



Report to:	<b>STOCKPORT HOMES MEMBER COMMITTEE</b>  05 July 2021
Report of:	<b>EXECUTIVE DIRECTOR OF OPERATIONS</b>
Contact Officer and contact details	Kate Meredith – Head of Customer Safety  0161 218 1481 Kate.meredith@stockporthomes.org
Type of Report	Assurance
Title of Report:	<b>CUSTOMER SAFETY ANNUAL COMPLIANCE REPORT</b>
Purpose of Report:	To provide an overview of Customer Safety compliance performance and activity during 2020/2021 and to highlight initiatives to be undertaken during 2021/2022. The report aims to provide assurance that SHG's properties and buildings continue to be managed safely and in line with statutory obligations.
Recommendation(s):	That the Member Committee review and comment on the report.
Confidentiality	Non Confidential
Resource Implications	<p>Failure to adhere to statutory compliance obligations and codes of practice could result in litigation and financial losses.</p> <p>All activity proposed within this report will be undertaken within existing budget provision.</p> <p>A continued pro-active approach to managing compliance and customer safety will ensure that SHGs minimises the risk of financial losses due to compliance failures and also maximises the efficiency and lifespan of its building assets and equipment.</p>

Where compliance activity is delivered through external contractors, contracts have been tendered in line with SHG's Contract Procedure Rules.			
Impact on Risk Appetite and Risk Register	This report links to SHG's "Health and Safety" risk theme and supports the "Averse" risk appetite by seeking to provide assurance and evidence that statutory compliance obligations are being appropriately managed, and performance is strong.		
	Risk Number	Risk Description	Risk Mitigation
	5	Health and safety obligations to customers aren't fulfilled, including gas safety, electrical safety, fire safety, legionella, lift safety and asbestos	<p>This risk is mitigated by:</p> <p>Having existing policies and procedures in place that detail what SHGs H&amp;S obligations to its customers are and what action is taken to ensure these obligations are met.</p> <p>Having robust IT systems and reporting mechanisms in place to monitor adherence to obligations.</p> <p>Having internal and external audit regimes in place to validate adherence to obligations and the quality of work being undertaken.</p> <p>SHG staff managing compliance activity having appropriate qualifications and experience and investing in their continued professional development.</p> <p>Ensuring compliance activity is undertaken by appropriately qualified</p>

			and accredited contractors.
Customer Voice	All customers have a right to feel safe in their home. The approach to managing compliance that this report evidences should give assurances to customers that their safety and that of their homes is a priority for SHG and is being appropriately managed. In additions there are initiatives proposed in this report that should provide customers with greater oversight of compliance performance and provide opportunities for feedback and input.		
Equality, Diversity & Inclusion implications	There are no equality and diversity implications arising from this report.		
Regulatory compliance	The report aims to provide assurances that SHG is meeting its statutory obligations in relation to Asbestos, Electric, Fire, Gas, Legionella and Lift Safety. It also evidences a strong commitment to property maintenance and safety, contributing to meeting the obligations of the Regulator for Social Housing's Home Standard.		
Comments of the Stockport Homes Monitoring Group	<p>The Stockport Homes Monitoring Group discussed the Customer Safety Annual Compliance Report. The discussion covered:</p> <p>The Monitoring Group commented on how Stockport Homes' performance has been excellent throughout the pandemic and were pleased that Lift safety has been added as a core compliance. They added that all safety initiatives appear appropriate.</p> <p>The Monitoring Group were pleased to hear that compliance is monitored weekly to constantly assess whether enough is being done to keep customers safe and whether the contractors are being as efficient and effective as they can be.</p> <p>The Group commended SHG's work with asbestos safety and were pleased to hear that full asbestos inspections takes place when properties become void.</p>		

