



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Rural and Communities Overview and Scrutiny Committee

12 November 2020

Report of: Councillor Robert Reid

Cabinet Member for Housing and
Planning



Independent Inquiry 2020 into the Riverside Upgrade Project

Report Author

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Corporate Priority:	Decision type:	Wards:
Administrative	Administrative	Grantham St Wulfram's

Reviewed by:	Chris Stratford, Interim Assistant Director Housing	2 November 2020
Approved by:	Karen Bradford, Chief Executive	3 November 2020
Signed off by:	Councillor Robert Reid, Cabinet Member for Housing and Planning	3 November 2020

Recommendation (s) to the decision maker (s)

1. That the Committee notes the recommendations contained in the attached Independent Consultants Report, and requests that officers be required to update this Committee on progress to achieve full implementation of the recommendations on a quarterly basis.
2. The Committee notes that the HSE report dealing with potential breaches relating to the management of asbestos during the carrying out of the Riverside hot water and heating repairs should be submitted to the Committee once received.

1 The Background to the Report

- 1.1 Appendix 1 to this paper is the exempt executive summary report of the Independent Consultant into the Council's management of the works contract which was commissioned to repair hot water and heating services within the Riverside housing complex. The inquiry was conducted by Julie Picken, an independent HR Consultant, who has previously completed employment investigations for the Council and had the necessary background knowledge and experience. The Consultant will also provide a presentation at the Committee meeting of her findings to assist with members appreciation of the report detail.
- 1.2 The Council's Riverside Upgrade project was to rerun all existing heating services from the main plant room to each of the 90 properties on the Riverside Scheme by replacing the original pipework between the main boiler and each property. Work began on site on 29 April 2019 and should have been completed by the end of August 2019. The project had experienced several delays with residents, many of whom were elderly or vulnerable, were still reliant on temporary heating and hot water measures in January 2020.
- 1.3 On 31 October 2019 during a site visit the HSE issued a Prohibition Notice enforcing a cease and desist notice on the construction/improvement project at Riverside. The Prohibition Notice was based on the concern that construction / improvement work was being undertaken by contractors without the proper asbestos survey information having been provided by the Council as the employer responsible for the correct checks having taken place. It came to light from a subsequent disciplinary investigation that the wrong asbestos survey information had been provided for the type of work being carried out by the contractor at the start of the project in April 2019 and this had not been identified by contractors or SKDC employees. As a result, contractors, SKDC employees, residents and the general public could have been put at risk of exposure to asbestos.
- 1.4 The legislation governing the management of asbestos is set out in Section 2 and 3 of the Health and Safety at Work Act 1974, the Control of Asbestos at Work Regulations 2012 and the Construction (Design and Management) Regulations 2015. South Kesteven District Council (SKDC) have a Corporate Health and Safety Asbestos Management Policy and the Property and Facilities Asbestos Management Procedure which provide guidance and set the standard required when managing asbestos. The anticipated final HSE report including findings and sanctions is now anticipated in December 2020. The Independent Consultants report only touches upon the actions of officers relating to the management of the general contract of works, and the objectives are as identified below.
- 1.5 **Objectives were:**
- 1.6 a) To investigate the facts and provide a report of the findings and recommendations.
- 1.7 b) Based on the evidence gathered, identify appropriate actions for the Council to consider adopting when approaching projects of this nature in future.
- 1.8 **Key Findings were:**
- 1.9 **a) To explore available information relating to the approach taken by SKDC in the past to provide hot water and heating services to the residents of Riverside.**
- 1.9.1 Replacement of parts of the hot water and heating system in 2012 and 2016, given the age of the connecting pipework, was perhaps short-sighted.
- 1.9.2 Serious issues with hot water and heating began in 2016.

- 1.9.3 Lack of a central point to record issues and complaints and management oversight.
- 1.9.4 Lack of action by the Council to fully investigate and resolve the root cause of the concerns until a decision to replace the pipework was made in January 2019.
- 1.10 **b) To explore the commissioning process used to appoint the Contractor to carry out the work on site and whether this followed the agreed SKDC process.**
- 1.10.1 The Council's Contract and Procurement Procedure Rules were correctly followed in appointing the contractor.
- 1.10.2 The Project Officer may not have been suitably qualified in commercial heating to provide accurate information to the Framework provider, to enable a suitable contractor to be recommended.
- 1.10.3 Pre-contract actions were not completed by the contractor or the Council before work started.
- 1.11 **c) To explore the management of the project from when work began on site on 29 April 2019 until completion.**
- 1.11.1 The following actions as required by SKDC policies/processes were not completed or correctly followed by the Project Officer: Project Check Sheet not completed, FH10 notification not sent to HSE, no records of contract management meetings or evidence of weekly site visits to monitor safe practices, no risk register, the Construction Phase Plan not completed by the contractor, yet this was not challenged.
- 1.11.2 The Corporate H&S Asbestos Management Policy and Property and Facilities Asbestos Management Procedure had not been followed resulting in the Project Officer providing the contractor with the wrong asbestos survey information and the HSE issuing a prohibition notice.
- 1.11.3 Lack of management oversight of the Project Officer's actions.
- 1.12 **c) To explore the management of the project from when work began on site on 29 April 2019 until completion.**
- 1.12.1 The CPPR process was not followed as no-one was appointed to manage the contract and progress works during the Project Officer's 7 weeks sickness absence.
- 1.12.2 The H&S Compliance Officer's concerns about site management, when the project was 2 months behind schedule and the Project Officer absent, did not result in any action to robustly manage the contract and get the works on track.
- 1.12.3 From 1 November 2019 there was a more structured and robust approach to deal with the asbestos effectively and manage the contract.
- 1.13 **d) To explore the impact of the project on Riverside residents.**
- 1.13.1 Considerable hardship endured due to the project not completing until February 2020, instead of the end of August 2019.
- 1.13.2 Temporary measures put in place were insufficient to provide enough hot water and heating during the cold winter months.
- 1.13.3 Most residents are elderly and retired, some with long term health issues, so the impact was significant.
- 1.13.4 Residents felt let down, not cared about and lied to.

