

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 1 MARCH 2022
REPORT OF THE CHIEF EXECUTIVE

INDEPENDENT HOUSING COMPLIANCE REVIEW – MANAGEMENT RESPONSE

1 Executive Summary

- 1.1 The council made a self-referral to the Regulator for Social Housing in May 2021, following issues that had been identified in the way that housing compliance was managed.
- 1.2 Since self-referring to the Housing Regulator, the Council's priority has been to bring the compliance performance up to date. Regular meetings have also taken place with the Regulator to ensure that they are fully informed about the progress and the measures that the council are putting in place.
- 1.3 As shown in the latest housing compliance update report, the council has made significant progress since the issue came to light. A new management team has been employed to oversee the Housing Property Service as the Corporate Director and Head of Service are no longer employed by the council, the Housing Compliance manager has made significant improvements in the way that we manage our housing compliance service. A number of procedures have also been put in place in the Housing Property service team.
- 1.4 As a learning organisation, the council has also commissioned Eversheds Sutherland to carry out an independent review, in order to provide further assurance that historic concerns have been identified and that the remedial measures that are being put in place by the council will be effective. A copy of the report is shown in Appendix A and this has been circulated to all councillors and Regulator for Social Housing.
- 1.5 The purpose of this report is to outline the management actions to respond to the root causes of the issues identified in the report.
- 1.6 It is also important to note that the independent review by Eversheds Sutherland states that the changes made during 2021/22 have put the Council in a much stronger position. The changes have created a sustainable solution to achieve compliance whilst also recognising the resource pressures and other challenges that exist in local government. There is now a transparency and frankness around matters of compliance that appears to have been missing.

2 Recommendation(s)

- 2.1 Cabinet notes the contents of this report, in particular, the progress in meeting full compliance as detailed in paragraph 3.3 and the Independent Compliance Review report produced by Eversheds Sutherland as shown in Appendix 1.

- 2.2 Cabinet notes the management response as outlined in paragraph 3.7 to all the root causes identified in the Eversheds Sutherland report.
- 2.3 Cabinet notes the conclusion made by Eversheds Sutherland that changes made during 2021/22 have put the Council in a much stronger position and that there is now a transparency and frankness around matters of compliance as highlighted in paragraph 3.8.
- 2.4 Cabinet notes that monthly Housing Compliance meetings continue to take place with the Leader of the Council, Cabinet Member for Housing and Climate Change, Chief Executive and Housing Compliance Manager.

3 Explanation

- 3.1 As a responsible social housing landlord, the council is required to manage our homes in accordance with the Home Standard. Once the compliance issues came to light, the council made a decision to inform the regulator and work with them to bring our compliance up to date.
- 3.2 The Regulator for Social Housing issued a notice to the council but they decided against taking statutory enforcement action thus far on the basis of an assurance that the breach of the standard is being remedied. The council also wrote to all tenants and leaseholders about the compliance issues and our immediate plan to achieve full compliance as quickly as practicably possible.
- 3.3 Additional resources and updated / new procedures have been put in place in the Housing Property Service team and great progress has been made in all the six compliance areas. The latest update as shown in the Housing Compliance report for 7 March Cabinet Housing Panel states that:
- 100% compliant in Water, Asbestos, Lift
 - Gas – 100% compliant in communal blocks and domestic is 99.99% compliant with 1 property outstanding due to access issues
 - Electrical – 100% compliant in communal blocks and 98.1% compliant with 173 properties outstanding due to access issues
 - Fire - 309 fire risk assessments were completed and quality checked and we are on track to complete all required fire risk assessments during March 2022.
- 3.4 Whilst significant efforts have been put in to rectify the issues identified, it was important for the council to understand the root causes of the housing compliance problem. The council therefore commissioned Eversheds Sutherland to carry out an independent review to understand the lessons learned and to ensure that remedial measures that are being put in place by the council will be effective. A copy of Eversheds Sutherland report is shown in Appendix A.
- 3.5 The Eversheds Sutherland report will also be considered by Cabinet Housing Panel on 7 March 2022.
- 3.6 It is important for the council to understand the root causes that lead to the housing compliance issue and to put remedies in place to prevent similar occurrences in the future.