# **1 EXECUTIVE SUMMARY**

- 1.1 Stockport Homes Group (SHG) has a duty of care and a legal responsibility to ensure that all buildings and properties under its control are maintained so that they remain safe places for customers to live. SHG recognises that the delivery of compliance servicing regimes is essential in meeting those responsibilities.
- 1.2 The six core areas of compliance that SHG have an obligation to manage are: Asbestos, Electric, Fire, Gas, Legionella and Lift Safety.
- 1.3 This report provides an overview of compliance performance in these six areas as of 31<sup>st</sup> March 2021. It also provides a summary of compliance related activities undertaken during 2020/2021 and initiatives proposed to be undertaken during 2021/2022.
- 1.4 The report is supported by the Compliance Framework document shown in Appendix 1.

# **2 INTRODUCTION**

- 2.1 Failure to adhere to statutory compliance obligations and codes of practice could have significant consequences including injury, or even death, litigation, financial losses and damage to reputation.
- 2.2 The purpose of this report and the Compliance Framework is to give assurances that statutory compliance obligations are being appropriately managed and to also aid greater understanding of what the obligations are, and the activity required to be undertaken to ensure compliance.
- 2.3 A compliance report and the Compliance Framework is presented to SLT and Audit & Risk Committee on an annual basis. It is also shared with Health and Safety Committee and full Board. This ensures that, from a governance perspective, Board have a full understanding of the organisation's position on compliance and gain appropriate assurance.

# **3 BACKGROUND**

- 3.1 Delivery of SHGs statutory compliance obligations in relation to the six core areas of compliance is managed by the Customer Safety Team. Performance is proactively monitored with weekly updates provided to the Assistant Director of Assets & Development in addition to monthly reporting to SLT and Board via the Corporate Scorecard.
- 3.2 It is however recognised that SLT, Board and the Council, as those with ultimate accountability for compliance, need to be given more detailed information in order to provide them with evidence and assurance that the organisation's compliance obligations are being met. This should include

information to aid understanding of the legislations and codes of practice governing compliance and the obligations they place on SHG.

- 3.3 The Compliance Framework and this approach to annual reporting on compliance performance was developed and approved in 2019 by SLT and Audit & Risk Committee.
- 3.4 The annual compliance report replaces the compliance summary previously included in the Annual Health & Safety Report.

## **4 COMPLIANCE FRAMEWORK**

- 4.1 The Compliance Framework document is shown in Appendix 1.
- 4.2 The Compliance Framework previously covered Asbestos, Electric, Fire, Gas and Legionella Safety. During 2020/2021 the Framework was revised to also include Lift Safety, as this is now widely considered within the sector to be the 6<sup>th</sup> core area of compliance.
- 4.3 The purpose of the Compliance Framework is to set out in one clear and concise document what SHG's statutory compliance obligations are in relation to the six core areas of compliance, what SHG have to do specifically to comply, how performance is monitored and what assurances are in place to validate compliance.
- 4.4 The Framework details for each of the six core areas:
  - The name of the specific regulation/legislation/Approved Code of Practice governing each of the six areas.
  - A summary description of the duty the regulation/legislation/Approved Code of Practice places on SHG as a landlord.
  - The KPI used to measure performance in 2020/2021, together with the KPI target and the result as at 31<sup>st</sup> March 2021.
  - The management regimes currently in place to ensure that SHG adhere to its obligations under the regulation/legislation/Approved Code of Practice.
  - The date and overall risk rating of the most recent internal audit.
  - The name of the relevant policy/management plan/strategy that sets out SHG obligations and how they are met.
  - Any additional external assurance regimes in place to validate the quality of the compliance activity undertaken.

- 4.5 In addition, there is a tab for each of the six areas which provides a full overview of performance as of 31<sup>st</sup> March 2021, against validated stock numbers.

