underperforming compliance capability is often a symptom of a misfiring culture, a culture where trust is often damaged and there is a lack of clarity about the organisation's values, direction of travel and what success looks like.

5.14.2 ARK found that staff employed on housing compliance activities within LB Ealing related to and recognised these issues as real for them. Staff reported that they were constantly buffeted by what they felt were constant changes in management and operational structures (often driven by cost cutting demands) and this had been translated into a feeling of being overwhelmed by an ever-increasing workload. Staff also commented that they were unclear about the goals they were working towards and had consequently developed their own sense of what it was they should be aiming for and had established their own personal modus operandi for delivering services.

5.14.3 ARK found that the team is operating with significantly fewer resources than is necessary for the area business they are responsible for. The manifestation of this is that staff focus on completing the transactional tasks that keep the service moving and other equally important activities are relegated or ignored.

5.14.4 Staff also reported that they felt disempowered and considered that a succession of cost cutting rounds had fostered a blame culture within the Council. This in turn had impacted on the perceived willingness of management to receive bad news or engage in meaningful dialogue about service challenges and problems. Ark recognises that this position has recently changed (partially with the commissioning of this review) and that the staff now need to be reengaged in the operational changes that are needed.

5.14.5 ARK considered the openness, honesty and frankness of staff contributions to be in effect a 'cry for help'. It is absolutely clear that the team is operating under significant stress in a complex and ever-changing compliance environment and the team is in effect 'revving in neutral'. This position is undoubtedly impacting on sickness absence and is unsustainable in the long term.

5.15 RECOMMENDATIONS

It is recommended that the Council:

- Establishes a vision and values for the compliance capability.
- Establishes clear goals and performance feedback mechanisms.
- Ensures the compliance team benefits from appropriate levels of support.
- Ensures learning and innovation becomes part of the team's DNA.
- Ensures effective teamwork and collaboration is encouraged.
- Shapes the size, structure and skillset of the team around the **compliance** needs of the housing stock and related assets.

6 ROOT CAUSATION

6.1 Our involvement in similar reviews has highlighted to us the risk of trying to identify and focus on individual human errors and this is particularly relevant to this review where many of the issues we identified are not recent.

6.2 It is absolutely the case that there has not been a single contributory factor that has resulted in the current challenges but a series that cumulatively has allowed the service to drift and lose focus.

6.3 We consider these to be weaknesses in:

- Governance
- Leadership, management, and capability
- High turnover of staff and over reliance on short term temporary staff
- Data management and data integrity
- Performance monitoring and management
- Procurement
- The control environment
- IT/IS (and in particular, OHMS configuration and use)
- Staffing structures and staff responsibilities.

6.4 Each of these has been considered within the body of this report

7 CONCLUSIONS

7.1 The compliance challenge being experienced by LB Ealing is not minor in either its scale or importance and a concerted effort will be needed to address weakness in current arrangements.

7.2 The findings of our review have been accepted by management and steps are already underway to implement the recommendations contained in this report. Expressed as headline priorities for action these are:

1. Set a cogent and clear vision for the (compliance) service.

2. Establish a robust control environment for compliance activities.

3. Strengthen the leadership and management of the 'property community'.

4. Take urgent steps to quantify and eradicate compliance backlogs (inspections and remedial works). Ark would have hoped to have identified these but the information was unavailable; without this being quantified, the scale of recovery needed is not yet fully clear.

5. Take urgent steps to ensure property data is accurate and up to date.

6. Take urgent steps to clearly define the asset data structure within OHMS and establish data reconciliation and validation protocols that use OHMS for organising and managing compliance activities *(the single version of the truth)*. Consider appointing a dedicated project manager to implement the new module.

7. Establish an operational structure that has the leadership, knowledge, skills and capacity necessary to provide a modern effective compliance operation.

ARK Consultancy Limited
April 2022