

HOMES & COMMUNITIES COMMITTEE
30 SEPTEMBER 2019

NEWARK AND SHERWOOD HOMES – GAS SERVICING

1.0 Purpose of Report

- 1.1 To inform the Committee of two instances that have occurred in recent months regarding failures to undertake timely gas servicing to a number of the Council's properties and give assurance about the action that has been taken to remedy the situation.

2.0 Background Information

- 2.1 Newark and Sherwood Homes (the Company), as part of its management of the Council's housing stock, is required to carry out annual gas servicing to all properties with a gas supply. This is a legal requirement.
- 2.2 The Company recently made the Council aware of two instances identifying a failure to undertake timely gas servicing.

3.0 Details of Gas Servicing Breaches and Actions Taken

- 3.1 The first breach was reported to the Council by the Company in April 2019 when we were made aware of the outturn performance in relation to gas servicing for 2018/19 whereby 38 properties did not have a valid Gas Safety Certificate. The Company has had a contract, in place since 2015, with Sure Group to deliver gas servicing to a programme of properties. Twice a year during the annual programme the Company extracted a list of those properties, with a gas supply requiring a service, from its asset database system and forwarded them to the contractor to deliver the services at the properties advised. The error was caused by a data reconciliation exercise which meant that a number of properties requiring a gas safety inspection were not included in the original data extract provided to the servicing contractor. Upon identifying this error, additional processes were immediately put in place to expedite the completion of the gas service for the properties. The existence of the problem, the causes for it and the actions taken to remedy the situation and prevent future occurrence were reported through to the Council's officers and the Company's Board.
- 3.2 A second occurrence of a breach in the system was brought to the Council's attention in July. On this occasion, internal Company checks in June 2019 had identified that it had not received certificates for properties expected to have certificates issued during April and May 2019. This involved some 622 properties. Urgent steps have been taken by the Company to complete the gas checks and obtain certificates for the overdue properties. The table below sets out the detail of the actions taken by the Company to address this matter.

N.B. It is important to note that, as of 15 August, ALL outstanding properties had been serviced and certificates completed. Of the 622 and 38 units combined, 20 properties had remedial repairs identified during the service that were addressed immediately including, where appropriate, the isolation of the system.

Action		Status
1	New, specific, experienced staff put in place to manage the missed services and ongoing programme.	Completed – all 622 properties identified without a gas certificate, inspected and certificated by 15 August 2019 .
2	Formal management investigation undertaken to identify, and address any issues, processes or procedures requiring change to ensure future compliance and eliminate risk of future of breach occurrence.	Completed and submitted to Company's Board for consideration.
3	Identify and address any contractor failure and actions concerning any breach.	Contractor advised of areas of failure. Legal advice sought on possible damages following breach of contract.
4	Commissioning of an independent expert to review Gas Servicing	Review completed. Recommendations accepted and actions in place to address the recommendations.
5	Independent review and report of the Company's assurance mechanisms proposed.	Audit Committee agreed to engage Anthony Collins (Company's retained legal advisors) Meeting between AC and Chair of Audit Committee held 24 July. Currently awaiting scope from AC.
6	Removal of previously assigned surveyor and allocation of new surveyor to gas servicing contract management.	Completed
7	Management responsibility for the gas servicing programme temporarily assigned to the Development Manager.	Completed
8	Guidance provided to involved staff on the requirements in highlighting and addressing issues relating to legal compliance	Completed
9	Additional reporting and performance management meetings with the Executive Director	Completed
10	Briefing for all technical staff on their responsibilities relating to property compliance.	Completed
11	Identification and delivery of	Additional training on asset management system

