



## Public Document Pack

# Uttlesford District Council

Chief Executive: Peter Holt

## SUPPLEMENTARY PACK

### Governance, Audit and Performance Committee

**Date:** Wednesday, 30th November, 2022

**Time:** 7.00 pm

**Venue:** Council Chamber - Council Offices, London Road, Saffron Walden,  
CB11 4ER

**Chairman:** Councillor E Oliver

**Members:** Councillors H Asker, G Driscoll (Vice-Chair), J Emanuel, M Foley,  
A Khan, B Light, S Luck and J De Vries

### ITEMS WITH SUPPLEMENTARY INFORMATION PART 1

**Open to Public and Press**

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To note the update on council housing maintenance and regulatory compliance.



# Uttlesford District Council

Chief Executive: Peter Holt

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**Committee:** Governance, Audit and Performance Committee

**Date:**  
30 November 2022

**Title:** Update on Council Housing Maintenance and Regulatory Compliance

**Report Author:** Peter Holt, Chief Executive  
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## Summary

1. This report updates Councillors on progress regarding the repairs and maintenance services provided by Uttlesford Norse Services Ltd (UNSL). It follows the Chief Executive's report to GAP on the same matter, on 30<sup>th</sup> August 2022.
2. Following the Council's self-referral to the Regulator of Social Housing on 23 August 2022 for potential breach of the regulatory Home Standard in relation to health and safety compliance, this report sets out the current position with the Regulator, in their ongoing consideration of the issues raised by the Council in the self-referral – the Regulator is yet to decide whether the Council has breached the Home Standard.
3. This report updates Members on other regulatory matters concerned with the housing service and the activities being undertaken by the Council to ensure that all areas of the landlord service meet the regulatory standards.
4. This report provides an update to Members on how the Council is addressing in relation to its own housing stock, the recent nationally spotlighted issue of damp and mould in the social-rented sector.

## Recommendations

5. Members are invited to discuss the detail provided in this report and to raise any queries and issues they determine appropriate for further consideration and potential action.
6. Members are invited to note the information provided within the contents of this report.

## Financial Implications

7. There are no additional financial implications to be considered by Members at this time. Any costs arising from the activities set out in this report have been budgeted for within the current year's budget and will be included in the budget-setting process for the new financial year 2023-24.

## Background Papers

8. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:
- Report of the Chief Executive to GAP at the meeting of GAP held on 30<sup>th</sup> August 2022, with appendices.

## Impact

9.

Communication/Consultation	<p>An extensive and coordinated programme of stakeholder communication took place at the time of the self-referral to the Regulator in August 2022. There was a very low response from tenants and queries could be answered by the Council, with no further escalation. No media enquiries were received in relation to this matter.</p> <p>A new Communications Plan will be devised in the event the Regulator takes the decision that the Council has breached the Home Standard.</p>
Community Safety	<p>There are no specific impacts in relation to the wider community.</p>
Equalities	<p>Tenants and residents who have a long-term illness or disability, the very young and old, will be more adversely affected by homes which are in a poor-state of repair. In particular homes which have poorly performing heating systems, where health and safety risks are inadequately managed or where there is damp and mould. Where there is a cultural or language barrier, this may impact on a tenants' ability to properly access council services, including reporting repairs and/or arranging access for their completion.</p>
Health and Safety	<p>The health and safety of our tenants and leaseholders, their visitors, and also of staff is the central driving factor behind the urgent management actions in relation to property maintenance.</p>
Human Rights/Legal Implications	<p>Legal, statutory and contractual issues are again a set of driving factors addressed</p>

	explicitly in this report.
Sustainability	There is no direct impact arising from this report.
Ward-specific impacts	All wards
Workforce/Workplace	This report specifically addresses not only those staff (not only housing, but others such as benefit advisors) whose work takes them into tenants' and leaseholders' homes in the course of their duties, but also a much wider group of staff, as this issues in this report include, for example, the fire and legionella checks of council buildings such as the London Road headquarters.

## Situation

10. The Council's decision to self-refer to the Regulator of Social Housing arose from issues highlighted in the internal audit of November 2021 relating to the management of health and safety compliance for council homes. Full details of the reasons for self-referral, with supporting documentation, are contained in the Chief Executive's report to GAP on 30<sup>th</sup> November 2022. At the time of self-referral, the Council provided to the Regulator the current known performance as reported by UNSL in relation to the six areas of health and safety compliance. The Council shared with the Regulator its 'Path to Compliance' Action Plan, setting out the actions it would take to improve its approach to ensuring that UNSL delivered an acceptable level of service and crucially, to ensure that the Council's tenants were kept safe in their homes.
11. The Chief Executive and the Interim Director of Housing, Health and Communities met with the Regulator following the self-referral and also had various email communications with the Regulator, where further information was provided at the request of the latter. Given that one of the actions in the Path to Compliance Action Plan was for the Council to commission an independent validation of performance reported by UNSL, the Regulator agreed to withhold its judgement as to whether the Council has breached the Home Standard until the publication of findings arising from this independent validation process. The validation project is in progress, with findings expected mid-December 2022. At that time, the Council and UNSL will be clear on the true compliance position, and this will provide an accurate baseline, upon which to build on and/or maintain performance, depending whether the actual performance meets the required standards. It will be at this time that the Regulator will make its final determination on whether further intervention will be required; this may include the service of a Regulatory Improvement Notice on the Council.
12. Immediately following the self-referral, the Council has embarked on the delivery of the Path to Compliance Action Plan and demonstrable progress has

been made, not only in improving on the compliance position reported to GAP in August 2022, but also in building relationships between the Council and UNSL and engaging in robust contract management. These measures have included a successful 'Fresh Start' team-building event involving staff across the two organisations, weekly in-person 'Touchpoint' meetings and robust weekly reporting, based on the legally required performance metrics. The Council has appointed an interim Partnership Client Manager who is based at the Newport depot and 'micro-manages' performance and day to day service delivery. The Council has also introduced a new approach to gaining access where tenants fail to engage – previously the Council was relying on legal action towards the possession of the properties, whereas now the Council is seeking the more speedy 'enduring injunctions', whereby it will have the legal power to enter the tenants' property by force, if necessary, to effect essential maintenance, including safety checks. This measure, along with the new, overall approach to clienting the partnership has also extended to other areas of the repairs service.

13. As a result of this new approach, there has been a marked improvement in reported compliance performance, when compared with the position reported to GAP in August 2022. For example, gas compliance achieved 100% for a week during November and currently there is one overdue case (now in the legal process), compared with 12 overdues in August. In August there were 59 homes with no reported electrical safety certification within 10 years and this figure is now reduced to 30, half of which have appointments and half of which are now in the legal process for non-access. The number of homes without a reported electrical safety certification within 5 years has fallen from a peak of 720 in August 2022, to under 480. Whilst the Council is awaiting the outcome of the data validation exercise as described in Point 11 above, it is able to report an improvement on the reported baseline outturn as previously shared with Members and the Regulator in August 2022.
14. In relation to the Council's new legal obligations relating to CO2 and smoke alarms, the checking of alarms is now included as part of the statutory gas and electrical safety inspections. An appropriate approach to reporting this is in development, and this will form part of a new, permanent, reporting regime which will become operational following the conclusion of the data validation exercise.
15. The Council has rightly focused on operational matters relating to the delivery of the repairs and maintenance service over recent months, in order to mitigate the known risks arising from unsatisfactory performance delivered by UNSL. The Council will be now also be focussing on the wider governance issues, putting in place a business assurance framework for the future. The Council is also in the process of reviewing its arrangements with Norse, to ensure that the Service Agreement is fit for purpose and properly reflects the expectations of the Council and its current and emerging regulatory obligations.
16. As part of its proactive work in ensuring that all regulatory obligations are met, for all elements of the housing landlord services, the Council has also recently commissioned an expert audit company, Altair, to assess whether the Council is properly setting social housing rents, in accordance with the regulatory Rent

Standard. Members will be updated on the final outcome of this audit before the end of December 2022.

17. In light of the emerging, more robust regulatory framework for housing arising from the Social Housing White Paper and Social Housing Regulation Bill, the Council has also embarked on a gap-analysis project against the new standards and is in the process of putting in place a more stringent approach to managing complaints about the housing landlord service. Members will be kept updated on these developments at future GAP meetings.
18. Another key area of scrutiny for the Council has been the approach taken by UNSL in managing reported cases of damp and mould. Members may be aware of a tragic case whereby Awaab Ishak sadly died in social housing in Rochdale. The Council can report that there are five open complaints by tenants and leaseholders about damp/mould in their homes. Although these are already being addressed, a further visit is being carried out jointly this week by the Council's Partnership Liaison Manager and a UNSL surveyor. Of particular note, is the influx of new damp and mould-related repair requests, since the national media and now the Secretary of State for Levelling Up highlighted the case of Awaab Ishak. The Council has sought and gained the agreement of UNSL that all new requests of this nature will be sub-contracted out to specialist damp and mould survey companies to investigate urgently. The Council is also in the process of contacting tenants who have a closed complaint which related to damp and mould, so that a post-complaint inspection visit can be carried out, to provide extra assurance that the problems have been resolved. The Council and UNSL are also in the process of devising a new Damp and Mould policy, supported by bespoke operating procedures. Any reports of damp and mould are now managed aside from other repairs requests and escalated on a weekly basis to the Maintenance Touch Point meetings, so that they can be closely monitored.

## Risk Analysis

19.

Risk	Likelihood	Impact	Mitigating actions
The risks associated with the various six (soon to be seven) key health and safety elements are each obvious, whether fire, explosion, electrocution, poisoning, physical injury etc. This inspection and repair and maintenance regime is precisely there to manage, mitigate and minimise such risks. Successful completion of this work will reduce the likelihood down from 2 – some, to 1 – low.	Some - 2	High - 4	As detailed throughout this report

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



## Appendix A

<b>Committee:</b>	Governance, Audit and Performance Committee	<b>Date:</b>	31 <sup>st</sup> August 2022
<b>Title:</b>	Update on management of council housing repairs and maintenance		
<b>Report Author:</b>	Peter Holt, Chief Executive pholt@uttlesford.gov.uk 01799 510400	<b>Item for decision:</b>	For discussion

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### Summary

1. This report updates Councillors on the situation regarding the repairs and maintenance of the authority's c2,800 council houses, particularly the performance against the six (soon to be seven) key health and safety indicators. It follows reports and updates on the same topic taken to the Committee in November 2021, and twice already in 2022, and updates the position thereon as previously reported to Councillors.
2. In pursuance of the operational delivery of Councillors' clearly expressed uppermost priority – that the Council as a landlord operates to the highest standards to ensure that Council tenants are properly safeguarded in line with both best practice and all relevant legal and statutory defined standards – this reports on urgent management action taken by Officers.
3. Councillors have been consistently clear that tenants' safety comes first, and that all other aspects of housing management (whilst still very important) are secondary to this overriding priority.
4. In particular, this report details the actions taken by the chief executive by letter dated 23<sup>rd</sup> August 2022 to self-refer Uttlesford District Council to the Regulator for Social Housing for a potential breach of the Home Standard in this regard.
5. These actions include the commissioning in June 2022 of a team of three independent external housing, contractual, financial and service delivery experts through the East of England Local Government Association [EELGA] to objectively critically assess Uttlesford District Council's arrangements for the provision of repairs, maintenance and improvement services for its council house tenants, as well as advising on both current and future financial, partnership and contractual arrangements and also on ongoing governance of this work.
6. On receiving interim feedback from these independent external experts commissioned, and to increase the amount of housing professional expertise in the authority to operationally manage this range of urgent challenges, the chief executive has urgently appointed an additional post of interim Director of Housing, to work above and alongside the Assistant Director of Housing, Health and Communities and her team. The interim Director of Housing will

join the Council close to full-time in October 2022. To provide resilience and begin implementing the recommended improvements immediately, a new part-time interim Deputy Director of Housing started work on 18<sup>th</sup> August 2022. The interim deputy director's tasks will be agreed and monitored between the Council and the EELGA housing specialist consultant team and the incoming interim Director. The Assistant Director post will remain unchanged, save for having a new line manager, this being the interim Deputy Director of Housing, until the interim Director of Housing joins the Council closer to full-time. (The Assistant Director has, until now, reported directly into the chief executive, who is not a housing professional, who was therefore able to offer general management support and challenge, but not direct and immediate qualified professional support in the particular subject matter).

7. The report goes on to provide details of the action plan already developed to address these concerns – the 'Path to Compliance Action Plan' – and submitted to the Regulator alongside the self-referral.
8. The letter of self-referral to the Regulator was submitted on the same day as this committee report was published. It is therefore likely that there will be further oral updates that can be provided to the Committee by the time of its meeting that necessarily post-date this report.
9. This report accompanies and is best read alongside another item on the Committee agenda: 'The Internal Audit Implementation Status - UDC Internal Governance Arrangements with UNSL' report.

## **Recommendations**

10. Members are invited to discuss the detail provided in this report, the associated internal audit report, and their various associated documents; to question both the Leader of the Council and council officers on their respective oversight and policy, and operational responsibilities, and to raise any further issues they determine appropriate for further consideration and potential action.
11. Beyond that, Members are invited to note this report and in particular the submission of the self-referral to the Regulator for Social Housing. Members are not being invited to determine themselves whether or not to self-refer to the Regulator for two reasons. Firstly, on the basis that a delay beyond the date at which the chief executive determined that a self-referral was appropriate, namely 23<sup>rd</sup> August 2022, awaiting any formal Member decision would have been detrimental to the interests and the safety of tenants. Secondly, such a decision to self-refer is essentially an operational one, which was taken in his own right by the chief executive, in consultation with other officers, independent external experts, and also with the Leader of the Council and the Cabinet Member for Housing, who have fully supported this move. Members are invited to note that should any council as a landlord ultimately in extreme circumstances face a criminal charge, that it is that council's chief executive who would expect to personally be in the dock of the Court charged themselves as an individual with the most serious criminal offences. As such, chief executive's understandably have not only a duty but a personal

discretion to take such steps as are reasonable to avoid any such significant event taking place that would trigger such criminal prosecutions. In these particular circumstances therefore it is Uttlesford District Council's chief executive's personal decision to self-refer, and not one being brought to Councillors for their decision.

## **Financial Implications**

12. The Council spends approximately £8 million a year on repairs, maintenance and improvements to its council housing stock of nearly three thousand properties. This is alongside a further circa £400,000 spent on similar works through the same partnership – for example, legionella checks in council office buildings and depots. This £8 million comes from the Housing Revenue Account, with only the £400,000 from the Council's General Fund – it is essentially rent-payers' money, not council tax payers' money. This equates to over £2,500 for each council tenancy, or more than £50 per week every week for each and every rent payer. It is the single largest item of service expenditure in the Council. Although only a small proportion of that overall sum is spent on the six (soon to be seven) key health and safety elements for council houses, nonetheless the current situation raises two obvious financial questions: firstly, whether the expenditure level is sufficient to deliver the high standards demanded by Councillors, expected by the Regulator in the Home Standard, and required variously by law; and secondly, of the value for money from that expenditure if that budget is sufficient but merely not delivering the results reasonably expected of it.
13. Both of these questions will be further reviewed over coming months. Officers' initial advice is that there is no reason to believe whatsoever that the overall budgetary provision is inadequate to deliver the health and safety standards required. If spend on those elements were inadequate, it could relatively simply be diverted from other discretionary elements of the £8 million spend, such as doing fewer sets of replacement windows.
14. The value for money question, the broader operation of the current partnership delivery arrangement, and future potential alternative delivery models will be the subject of further work over coming months and subsequent reporting back to Councillors.
15. Turning to the financial implications of the current situation – the self-referral and its associated action plan. The cost of the small team of independent expert consultants brought in in June, and still working, is in the order of £100,000. The additional cost of the new interim director of housing (including the phased additional senior management support with an interim deputy director of housing) for six months is also a further approximate £100,000. Early financial provision to enable officers, including both new-and-existing senior management in housing, to bring in targeted extra resource either to definitively identify issues or else to urgently address specific issues identified is being made to the order of a further £100,000. This will (almost exclusively) be financial pressure on the Housing Revenue Account, and that will be assessed and implications reported to Cabinet over coming meetings. In

context, spending in the order of £300,000 on a one-off basis to ensure ongoing sustainability, delivery to the high standards set, and the value for money of an ongoing £8 million annual HRA expenditure is a proportion of approximately 3.75% overall if considered against the benefit realised in this financial year on its own, or around 0.75% if its benefits are enjoyed over the next five years against that cumulative spend.

## Background Papers

16. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:
- Internal Audit report considered at Governance, Audit and Performance Committee in November 2021 – Appendix A1
  - Internal Audit follow-up report considered at this Governance, Audit and Performance Committee in August 2022 – elsewhere on the same agenda – Appendix A2
  - Internal Audit Implementation Status – UDC Internal Governance Arrangements with UNSL report to GAP 31 August 2022 – Appendix A3
  - Letter of self-referral to the Regulator of Social Housing dated August 23<sup>rd</sup> 2022 – Appendix B
  - Accompanying ‘path to compliance action plan’ also submitted to the Regulator of Social Housing – Appendix C
  - Update report on the six key health and safety elements presented to a reconvened meeting of the Uttlesford Norse Services Limited Board on Friday 19<sup>th</sup> August 2022 – Appendix D
  - The statement of expectations paper on management and reporting of these six key health and safety elements presented to the Uttlesford Norse Services Limited Board in November 2021 – Appendix E.
  - Copy of letter to tenants dated 23<sup>rd</sup> August 2022 – Appendix F.

## Impact

17.

Communication/Consultation	An extensive and coordinated programme of stakeholder communications is being delivered, to tenants and leaseholders, the general public, staff, councillors and others, commencing on submission of the letter of self-referral to the Regulator on 23 <sup>rd</sup> August 2022. This seeks to strike the appropriate balance between transparency and reassurance.
Community Safety	-
Equalities	Tenants and residents who have limited mobility in the event of a fire at their home, whether through age related frailty, illness,

	disability or pregnancy are potentially at the greatest risk, and so the management actions in this report are of disproportionate potential benefit to people with those characteristics.
Health and Safety	The health and safety of our tenants and leaseholders, their visitors, and also of staff is the central driving factor behind the urgent management action detailed in this report.
Human Rights/Legal Implications	Legal, statutory and contractual issues are again a set of driving factors addressed explicitly in this report.
Sustainability	-
Ward-specific impacts	All wards
Workforce/Workplace	This report specifically addresses not only those staff (not only housing, but others such as benefit advisors) whose work takes them into tenants' and leaseholders' homes in the course of their duties, but also a much wider group of staff, as this issues in this report include, for example, the fire and legionella checks of council buildings such as the London Road headquarters.

## Situation

18. Uttlesford District Council provided both repairs and maintenance and scheduled improvement services (e.g. replacement windows) to its Council houses through an in-house workforce up until April 2020. This team also provided similar services to council office buildings and depots. Necessarily, and in common with virtually every other such in-house function in major landlords, this workforce was heavily supplemented by the use of specialist sub-contractors, whether to carry out routine by specialist safety checks or to carry out actual works.
19. Again in common with many landlords, pressure on recruitment and retention of specialist staff, availability of specialist sub-contractors, and the lack of economies of scale for an organisation with circa 2,800 council houses meant that the sustainability of this in-house arrangement was routinely and properly reviewed. This pressure looked potentially to become more acute because of Brexit-related anticipated skill shortages. In addition, many of these specialist skilled tradespeople (whether in-house or in sub-contractors) are the same pool of people called on by the building trade, so any anticipated uptick in

demand in the building trade can result in instant wage inflation in that sector with which local authorities cannot readily compete.

20. Following consideration of the options in the light of these pressures, and appropriate market testing, Uttlesford District Council resolved to, from April 2020 onwards, move to a ten year partnership agreement with one of the major providers in this sector, Norse. Norse is itself wholly-owned by Norfolk County Council, and has either contracts or partnership agreements with dozens of local authorities across the country for the provision of such services. It is the largest such provider in the market. The Council anticipated, following its market testing, that this ten year partnership would provide the best balance of quality, value for money, and economic efficiency in light of these market conditions.
21. This new arrangement included transferring existing in-house staff to a new joint venture company, Uttlesford Norse Services Limited [UNSL] owned jointly by Uttlesford District Council and Norse. Transfer of Undertakings (Protection of Employment) – TUPE – applied to these transferred staff, who remained based at the council-owned depot in Newport. In the two and a half years since that transfer, there has been a proportionate turn over of staff in UNSL as there has with any employer generally, albeit with many of the formerly council staff still remaining in the UNSL workforce, ensuring a good degree of continuity and with it organisational memory.
22. It is important to acknowledge that the April 2020 commencement of the new UNSL operation coincided almost entirely with the start of the Coronavirus pandemic. Up and down the country, council housing functions faced substantial new additional duties, such as implementing the Government's 'Everyone In' scheme, to get all rough sleepers off the streets. Similarly, housing repairs and maintenance crews will have faced additional difficulties in being able to go into tenants' homes to carry out either checks or substantive repair or improvement works. Keeping up with cyclical inspection regimes that required in-home in-person visits will have been incredibly challenging, including for UNSL. Both housing and UNSL staff were recognised as essential workers and they deserve the considerable thanks and recognition for having gone above and beyond during this lengthy period. Although prevailing national and international circumstances do not provide any exemption from a housing landlord meeting Home Standard or other legal requirements about health and safety checks, it does certainly provide an unarguable, at least partial, explanation for the difficulties in keeping up with cyclical inspections.
23. Prior to the transfer of works from the in-house council team to the UNSL set up, various computer workflow management and reporting management systems were used. One of the inevitable side effects of moving to a joint working arrangement with a much bigger and well-established service provider like Norse is that they tend at times to use different systems. Indeed, the access to sometimes better systems is one of the identified benefits of such partnerships. It would however be fair to say that the transfer of records, data and ways of working between systems since April 2020 has not always been smooth. At times the transfer has thrown up some issues with the old

systems, and at times challenges with the new systems, but mainly challenges in the switch over. Nearly two and a half years later, in August 2022, there are still several tens of thousands of old, pre-transfer asbestos records that were corrupted on the transfer between electronic systems, and which have not yet been fully resolved. A solution has been identified to fix this, and it is believed that none of the old data has been lost, but that fix has not yet been put fully in place, and is still a work in progress.

24. Issues with the provision of this repairs, maintenance and improvements function post-transfer were flagged up to Councillors, but only relatively informally. In due course, candidates for the vacant Council chief executive post were advised during the recruitment exercise in the spring of 2021 that the ultimately successful candidate would want to look at and resolve whatever the outstanding issues were in this area.
25. Colleagues in Housing deserve considerable credit in early/mid 2021 for raising a particular set of health and safety concerns with the Council's Internal Audit function. There was a legionella outbreak in 2021 at one of the Council's sheltered housing blocks, which happily led to no illnesses, and was acted on speedily, with important lessons and safeguards rolled out across all relevant Council sites, including all the other sheltered housing units, offices and other communal council buildings with the relevant type of shared water systems.
26. This in turn led to an Internal Audit review in 2021 that produced a report in the late summer/early autumn of 2021, in time for the newly-appointed Council chief executive to read on joining the Council on 1<sup>st</sup> October 2021. That Internal Audit review, reported to the November 2021 GAP Committee meeting provided a headline finding of 'no assurance' [ie the worst level] and in regard to the governance of health and safety issues generally, scored this as a critical/red finding [again, the worst level]. This report is reproduced as Appendix A.
27. On reading that report prior to it going to the GAP Committee the Council chief executive convened urgent officer meetings to get to grips with the issue. After several such meetings, a 'statement of expectations' was prepared and submitted to the UNSL Board meeting, also in November 2021. This 'statement of expectations' paper was presented to the GAP Committee in November 2021, and is attached afresh as Appendix E. This 'statement of expectations' paper clearly sets out against each of the six key health and safety elements – gas/heating, electrics, fire assessments, lifts, asbestos and Legionella – in considerable detail what inspections are required, in terms of industry/legal standards, required frequency (e.g. annual for gas checks, five yearly for electrical checks); what reporting requirements are expected; and what level of explanation is required for every single property which brings the overall reporting level below the expected 100%.
28. It is readily acknowledged that not every indicator will be at the 100% level at all times, for reasons such as lack of access granted by tenants. It is reported that gaining access to council houses with gas (ie about two-thirds of all council houses) for the annual gas check is easy, but that getting access to all council houses for the five yearly electrical checks is much harder, with a

failure rate of around 20%. The 'statement of expectations' document however made it clear that fuller reassurance is needed on all such exceptions, for whatever reasons, so that the Council as the landlord can be reassured that for every single shortfall towards the 100% needed, an appropriate course of action was in hand. Put another way, having some of these indicators fall occasionally below 100% may happen, it must never be allowed to become casually accepted as the norm rather than the evidenced legitimate exception.

