

Housing, Homelessness and Fairwork Committee

10.00am, Tuesday 27 February 2024

Internal Audit reports Management of Ad hoc Mixed Tenure Works (PL2302), Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303), Repairs Right First Time (PL2306) and service area responses for (PL2303) and (PL2306)- referral from the Governance Risk and Best Value Committee

Executive/routine

Executive

Wards

1. For Decision/Action

The Governance, Risk and Best Value Committee has referred the attached report to the Housing, Homelessness and Fairwork Committee for information and asks that the Housing, Homelessness and Fairwork Committee:

- 1) To agree that the monitoring of the audit management actions are included in the Housing Service Improvement Plan in order for them to monitor the aspects which include securing best value for the HRA and improving services for tenants;
- 2) To note the service area response for Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303); and
- 3) To note the service area response for Repairs Right First Time (PL2306).

Dr Deborah Smart

Executive Director of Corporate Services

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Referral Report

Internal Audit reports Management of Ad hoc Mixed Tenure Works (PL2302), Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303), Repairs Right First Time (PL2306) and service area responses for (PL2303) and (PL2306)

2. Terms of Referral

Internal Audit Reports Management of Ad hoc Mixed Tenure Works (PL2302)

- 2.1 On the 28 November 2023, the Governance Risk and Best Value Committee considered the Internal Audit Update Report: Quarter 2 2023/24 which contained the Ad-Hoc Mixed Tenure Repairs Internal Audit Report (PL2302)
- 2.2 The Governance, Risk and Best Value Committee agreed:
 - 2.2.1 To note the progress with the 2023/24 Internal Audit plan approved by Committee in March 2023;
 - 2.2.2 To note the outcomes of 2023/24 Internal Audit reviews completed in Quarter 2
 - 2.2.3 To agree the removal of the Workforce Capacity to Support Service Delivery audit from the 2023/24 Internal Audit plan;
 - 2.2.4 To note the audits included in the 2023/24 plan to ensure they remain aligned with key risks and emerging priorities;
 - 2.2.5 To note the outcomes of the six monthly meeting between the GRBV and EIJB Audit and Assurance Committee Convenors and the Head of Internal Audit, as agreed as part of the GRBV/EIJB principles;
 - 2.2.6 To note the Outdoor Infrastructure Audit, the Cross Directorate Health and Safety Audit and the overdue management actions on Life Safety in the Internal Audit Overdue Actions report, including on action which is 551 days overdue;
 - 2.2.7 To note the concern of this committee on the robustness of the council's current health and safety performance;
 - 2.2.8 To agree that a report in one cycle which sets out:
 - Details of the Corporate Health and Safety Team and an assessment of the capacity within that team

- Areas within the council that have been assessed as potentially high risk, and what actions have been taken to investigate the adherence to health and safety policies and procedures within those teams including the outcomes of workplace inspections as recommended in the Cross Directorate Health and Safety audit
- An assessment of the council's current health and safety policies and procedures and the management and ownership of them.
- Details of any training needs that have been identified and development of training programmes on health and safety and risk management
- Outcomes of the review of organisational arrangements and how oversight of risk assessment and risk control will be managed within high risk areas of the council; and

2.2.9 To agree that this committee and members of the Policy and Sustainability Committee receive an urgent briefing on the issues raised in the Cross Departmental audit regarding Murrayburn Depot, and the actions that have already been taken to improve health and safety including concerns raised about potential environmental contamination.

Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) and Repairs Right First Time (PL2306)

2.3 On 20 February 2024, the Governance, Risk and Best Value Committee considered the Internal Audit Update Report: Quarter 3 2023/24 which contained the Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) internal audit report and Report Repairs Right First Time (PL2306) internal audit report.

2.4 The Governance, Risk and Best Value Committee agreed:

2.4.1 To note progress with the 2023/24 Internal Audit (IA) plan approved by Committee in March 2023;

2.4.2 To note the outcomes of 2023/24 internal audits completed in Quarter 3;

2.4.3 To note that, reflecting the 2023/24 financial position discussed at the Policy and Sustainability Committee on 9 January 2024, the planned audit of the Health and Social Care Total Mobile project has been replaced with an audit of Health and Social Care Budget monitoring and reporting;

2.4.4 To agree the deferral of the following audits from the 2023/24 IA plan to the 2024/25 IA Plan:

- Partnership Working
- Refugee and Migration Services
- Devolved School Management
- City Region Deal
- Transfer of the Development Management Funding (TMDF);

- 2.4.5 To note the removal of the Project Forth audit from the Lothian Pension Fund 2023/24 IA plan;
- 2.4.6 To note the key IA priorities and timelines for development of the 2024/25 IA plan;
- 2.4.7 To note the shocking findings from the audit into Supplier and Contract Management, noting particular concerns around the designation of over £91m of 'non-contract spend', and the failure to carry out compliance, insurance and PVG checks;
- 2.4.8 To agree to receive a report in three cycles which sets out:
 - A) Which Directorates/Service Areas are responsible for the top ten highest levels of spend where there are contracts classed as 'non contract spend' and not managed in line with contract standing orders
 - B) Which Directorates/Service Areas have the top ten highest number of contracts where there has been a failure to carry out PVG, insurance and compliance checks
 - C) Which Directorates/Service Areas have the top ten highest number of contracts where there is no named contract manager, or the wrong contract manager is named
 - D) Which Directorates/Service Areas have the top ten highest number of contracts that have not been entered into the contract register;
- 2.4.9 To agree that this report will set out the reasons why there has been a failure of contract management and what specific actions are being taken in those service areas to bring contract management back in line with standing orders;
- 2.4.10 To agree this report will set out the risks associated with the failures in contract management, particularly whether any children and young people or vulnerable adults have been put at risk, alongside financial and other risks;
- 2.4.11 To agree that this report will be referred to all executive committees who are responsible for any service area covered by the above request;
- 2.4.12 To agree that a further audit of contract management will be carried out in two years' time;
- 2.4.13 To note the audit for Repairs Right First Time which includes the admission that the council has been providing incorrect information to the Housing Regulator;
- 2.4.14 To note a significant lack of processes and procedures to manage internal and contractor performance, check the quality of repairs, manage stock, approve invoices above the tolerance threshold or check completion of works; and that the lack of process puts the HRA at considerable risk of financial mismanagement and fraud alongside contributing to the poor service that many tenants report to us; and

- 2.4.15 To agree that the Repairs Right First Time audit, alongside the previous audit on Mixed Tenure Repairs and the audit on Damp and Mould are referred to the Housing, Homelessness and Fair Work committee with a recommendation that monitoring of the audit management actions are included in their Housing Service Improvement Plan in order for them to monitor the aspects which include securing best value for the HRA and improving services for tenants.

Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) – Service Area Response

- 2.5 On 20 February 2024, the Governance, Risk and Best Value Committee considered a report on the service area response for Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303).
- 2.6 The Governance, Risk and Best Value Committee agreed:
- 2.6.1 To note the service area response and actions taken to date to address the risks raised in the Internal Audit report on Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303); and
- 2.6.2 To refer this report, with the associated Internal Audit report, to Housing, Homelessness and Fair Work Committee for information.

Housing Repairs Right First Time (PL2306) – Service Area Response

- 2.7 On 20 February 2024, the Governance, Risk and Best Value Committee considered a report on the service area response for Repairs Right First Time (PL2306)
- 2.8 The Governance, Risk and Best Value Committee agreed:
- 2.8.1 To note the service area response and actions taken to date to address the risks raised in the Internal Audit report on To note the Service area response for Repairs Right First Time (PL2306); and
- 2.8.2 To refer this report, with the associated Internal Audit report, to Housing, Homelessness and Fair Work Committee for information.

Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response

- 2.9 At the request of the Place directorate the Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response has been included for information.

Recommendations

- 2.10 The Housing Homelessness and Fairwork Committee is asked;
- 2.10.1 To agree that monitoring of the audit management actions are included in their Housing Service Improvement Plan in order for them to monitor the aspects which include securing best value for the HRA and improving services for tenants;
- 2.10.2 To note the Service area response for Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303); and
- 2.10.3 To note the Service area response for Repairs Right First Time (PL2306).

3. Background Reading/ External References

- 3.1 [Governance, Risk and Best Value Committee – 28 November 2023 – Webcast](#)
- 3.2 [Minute of the Governance, Risk and Best Value Committee – 28 November 2023](#)
- 3.3 [Governance, Risk and Best Value Committee – 20 February 2024 – Webcast](#)

4. Appendices

Appendix 1 – Internal Audit Report Management of Ad hoc Mixed Tenure Works (PL2302)

Appendix 2 – Internal Audit Report Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303)

Appendix 3 – Internal Audit Report Repairs Right First Time (PL2306)

Appendix 4 – Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) – Service Area Response

Appendix 5 – Housing Repairs Right First Time (PL2306) – Service Area Response

Appendix 6 - Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response (submitted for information)



Internal Audit Report

Management of Ad hoc Mixed Tenure Works

2 November 2023

PL2302

Overall Assessment	Limited Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2023/24 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2023. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall
Assessment

Limited
Assurance

Overall opinion and summary of findings

The controls established to ensure that the Council's policies and processes for engaging with owners and private landlords for scheduling and funding/payment for ad hoc common repairs across mixed tenure blocks require improvement. The following significant gaps, issues and areas of non-compliance have been identified, which if not addressed may expose the Council to risks and impact the achievement of Council objectives:

- there are no procedures for ad hoc common repairs where the Council is the lead owner completing repairs within mixed tenure blocks when handled by the locality offices. The Service have advised that they are aware of procedural gaps and a pilot project for emergency mixed tenure repairs is underway which will assist in developing procedures. Record keeping particularly in respect of the recording of decisions made, costs and recharging needs to be improved
- the audit highlighted that there is currently no recharging process when the Council lead on ad hoc mixed tenure common repairs process. The volume and value of ad hoc mixed tenure repairs being carried out and not recharged to owners is unknown and data for this is not easily accessible
- there are no documented post inspection checks carried out for ad hoc mixed tenure common repairs and there is no written quality assurance process in place and no checks of sub-contractor invoices are completed which carries a risk of overpayment. In circumstances where the repair is owner led owners are requested to submit photographic evidence of the repair completed
- the Housing Property risk register does not have specific risks which relate to the mixed tenure common repair process captured
- our audit highlighted a lack of performance data in respect of mixed tenure blocks.

