

**FROM:** Audit and Risk Manager                      **SUBJECT:** Estate Management  
**TO:** Head of Housing Services                      **DATE:** 18 October 2021  
**C.C.** Chief Executive  
Deputy Chief Executive (AJ)  
Head of Finance  
Landlord Services Manager  
Building and Estates Manager  
Estates Team Leader  
Portfolio Holder (Cllr Matecki)

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## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2021/22, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 The Estates team manage the communal spaces within housing blocks to enable tenants and leaseholders to sustain their tenancies.
- 2.2 The Estates Services Officers (ESOs) used to be based at specific estates. However, the district has been split into three 'zones' with officers covering all blocks in the zone they are assigned to. As a result of this change, company vans are used by the ESOs to travel between sites.
- 2.3 Since the Grenfell Tower tragedy, the duties of the ESOs have changed to incorporate fire risk inspections as well as their health and safety and general maintenance works.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 The audit was undertaken to test the management and financial controls in place. This was achieved through a 'risk-based audit' approach whereby key risks are identified and then processes are assessed to provide assurance that the risks are being managed effectively. This approach has been in place only since the start of this financial year following an external review of the function.

3.2 In terms of scope, the audit covered the following risks:

- Budgets are insufficient for the works required
- Void costs may be incurred by the Council if properties on estates become hard to let due to the overall conditions of the estates
- Estates are not maintained in accordance with applicable health and safety and fire safety regulations
- Estates are not maintained, leading to them becoming eyesores
- Staff do not work their contracted hours
- Purchasing cards are used for personal expenditure
- Physical and / or verbal attacks on staff
- Tenants or staff injury on site or driving between sites
- Lone working
- Staff driving for work who do not hold an appropriate licence.

3.3 These were identified during discussion between the Principal Internal Auditor, the Building and Estates Manager (BEM) and the Estates Team Leader (ETL). Two of the risks identified during this discussion (“Estates are not maintained...”) were also reflected in the Significant Business Risk Register (“Risk of failing to provide, protect and **maintain** Council-owned property”) and the Housing Services departmental risk register (“Deterioration of external areas – paths, greens, trees and Risk of fire in blocks of flats”).

3.4 These risks, if realised, would be detrimental to the Council with regards to achieving the overarching aim of making the district a great place to live, work and visit. The work also impacts specific strands of the Fit for the Future strategy:

- External – People strand in relation to the Health, Homes & Communities aspects
- External – Services strand in relation to the Clean and Safe aspects.

## 4 Findings

### 4.1 Recommendations from Previous Reports

4.1.1 The current position in respect of the recommendations from the audit reported in March 2019 was reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
1 Working patterns and restrictions on overtime should be introduced to provide staff cover and allow budget forecasting to be more accurate.	WDC are at present recruiting for a Neighbourhood Officer. This will reduce the overtime cover. A full review of the Housing service is currently underway. This is considering the level of resource required for the Neighbourhood team to effectively undertake their	A new staffing structure is now in place, with a Building and Estates Manager (BEM), an Estates Team Leader (ETL) and six Estates Services Officers (ESOs) although two of the ESOs have recently left. However, the ETL advised that the intention is to recruit into these two posts with VARFs (vacancy

Recommendation	Management Response	Current Status
	duties without the need for regular overtime.	advertising request forms) having been approved.
2 Overtime should be monitored closely to prevent staff from working more than an average of 48 hours per week.	As above, Staff have signed a Working time directive opt out agreement on 2 <sup>nd</sup> April 2019.	The BEM advised that the ESOs work on a three week rota, with the only overtime being specific shifts offered at weekends for cover, so the Working Time Directive is no longer an issue.
3 An up-to-date inventory of valuable and desirable items should be compiled and forwarded to the Insurance and Risk Officer. This should be updated at least annually.	Neighbourhood officers are, at present, completing a spreadsheet with items value over £50. This will be forwarded onto the Insurance and Risk Officer.	A stock list is now in place (as opposed to a formal inventory). This includes some consumable items (e.g. engine oil, furniture polish etc.) as well as the relevant 'valuable and desirable items' (e.g. tools and gardening equipment).

## 4.2 Financial Risks

### 4.2.1 Budgets are insufficient for the works required.

The BEM advised that he looks at his budget each week, speaks to the relevant Assistant Accountant on a regular basis and liaises with the Landlord Services Manager (his line manager).

He was able to explain the relevant variances compared to the expected budget position for the current year but was not in post when the previous budgets were set so was unsure why these variances had occurred.

As well as the specific budget variances identified, he flagged specific issues over the budget for trees, which had been constantly overspent but had now been addressed and he had asked for two new subjective codes to be set up (Communal Bins and Specialist Communal Cleaning) so that specific expenditure could be tracked.

### 4.2.2 Void costs may be incurred by the Council if properties on estates become hard to let due to the overall conditions of the estates.

A list of void housing properties was obtained and was found to include a number of properties covered by the Estates team (69 Willes Road, four flats in Westbrook House and two flats in Christine Ledger Square).

One of the Allocations Officers advised that the properties at Willes Road and in Christine Ledger Square are not available to let at present due to works required at the properties and the flats in Westbrook House are used as 'decamp'

properties for tenants that need to be temporarily moved from their main residence. There are, therefore, no issues for these properties in relation to the maintenance of the estates.