29. This 'statement of expectations' document following the Internal Audit Report, both presented in November 2021 were supposed to be the turning of the corner in regard to the Council being able to take the firm and confident reassurance it needs as landlord to c2,8 00 council houses and their tenants.
30. The volume of work undertaken by both Council officers, and by colleagues in Norse and UNSL prompted by this pair of reports in November 2021 and over the following months was considerable, and it deserves to be acknowledged and recognised. Equally however, the proxy indicator of the success of all that hard work would have been a set of satisfactory reporting documents to the February 2022 UNSL Board meeting, and this was not achieved. Nor was there sufficient progress by the May 2022 UNSL Board meetings, despite increasingly stark warnings from the Council chief executive that urgent progress was required to avoid escalation.
31. Despite even more obvious work going on that looked promising, still no such reports were made available for the August 2022 UNSL round of Board meetings, so the Council chief executive, in concert with the Council's representatives on this joint venture company Boards, requested that a reconvened meeting was held on Friday 19<sup>th</sup> August, just a week after the last one, and that such a paper was produced in time for consideration at that.
32. Such a report has now been received, and this is hugely welcome – see Appendix D. This report responds generally pretty faithfully to the format and reporting against the elements set out in the November 2021 'statement of expectations' paper.
33. In four of the six key health and safety elements – gas/heating checks, Legionella, lift checks and fire risk assessments, standards are reported as either at, or close to, the required 100% levels. The report also some evidence of sufficient detail as to explain any shortfalls, including the action being taken to get to 100%. There will be the need over the coming period both to sharpen up the reporting of the exceptions, bringing it as requested all into one place, and there will also need to be improvements in data quality assurance.
34. Basically however against these four of the six key health and safety elements, the Council chief executive is for the first time in ten months prepared to formally advise Members that these areas are sufficiently in hand as to not provide any immediate cause for anything more than a low level of concern.



35. On the other two of the six key health and safety elements however – electrical testing and asbestos – the reporting levels do give cause for concern.
36. On asbestos, work is still ongoing in relation to creating performance dashboard for asbestos risk assessments, although manual data has been provided as extracted from a spreadsheet for this compliance area. As there is therefore in the meantime simply no quantitative reporting in this area, then the only conclusion that can be reached is that there is no grounds for confidence that the Home Standard is being met at this time – and that this therefore represents an immediate and material breach worthy of self-referral to the Regulator.
37. On electrical checks, compliance against the 5 year inspection regime standard is shown as at 75%, and 99% against the 10 year inspection timing. The Council requires (and tenants pay for in their rent contributions to this specification) checks inside every 5 years, meaning that some 680 properties are beyond their due date for a check. UNSL advises that work orders have been issued for all such 680 properties (as well as the much smaller number of other properties which are coming up to their 5 year mark) and this is hugely welcome. Details are being sought on how quickly the four specialist sub-contracting companies issued these work orders anticipate being able to complete that catch up work, and will be reported on – with the Council indicating that this needs to be as soon as possible, and certainly no later than 3 months.
38. Notwithstanding the considerable progress now being made on electrical checking, this substantial shortfall in numbers which should have had their wiring checked in the last five years but have not again represents in and of itself sufficient reason to trigger a self-referral to the Regulator of Social Housing.
39. As well as these six key health and safety elements, a seventh is about to become a new legal requirement, around Carbon Monoxide monitoring. Where many landlords are perhaps not yet fully geared up for this, and Uttlesford is amongst that number, the impetus behind this broader situation actually provides a genuine and positive opportunity for Uttlesford's Council houses to be amongst the leading landlords for compliance in this area, with the hard work put in over coming months.
40. As such, the Council chief executive has, by letter dated 23<sup>rd</sup> August, written a formal letter of self-referral to the Regulator of Social Housing, and this is attached as Appendix B. Also attached, as Appendix C, is the accompanying 'path to compliance action plan' which is required by the Regulator on self-referral, and is therefore being volunteered up front.
41. A thorough package of stakeholder communication has been developed to coincide with the letter of self-referral, including letters delivered to every tenant (as well as the relatively small number of council block leaseholders). A copy of that letter is attached a Appendix F. This seeks to balance transparency with reassurance.

42. Staff meetings have been held with both housing and UNSL staff, again to balance transparency with reassurance. Morale is clearly a potential risk, and confidence is being drawn from the resilience, dedication and passion shown by the same staff during the pandemic that this latest challenge is absolutely within our range to overcome.
43. Turning to 'what next', any response from the Regulator by the time of the Committee will be reported to it. The Regulator may choose to put the Council into special measures by way of issuing a formal Notice. Either way, the Regulator will oversee and check up on the Council's improvements against the required 'path to compliance action plan'.
44. Regular reporting on progress against the 'path to compliance action plan' will also of course be formally reported upwards to Members, and ongoing stakeholder communications will continue, especially to council tenants (and leaseholders).
45. The Council chief executive has formally written to senior management in Norse and in UNSL advising them of the situation, and committing to instituting a new period of more positive relations, focused on delivering first and foremost for our tenants. This more positive new chapter and new attitude will start, for example, with an early joint workshop exploring ways that the 20% access failure rate for electricity checks can be brought down, including learning from best practice elsewhere.
46. Broader explorations of joint working with UNSL and Norse through this initiative, including longer-term succession arrangements and alternatives, and shorter-term financial and value for money considerations will also continue over coming months. This will be reported up to Members in due course.
47. Once there is greater confidence on the six (soon to be seven) health and safety elements, focus will be turned to reviewing and quality assuring performance on more routine repairs and maintenance, and on capital improvement works. This too will be reported up to Members in due course.
48. Through the issues identified and highlighted in this report, we recognise that our Council, along with many others, have been 'left behind' after housing associations became more proactively regulated following the demise of the Audit Commission in 2012. This is evidenced through the many regulatory self-referrals which have been submitted by local authorities in the last year or two. The Social Housing Regulation Bill, which went through parliament in March 2022, will bring a much tighter and proactive regulatory framework across local authority, as well as housing association providers of social housing in the future. Uttlesford through this recent work and by the hard work already undertaken and still to come post self-referral, has a genuine opportunity to become an exemplar of best performance, and this reflects the clear Councillor priority to do the best job possible for our tenants.

## **Risk Analysis**

- 49.

Risk	Likelihood	Impact	Mitigating actions
The risks associated with the various six (soon to be seven) key health and safety elements are each obvious, whether fire, explosion, electrocution, poisoning, physical injury etc. This inspection and repair and maintenance regime is precisely there to manage, mitigate and minimise such risks. Successful completion of this work will reduce the likelihood down from 3 – significant, to 1 – low.	Significant - 3	High - 4	As detailed throughout this report

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

# APPENDIX A 1



**Committee:** Governance, Audit and Performance Committee

**Date:**

Monday, 22  
November 2021

**Title:** Internal Audit Report - UDC Internal Governance Arrangements with UNSL

**Report Author:** Elizabeth Brooks, Internal Audit Manager  
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## Summary

1. Internal Audit recently undertook a review of the above which focussed solely on UDC's internal governance arrangements with UNSL (Uttlesford Norse Services Limited) and was not a review of the full joint venture. The audit approach involved discussion with UDC Senior Managers and Officers and review of UNSL documents, including the Service Agreement and Company and Liaison Board papers. This report presents the outcome of our review.

## Recommendations

2. GAP Committee are requested to note the content of this report.

## Financial Implications

3. None

## Background Papers

4. None

## Impact

- 5.

Communication/Consultation	This report has been discussed with, and noted by, Service Managers and CMT.
Community Safety	A high priority finding relating to the Council's oversight of safeguarding has been raised in the report.
Equalities	None
Health and Safety	A critical finding relating to the Council's oversight of health and safety compliance has been raised in the report.
Human Rights/Legal Implications	The report is restricted under Part 2 under the 1972 Act Schedule 12A (3) - Information

	relating to the financial or business affairs of any particular person (including the authority holding that information).
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

6. Several significant findings have been identified, including a critical emerging risk regarding health and safety, that requires urgent attention from senior management (see finding 1). In addition, high priority findings have been identified relating to the Council's oversight of UNSL safeguarding arrangements (see finding 2) and the need to define and clarify roles and responsibilities, particularly in relation to finance, such as the need to obtain key budget and finance information to enable the Council to understand its financial commitment and ensure the accuracy of payments (see finding 3). A further high priority finding has been noted relating to the need for improvement in key communication between the Council and with UNSL (see finding 4). Other findings relate to improvements required in clarifying and defining expectations and requirements relating to UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss.
7. Given the critical inherent health and safety risk and other significant high priority issues identified, it is important to note that the findings are indicative of a 'no assurance' opinion, which requires urgent management action.
8. An action plan for UDC Management is attached at **Appendix A** with recommendations to assist the Council with treating the identified risks. UDC Management should also consider the associated impact of the findings on the Council's own Corporate and Service Risk Registers, and whether a separate risk register for all emerging UNSL issues should be developed to enable clear and transparent monitoring of risks and remedial actions implemented.
9. A separate Treatment Response Plan has been prepared by UDC Management to address the issues below.
10. In addition, the following points have not been included within the Action Plan but may benefit from additional consideration:
  - It is understood that throughout the Pandemic the Council continued to pay full staff costs to UNSL but that during the first Lockdown, some staff were furloughed by UNSL, and funds received from Central Government. The Council is seeking an explanation as to why staff were furloughed, and funds claimed when full costs were paid by the Council and is awaiting confirmation and evidence to show full repayment of these funds and that UNSL has not benefited from any duplication of receipt of staff wages.
  - Internal Audit also noted some organisational culture differences between the Council and UNSL in relation to working practices and behaviours etc. For the

partnership to be successful in the long term, it is important that the culture is aligned, with a clear vision and expectations. A review of this aspect of the partnership may be beneficial to ensure that any potential issues are acknowledged and rectified.

## Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
Lack of robust governance arrangements for the Council's oversight of arrangements with UNSL may result in a significant failure to protect the health and wellbeing of tenants and/or staff, significant penalties to the Council and/or its Directors, detrimental financial implications and significant reputational damage	3	4	See recommendations below

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Ref.	Audit Findings	Risk	Recommendations	Priority
1.	<p><b><u>Council Properties Health and Safety Requirements</u></b></p> <p>Internal Audit noted from discussion with managers that insufficient oversight procedures are in place to ensure Uttlesford Norse Services Limited (UNSL) are undertaking and completing necessary works, to the required standard, to enable UDC to meet its health and safety responsibilities in respect of Council properties.</p> <p>It is understood that requirements such as Gas Safety Certificates, Electrical Safety Testing, Fire Risk Assessments and Legionella Assessments and Tests should all be managed and/or completed by UNSL, or a contractor appointed by UNSL, within the required timeframes, however it is understood that there is currently only reporting by UNSL in respect of Gas Safety Certificates. In respect of all other work, it was noted that the Council does not have a mechanism in place to check that the work is completed on time, or to the required standard.</p> <p>In addition, it was noted that where issues arise, either as a result of these tests or work undertaken by UNSL, or its appointed contractors, there is no robust internal process in place within the Council to ensure that matters are dealt with quickly or escalated appropriately. This could relate to critical health and safety matters, including legionella/fire risk etc, for which urgent action and robust Council oversight is paramount.</p>	<p>Reporting, escalation and/or monitoring of remedial action mechanisms may not be in place within the Council to ensure UNSL undertake and complete work, to the necessary standard and in the requisite timeframe, which may lead to a significant failure to protect the health and wellbeing of tenants and/or staff, significant penalties to the Council and/or its Directors, detrimental financial implications and significant reputational damage.</p>	<p>UNSL should report all mandatory and significant health and safety issues to the Council within the required timeframe and regular updates on remedial actions should be provided on time and/or on request.</p> <p>The Council should also implement its own reporting/escalation/remedial action oversight system to identify, monitor and check that all health and safety requirements are being completed by UNSL on time. This should be risk rated to ensure that critical/high risk health and safety concerns are closely monitored and escalated to all relevant managers with health and safety responsibilities. It may also be beneficial as part of this work to instigate a post-works check to ensure that work was completed on time and to the necessary standard.</p>	<p>● Critical</p>



Ref.	Audit Findings	Risk	Recommendations	Priority
2.	<p><b><u>Safeguarding</u></b></p> <p>Internal Audit identified that although F7.4 of the Service Agreement refers to making “sure that staff are fully trained on the equity laws, safeguarding and Prevent”, UDC does not appear to have requested evidence of this. Furthermore, the November 2020 Company Board Papers state that within Q3 UNSL “will be delivering, Equality and Diversity, Customer Service and Safeguarding Training”, but there is nothing within the January 2021 and May 2021 papers to confirm that this training took place.</p> <p>It is also not clear whether UDC have sufficient oversight of potential safeguarding issues relating to UNSL and UDC tenants, nor monitoring of any remedial actions being undertaken.</p> <p>In addition, Internal Audit noted that the Council’s website advises residents to check an operative’s identification before giving access to their property and that they should contact the Council if they are still suspicious. However, there is not currently a process in place to ensure that the Council is aware of all contractors appointed by UNSL. This may cause a delay or issue resulting in the resident allowing entry without due care having been made or a delay in the work being completed if the operative is unable to wait whilst the Council contacts UNSL to verify their appointment.</p>	<p>The Council may not undertake sufficient safeguarding checks or seek appropriate assurances from UNSL which may lead to duty of care responsibilities not being met and significant reputational damage.</p>	<p>UNSL should be asked by UDC to provide confirmation / evidence that all relevant staff, including new staff as part of their induction process, have received requisite safeguarding training and obtain regular confirmation that this training remains up to date.</p> <p>UDC should request regular oversight of safeguarding issues/concerns relating to their residents and monitor any remedial actions.</p> <p>The Council (CSC) should obtain details of the contractors appointed by UNSL to enable efficient checks to be made if a resident raises a query and/or amend the Website so that it is clear that the UNSL repairs option should be selected from the telephone menu and the checks made with UNSL rather than the Council.</p>	<p>● High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
3.	<p><b><u>Defined Roles and Responsibilities</u></b></p> <p>Internal Audit noted that roles and responsibilities/accountabilities, including clarity over potential conflicts of interest, have not been defined or formalised between UDC and UNSL.</p> <p>As a result, the Contract Liaison Officers (and their roles) referred to within the Service Agreement between UDC and UNSL have not been identified. It is therefore unclear which Officers should be involved with aspects of the roles detailed in the Service Agreement, such as: discussion of operational issues including financial and budgetary issues and performance; receiving of reports in respect of the recognition of situations which may involve personal injury etc; and/or dispute resolution.</p> <p>It is understood that there are currently several Officers involved with different aspects of work relating to UNSL, without clear guidance on their role/responsibility, or an overall appointed person to coordinate all matters within the Council and to ensure that information and actions from Board Meetings are undertaken. This may lead to duplication of work, unnecessary requests for information being made, financial errors not being identified and/or overpayments being made and lack of procedures to capture, record and report any issues or failures and monitor the scale of such instances.</p> <p>Internal Audit noted that the Shareholders Agreement states that “the Business Plan, including the budget, shall be approved and adopted by both UDC and UNSL prior to commencement of each Financial Year”. The</p>	<p>Clear roles and accountabilities may not be formally laid down within key governance documents between the Council and UNSL which may lead to officers being unaware of their responsibilities, potential conflict of interests, ineffective oversight and/or impact of the effectiveness of decision making within the partnership.</p> <p>Lack of requisite budget/finance information may adversely impact Council funds and impede proper and transparent financial management of the service.</p>	<p>Roles, responsibilities, and accountabilities for Officers should be defined and formalised, including information relating to the Contract Liaison Officers detailed within the Service Agreement, assessment of any potential conflicts of interest, and routes for dissemination and retention of UNSL data and information across the Council.</p> <p>Consideration should be given to centralising the co-ordination of all matters relating to UNSL to ensure that all issues or concerns etc., such as those relating to service delivery, finance, or provision of information, are captured, collated, and retained centrally so that information can be disseminated efficiently to all relevant staff and reported and escalated, where appropriate. Alternatively, co-ordination between all relevant officers with UNSL responsibilities should be formalised (e.g., through regular meetings), to enable more consistent dissemination of information, escalation of issues and monitoring of remedial actions. Procedures should be sufficient to ensure that any actions arising from Board Meetings, including the provision of information to the Council, are monitored to ensure completion or suitable escalation, and that Minutes from meetings are correct and fairly represent of all matters discussed.</p> <p>It may be beneficial for the Council to consider dissemination of elements of the Board Papers to Officers to enable cross checking of information being presented to the Board with details being provided directly to Officers by UNSL, such as budget/financial information and performance/KPI data.</p> <p>The Council should also consider undertaking a review to identify the requirements detailed within the Agreements, including the Shareholders Agreement and</p>	<p>● High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>Service Agreement also refers to “UNSL and the Council seeking to agree each Business Plan in accordance with the budget setting timeline of the Council prior to commencement of the Financial Year”. However, it is understood that while 2021/22 draft budget figures were provided by UNSL in November 2020, UDC queries remained unresolved until after May 2021, and to date (November 2021), no confirmed 2021/22 budget has been supplied from the Board to UDC Finance, impacting on UDC’s ability to ensure the accuracy of the figures or the affordability of the budget.</p> <p>The Service Agreement also refers to a budget monitor report being shared with UDC finance staff on a monthly basis and open for discussion at the monthly finance meeting. However, it is understood that while UDC received actuals and annual forecasts for Q1 2021/22 (to end of June 2021) in July 2021, UDC have not received any further reports (Q2 not supplied to date (November 2021) despite chasing) and information is not supplied on a monthly basis. It is understood that high level figures are provided to the main Board, but these have not been supplied to UDC Finance for a high-level check and monitoring.</p> <p>In addition, the Council’s Finance Manager raised issues regarding UNSL delay in production of credit notes and monthly invoices for 2020 and 2021. Issues were also noted in respect of the accuracy of invoices provided for 2020, including potential double counting, additional staff costs and inability to reconcile invoice items to respective budget codes. The delay in UNSL</p>		<p>Service Agreement, that are currently not being met, such as the various financial matters and performance information, and raise these issues formally at the Board Meeting.</p> <p>Evidence should be obtained to confirm that UNSL has the requisite Insurance coverage in place.</p> <p>An electronic version of the signed service agreement should be retained by the Council and accessible to relevant officers.</p>	

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>providing the credit notes and monthly invoices may cause cash flow pressures for the Council as well as workload issues for the UDC Finance Team. Capital forecasts for Q1 2021/22 provided to UDC also raised further queries about accounting treatment and potential double counting. UDC Finance are continuing to pursue a response to their queries. Issues with the accuracy of invoices to the Council were also raised by the Council's Property Surveyor.</p> <p>In addition, Internal Audit were advised of an instance where problems arose with the UNSL telephone system and the Council's Customer Services Centre were taking messages for a time, whilst this issue at UNSL was resolved. Due to the current process this issue was not formally captured or reported. Other examples include information being requested from UNSL which are included within Board Papers and the lack of opportunity to check information entered on Pentana, especially as supporting information is not provided to enable validation of the performance information being provided to the Council.</p> <p>During the Audit, it was not evident whether the Council had obtained evidence to confirm that UNSL has an appropriate insurance policy which provides the minimum levels of cover as stated in the Service Agreement. It is understood that this is currently being ascertained.</p> <p>Internal Audit were also advised that there is currently no electronic version of the signed Service Agreement between the Council and UNSL. Whilst it is acknowledged that the Engrossment Version is likely to be the same as</p>			

Ref.	Audit Findings	Risk	Recommendations	Priority
	the signed version, the Engrossment Version is not dated and still includes the "Draft" watermark, which may cause potential issues in the event of any dispute.			
4.	<p><b><u>Communication</u></b></p> <p>Internal Audit noted that whilst UNSL have produced a Communications Plan, this only relates to some of the meetings that take place between UDC and UNSL and does not include reference to other meetings, such as the weekly void meetings, that are now also taking place. It also does not include details of the officers who attend the meetings or who provides the information at UNSL, plus it does not include other pertinent communication between UNSL and UDC, such as complaint handling, finance, or performance management. Some differences were also noted between the terminology used in the Communications Plan and in practice, which could cause confusion and inconsistencies.</p> <p>It was also noted that whilst most of the Council's Officers were in contact with a specific person or persons at UNSL, no contingency contact details had been provided to UDC to ensure continuity of operations in the absence of any key staff, such as the UNSL Operations Director or Commercial Director. In addition, whilst the Service Agreement includes details relating to Customer Care, it was noted that there were some differences between the Agreement and activities operating in practice. For example, the Service Agreement refers to "learning from the services that UNSL provides to its customers by obtaining feedback" however it is not evident from the information being provided to</p>	There may not be consistent and effective communication between the Council and UNSL, including information to users of the service and/or an effective complaint handling process which may impact on service delivery, reputation, and overall success of the partnership.	<p>The Communications Plan should include all formal meetings/communication channels that take place between the Council and UNSL. This should also include the officers involved and standard terminology for clarity and consistency of communications between UDC and UNSL.</p> <p>Consideration should be given to the production of a contact list between the Council and UNSL to ensure that operations can continue in the event of any staff absence, either within UDC or UNSL.</p> <p>Differences between Service Plan expectations and operations in practice, including those relating to Customer Care should be monitored and actions raised where appropriate.</p>	<p>●</p> <p>High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	the Council whether this is happening in practice. Furthermore, it is understood from discussions with officers that some improvements may be beneficial in terms of operational communication between UNSL operatives and Sheltered Housing Officers to assist in completion of repairs at the appointed time.			
5.	<p><b><u>Complaints Handling</u></b></p> <p>During the audit, it was noted that although UNSL is mentioned on several pages of the Council's website, no information is available to residents advising how they can raise any complaints to UNSL.</p> <p>In addition, it was not evident whether all complaints received by the Council are forwarded to the UNSL complaints email or if all of the forwarded complaints are included within the data figures being reported. Currently, not all of the complaints received by the Council are recorded before being forwarded and data provided by UNSL does not include supporting information that would enable cross checking to the Council's records.</p>	There may not be consistent and effective communication between the Council and UNSL, including information to users of the service and/or an effective complaint handling process which may impact on service delivery, reputation, and overall success of the partnership.	<p>The Council's website should include information for residents regarding how they can raise a complaint in respect of UNSL and the handling procedure expected.</p> <p>It may be beneficial for the Council to consider implementing a process to record all complaints received by the Council in respect of UNSL and to require the Company to provide sufficient information to enable cross checking of the Councils' records to the performance data provided. This would provide the Council with a greater understanding of how the process is working and whether UNSL have the same consideration of a complaint as the Council.</p>	<p>●</p> <p>Medium</p>
6..	<p><b><u>Sub-Contractors – Data Protection and Legal / Regulatory Requirements</u></b></p> <p>Internal Audit noted that although there are clear agreements relating to ownership/liability for information and data security between the Council and UNSL, it is not evident whether UNSL are imposing obligations on its sub-contractors in the same terms as those imposed on it, pursuant to the Service Agreement (section 30.4.2).</p>	<p>Lack of clear policies and agreements relating to ownership/ liability for information and data security between partners and stakeholders may lead to a lack of compliance with regulatory requirements (e.g., GDPR) and / or reputational damage in the event of an incident.</p> <p>Risks relating to sub-contracting, such as poor service delivery, failure to comply with regulatory requirements (e.g., Modern</p>	<p>The Council should consider and decide whether UNSL should be requested to obtain written consent from the Council before any contractors, that will obtain/use Personal Data to provide the services, are appointed, and whether UNSL should provide evidence that at least the same data protection obligations and other requirements as set out in the Service Agreement are being met.</p> <p>Consideration should be given to whether it would be appropriate for the Council to periodically request sight</p>	<p>●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>Agreements between the Council and UNSL state that UNSL should not disclose Personal Data to a third party, nor appoint a third party to process the Personal Data in any circumstances other than at the specific request of the Council, and that no third-party Processor should be appointed without the Council's prior written consent. There should also be a written contract which imposes the same data protection obligations, with UNSL remaining liable to the Council for compliance of any third-party Processor engaged and informing the Council of any changes concerning the addition or replacement of third-party Processors giving the Council sufficient opportunity to object to such changes.</p> <p>The Agreements also include the requirement for UNSL to inform the Council of any Data Breaches or requests for data etc., but Internal Audit identified that it is unclear whether this requirement extends to third parties to ensure that they provide such information to UNSL for onward reporting to the Council.</p> <p>The Service Agreement also states that UNSL should maintain a register of Personal Data Breaches and complete and accurate records and information including a record of processing activities to demonstrate its compliance with clause 22. However, Internal Audit noted that a process is not in place to request sight of this information periodically.</p> <p>In addition, the Data Protection requirements set out in the Service Agreement state that "the Company may freely sub-contract parts of the Services to members of the Norse Group but otherwise shall seek the consent of the Council</p>	<p>Slavery Act, GDPR) etc. may not be identified and monitored, to prevent reputational damage and any impact on the business resilience of the service.</p>	<p>of the register of Personal Data Breaches and records and information, including a record of processing activities, that UNSL should be maintaining to demonstrate its compliance with clause 22. This could be incorporated within the suite of performance indicators, complaints / data issues etc. as recommended at Finding 4 and 7.</p> <p>The Council should be made aware of and consent to any sub-contract for any part of the Services valued at more than £25,000 per annum in line with the Service Agreement.</p>	