This audit also included a review of a specific whistleblowing case related to mixed tenure works, the observations and findings of which are aligned to those identified in the wider review, therefore relevant recommendations have been amalgamated within this report to avoid duplication.

Areas of good practice

Our review identified:

- the process for logging mixed tenure repairs through Repairs Direct is effective and guidance is available for officers carrying out this task
- when Repairs Direct issue the repair directly to responsive repairs a flowchart is followed to ensure the repair is completed
- a pilot project is in progress for localities managing mixed tenure emergency repairs as the service has identified control gaps and has begun to take action to address these by trialling a new approach on two emergency cases
- the officers involved in the audit process demonstrated a commitment to customer service and improving processes.

Management Response to Executive Summary

We welcome the findings of the audit and are committed to developing a robust approach to the Council's role as landlord in ad hoc mixed tenure repairs. It is fully accepted that a review of the Housing Service's approach to taking the lead on mixed tenure repairs, how we deal with cases when owners take the lead and how we ensure that procedures are clearly defined, documented, and followed is necessary. Guidance currently given to officers is to limit the instances when the Council takes the lead to emergencies or exceptional cases only, but it is accepted that this approach requires to be reviewed.

There has been significant progress made in developing the Council's approach to planned mixed tenure works through the work of the Mixed Tenure Improvement Service and the learning, good practice and expertise that has been developed through that team is informing the development of procedures for ad hoc repairs. Guidance has been developed for officers and is being tested through two pilot projects; this will be used to inform the development of procedures moving forward. It is also acknowledged that progressing mixed tenure repairs and ensuring proper engagement with owners takes place is resource intensive and it will be essential to ensure that the service is resourced accordingly.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Ad hoc Mixed Tenure Common Repairs Processes and Procedures			Finding 1 – Processes and Procedures	High Priority
2. Funding/Recharging Arrangements			Finding 2 – Recording Key Information and Decisions	Medium Priority
3. Quality Assurance, Risk Management and Performance Reporting			Finding 3 – Quality Assurance Processes	Medium Priority
			Finding 4 – Role specific learning and induction	Low Priority
			Finding 5 – Performance Data	Medium Priority
			Finding 6 – Risk Management	Low Priority

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and scope

Mixed tenure blocks consist of housing accommodation (flats) owned by the Council, Registered Social Landlords and private homeowners, including private landlords. These blocks are occupied by owner occupiers, private tenants, Registered Social Landlord tenants and Council tenants.

Management provided a presentation on Mixed Tenure Challenges and Shared repairs which stated that 68% of Edinburgh residents live in flats.

There are 3,820 mixed tenure blocks. The Council have 12,615 flats in mixed tenure blocks. As an owner of social housing and a local authority landlord, the Council has an obligation to maintain and repair homes for its tenants and shares responsibility with other owners to maintain common areas of blocks. Common areas are the shared parts of a block out with the boundaries of the individual flat and include aspects such as the roof, external walls, stairwells and walkways, common windows, and doors, refuse disposal chutes/stores and drying areas.

The [Tenements \(Scotland\) Act 2004](#) provides default law, and where required, the legal framework to facilitate the delivery of essential repairs and maintenance to common (shared) areas of the block. The Act requires all owners in mixed tenure tenements (including the Council) to take responsibility for repairs and maintenance to common areas of the block. This responsibility extends to the liability for costs arising from work carried out to Scheme property.

According to [Scottish Government statistics](#), in 2021/22, 94% of Housing Revenue Account (HRA) monies came from income on rents and 41% was spent on repairs and maintenance.

One of the key objectives of the Housing Revenue Account (HRA) Budget Strategy 2018 – 2023 was to deliver improvements to mixed tenure estates.

The Council's [Mixed Tenure Improvement Service](#) was implemented in October 2020 and assists in arranging essential repairs and maintenance in tenements where the Council acts as an owner and takes the lead owner role to progress works.

[Edinburgh Shared Repairs Service](#) (ESRS) offers free advice and information to help owners organise repairs. They can also take the lead on a repair in default of owners, but these tend to be for higher value repairs.

The [Housing \(Scotland\) Act 2006](#) gives local authorities powers to provide a wide range of advice, information, practical and financial assistance to homeowners. [The Scheme of Assistance](#) aims to provide help and assistance to homeowners who require repairs to their home.

The service is currently running a pilot project in North East and South West locality offices for Housing officers to manage emergency repairs in mixed ownership block. The two pilot cases are running between July 2023 and October 2023 and will be reviewed by the Mixed Tenure Improvement board prior to implementation.

Officers advised there used to be a dedicated recharge officer who managed mixed tenure repairs, however, following a service re-structure in 2016, the officer was redeployed to a new role. Management have advised that as part of an ongoing service review, the need to establish some additional resources to support recharging to owners has been identified as a priority and will form part of the proposals.

Scope

Following conclusion of a whistleblowing investigation in August 2022, which included an allegation related to mixed tenure repairs, Internal Audit was requested by the Governance, Risk and Best Value (GRBV) Committee to review the circumstances relating to the specific allegation to ensure Council procedures were followed.

GRBV also requested that Internal Audit assess the adequacy of design and operating effectiveness of the current key controls established to ensure the Council's policies and processes for engaging with owners and private landlords for scheduling and funding/payment for common repairs across mixed tenure blocks are adequate and complied with.

Risks

- Service Delivery
- Regulatory and Legislative Compliance
- Financial and Budget Management
- Supplier, Contractor, and Partnership Management
- Health and Safety

Limitations of Scope

Due to limited capacity within services and Internal Audit, the following areas were specifically excluded from the scope of our review:

- The Mixed Tenure Improvement Service where the service acts as an 'owner' in low rise tenements facilitating repairs and maintenance works
- Multi Storey blocks (5 storeys and above) where the Council is the factor
- Edinburgh Shared Repairs Service – which offers free advice and information to help owners organise repairs to the shared or common areas.

Reporting Date

Testing was undertaken between 06 July 2023 and 18 September 2023.

Our audit work concluded on 21 September 2023, and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Processes and Procedures

Finding Rating	High Priority
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Our review found that there are no procedures within locality offices for the Council being the lead owner when completing mixed tenure repairs and highlighted that there is no process covering:

- the authorisation levels of mixed tenure repair works completed within the Localities
- the rationale and authorisation for completing ad hoc mixed tenure repairs is not documented, particularly for non-rechargeable repairs, where a decision has been made for the Council to pay for the repair, and therefore a conflict of interest could go undetected
- timescales and charging arrangements including the circumstances where the repair should be recorded as no recharge to owners
- guidance on what is determined as a Health and Safety repair should be established, as currently ad hoc repairs are being carried out on the basis that the repair poses a health and safety risk when it may not be applicable
- recording evidence of decisions made as documented in [finding 2](#) of this report
- post inspection and quality assurance checks as documented in [finding 3](#) of this report.

Our review also highlighted instances where:

- mixed tenure repairs are directed to the locality office, and the Council completes and pays for the ad hoc mixed tenure repair with no recharge to owners. Officers advised they arranged the repair if it affected their tenant to maintain good service, however, this was not consistent and grounds for carrying out repairs varied.

The policy and procedure register held with Tenant and Resident Services (TRS) is out of date and a number of actions are overdue. It was noted that the register was not up to date due to a lack of resource to update the register.

Risks

- **Financial and Budget Management** – loss of income to HRA Account and risk of overspend in HRA budget
- **Governance and decision making** – senior management may not have oversight of the delivery of the service
- **Workforce/Service Delivery** – frontline colleagues may not provide a consistent service and key person dependency is noted
- **Reputational Risk** - reputational damage due to tenant rents funding owner repairs
- **Regulatory and Legislative Compliance** - if guidance and materials are not regularly reviewed, they may no longer align with organisational and legislative changes
- **Fraud and Serious Organised Crime** – conflict of interest and potential instances of fraud could go undetected.

Recommendations and Management Action Plan: Processes and Procedures

Ref.	Recommendations	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	<p>Mixed tenure procedures which cover the process where the Council is the lead owner when completing emergency and responsive repairs within mixed tenure blocks should be documented, approved by senior management, and communicated to relevant colleagues.</p> <p>Procedures should include:</p> <ul style="list-style-type: none"> • authorisation levels for value of works to be completed. The rationale and authorising arrangement should be documented and stored in line with the service areas records management requirements • requirement for non-rechargeable repairs to be authorised by a senior manager and for the authorisation to be recorded on file • timescales and charging arrangements including the circumstances where a repair should be recorded as being no recharge to owners • guidance on what is determined to be a Health and Safety essential repair should be established • requirement to record evidence of decisions made as per finding 2 of this report • post inspection and quality assurance checks as per finding 3 of this report • in addition, documents should be held in a central location, and the version control and date of next review should be included on the procedure documents. 	Procedures, including appropriate authorisation procedures, will be developed based on best practice being followed by the mixed tenure improvement service.	Executive Director of Place	Head of Housing Operations	31/05/2024
1.2	Monitoring and review of the policy register should be allocated to a responsible officer, with appropriate contingency to cover absence and prevent key person dependency.	Recommendation agreed.			31/01/2024

Finding 2 – Recording Key Information and Decisions

Finding Rating	Medium Priority
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Our review found that records for carrying out an ad hoc mixed tenure repair including the reasons behind the decision and process followed were not formally documented. Although the repair is recorded on NEC, (the system used for housing management including repairs), much of the information which was relevant was stored in officer email inboxes which may not always be accessible, cannot be accessed by others without permissions and/or can be deleted.