#### 4.3 **Legal and Regulatory & Reputational Risks**

##### 4.3.1 **Estates are not maintained in accordance with applicable health and safety and fire safety regulations / Estates are not maintained, leading to them becoming eyesores.**

The BEM and ETL advised that the estates within the district are split into three zones and, when fully staffed, there are two officers that work in each zone although these have had to be amended now that two staff members have left. They highlighted that there is no set schedule, with staff choosing how they cover their patch over the course of the relevant period although the high-rise properties on the patch will be covered first each day.

Inspections of the high-rise properties are recorded on an app (Totalmobile) with an email being sent to relevant team email addresses once the report has been completed.

Inspections for the low and medium rise properties are still recorded on paper forms at the moment. Each ESO will hand in their records when they meet with the ETL (normally at their one-to-ones) and these are scanned and saved on the network. The ETL maintains a spreadsheet to show when the monthly visits have been completed at each relevant property / location and who has undertaken the inspection.

Upon review, it was confirmed that documentation had been completed in respect of a sample of inspections although it transpired that one inspection chosen had not been performed. However, the BEM had taken steps to address the issue in relation to the relevant ESO.

When ESOs perform their inspections they often find issues that need to be addressed. They will email the relevant team directly to ensure that the work is booked in if it is not something that they can undertake themselves and will chase the works up if they have not been resolved when they next inspect the block.

Some larger jobs will also be scheduled for project days when a number of staff members from the Estates team will work together on site.

The ETL and BEM undertake ad-hoc inspections to ensure that the ESOs have completed their work and picked up relevant issues. Records are not generally maintained of these reviews although the ETL suggested that she would take photos of any issues identified and would contact the relevant ESO to discuss.

#### **Advisory**

**Consideration should be given to recording details of the spot checks performed on the relevant inspection records.**

Team meetings are held on (roughly) a monthly basis. The ETL provided copies of the 'notes' (as opposed to formal minutes) that had been taken for the last three meetings. The notes set out what the objectives of the meeting are along with 'outcomes' and it was identified that some included items that needed to be followed up. However, these were not specifically addressed in the notes of the following meeting.

### **Advisory**

**Consideration should be given to producing formal notes / minutes of the team meeting, with details being recorded of the action taken to address questions / follow-up items from the previous meeting.**

## **4.4 Fraud Risks**

### **4.4.1 Staff do not work their contracted hours.**

The BEM and ETL advised that the spot checks they perform are undertaken at different times and days, so staff do not know whether they are working at home or on site. However, they do not tend to be at the start or the end of shifts.

### **Advisory**

**Consideration should be given to amending the times of visits to include all scheduled working hours.**

### **4.4.2 Purchasing cards are used for personal expenditure.**

The ETL advised that for any non-fuel items, ESOs should get approval for the purchase prior to buying the goods. For items under £20, the approval for the expenditure is generally verbal, but email approval would be given for items that are of higher value, with those over £100 generally being purchased by the BEM.

Testing on a sample of non-fuel expenditure items on purchase cards was undertaken and, whilst there was no email approval identified, satisfactory explanations were given as to the route that had been followed in each instance (e.g. purchased directly by the BEM, authorised 'in person' etc.)

The 'normal' Council-wide processes for the month-end management approval of purchases would also pick up any issues with expenditure so appropriate controls are considered to be in place.

## **4.5 Health and Safety Risks**

### **4.5.1 Physical and / or verbal attacks on staff.**

The BEM and ETL advised that staff are not expected to go into individual properties (unless with a Housing Officer) but will interact with tenants when on the estates.

The staff alert list is available to all staff through the intranet but, at present, the Estates Services Officers (ESOs) cannot always access the intranet (as they are on site as opposed to being office based), so new tablets are being considered to allow staff this access.

If any issues are raised, these will be flagged and circulated across the team and if patches change there will be a handover with an overview being given to identify any potential issues.

#### 4.5.2 **Tenants or staff injury on site or driving between sites.**

A comprehensive risk assessment has been drawn up on AssessNet covering the tasks performed by the ESOs. There is also a further risk assessment relevant to the bin chutes at the blocks that the ESOs inspect.

The ETL advised that there had been one recent accident involving one of the vans driven by an ESO. The Insurance & Risk Officer was informed appropriately, and an incident form was completed.

#### 4.5.3 **Lone working**

The BEM advised that all ESOs have, and wear, a SoloProtect 'device'.

Generic and service specific risk assessments have been drawn up relating to 'visits' during COVID which make (indirect) reference to lone working.

#### 4.6 **Other Risks**

##### 4.6.1 **Staff driving for work who do not hold an appropriate license.**

The BEM advised that all ESOs drive the vans (with each having their own designated vehicle). When they commence employment, they are required to send their driving license details and these are checked to the DVLA to ascertain if there are any points etc.

He also highlighted that, if an ESO is required to drive their own vehicle on business, he will ensure that they have the appropriate insurance cover.

#### 5 **Conclusions**

5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Estate Management are appropriate and are working effectively to help mitigate and control the identified risks.

5.2 The assurance bands are shown below:

<b>Level of Assurance</b>	<b>Definition</b>
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.

Level of Assurance	Definition
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 No formal recommendations have been made in this report. Minor 'issues' have, however, been identified where advisory notes have been reported. Addressing these issues is discretionary on the part of the service.

Richard Barr  
Audit and Risk Manager