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>before entering into a sub-contract for any part of the Services valued at more than £25,000 per annum”.</p> <p>It is understood that the Council were not consulted when UNSL appointed new heating contractors. Whilst Internal Audit were advised that it was not expected that UNSL would consult with the Council about the appointment of a new Heating Contractor as this was an operational decision for UNSL, it is noted that no details have been provided to confirm that a written contract is in place between UNSL and the contractor which imposes the same data obligations and requirements set out in the Service Agreement and the Council's lack of involvement / consultation about this appointment may have resulted in the legal responsibility to inform / consult with leaseholders on any new heating contractor not being met.</p> <p>Lack of involvement also means that the Council may not know what arrangements are in place between UNSL and the heating contractor with regards to compliance with regulatory requirements, service delivery, compensation for failing performance/ issues etc. or customer service, although it is acknowledged that UNSL is responsible for overall service delivery of the services. Although mention is made of weekly performance and complaints meetings with the new contractor, it is understood that no information about these discussions is formally provided to the Council in writing. However, it is understood that some details may be provided verbally during weekly discussions between UNSL and the Council.</p>			







Ref.	Audit Findings	Risk	Recommendations	Priority
7.	<p><b><u>Risk Management</u></b></p> <p>Internal Audit were advised that the UNSL Risk Register in place for the Partnership, is reviewed quarterly at the Company Board Meetings. Details of a review of the Risk Register were noted in the Minutes for the November 2020 Meeting, however no other references to the Risk Register being reviewed at other Board Meetings were seen.</p> <p>Whilst it is acknowledged that details may be provided verbally during the Company Board Meetings, no information was seen within the Board Papers to show what, if any, monitoring had taken place to ensure that the mitigating actions had been implemented successfully and were managing the risks effectively. No changes were observed in the risk scores reported in January 2021 and May 2021.</p> <p>In addition, risks relating to UNSL were not seen within the Council's Corporate Risk Register 2020/2021 or within the 2020/2021 Service Level Risks recorded on Pentana, unlike the PFI Contract which has six Service Level Risks, two of which relate to Service Delivery, namely effective monitoring and management of the service level risks and performance monitoring.</p>	<p>A formal risk management framework for the partnership may not be in place which enables risks relating to the Council's arrangement with UNSL to be fully identified, appropriately actioned to mitigate the risk, assigned to appointed responsible officers to ensure actions are put in place and regularly monitored and reported upon to ensure that actions are implemented effectively.</p> <p>Risks relating to sub-contracting, such as poor service delivery, failure to comply with regulatory requirements (e.g., Modern Slavery Act, GDPR) etc. may not be identified and monitored, to prevent reputational damage and any impact on the business resilience of the service.</p>	<p>The Partnership Risk Register should be discussed at each Board meeting, including consideration of the mitigating actions and impact on risk scores, with details of these discussions recorded within the Minutes of the meeting. The issues identified in this report should be included on the risk register.</p> <p>Consideration should be given to including risks relating to UNSL on the Corporate Risk Register as well as Service Level Risks relating to service delivery. Incorporation of sub-contracting risks such as failure to comply with regulatory requirements and poor performance and service delivery would enable the Council to identify any potential issues and monitor the risks to prevent reputational damage and any impact on resilience of the service. It is acknowledged that the UNSL Risk Register includes a risk relating to Contractors Delivery (UNSL03) however this is owned by the Operations Director of the Partnership rather than the Council and would therefore relate to risks to the Company rather than the Council.</p>	<p>●</p> <p>Medium</p>
8.	<p><b><u>Service Standards, Targets and KPIs</u></b></p> <p>Internal Audit noted that all of the key performance indicators stated in the Service Agreement relate to the housing side of operations, even though cleaning and facilities were also transferred to UNSL, and a Cleaning and Facilities Quality Standards Table is included</p>	<p>Service standards, targets and KPIs may not be defined and/or may not be reported upon and reviewed on a regular basis to ensure that the arrangement provides effective and efficient service and/or demonstrates value for money.</p>	<p>Consideration should be given to the monitoring of cleaning and facilities work, specified within the Service Agreement, including compliance with the Cleaning and Facilities Quality Standards Table, perhaps by the introduction of additional performance indicators.</p> <p>In respect of the performance information being provided by UNSL, the Council should:</p>	<p>●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>within the Service Agreement.</p> <p>Differing opinions of compliance by UNSL in respect of its performance reporting were observed during the Audit. For example, some Officers considered that sufficient information was being provided to them, for their purposes, and information provided to the Housing Board in December 2020 stated that “good monitoring arrangements were in place through the Pentana Indicators”. However, at the time of the Audit, information was not being provided by UNSL for all performance indicators set on Pentana and details that were provided were entered as notes with no supporting information provided.</p> <p>It was also noted that reporting by UNSL at Board Meetings includes some performance indicators not specified in the Service Agreement for Heating Servicing, Heating Repairs and complaints and compliments, which are not included within the Council’s Quarterly Performance Reports.</p> <p>In addition, differences were noted between the performance indicators specified within the Service Agreement and information being reported in respect of Gas Servicing and Voids.</p> <p>It was noted that although key performance indicators have been set out in the Service Agreement, no details were included in respect of targets. However, it is acknowledged that work has since been undertaken to agree targets for most of the performance indicators.</p> <p>Internal Audit also noted that whilst UNSL Quarterly Performance Reports are not currently reported to the Governance, Audit and</p>		<ul style="list-style-type: none"> <li>• Set a timeframe for completion of any requisite processes within UNSL, to ensure that the Company is in a position to provide all performance data from that date onwards.</li> <li>• Require UNSL to provide supporting information to enable verification of the performance data the Company is providing, perhaps quarterly with every data submission or periodically.</li> <li>• Include details reported at Board Meetings by UNSL in respect of Heating Servicing and Repairs and Complaints and Compliments within the Quarterly Performance Reports.</li> <li>• Require UNSL to provide information to enable reporting of all performance indicators specified within the Service Agreement or whether the different information in respect of Gas Servicing, Voids and Complaints and Compliments is acceptable and effectively replace the specified indicators. If this is the case, then any agreed changes should be formally recorded for future reference.</li> </ul> <p>The current reporting framework should be reviewed to ensure that there is sufficient reporting of UNSL performance within the Council and whether it would be appropriate to provide the Quarterly Performance Reports to the GAP Committee, and perhaps also the Housing Board.</p>	





Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>Performance (GAP) Committee, there is a Councillor present at the Company Board Meetings, who is one of the Company Directors, and another that chairs the Liaison Board meetings. Although both of these Councillors sit on the Housing Board, which includes members from the GAP Committee, this Board only meets twice a year and there is no apparent framework in place to ensure that there is sufficient performance reporting in respect of UNSL throughout the year.</p> <p>As mentioned above, information provided to the Housing Board in December 2020 indicated that good monitoring arrangements were in place through the Pentana Indicators, however gaps/missing data, lack of supporting information or queries included on the Quarterly Performance Reports were not noted.</p>			
9.	<p><b><u>Contingency/Service Delivery Interruption or Loss</u></b></p> <p>Internal Audit noted that there is currently no Contingency Plan in place within the Council to deal with any event of service interruption or loss of UNSL operations.</p> <p>In addition, although it was noted that the Service Agreement provides for the Council to serve notice to UNSL, requiring remedy, and to provide, procure or terminate the relevant part of the Service if the Company fails to remedy within the required time, there is no mention of any compensation or reduction in costs payable by the Council for any interruption or loss of service by UNSL operations.</p>	<p>Lack of contingency plan in the event of a loss of UNSL operations, may lead to the Council being unable to respond to residents sufficiently in the event of service interruption and/or may have a detrimental financial impact on the Council.</p> <p>Failure of the Council to design and implement a process to identify, record and report, loss or interruption of UNSL operations may lead to an inability to ensure that the arrangement provides effective and efficient service and/or demonstrates value for money, officers being unaware of their responsibilities, ineffective oversight and/or impact of the effectiveness of decision making within the</p>	<p>A Contingency Plan should be agreed and implemented between the Council and UNSL to ensure that it is able to respond to residents sufficiently in the event of service interruption or loss of UNSL operations and limit any detrimental financial impact to the Council.</p> <p>Greater protection for the Council in the event of a loss or interruption of UNSL operations should be considered. It may be beneficial for the Council to implement a process whereby any instances of loss or interruption of UNSL operations are recorded and reported, perhaps to CMT or to Directors and the Chief Executive.</p>	<p>● Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>During the Audit it was found that the Council does not have a process in place to record or report any instances of interruption or loss of service by the Company. For example, it became known that an incident arose whereby the Company were unable to take telephone calls for a few hours one morning and staff at the Council's Customer Services Centre provided cover by answering the calls and passing messages to the Company, however lack of procedures resulted in this event not been recorded or reported within the Council.</p> <p>The Service Agreement also did not include details about maintaining available phone lines or what happens if these are not available, nor about compensation / reimbursement to UDC if this service is not available and cover has to be provided by UDC staff.</p>	<p>partnership, the Council being unable to respond to residents sufficiently and/or have a detrimental financial impact on the Council.</p>		

## Key to Risk Ratings for Individual Findings in Reports

<b>Critical</b> 	<p><b>Financial:</b> Severe financial loss; <b>Operational:</b> Cessation of core activities</p> <p><b>People:</b> Life threatening or multiple serious injuries to staff or service users or prolonged work place stress. Severe impact on morale &amp; service performance. Mass strike actions etc</p> <p><b>Reputational:</b> Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV.</p> <p><b>Legal and Regulatory:</b> Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences</p> <p><b>Projects:</b> Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.</p>
<b>High</b> 	<p><b>Financial:</b> Major financial loss. Service budgets exceeded; <b>Operational:</b> Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties.</p> <p><b>People:</b> Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff.</p> <p><b>Reputational:</b> Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion.</p> <p><b>Legal and Regulatory:</b> Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies</p> <p><b>Projects:</b> Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.</p>
<b>Medium</b> 	<p><b>Financial:</b> Moderate financial loss. Handled within the team; <b>Operational:</b> Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required.</p> <p><b>People:</b> Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some work days lost. Some impact on morale and performance or staff.</p> <p><b>Reputational:</b> Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage</p> <p><b>Legal and Regulatory:</b> Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation.</p> <p><b>Projects:</b> Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.</p>
<b>Low</b> 	<p><b>Financial:</b> Minor financial loss; <b>Operational:</b> Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users.</p> <p><b>People:</b> Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale.</p> <p><b>Reputational:</b> Minor impact on the reputation of the organisation.</p> <p><b>Legal and Regulatory:</b> Minor breach in laws and regulations with limited consequences.</p> <p><b>Projects:</b> Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.</p>

## Key to Assurance Levels

<b>No</b> 	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
<b>Limited</b> 	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
<b>Moderate</b> 	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
<b>Substantial</b> 	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.

## Limitations and Responsibilities

### **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

### **Limitations inherent to the internal auditor's work**

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the GAP Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

- **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

## APPENDIX A 2



**Committee:** Governance, Audit and Performance Committee

**Date:**

Monday, 22  
November 2021

**Title:** Internal Audit Report - UDC Internal Governance Arrangements with UNSL

**Report Author:** Elizabeth Brooks, Internal Audit Manager  
EBrooks@uttlesford.gov.uk

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### Summary

1. Internal Audit recently undertook a review of the above which focussed solely on UDC's internal governance arrangements with UNSL (Uttlesford Norse Services Limited) and was not a review of the full joint venture. The audit approach involved discussion with UDC Senior Managers and Officers and review of UNSL documents, including the Service Agreement and Company and Liaison Board papers. This report presents the outcome of our review.

### Recommendations

2. GAP Committee are requested to note the content of this report.

### Financial Implications

3. None

### Background Papers

4. None

### Impact

- 5.

Communication/Consultation	This report has been discussed with, and noted by, Service Managers and CMT.
Community Safety	A high priority finding relating to the Council's oversight of safeguarding has been raised in the report.
Equalities	None
Health and Safety	A critical finding relating to the Council's oversight of health and safety compliance has been raised in the report.
Human Rights/Legal Implications	The report is restricted under Part 2 under the 1972 Act Schedule 12A (3) - Information

	relating to the financial or business affairs of any particular person (including the authority holding that information).
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

6. Several significant findings have been identified, including a critical emerging risk regarding health and safety, that requires urgent attention from senior management (see finding 1). In addition, high priority findings have been identified relating to the Council's oversight of UNSL safeguarding arrangements (see finding 2) and the need to define and clarify roles and responsibilities, particularly in relation to finance, such as the need to obtain key budget and finance information to enable the Council to understand its financial commitment and ensure the accuracy of payments (see finding 3). A further high priority finding has been noted relating to the need for improvement in key communication between the Council and with UNSL (see finding 4). Other findings relate to improvements required in clarifying and defining expectations and requirements relating to UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss.
7. Given the critical inherent health and safety risk and other significant high priority issues identified, it is important to note that the findings are indicative of a 'no assurance' opinion, which requires urgent management action.
8. An action plan for UDC Management is attached at **Appendix A** with recommendations to assist the Council with treating the identified risks. UDC Management should also consider the associated impact of the findings on the Council's own Corporate and Service Risk Registers, and whether a separate risk register for all emerging UNSL issues should be developed to enable clear and transparent monitoring of risks and remedial actions implemented.
9. A separate Treatment Response Plan has been prepared by UDC Management to address the issues below.
10. In addition, the following points have not been included within the Action Plan but may benefit from additional consideration:
  - It is understood that throughout the Pandemic the Council continued to pay full staff costs to UNSL but that during the first Lockdown, some staff were furloughed by UNSL, and funds received from Central Government. The Council is seeking an explanation as to why staff were furloughed, and funds claimed when full costs were paid by the Council and is awaiting confirmation and evidence to show full repayment of these funds and that UNSL has not benefited from any duplication of receipt of staff wages.
  - Internal Audit also noted some organisational culture differences between the Council and UNSL in relation to working practices and behaviours etc. For the



partnership to be successful in the long term, it is important that the culture is aligned, with a clear vision and expectations. A review of this aspect of the partnership may be beneficial to ensure that any potential issues are acknowledged and rectified.

## Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
Lack of robust governance arrangements for the Council's oversight of arrangements with UNSL may result in a significant failure to protect the health and wellbeing of tenants and/or staff, significant penalties to the Council and/or its Directors, detrimental financial implications and significant reputational damage	3	4	See recommendations below

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Action Plan

## Appendix A

Ref.	Audit Findings	Risk	Recommendations	Priority
1.	<p><b><u>Council Properties Health and Safety Requirements</u></b></p> <p>Internal Audit noted from discussion with managers that insufficient oversight procedures are in place to ensure Uttlesford Norse Services Limited (UNSL) are undertaking and completing necessary works, to the required standard, to enable UDC to meet its health and safety responsibilities in respect of Council properties.</p> <p>It is understood that requirements such as Gas Safety Certificates, Electrical Safety Testing, Fire Risk Assessments and Legionella Assessments and Tests should all be managed and/or completed by UNSL, or a contractor appointed by UNSL, within the required timeframes, however it is understood that there is currently only reporting by UNSL in respect of Gas Safety Certificates. In respect of all other work, it was noted that the Council does not have a mechanism in place to check that the work is completed on time, or to the required standard.</p> <p>In addition, it was noted that where issues arise, either as a result of these tests or work undertaken by UNSL, or its appointed contractors, there is no robust internal process in place within the Council to ensure that matters are dealt with quickly or escalated appropriately. This could relate to critical health and safety matters, including legionella/fire risk etc, for which urgent action and robust Council oversight is paramount.</p>	<p>Reporting, escalation and/or monitoring of remedial action mechanisms may not be in place within the Council to ensure UNSL undertake and complete work, to the necessary standard and in the requisite timeframe, which may lead to a significant failure to protect the health and wellbeing of tenants and/or staff, significant penalties to the Council and/or its Directors, detrimental financial implications and significant reputational damage.</p>	<p>UNSL should report all mandatory and significant health and safety issues to the Council within the required timeframe and regular updates on remedial actions should be provided on time and/or on request.</p> <p>The Council should also implement its own reporting/escalation/remedial action oversight system to identify, monitor and check that all health and safety requirements are being completed by UNSL on time. This should be risk rated to ensure that critical/high risk health and safety concerns are closely monitored and escalated to all relevant managers with health and safety responsibilities. It may also be beneficial as part of this work to instigate a post-works check to ensure that work was completed on time and to the necessary standard.</p>	<p>● Critical</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
2.	<p><b><u>Safeguarding</u></b></p> <p>Internal Audit identified that although F7.4 of the Service Agreement refers to making “sure that staff are fully trained on the equity laws, safeguarding and Prevent”, UDC does not appear to have requested evidence of this. Furthermore, the November 2020 Company Board Papers state that within Q3 UNSL “will be delivering, Equality and Diversity, Customer Service and Safeguarding Training”, but there is nothing within the January 2021 and May 2021 papers to confirm that this training took place.</p> <p>Page 44 It is also not clear whether UDC have sufficient oversight of potential safeguarding issues relating to UNSL and UDC tenants, nor monitoring of any remedial actions being undertaken.</p> <p>In addition, Internal Audit noted that the Council’s website advises residents to check an operative’s identification before giving access to their property and that they should contact the Council if they are still suspicious. However, there is not currently a process in place to ensure that the Council is aware of all contractors appointed by UNSL. This may cause a delay or issue resulting in the resident allowing entry without due care having been made or a delay in the work being completed if the operative is unable to wait whilst the Council contacts UNSL to verify their appointment.</p>	<p>The Council may not undertake sufficient safeguarding checks or seek appropriate assurances from UNSL which may lead to duty of care responsibilities not being met and significant reputational damage.</p>	<p>UNSL should be asked by UDC to provide confirmation / evidence that all relevant staff, including new staff as part of their induction process, have received requisite safeguarding training and obtain regular confirmation that this training remains up to date.</p> <p>UDC should request regular oversight of safeguarding issues/concerns relating to their residents and monitor any remedial actions.</p> <p>The Council (CSC) should obtain details of the contractors appointed by UNSL to enable efficient checks to be made if a resident raises a query and/or amend the Website so that it is clear that the UNSL repairs option should be selected from the telephone menu and the checks made with UNSL rather than the Council.</p>	<p>● High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
3.	<p><b><u>Defined Roles and Responsibilities</u></b></p> <p>Internal Audit noted that roles and responsibilities/accountabilities, including clarity over potential conflicts of interest, have not been defined or formalised between UDC and UNSL.</p> <p>As a result, the Contract Liaison Officers (and their roles) referred to within the Service Agreement between UDC and UNSL have not been identified. It is therefore unclear which Officers should be involved with aspects of the roles detailed in the Service Agreement, such as: discussion of operational issues including financial and budgetary issues and performance; receiving of reports in respect of the recognition of situations which may involve personal injury etc; and/or dispute resolution.</p> <p>It is understood that there are currently several Officers involved with different aspects of work relating to UNSL, without clear guidance on their role/responsibility, or an overall appointed person to coordinate all matters within the Council and to ensure that information and actions from Board Meetings are undertaken. This may lead to duplication of work, unnecessary requests for information being made, financial errors not being identified and/or overpayments being made and lack of procedures to capture, record and report any issues or failures and monitor the scale of such instances.</p> <p>Internal Audit noted that the Shareholders Agreement states that “the Business Plan, including the budget, shall be approved and adopted by both UDC and UNSL prior to commencement of each Financial Year”. The</p>	<p>Clear roles and accountabilities may not be formally laid down within key governance documents between the Council and UNSL which may lead to officers being unaware of their responsibilities, potential conflict of interests, ineffective oversight and/or impact of the effectiveness of decision making within the partnership.</p> <p>Lack of requisite budget/finance information may adversely impact Council funds and impede proper and transparent financial management of the service.</p>	<p>Roles, responsibilities, and accountabilities for Officers should be defined and formalised, including information relating to the Contract Liaison Officers detailed within the Service Agreement, assessment of any potential conflicts of interest, and routes for dissemination and retention of UNSL data and information across the Council.</p> <p>Consideration should be given to centralising the co-ordination of all matters relating to UNSL to ensure that all issues or concerns etc., such as those relating to service delivery, finance, or provision of information, are captured, collated, and retained centrally so that information can be disseminated efficiently to all relevant staff and reported and escalated, where appropriate. Alternatively, co-ordination between all relevant officers with UNSL responsibilities should be formalised (e.g., through regular meetings), to enable more consistent dissemination of information, escalation of issues and monitoring of remedial actions. Procedures should be sufficient to ensure that any actions arising from Board Meetings, including the provision of information to the Council, are monitored to ensure completion or suitable escalation, and that Minutes from meetings are correct and fairly represent of all matters discussed.</p> <p>It may be beneficial for the Council to consider dissemination of elements of the Board Papers to Officers to enable cross checking of information being presented to the Board with details being provided directly to Officers by UNSL, such as budget/financial information and performance/KPI data.</p> <p>The Council should also consider undertaking a review to identify the requirements detailed within the Agreements, including the Shareholders Agreement and</p>	<p>● High</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
<p>Page 46</p>	<p>Service Agreement also refers to “UNSL and the Council seeking to agree each Business Plan in accordance with the budget setting timeline of the Council prior to commencement of the Financial Year”. However, it is understood that while 2021/22 draft budget figures were provided by UNSL in November 2020, UDC queries remained unresolved until after May 2021, and to date (November 2021), no confirmed 2021/22 budget has been supplied from the Board to UDC Finance, impacting on UDC’s ability to ensure the accuracy of the figures or the affordability of the budget.</p> <p>The Service Agreement also refers to a budget monitor report being shared with UDC finance staff on a monthly basis and open for discussion at the monthly finance meeting. However, it is understood that while UDC received actuals and annual forecasts for Q1 2021/22 (to end of June 2021) in July 2021, UDC have not received any further reports (Q2 not supplied to date (November 2021) despite chasing) and information is not supplied on a monthly basis. It is understood that high level figures are provided to the main Board, but these have not been supplied to UDC Finance for a high-level check and monitoring.</p> <p>In addition, the Council’s Finance Manager raised issues regarding UNSL delay in production of credit notes and monthly invoices for 2020 and 2021. Issues were also noted in respect of the accuracy of invoices provided for 2020, including potential double counting, additional staff costs and inability to reconcile invoice items to respective budget codes. The delay in UNSL</p>		<p>Service Agreement, that are currently not being met, such as the various financial matters and performance information, and raise these issues formally at the Board Meeting.</p> <p>Evidence should be obtained to confirm that UNSL has the requisite Insurance coverage in place.</p> <p>An electronic version of the signed service agreement should be retained by the Council and accessible to relevant officers.</p>	

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>providing the credit notes and monthly invoices may cause cash flow pressures for the Council as well as workload issues for the UDC Finance Team. Capital forecasts for Q1 2021/22 provided to UDC also raised further queries about accounting treatment and potential double counting. UDC Finance are continuing to pursue a response to their queries. Issues with the accuracy of invoices to the Council were also raised by the Council's Property Surveyor.</p> <p>In addition, Internal Audit were advised of an instance where problems arose with the UNSL telephone system and the Council's Customer Services Centre were taking messages for a time, whilst this issue at UNSL was resolved. Due to the current process this issue was not formally captured or reported. Other examples include information being requested from UNSL which are included within Board Papers and the lack of opportunity to check information entered on Pentana, especially as supporting information is not provided to enable validation of the performance information being provided to the Council.</p> <p>During the Audit, it was not evident whether the Council had obtained evidence to confirm that UNSL has an appropriate insurance policy which provides the minimum levels of cover as stated in the Service Agreement. It is understood that this is currently being ascertained.</p> <p>Internal Audit were also advised that there is currently no electronic version of the signed Service Agreement between the Council and UNSL. Whilst it is acknowledged that the Engrossment Version is likely to be the same as</p>			