	additional training for staff.	delivered on 18 th July. 3 Further training sessions arranged to increase knowledge levels through August and September
12	Confirm individual's technical qualifications are in place and appropriate for their role.	Completed – All technical staff holding appropriate technical qualifications
13	Review of all 2018/2019 gas certificates.	Approximately half of the certificates from the 2017/2018 programme have been reviewed to date. No further issues have been identified. This review will continue through August and early September.
14	An independent database is being operated alongside the asset database system to allow for reconciliation.	Completed
15	System review with software provider (Civica) to identify and correct any system and or data discrepancies.	Completed
16	Consideration of additional / replacement systems to support delivery of gas servicing contract.	Completed - The current gas servicing contract expires at the end of September 2019. Following a comprehensive tender process (inclusive of tenant input), the Company has let a new contract on revised terms to a new provider.
17	Enhanced contractor management processes including daily exchange and reconciliation of data and fortnightly meetings.	Completed
18	Consideration and determination of reporting requirement to HSE.	Completed – report made on 26 June 2019. No further contact received from the HSE.
19	Change in structure and content of fortnightly contractors meetings.	Completed
20	Commissioning of Internal Audit to undertake an audit of the gas servicing programme to include systems and processes.	Internal Audit commissioned – Audit will be completed in late September/October 2019.
21	Process commenced to validate data within the property compliance report.	Completed
22	Monthly reporting to Board through the information system, detailing any property which has exceeded the 12	Completed

month for which its gas servicing certificate is valid and the actions undertaken to obtain either a valid certificate or disconnection.
--

4.0 Referral to the Social Housing Regulator

4.1 It should be noted that both the Council and the Company viewed these failures as serious and concerning. As demonstrated in the table set out above, an immediate and fully resourced action plan has been put in place by the Company to address the problems in terms of the properties having the necessary gas checks/servicing and certification. An in-depth investigation by the Company has been undertaken, with the support of council officers, to ascertain precisely how the defaults occurred, and any further actions that are required to processes and systems to ensure no repetition occurs. The Council and the Company are working closely together to ensure that it is robust, thorough and completed in a timely manner, and overseen by the Company's Board. Any relevant issues will be brought to the attention of the Committee to give assurance to the Council as the owner and landlord of these properties regarding our health and safety obligations in this regard. The safety and wellbeing of our tenants and residents are absolutely paramount considerations.

4.2 Mindful of the Council's health and safety obligations, a decision was taken to make a self-referral to the Regulator of Social Housing reporting the instances of the gas servicing breaches to them. This was sent on 24 June and included provision of information around the two instances, including details of the risk profile of the stock and tenants covered by the 622 and 38 units (i.e. number of tenants affected and how many were considered to be vulnerable), and the actions being taken to immediately undertake the outstanding servicing and measures being put in place to ensure that there was no repeat. The Regulator wrote to the Council on 2 August to confirm that they had completed their consideration of the referral, found no breach of their consumer standards in this case, and that they would be taking no further action.

5.0 Equalities Implications

5.1 A risk profile of the tenants in those properties affected by the delayed gas servicing was drawn up identifying those with vulnerability such as age, infirmity, health needs, disability etc. (i.e. persons with protected characteristics) and this was taken into account in prioritising the schedule of gas servicing checks that were overdue.

6.0 Financial Implications

6.1 All measures and actions taken by the Company to address the overdue gas servicing inspections and work have been contained within the existing agreed management fee between the Company and the Council.

7.0 Community Plan – Alignment to Objectives

7.1 Whilst the subject matter of this report does not align directly to any of the specific objectives contained within the Community Plan, it does relate to improving service delivery and our performance in delivering those services to our residents.

8.0 RECOMMENDATIONS that:

- (a) the actions taken by the Company to identify and rectify the cause of the failure to complete a number of gas safety checks in accordance with required times scales be noted; and**
- (b) the completion of all required gas safety checks and future assurance actions put in place by the Company be noted.**

Reason for Recommendations

To provide assurance in relation to the completion of gas servicing following the identification of properties without a valid certificate.

Background Papers

Letter to Social Housing Regulator dated 24 June 2019

Letter received from Social Housing Regulator dated 2 August 2019

For further information please contact Karen White on Ext5240

Karen White
Director – Governance & Organisational Development