3.7 The report identified twelve root causes and the table below shows the management response to these causes.

Root causes	Management Response
i) Focus on Gas Safety	<ul style="list-style-type: none"> • Historically KPI reports submitted to Corporate Management Team (CMT) and Cabinet have focused on gas safety and showed rates of compliance of 99%. • Since the compliance issue came to light, senior management has received a weekly compliance update (more recently moved to fortnightly reporting) covering all the six main compliance areas from the Housing Compliance Manager. The report is easy to read and much more user-friendly allowing management to identify areas that are at risk and also put quick management actions in place if necessary to bring the compliance progress on track. • Comprehensive update covering all six compliance areas have been provided to Cabinet Housing Panel in every meeting since November 2021.
ii) Lack of Complete Records	<ul style="list-style-type: none"> • Up until 2021, the Council did not have an accurate record of the properties for which it was responsible for in terms of responsibility on housing compliance. • Whilst it is reassuring that the independent study confirmed that we now have a comprehensive record, officers have put the following procedures in place to ensure that the record will continue to be kept up to date. <ul style="list-style-type: none"> ○ The new procedures we have introduced ensure that we are tracking all properties in all areas of compliance and that no property is marked as compliant without the supporting documentation being on the councils document management system. ○ We hold regular compliance meeting with all contractors involved with compliance checks to ensure any issues in data, documentation or compliance checks are identified and addressed in a timely manner. ○ We have introduced a monthly audit to our compliance programmes to ensure all data is correct and all documents required are held by the council

<p>iii) Reliance on Exceptions Reporting</p>	<ul style="list-style-type: none"> • There needs to be robust governance and assurance processes in order for exception reporting to work effectively. • Since the housing compliance issue came to light, a new Corporate Health and Safety group, chaired by the Head of Public Health and Protection, has been formed. This group is responsible for collecting and reporting on Health and Safety Key Performance Indicators (KPI), including statistics on all the six compliance areas. The Corporate Health and Safety Group is reporting to the Corporate Governance Group, which is chaired by the Chief Executive. • The terms of reference for the Corporate Governance Group will be revised further to invite a Shared Internal Audit Service (SIAS) representative to join all future meetings. This is due to be approved at the next meeting in early March.
<p>iv) The Impact of Covid-19</p>	<ul style="list-style-type: none"> • Whilst the COVID pandemic has had an impact on our service delivery, especially some of the face-to-face work, it is not acceptable to use this as a reason for poor compliance performance in the context of housing. • As detailed in i), ii) and iii) above, other measures have been put in place now to ensure that significant health and safety issues are flagged to senior management at the earliest opportunity.
<p>v) High Staff Turnover</p>	<ul style="list-style-type: none"> • It is recognised that there is a high turnover in some of the council's teams, especially the housing property service. The council is also located in an area where it is competing with the London labour market, which has made it even harder to recruit. However, the problem is not unique to Welwyn Hatfield. • Whilst it is accepted that there would be a degree of staff turnover, it is necessary for all managers to put in place: <ul style="list-style-type: none"> ○ Robust operational procedures for staff to follow ○ Handover notes and process ○ Induction process for new staff and ensure clear objectives are set
<p>vi) Broad Job Descriptions</p>	<ul style="list-style-type: none"> • Traditionally some job description documents may have contained too much detail about the individual tasks that staff are responsible for.