Some records such as who carried out the repair, the total cost of the overall repair (or whether it was carried out as a gesture of goodwill) were not available at all. This is linked to a lack of formal processes and procedures which should include appropriate recording of key information and decisions taken (see [finding 1](#)).

Record keeping was found to be sporadic making it difficult to piece together when evidence of a decision is required. Lack of formal record keeping means officers cannot evidence that procedures were followed in line with council policies and code of conduct and may expose officers to allegations of misconduct or fraud.

Risks

- **Governance and decision making** – senior management may not have oversight of the delivery of the service
- **Reputational Risk**- risk of allegations of conflicts of interest
- **Fraud and Serious Organised Crime** – Fraud would be more difficult to detect
- **Financial and Budget Management** – best value may not be achieved
- **Regulatory and Legislative compliance** – the Council may not meet statutory and records retention requirements.

Recommendations and Management Action Plan: Recording Key Information and Decisions

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	<p>The mixed tenure procedures referred to in finding 1 should include how and where decisions for completed repairs should be recorded and detail how records should be maintained in line with the Councils' records management policy.</p> <p>The procedure for the recording of decisions where normal procedures is not followed, should include the rationale for the decision made, the outcome and the authorising manager.</p> <p>Records of decisions made should be electronically stored in appropriate locations/system, which is accessible to relevant officers as required, with appropriate protections for sensitive data.</p>	<p>Records of decisions made should currently be electronically stored in the NEC system.</p> <p>This will be specified in the procedures as outlined under action 1.1.</p>	Executive Director of Place	Head of Housing Operations	31/05/2024

Finding 3 – Quality Assurance Processes

Finding Rating	Medium Priority
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There are no quality assurance processes in place for the ad hoc mixed tenure repairs end to end process (including coverage of scheduling, processing, and recharging repairs). This is linked to a lack of formal processes and procedures (as detailed in [finding 1](#)).

Post inspections checks are not carried out. There is no process for checking the completion and the quality of repairs when it is arranged by either the Council or the owner and there is no cross checking of invoices received from contractors.

Additionally, there is no action plan for mixed tenure processing errors and no record of discussions or feedback with staff following errors. Managers advised errors are mainly noticed following a complaint and discussed informally with officers.

Risks

- **Financial and Budget Management** – the Council may not achieve best value from contractors and may be charged for work not completed
- **Governance and Decision Making** – management are unaware of issues and make uniformed decisions
- **Reputational Risk** - errors may not be rectified and could affect customers
- **Fraud and Serious Organised Crime compliance** – systemic issues which could indicate potential fraud are not identified
- **Service Delivery** – failure to identify areas of improvement and learning needs required to improve performance

Recommendations and Management Action Plan: Quality Assurance Processes

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	<p>A quality assurance programme should be created to review the completion and quality of repairs carried out in mixed tenure blocks. The programme should include a clear methodology which sets out:</p> <ul style="list-style-type: none"> • sample size of cases to be reviewed • how frequently quality reviews will be performed, and by which officers • what elements of the mixed tenure repair process will be checked - we would recommend that the areas highlighted in the audit finding are covered • lessons learned and remedial work to be performed • which officers and groups will receive the associated reporting on the results of quality assurance exercises. 	Recommendation accepted.	Executive Director of Place	Head of Housing Operations	31/05/2024

3.2	Documented procedures should be produced for the quality assurance process referred to in recommendation 3.1 above. This procedure should be aligned / integrated into the mixed tenure procedure document referred to in finding 1 .	Recommendation accepted			31/05/2024
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Finding 4 – Role specific learning and induction

Finding Rating	Low Priority
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Whilst essential learning is accessed via and recorded on myLearning Hub, (the Council’s learning platform), and reminders are cascaded through the management team, it was noted that ongoing role specific learning or records of induction training are not stored centrally. Operations managers were unable to provide a completed, signed off induction or had access to what training colleagues had completed.

Risks

- **Workforce** – officers may not be completing all the required role specific learning for their role
- **Service Delivery** - opportunities to identify gaps in learning may not be captured and addressed fully and in a timely manner.

Recommendations and Management Action Plan: Role specific learning and induction

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
4.1	Housing management should engage with the Council's Learning and Development team to ensure that learning and development matrices on the Orb for officers are up to date and to agree arrangements for ensuring completion of training can be monitored by line managers as well as Heads of Service. Where relevant, local records should be maintained and accessible to evidence completion of statutory training.	Recommendation accepted	Executive Director of Place	Head of Housing Operations	31/05/2024

Finding 5 – Performance Data

Finding Rating	Medium Priority
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A review of performance data was completed which highlighted a lack of performance data for mixed tenure blocks with no current mechanism for monitoring the frequency or costs associated with low level (less than 4 storeys/8m) mixed tenure repairs where the Council covered the cost and did not charge owners their share. The volume and value of mixed tenure repairs being carried out and not recharged to owners is unknown and is not easily accessible. Officers advised this was due to having no procedures to progress repairs through the Tenement Management Scheme (TMS).

In addition, it was identified that the recording of mixed tenure data, where the Council took the lead on a repair, was not being coded within the Housing Property recording system NEC.

Risks

- **Strategic Delivery** – Council objectives may not be achieved
- **Financial and Budget Management** – Risk of overspend if cost and frequency is not monitored
- **Governance and Decision Making** – risks are not identified and managed
- **Service Delivery** – Colleagues are unaware of risk
- **Regulatory and Legislative Compliance** – Statutory requirements may not be met

Recommendations and Management Action Plan: Performance Data

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
5.1	<p>A review of the mixed tenure performance data should be completed to ensure that meaningful data can be extracted for monitoring purposes. How ad hoc mixed tenure repairs are recorded should be incorporated into the above review and should include:</p> <ul style="list-style-type: none"> • consideration of system improvements to the NEC system to ensure that mixed tenure repairs are being coded correctly within the system. IA appreciates that this may need consultation with the Council's IT providers. <p>If the above is not feasible alternative controls require to be implemented to address the control weakness identified.</p> <ul style="list-style-type: none"> • the ability to obtain meaningful reports for scrutiny and monitoring such as: 	<p>Phased implementation</p> <p>Phase 1 – engage with ICT/CGI colleagues regarding NEC upgrade potential</p> <p>Phase 2 - undertake review of mixed tenure performance data including consideration of system improvements and ability to obtain meaningful reports for scrutiny</p>	Executive Director of Place	Head of Housing Operations	<p>Phase 1 30/04/2024</p> <p>Phase 2 To be determined on completion of Phase 1</p>

	<ul style="list-style-type: none"> ○ a report which allows the monitoring and scrutiny of repairs where a decision has been taken to carry out a repair and not recharge owners ○ reports which include data such as the frequency, number and cost of repairs being carried out by the Council in mixed tenure blocks, out with those works led by the Mixed Tenure Improvement Service or works undertaken by the Council when acting as Property Factor in high rise blocks, would be more transparent and easily accessible. 				
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Finding 6 – Risk Management

Finding Rating	Low Priority
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A review of the Housing Property risk register highlighted that although there was reference to mixed tenure in some of the wider risks within the register, there are no specific risks directly related to mixed tenure repairs recorded within the risk registers. Some managers were not aware of the risk register for their service and were not involved in discussions around risk.

Risks

- **Strategic Delivery** – Council objectives may not be achieved
- **Governance and Decision Making** – risks are not identified and managed
- **Service Delivery** – colleagues are unaware of risks impacting service delivery

Recommendations and Management Action Plan: Risk Management

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
6.1	<p>A review of risks related to mixed tenure repairs and works should be undertaken and risks identified should be recorded within the Housing Property risk register. This should include the risks associated with the issues raised in this report.</p> <p>Mixed tenure risks should be discussed with all relevant operational managers with mitigating actions agreed, recorded, and tracked as required.</p> <p>Mixed tenure risks should be embedded into regular team meeting discussions to increase risk awareness, with support sought from the Council's Corporate Risk team, if required.</p>	<p>Recommendation accepted.</p> <p>Mixed tenure risks in relation to ad hoc repairs will be incorporated into the updated Housing Operations Risk Register.</p>	Executive Director of Place	Head of Housing Operations	29/02/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings

Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.



Internal Audit Report

Housing Stock Condition – Tenant Safety, Damp and Mould

07 December 2023

PL2303

Overall Assessment	Substantial Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2023/24 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2023. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall Assessment

Substantial Assurance

Overall opinion and summary of findings

Our review of the Council's approach Tenant Safety and the Dampness Improvement Plan provides substantial assurance that the Council has established effective controls and processes to identify, remediate and monitor cases of damp and mould in a timely and effective manner, in line with the requirements of the Scottish Housing Regulator.

The following areas of improvement have been identified which are intended to strengthen the Council's control environment:

- action should be taken to understand why a KPI to complete dampness surveys within 21 days is not consistently being met
- contract management and performance monitoring meetings should occur regularly, be appropriately recorded and KPIs monitored.