Ref.	Audit Findings	Risk	Recommendations	Priority
	the signed version, the Engrossment Version is not dated and still includes the "Draft" watermark, which may cause potential issues in the event of any dispute.			
4.	<p><b><u>Communication</u></b></p> <p>Internal Audit noted that whilst UNSL have produced a Communications Plan, this only relates to some of the meetings that take place between UDC and UNSL and does not include reference to other meetings, such as the weekly void meetings, that are now also taking place. It also does not include details of the officers who attend the meetings or who provides the information at UNSL, plus it does not include other pertinent communication between UNSL and UDC, such as complaint handling, finance, or performance management. Some differences were also noted between the terminology used in the Communications Plan and in practice, which could cause confusion and inconsistencies.</p> <p>It was also noted that whilst most of the Council's Officers were in contact with a specific person or persons at UNSL, no contingency contact details had been provided to UDC to ensure continuity of operations in the absence of any key staff, such as the UNSL Operations Director or Commercial Director. In addition, whilst the Service Agreement includes details relating to Customer Care, it was noted that there were some differences between the Agreement and activities operating in practice. For example, the Service Agreement refers to "learning from the services that UNSL provides to its customers by obtaining feedback" however it is not evident from the information being provided to</p>	There may not be consistent and effective communication between the Council and UNSL, including information to users of the service and/or an effective complaint handling process which may impact on service delivery, reputation, and overall success of the partnership.	<p>The Communications Plan should include all formal meetings/communication channels that take place between the Council and UNSL. This should also include the officers involved and standard terminology for clarity and consistency of communications between UDC and UNSL.</p> <p>Consideration should be given to the production of a contact list between the Council and UNSL to ensure that operations can continue in the event of any staff absence, either within UDC or UNSL.</p> <p>Differences between Service Plan expectations and operations in practice, including those relating to Customer Care should be monitored and actions raised where appropriate.</p>	<p>●</p> <p>High</p>



Ref.	Audit Findings	Risk	Recommendations	Priority
	the Council whether this is happening in practice. Furthermore, it is understood from discussions with officers that some improvements may be beneficial in terms of operational communication between UNSL operatives and Sheltered Housing Officers to assist in completion of repairs at the appointed time.			
5.	<p><b><u>Complaints Handling</u></b></p> <p>During the audit, it was noted that although UNSL is mentioned on several pages of the Council's website, no information is available to residents advising how they can raise any complaints to UNSL.</p> <p>In addition, it was not evident whether all complaints received by the Council are forwarded to the UNSL complaints email or if all of the forwarded complaints are included within the data figures being reported. Currently, not all of the complaints received by the Council are recorded before being forwarded and data provided by UNSL does not include supporting information that would enable cross checking to the Council's records.</p>	There may not be consistent and effective communication between the Council and UNSL, including information to users of the service and/or an effective complaint handling process which may impact on service delivery, reputation, and overall success of the partnership.	<p>The Council's website should include information for residents regarding how they can raise a complaint in respect of UNSL and the handling procedure expected.</p> <p>It may be beneficial for the Council to consider implementing a process to record all complaints received by the Council in respect of UNSL and to require the Company to provide sufficient information to enable cross checking of the Councils' records to the performance data provided. This would provide the Council with a greater understanding of how the process is working and whether UNSL have the same consideration of a complaint as the Council.</p>	<p>●</p> <p>Medium</p>
6..	<p><b><u>Sub-Contractors – Data Protection and Legal / Regulatory Requirements</u></b></p> <p>Internal Audit noted that although there are clear agreements relating to ownership/liability for information and data security between the Council and UNSL, it is not evident whether UNSL are imposing obligations on its sub-contractors in the same terms as those imposed on it, pursuant to the Service Agreement (section 30.4.2).</p>	<p>Lack of clear policies and agreements relating to ownership/ liability for information and data security between partners and stakeholders may lead to a lack of compliance with regulatory requirements (e.g., GDPR) and / or reputational damage in the event of an incident.</p> <p>Risks relating to sub-contracting, such as poor service delivery, failure to comply with regulatory requirements (e.g., Modern</p>	<p>The Council should consider and decide whether UNSL should be requested to obtain written consent from the Council before any contractors, that will obtain/use Personal Data to provide the services, are appointed, and whether UNSL should provide evidence that at least the same data protection obligations and other requirements as set out in the Service Agreement are being met.</p> <p>Consideration should be given to whether it would be appropriate for the Council to periodically request sight</p>	<p>●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>Agreements between the Council and UNSL state that UNSL should not disclose Personal Data to a third party, nor appoint a third party to process the Personal Data in any circumstances other than at the specific request of the Council, and that no third-party Processor should be appointed without the Council's prior written consent. There should also be a written contract which imposes the same data protection obligations, with UNSL remaining liable to the Council for compliance of any third-party Processor engaged and informing the Council of any changes concerning the addition or replacement of third-party Processors giving the Council sufficient opportunity to object to such changes.</p> <p>The Agreements also include the requirement for UNSL to inform the Council of any Data Breaches or requests for data etc., but Internal Audit identified that it is unclear whether this requirement extends to third parties to ensure that they provide such information to UNSL for onward reporting to the Council.</p> <p>The Service Agreement also states that UNSL should maintain a register of Personal Data Breaches and complete and accurate records and information including a record of processing activities to demonstrate its compliance with clause 22. However, Internal Audit noted that a process is not in place to request sight of this information periodically.</p> <p>In addition, the Data Protection requirements set out in the Service Agreement state that "the Company may freely sub-contract parts of the Services to members of the Norse Group but otherwise shall seek the consent of the Council</p>	<p>Slavery Act, GDPR) etc. may not be identified and monitored, to prevent reputational damage and any impact on the business resilience of the service.</p>	<p>of the register of Personal Data Breaches and records and information, including a record of processing activities, that UNSL should be maintaining to demonstrate its compliance with clause 22. This could be incorporated within the suite of performance indicators, complaints / data issues etc. as recommended at Finding 4 and 7.</p> <p>The Council should be made aware of and consent to any sub-contract for any part of the Services valued at more than £25,000 per annum in line with the Service Agreement.</p>	

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>before entering into a sub-contract for any part of the Services valued at more than £25,000 per annum”.</p> <p>It is understood that the Council were not consulted when UNSL appointed new heating contractors. Whilst Internal Audit were advised that it was not expected that UNSL would consult with the Council about the appointment of a new Heating Contractor as this was an operational decision for UNSL, it is noted that no details have been provided to confirm that a written contract is in place between UNSL and the contractor which imposes the same data obligations and requirements set out in the Service Agreement and the Council's lack of involvement / consultation about this appointment may have resulted in the legal responsibility to inform / consult with leaseholders on any new heating contractor not being met.</p> <p>Lack of involvement also means that the Council may not know what arrangements are in place between UNSL and the heating contractor with regards to compliance with regulatory requirements, service delivery, compensation for failing performance/ issues etc. or customer service, although it is acknowledged that UNSL is responsible for overall service delivery of the services. Although mention is made of weekly performance and complaints meetings with the new contractor, it is understood that no information about these discussions is formally provided to the Council in writing. However, it is understood that some details may be provided verbally during weekly discussions between UNSL and the Council.</p>			





Ref.	Audit Findings	Risk	Recommendations	Priority
7.	<p><b><u>Risk Management</u></b></p> <p>Internal Audit were advised that the UNSL Risk Register in place for the Partnership, is reviewed quarterly at the Company Board Meetings. Details of a review of the Risk Register were noted in the Minutes for the November 2020 Meeting, however no other references to the Risk Register being reviewed at other Board Meetings were seen.</p> <p>Whilst it is acknowledged that details may be provided verbally during the Company Board Meetings, no information was seen within the Board Papers to show what, if any, monitoring had taken place to ensure that the mitigating actions had been implemented successfully and were managing the risks effectively. No changes were observed in the risk scores reported in January 2021 and May 2021.</p> <p>In addition, risks relating to UNSL were not seen within the Council's Corporate Risk Register 2020/2021 or within the 2020/2021 Service Level Risks recorded on Pentana, unlike the PFI Contract which has six Service Level Risks, two of which relate to Service Delivery, namely effective monitoring and management of the service level risks and performance monitoring.</p>	<p>A formal risk management framework for the partnership may not be in place which enables risks relating to the Council's arrangement with UNSL to be fully identified, appropriately actioned to mitigate the risk, assigned to appointed responsible officers to ensure actions are put in place and regularly monitored and reported upon to ensure that actions are implemented effectively.</p> <p>Risks relating to sub-contracting, such as poor service delivery, failure to comply with regulatory requirements (e.g., Modern Slavery Act, GDPR) etc. may not be identified and monitored, to prevent reputational damage and any impact on the business resilience of the service.</p>	<p>The Partnership Risk Register should be discussed at each Board meeting, including consideration of the mitigating actions and impact on risk scores, with details of these discussions recorded within the Minutes of the meeting. The issues identified in this report should be included on the risk register.</p> <p>Consideration should be given to including risks relating to UNSL on the Corporate Risk Register as well as Service Level Risks relating to service delivery. Incorporation of sub-contracting risks such as failure to comply with regulatory requirements and poor performance and service delivery would enable the Council to identify any potential issues and monitor the risks to prevent reputational damage and any impact on resilience of the service. It is acknowledged that the UNSL Risk Register includes a risk relating to Contractors Delivery (UNSL03) however this is owned by the Operations Director of the Partnership rather than the Council and would therefore relate to risks to the Company rather than the Council.</p>	<p>●</p> <p>Medium</p>
8.	<p><b><u>Service Standards, Targets and KPIs</u></b></p> <p>Internal Audit noted that all of the key performance indicators stated in the Service Agreement relate to the housing side of operations, even though cleaning and facilities were also transferred to UNSL, and a Cleaning and Facilities Quality Standards Table is included</p>	<p>Service standards, targets and KPIs may not be defined and/or may not be reported upon and reviewed on a regular basis to ensure that the arrangement provides effective and efficient service and/or demonstrates value for money.</p>	<p>Consideration should be given to the monitoring of cleaning and facilities work, specified within the Service Agreement, including compliance with the Cleaning and Facilities Quality Standards Table, perhaps by the introduction of additional performance indicators.</p> <p>In respect of the performance information being provided by UNSL, the Council should:</p>	<p>●</p> <p>Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>within the Service Agreement.</p> <p>Differing opinions of compliance by UNSL in respect of its performance reporting were observed during the Audit. For example, some Officers considered that sufficient information was being provided to them, for their purposes, and information provided to the Housing Board in December 2020 stated that “good monitoring arrangements were in place through the Pentana Indicators”. However, at the time of the Audit, information was not being provided by UNSL for all performance indicators set on Pentana and details that were provided were entered as notes with no supporting information provided.</p> <p>It was also noted that reporting by UNSL at Board Meetings includes some performance indicators not specified in the Service Agreement for Heating Servicing, Heating Repairs and complaints and compliments, which are not included within the Council’s Quarterly Performance Reports.</p> <p>In addition, differences were noted between the performance indicators specified within the Service Agreement and information being reported in respect of Gas Servicing and Voids.</p> <p>It was noted that although key performance indicators have been set out in the Service Agreement, no details were included in respect of targets. However, it is acknowledged that work has since been undertaken to agree targets for most of the performance indicators.</p> <p>Internal Audit also noted that whilst UNSL Quarterly Performance Reports are not currently reported to the Governance, Audit and</p>		<ul style="list-style-type: none"> <li>• Set a timeframe for completion of any requisite processes within UNSL, to ensure that the Company is in a position to provide all performance data from that date onwards.</li> <li>• Require UNSL to provide supporting information to enable verification of the performance data the Company is providing, perhaps quarterly with every data submission or periodically.</li> <li>• Include details reported at Board Meetings by UNSL in respect of Heating Servicing and Repairs and Complaints and Compliments within the Quarterly Performance Reports.</li> <li>• Require UNSL to provide information to enable reporting of all performance indicators specified within the Service Agreement or whether the different information in respect of Gas Servicing, Voids and Complaints and Compliments is acceptable and effectively replace the specified indicators. If this is the case, then any agreed changes should be formally recorded for future reference.</li> </ul> <p>The current reporting framework should be reviewed to ensure that there is sufficient reporting of UNSL performance within the Council and whether it would be appropriate to provide the Quarterly Performance Reports to the GAP Committee, and perhaps also the Housing Board.</p>	





Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>Performance (GAP) Committee, there is a Councillor present at the Company Board Meetings, who is one of the Company Directors, and another that chairs the Liaison Board meetings. Although both of these Councillors sit on the Housing Board, which includes members from the GAP Committee, this Board only meets twice a year and there is no apparent framework in place to ensure that there is sufficient performance reporting in respect of UNSL throughout the year.</p> <p>As mentioned above, information provided to the Housing Board in December 2020 indicated that good monitoring arrangements were in place through the Pentana Indicators, however gaps/missing data, lack of supporting information or queries included on the Quarterly Performance Reports were not noted.</p>			
9.	<p><b><u>Contingency/Service Delivery Interruption or Loss</u></b></p> <p>Internal Audit noted that there is currently no Contingency Plan in place within the Council to deal with any event of service interruption or loss of UNSL operations.</p> <p>In addition, although it was noted that the Service Agreement provides for the Council to serve notice to UNSL, requiring remedy, and to provide, procure or terminate the relevant part of the Service if the Company fails to remedy within the required time, there is no mention of any compensation or reduction in costs payable by the Council for any interruption or loss of service by UNSL operations.</p>	<p>Lack of contingency plan in the event of a loss of UNSL operations, may lead to the Council being unable to respond to residents sufficiently in the event of service interruption and/or may have a detrimental financial impact on the Council.</p> <p>Failure of the Council to design and implement a process to identify, record and report, loss or interruption of UNSL operations may lead to an inability to ensure that the arrangement provides effective and efficient service and/or demonstrates value for money, officers being unaware of their responsibilities, ineffective oversight and/or impact of the effectiveness of decision making within the</p>	<p>A Contingency Plan should be agreed and implemented between the Council and UNSL to ensure that it is able to respond to residents sufficiently in the event of service interruption or loss of UNSL operations and limit any detrimental financial impact to the Council.</p> <p>Greater protection for the Council in the event of a loss or interruption of UNSL operations should be considered. It may be beneficial for the Council to implement a process whereby any instances of loss or interruption of UNSL operations are recorded and reported, perhaps to CMT or to Directors and the Chief Executive.</p>	<p>● Medium</p>

Ref.	Audit Findings	Risk	Recommendations	Priority
	<p>During the Audit it was found that the Council does not have a process in place to record or report any instances of interruption or loss of service by the Company. For example, it became known that an incident arose whereby the Company were unable to take telephone calls for a few hours one morning and staff at the Council's Customer Services Centre provided cover by answering the calls and passing messages to the Company, however lack of procedures resulted in this event not been recorded or reported within the Council.</p> <p>The Service Agreement also did not include details about maintaining available phone lines or what happens if these are not available, nor about compensation / reimbursement to UDC if this service is not available and cover has to be provided by UDC staff.</p>	<p>partnership, the Council being unable to respond to residents sufficiently and/or have a detrimental financial impact on the Council.</p>		

## Key to Risk Ratings for Individual Findings in Reports

<b>Critical</b> 	<p><b>Financial:</b> Severe financial loss; <b>Operational:</b> Cessation of core activities</p> <p><b>People:</b> Life threatening or multiple serious injuries to staff or service users or prolonged work place stress. Severe impact on morale &amp; service performance. Mass strike actions etc</p> <p><b>Reputational:</b> Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV.</p> <p><b>Legal and Regulatory:</b> Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences</p> <p><b>Projects:</b> Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.</p>
<b>High</b> 	<p><b>Financial:</b> Major financial loss. Service budgets exceeded; <b>Operational:</b> Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties.</p> <p><b>People:</b> Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff.</p> <p><b>Reputational:</b> Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion.</p> <p><b>Legal and Regulatory:</b> Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies</p> <p><b>Projects:</b> Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.</p>
<b>Medium</b> 	<p><b>Financial:</b> Moderate financial loss. Handled within the team; <b>Operational:</b> Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required.</p> <p><b>People:</b> Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some work days lost. Some impact on morale and performance or staff.</p> <p><b>Reputational:</b> Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage</p> <p><b>Legal and Regulatory:</b> Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation.</p> <p><b>Projects:</b> Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.</p>
<b>Low</b> 	<p><b>Financial:</b> Minor financial loss; <b>Operational:</b> Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users.</p> <p><b>People:</b> Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale.</p> <p><b>Reputational:</b> Minor impact on the reputation of the organisation.</p> <p><b>Legal and Regulatory:</b> Minor breach in laws and regulations with limited consequences.</p> <p><b>Projects:</b> Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.</p>

## Key to Assurance Levels

<b>No</b> 	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
<b>Limited</b> 	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
<b>Moderate</b> 	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
<b>Substantial</b> 	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.



## Limitations and Responsibilities

### **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

### **Limitations inherent to the internal auditor's work**

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the GAP Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

- **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

## APPENDIX A 3

<b>Committee:</b>	Governance, Audit and Performance Committee	<b>Date:</b>	Wednesday, 31 August 2022
<b>Title:</b>	Internal Audit Implementation Status - UDC Internal Governance Arrangements with UNSL		
<b>Report Author:</b>	Elizabeth Brooks, Internal Audit Manager EBrooks@uttlesford.gov.uk		

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### Summary

1. In the 2021/22 Internal Audit review of UNSL Governance Arrangements, 26 recommendations across 9 risk areas (1 critical, 3 high and 5 medium priority) were made and accepted by management. Given the critical inherent health and safety risk and other significant high priority issues identified, the findings were originally indicative of a 'no assurance' audit opinion, which required urgent management action. Internal Audit assessed the status of implementation of the recommendations during May/June 2022 and this report presents the outcome of that review as at June 2022.
2. While it is understood that work has continued to be undertaken on the action plan by Officers since June, it should be noted that this has not yet been validated by Internal Audit. A final formal follow up assessment will be undertaken following the conclusion of current management interventions in this area and subsequently reported to GAP.

### Recommendations

3. GAP Committee are requested to note the content of this report.

### Financial Implications

4. None

### Background Papers

5. None

### Impact

Communication/Consultation	This report has been discussed with, and noted by, Service Managers and CMT.
Community Safety	A high priority finding relating to the Council's oversight of safeguarding has been raised in the report.
Equalities	None

Health and Safety	A critical finding relating to the Council's oversight of health and safety compliance has been raised in the report.
Human Rights/Legal Implications	Legal implications may arise from some of the findings raised in the report.
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

### Situation

6. Internal Audit undertook an initial follow up assessment of the implementation of the original recommendations during May/June 2022, and discussions highlighted that of the 26 recommendations, 2 have been implemented (which related to high priority Communication recommendations), 21 were work in progress, 2 are outstanding, and 1 is no longer applicable.
7. This means that all 9 areas of risk originally identified, including the critical finding relating to Health and Safety, and the three high priority findings relating to Safeguarding, Roles and Responsibilities, and Communication had only been partially addressed at the point of the review and whilst some positive actions had been taken, it was not possible for Internal Audit to provide independent assurance that the control environment had significantly improved and it therefore remained indicative of a 'no assurance' opinion as at June 2022.
8. While it is understood that work has continued to be undertaken on the action plan by Officers since June, it should be noted that this has not yet been validated by Internal Audit. A final follow up assessment will be undertaken following the conclusion of current management interventions in this area and subsequently reported to GAP.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Lack of robust governance arrangements for the Council's oversight of arrangements with UNSL may result in a significant failure to protect the health and wellbeing of tenants and/or staff, significant penalties to the Council and/or its Directors, detrimental financial implications and significant reputational damage	3	4	See recommendations below

1 = Little or no risk or impact; 2 = Some risk or impact – action may be necessary.; 3 = Significant risk or impact – action required; 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Uttlesford Norse Governance Arrangements – Audit Implementation Status (as at June 2022)

### 1. Executive Summary

<b>Original Assurance Opinion</b> (final report issued October 2021): <b>No Assurance</b>	<b>Assurance Opinion June 2022:</b> <b>No Assurance</b> (due to critical and high priority areas not yet fully implemented)
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**Audit Recommendation Management Response Lead Officer:** Roz Millership, Assistant Director Housing, Health and Communities

#### SUMMARY (26 recommendations across 9 areas)

<b>Implemented</b>	<b>Work in Progress</b>	<b>Outstanding</b>	<b>N/A</b>
<b>2 (8%)</b>	<b>21 (81%)</b>	<b>2 (8%)</b>	<b>1 (3%)</b>

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	<b><u>Area</u></b>	<b><u>Priority</u></b>	<b><u>No. of Recs</u></b>	<b><u>Overall Implementation Status</u></b>
1.	Council Properties Health and Safety Requirements	Critical	2	Work in Progress
2.	Safeguarding	High	3	Work in Progress
3.	Defined Roles and Responsibilities	High	6	Work in Progress
4.	Communication	High	3	Work in Progress
5.	Complaints Handling	Medium	2	Work in Progress
6.	Sub-Contractors – Data Protection and Legal / Regulatory Requirements	Medium	3	Work in Progress
7.	Risk Management	Medium	2	Work in Progress
8.	Service Standards, Targets and KPIs	Medium	3	Work in Progress
9.	Contingency/ Service Delivery Interruption or Loss	Medium	2	Work in Progress

## 2. Detailed Findings

Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
1.	Critical	<b>Council Properties Health and Safety Requirements</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit noted from discussion with managers that insufficient procedures are in place to ensure Uttlesford Norse Services Limited (UNSL) are undertaking and completing necessary works, to the required standard, to enable UDC to meet its health and safety responsibilities in respect of Council properties.</p> <p>It is understood that requirements such as Gas Safety Certificates, Electrical Safety Testing, Fire Risk Assessments and Legionella Assessments and Tests should all be managed and/or completed by UNSL, or a contractor appointed by UNSL, within the required timeframes, however it is understood that there is currently only reporting by UNSL in respect of Gas Safety Certificates. In respect of all other work, it was noted that the Council does not have a mechanism in place to check that the work is completed on time, or to the required standard.</p>	<p>1.1 The Council should implement its own reporting/ escalation/ remedial action oversight system to identify, monitor and check that all health and safety requirements are being completed by UNSL on time. This should be risk rated to ensure that critical/high risk health and safety concerns are closely monitored and escalated to all relevant managers with health and safety responsibilities. It may also be beneficial as part of this work to instigate a post-works check to ensure that work was completed on time and to the necessary standard.</p>	<p><b>Agreed:</b> Yes</p> <p><b>Action to be taken:</b> The reporting/ escalation/ remedial action oversight system will be put in place under the CDM requirements for this partnership</p> <p><b>Responsible Officer:</b> Lewis Merle</p> <p><b>Target Date:</b> 31/12/2021</p>	<p>UDC have agreed with UNSL that they will provide a regular report to the Board containing detail of all H&amp;S compliance requirements, including timeframes and any supporting survey data. The report will be ready for the 19th November Board meeting. UDC have also requested that this report is also provided monthly so that if there are any non-compliance concerns these can be escalated and actioned quickly and closely monitored.</p> <p>Internally, an improved reporting/ escalation/ remedial action oversight system is in the process of being implemented to identify, monitor and check that all health and safety compliance requirements are being completed by UNSL on time. This system will be in place by 12th November 2021.</p> <p>Roger Harborough will formally request at the UNSL Board Meeting on 19th November specific data</p>	<p><b>1.1 Work in Progress</b></p> <p>Internal Audit confirmed that a Procedural Note "Statutory Compliance Works – Reporting, Escalation and Post Works Clarification – UDC &amp; UNSL" document has been produced. This includes details of the Council's reporting and escalation procedures in relation to Statutory Compliance checks within Council properties that are due to be completed by UNSL.</p> <p>In addition, the Chief Executive reported to GAP in March 2022 that following officer investigation into the handling of health and safety aspects, improvements had been delivered in the reporting and monitoring of health and safety requirements, covering legionella, gas and electricity checks, fire checks, cladding and lift maintenance.</p> <p>Internal Audit were informed that to assist with the monitoring of compliance, UDC were to be given access to a Portal that would facilitate review and analysis of all Statutory Compliance areas, including numbers of completed</p>

Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
		In addition, it was noted that where issues arise, either as a result of these tests or work undertaken by UNSL, or its appointed contractors, there is no robust internal process in place within the Council to ensure that matters are dealt with quickly or escalated appropriately. This could relate to critical health and safety matters, including legionella/fire risk etc, for which urgent action and robust Council oversight is paramount.			relating to Gas Safety, Fire Safety, Legionella and Electrical Safety to ensure that UDC have the requisite confidence and reassurance relating to its critical landlord health and safety responsibilities	<p>and outstanding checks as well as access to all Certificates. Whilst access to all of this information was due to be available by the 1<sup>st</sup> April 2022, it was noted at May 2022, that it was still not possible to analyse any reported figures, for either completed or outstanding checks, or access any Certificates or supporting information on the Portal.</p> <p>The Portal was implemented on 8<sup>th</sup> June and is now operation but could only be accessed at the Depot. A new surveyor was due to be appointed and part of their role will be to access and review data available on the Portal. In addition, it was also noted that no information relating to Asbestos was available on the Portal.</p> <p>Internal Audit did note, however, that this matter had been escalated in accordance with the Procedural Note – Statutory Compliance Works – Reporting, Escalation and Post Works Clarification document.</p>
			1.2 UNSL should report all mandatory and significant health and safety issues to the Council within the required timeframe and regular updates on remedial actions should be			<p><b>1.2 Work in Progress</b></p> <p>The AD Housing, Health and Communities provided two examples of issues reported to UDC and investigated by the Council. However, it is</p>

Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
			provided on time and/or on request.			understood that checks are currently being carried out by UDC appointed surveyors to confirm this status.
2.	High	Safeguarding				Overall: Work in Progress
Page 63		Internal Audit identified that although F7.4 of the Service Agreement refers to making “sure that staff are fully trained on the equity laws, safeguarding and Prevent”, UDC does not appear to have requested evidence of this. Furthermore, the November 2020 Company Board Papers state that within Q3 UNSL “will be delivering, Equality and Diversity, Customer Service and Safeguarding Training”, but there is nothing within the January 2021 and May 2021 papers to confirm that this training took place.  It is also not clear whether UDC have sufficient oversight of potential safeguarding issues relating to UNSL and UDC tenants, nor monitoring of any remedial actions being undertaken.  In addition, Internal Audit noted that the Council’s website advises residents to check an	2.1 UNSL should be asked to provide confirmation / evidence that all relevant staff, including new staff as part of their induction process, have received requisite safeguarding training and obtain regular confirmation that this training remains up to date.	Agreed: Yes Action to be taken: Undertake safeguarding checks to ensure the council are satisfied that correct safeguarding protocols are being followed by UNL staff and contractors.	UDC will determine the safeguarding processes in place at UNSL and request formal regular oversight by the Board to ensure that correct safeguarding protocols are being followed by UNSL staff and contractors. A link will be facilitated between the UDC Safeguarding Officer and UNSL Safeguarding Lead to ensure that UDC is informed of all safeguarding concerns relating to its residents and it will be explored whether UNSL are able to connect into the UDC Safeguarding Form. A link will also be facilitated between UDC Customer Services Centre (CSC) and UNSL to support resident contractor enquiries that come via CSC.	2.1 Work in Progress Internal Audit were advised that the Council’s Safeguarding Officer has contacted UNSL in order to undertake the relevant checks but obtaining requisite Council oversight of safeguarding issues relating to UNSL/UDC tenants is still currently work in progress.
	2.2 UDC should request regular oversight of safeguarding issues/concerns relating to their residents and monitor any remedial actions.		Ensure Safeguarding issues are regularly reported at board level Responsible Officer: Fleur Brooks	2.2 Work in Progress As above		
	2.3 The Council should obtain details of the contractors appointed by UNSL to enable efficient checks to be made if a resident raises a query and/or amend the Website so that it is clear that the UNSL repairs option should be selected from the telephone menu and the checks made with UNSL rather than the Council.		Target 31/12/2021 Date:	2.3 N/A - Alternative Action Decided by Management Internal Audit were advised by AD HHC that residents should in the first instance raise any concerns about a visiting contractor with UDC CSC as this needs to be co-ordinated by UDC. No further action planned to be taken on this recommendation.		