	<ul style="list-style-type: none"> • The Council has now moved to using role profiles rather than job descriptions. This has helped shifting the focus on key objectives and expectations of each role. • The council also has a robust performance management process in place that includes the requirement for managers to carry out formal one-to-one meetings and appraisals to set objectives, monitor their progress and set expectations for staff.
vii) The Purpose of 'Risk and Resilience'	<ul style="list-style-type: none"> • The report finds that the role of the Risk and Resilience team did not extend to audit and assurance of every risk, and in some cases it simply acted as a conduit for reporting. • The Head of Service and the risk team will be asked for an update report, for consideration by CMT. • The reporting line for the Risk and Resilience team is being considered as part of the Senior Management Restructure. At the time of writing this report, the proposed structure is subject to staff consultation.
viii) Health and Safety Resource	<ul style="list-style-type: none"> • The actions are as shown in the Purpose of Risk and Resilience above
ix) Multiple Systems	<ul style="list-style-type: none"> • It is regrettable that due to the use of a variety of data systems historically that it hindered the ability to create one consistent record for the purposes of assurance. • The council has started work to implement a new asset system with the aim to create a centralised asset register. • This system will fully integrate with the councils housing repairs system to ensure there is visibility across the council. • The system will automatically track all properties and raise works following the council's compliance process and will track no- access properties to ensure these do not fall out of compliance. • The asset system is currently being built with our asset information and data with a view to going live in April 2022, with two areas of compliance. We will be completing this process in stages to ensure any issues or snags with the new system can be identified and addressed immediately.
x) Silo Working	<ul style="list-style-type: none"> • The report identified that there appear to have been issues with the sharing of information and practices

	<p>between the Risk and Resilience Team and the Housing Property Services Team.</p> <ul style="list-style-type: none"> • The proposed Senior Management Structure proposes bringing the Risk and Resilience Team and Housing Property Services Team to be under the same directorate.
xi) Focus on Visible Issues	<ul style="list-style-type: none"> • The report highlights that in the past there appeared to be a greater focus on the replacement of kitchens or other visible improvements and repairs over the importance to ensure housing compliance. • All the measures the council is putting in place ensures that the focus on compliance is being monitored by multiple groups, including senior officers, who are getting regular updates on the compliance progress, there is now much greater focus on all relevant areas.
xii) Reluctance to Come Forward	<ul style="list-style-type: none"> • The report highlights that there appear to be a reluctance in the past about raising issues about the way that compliance was managed. • It is regrettable that some staff had felt unable to voice their concerns and there was a reluctance to “rock the boat”. It is disappointing to note how such a culture was allowed to develop in certain teams. • Whilst it is inappropriate to refer to any particular case, the council has internal policies and procedures that are followed when matters of staff capability or misconduct are alleged. • Going forward, once the new senior management structure is in place, there will be a comprehensive review and reset of our organisation values and regular staff briefings will continue to be held to nurture and develop an open and honest culture within the council.

3.8 The independent review recognises that the changes made during 2021/22 have put the Council in a much stronger position. The changes have created a sustainable solution to achieve compliance whilst also recognising the resource pressures and other challenges that exist in local government. There is now a transparency and frankness around matters of compliance that appears to have been missing.

3.9 Together with the additional measures that we are putting in place to deal with the root causes of the issues. The council is doing everything we can to prevent similar issues from happening again in the future.

Implications

4 Legal Implication(s)

4.1 None arising directly from the recommendations of the report.

5 Financial Implication(s)

5.1 None arising directly from the recommendations of the report.

6 Risk Management Implication(s)

6.1 Risks of non-compliance are detailed in Appendix A of the report.

7 Security & Terrorism Implication(s)

7.1 None arising directly from the recommendations of the report.

8 Procurement Implication(s)

8.1 None arising directly from the recommendations of the report.

9 Climate Change Implication(s)

9.1 None arising directly from the recommendations of the report.

10 Human Resources Implication(s)

10.1 None arising directly from the recommendations of the report.

11 Health and Wellbeing Implications

11.1 None arising directly from the recommendations of the report.

12 Communication and Engagement Implications

12.1 Officers have regular communications and engagement meetings with the Regulator of Social Housing to ensure the progress required is completed. A copy of the independent review report has been shared with the Regulator.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the following Council's Corporate Priorities "Our Housing" specifically to Improving Housing Need in the Borough.

14 Equality and Diversity

14.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author
Title
Date

Ka Ng
Chief Executive
27 February 2022

Background papers to be listed (if applicable)

Appendices to be listed

Appendix A – Independent Compliance Review