Areas of good practice

Our review identified:

- effective customer interface controls have been established to identify tenant vulnerabilities when tenants report cases
- a pro-active communication plan and awareness campaign has been established that enables tenants to identify root causes of dampness, mould, and condensation issues
- a working group has been established which meets regularly to oversee progress of the Dampness Improvement Plan.

Audit Assessment

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Implementation of the Council's Dampness Improvement Plan			No issues noted	N/A
2. Customer Experience			No issues noted	N/A
3. Repairs of dampness and mould			Finding 1 – Dampness, mould, and condensation-performance monitoring and improvement	Medium Priority
			Finding 2 – Contract Management of Repairs and Maintenance Framework	Medium Priority

Background and scope

The City of Edinburgh Council is a social landlord to approximately 20,000 homes across the city and is responsible for ensuring the safety and well-being of tenants in Council-owned housing.

Following the tragic death of a two-year-old in Rochdale in December 2020 from a respiratory condition found to be caused by mould in his home, the coroner's report highlighted a link between dampness and mould in houses and serious health conditions. [The Scottish Housing Regulator wrote to local authorities in January 2023](#) requesting landlords to ensure that they have 'proactive systems in place to identify and deal with any reported cases of damp and mould timeously and effectively'. Different housing regulatory authorities have also published detailed guidance for landlords to follow on damp and mould incidents. Some of those include:

- ['Spotlight report'](#) by the Housing Ombudsman Service including 26 recommendations for landlords on damp and mould management
- ['Putting Safety First'](#), a briefing note by the Scottish Housing Regulator (SHR) and other agencies on damp and mould management for social housing practitioners.

The Council has also developed a [Dampness Improvement Plan, agreed at the Housing, Homelessness and Fair Work Committee in May 2023](#), to review and develop all processes and procedures relating to the treatment of dampness and mould in Council Homes.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure the Council's Improvement Plan addresses the Scottish Housing Regulator's request to ensure that processes to identify and remediate cases of damp and mould in a timely and effective manner.

Risks

- Health and Safety
- Regulatory and Legislative Compliance
- Reputational
- Financial and Budget Management

Limitations of Scope

The following area was specifically excluded from the scope of our review:

- Insurance Services used by tenants who have experienced damage to their own property or belongings because of dampness and mould in Council homes.

Reporting Date

Testing was undertaken between 16 August and 14 October 2023.

Our audit work concluded on 14 October 2023 and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Dampness, Mould, and Condensation - Performance Monitoring and Improvement

Finding Rating	Medium Priority
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A review of the tracker used to monitor Dampness, Mould, and Condensation cases across Council homes identified that the key performance indicator (KPI) target for completing dampness surveys within 21 days was not met in 50% of cases between January and 27 July 2023.

The tracker also contains target dates for completing internal repairs. It was noted, however, that the tracker does not identify instances when the target date has not been achieved. In four cases, a comment was noted to refer to other columns within the tracker, e.g., 'Recommended Works', but completion dates had not been recorded. Additionally, while there is a column in the tracker for the completion date of mould removal, no date was entered in two cases, and a comment was referred to another column which only gave details of recommended works.

A review of the Contract Handover report also identified that KPIs have not been established to monitor the timeliness of repairs carried out following the completion of a dampness survey.

Dampness, Mould, and Condensation performance dashboards are presented to the Housing, Homelessness and Fair Work committee twice annually as part of the overall update on the Dampness Improvement Plan. The dashboards contain data about the geographical location of cases raised (by locality) as well as reasons why repairs have been delayed. However, no information is presented to committee about the age of cases raised. The Committee is therefore unaware of and unable to scrutinise cases that have not been resolved for significantly overdue period.

Additionally, the Dampness, Mould and Condensation case tracker does not have a specific column to identify vulnerable tenants and subsequent costs associated with decants, where applicable.

Risks

- **Health and Safety** – dampness surveys and repairs not completed in a timely manner leading to potential health and safety impact for tenants
- **Supplier, Contractor and Partnership Management** – lack of performance monitoring to complete repairs in timely manner.
- **Governance and Decision Making** – Committee is unaware of, and unable to scrutinise, cases that have gone significantly overdue.

Recommendations and Management Action Plan: Dampness, Mould, and Condensation - Performance Monitoring and Improvement

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	a) Steps should be taken to understand why the KPI to complete a dampness survey within 21 days is not consistently being met.	a) Housing Operations (HO) reviewed current and predicted demand for surveys in the future and;	Executive Director of Place	Head of Housing Operations	28/05/2024

	<p>b) Consideration should be given to establishment of a KPI for completing internal and preservation repairs in a timely manner (with valid exceptions, e.g., mixed tenure) omitted.</p> <p>c) The dampness, mould and condensation tracker should be updated to ensure all completion dates of works are recorded in the appropriate columns.</p>	<ul style="list-style-type: none"> Will recruit and train three additional in-house Preservation Surveyors bringing the total to four in the Dampness Team In addition to the two existing preservation contractors, another has been procured with agreement to carry out damp surveys. Regularly review survey waiting times and deploy resources according to demand in each housing locality <p>b)</p> <ul style="list-style-type: none"> KPI for internal preservation repairs to be agreed and set at next contract meeting KPI timescales to be communicated to all stakeholders <p>c) Dampness case tracker is updated weekly with completions information</p>		<p>Housing Team Operations Manager</p>	<p>31/03/2024</p> <p>28/02/2023</p>
1.2	<p>Dashboards presented to the Housing, Homelessness and Fair Work committee should include a summary of outstanding repair works by age to allow scrutiny and escalation of significantly overdue repairs.</p>	<p>The dashboard presented to HHFW committee will include all open cases since April 2023</p>			<p>31/05/2024</p>
1.3	<p>The Dampness, Mould and Condensation case tracker should be reviewed to ensure that a column is added to easily identify vulnerable tenants and costs associated with decants, where applicable.</p>	<p>This action was discussed with key officers during the course of the audit and an updated version of the tracker was provided demonstrating implementation of a Vulnerability column.</p>		<p>Head of Housing Operations Senior Repairs and Materials Officer</p>	<p>Completed – November 2023.</p>

Finding 2 – Contract Management of Repairs and Maintenance framework

Finding Rating	Medium Priority
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As part of audit fieldwork, Internal Audit requested the last three minutes of monthly contractor meetings with two suppliers:

Contractor 1: Internal Audit was provided monthly meeting notes for three months (May, June, and September 2023). There was no evidence available to confirm that monthly contract meetings were held in July and August 2023. Management advised that performance discussions have been held with the contractor but were not documented. While contract performance is a standing item on agendas with contractors, insufficient information was available within the minutes to verify what KPIs have been established and discussed.

Contractor 2: Only one minute (February 2023 meeting) was available to demonstrate that contract management meetings were being held with the contractor. Meeting notes indicated that discussions took place on KPIs but did not state numbers or percentages that the contractor must adhere to. The KPIs differed from those developed with the Council's Commercial and Procurement Services (CPS) during the procurement process and the Contract Handover report was also noted as not signed by the service area despite repeated requests from CPS.

Risks

- **Supplier, Contractor and Partnership Management** – contractor performance is not monitored against agreed performance targets.

Recommendations and Management Action Plan: Contract Management of Repairs and Maintenance framework

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	The Contract Handover report should be signed by the service manager, and agreed KPIs reviewed to ensure they are being recorded and monitored. Monthly contract review meetings should resume, with performance against agreed KPIs recorded and scrutinised.	<ul style="list-style-type: none"> • Contract Handover report to be signed by Willie Gilhooly (acting service manager at the time of framework procurement) • Contract review meetings will continue to take place every month • Measurement of performance by all contractors against KPIs to be analysed and recorded at each contract meeting 	Executive Director of Place	Head of Housing Operations Housing Team Operations Manager	31/05/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
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Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
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Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
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Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 3

Internal Audit Report Repairs Right First Time

30 January 2024

PL2306

Overall Assessment	Limited Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2023/24 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2023. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

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Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall
Assessment

Limited
Assurance

Overall opinion and summary of findings

Review of the Council's Repairs Right First Time (RRFT) processes has highlighted significant design and operating effectiveness gaps in the procedures and controls established to ensure that the Council meets the Scottish Housing Regulator's (SHR) Repairs right first time [indicator 10 of the Scottish Social Housing Charter](#). There are two requirements within Indicator 10: the number of reactive repairs completed right first time during the reporting year, and the total number of reactive repairs completed during the reporting year. Specific process deficiencies and areas of improvement include:

- Annual regulatory reporting to the SHR on indicator 10 of the Charter is inaccurate as:
 - a) the current repair procedures do not include an accurate measure to completely record or identify recalls to existing repairs. As a result, the original repair to a recall is considered as RRFT whereas it should not be included in the RRFT data, as per SHR guidance
 - b) the data set used to calculate recalls, required to be excluded from RRFT data, includes all repairs carried out since 2019 and not just during the reporting year, as required by the SHR.

The review also highlighted data quality and completeness issues.

- Effective processes to monitor quality of internal operative performance against housing service standards and contractor performance against their contractually agreed key performance indicators (KPIs), require to be established. Improvements are needed to ensure that contractor performance including overspends accrued from repeat call outs are identified, recorded, and escalated through formal contract monitoring arrangements.

- Quality assurance procedures to conduct post inspection visits, review of invoices over the agreed threshold of variance between estimated and actual cost, monitoring of recall invoices, and stock monitoring procedures require to be formalised and documented.
- Moderate improvement is required to the repairs information published on Council website to ensure the information is complete, up to date and easily accessible.