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		operative's identification before giving access to their property and that they should contact the Council if they are still suspicious. However, there is not currently a process in place to ensure that the Council is aware of all contractors appointed by UNSL. This may cause a delay or issue resulting in the resident allowing entry without due care having been made or a delay in the work being completed if the operative is unable to wait whilst the Council contacts UNSL to verify their appointment.				
3.	<b>High</b>	<b>Defined Roles and Responsibilities</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit noted that roles and responsibilities/accountabilities, including clarity over potential conflicts of interest, have not been defined or formalised between UDC and UNSL.</p> <p>As a result, the Contract Liaison Officers (and their roles) referred to within the Service Agreement between UDC and UNSL have not been identified. It is therefore unclear which Officers should be involved with aspects of the roles detailed in</p>	<p>3.1 Roles, responsibilities, and accountabilities for Officers should be defined and formalised, including information relating to the Contract Liaison Officers detailed within the Service Agreement, assessment of any potential conflicts of interest, and routes for dissemination and retention of UNSL data and information across the Council.</p> <p>3.2 Consideration should be given to centralising the co-</p>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b></p> <p>Directors to consider if co-ordination of all matters relating to UNSL including responsibility for H&amp;S compliance, financial matters, residents' engagement and PIs are managed centrally by a project manager/project team.</p> <p><b>Responsible Officer:</b></p>	<p>Roles, responsibilities, and accountabilities for UDC Officers will be defined and formalised, including information relating to the Contract Liaison Officers detailed within the Service Agreement, assessment of any potential conflicts of interest, and routes for dissemination and retention of UNSL data and information across the Council. UDC Management will consider if co-ordination of all matters</p>	<p><b>3 (all) Work in Progress</b></p> <p>Internal Audit noted through discussion that although monthly Finance meetings have now been implemented and the UDC's Interim Finance Manager attends these, there is still concern about the lack of accuracy in the financial information being provided and the need to check the figures are correct.</p> <p>It was noted that there are often several issues to raise at Board meetings and there remain issues in obtaining 2022/23 budget</p>



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		<p>the Service Agreement, such as: discussion of operational issues including financial and budgetary issues and performance; receiving of reports in respect of the recognition of situations which may involve personal injury etc; and/or dispute resolution.</p> <p>It is understood that there are currently several Officers involved with different aspects of work relating to UNSL, without clear guidance on their role/responsibility, or an overall appointed person to coordinate all matters within the Council and to ensure that information and actions from Board Meetings are undertaken. This may lead to duplication of work, unnecessary requests for information being made, financial errors not being identified and/or overpayments being made and lack of procedures to capture, record and report any issues or failures and monitor the scale of such instances.</p> <p>Internal Audit noted that the Shareholders Agreement states that "the Business Plan, including the budget, shall be approved and adopted by both</p>	<p>ordination of all matters relating to UNSL to ensure that all issues or concerns etc., such as those relating to service delivery, finance, or provision of information, are captured, collated, and retained centrally so that information can be disseminated efficiently to all relevant staff and reported and escalated, where appropriate. Alternatively, co-ordination between all relevant officers with UNSL responsibilities should be formalised (e.g., through regular meetings), to enable more consistent dissemination of information, escalation of issues and monitoring of remedial actions. Procedures should be sufficient to ensure that any actions arising from Board Meetings, including the provision of information to the Council, are monitored to ensure completion or suitable escalation, and that Minutes from meetings are correct and fairly represent of all matters discussed.</p> <p>3.3 It may be beneficial for the Council to consider dissemination of elements of</p>	<p>Roger Harborough and Adrian Webb</p> <p><b>Target Date:</b> 31 December 2021</p>	<p>relating to UNSL including responsibility for H&amp;S compliance, financial matters, residents' engagement and PIs can be managed centrally by a project manager/project team</p>	<p>figures and lack of financial information at Board meetings.</p> <p>Internally, AD Resources is also made aware of various issues, but it can be difficult to understand some of them based on the information received.</p> <p>It is therefore understood that a plan was being put in place relating to the co-ordination of UNSL matters per the original recommendations.</p>

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		<p>UDC and UNSL prior to commencement of each Financial Year". The Service Agreement also refers to "UNSL and the Council seeking to agree each Business Plan in accordance with the budget setting timeline of the Council prior to commencement of the Financial Year". However, it is understood that no budget information has been provided to the Council for the 2021-2022 year, preventing the Finance Manager from confirming whether the figures are accurate and/or whether the budget is affordable for the Council. It was also noted that figures for 2021-2022 were due to be forwarded to the Council's Directors following the Board Meeting in January 2021, however these were still not available to forward to the Finance Manager in early July 2021.</p> <p>The Service Agreement also refers to a Budget monitor report being shared with UDC finance staff on a monthly basis and open for discussion at the monthly finance meeting, however it is understood that this report has not been</p>	<p>the Board Papers to Officers to enable cross checking of information being presented to the Board with details being provided directly to Officers by UNSL, such as budget/financial information and performance/KPI data.</p> <p>3.4 The Council should also consider undertaking a review to identify the requirements detailed within the Agreements, including the Shareholders Agreement and Service Agreement, that are currently not being met, such as the various financial matters and performance information, and raise these issues formally at the Company Board Meeting.</p> <p>3.5 Evidence should be obtained to confirm that UNSL has the requisite Insurance coverage in place.</p> <p>3.6 An electronic version of the signed service agreement should be retained by the Council and accessible to relevant officers.</p>			

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		<p>frequently shared with finance staff and no meetings have yet been arranged.</p> <p>In addition, the Council's Finance Manager raised issues regarding UNSL delay in production of the monthly invoices for 2020 and 2021 and credit notes discussed in May 2021. Issues were also noted in respect of the accuracy of invoices provided for 2020, including potential double counting, additional staff costs and inability to reconcile invoice items to respective budget codes. The ongoing delay in UNSL providing the credit notes and monthly invoices may also cause cash flow pressures for the Council as well as workload issues for the Finance Team. Issues with the accuracy of invoices to the Council were also raised by the Council's Property Surveyor.</p> <p>In addition, Internal Audit were advised of an instance where problems arose with the UNSL telephone system and the Council's Customer Services Centre were taking messages for a time, whilst this issue at UNSL was resolved. Due to the current process this issue was</p>				

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		<p>not formally captured or reported. Other examples include information being requested from UNSL which are included within Board Papers, repeated requests for UNSL to provide financial invoices and set up monthly finance meetings, and the lack of opportunity to check information entered on Pentana with information being presented to the Boards, especially as supporting information is not provided to enable validation of the performance information being provide to the Council.</p> <p>During the Audit, it was not evident whether the Council had obtained evidence to confirm that UNSL has an appropriate insurance policy which provides the minimum levels of cover as stated in the Service Agreement. It is understood that this is currently being ascertained.</p> <p>Internal Audit were also advised that there is currently no electronic version of the signed Service Agreement between the Council and UNSL. Whilst it is acknowledged that the Engrossment Version is likely to</p>				

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		be the same as the signed version, the Engrossment Version is not dated and still includes the "Draft" watermark, which may cause potential issues in the event of any dispute.				
4.	High	<b>Communication</b>				<b>Overall: Work in Progress</b>
Page 69		Internal Audit noted that whilst UNSL have produced a Communications Plan, this only relates to some of the meetings that take place between UDC and UNSL and does not include reference to other meetings, such as the weekly void meetings, that are now also taking place. It also does not include details of the officers who attend the meetings or who provides the information at UNSL, plus it does not include other pertinent communication between UNSL and UDC, such as complaint handling, finance, or performance management. Some differences were also noted between the terminology used in the Communications Plan and in practice, which could cause confusion and inconsistencies. It was also noted that whilst	4.1 The Communications Plan should include all formal meetings/ communication channels that take place between the Council and UNSL. This should also include the officers involved and standard terminology for clarity and consistency of communications between UDC and UNSL.	<b>Agreed:</b> yes <b>Action to be taken:</b> Communication Plan to be updated <b>Responsible Officer:</b> Roz Millership <b>Target Date:</b> 31/03.2022	The UDC/ UNSL Communications Plan will be updated to include all formal meetings/ communication channels that take place between the Council and UNSL. This will also include the officers involved and standard terminology for clarity and consistency of communications between UDC and UNSL. Consideration will be given to the production of a contact list between the Council and UNSL to ensure that operations can continue in the event of any staff absence, either within UDC or UNSL	<b>4.1 Implemented</b> The Communication Plan has been updated. Internal Audit were advised that this Plan has been shared with UNSL.
			4.2 Consideration should be given to the production of a contact list between the Council and UNSL to ensure that operations can continue in the event of any staff absence, either within UDC or UNSL.			<b>4.2 Implemented</b> Internal Audit were provided with a Table of UNSL Contacts and were advised that these details include all UNSL staff that may need to be contacted in the absence of the usual UNSL Contact.
			4.3 Differences between Service Plan expectations and operations in practice, including those relating to Customer Care should be monitored and actions raised			<b>4.3 Outstanding</b> Per the original recommendation, it may still be beneficial for the Council to introduce a process to enable monitoring of any differences between Service Plan

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		most of the Council's Officers were in contact with a specific person or persons at UNSL, no contingency contact details had been provided to UDC to ensure continuity of operations in the absence of any key staff, such as the UNSL Operations Director or Commercial Director. In addition, whilst the Service Agreement includes details relating to Customer Care, it was noted that there were some differences between the Agreement and activities operating in practice. For example, the Service Agreement refers to "learning from the services that UNSL provides to its customers by obtaining feedback" however it is not evident from the information being provided to the Council whether this is happening in practice. Furthermore, it is understood from discussions with officers that some improvements may be beneficial in terms of operational communication between UNSL operatives and Sheltered Housing Officers to assist in completion of repairs at the appointed time.	where appropriate.			expectations and operations.

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5.	Medium	<b>Complaints Handling</b>				<b>Overall: Work in Progress</b>
		<p>During the audit, it was noted that although UNSL is mentioned on several pages of the Council's website, no information is available to residents advising how they can raise any complaints to UNSL.</p> <p>In addition, it was not evident whether all complaints received by the Council are forwarded to the UNSL complaints email or if all of the forwarded complaints are included within the data figures being reported. Currently, not all of the complaints received by the Council are recorded before being forwarded and data provided by UNSL does not include supporting information that would enable cross checking to the Council's records.</p>	<p>5.1 The Council's website should include information for residents regarding how they can raise a complaint in respect of UNSL and the handling procedure expected.</p> <p>5.2 It may be beneficial for the Council to consider implementing a process to record all complaints received by the Council in respect of UNSL and to require the Company to provide sufficient information to enable cross checking of the Councils' records to the performance data provided. This would provide the Council with a greater understanding of how the process is working and whether UNSL have the same consideration of a complaint as the Council.</p>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b> website to be updated to include information in respect of UNSL complaints.</p> <p>All complaints to be forwarded to the Corporate Team to be recorded in the Corporate complaints register and reported as part of the suite of PIs</p> <p><b>Responsible Officer:</b> Paula Evans/Bruce Tice</p> <p><b>Target</b> 31/03/2022      <b>Date:</b></p>	<p>The other medium priority findings in the report, relating to improvements required in clarifying and defining expectations and requirements, UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss, will be addressed by UDC Management, with a target date for completion of 31st March 2022</p>	<p><b>5 (all) Work in Progress</b></p> <p>Internal Audit were advised that the capturing and recording of complaints relating to UNSL had not yet been formalised and that as a result no changes had yet been made to the Council's Website. At the time of the review, it was not known whether the Council would wish to capture all complaints at the time they are made, although handling of the complaints themselves would fall to UNSL/Dodds, or if the Council only wishes to be involved and capture second tier complaints, where the complainant is unhappy with the response they have received to their original grievance.</p> <p>Internal Audit were advised that a monthly check is currently being carried out between complaints captured and recorded within UDC's Housing Team and those recorded by UNS and that any UNSL complaints that are upheld should be reported to the Council's Executive Support Team.</p> <p>In addition, Internal Audit were also advised that any complaints</p>

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						<p>reported to a Customer Services Advisor will be recorded and then emailed to the relevant complaint email address at UNSL.</p> <p>Internal Audit were advised that UNSL will be asked to provide monthly reports of complaints received and that work would be taken within UDC to agree and implement an appropriate complaint handling process.</p>
6.	Medium	<b>Sub-Contractors – Data Protection and Legal / Regulatory Requirements</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit noted that although there are clear agreements relating to ownership/liability for information and data security between the Council and UNSL, it is not evident whether UNSL are imposing obligations on its sub-contractors in the same terms as those imposed on it, pursuant to the Service Agreement (section 30.4.2).</p> <p>Agreements between the Council and UNSL state that UNSL should not disclose Personal Data to a third party, nor appoint a third party to process the Personal Data in any circumstances other than at the specific request of the Council, and that no third-party</p>	<p>6.1 The Council should consider and decide whether UNSL should be requested to obtain written consent from the Council before any contractors, that will obtain/use Personal Data to provide the services, are appointed, and whether UNSL should provide evidence that at least the same data protection obligations and other requirements as set out in the Service Agreement are being met.</p> <p>6.2 Consideration should be given to whether it would be appropriate for the Council to periodically request sight of the register of Personal Data Breaches and records and</p>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b> A Data Protection Impact Assessment has been carried out that has considered the various risks. This will be monitored for compliance by the Council's DPO</p> <p><b>Responsible Officer:</b> Tom Falconer</p> <p><b>Target Date:</b> 31/03/2022</p>	<p>The other medium priority findings in the report, relating to improvements required in clarifying and defining expectations and requirements, UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss, will be addressed by UDC Management, with a target date for completion of 31st March 2022</p>	<p><b>6 (all) Work in Progress</b></p> <p>Internal Audit noted that the Council's DPO had recently been provided with a completed Data Protection Impact Assessment (DPIA) Screening document and Form.</p> <p>However, Internal Audit were advised that no other checks or work in respect of UNSL and data protection had been undertaken.</p> <p>Per the original recommendation, it may be beneficial for the Council to consider whether UNSL should be asked to provide any information in respect of data protection and/or Data Breaches.</p>



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		<p>Processor should be appointed without the Council's prior written consent. There should also be a written contract which imposes the same data protection obligations, with UNSL remaining liable to the Council for compliance of any third-party Processor engaged and informing the Council of any changes concerning the addition or replacement of third-party Processors giving the Council sufficient opportunity to object to such changes.</p> <p>The Agreements also include the requirement for UNSL to inform the Council of any Data Breaches or requests for data etc., but Internal Audit identified that it is unclear whether this requirement extends to third parties to ensure that they provide such information to UNSL for onward reporting to the Council.</p> <p>The Service Agreement also states that UNSL should maintain a register of Personal Data Breaches and complete and accurate records and information including a record of processing activities to demonstrate its compliance with clause 22. However,</p>	<p>information, including a record of processing activities, that UNSL should be maintaining to demonstrate its compliance with clause 22. This could be incorporated within the suite of performance indicators, complaints / data issues etc. as recommended at Finding 4 and 7.</p> <p>6.3 The Council should be made aware of and consent to any sub-contract for any part of the Services valued at more than £25,000 per annum in line with the Service Agreement.</p>			

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		<p>Internal Audit noted that a process is not in place to request sight of this information periodically.</p> <p>In addition, the Data Protection requirements set out in the Service Agreement state that “the Company may freely sub-contract parts of the Services to members of the Norse Group but otherwise shall seek the consent of the Council before entering into a sub-contract for any part of the Services valued at more than £25,000 per annum”.</p> <p>It is understood that the Council were not consulted when UNSL appointed new heating contractors. Whilst Internal Audit were advised that it was not expected that UNSL would consult with the Council about the appointment of a new Heating Contractor as this was an operational decision for UNSL, it is noted that no details have been provided to confirm that a written contract is in place between UNSL and the contractor which imposes the same data obligations and requirements set out in the Service Agreement and the Council’s lack of involvement /</p>				

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		<p>consultation about this appointment may have resulted in the legal responsibility to inform / consult with leaseholders on any new heating contractor not being met.</p> <p>Lack of involvement also means that the Council may not know what arrangements are in place between UNSL and the heating contractor with regards to compliance with regulatory requirements, service delivery, compensation for failing performance/ issues etc. or customer service, although it is acknowledged that UNSL is responsible for overall service delivery of the services. Although mention is made of weekly performance and complaints meetings with the new contractor, it is understood that no information about these discussions is formally provided to the Council in writing. However, it is understood that some details may be provided verbally during weekly discussions between UNSL and the Council.</p>				

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7.	Medium	<b>Risk Management</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit were advised that the UNSL Risk Register in place for the Partnership, is reviewed quarterly at the Company Board Meetings. Details of a review of the Risk Register were noted in the Minutes for the November 2020 Meeting, however no other references to the Risk Register being reviewed at other Board Meetings were seen.</p> <p>Whilst it is acknowledged that details may be provided verbally during the Company Board Meetings, no information was seen within the Board Papers to show what, if any, monitoring had taken place to ensure that the mitigating actions had been implemented successfully and were managing the risks effectively. No changes were observed in the risk scores reported in January 2021 and May 2021.</p> <p>In addition, risks relating to UNSL were not seen within the Council's Corporate Risk Register 2020/2021 or within the 2020/2021 Service Level Risks recorded on Pentana, unlike the PFI Contract which</p>	<p>7.1 The Partnership Risk Register should be discussed at each Board meeting, including consideration of the mitigating actions and impact on risk scores, with details of these discussions recorded within the Minutes of the meeting. The issues identified in this report should be included on the risk register.</p> <p>7.2 Consideration should be given to including risks relating to UNSL on the Corporate Risk Register as well as Service Level Risks relating to service delivery. Incorporation of sub-contracting risks such as failure to comply with regulatory requirements and poor performance and service delivery would enable the Council to identify any potential issues and monitor the risks to prevent reputational damage and any impact on resilience of the service. It is acknowledged that the UNSL Risk Register includes a risk relating to</p>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b> Directors to consider whether to include further risks relating to UNSL on the Corporate Risk Register</p> <p><b>Responsible Officer:</b> Roger Harborough/ Adrian Webb</p> <p><b>Target</b> 31/12/2021</p> <p><b>Date:</b></p>	<p>UDC Management will also consider the associated impact of the findings on the Council's own Corporate and Service Risk Registers, and whether a separate risk register for all emerging Norse issues should be developed to enable clear and transparent monitoring of risks and remedial actions implemented and the wider cultural differences between the Council and UNSL to ensure that the partnership is successful in the long term</p>	<p><b>7.1 Work in Progress</b></p> <p>Internal Audit noted that discussion of the Partnership Risk Register and recording of this in the Minutes of the Meetings is now undertaken. However, inclusion of issues identified in the original audit report on the appropriate risk register remains outstanding. Internal Audit were advised that checks would be made to ensure that the Partnership Risk Register is discussed at each Board Meeting and recorded in the Minutes.</p> <p><b>7.2 Work in Progress</b></p> <p>A new risk has been added to the Council's Risk Register in respect of Contracts and Partnership Management, with specific reference to this having been added to reflect current concerns around the Uttlesford Norse Contract.</p> <p>However, it may be beneficial for services involved in Norse operations to include service level risks to help with oversight and escalation of issues as they emerge.</p>

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		has six Service Level Risks, two of which relate to Service Delivery, namely effective monitoring and management of the service level risks and performance monitoring.	Contractors Delivery (UNSL03) however this is owned by the Operations Director of the Partnership rather than the Council and would therefore relate to risks to the Company rather than the Council.			
8.	Medium	<b>Service Standards, Targets and KPIs</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit noted that all of the key performance indicators stated in the Service Agreement relate to the housing side of operations, even though cleaning and facilities were also transferred to UNSL, and a Cleaning and Facilities Quality Standards Table is included within the Service Agreement.</p> <p>Differing opinions of compliance by UNSL in respect of its performance reporting were observed during the Audit. For example, some Officers considered that sufficient information was being provided to them, for their purposes, and information provided to the Housing Board in December 2020 stated that "good monitoring arrangements were in place through the Pentana Indicators". However, at the</p>	<p>8.1 Consideration should be given to the monitoring of cleaning and facilities work, specified within the Service Agreement, including compliance with the Cleaning and Facilities Quality Standards Table, perhaps by the introduction of additional performance indicators.</p> <p>8.2 In respect of the performance information being provided by UNSL, the Council should:</p> <ul style="list-style-type: none"> <li>Set a timeframe for completion of any requisite processes within UNSL, to ensure that the Company is in a position to provide all performance data from that date onwards.</li> <li>Require UNSL to provide supporting information to enable verification of the</li> </ul>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b></p> <p>The current reporting framework will be reviewed to ensure that there is sufficient reporting of UNSL performance</p> <p><b>Responsible Officer:</b> Nicola Wittman/Roz Millership/Paula Evans</p> <p><b>Target</b> 31/03/2022 <b>Date:</b></p>	<p>The other medium priority findings in the report, relating to improvements required in clarifying and defining expectations and requirements, UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss, will be addressed by UDC Management, with a target date for completion of 31st March 2022</p>	<p><b>8 (all) Work in Progress</b></p> <p>Internal Audit noted that a table of indicators proposed for 2022/2023 had been produced and shared with UNSL in March 2022, with a request for information in respect of the missing targets to be provided by 6<sup>th</sup> April. However, at the time of this Review, Internal Audit were advised that no response had been received. It was advised that UNSL would be contacted to chase for this information.</p>

Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
		<p>time of the Audit, information was not being provided by UNSL for all performance indicators set on Pentana and details that were provided were entered as notes with no supporting information provided.</p> <p>It was also noted that reporting by UNSL at Board Meetings includes some performance indicators not specified in the Service Agreement for Heating Servicing, Heating Repairs and complaints and compliments, which are not included within the Council's Quarterly Performance Reports.</p> <p>In addition, differences were noted between the performance indicators specified within the Service Agreement and information being reported in respect of Gas Servicing and Voids.</p> <p>It was noted that although key performance indicators have been set out in the Service Agreement, no details were included in respect of targets. However, it is acknowledged that work has since been undertaken to agree targets for most of the performance indicators.</p>	<p>performance data the Company is providing, perhaps quarterly with every data submission or periodically.</p> <ul style="list-style-type: none"> <li>• Include details reported at Board Meetings by UNSL in respect of Heating Servicing and Repairs and Complaints and Compliments within the Quarterly Performance Reports.</li> <li>• Require UNSL to provide information to enable reporting of all performance indicators specified within the Service Agreement or whether the different information in respect of Gas Servicing, Voids and Complaints and Compliments is acceptable and effectively replace the specified indicators. If this is the case, then any agreed changes should be formally recorded for future reference.</li> </ul> <p>8.3 The current reporting framework should be reviewed to ensure that there is</p>			





Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
		<p>Internal Audit also noted that whilst UNSL Quarterly Performance Reports are not currently reported to the Governance, Audit and Performance (GAP) Committee, there is a Councillor present at the Company Board Meetings, who is one of the Company Directors, and another that chairs the Liaison Board meetings. Although both of these Councillors sit on the Housing Board, which includes members from the GAP Committee, this Board only meets twice a year and there is no apparent framework in place to ensure that there is sufficient performance reporting in respect of UNSL throughout the year.</p> <ul style="list-style-type: none"> <li>As mentioned above, information provided to the Housing Board in December 2020 indicated that good monitoring arrangements were in place through the Pentana Indicators, however gaps/missing data, lack of supporting information or queries included on the Quarterly Performance Reports were not noted.</li> <li></li> </ul>	sufficient reporting of UNSL performance within the Council and whether it would be appropriate to provide the Quarterly Performance Reports to the GAP Committee, and perhaps also the Housing Board.			

Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
9.	Medium	<b>Contingency/ Service Delivery Interruption or Loss</b>				<b>Overall: Work in Progress</b>
		<p>Internal Audit noted that there is currently no Contingency Plan in place within the Council to deal with any event of service interruption or loss of UNSL operations.</p> <p>In addition, although it was noted that the Service Agreement provides for the Council to serve notice to UNSL, requiring remedy, and to provide, procure or terminate the relevant part of the Service if the Company fails to remedy within the required time, there is no mention of any compensation or reduction in costs payable by the Council for any interruption or loss of service by UNSL operations.</p> <p>During the Audit it was found that the Council does not have a process in place to record or report any instances of interruption or loss of service by the Company. For example, it became known that an incident arose whereby the Company were unable to take telephone calls for a few hours one morning and staff at the Council's Customer Services Centre provided cover by</p>	<p>9.1 A Contingency Plan should be agreed and implemented between the Council and UNSL to ensure that it is able to respond to residents sufficiently in the event of service interruption or loss of UNSL operations and limit any detrimental financial impact to the Council.</p>	<p><b>Agreed:</b> yes</p> <p><b>Action to be taken:</b> Contingency plan agreed and implemented</p> <p><b>Responsible Officer:</b> Nicola Wittman/ Roz Millership</p> <p><b>Target Date:</b> 31/03/2022</p>	<p>The other medium priority findings in the report, relating to improvements required in clarifying and defining expectations and requirements, UNSL sub-contracting of services, risk management, performance management, and contingency in case of service delivery interruption or loss, will be addressed by UDC Management, with a target date for completion of 31st March 2022</p>	<p><b>9.1 Work In progress</b></p> <p>Internal Audit were advised that a Contingency Plan is in the process of being designed and implemented</p>
			<p>9.2 Greater protection for the Council in the event of a loss or interruption of UNSL operations should be considered. It may be beneficial for the Council to implement a process whereby any instances of loss or interruption of UNSL operations are recorded and reported, perhaps to CMT or to Directors and the Chief Executive.</p>			<p><b>9.2 Outstanding</b></p>







Ref	Priority	Original Finding	Recommendation	Original Management Response (Provided by Roz Millership 29-9-21)	Treatment Response Plan Actions (Provided by Roger Harborough to GAP 22-11-21)	Implementation Status (Assessed by Internal Audit June 2022)
		<p>answering the calls and passing messages to the Company, however lack of procedures resulted in this event not been recorded or reported within the Council.</p> <p>The Service Agreement also did not include details about maintaining available phone lines or what happens if these are not available, nor about compensation / reimbursement to UDC if this service is not available and cover has to be provided by UDC staff.</p>				

## Key to Risk Ratings for Individual Findings in Reports

<b>Critical</b> 	<b>Financial:</b> Severe financial loss; <b>Operational:</b> Cessation of core activities <b>People:</b> Life threatening or multiple serious injuries to staff or service users or prolonged work place stress. Severe impact on morale & service performance. Mass strike actions etc <b>Reputational:</b> Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV. <b>Legal and Regulatory:</b> Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences <b>Projects:</b> Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.
<b>High</b> 	<b>Financial:</b> Major financial loss. Service budgets exceeded; <b>Operational:</b> Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties. <b>People:</b> Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff. <b>Reputational:</b> Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion. <b>Legal and Regulatory:</b> Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies <b>Projects:</b> Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.
<b>Medium</b> 	<b>Financial:</b> Moderate financial loss. Handled within the team; <b>Operational:</b> Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required. <b>People:</b> Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some work days lost. Some impact on morale and performance or staff. <b>Reputational:</b> Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage <b>Legal and Regulatory:</b> Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation. <b>Projects:</b> Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.
<b>Low</b> 	<b>Financial:</b> Minor financial loss; <b>Operational:</b> Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users. <b>People:</b> Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale. <b>Reputational:</b> Minor impact on the reputation of the organisation. <b>Legal and Regulatory:</b> Minor breach in laws and regulations with limited consequences. <b>Projects:</b> Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.

## Key to Assurance Levels

<b>No</b> 	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
<b>Limited</b> 	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
<b>Moderate</b> 	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
<b>Substantial</b> 	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.

## Limitations and Responsibilities

### **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

### **Limitations inherent to the internal auditor's work**

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the GAP Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

- **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate



## UTTLESFORD DISTRICT COUNCIL

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## APPENDIX B

Referrals and Regulatory  
Enquiries team  
Regulator of Social Housing  
Level 2  
7-8 Wellington Place  
Leeds  
LS1 4AP

11 August 2022

Our ref: PH/sk

Please ask for Peter Holt on 01799 510400  
email: [pholt@uttlesford.gov.uk](mailto:pholt@uttlesford.gov.uk)

Dear Sir/Madam

### **Self-referral by Uttlesford District Council - potential breach of the Home Standard**

I am writing to notify you by way of self-reporting, that Uttlesford District Council believes it may be in breach of the Home Standard, with reference to its obligations under health and safety legislation and regulations.

Having consulted with the Leader of the Council and the Cabinet Member for Housing, I have taken the decision to self-refer because I do not have full confidence that all the required health and safety compliance checks are being carried out to homes owned by the Council.

### **Background**

Uttlesford District Council owns and manages 2800 homes in North-West Essex. There are no high-rise blocks within our portfolio.

In April 2020 Uttlesford District Council formed a joint venture partnership with Norse Commercial Services Ltd. The new company, Uttlesford Norse Services Ltd (UNSL) provides a range of property and building maintenance services to the Council including responsive repairs, planned maintenance and capital improvement of its housing stock. This includes ensuring that the required health and safety inspections and associated remedial works are carried out in relation to gas appliances, electrical installations, water hygiene, asbestos, lifting equipment and fire safety.

Since the formation of the partnership vehicle, arrangements have been put in place for the council to monitor the management of statutory health and safety compliance. However, there have been challenges in embedding and operating this delivery model and the Council does not currently have sufficient confidence that UNSL is meeting the required levels of compliance in terms of the health and safety inspections listed above.

The Council commissioned an internal audit report in October 2021, where concerns around monitoring and governance arrangements were first raised. The internal audit findings were first reported to the Council's Governance, Audit and Performance Committee in November 2021. Key recommendations included:

1. UNSL to provide regular performance reports, with updates on remedial actions taken to address shortfalls in service
2. The Council to implement its own arrangements to identify, monitor and check that all health and safety requirements are being completed on time
3. The Council to risk-rate outstanding actions identified and closely monitor/escalate to senior UNSL management.
4. The Council to introduce a system for post-works checks, to ensure that health and safety inspections/remedial works carried out by UNSL meet the required standards.

In April 2022 UNSL began the process of transferring compliance data relating to the Council's housing assets to its Connect data portal. The aim of the Connect system is to provide easy, remote access to both UNSL and the Council, thereby enabling the Council to ensure its landlord obligations are being fulfilled, at any given point in time. Connect is part of a wider mobile solution, whereby live property inspection data can be uploaded in real time, providing transparency on the current compliance position.

Although UNSL had previously assured the Council that compliance data is up to date, the Council is still not currently able to access the Connect system in a way which provides full visibility of the data which sits beneath the Performance Tiles being reported to the Council on a weekly basis. UNSL has provided assurances that the issue preventing it being shared will be resolved imminently.

A follow up Internal Audit report, published in June 2022, noted insufficient progress on the Council's part in addressing a number of issues. In response, I urgently commissioned external specialist support through the East of England Local Government Association (EELGA) to support the Council in addressing each of the issues identified in the Internal Audit reports. A team of Associates, which includes a senior housing specialist, commenced their work in June 2022 and have been keeping me regularly apprised of their progress.

Based on the information which has so far been provided to me, I am not assured that the health and safety compliance programme is complete, hence our decision to self-refer.

### **Our current (reported) position**

#### **1. Periodic compliance checks**

The Connect data portal has generated a performance dashboard in relation to heating, fixed electrical installations, fire safety inspections, LOLER (lifting equipment) and Legionella (water hygiene testing). Work is still ongoing in relation to creating performance dashboard for asbestos risk assessments.

A headline summary of performance as of 19 August 2022 (as taken directly from the performance dashboard) is as follows:

<b>Compliance area</b>	<b>Reported position</b>
Gas - Current LGSR, 12-month programme	99% compliant 12 expired certificates
Electrical fixed installations, current EICR: Five-year programme	74% compliant 719 expired or lost certificates

Ten-year programme	98% compliant 59 lost or expired certificates
Legionella risk assessments	100% compliant
Fire Safety	100% compliant
Lifting equipment, LOLER	100% compliant
Asbestos risk assessments	Not reported

The current position shows that the Council is not fully compliant across all six areas. My further concern is that the performance dashboard does not fulfil the Council's requirements in terms of the metrics being reported. This includes various elements of the current six areas of compliance and also to the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022, which come into force this October.

Further, without undertaking a full validation exercise, I cannot be assured that the raw data upon which the performance position has been reported, is 100% reliable.

## **2. Individual property issues requiring attention**

The EELGA consultancy team have also identified various other concerns impacting the quality and safety of some council homes. These relate to individual properties and the management approach currently being taken by both the council and UNSL to address them. Examples include:

- Unauthorised tenant alterations in need of remedial actions and tenancy enforcement
- Unauthorised log burners and gas fires in need of de-commissioning/removal
- The need to bring forward for consideration capital improvement programmes to some homes, including re-designing interior layouts for some house-types and replacing external wall insulation in respect of six individual, timber framed and clad houses
- Taking a more robust and joined up approach across the Property Maintenance and Housing Management teams, to address non-access issues
- Encouraging residents who have refused the installation of whole-home heating systems, to re-engage with the Council

### **How we intend to improve - Our Path to Compliance**

To address the issues set out above, we have approved a comprehensive remedial action plan, recommended by our consultants. This is attached as Appendix One.

Although the work of the EELGA consultancy team is not yet complete, I have already begun to implement the actions recommended. To ensure that delivery of the action plan is led at an executive level, I have appointed a highly experienced and qualified interim Director of Housing, who will – supported by the current Asst. Director - be dedicated exclusively to leading our Housing Services and will report into the Corporate Management Team and to our Cabinet, Governance, Audit and Performance Committee and Housing Panel. The EELGA team will also continue to support the Council to ensure we are able to implement the action plan.

Actions already completed include measures to address the known gaps in our compliance programme. Four electrical contractor companies have already been employed to inspect homes for which there is no current EICR and a more robust approach to seeking legal remedies for addressing non-access is being taken.

I have today also written to every tenant to tell them about this self-referral and briefed all Council staff and UNSL. We have put in place a comprehensive communications campaign, provided briefings to staff who may be taking calls from tenants, and we will also be placing a statement on our website, along with some questions and answers and signposting for tenants wishing to have a further discussion, or who have any further questions.

**Our undertaking to the Regulator of Social Housing**

We fully acknowledge the serious nature of the matter which has brought me to self-refer to the Regulator. The safety and comfort of our tenants is paramount to Uttlesford District Council, and we are committed to ensuring that full compliance is achieved without exception, and within the shortest possible timescale.

We will, of course, cooperate fully with the Regulator going forward and we look forward to keeping you regularly updated on our progress against our Path to Compliance Action Plan.

Yours faithfully

A handwritten signature in black ink that reads "Peter Holt". The signature is written in a cursive, slightly slanted style.

Peter Holt  
Chief Executive

Copies to:

Cllr Petrina Lees, Leader of the Council  
Cllr Arthur Coote, Cabinet Member for Housing

## Abbreviations:

UDC – Uttlesford District Council, UNSL – Uttlesford Norse Services Ltd

DH - Director of Housing/Deputy Director of Housing, UDC

CEO – Chief Executive UDC

OD- Operations Director, UNSL

## HIGH PRIORITY ACTIONS

Required outcome/purpose		Actions required to achieve outcomes		Who	When by (end of)
H1	Commence new approach to joined up working across UDC Housing Management Team and UNSL Property Maintenance Team	i.	Launch weekly 'Maintenance Touch Point' sessions, bringing together senior managers from both teams, so that operational issues can be raised, and actions agreed. A dynamic action plan to be created and re-visited at each meeting.	DH	Sep 2022
		ii.	Ensure information from Maintenance Touch Point meetings flows into Liaison Board meetings, to highlight areas of good practice and areas of concern		
H2	Commission inspection visits for all homes known to be out of target, across gas and electrical safety inspections	i.	Commission additional electrical contractors to deliver on all inspection programmes, to include ensuring that all C1 and C2 remedial actions are carried out on site at time of inspection	OD	Aug 2022
		ii.	In liaison with UNSL and working across UDC's Housing Management and Legal Services, take immediate and appropriate enforcement action to gain access, instigating legal proceedings where required	UDC	
		iii.	Where there is not sufficient capacity within the Council, contract out legal work to specialist housing solicitor	UDC	
H3	Review governance framework, to ensure Members have appropriate and timely oversight of this action plan and are fully engaged with the self-referral process	i.	Develop and embed a new governance structure for compliance reporting, to ensure the Council's Executive and Senior Members fulfil their obligations in terms of the Co-Regulatory approach	DH/CEO	Sep 2022
		ii.	Provide necessary briefings to Members, to familiarize them with their obligations in relation to housing		
H4	Ensure all council housing assets are included in the compliance programme, unless formally excluded	i.	Download the full property asset list from both housing management (rents) system held by UDC and asset management system held by UNSL	DH/OD	Sep 2022
		ii.	Agree one complete asset schedule – to be signed off by UDC		
		iii.	From the agreed asset schedule, confirm which properties are subject to each compliance regime and record this. All properties will be deemed to be requiring an inspection unless evidence can be provided as to why they can be excluded.		
		iv.	Excluded properties to be recorded		



Required outcome/purpose		Actions required to achieve outcomes	Who	When by (end of)
H5	Review performance management approach and data reported	<p>i. Identify how compliance is being reported – review current performance reports in respect of:  Gas safety, annual programme, domestic and where applicable, communal areas  Electrical safety, 5-year programme to reflect best practice and mirror private sector requirements (domestic and communal areas)  Fire safety – FRA inspections, reviews, follow-ups on recommendation  Asbestos – (Communal areas)  Water Hygiene  Lifting equipment – LOLER  Smoke detectors and Co2 alarms</p> <p>ii. Identify when and where compliance is reported by UNSL to the council, and to whom within the council it is currently being reported</p> <p>iii. Identify whether compliance performance reports contain:</p> <ul style="list-style-type: none"> <li>• Number of assets owned (domestic and non-domestic) ‘</li> <li>• Number of assets on the compliance programme</li> <li>• Number of assets not on the compliance programme</li> <li>• Properties with an overdue inspection record</li> <li>• Properties with no inspection record</li> <li>• Properties within 30 days of their current inspection expiring</li> <li>• Follow on actions required (especially in relation to fire safety)</li> <li>• Comments on current position and actions being taken to resolve issues</li> </ul>	UDC via EELGA	<p>Aug 2022 Complete</p> <p>Aug 2022 Complete</p>
H6	Identify true compliance position to assess any gaps and report back to council Executive	<p>i. Validate compliance performance data to ensure that performance reported can be evidenced</p> <p>ii. Reconcile inspection reports against properties</p> <p>iii. Validate a selection of compliance inspection records to ensure they are valid and in-date</p>	DH	Nov 2022
H7	Training: Ensure UDC CMT/ client officers understand the legislation, regulations and obligations placed upon UDC.	i. Procure suitable training and begin to deliver as a priority, for existing staff	DH	Oct 2022

Required outcome/purpose		Actions required to achieve outcomes	Who	When by (end of)
H8	Policy review and development of new policies	i. Undertake a review of current policies across UDC and UNSL across all seven compliance areas and establish whether policies are: <ul style="list-style-type: none"> <li>• In line with agreed strategic principles in relation to health and safety compliance</li> <li>• In line with regulatory/legal requirements</li> <li>• Clear and facilitate effective implementation</li> <li>• Being consistently followed</li> </ul> ii. Where gaps exist, begin urgent action to develop and approve new policies	DH OD	Sep 2022  Oct 2022
H9	Process mapping	i. Agree operational processes to effectively implement policies	DH OD	Nov 2022
H10	Procedures	i. Produce comprehensive and clear procedures as a framework for how the processes will be performed and who will deliver them and in what timescales ii. Include contract monitoring and performance management	DH OD	Nov 2022
H11	New Reporting Framework	i. Ensure the Connect performance dashboard contains metrics which are approved by UDC and can provide an accurate, 'real time' position on the elements described in Action Point H5 above.	OD	Nov 2022
H12	Resource review – to ensure appropriate resources are in place to deliver improvements, across both the council as a client and its contractor partner	i. Carry out a headline appraisal of the capabilities and capacity within the councils' housing client team and operational service team which has any retained responsibility for ensuring property compliance ii. Assess the effectiveness and impact of the current delivery model (via the joint venture with Norse Commercial Services Ltd) iii. Make recommendations to the Council in relation to the above on gaps and urgent priorities for building capacity and resource	UDC via EELGA	Oct 2022
H13	Fill capacity/competency gaps	i. Based on recommendations arising from H14, bring in required additional resource to ensure services have the capacity to deliver ii. Identify training needs for new staff on relevant areas of compliance, appropriate to their roles	UDC via EELGA	Nov 2022

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Required outcome/purpose		Actions required to achieve outcomes	Who	When by (end of)
M4	Effective audit programme in place and embedded into the Council's governance and assurance framework	<ul style="list-style-type: none"> <li>i. Internal audit plans to be developed which reflect the critical nature of health and safety compliance. Initially annual internal audits should be considered, and this can move to every two years once there is confidence that new management/contract arrangements are embedded</li> <li>ii. Programme external technical audits to give assurance on the quality of inspection records and fieldwork</li> </ul>	CEO/DH	Oct 2022
M5	Moving to Business as Usual after Self-Referral, Residents are kept informed and given the opportunity to provide feedback on the service	<ul style="list-style-type: none"> <li>i. Put in place a proactive communications campaign, to keep residents informed on keeping themselves safe and the actions which the council is taking to provide safe homes</li> <li>ii. Seek feedback from residents on how safe they feel in their homes, as part of the new Tenant Satisfaction Measures</li> <li>iii. Act upon the views of residents who provide feedback or make complaints about the service, in accordance with the Housing Ombudsman's Complaints Handling Code</li> <li>iv. Publish performance information as required by the Regulator for Social Housing, via the Housing Annual Report and tenants' newsletters</li> <li>v. In the spirit of co-regulation, provide appropriate opportunities for residents to scrutinize performance, via organised activities and through co-opting tenants onto appropriate council committees/panels</li> </ul>	DH	Dec 2022
M6	Ensure robust and auditable governance arrangements are in place	<ul style="list-style-type: none"> <li>i. Select an accountable person for building safety, to comply with the requirements of new and emerging legislation. Accountable person to be senior UDC officer, technical</li> <li>ii. Select an accountable person as lead contact for regulatory issues, to comply with the requirements of new and emerging legislation. Accountable person to be Executive Officer of UDC.</li> <li>iii. Develop an accountability framework for property compliance so that everyone is clear about their roles and responsibilities going forward</li> <li>iv. Develop and implement a clear 'empowerment and escalation' policy, so that responsible staff are clear that where issues arise, they know how to escalate concerns and who they should be escalated to</li> </ul>	CEO (to select)	Nov 2022



# Compliance Report

17th August 2022

All data in this report was captured on the 15<sup>th</sup> of August 2022

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## Executive Summary

The joint venture between Uttlesford Norse Services Limited (UNSL) and Uttlesford District Council (UDC) commenced on April 1<sup>st</sup>, 2020, at that time compliance was managed differently. With the formation of the JV a new compliance process needed to be developed, this has continued to change over time as processes are adapted and improved.

Day one of the joint venture, compliance was monitored through a mixture of external portals, spreadsheets and the asset database, SAM. However, there was no formal compliance filing system which meant certificates were saved locally in personal files which prevented others from viewing certificates. Some certificates were paper based with no electronic copy which again made monitoring compliance problematic, at transfer UDC had an internal paperwork clear-out discarding any paperwork older than 7 years, this particularly impacted the electric compliance statistics because these certificates are compliant for 10 years.

Following the pandemic, the compliance process began to be streamlined to enable UNSL staff to monitor compliance more efficiently. Commencing last financial year, the compliance team began to upload all compliance data onto Connect. Electric, heating, fire, legionella and lift compliance all required their own asset management reporting dashboards and, once these were created, and relevant assets assigned to each category e.g., legionella, the compliance team began uploading certificates to properties under the relevant dashboard. One asset management group was prioritised at a time by the team until all were uploaded, this took several months to complete. An asbestos dashboard was created soon after as a temporary measure to provide an indication of where we were and what next steps were required.

Currently, all dashboards are complete and in operation, each asset has visible KPI tiles which are used to monitor compliance in conjunction with excel spreadsheets. The compliance dashboard displays all asset management categories and its compliance percentage. Additionally, each asset has its own dedicated dashboard which shows overall compliance.

Each compliance area is monitored slightly differently, electric for example, shows total assets under that category.

- compliance with 5-year inspections as a percentage, total assets with expired certificates
- assets with expired certificates over 10 years
- total certificates uploaded
- inspections due current month
- inspections completed the current financial year
- inspections next financial year
- planned replacements this current year
- planned replacements due in the next financial year
- sites which refused access

- sites which refused access whose compliance cert has left 10-year compliance

To further monitor compliance each asset category has a dedicated monthly compliance dashboard, this shows which month an asset is about to become non-compliant and allows the compliance team to pre-plan and prioritise inspections and/or testing to ensure compliance is maintained.

This newer system has been working effectively at identifying asset priority for compliance checks and re-tests that year. The data presented on the dashboard can be exported onto an excel spreadsheet which allows data to be completed by subcontractors. This is a new feature which was only made available at the start of August 2022, however, has already improved how compliance is being managed.