## **5 2020/2021 PERFORMANCE AND ACTIVITY**

- 5.1 The performance position of the six core areas of compliance as of 31<sup>st</sup> March 2021 is detailed below:

### **5.2 Asbestos**

- 5.2.1 Of the 2448 communal areas, 1228 areas require an Asbestos Management Survey. This equates to 663 individual surveys, as a number of the surveys cover multiple blocks and communal areas. The remaining 1220 blocks and communal areas do not require an Asbestos Management Survey as they are not considered to have a communal area as defined by regulation 4 of the Control of Asbestos Regulations (CAR) 2012.
- 5.2.2 All 663 communal area Asbestos surveys have been carried out within the last 4 years, ensuring they are compliant with current CAR 2012 and are of consistent quality and scope.
- 5.2.3 Where items of Asbestos are identified in a communal area there is a requirement under CAR 2012 for periodic re-inspection. There are 501 communal areas with Asbestos containing materials and therefore require a periodic inspection either every 12 or 24 months. Performance in this area was 100% throughout the year.
- 5.2.4 As part of SHGs Asbestos Management Plan the aim is to complete an Asbestos management survey to all domestic properties. There is no regulatory requirement to do this however it is considered good practice and demonstrates a strong commitment to safeguarding the health of employees and customers.
- 5.2.5 Of the 11542 properties, 10904 require an Asbestos Management Survey.
- 5.2.6 As of 31<sup>st</sup> March 2021, a survey had been carried out to 8966 properties, which equates to 82.2% of the total required, this is an increase of 30% on the 2019/2020 year end position. During 2020/2021 despite the access challenges posed by Covid a total of 3174 new surveys were carried out.
- 5.2.7 Attempts at access has been made to the remaining 1938 (18%) of properties. The Customer Safety Team will continue to work on completing the remaining surveys as opportunities for access arise, e.g. void properties and when access for improvement works or intrusive repairs are required.
- 5.2.8 The 8966 surveys carried out (82% of total required), represent a broad range of property types and archetypes and a survey completion rate of over 80% is significantly above the industry average.

- 5.2.9 During 2020/2021 new forms were created for auditing the quality of Asbestos surveys and Asbestos removals works. A minimum of 5% of all works are now audited by appropriately qualified staff within the Customer Safety Team, ensuring services continue to be delivered in line with the regulations and to a high standard.
- 5.2.10 During Quarter 4 of 2020/2021 an Asbestos removal contractor framework was tendered. Four suitably qualified contractors that evidence both value for money and quality of work have now been appointed to the framework. This will ensure sufficient resources are available for all necessary Asbestos removals and remedial works needed.
- 5.2.11 In line with the requirements of CAR 2012 the Asbestos Management Plan is formally reviewed on an annual basis. This was done in April 2021 in the form of a review meeting with our Asbestos consultant, AEC and a review of the management plan document itself. The review concluded that Asbestos continues to be appropriately managed and in line with the intentions set out in the management plan.

### **5.3 Electric**

- 5.3.1 All 11542 domestic properties are on the Periodic Fixed Electrical Testing programme. As of 31<sup>st</sup> March 2021 all 11542 properties held a current satisfactory EICR (Electric Installation Condition Report), making compliance 100%.
- 5.3.2 Of the 2448 communal areas, 1133 require an EICR. This equates to 543 individual EICR's as multiple areas are served by the same electrical landlord's supply. As of 31<sup>st</sup> March 2021 a current satisfactory EICR was in place for all 543 communal areas. There are 1315 communal areas not on the programme. These areas do not have a communal electric supply.
- 5.3.3 Performance on the communal area testing regime was 100% throughout the year. A small number of domestic tests did fall overdue during Quarter 1 and 2 of 2020/2021 due to Covid related access issues. The highest number of tests that fell overdue was 4 in July 2020. By October 2020 compliance had returned to 100% and was sustained for the rest of the financial year.
- 5.3.4 Historically there have been significant peaks and troughs in the number of domestic tests due in each year of the 5-year cycle. The Customer Safety Team have now worked to smooth out the testing cycle meaning a consistent and stable number of properties require testing per annum. This makes operational delivery more practical and aides financial planning.