1.13.5 A regular and an approachable presence on site after 1 November 2019 were welcomed.

1.14 **Recommendations from the Independent Inquiry**

1.14.1 Single point for incoming calls from residents concerning hot water and heating issues.

1.14.2 Manage the collated data to facilitate analysis and regular formal review by senior managers.

1.14.3 Complete review into Council properties with similar commercial type hot water and heating systems.

1.14.4 Ensure Project Officers appointed to procure works and manage contracts are suitably qualified.

1.14.5 Project Officers to work more collaboratively from the outset and utilise internal expertise to identify risks and mitigating actions e.g. H&S, Asbestos, Equality.

1.14.6 Develop a communications plan tailored to residents' specific needs.

1.14.7 Be honest if problems arise and provide opportunities to explain and respond to concerns.

1.14.8 Continue with work to deliver one shared drive for the team and a standard file structure.

1.14.9 Quarterly Audits of projects to be conducted by H&S Compliance Officer and Asbestos Co-ordinator and feedback provided to the Project Officer and Senior Manager.

1.14.10 H&S Compliance Officer and Asbestos Co-ordinator to conduct unannounced site visits to carry out observations and ensure compliance with SKDC policies and legislation.

1.14.11 Tighter project management and governance.

1.14.12 Key stages of projects to be formally signed off by the Project Officer, checked and countersigned as correct by a Senior Manager.

1.14.13 Templates to be developed to facilitate this process and provide a clear audit trail of robustly managing contracts.

1.14.14 Managers at all levels to conduct regular one to one meetings to ensure accountability for actions and checking of outputs.

1.14.15 Continue with efforts to create more of a "one team" culture across both sites.

1.14.16 Continue the recent practice of Project Officer's checking each other's project folders, including site visits.

1.15 **Action Plan in response to the Recommendations**

1.16 The Rural and Communities Overview and Scrutiny Committee can be re-assured that the Housing department did not wait until the findings of this report before implementing changes within the team.

1.17 The Committee can note that all of the recommendations above have been implemented and that the team have learnt much from the Independent Inquiry.

1.18 The Housing Service has a new Interim Assistant Director for Housing and has appointed a new Improvements Manager to ensure that the team have adequate resource and the right skillset to lead the service.

1.19 Further works have been undertaken during summer 2020 to replace the whole system at Riverside and as such no residents will have issues with their heating or hot water system.

This project has been closely managed and residents have been kept informed on progress of these works and as a result there have been no complaints received during this period.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 Members were invited to attend an all Councillor briefing on the 3 November 2020 to receive a presentation on the Independent Inquiry where they were able to ask questions about the findings and implementation of the recommendations.

3 Available Options Considered

- 3.1 The Independent Inquiry was requested by members of the public and Councillors to provide an opportunity to fully investigate the issues with the project and to provide the Council with lessons learnt for future projects.
- 3.2 There was not a 'do nothing' option for appointing this piece of work to be undertaken.

4 Preferred Option

- 4.1 The Committee to note the findings and recommendations in the Independent Inquiry and ensure that the service implements all of these for future projects and keeps the Scrutiny Committee informed.

5 Reasons for the Recommendation (s)

- 5.1 It was requested by the Overview and Scrutiny Committee that they scrutinised the Independent Inquiry into the Riverside project.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 The tenants will be communicated with to make them aware of the Inquiry outcomes.

7 Financial Implications

- 7.1 There were financial implications from the Riverside project – there was a direct payment award of £44k to the affected tenants, individual compensation payments for damaged personal items totalling £11k and waived service charges that totalled £49k over the affected period. The costs associated with the works totalled £500k and these were budgeted capital costs. The total costs were met from within the HRA budget for 2020/21.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

- 8.1 The Council has a legal obligation to its tenants which has failed on this project.
- 8.2 The report highlights that the Council's Contract and Procurement Procedure Rules were correctly followed in appointing the contractor, but poor governance was a key factor highlighted in the report.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

- 9.1 No equality and safeguarding implications.

10 Risk and Mitigation

10.1 The risks were not properly managed during the project which have been highlighted in the Inquiry. The Housing team should mitigate these for future projects and ensure appropriate procedures are complied with and documented.

11 Community Safety Implications

11.1 N/A

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

12.1 N/A

13 Other Implications (where significant)

13.1 None

14 Background Papers

14.1 Executive Summary of the Independent Review

Report Timeline:	Date of Publication on Forward Plan (if required)	Not required
	Previously Considered by: Rural and Communities Overview and Scrutiny Committee	Not applicable
	Final Decision date	Not applicable