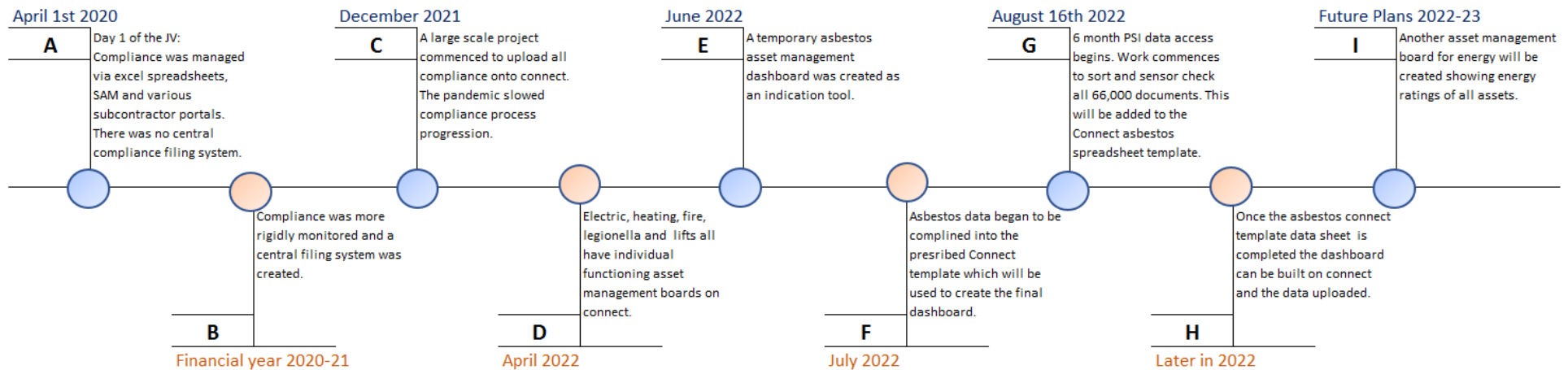
Currently there are still some development updates required to the Connect system such as the ability to store information on sold assets and linking of stored documents. Once these features are created, Connect compliance monitoring will become even more effective.

At present a detailed excel spreadsheet is being compiled which outlines individual asset asbestos status, type of asbestos, where it is present in a property, actions associated with the reports, last compliance check date, surface treatment, disturbance location etc. Once completed this can be used to create the final asbestos management dashboard which will present asbestos compliance much more accurately. An additional benefit of managing asbestos through the dashboard is that once all data is compiled, operatives can download to their mobile device, a summary report of where the asbestos is in the property, they are working in. The compliance and KPI team at Uttlesford are currently working together to achieve this.

Included at the end of each compliance area update are the questions and answers to the UDC report Dated November 2021. Most, if not all the answers are embedded in the area updates but for clarity they are included as part of this report.



## Timeline:



## Compliance:

Currently, FRA, legionella, lifts, electric and heating all have fully operational management dashboards displaying real time KPI information. Overall compliance percentages, per group, are displayed on the dashboards.

In addition to this each compliance area has a monthly dashboard which shows in real time how many assets are no longer compliant. Each board is periodically sense checked to ensure the validity of the data being presented. This a new process that was introduced at the end of financial year 2021-2022 but was not fully operational until the start of the current financial year. This was done to streamline the compliance process and to be used as a tool to help ensure compliance across all areas was visible.

Asbestos also has a management dashboard to provide details of current position, however asbestos was not designed to be managed as an asset therefore the compliance dashboard for asbestos is not reliable. The compliance and KPI team are working to build the asbestos management dashboard on connect.

A universal process across all compliance areas will ensure that when new assets are developed or purchased by UDC they are added to the property list. This will then be surveyed to identify any compliance areas or locations such as communal areas. Where required surveys will be independently assessed by the relevant licenced subcontractor to ensure compliance. Similarly, if a location is closed or sold this is noted on the central list and all relevant contractors are told to remove the site from their testing regime.

	All Data Captured on 15 <sup>th</sup> August 2022		
	Nominator	Denominator	Compliance %
FRA	48	48	100%
Asbestos	WIP	WIP	TBC
Electrical 5 Year	2059	2789	75%
Electrical 10 Year	2774	2789	99%
Heating	2490	2511	99%
Lifts	56	56	100%
Legionella Risk Assessment	21	22	95%
Legionella Monthly Monitoring	11	11	100%

## Fire Risk Assessments (FRA)

FRA Data Captured on 15 <sup>th</sup> August 2022		
Nominator	Denominator	Compliance %
48	48	100%

FRA compliance prior to the formation of the joint venture was conducted internally by surveyors. A management spreadsheet was used to monitor when assets were last visited, and any recommended actions found. The required FRA actions were then assigned to subcontractors to be completed, once invoices for works were received the spreadsheet was updated. Assets were visited on an annual basis.

Currently there are 48 assets which require annual FRA assessments, these sites consist of residential and corporate buildings where there is a multi-occupancy of residents or users. Communal areas including the exits within the building must also have an FRA. Any new assets which are added to the property list are assessed to determine whether there are any communal areas and therefore, whether the site should be added to the FRA list.

The FRA spreadsheet is sent to a sub-contractor (My Fire). This outlines where assessments are needed and when they were last assessed.

My Fire visit the locations on the list before the previous certification becomes non-compliant and once attended reports are emailed to the compliance team who import the actions onto the FRA management spreadsheet. Actions are split into the relevant areas of housing, corporate and UNSL and then assigned to the appropriate person to complete within the action deadline. This is recorded on the spreadsheet and marked as completed once conformation is received that the action has been resolved.

As a process this is proving to be very effective, the compliance figure from 15.08.22 is 100%, all 48 assets have an in-date compliance report, this can be seen on connect.

### Compliance with UDC Internal Audit Email

- The denominator – namely exactly how many properties have a requirement for a Fire Risk Assessment, and therefore require an inspection: ***The number of properties that have a requirement for Fire Risk Assessment under current legislation is 48, this is being recorded on the Connect Compliance Portal. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- The inspection rate – namely exactly how many properties have been inspected, and a percentage thereof against the denominator: - ***The number***

*of properties, 48 have been subjected to a Fire Risk Assessment and is recorded on the Connect Compliance Portal, this is shown as a percentage against the Denominator. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.*

- The success rate – namely how many properties have fully passed the inspection, and a percentage thereof against the denominator: - ***The number of properties, 48 have fully passed the Fire Risk Assessment is recorded on the Connect Compliance Portal, this is shown as a percentage against the Denominator. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property (as specified above): – ***Any property in which the Fire Risk Assessment highlight defects will be reported on the monthly Compliance Spreadsheet. Any defect will be actioned or passed to the relevant person within UDC for action on receipt of the FRA. An example is poor housekeeping with tenant's old items left in communal areas causing access issues.***
- For any properties that were not inspected but are not out of the 12-month inspection window, we expect confirmation that each is programmed in for the following month: – ***The Connect Compliance Portal has a front page for each compliance discipline. This has a next month, two month and annual inspection key and allows UNSL to adequately plan future Fire Risk Assessments throughout the year. Future functionality will allow orders to be directly placed with nominated specialists directly by the system.***
- For any properties that were not inspected and are now outside the 12-month inspection window, we expect full details of the action being taken to secure prompt access: - ***All properties requiring a Fire Risk Assessment are communal or corporate. Therefore, access is not an issue. If a Fire Risk Assessment is not undertaken with the 12-month inspection window, this will be reported on the monthly compliance spreadsheet and will detail the reason why Fire Risk Assessment has not been carried out and the status of the actions being undertaken by UNSL in order to complete the same.***
- We would expect the SIMPRO portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded: - ***The decision was made to use the Connect Portal for management of the Fire Risk Assessments.***

## Asbestos

Asbestos Data Captured on 15 <sup>th</sup> August 2022		
Nominator	Denominator	Compliance %
WIP	WIP	TBC

Originally in April 2020 asbestos compliance was tracked on the PSI system, however, it was observed this information was corrupted and so all information from the portal was exported to conserve it and an integrity check was attempted but due to the nature of the spreadsheet this proved impossible.

UNSL also did not have access to UDC's Northgate system at this time, access was given 14 months after the joint venture commenced.

This information was also blended with data provided by UDC, unfortunately the product was not what UNSL was expecting, and the data presented in this spreadsheet was unreliable. To rectify this, a process to obtain new asbestos surveys was implemented for the affected assets and these were stored in a central folder.

At this current time, the asbestos management dashboard on connect is a high priority because it will enable us monitor asbestos and any recommended actions much more effectively. To do this an extensive spreadsheet is being compiled to aid the Connect KPI team to build the dashboard, however, more asbestos information is required to do this.

Uttlesford UNSL are working with PSI to create a spreadsheet compiling all Uttlesford's asbestos data, this will be merged with the required Connect spreadsheet to upload, the final spreadsheet will form the basis of the asbestos dashboard.

By the 17<sup>th</sup> of August 2022 UNSL will have full access for 6 months to PSI's 66,000 records which consists of old and new. This will provide UNSL with sufficient time to export and sense check all PSI data and use this to build upon the information we already have, in order to complete the final asbestos spreadsheet before uploading onto connect.

### Compliance with UDC Internal Audit Email

- The denominator – namely exactly how many properties were constructed pre-2000, and therefore require an annual inspection: – ***The number of properties that were constructed pre 2000 and have a requirement for an annual asbestos inspection under The Control of Asbestos Regulations 2012, will be recorded on the Connect Compliance Portal. The full list of those same properties will be available for downloading if required and this number is also reported monthly as per the Reporting Lines table***

- The asbestos containing properties number: ***The number of properties that were constructed pre 2000 and have a requirement for an annual asbestos inspection under The Control of Asbestos Regulations 2012, will be recorded on the Connect Compliance Portal. The full list of those same properties will be available for downloading if required and this number is also reported monthly as per the Reporting Lines table***
- The inspection rate – namely exactly how many properties have been inspected for asbestos, and a percentage proportion of the denominator: - ***The number of properties that have been subjected to an Asbestos Inspection will be recorded on the Connect Compliance Portal and will be shown as a percentage against the Denominator. This will also be detailed as per the Reporting Table for Asbestos as both a numerator and a percentage.***
- The proactive reinspection rate – the percentage proportion of those found in the first inspection to have contained asbestos that have been proactively routinely reinspected within the agreed [12 month] window: - ***Prior to the start of the JV contract, UDC informed Norse that all properties where compliant with respect to the Management of Asbestos. UNSL now undertake re-inspections on a rolling programme in order that all properties built prior to 2000 will be inspected every 5 years. The exception to this will be any property that following risk assessment is deemed High Risk or where asbestos has been disturbed by any means.***
- The reactive reinspection rate – the percentage proportion of those where specific concerns of disturbed asbestos have been reported that were reinspected within one day of the report: - ***If a reactive report is logged with UNSL by any means / person, UNSL will undertake an inspection and testing of the area of concern on the same day that it was reported. Post inspection, UNSL carry out any remediation works using a specialist asbestos contractor and implement an asbestos management programme for this property with re-inspection in 12 months, unless the remediation works resulted in total removal of any asbestos containing material. Any incident of this nature will be reported on the monthly compliance spreadsheet.***
- For any of those properties inspected and found to have any asbestos and where a need for its removal was identified, we require adequate details for each specific named property including when that removal is scheduled for: ***Where the asbestos survey identifies that a property has asbestos that needs to be removed, it will be managed by UNSL using a competent asbestos removal contractor. All records relating to the removal will be stored in the compliance portal for future reference and details of all asbestos removals carried out in the month being highlighted on the monthly compliance spreadsheet.***

- Target date for population of the Teams online portal. The latter has now been confirmed as 31 March 2022: - ***The Connect Portal is being populated with timescales agreed at the 2022 / 2023 Q1 Liaison Board meeting as to the completion of the full transfer from PSI to Connect.***

## Electric – Fixed Wire Testing

Electric Data Captured on 15 <sup>th</sup> August 2022			
	Nominator	Denominator	Compliance %
5 Year	2059	2789	75%
10 Year	2774	2789	99%

Prior to the joint venture a spreadsheet was used to monitor electrical compliance, however, this was superseded by SAM at the very beginning of the joint venture. SAM was updated using the stock database spreadsheet, when new certificates were received the compliance team updated the information. All data was checked by the compliance manager before it was manually uploaded into SAM.

Unfortunately, we do not have the correct numerator and denominator for April 2020, we would have no way of verifying the data because there was no central compliance filing system and it is unclear how often data was checked and uploaded. This cannot be verified because none of the previous compliance staff transferred or still work for UNSL.

At this time certificates were held on personal drives which could not be accessed by others and so when the compliance staff left the company data could not be easily accessed. Prior to the joint venture some certificates were paper based only, if this was destroyed no electronic backup was available. All paper-based documents older than seven years were discarded by UDC, this particularly impacted electrical compliance because their certification duration is 10 years. Furthermore, electrical certificates were stored on the Eclipse portal, this data was meant to be transferred to UNSL at the start of the joint venture however access was cut off to this portal until July 2022. Once we had regained the electrical information from UDC it was found that in some cases invoices for electrical rewire were found without the certificate and therefore had to be defaulted to non-compliant.

Current procedural requirement dictates that electrical certification should be compliant within 5 years as opposed to the statutory position of 10-year compliance. All electrical testing is subcontracted across four different companies, a list is supplied by UNSL which outlines which assets are being assigned to which company. Once a location has been tested the certification is emailed to compliance and the certificate is saved centrally and uploaded to connect the last compliance check date is also amended here. A master spreadsheet is also regularly updated with last compliance



check date and the pass or fail status. If a certification fails UNSL assigns an electrician to go and rectify the problem and the location is reassessed until a pass certification is received.

There are 2789 assets which require electrical ECIR tests to be carried out at a minimum of 5-year intervals. As of 15<sup>th</sup> August 2022, statistics reveal that of the 2789 assets 2059 have ECIR tests which were carried out in the last 5 years (75%), however, 2774 ECIR tests were carried out within the last 10 years (99%).

The target is to obtain 100% compliance, we however have not achieved this due to refusal of access by some tenants. To obtain 100% compliance a procedure has been put in place, a letter is sent out to the residents to inform them that their property requires an electrical check. The nominated contractor then attempts to gain access to carry out the check by making 3 phone calls and sending 3 appointment letters. Should they not be able to make an appointment and gain access for servicing then the address is passed back to Ourselves. We make attempts to contact the resident by also making 3 calls and send 3 letters. We are currently looking into other organisations for some successful processes they use to assist with access issues.

### **Compliance with UDC Internal Audit Email**

- The denominator – namely exactly how many properties are in scope [i.e., all, as all have electricity], and therefore require a five yearly inspection: - ***The number of properties, 2789 that have a requirement for an Electrical Installation Condition Report to the applicable IET Wiring Regulations applicable at the time of this report.***
- The inspection rate – namely exactly how many properties that have been inspected: - ***The number of properties that have been subjected to an Electrical Installation Condition Report is being recorded on the Connect Compliance Portal and shown in the table above.***
- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property of both fault and remediation plan: – ***If during the Electrical Installation Condition survey, a property is found to have defects classified as C1 or C2 under the applicable IET Wiring Regulations, these would be repaired at the time of the inspection, where possible. If this is not possible, they are completed the next working day. Any exceptional issues found will be reported separately by email to UDC, C3 are recommendations only and are works to bring a property up to the latest IET Wiring Regulations, this is not required to be undertaken, as properties should be tested to the applicable Wiring Edition applicable at the time of installation, unless significant wiring has been undertaken at the property.***



- For any properties that were not inspected but are not out of the 5-year inspection window, we expect confirmation that each is programmed in for the following month: – ***The Connect Compliance Portal has a front page for each compliance discipline and has a next month, two month and annual inspection key. This allows UNSL to adequately plan future Electrical Installation Condition Report surveys throughout the year. Future functionality will allow orders to be directly placed with nominated specialist directly by the system.***
- For any properties that were not inspected and are now outside the 5-year inspection window, we expect full details of the action being taken to secure prompt access: - ***If an Electrical Installation Condition Report test is not undertaken and therefore the property no longer has a certificate that is dated within the previous 5-year window, it will be reported on the monthly compliance spreadsheet. It will detail the reasons why the EICR has not been carried out and what steps are being taken by UNSL to undertake the inspection.***
- Target date for population of the Teams online portal. The latter has now been confirmed as 31 March 2022: - ***The Connect Portal is being used for management of Electrical Inspections and is up to date and relaying “real time” data.***

## Heating – Gas Servicing

Heating Data Captured on 15 <sup>th</sup> August 2022			
Nominator	Denominator	Compliance %	Properties without Certification
2490	2511	99%	11

Gas compliance was monitored by the UDC housing department at the very beginning of the joint venture. A compliance spreadsheet was given to the subcontractor at the beginning of the contract, they used the spreadsheet to ensure all Uttlesford's gas assets stayed within compliance. The subcontractor gave weekly updates and provided certificates for the properties they had serviced and the outcome of this. Their weekly updates also outlined any assets which they could not gain access to and whether any locations are no longer compliant as a result, or when a location was due to be serviced next. If refused access this information was sent to UDC housing who would escalate this legally until access was obtained. Air Source Heat Pump and oil heating were managed internally rather than by housing and all certification checks were subcontracted, otherwise the procedure was the same as gas.

6 months into the joint venture UDC informed UNSL all processes up to the legal stage is to be overseen by UNSL and not UDC housing. The gas responsibility was therefore transferred to UNSL, and the no access procedure was amended, however, if the tenant repeatedly refused access the UDC legal team would be informed.

Currently the heating compliance process has not significantly changed except all compliance data including heating is now workable and useable on connect. UNSL's electrical contractor works to a 10-month servicing programme, they attempt to make servicing appointments from the 10<sup>th</sup> month after the last service. To book an appointment with a tenant they are required to make up to 3 phone calls and send 3 appointment requests by letter. If they are unable to make an appointment and gain access for servicing the address is passed back to UNSL at the 11<sup>th</sup> month after the last service. UNSL then try to contact the resident by also making 3 calls and send 3 appointment letters. If UNSL fail to confirm an appointment with the resident the address is passed back to housing at UDC at month 12, when the property is out of compliance to start the legal process.

In total there are 2511 assets where there is an individual heating system, properties which have a communal heating system the boiler is counted a 1 asset as opposed to how many flats there are in the block. 15<sup>th</sup> August statistic report that 2490 properties/ communal boilers have a compliant service certificate which equates to 99.39% compliant.

There are 11 properties without a current service certificate, this comprises of 2 oil and 9 gas fed properties. There are various reasons for this, refusal of access or some residents had their supply cut off and as a result use alternative heating measures such as electric heaters or log burners, this is sometimes because of fuel poverty. These addresses are given to UDC so they can support residents with any help or reassurance needed, financial assistance is offered to those in fuel poverty and supplies are reinstated or altered for other residents. The options are assessed on a case-by-case basis depending on the needs of the tenant.

### **Compliance with UDC Internal Audit Email**

- The denominator – namely exactly how many properties have gas, and therefore require an annual inspection: – ***The number of properties, 2511 that have a requirement for an annual gas inspection under the Gas Safe Legislation are recorded on the Heating Page of the Connect Compliance Portal. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- The numerator – namely exactly how many properties with gas that have been inspected: – ***The number of properties that have a valid gas inspection certificate, 2490 are recorded on the Heating Page of the Connect Compliance Portal. The Gas Certificate are uploaded to the portal for future reference and for statutory reporting requirements. This is shown***

***as a percentage against the Denominator. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***

- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property (as specified above) – ***Any defect found either as part of the annual appliance planned preventative maintenance servicing routine or during the annual gas safety check will if possible be fixed at the time of the visit. If a repair cannot be undertaken, then the property is provided with alternative heating options [Electric Heaters] and the hot water immersion cylinder is checked and left working. A report is then issued detailing the works required by UNSL's sub-contractor and a decision is made on the best solution to rectify the issue. This is business as usual under the contract and not currently reported to UDC unless the rectification period is going to take an unreasonable time.***
- Details of properties 'Disc-ed' – ***The details of any property which has been Disc-ed is reported to UDC on the Weekly Gas Servicing Report / Dodd Service Program weekly report.***
- Where the proportion of those inspected compared to those that need an inspection is not 100%, we further require both the number of properties that have not been inspected and a detailed list of those specific properties, as well as a treatment strategy, with dates, detailing the action being taken by UNSL as agreed in the SLA: – ***Any property which needs an inspection, however has not received an inspection for whatever reason is captured on the Weekly Gas Servicing Report. This report details the reason why an inspection has not been carried out and the status of the actions being undertaken by UNSL to gain access to complete the inspection.***
- We need to be notified on properties where no carbon monoxide monitor has been recorded: – ***The carbon monoxide monitor is checked as part of the annual Gas safety check with the result recorded on the Gas Certificate. If a battery powered Monitor is not working when tested, the battery is replaced and if required a new Monitor installed. Where a mains carbon monoxide monitor is found to be defected, this is reported by Dodd to UNSL, and treated as an emergency however, as an interim measure a battery carbon monoxide monitor is fitted until a replacement mains monitor is installed. Currently all properties which have a gas appliance have a Carbon Monoxide Monitor fitted. In the exceptional event that this changes UDC will be notified on the Weekly Gas Servicing Report and the monthly compliance report. This will include details of when the property will receive a monitor, and the reason why no monitor is fitted. In order to have an up-to-date record of all properties which have a Gas Fire, Dodd's are compiling a list as they undertake the annual gas boiler servicing, at***

***the same time they are installing a 2<sup>nd</sup> carbon monoxide monitor, UDC has been provided with a list of properties with Gas fires previously.***

- The reporting mechanism needs to migrate from a locally managed excel spreadsheet to the online SIMPRO or Piranha by 31 March 2022. A decision on which portal is to be made by 31 November 2021: ***- The decision was taken to use the Connect Portal and is being used for management of Gas and is up to date and relaying “real time” data***

## LOLER – Lift Servicing

Lift Data Captured on 15 <sup>th</sup> August 2022		
Nominator	Denominator	Compliance %
56	56	100%

In April 2020 when the joint venture began a pre-existing contract with Emerald was brought over from UDC, this contractual arrangement had expired however, they continued to service lifts on an ad-hoc basis for UNSL. Lift compliance was managed via a spreadsheet and some data was uploaded to SAM, actions recommended by Emerald were added to the spreadsheet and these were assigned to subcontractors to complete the work.

Currently we have a formal arrangement with several subcontractors, the compliance team prepares spreadsheets listing the assets that company is required to service. A master spreadsheet is kept in the central compliance folder which specifies which company services each lift, and when each of them were last serviced. Once servicing reports are received any recommended actions are recorded on the master spreadsheet and remedial works are given to subcontractors to resolve.

There are 56 lifts which currently require servicing these are found within any residential or corporate building where there is a passenger, through the floor lift or stairlift. Lifts within corporate or multiple occupancy buildings are serviced at 3 monthly intervals. LOLER states testing is only required every 6 months, but due to the use of the building and the types of occupants using the lifts testing is carried out every 3 months to reduce the risk of breakdowns. Domestic lift & stairlifts, however, are serviced every 6 monthly in line with LOLER.

At this time, 15<sup>th</sup> August 2022, all 56 lifts have a current servicing report which means lifts are being managed at a 100% compliant rate.

When a lift or stairlift is installed or removed this is added or removed from the central and servicing list with our contractor. Any new developments added to the property list will be assessed to identify whether any lifts or stairlifts are installed, if present then it will be added to the serving contract.

## Compliance with UDC Internal Audit Email

- The denominator – namely exactly how many lifts and stairlifts are installed, and therefore require [annual] inspection: – ***The number of properties, 56 which have a requirement for an annual inspection under the Lifting Operations and Lifting Equipment Regulations 1998 [LOLER Regulations], are being recorded on the Connect Compliance Portal. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- The numerator inspection rate – namely exactly how many lifts and stairlifts have been inspected, and a percentage against the denominator: - ***The number of properties that have been subjected to an inspection under the requirement of the LOLER Regulations, are being recorded on the Connect Compliance Portal, this is shown as a percentage against the Denominator. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- The success rate – namely how many lifts and stairlifts have passed the inspection, and a percentage against the denominator: - ***The number of properties that have fully passed the LOLER Regulations required Insurance inspection, is being recorded on the Connect Compliance Portal. this is shown as a percentage against the Denominator. The full list of those same properties can be downloaded if required and this number is also reported monthly as per the Reporting Lines table.***
- For any of those lifts and stairlifts inspected and found to have any defect, we require adequate details for each specific named item of equipment (as specified above) – ***Any Lift or Stairlift in which the Insurance Inspection highlights defects will be reported on the monthly Compliance Spreadsheet. Any defect will be actioned in accordance with the SLAs within the contract.***
- For equipment not inspected but are not out of the 12-month inspection window, we expect confirmation that each is programmed in for the following month: – ***The Connect Compliance Portal has a front page for each compliance discipline and has a next month, two month and annual inspection key. This allows UNSL to adequately plan future Insurance Inspections required under the LOLER Regulations throughout the year. Future functionality will allow orders to be directly placed with nominated specialist directly by the system.***



- For any properties that were not inspected and are now outside the 12-month inspection window, we expect full details of the action being taken to rectify the programme slippage: - ***If an insurance inspection is not undertaken, it will be reported on the monthly compliance spreadsheet. It will include the reasons why the inspection has not been carried out and what steps are being taken by UNSL to undertake the inspection.***
- We would expect the SIMPRO portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded: - ***The Connect Portal is used for management of Lifts & Stairlifts and is up to date and relaying “real time” data***

## Legionella

Legionella Data Captured on 15 <sup>th</sup> August 2022			
	Nominator	Denominator	Compliance %
Risk Assessment	21	22	95%
Monthly Monitoring	11	11	100%

Legionella compliance was managed similarly at the start of the joint venture as it is now however, the contractor employed has changed. A list of addresses and the assets within them which require legionella testing is sent to the contractor. They determine which testing is required at each site. A schedule of when they intend to visit the properties is sent to compliance so that they know when to expect a certificate. Once received any recommended actions are added to the master spreadsheet and assigned to the relevant people, actions are split into sheltered housing, UNSL and corporate responsibility. The assigned person must complete the action within the prescribed deadline, once it has been confirmed that the action has been completed this is updated on the master spreadsheet this applies for monthly temperature checks and risk assessments. Monthly temperature checks and risk assessments each has their own dedicated master spreadsheet. Present day legionella is also monitored on connect which was not available at the start of the joint venture.