- 5.3.5 In November 2020 SLT approved the insourcing of the delivery of the domestic testing programme from an external subcontractor to Three Sixty. The Customer Safety Team worked closely with Three Sixty on the transition which was successfully completed with effect from 1<sup>st</sup> April 2021.
- 5.3.6 In December 2020 PWC carried out an internal audit on electrical safety, with an overall report outcome of “Low Risk” with a number of areas of good practice noted. One low risk finding was noted and two advisories, all of which have now been addressed.

## **5.4 Fire**

- 5.4.1 Of the 2448 communal areas, 1211 require a fire risk assessment. The remaining 1237 do not require a fire risk assessment as though they are blocks containing 2 or more flats there is no shared communal area, e.g. each flat has it's own entrance and exit.
- 5.4.2 Of the 1211 communal areas, there are 561 individual fire risk assessments required as multiple blocks and communal areas are covered by the same risk assessment. Throughout 2020/2021 all 561 fire risk assessment remained compliant and were reviewed in line with the agreed frequency.
- 5.4.3 All fire risk assessments are carried out by an independent appointed risk assessor who is an Associate Member of the Institution of Fire Engineers.
- 5.4.4 During 2020/2021 processes were implemented to more proactively monitor and report on the completion of fire risk assessment actions, specifically on actions not completed by their due date. The percentage of actions completed and the number of actions overdue was reported as a Corporate Measure throughout 2020/2021, supported by a detailed monthly report to the Executive Director of Operations.
- 5.4.5 Actions overdue or nearing their due date are now reviewed weekly by the Head of Customer Safety, along with regular reminders to staff on actions overdue/due.
- 5.4.6 In April 2020 there were 73 fire risk actions overdue, as of 31<sup>st</sup> March 2021 there was just 6 overdue, a 91% reduction and an overall completion of 99.8%. As of the end of May 2021, 4 of the 6 overdue at the end of March had been completed, with the remaining 2 expected to be completed in June.
- 5.4.7 The Fire Risk Assessor has praised SHGs approach to fire safety and its commitment to ensuring actions are addressed. The significant investment made in addressing actions and improving fire safety measures over the last 2-3 years is now reflected in a notable reduction in the number of new actions being identified by the assessor.



## **5.5 Gas**

- 5.5.1 Of SHG's 11542 domestic properties, 8877 require a gas safety check, which equates to 8857 individual LGSR (Landlords Gas Safety Record). The remaining 2665 properties have alternative heating such as electric or are serviced by a district heating system. As of 31<sup>st</sup> March 2021 all 8877 properties held a current LGSR, making compliance 100%.
- 5.5.2 Of the 2448 communal areas, 147 have a gas connection. This equates to 23 individual communal LGSR's as some boilers serve multiple blocks and communal areas. As of 31<sup>st</sup> March 2021 a current LGSR was in place for all 23 communal areas.
- 5.5.3 Performance on the communal area testing regime was 100% throughout the year. A small percentage of domestic tests did fall overdue during Quarter 1 and 2 of 2020/2021 due to Covid related access issues. The highest number of tests that fell overdue was 44 in May 2020, which equated to 99.5% compliance. By September 2020 compliance had returned to 100% and was sustained for the rest of the financial year.
- 5.5.4 All domestic LGSRs are completed by The Dodd Group. The Customer Safety Team work with an external consultant Morgan Lambert to audit 5-10% of all LGSRs completed. Between January 2020 and December 2020 The Dodd Group consistently scored 100% on all audits, making them the top ranked contractor audited by Morgan Lambert out of a total of 132.
- 5.5.5 In April 2021 several staff within the Customer Safety Team, who manage the appointments for gas safety checks, moved onto the Netcall telephony system. This enabled front line service delivery to continue despite Covid homeworking restrictions but also has allowed for greater monitoring and review of call volumes, response times and missed calls, enabling the team to continue to improve customer service.

