

<b>Meeting Name:</b>	Overview and Scrutiny Committee
<b>Date:</b>	15 July 2024
<b>Report title:</b>	Report on the decision to self-refer to the Regulator for Social Housing regarding the status of the Council's domestic electrical inspection condition reports (DEICRs)
<b>Ward(s) or groups affected:</b>	All
<b>Classification:</b>	Open
<b>Reason for lateness (if applicable):</b>	Not Applicable
<b>From:</b>	Strategic Director of Housing

## **RECOMMENDATIONS**

1. That the Overview and Scrutiny Committee note the decisions detailed in the report.
2. That the Overview and Scrutiny Committee note the actions taken by the Strategic Director of Housing and the Chief Executive, as set out in paragraphs 9 and 11 to ensure that the Council attains a fully compliant status in relation to electrical testing.
3. That the Overview and Scrutiny Committee considers whether it would wish to make recommendations to help improve future decision-making.

## **BACKGROUND INFORMATION**

4. Historically Southwark Council has, as have most providers, undertaken electrical testing as part of our general works programme and routinely upon change of occupants in our homes (void works).
5. On 1 June 2020, regulations came into force which require Private Landlords to undertake EICR testing every 5 years. Between 8 June and 31 August 2022 consultation was undertaken by the Department for Levelling Up, Housing and Communities to seek views on introducing mandatory electrical safety checks in the social rented sector and considers the inspection of both electrical installations and electrical appliances.

6. On 20 July, The Social Housing (Regulation) Act 2023 came into force. This Act gives the Secretary of State the power to make regulations, for the purposes of ensuring that electrical safety standards are met by imposing duties on landlords of residential premises. The Act expands the definition of landlord to include a registered provider of social housing. Currently no regulations have been issued.
7. These expectations are set out in the Regulator for Social Housing's Safety and Quality Standard, as part of the Consumer Standards all social landlords will be assessed against. As we do not currently have electrical tests in all our eligible homes within the last five years, we are likely to be assessed as in breach of the Safety and Quality Standards, as contained with the Regulator for Social Housing Consumer Standards.
8. In November 2022, in anticipation of an alignment in the regulations of electrical safety standards between private landlords and registered providers of social housing, the council approved funding in excess of £16m, to create and commence a testing programme to align with the pending change.
9. The council commenced its high-rise programme of testing in April 2023, ahead of the requirement. To date we have completed 2,060 tests. Clearly, as our general works programme continues, many additional homes will be tested outside of this programme. The delivery programme to attain a 5 year cycle has been carefully constructed in stages such that the properties deemed to have higher risk have been the first phase (High rise buildings) and the following phases also created by way of risk weighting which is in compilation now.
10. Raising standards across our thirty-six thousand rented council homes is a top priority. As part of an ongoing, full review of the housing service, the Strategic Director of Housing, in March 2024, requested a report to confirm our compliance with Fire, Legionella, Asbestos, Gas, Electrical and Lift (FLAGEL) inspections and monitoring. Following the receipt of this report, the Strategic Director of Housing and the Strategic Director of Finance, jointly commissioned our external auditor, BDO, to carry out an audit of our compliance. The report (still in its draft form) has confirmed that not all of the tenanted homes held electrical check certification carried out in the last 5 years.
11. In light of the pending audit clarifications, the council has accelerated its programme with a view to delivering all tests within the next 18 months, utilising our current service providers who are already working on our estates. The confirmation for this accelerated programme together with enhancing our fire detection within homes was agreed by the Lead member, Cllr S King on 17th June 2024. The Council has a dedicated and significantly experienced team of officers that are suitably qualified and competent in delivering large complex programmes of work that will also require wide ranging resident engagement and liaison.