There is a total of 22 locations which require biannual risk assessments, this is carried out by an accredited company. A total of 21 locations has a current risk assessment, which equates to 95% compliance. Walpole Farm did not have a risk assessment conducted before handover to UDC, one has been requested by UNSL and was carried out on 05/08/22. We are waiting for it to be signed off and issued.

11 of the 22 locations require monthly temperature checks, an independent company assessed the buildings with communal water systems and determined only 11 buildings required monthly temperature checks based on water usage, storage and draw on the system. The compliance figure on the 15<sup>th</sup> of August 2022 is 100%.

### Compliance with UDC Internal Audit Email

- The denominator – namely exactly how many properties have shared water tanks, and therefore require monthly inspection: ***The number of properties that have a requirement for monthly,11 water monitoring under L8 Legionnaires Disease legislation are being recorded on the Connect Compliance Portal. The full list of those same properties will be available for downloading if required and this number is also reported monthly as per the Reporting Lines table***
- The inspection rate – namely exactly how many properties have been inspected, and a percentage thereof against the denominator: - ***The number of properties that have been subjected to monthly monitoring / sampling / flushing is being recorded on the Connect Compliance Portal. The full list of those same properties will be available for downloading if required and this number is also reported monthly as per the Reporting Lines table, this is shown as a percentage against the Denominator.***
- The success rate – namely how many properties have fully passed the monthly inspection, and a percentage thereof against the denominator. - ***The number of properties that have fully passed the monthly monitoring / sampling / flushing is being recorded on the Connect Compliance Portal. The full list of those same properties will be available for downloading if required and this number is also reported monthly as per the Reporting Lines table, this is shown as a percentage against the Denominator.***
- Itemised updates on each individual property that either failed the test the previous month or was not tested because of lack of access – ***Currently any property which fails any element of the monthly monitoring checks is dealt with UNSL. No access is not an issue as all properties under the testing regime are communal buildings and any property which has failed monitoring checks is highlighted on the monthly compliance spreadsheet. This details the reason why any element of the monitoring routine has not been carried out and the status of the actions being undertaken by UNSL in order to gain access to complete the inspection.***
- We would expect the Teams portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded: - ***The Connect Portal is being used for management of Legionella and is up to date and relaying “real time” data.***

## Summary of Next Steps and Contact Points

Next steps for all areas of compliance (except asbestos) are to continue using the Connect system with continued develop. There will also be a full-time compliance manager and assistant whose sole duties will be to manage and monitor compliance.

UNSL are working with its existing provider, Totalmobile, to enable document uploads to each dashboard in Connect as well as creating an asset archive function.

The primary objective for Electrical compliance is to obtain certificates for 718 assets which currently do not have an in-date certificate. Recently 38 mutual exchange electrical certificates have been located and these are being uploaded to Connect. 680 electrical test orders have been raised to be completed, orders have been split over 4 contractors, however based on previous visits we are expecting a 20% no-access rate on first visits.

Heating compliance is currently at 99%, the 11 properties without current service certificate are due to tenants refusing access. As gas servicing is a legal requirement, to obtain 100% compliance UNSL and UDC need to begin joint visits with gas engineers possibly out of hours following a final compliance letter to gain access. Following a trial of this process last financial year a request has been send to UDC housing department to make this a formal process.

No access is particularly impacting electrical and gas compliance and so alternative processes already used within Norse will be explored. Currently necessary access is being gained via a legal process, which is having limited success. Alternative methods such as incentivising access may be a more effective alternative.

Finally, the next steps for asbestos compliance include examining all PSI data and filter records that are no longer relevant or instances showing corrupt data. This will then be combined with the Connect template spreadsheet already in place. The Connect dashboard building can then begin once all data is compiled.

The above next steps and their progress will be discussed at the quarterly board meetings, quarterly liaison board meetings and the monthly contract meetings. Compliance data will also continue to be reported to UDC on a monthly, quarterly and annual basis via Pentana. The results of these are also discussed at board meetings. In addition, UNSL collate data for House Mark on a monthly basis. Results are sent to UDC who forward the data directly to House mark. Similarly, all findings arising from this data can be discussed at liaison, board or monthly meetings.



## Conclusion:

This report has outlined how UNSL has improved and streamlined the compliance procedures since the inception of the joint venture. There is now a central compliance filing system in place which can be accessed by all.

The business and compliance staff members have master spreadsheets that have been created for all areas of compliance and these are regularly updated. The Connect system holds the information for legionella, FRA, lifts, electrical and heating compliance and accurately presents stats via KPI tile dashboards. These dashboards have been merged into an overall master compliance dashboard. These help the compliance team break down the data into manageable and useful filters which allow them to focus on areas needing attention. This will continue to evolve and progress as more data is acquired and dashboards developed with the final piece of the jigsaw being the asbestos management full upload into Connect.

## **APPENDIX E**

### **UDC compliance assurance requirements from UNSL for critical health and safety factors**

#### **Introduction**

Our new chief executive, on the back of the Internal Audit report into the internal governance arrangements for our joint venture that we have shared with you, is urgently requiring this degree of assurance to answer the basic and fundamental question: 'As the landlord – a duty which is not shared with UNSL – how can I be reassured that everything that reasonably needs to be done regarding health and safety activities is being done to acceptable standards, within timescales, in compliance with the law and in line with our SLA with UNSL?'. Unless and until we have not only effective delivery – which may indeed already be in place - but also effective and definitive reporting, then we are not able to give that reassurance, which will inevitably lead to an urgent escalation of this matter.

#### **Gas:**

Our expectations of what needs to happen: focusing on critical health and safety issues in particular, (and setting aside for now our broader expectations around ongoing maintenance, repairs, renewal etc.) every single property with gas is to be inspected by a Gas Safety Registered Engineer, and a Landlord Gas Safety Record is provided for that inspection, every 12 months. For any properties where defects are recorded, we expect those to have been recorded as rectified during the inspection visit, or the supply/ faulty appliance to be disconnected pending repair, fitting of a replacement part or replacement of the appliance. As this would then leave the tenant without heating and/or hot water, we'd also expect to see details of when the necessary repair/replacement is scheduled urgently to happen.

For any properties where it has not been possible to arrange access or access has been actively denied, we expect the following processes to be followed:

The Responsible Officer (RO) will request evidence that UNSL has made every endeavour to contact the tenant i.e., phone calls, letters, emails, text messages and knocking on the door of the property. UNSL must inform the RO that all avenues have been exhausted and no contact has been made by/with the tenant within the timescale as defined in the Council's Gas Servicing Policy and Procedures (attached). then the RO will agree that UNSL is to commence legal proceedings to gain access to the property. As well as the individual actions in each such case, we'd expect there to be a collated schedule of all such instances to allow for an at-a-glance overview.

Our expectations in terms of reporting thereof: we would expect to see progress reporting (over the rolling 12 month period) [on a monthly basis] – including both period reporting [the last month's work] and the rolling 12 month figures. The format for your reporting should continue to be via the excel spreadsheet to enable us to clearly see and understand:

- The denominator – namely exactly how many properties have gas, and therefore require an annual inspection
- The numerator – namely exactly how many properties with gas that have been inspected.
- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property (as specified above)
- Details of properties ‘Disc-ed’
- Where the proportion of those inspected compared to those that need an inspection is not 100%, we further require both the number of properties that have not been inspected and a detailed list of those specific properties, as well as a treatment strategy, with dates, detailing the action being taken by UNSL as agreed in the SLA
- We need to be notified on properties where no carbon monoxide monitor has been recorded.

Current reporting and gaps: The current reporting is helpful and welcome, but isn’t as full and clear as set out in our expectations above, and lacks clarity over the threshold triggering the need for UNSL to take legal action to secure access to the property, and we would ask that this is urgently changed now as standard. The reporting mechanism needs to migrate from a locally managed excel spreadsheet to the online SIMPRO or Pirahna by 31 March 2022. A decision on which portal is to be made by 31 November 2021.

Efforts we have made to resolve these gaps: we have raised the threshold for taking legal action to secure access with UNSL’s Operations Director on [date].

## **Legionella**

Every single sheltered property whose water supply is from a shared tank is to be tested [at all outlets within each flat every month] by UNSL’s chosen supplier (currently Norse Infinity) in compliance with the Approved Code of Practice (ACoP L8, HSG 274), and monthly reports are to be provided to the RO. Water samples must be despatched for laboratory analysis within [24 hours]. For any properties where any unsafe levels of legionella [metric to be stated] are recorded we expect a remediation plan to be notified to the RO on the same day that laboratory test results are supplied.

For any properties where it has not been possible to arrange access or access has been actively denied, we expect the following processes to be followed:

On being promptly supplied with the update, the Responsible Officer (RO) will request evidence that UNSL has made every endeavour to contact the tenant i.e., phone calls, letters, e mails, text messages and knocking on the door of the property. UNSL must inform the RO that all avenues have been exhausted and no contact has been made by/with the tenant within a reasonable period of time [needs to be defined: how often should contacts be attempted and how many attempts allowed] then the RO will agree that UNSL is to commence legal proceedings to gain access to the property.

Where inspected properties are found to have unsafe levels of Legionella we need to be kept informed [daily] of implementation of the remediation plan and retesting of water supplies post treatment.

Our expectations in terms of reporting thereof: we would expect to see progress reporting (over the rolling 12 month period) [on a monthly basis], as well as exception reporting on failed tests and ongoing action until the test is passed for that property on a daily basis, and exception reporting on failed access and follow up action being taken until access is granted and the test passed on a weekly basis, – including both period reporting [the last month's work] and the rolling 12 month figures. The format for the reporting should be via the Teams portal as demonstrated to the RO on 18 November 2021 to enable us to download reports, and clearly see and understand:

- The denominator – namely exactly how many properties have shared water tanks, and therefore require monthly inspection
- The inspection rate – namely exactly how many properties have been inspected, and a percentage thereof against the denominator.
- The success rate – namely how many properties have fully passed the monthly inspection, and a percentage thereof against the denominator.
- Itemised updates on each individual property that either failed the test the previous month or was not tested because of lack of access
- We would expect the Teams portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded.

Current reporting and gaps: The current reporting mechanism needs to migrate from its ad hoc basis to the Teams portal by 31 December 2021 and for the portal to be populated and back log of reports to be captured by [date]. A number of outstanding low priority actionable items were due for by UNSL in house plumbers by 12th November. Assurance needs to be provided that these have now been completed.

Efforts we have made to resolve these gaps: Confirmation that all outstanding actionable items have been completed requested from UNSL's Operations Director on [date].

### **Fire Risk Assessments and Cladding Issues**

Every single property with shared areas needs to be assessed on an annual basis by UNSL's selected supplier (currently Norse Infinity) who will use competent persons in compliance with the Fire Safety Order 2005, and monthly reports are to be provided to the RO. UNSL to ensure that FRA reports are received [within 14 days of inspection]. For any properties where unmitigated risks are identified a remediation plan to be notified to the RO [within x days] of the FRA reports being received by UNSL.

Where inspected properties are found to have unmitigated risks we need to be kept informed of the remediation plan progress. The necessary frequency of progress reports will be determined by the competent person's assessment of the risk level

Our expectations in terms of reporting thereof: we would expect to see progress reporting (over the rolling 12 month period) [on a monthly basis]. The format for the reporting should be via the SIMPRO portal as demonstrated to the RO on 18 November 2021 to enable us to download reports and clearly see and understand:

- The denominator – namely exactly how many properties have shared water tanks, and therefore require monthly inspection

- The inspection rate – namely exactly how many properties have been inspected, and a percentage against the denominator.
- The success rate – namely how many properties have passed the inspection, and a percentage against the denominator.
- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property (as specified above).
- For any properties that were not inspected but are not out of the 12 month inspection window, we expect confirmation that each is programmed in for the following month.
- For any properties that were not inspected and are now outside the 12 month inspection window, we expect full details of the action being taken to secure prompt access.
- We would expect the SIMPRO portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded.

#### Current reporting and gaps:

The current reporting mechanism needs to migrate from its ad hoc basis to the SIMPRO portal by 31 December 2021 and for the portal to be populated and back log of reports to be captured by [31 December]. The claimed 100% FRA inspection position cannot be accepted, as receipt of [x] reports are understood not to be available until 31 November. It is noted that the closure of fire doors at John Dane Player Court and Hatherley Court sheltered schemes have now been properly adjusted.

The Swedish Houses that were identified as a fire risk. Whilst UNSL is installing L1 Fire Alarms in 2 out of the 7 properties, that still leaves 5 properties unprotected and no explanation as to how UNSL is mitigating this risk in the immediate future; remedial fire stopping works require substantial capital funding of circa £500,000.

We need to ask what is happening with these 5 properties and ask for the report on the costs of these remedial works. This was due to have been received by UNSL on Friday 12th November and is therefore already overdue.

Efforts we have made to resolve these gaps: The need for outstanding reports to be received by 30 November and all outstanding actionable items to be completed by [date] will be raised at the UNSL Liaison Board on 18 November.

#### Electrical Inspections

Every single property is to be inspected by a EICR qualified electrician to assess the condition and safety of the property's wiring, and a record is provided for that inspection, every 5 years. For any properties where defects are recorded, we expect those to have been recorded as rectified during the inspection visit, or the property/ circuit to be disconnected pending repair or rewiring. As it is not reasonable for a tenant to live without electricity for long, we require the most urgent remedial action to be taken in any and every such case. For avoidance of doubt, we expect this same day or next day, and a detailed explanation action plan if that is not possible.

For any properties where it has not been possible to arrange access or access has been actively denied, we expect the following processes to be followed:

The Responsible Officer (RO) is to be promptly informed and provided with evidence that UNSL has made every endeavour to contact the tenant i.e., phone calls, letters, e mails, text messages and knocking on the door of the property. UNSL must proactively inform the RO that all avenues have been exhausted and no contact has been made by/with the tenant within a reasonable period of time [needs to be defined: how often should contacts be attempted and how many attempts allowed] then the RO will agree that UNSL is to commence legal proceedings to gain access to the property.

Where inspected properties require repair and the property/ circuits have been disconnected, we need to know for each whether this is a temporary and urgent response, but which leaves that tenant without a supply they need, or whether there is a redundant circuit.

Our expectations in terms of reporting thereof: we would expect to see progress reporting) on a monthly basis. – including both period reporting [the last month's work] and the rolling 5 year figures. The format for your reporting should be via an enhanced excel spreadsheet to enable us to clearly see and understand:

- The denominator – namely exactly how many properties are in scope [ie all, as all have electricity], and therefore require a five yearly inspection
- The inspection rate – namely exactly how many properties that have been inspected.
- For any of those properties inspected and found to have any defect, we require adequate details for each specific named property of both fault and remediation plan
- For any properties that were not inspected but are not out of the 5 year inspection window, we expect confirmation that each is programmed in for the following month
- For any properties that were not inspected and are now outside the 5 year inspection window, we expect full details of the action being taken to secure prompt access

Current reporting and gaps: The current reporting is subject to backlog with many outstanding properties. Only 71.86% have an EICR up to 5 years old, but just 70 properties are currently with contractors for re-inspection. UNSL advises that the whole estate will not be brought into compliance by the end of Q2 2022. This indicates a deterioration in the situation at the point that maintenance of the stock was transferred to UNSL on 1 April 2020. At that point 100% of properties had an EICR up to 5 years old. Compliance is currently being managed on an excel spreadsheet, but UNSL plans to move this onto the SIMPRO software portal. The target date for completion is 31 March 2022.

Efforts we have made to resolve these gaps: The backlog, and programmed compliance date, has been raised with UNSL's Operations Director on [date].

### **Asbestos surveys**

Every single property constructed prior to 2000 is to be inspected by a UNSL supplier (currently Norse Infinity) using a competent surveyor in accordance with HSE guidance on an Asbestos Containing Materials assessment (a Management Survey), and a record is to be provided for that inspection. This will include some re-survey work to ensure comprehensive information. This is needed to be able to demonstrate all risk areas, monitor staff usage of the Database, manage out removal programmes and on completion be able to demonstrate compliance and risk management.

Where the first inspection showed presence of asbestos, we expect a routine reinspection to check on the current state of containment every [12 months]. Reactive reinspections must take place promptly on any reported concern of disturbed asbestos.

For any properties where it has not been possible to arrange access or access has been actively denied, we expect the following processes to be followed:

The Responsible Officer (RO) is to be proactively and promptly provided evidence that UNSL has made every endeavour to contact the tenant i.e., phone calls, letters, e mails, text messages and knocking on the door of the property. UNSL must inform the RO that all avenues have been exhausted and no contact has been made by/with the tenant within a reasonable period of time [needs to be defined: how often should contacts be attempted and how many attempts allowed] then the RO will agree that UNSL is to commence legal proceedings to gain access to the property.

Where inspected properties require remediation through removal of the asbestos, we need to know for each whether the competent surveyor assesses this to require an urgent response, or can be programmed.

Our expectations in terms of reporting thereof: we would expect to see inspection progress reporting [on a monthly basis] until the survey of the whole estate is completed. The format for your reporting should continue via the Teams online portal demonstrated on 18 November to enable us to download reports, and clearly see and understand:

- The denominator – namely exactly how many properties were constructed pre 2000, and therefore require an annual inspection
- The asbestos containing properties number
- The inspection rate – namely exactly how many properties have been inspected for asbestos, and a percentage proportion of the denominator
- The proactive reinspection rate – the percentage proportion of those found in the first inspection to have contained asbestos that have been proactively routinely reinspected within the agreed [12 month] window
- The reactive reinspection rate – the percentage proportion of those where specific concerns of disturbed asbestos have been reported that were reinspected within [X] days of the report
- For any of those properties inspected and found to have any asbestos and where a need for its removal was identified, we require adequate details for each specific named property including when that removal is scheduled for

Current reporting and gaps: The database for reports is incomplete. There are outstanding reports to be loaded onto the Teams online portal. All pre 2000 properties have been identified and a programme for completion of the re-surveys has been drawn up. Clarification is required as to whether re-survey work will be phased over the next three years or in year 3 of the contract term (2022-23). The former programme is too extended a timeframe. UNSL claims 87% compliance but it is unclear what this means. It is inconsistent with the stated target of being able to demonstrate compliance and risk management by Year 3.

Efforts we have made to resolve these gaps: The UNSL Operations Director has been chased since October 2021 over the backlog, programmed compliance date and lack of a target date for population of the Teams online portal. The latter has now been confirmed as 31 March 2022.

## **Lifts and stairlifts**

Every single property with lifts and stairlifts needs to be assessed on an [annual] basis by UNSL's selected supplier (currently [Zurich]) who will use competent persons in compliance with [the manufacturers' guidance], and monthly reports are to be provided to the RO. UNSL to ensure that reports are received [within 14 days of inspection]. For any properties where unmitigated risks are identified a remediation plan to be notified to the RO [within x days] of the FRA reports being received by UNSL.

Where inspected properties are found to have unmitigated risks we need to be kept informed of the remediation plan progress. The necessary frequency of progress reports will be determined by the competent person's assessment of the risk level

Our expectations in terms of reporting thereof: we would expect to see progress reporting (over the rolling 12 month period) [on a monthly basis]. The format for your the reporting should be via the SIMPRO portal as demonstrated to the RO on 18 November 2021 to enable us to download reports and clearly see and understand:

- The denominator – namely exactly how many lifts and stairlifts are installed, and therefore require [annual] inspection
- The numerator inspection rate – namely exactly how many lifts and stairlifts have been inspected, and a percentage against the denominator.
- The success rate – namely how many lifts and stairlifts have passed the inspection, and a percentage against the denominator.
- For any of those lifts and stairlifts inspected and found to have any defect, we require adequate details for each specific named item of equipment (as specified above)
- For equipment not inspected but are not out of the 12 month inspection window, we expect confirmation that each is programmed in for the following month
- For any properties that were not inspected and are now outside the 12 month inspection window, we expect full details of the action being taken to rectify the programme slippage
- We would expect the SIMPRO portal to be populated by 31 December 2021, including any back log of reports since [1 April 2020] not yet uploaded.
- Where the proportion of those inspected compared to those that need an inspection is not 100%, we further require both the items of equipment that has not been inspected and a detailed list of those specific items, as well as a treatment strategy, with dates, detailing the action being taken by UNSL as agreed in the SLA

Current reporting and gaps:

The current reporting mechanism needs to migrate from its spreadsheet basis to the SIMPRO portal by 31 December 2021 and for the portal to be populated and back log of reports to be captured by [31 December]. All stairlift and lifts have been cross-referenced with the addresses held on the Zurich portal, a few anomalies where found which UNSL are working with RO to rectify the same.



Efforts we have made to resolve these gaps: UNSL has spoken with all of its maintenance contractors, so they are aware of the defects found during the Zurich's inspections and have been given assurances that the defect actions are being corrected and will be completed as a matter of urgency. The need for outstanding reports to be received by 30 November and all outstanding actionable items to be completed by [date] will be raised at the UNSL Liaison Board on 18 November.

The stairlifts in the main building at Walden Place have been isolated and an out of order sign on them so there is not confusion and the SHO is aware of all actions.

18 November 2021



## UTTLESFORD DISTRICT COUNCIL

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Textphone Users 18001  
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22 August 2022

Dear

I am writing to every council house or flat tenant to give an update on our repairs and maintenance services.

Over the past months we at the Council have been looking at what changes are needed to these services to make sure they meet the high standard to which you are entitled as a tenant of Uttlesford District Council. I have also brought in external specialists to help. One of the key areas we have been looking at is how health and safety checks to your home are managed. This includes making sure all the information that we have about your home is correct and that the right checks are being done, at the right time.

The work we have done so far has shown us that there are some outstanding checks, which are now in the process of being arranged. They are mainly in relation to electrical wiring in some homes. The minimum standard we should be achieving is an inspection every 10 years. We have found that 45 of these checks had not been done so we have already been in contact with affected tenants to schedule an appointment straight away.

Our aim though is to make sure that every home has an electrical safety inspection at least every five years. To achieve this, there are around 700 homes which need to have an electrical safety inspection. To do this as quickly as possible, Uttlesford Norse Services Limited, who carry out this work for us, are bringing in extra specialist contractors and aim to arrange and carry out these inspections within the next three months.

If your home is one of those 700 or so which has not had an inspection in the last five years, you will soon receive an appointment by letter, or, if you usually receive appointments by email, you will receive an email. It is really important that you respond, either by accepting the appointment or by contacting us to arrange a different time if the time we give you is not convenient.

Your assistance with this will really help make everyone more reassured, so thank you in advance. As always of course, do beware of bogus callers – our contractors should always have proper photo ID and have made an appointment – do always check if there is anything suspicious.

Another area of work we are looking at is asbestos checks to communal areas of flats and we also want to make sure that we have information on any asbestos within your homes. We may contact you again about this.

Because of these issues we have identified, I have written to the Regulator of Social Housing to tell them about our position and about the work we are doing to make sure all the homes we own have up to date checks. The Regulator will make sure that we are doing what we should be doing to achieve this.

We are also putting in place improvements to the way our health and safety work is recorded and ensuring we have regular updates on all of our inspection programmes. These inspections include water hygiene, fire safety, lift safety and gas servicing. From October there will be a new legal requirement for all homes to have working smoke and carbon monoxide detectors, so we will include this too.

This is part of a wider programme to look at how Repairs and Maintenance Services are being delivered and we will keep you fully updated. We will be asking tenants to get more involved in this and we will be telling you more about it soon.

I appreciate that when you receive this letter you may have concerns, so I want to assure you that keeping your home safe is our top priority. Overall, your home has been regularly maintained over many years, and we receive positive feedback generally about our services from our tenants.

However, if you would like to know more you can either visit our website at [www.uttlesford.gov.uk/repairsadvice](http://www.uttlesford.gov.uk/repairsadvice) or if you need to get in touch with us you can phone 01799 510510 or email [repairsadvice@uttlesford.gov.uk](mailto:repairsadvice@uttlesford.gov.uk)

Yours sincerely

A handwritten signature in black ink that reads "Peter Holt". The signature is written in a cursive, slightly informal style.

Peter Holt  
Chief Executive