## **5.6 Legionella**

- 5.6.1 Of the 2448 communal areas, 299 have a communal water supply that require a Legionella water risk assessment. This equates to 75 individual risk assessments as multiple blocks and communal areas are served from the same communal water system. Performance in this area was 100% throughout the year.
- 5.6.2 During 2020/2021 a review was carried out on the process in place to record and monitor the completion of remedial actions identified on Legionella water risk assessments. A new electronic remedial actions tracker was developed and implemented which allows for clearer visibility of actions required and improved monitoring of actions completed against their due date.

- 5.6.3 In Quarter 4 of 2020/2021 a water sampling regime was implemented to all blocks where the drinking water supply to the flats is tank fed. The water within the tanks is now sampled and tested for bacteria on a quarterly basis, this along with the existing Legionella management regimes in place, evidences a continued proactive approach to managing the risk of Legionella.

## **5.7 Lifts**

- 5.7.1 During 2020/2021 Lift Safety was been incorporated into the Compliance Framework and was reported as a Corporate Indicator, in recognition that Lift Safety is now widely considered within the sector to be the 6th core area of compliance.
- 5.7.2 Across the 2448 communal areas, there are 70 lifts (across 43 buildings) which are required to be maintained in line with the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER).
- 5.7.3 The regulations place a requirement on SHG to ensure that a “Thorough Examination” inspection of all passenger lifts is carried out every 6 months. These examinations are carried out by Zurich as part of SHGs insurance regime. Examination reports are provided to the Customer Safety Team upon completion and remedial actions carried out at necessary.
- 5.7.4 Throughout 2020/2021 compliance was 100%, i.e. all passenger lifts had a “Thorough Examination” inspection at an interval of no greater than 6 months.
- 5.7.5 SHG recognises the importance of Lift Safety but also the practical importance of a functioning lift to customers, especially those living in high rise blocks. The Thorough Examination schedule is therefore supported by regular Planned Preventative Maintenance visits by an appointed lift maintenance contractor. These visits aim to proactively identify potential issues, reduce lift down time and prolong the life expectancy of the asset.
- 5.7.6 In Quarter 4 of 2020/2021 the Customer Safety Team procured and appointed a new lift maintenance contractor, ensuring continued ability to react quickly to faults and effective preventative maintenance.

## **5.8 Other activities**

- 5.8.1 A considerable amount of the year was spent in managing SHG’s response to the Covid pandemic, with the priority for the Customer Safety Team being ensuring all possible steps were taken to obtain access for Gas and Electrical safety checks. New Covid specific access procedures were written and implemented, based on Government and HSE advise, supported by customer marketing material detailing the safety precautions being taken. The efforts by the team ensured a manageable impact on compliance even during the height of the pandemic.

- 5.8.2 In November 2020 the Customer Safety team hosted their 2<sup>nd</sup> Annual Customer Safety Week, which aims to raise awareness amongst customer and staff of how to keep safe at home. Due to Covid restrictions the event was predominately social media based with daily Facebook chats and safety messages. The “Keeping Safe and Sound” section of the SHG website was also updated and developed in preparation for the event.
- 5.8.3 Also in November 2020 a new Fire Alarm & Emergency Lighting maintenance contractor was appointed following a rigorous procurement exercise, reflecting the importance of ensuring fire safety systems are appropriately maintained.
- 5.8.4 The Customer Safety Team continued to take a proactive approach to professional development despite lockdown restrictions. Four staff are currently working towards a Level 4 Diploma in Asset and Building Management Compliance and two staff completed their P405 Management of Asbestos in Buildings qualifications.
- 5.8.5 An update is shown in Appendix 2 of the 2020/2021 initiatives and activities identified in the last annual report.

## **6 2021/2022 INITIATIVES**

The Customer Safety Team have a number an initiatives and activities planned for 2021/2022 to continue to develop the service and strengthen compliance performance.