Areas of good practice

Areas of good practice noted during this review include:

- numerous, accessible ways for tenants to report repairs
- efficient and easy process for allocating/updating jobs on the Total mobile system
- regular monitoring and reporting of repair targets and communication to relevant officers
- significant reduction in internal operatives' appointment waiting times due to management review and monitoring during weekly meetings.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Repairs right first-time procedures and training			Finding 5 – Repairs Information available to Customers	Low Priority
2. Performance data recording, collection, and reporting			Finding 1 – Measuring and Regulatory reporting of RRFT data	High Priority
			Finding 2 – Internal Operative and Contractor Performance Monitoring	Medium Priority
3. Cost controls, payments, and invoicing			Finding 3 – Quality Assurance Processes	Medium Priority
4. Risk management			Finding 4 – Risk Management of RRFT performance issues	Low Priority

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and scope

As of 31 March 2023, the City of Edinburgh Council (the Council) owned circa 20,658 homes, let out to Council tenants. As a social landlord, the Council is responsible for the maintenance of these homes. Depending on the nature of the issue, repairs are categorised as a) responsive repairs – reactive repairs, some of which can be emergency and out of hours; b) planned maintenance – upgrades to kitchens, bathrooms and other improvement programmes, and c) maintenance and electrical – which includes gas and fire safety related works, adaptations, and lift repairs.

As a social landlord, the Council is required to report performance to the [Scottish Housing Regulator](#) (SHR) through the Annual Return on the Charter (ARC). [Indicator 10](#) of the Charter considers performance for completion of reactive repairs and requires landlords to report on the percentage of reactive repairs carried out in the last year completed right first time.

[The SHR technical guidance](#) provides a definition of ‘completed right first time’ and to meet this a reactive repair must be completed within the appropriate target timescale agreed locally, and without the need for an operative to be recalled to work on a defect within the first year. The locally agreed timescales for the Council are 1 working day for an urgent repair and 20 working days for a routine repair.

During 2022/23, the Council completed 45,017 reactive repairs with 31,969 (71%) completed 'right first time'. This is a slight improvement on Council performance for 2021/22 (70.1%) and a decrease on performance for 2020/21 (85.3%). A similar reduction in performance for the Scottish average was noted (2022/23: 87.8%, 2021/22: 88.3% and 2020/21: 91.5%).

[In June 2019](#), in recognition that performance was flatlining and in some areas decreasing across other key service areas, a Housing Service Improvement plan (HSIP) was presented to the Housing and Economy Committee, which is reported to committee on a six-monthly basis most recently [October 2023](#) and includes a range of improvement activities related to repairs. The HSIP also includes a [Performance Dashboard](#) which includes several key performance indicators for repairs.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure the Council’s approach and performance for completing repairs ‘right first time’ are in line with the criteria for indicator 10 of the [Scottish Social Housing Charter](#), including completion of all aspects of the repair within the Council’s target timescale and no recall to resolve subsequent defects within 12 months.

Risks

- Service delivery
- Regulatory and Legislative Compliance
- Financial and Budget Management
- Supplier, Contractor, and Partnership Management
- Health and Safety

Limitations of Scope

The following areas were excluded from scope:

- This audit only considered ‘Reactive’ repairs right first time in line with the Scottish Social Housing Charter indicator 10
- Mixed Tenure Repairs were excluded from this scope as it was reviewed in a separate audit, [reported to the GRBV Committee in November 2023](#)
- Repairs related to voids (empty properties) were excluded from scope as this is subject to a separate 23/24 audit.

Reporting Date

Testing was undertaken between 31 October 2023 and 7 December 2023.

Our audit work concluded on 7 December 2023 and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Measuring and Regulatory Reporting of RRFT data

Finding Rating	High Priority
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The Scottish Housing Regulator (SHR) mandates social landlords to provide accurate information on their performance against the Social Housing Charter indicators and standards, through an Annual Return on the Charter. [Indicator 10](#) of the charter relates to the percentage of reactive repairs completed right first time (RRFT), carried out during the reporting year. [SHR guidance](#) also clarifies that if a repair follows up with any recall during the same reporting year, then that repair should be excluded from the RRFT data.

Our review identified that the Council does not have an established measure to accurately record and report the recall data. Whilst the number of completed repairs can be measured, repairs right first-time data cannot be accurately reported as the number of recalls is not recorded accurately. The existing procedures to record repairs in Customer contact system (Verint) and Housing Management system (NEC) includes recording of new repairs but no guidelines to record a recall. Officers rely on duplicate schedule of rates (SOR) codes; however, it is not an accurate measure to identify the recalls.

The Council is also not accurately reporting the number of recalls on reactive repairs completed within a reporting year, as the data set currently used to report RRFT number to SHR, includes all repeat SOR codes carried out since 2019 and not just those completed during the reporting year. It was identified through audit discussions with officers that there is no documented procedure to assist officers with collating the required reporting data, in line with the SHR requirements.

Review of the reactive repairs data also highlighted data quality and completeness issues. 1,050 (out of 36,994) repair lines for the reporting year 2022/23 were incomplete or inaccurate, as they did not have a completion date or completion date prior to the issue date. Management advised that these repairs were excluded in the SHR data return, leading to an inaccurate annual return. This should be noted in the comments section of the return submission.

Risks

- **Governance and Decision Making** – poor data quality leading to inadequate management review of recalls to ensure repairs are carried out right the first time
- **Financial and Budget Management** – increased recalls leading to repairs overspend
- **Regulatory and Legislative Compliance** – incomplete and inaccurate regulatory reporting to the SHR
- **Service Delivery** – the Council may be unable to provide a housing repairs service within Housing Repairs service standard timescales

Recommendations and Management Action Plan: Measuring and Regulatory Reporting of RRFT data

Ref.	Recommendation	Agreed Management Action	Action / Owner Lead Officers	Timeframe
1.1	A procedure note aligned to the SHR technical guidance for collating and submitting data for the Annual Return on the Charter (ARC) should be developed and documented to	A procedure note will be produced outlining the approach to capturing more accurate data for future returns.	Owner: Executive Director of Place Lead Officers:	31/05/2024

	<p>ensure that the SHR definition and criteria of repairs right first time is being met. This should include clarification on:</p> <ul style="list-style-type: none"> • data points to be included and excluded e.g., emergency repairs • filters to ensure data is reported only for the correct reporting period • parameters within Microsoft Access, used to run the reports • secondary review by a senior officer to ensure that the data reported to the SHR is complete and accurate. 		<p>Service Director, Housing and Homelessness Head of Housing Operations</p>	
1.2	<p>A defined procedure (preferably automated) should be established to accurately identify recalls. It is also recommended for Housing Services to consult with Digital Services for advice and support on system improvements. In the interim, a manual workaround should be developed, documented, and communicated to Customer services and Housing teams, until a system improvement is identified and established.</p>	<p>Manual workaround to be implemented.</p> <p>Phased implementation for automated process. Step 1 – engage with ICT on automated procedure.</p>	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	31/05/2024
1.3	<p>Data quality and completeness checks should be formally introduced to ensure that the repairs data in system, including completion date, is accurate and complete. The checks should include but not be limited to the following:</p> <ul style="list-style-type: none"> • data check frequency • identification of thematic reasons for data quality issues, and • remedial actions to prevent reoccurrence. 	Agreed.	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	30/06/2024
1.4	<p>Housing Services Team should notify the Scottish Housing Regulator about the inaccuracy of historical data returns and provide details of revised process to ensure the accuracy of future returns once developed.</p>	The Scottish Housing Regulator will be contacted and informed.	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	<p>31/01/2024 SHR notified 25/1/2024 Evidenced as complete.</p>

Finding 2 –Internal Operative and Contractor Performance Monitoring

Finding
Rating

Medium
Priority

The Council's Contract and Grant Management (CAGM) team has established [contract management guidance](#) and a [Contract management manual and toolkit](#) to support services in implementing a consistent contract management process across the Council, and ensure procured services provide best value for the Council. IA review highlighted that although contractor's performance against their contractually agreed key performance indicators (KPIs) is listed as an agenda item for monthly meetings, KPI reports are not currently monitored monthly.

Review of the PCS-T tracker (Public Contract Scotland- Tender: central tracker for contract related documents maintained by CAGM team) for agendas, minutes, action plans and KPI reports covered in monthly meetings with twelve contracts for the last twelve months, highlighted that only 59% of the monthly meetings were minuted.

Audit discussions have also highlighted that a process to develop KPI reports, capturing contractor performance against all the contract KPIs, and discussion with contractors on their performance against those KPIs, has not yet been established. Cost controls within the provided minutes covered costs outstanding to the contractor but did not cover overspend.

Review of the performance monitoring arrangements for internal operatives highlighted that while there is an informal process to review the number of completed jobs, there is no established process to measure the quality of individual operatives' performance against the Council housing repairs service standards.

Management has advised that incomplete or inadequate work would generally be identified through customer complaints and corrective actions are verbally discussed or emailed to operatives/contractors. An action plan may be used, however, there is no documented process to formally record or monitor issues. Discussions with the Housing Team Leaders also highlighted that they are not adequately trained on Total Mobile system to review the performance of internal operatives and contractors, and their compliance with KPIs.

Risks

- **Service Delivery** – the Council may be unable to provide a housing repairs service within housing repairs service standard timescale
- **Supplier, Contractor and Partnership Management** – contractors' potential non-compliance to the contractually agreed KPIs
- **Financial and Budget Management** – contractors' breach to the contractually agreed KPI's do not provide best value to the Council and inadequate performance monitoring leading to potential overspend
- **Regulatory and Legislative compliance** – inadequate performance leading to potential breach of SHR RRFT regulatory requirements
- **Reputational** – delayed repairs service does not meet the Council standards and tenants' expectations leading to dissatisfied citizens
- **Fraud and Serious organised crime** –poor quality repairs service leading to potential overspend and fraud may not be detected.