12. This accelerated programme comes with significant challenge and will require in excess of 60 qualified electricians working in tenants' homes every day. That needs careful management, meticulous quality control and strict control of documentation and subsequent storage of the same. Resident communication is key to success and without access the programme will not be achievable, as such significant awareness, consultation is being administered with dedicated Resident Liaison Officers being integral to the delivery.
13. Due to there being a number of homes without a current test certificate, The Strategic Director of Housing, in consultation with the Chief Executive, made a decision to self-refer our position to the Regulator for Social Housing. This decision was briefed to the Leader of the Council, Cabinet Member for Council Homes and Cabinet Member for New Homes & Sustainable Development, at a meeting held on 12 June 2024, where they agreed the decision. The Regulator was notified of the intention to self-refer on 13 June 2024 and the self-referral was formally made on 18 June 2024. The Regulator has acknowledged that referral and are now dealing with it.
14. The Regulator for Social Housing primarily expects us to monitor ourselves. The co-regulation process requires us to identify areas of significant concern and if so found, consider referring ourselves to them. As a landlord, the Regulator expects the council to be open and transparent with them and with our residents, which is why we have elected to undertake such a referral.

## **KEY ISSUES FOR CONSIDERATION**

15. We are fully aware of our compliance position and acknowledge that this status changes on a daily basis due to its nature. The volume of electrical testing required to have all homes within a 5 year cycle has been progressed and it is acknowledged that we still have a significant number of homes to be tested within that 5 year period.
16. We commissioned an audit report in March 2024 to provide an evidence base for the current compliance position on Fire, Legionella, Asbestos, Gas, Electrical and lift (FLAGEL) inspections and monitoring. The report stated that we were compliant on all FLAGEL, except domestic electrical testing.
17. For clarity, the council can report that in relation to Fire Safety we currently report 100% compliant. For Legionella we report 90% with actions pending for non access. Asbestos reports at 98.89% with TRA hall access pending. Gas returns a current 99.62% domestic status and communal being 98.04% and Lift compliance being 94.06%. Deviations from 100% relate to matters that are being pursued in the courts for access or awaiting matters such as receipt of actual certification from our contractors.

18. The Council has always undertaken electrical testing via a number of work streams that include major works, reactive repairs, and voids. The legislation now requires a dedicated 5-year plan to be in place and our programme began in April 2023.
19. The programme is to ensure that all homes have a valid EICR certificate in line with the new provision. We have resources and finance in place to deliver the testing to all homes within the next 18 months, subject to access. This becomes the catalyst for a 5-year rolling programme, which we intend to smooth as much as possible to reduce the peaks of demand over the period.
20. The costs associated with completing the outstanding testing will be circa £4m.

### **Key Actions**

21. To avoid a repeat of this or similar compliance-related matters greater monitoring and scrutiny has been applied to our situation.
22. New compliance software, 'True Compliance', had already been purchased and is in testing phase with IT colleagues.
23. We will ensure that a 5-yearly rolling programme is instigated as part of the immediate programme to test all homes periodically.

### **Summary**

24. Officers within the Council have discussed and agreed the actions and conclusions, as set out above.

### **Policy framework implications**

25. There are no policy implications arising from this report

### **Community, equalities (including socio-economic) and health impacts**

#### **Community impact statement**

26. This report is not considered to contain proposals that would have a significant impact on any particular community or group.

#### **Climate change implications**

27. There are no climate change implications arising from this report.

#### **Resource implications**

28. There are no resource implications arising from this report.

### **Health impact statement**

29. Please see response in paragraph 26 of this report.

### **Legal /Financial implications**

30. Please see paragraph 19 of this report.

### **Consultation**

31. There has been no consultation on this report

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive – Governance and Assurance**

32. The legislative framework is set out in the body of the report.

### **Strategic Director of Finance (Ref: H&M 24/026)**

33. The Strategic Director of Finance notes the report. Funding for the testing regime is contained within the council's Housing Investment Programme (HIP), along with indicative estimates for remedial works arising, covering the period 2024-25 to 2026-27. Whilst the council's testing programme commenced in early 2023, covering high-rise blocks, prior to the introduction of the legislation, it is being prioritised with the delivery programme significantly accelerated to cover all in-scope stock by quarter 1 2026. The potential scope of remedial works arising from the testing cannot be accurately forecast at this stage but will have priority over the capital resources available over the medium term and will then be embedded as part of a 5 year rolling programme.

### **Other officers**

34. There are none to note

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Hakeem Osinaike Strategic Director of Housing	
<b>Report Author</b>	Hakeem Osinaike Strategic Director of Housing	
<b>Version</b>	Final	
<b>Dated</b>	8 July 2024	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
List other officers here		
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Scrutiny Team</b>		8 July 2024