- 6.1 The current contract with The Dodd Group for delivery of domestic gas servicing, repairs and installations ends in August 2021. SLT approval was given in May 2021 for Three Sixty to take over delivery of this work from September. This will provide an opportunity for commercial growth within the group but also improved management and control of performance. The Customer Safety Team will work closely with Three Sixty over the coming months to ensure a smooth transition.
- 6.2 Alongside the above, a Customer Scrutiny Panel review commenced in May 2021, to review the current Gas Servicing and Electrical Fixed Wire testing access procedures and customer appointment letters.
- 6.3 Subject to Three Sixty’s delivery of the domestic electrical testing programme proving successful, in Quarter 3 consideration will be made to Three Sixty taken over the delivery of the communal area testing from 1<sup>st</sup> April 22, providing further opportunities for group growth.
- 6.4 In line with continued recognition of lift safety being considered the 6<sup>th</sup> core area of compliance, during Quarter 2 of 2021/2022 a specific lift safety policy and procedure will be drafted, ensuring clarity on SHG obligations and intent to maintain lift safety.

- 6.5 An external audit regime will be implemented for Legionella, with an accredited consultant appointed to audit a percentage of Legionella water risk assessments.
- 6.6 The Customer Safety Team will continue to support SHG's newly formed Building Safety Team, who are responsible for developing and implementing SHG's response to the Building Safety Bill. A specific priority will be around the sharing of information, implementing a process for ensuring Building Safety are regularly updated on compliance servicing regimes in order to accurately maintain the Building Safety File.
- 6.7 The Building Safety Bill and the Social Housing White Paper emphasises the need for Landlords to be transparent on how they are performing, especially in relation to safety. During 2021/2022 the Customer Safety Team will look to develop ways to more regularly communicate with customers on how SHG is performing across the six core areas of compliance and provide opportunities for customer feedback.
- 6.8 Again, linked to Building Safety, is the concept of "competency" and the need to ensure those carrying out compliance activities are competent to do so. During 2021/2022 the Customer Safety Team will establish a contractor competency register, which will maintain details of all contractor qualifications, accreditations, insurances and training plans, ensuring that competency is monitored and evidenced.
- 6.9 As detailed in 4.6.2 a new electronic remedial actions tracker has been implemented for Legionella Management. During 2021/2022 this approach will be rolled out across other core compliance areas, specifically gas and lift safety, to ensure continued visibility and monitoring of remedial actions.
- 6.10 On 29<sup>th</sup> April 2021 the Fire Safety Act 2021 became an Act of Parliament and makes amendments to the Regulatory Reform (Fire Safety) Order 2005. Though all the specific details have yet to be confirmed what is known is that in the future Fire Risk Assessments will be required to include reference to building structure, external walls and the individual flat entrance doors. The Customer Safety Team will be working with the appointed Fire Risk Assessor to determine how these additional requirements can be implemented.
- 6.11 In March 2021 PWC issued a "Health & Safety Compliance Themes" report. The report presents the findings of a review of 32 social housing compliance audits and summarises the common strengths and weakness identified across each of the 6 core areas. The Customer Safety Team will be reviewing these findings against current SHG processes and practices and identifying any potential areas for improvement.

## **7 CONCLUSION**

- 7.1 Compliance performance remained high in 2020/2021, despite the challenges posed by Covid, and a number of positive actions were taken to further

strengthen SHGs approach to managing compliance, in turn continuing to protect the safety and wellbeing of customers.

- 7.2 The Customer Safety Team remains pro-active in reviewing performance and service delivery, continuously seeking new opportunities for improvement and development.
- 7.3 This method of reporting aims to provide assurance that statutory obligations are being managed and adhered to. It also provides context as to what the obligations are and the actions required to comply.

## **8 RECOMMENDATION**

- 8.1 That the Member Committee review and comment on the report.