Recommendations and Management Action Plan: Internal Operative and Contractor Performance Monitoring

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
2.1	Improvements for contractor performance monitoring and reporting should be implemented to ensure	Agreed. Changes to strengthen contract management across the service has been	Owner: Executive Director of Place	30/06/2024

	<p>compliance with the Council's Contract Management guidance, manual and toolkit.</p> <p>This should include but not limited to central review and monitoring of contractors' performance against KPIs to ensure contractors are achieving the repair completion standards. This should be formally recorded to enable effective senior management oversight and remedial actions to improvement performance, where required.</p>	<p>identified as a priority as part of the Housing and Homelessness Service review.</p> <p>Development of KPI reporting will require systems development.</p> <p>Phased implementation:</p> <p>Step 1 – gap analysis against contract management framework to identify where contract management procedures require to be further strengthened.</p> <p>Step 2 – engage with ICT to identify system development requirements to deliver KPI reports by contractor.</p>	<p>Lead Officers:</p> <p>Service Director, Housing and Homelessness</p> <p>Head of Housing Operations</p>	
2.2	<p>A process to monitor operative and contractor performance including the following provisions should be established:</p> <ul style="list-style-type: none"> • completing repairs within the agreed KPI timescales • completing right first time minimising the need for recall • ensuring a completion date is recorded on the Total mobile system in a timely manner • quality assurance processes outlined in 3.1 should be carried out to ensure repairs are completed adequately and to the required standard • an action plan when KPI's are not being met; it should be recorded and monitored by Council officers and should include who is responsible and when the action is to be completed by. 	<p>A process will be put in place to monitor performance against quality of work, including recalls.</p>	<p>Owner:</p> <p>Executive Director of Place</p> <p>Lead Officers:</p> <p>Service Director, Housing and Homelessness</p> <p>Head of Housing Operations</p>	31/07/2024
2.3	<p>Monthly meetings with all Contractors should be carried out and formally minuted, utilising the contract review meeting guidance within the Council's Contract Management Toolkit. This should include recording discussions on contract controls, including reporting on agreed KPIs and costs overspends.</p>	<p>Monthly contract meetings are in place and performance discussed, work will be undertaken to ensure meetings are minuted and recorded on the system. Appendix 1 to the Contract Management toolkit will be mandatory for all contractor meetings.</p>	<p>Owner:</p> <p>Executive Director of Place</p> <p>Lead Officers:</p> <p>Service Director, Housing and Homelessness</p> <p>Head of Housing Operations</p>	31/05/2024

	<p>It is also recommended these are uploaded to PCS-T (Public Contract Scotland-Tender) system and monitored to ensure records are centrally available and complete and up to date records can be demonstrated.</p>	<p>Inclusion of KPI reports to support contract management meetings will be dependent on action outlined at 2.1 related to systems development.</p> <p>Housing Service review consultation will propose the creation of a service wide commissioning and contracts manager/service to consolidate all external spend and monitoring thereof.</p>		
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Finding 3 – Quality Assurance Processes

Finding
Rating

Medium
Priority

There are no documented quality assurance procedures for reactive repairs processes, including post inspection of completed works, approval of invoices over the agreed tolerance threshold, monitoring of invoicing on recalled repairs and checks on materials and van stock.

Post Inspection Visits: Post inspection site visits to check the quality of repairs are required to be recorded on the site visit forms. There is however no documented evidence available to substantiate these post inspections visits.

Invoice Approval: As per the Housing team operational guidance, any repair work invoiced over the agreed tolerance threshold of estimated versus the actual cost (*in-house: 150% or £250, whichever is lower; for sub-contractor: 50% or £75, whichever is lower*), is flagged for verification and requires authorisation by a Team leader (TL). Whilst there is a manual on how to run the report, there is no written guidance to support these authorisations and TLs advised that it is based on their experience and discretion. Discussions with TLs highlighted that they process several authorisations each day and are not always able to provide a detailed assessment for every invoice unless it is of significantly high value. Lack of a clear authorisation guidance could lead to high repair overspend for the Council.

Recall Invoices: As set out in [Finding 1](#), recalled jobs are not uniquely identified therefore invoices for recalls, which could include duplicate invoices for the same repair leading to potential contractor overspend, are not able to be reviewed and monitored. Management has advised that some recalled jobs

are emailed directly to the contractor by a team leader or repairs direct and not added to the system. Consequentially these recall jobs are not formally documented or monitored.

Stock Monitoring: Audit discussions highlighted that officers monitor and report operatives and contractors purchasing materials and stock for repair van using their trade authorisation card with an external supplier, however these monitoring procedures are not formalised and documented.

Risks

- **Service Delivery** – failure to identify areas of improvement and learning needs required to improve performance
- **Financial and Budget Management** – the Council may not achieve best value and may be charged for recall jobs or works not completed; overspend not adequately monitored leading to financial loss for Council
- **Governance and Decision Making** – management are unaware of performance issues and make uninformed decisions
- **Reputational** – errors may not be rectified and could affect customer experience
- **Fraud and Serious Organised crime** –Lack of documented guidance on invoice approval and stock monitoring leading to Team Leader discretion/oversight, exposing the process to potential fraud.

Recommendations and Management Action Plan: Quality Assurance Processes

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
3.1	A documented quality assurance and post inspection programme should be developed to review the completion and quality of repairs carried out. The programme should include a clear methodology which sets out: <ul style="list-style-type: none"> • sample size of cases to be reviewed 	Agreed. Approval for a post-work inspection team is currently pending with a view to embedding in the service structure as part of the service review.	Owner: Executive Director of Place Lead Officers:	30/06/2024

	<ul style="list-style-type: none"> • frequency and officer responsibility for quality reviews • documentation to support these quality assurance inspections • lessons learned and remedial work to be performed • officers' responsibility for review of the results of quality assurance exercises. 		Service Director, Housing and Homelessness Head of Housing Operations	
3.2	<p>A documented procedure for approvals/verification of repairs out with the tolerance threshold should be created and should include:</p> <ul style="list-style-type: none"> • defined thresholds for internal operatives and contractors • nature of checks to be completed prior to authorisation • sample size and frequency of reviews, if applicable • officers' responsibility to debrief the results of quality checks into staff training. 	<p>Agreed.</p> <p>Defined tolerance thresholds are in place. Guidance and training for Team Leaders will be developed to give direction on reviewing and approving repairs that exceed these tolerances and will be documented in a formal written procedure.</p>	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	30/06/2024
3.3	<p>Stock monitoring procedures should be formalised and documented. The procedure should include but not be restricted to sample reviews of:</p> <ul style="list-style-type: none"> • operative spend and visits against their repair jobs • purchases per address to check there are no duplicate purchases • sub-contractor spend. 	<p>Agree that the current practice requires to be formally documented and reviewed to ensure it is comprehensive.</p>	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	30/04/2024
3.4	<p>A sample of invoices for recalled jobs should be reviewed and monitored, subject to the implementation of management action 1.2.</p>	<p>A sample check of invoices for recalled jobs will be carried out.</p>	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	31/07/2024

Finding 4 –Risk Management of RRFT performance issues

Finding
Rating

Low Priority

A review of the Housing property risk register highlighted that no specific risks related to repairs right first time were recorded within the service risk register, either in relation to monitoring or reporting.

It was noted there was a wider repair risk noted within the Housing and Homelessness risk register at directorate level, however, that would not allow for a focussed monitoring of specific performance risks at the operational service level.

Risks

- **Governance and Decision Making** – risks are not effectively identified and managed at service level.

Recommendations and Management Action Plan: Risk Management of RRFT performance issues

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
4.1	<p>A review of risks related to repairs right first time should be undertaken, and risks identified should be recorded within the Housing Property risk register. This should include the risks associated with the issues raised in this report.</p> <p>Risks should be discussed with all relevant Operational Managers with mitigating actions agreed, recorded, and tracked, as required.</p> <p>Risks should be embedded into regular team meeting discussions to increase risk awareness, with support sought from the Council's Corporate Risk team, if required.</p>	<p>A review of risks related to Repairs Right First Time will be undertaken and included in the risk register as appropriate.</p>	<p>Owner: Executive Director of Place</p> <p>Lead Officers: Service Director, Housing and Homelessness Head of Housing Operations</p>	30/04/2024

Finding 5 – Repairs Information available to Customers

Finding
Rating

Low Priority

Our review of the housing repairs information on the [Council's website](#) highlighted that while the information provided to tenants is adequate, the following information is not complete:

- the Repairs policy has not been reviewed or updated since 2018, is not version controlled and has no formally allocated owner
- information in the Repairs policy is not up to date and requires review, for example, the repairs appointments section
- the repairs contact telephone number for routine repairs is not published on 'Reporting a repair' page of the website.

Risks

- **Reputational** – information available to citizens is inaccurate or not up to date
- **Service Delivery** – citizens are not able to effectively report and provide their repair requests.

Recommendations and Management Action Plan: Repairs Information available to Customers

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
5.1	The information available to customers on the Council's website regarding repairs should be periodically reviewed to ensure it is complete, accurate and up to date.	The website is regularly reviewed and updated. A further review will be undertaken following the conclusion of this audit.	Owner: Executive Director of Place Lead Officers: Service Director, Housing and Homelessness	30/04/2024
5.2	The Repairs policy should be allocated an owner, be reviewed for accuracy, and updated accordingly with version control included.	Agreed	Head of Housing Operations	30/04/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Governance, Risk and Best Value Committee

10.00am, Tuesday, 20 February 2024

Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) – Service Area Response

Executive/routine
Wards

All

1. Recommendations

- 1.1 Governance, Risk and Best Value Committee is asked to:
 - 1.1.1 Note the service area response and actions taken to date to address the risks raised in the Internal Audit report on Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303); and
 - 1.1.2 Refer this report, with the associated Internal Audit report, to Housing, Homelessness and Fair Work Committee for information.

Paul Lawrence

Executive Director of Place

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Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) – Service Area Response

2. Executive Summary

- 2.1 This report accompanies the Internal Audit report on Housing Stock Condition – Tenant Safety, Damp and Mould (PL2303) and provides a summary of the actions taken by the Housing and Homelessness service in response to the audit findings.

3. Background

- 3.1 The Council is responsible for the maintenance of all homes owned by the Council and let out to Council tenants.
- 3.2 Following the tragic death of a two-year-old in Rochdale in December 2020, an investigation into his death identified the cause as a respiratory condition caused by mould in his home. The coroner's report highlighted a link between dampness and mould in houses and serious health conditions.
- 3.3 The Scottish Housing Regulator requested all landlords ensure that they have proactive systems in place to identify and deal with any reported cases of damp and mould timeously and effectively.
- 3.4 The objective of this internal audit was to assess the adequacy of design and operating effectiveness of the key controls established as part of the Council's Improvement Plan to address the Scottish Housing Regulator's request to ensure that processes to identify and remediate cases of damp and mould in a timely and effective manner.
- 3.5 The overall assessment was that substantial assurance was provided of the design and operating effectiveness of the key controls established by the Council to deal with cases of damp and mould in Council homes.

4. Main report

Service Area Response to Internal Audit Findings

- 4.1 The service area welcomes the findings of the audit and are committed to ensuring continuing improvement in dealing with damp and mould when this is reported, and in particular in addressing the management actions agreed.
- 4.2 The audit looked at three areas of service:
- 4.2.1 Implementation of the Council’s Dampness Improvement Plan;
 - 4.2.2 Customer experience; and
 - 4.2.3 Repairs of dampness and mould.
- 4.3 The audit highlighted the following areas of good practice:
- 4.3.1 Effective customer interface controls have been established to identify tenant vulnerabilities when tenants report cases;
 - 4.3.2 A proactive communication plan and awareness campaign has been established that enables tenants to identify root causes of dampness, mould and condensation issues; and
 - 4.3.3 A working group oversees progress on the Dampness Improvement Plan.
- 4.4 The following areas for improvement were also identified:
- 4.4.1 Action should be taken to understand why the Key Performance Indicator (KPI) to complete dampness surveys within 21 days is consistently not being met; and
 - 4.4.2 Contract management and performance monitoring meetings should occur regularly, should be appropriately recorded and KPIs monitored.
- 4.5 Progress has been made in implementing these improvement recommendations and a status update is provided at 4.6.

Progress with Management Actions

- 4.6 Of the three areas of service reviewed (paragraph 4.2), there were two findings arising from the repairs of damp and mould. These relate to performance monitoring and improvement and contract management.
- 4.7 The table below provides a summary of the recommendations, the actions agreed and a status update.

Ref	Recommendation Summary	Summary of Action	Status Update
1.1	a. Steps to understand why the KPI to complete a dampness survey within 21 days is consistently not being achieved.	The service is increasing resources to address the challenge of completing surveys within the required timescale. This is being reviewed regularly, and	Three additional Preservations Surveyors have joined the team. One further contractor also commissioned to provide additional capacity.

	<p>b. Give consideration to establishing a KPI for completing internal and preservation repairs in a timely manner.</p> <p>c. Review tracker to ensure completion dates are appropriately recorded.</p>	<p>resources will be deployed to demand.</p> <p>KPIs will be developed and communicated.</p> <p>Dampness case tracker updated weekly with completion information.</p>	<p>KPIs established with contractors and monthly contract meetings in place.</p> <p>The tracker is regularly reviewed and updated.</p>
1.2	Dashboards presented to Housing, Homelessness and Fair Work Committee should include a summary of outstanding repair work by age, to allow scrutiny and escalation of significantly overdue repairs.	This will be implemented from the next Committee update in May 2024.	Development of dashboards in progress.
1.3	Column to be added to case tracker to identify vulnerable residents and costs of decants, where applicable.	Case tracker to be updated.	Action complete.

5. Next Steps

- 5.1 Evidence of completion of the remaining actions will be uploaded to the Team Mate platform for review by Internal Audit colleagues. Actions may be subject to future checks as part of annual audit plan to ensure that controls remain in place and effective.

6. Financial impact

- 6.1 The actions in this report have no impact on Council budgets, however, the strengthening of controls identified will assist with the implementation of sound governance.

7. Equality and Poverty Impact

7.1 There are no direct equality or poverty impacts arising from the findings of this audit.

8. Climate and Nature Emergency Implications

8.1 There are no climate or nature emergency implications arising from the findings of this audit.

9. Risk, policy, compliance, governance and community impact

9.1 The audit management actions referenced in this report will contribute to a strong system of risk management and compliance through a strengthening of controls and procedures.

10. Background reading/external references

10.1 Housing Stock Condition – Tenant Safety, Damp and Mould Internal Audit report (PL2303).

10.2 Reports to Housing, Homelessness and Fair Work Committee:

10.2.1 [3 October 2023](#);

10.2.2 [9 May 2023](#);

10.2.3 [20 January 2022](#); and

10.2.4 [3 June 2021](#).

11. Appendices

None.

Governance, Risk and Best Value Committee

10.00am, Tuesday, 20 February 2024

Housing Repairs Right First Time (PL2306) – Service Area Response

Executive/routine
Wards

All

1. Recommendations

- 1.1 Governance, Risk and Best Value Committee is asked to:
 - 1.1.1 Note the service area response and actions taken to date to address the risks raised in the Internal Audit report on Housing Repairs Right First Time; and
 - 1.1.2 Refer this report, with the associated Internal Audit report, to Housing, Homelessness and Fair Work Committee for information.

Paul Lawrence

Executive Director of Place

Contact: Derek McGowan, Service Director – Housing and Homelessness

E-mail: derek.mcgowan@edinburgh.gov.uk

Housing Repairs Right First Time (PL2306) – Service Area Response

2. Executive Summary

- 2.1 This report accompanies the Internal Audit report on Housing Repairs Right First Time (PL2306) and provides a summary of the actions taken by the Housing and Homelessness service in response to the audit findings.

3. Background

- 3.1 The Council is responsible for the maintenance of all homes owned by the Council and let out to Council tenants.
- 3.2 There are three categories of repairs which the Council carries out:
- 3.2.1 Responsive repairs – these are reactive repairs which can be planned or emergency;
 - 3.2.2 Planned maintenance – these are generally upgrades and improvements to existing homes; and
 - 3.2.3 Maintenance and Electrical – this includes gas and fire safety works, adaptations and lift repairs.
- 3.3 The Council is required to report performance to the Scottish Housing Regulatory (SHR) annually. Within the Scottish Social Housing Charter, indicator 10 considers the performance of the Council in respect of completion of reactive repairs and requires landlords to report on the percentage of reactive repairs carried out in the last year which were completed right first time.
- 3.4 Internal Audit has assessed the adequacy of design and operating effectiveness of the key controls established to ensure the Council's approach and performance are in line with the criteria for indicator 10 of the Scottish Social Housing Charter.
- 3.5 The overall assessment of Internal Audit is that Limited Assurance was provided, with significant design and operating effectiveness gaps identified in the procedures and controls around performance management and reporting and contract management.

- 3.6 While the overall assessment found Limited Assurance, Internal Audit did identify some areas of good practice, including:
- 3.6.1 The numerous accessible ways for tenants to report repairs;
 - 3.6.2 Total Mobile provides an easy and efficient process for allocating and updating jobs;
 - 3.6.3 Regular monitoring and reporting of repair targets and communication to officers; and
 - 3.6.4 Significant reduction in operative appointment waiting times.

4. Main report

Service Area Response to Internal Audit Findings

- 4.1 The service area is concerned by the findings of the audit and has committed to early action to address the findings and provide an appropriate level of assurance for the working practices which were subject to the audit. Accordingly, a range of management actions are identified in the audit report.
- 4.2 The audit findings also support proposed changes to the organisational structure of the Housing and Homelessness Service. An organisational review consultation is currently underway, with consultation closing on 28 March 2024. The draft structure proposes four Heads of Service, including a Head of Housing Services and Head of Strategy, Commissioning and Service Improvement.
- 4.3 In Housing Services, the proposed structure includes four Locality Housing Managers, a Tenant Safety Manager and a Senior Repairs Manager all reporting to the Head of Service. The proposal deliberately aligns responsibility for repairs alongside local housing teams.
- 4.4 The proposed Head of Strategy, Commissioning and Service Improvement will manage a consolidated Commissioning and Contracts team, responsible for effective strategic management and commissioning of internal and external services across the Housing and Homelessness service. The postholder will work alongside a proposed Service Improvement Manager to ensure effective implementation of operational improvements where required.
- 4.5 Following receipt of the audit findings, the Service Director for Housing and Homelessness commissioned an internal review of how repairs are identified, commissioned, managed and reported to ensure robust processes and procedures are put in place moving forward.
- 4.6 The Service Director has also agreed with the Chief Internal Auditor that a Value for Money review on housing repairs will be progressed as part of the internal audit programme for 2024/25 to ensure best value is being achieved within the service area.

Progress with Management Actions

4.7 There are 14 audit findings, across five audit areas arising from this review. In response, the service has agreed the following management actions. A short summary of progress so far is also provided.

Action Title	Summary of Action	Status Update
1.1 Procedure note aligned to SHR Technical Guidance	A procedure note will be produced to ensure the data provided to the Scottish Housing Regulator is accurate	Procedure note is currently being drafted.
1.2 Defined procedure to be established to accurately identify recalls	A manual workaround will be implemented while an automated process is developed	Process currently being developed.
1.3 Data quality and completeness checks to be introduced	These will now be implemented.	Data quality checks to be introduced.
1.4 Notify the Scottish Housing Regulator about the inaccuracy of historical data	The Scottish Housing Regulator will be contacted and informed	Officers met with the Scottish Housing Regulator on 25.01.2024 and followed up with email confirmation. Officers have committed to keeping the Regulator updated at regular monthly meetings.
2.1 Contractor Performance Monitoring	This will be addressed through the organisational review of the Housing and Homelessness Service and the proposed creation of a commissioning and contract management team.	An organisational review consultation is currently underway, with consultation closing on 28.03.2024. Once a new structure is in place, the remaining actions will be progressed.
2.2 Process to monitor operative and contractor performance	A process will be established.	An internal review of processes and practices has been commissioned. This will support the development of processes to monitor performance.

2.3 Contractor meeting arrangements	This will be addressed through the organisational review of the Housing and Homelessness Service and the proposed creation of a commissioning and contract management team.	Monthly contract management meetings are already in place and performance is discussed. Arrangements to record these meetings have now been introduced, in advance of any changes arising from the organisational review.
3.1 Documented quality assurance and post inspection programme	This will be addressed through the organisational review of the Housing and Homelessness Service.	An organisational review consultation is currently underway, with consultation closing on 28.03.2024.
3.2 Documented procedure for approvals/verification of repairs	Documented procedure to be developed.	Defined tolerance thresholds are in place. Guidance and training will be developed to ensure consistency of review/approval.
3.3 Stock monitoring procedures	Documented procedure to be developed.	Development of this procedure is underway.
3.4 Review of sample of invoices	A process to sample check invoices for recalled jobs will be introduced.	This process will be developed.
4.1 Review of risks	A review of risks will be undertaken, and the service area risk register updated. If required, risks will be escalated.	A review of the risks related to Repairs Right First Time is underway and the service area risk register will be updated.
5.1 Review Information for Customers	The website will continue to be reviewed and updated regularly.	The website is regularly reviewed and updated. A further review will be completed by the end of March 2024.
5.2 Repairs Policy	An owner will be identified for the Repairs policy. The policy will be reviewed for accuracy and updated accordingly.	This is underway now.

5. Next Steps

- 5.1 Evidence of completion of actions will be uploaded to the Team Mate platform for review by Internal Audit colleagues. Actions may be subject to future checks as part of the annual audit plan to ensure that controls remain in place and effective.

6. Financial impact

- 6.1 The actions in this report have no impact on Council budgets, however, the strengthening of controls identified will assist with the implementation of sound governance. As noted above, the Service Director has also commissioned a value for money review of housing repairs to ensure best value in the future.

7. Equality and Poverty Impact

- 7.1 There are no direct equality or poverty impacts arising from the findings of this audit. It is acknowledged however that the Council's housing stock of c20,500 homes, including a majority of homes situated within areas of multiple deprivation. This assessment includes a range of factors including income, educational attainment, and health outcomes. Around one in five children in the city are living in poverty, many of which are in Council homes. It is also clear that under the Scottish Government's Child Poverty outcomes, there is a significant correlation between these outcomes and those in social housing.
- 7.2 Delivery of quality social housing for those who seek it, including property repairs, and the achievement of best value through commissioning and contracting work in Council homes, can have provide both important benefits to tenants and long term investment in housing stock. This includes equality and poverty considerations for all tenants. These matters will be kept under review as the management actions are implemented.

8. Climate and Nature Emergency Implications

- 8.1 There are no climate or nature emergency implications arising from the findings of this audit.

9. Risk, policy, compliance, governance and community impact

- 9.1 The audit management actions referenced in this report will contribute to a strong system of risk management and compliance through a strengthening of controls and procedures.

10. Background reading/external references

10.1 Housing Repairs Right First Time (PL2306) Internal Audit report.

11. Appendices

None.

Governance, Risk and Best Value Committee

10.00am, Tuesday, 28 November 2023

Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response

Executive/routine
Wards

1. Recommendations

- 1.1 To note the service area response and actions taken to date to address risks raised in the Internal Audit report.

Paul Lawrence

Executive Director of Place

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Management of Ad Hoc Mixed Tenure Works (PL2302) – Service Area Response

2. Executive Summary

- 2.1 This report provides a summary of progress made by the Housing Service in relation to the internal audit into the management of ad hoc mixed tenure works.

3. Background

- 3.1 Mixed Tenure blocks consists of housing accommodation (flats) owned by the Council, Registered Social Landlords and private homeowners, including private landlords. These blocks are occupied by owner occupiers, private tenants, Registered Social Landlord tenants and Council tenants. As an owner of social housing and a local authority landlord, the Council has an obligation to maintain and repair homes for its tenants and shares responsibility with other owners to maintain common areas of blocks. Common areas are the shared parts of a block outwith the boundaries of the individual flat and include aspects such as the roof, external walls, stairwells and walkways, common windows and doors, refuse disposal chutes/stores and drying areas.
- 3.2 The Tenements (Scotland) Act 2004 provides default law, and where required, the legal framework to facilitate the delivery of essential repairs and maintenance to common (shared) areas of the block. The Act requires all owners in mixed tenure tenements (including the Council) to take responsibility for repairs and maintenance to common areas of the block. This responsibility extends to the liability for costs arising from work carried out to Scheme property.
- 3.3 The Internal Audit review into ad hoc mixed tenure repairs has assessed the adequacy of design and operating effectiveness of the current key controls established to ensure the Council's policies and processes for engaging with owners and private landlords for scheduling and funding/payment for common repairs across mixed tenure blocks are adequate and complied with.

4. Main report

Service Area Response to Internal Audit Findings

- 4.1 The service area welcomes the findings of the audit and are committed to developing a robust approach to the Council's role as landlord in ad hoc mixed tenure repairs. It is fully accepted that a review of the Housing Service's approach to taking the lead on mixed tenure repairs, how the service area deals with cases when owners take the lead and how it is ensured that procedures are clearly defined, documented, and followed is necessary. Guidance currently given to officers is to limit the instances when the Council takes the lead to emergencies or exceptional cases only, but it is accepted that this approach requires to be reviewed.
- 4.2 There has been significant progress made in developing the Council's approach to planned mixed tenure works through the work of the Mixed Tenure Improvement Service and the learning, good practice and expertise that has been developed through that team is informing the development of procedures for ad hoc repairs. Guidance has been developed for officers and is being tested through two pilot projects; this will be used to inform the development of procedures moving forward. It is also acknowledged that progressing mixed tenure repairs and ensuring proper engagement with owners takes place is resource intensive and it will be essential to ensure that the service is resourced accordingly.

Progress with Management Actions

- 4.3 The audit report contained eight recommendations across six findings. In response to this, the service area agreed management actions which are outlined below. Progress with management actions is detailed below.

Action	Summary	Status
1.1: Ad hoc mixed tenure procedures	Develop procedures based on best practice.	Development of procedures for ad hoc emergency repairs is underway based on outcome of pilot projects. Further work required to develop procedures for non-emergency ad hoc repairs. A decision will firstly be required on when the Council will take the lead.
1.2: Policy Register	Allocation of monitoring and review of policy register to a responsible officer.	Complete - A responsible officer has been identified.

2.1: Recording and maintenance of mixed tenure repairs decisions	Records should be recorded electronically.	Briefing and training for staff will take place in November / December 2023.
3.1: Quality Assurance Programme	Create quality assurance programme to review completion and quality of repairs.	Work planned to commence Q1 2024 as part of development of a new Quality Assurance framework for the service.
3.2: Documented Quality Assurance Procedures	Create documented procedures for the quality assurance process.	Work planned to commence Q1 2024 as part of development of a new Quality Assurance framework for the service.
4.1: Role specific learning and induction	Engage with L&D team and update training matrices.	L & D have been contacted. Review of training matrices underway.
5.1: Performance data	Phased implementation – engage with ICT/CGI colleagues regarding NEC upgrade potential	Raised with ICT for consideration.
6.1: Risk management	Review risks and record within Housing Property Risk Register.	Risk session for Housing Operations planned for December 2023.

5. Next Steps

- 5.1. Evidence of completion of actions will be uploaded to the Team Mate platform for review by Internal Audit colleagues. Actions may be subject to future checks as part of annual audit plan to ensure that controls remain in place and effective.

6. Financial impact

- 6.1. The actions in this report have no impact on Council budgets, however, the strengthening of controls identified will assist with the implementation of sound financial governance and help protect against risk of fraud.

7. Equality and Poverty Impact

- 7.1 None.

8. Climate and Nature Emergency Implications

8.1 None.

9. Risk, policy, compliance, governance and community impact

9.1 The audit management actions referenced in this report will contribute to a strong system of risk management and compliance through a strengthening of controls and procedures.

10. Background reading/external references

10.1 Management of Ad Hoc Mixed Tenure Works (PL2302) – Internal Audit report.

11. Appendices

11.1 None.