

**Independent Inquiry into the
Riverside Upgrade Project**

Executive Summary

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Glossary

CPPR – Contract and Procurement Procedure Rules

HDU - Heat Distribution Unit or heat exchanger

HSE – Health and Safety Executive

PO – Project Officer

1. Introduction

This executive summary seeks to summarise the content of a detailed inquiry into the Council's management of the provision of hot water and heating services to the residents of Riverside. 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. She was commissioned on 20 January 2020 and submitted her report on 17 March 2020.

2. Background

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 was supposed to have been completed by the end of August 2019. The project had experienced a number of delays and residents, many of whom were elderly or vulnerable, were still reliant on temporary heating and hot water measures in January 2020.

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 upon the concern that construction / improvement work was being undertaken by contractors without the proper asbestos survey information having been provided by the Council employee responsible or the correct checks having taken place. It came to light that the Project Officer concerned had provided the wrong asbestos survey information 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.

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.

3. Objective

a) To investigate the facts relating to each of the areas set out at 4 below and provide a report of the findings and recommendations.

b) Based on the evidence gathered, identify appropriate actions to for the Council to consider adopting when approaching projects of this nature in future.

4. Scope

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.

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.

c) To explore the management of the project from when work began on site on 29 April 2019 until completion, to include:

- Reference to existing SKDC policies and procedures
- Actions of SKDC employees involved in managing the project or working on it prior to 31 October 2019 and the reasons for the project being behind schedule at that point
- Actions of SKDC employees involved in managing the project or working on it after asbestos was discovered on 31 October 2019
- Steps taken by SKDC employees since 31 October 2019 to improve project management and governance arrangements

d) To explore the impact of the project on Riverside residents, to include:

- Delays to the project being completed
- The discovery of asbestos on site
- Whether the level of engagement provided by SKDC employees to Riverside residents throughout the project, from the initial communication relating to the works required through to completion, met their expectations
- Whether the response from SKDC employees to any issues or concerns raised by Riverside residents met their expectations
- Riverside residents' suggestions to improve levels of engagement between themselves and the Council

5. Approach

Relevant Council policies and procedures were examined, and actions of Council employees assessed against the standards required. Residents of Riverside were notified that an independent inquiry was taking place and were invited to submit information to Julie Picken over a 4-week period until 28.2.20. A submission from relative of a resident, had been received on 20.1.20 providing a lot of detail and supporting evidence which set out the problems residents had experienced with heating and hot

water since 2016 and how he had raised these issues with SKDC employees and in open Council meetings. The relative of the resident agreed to be interviewed and provided a statement to clarify points within the evidence submitted. The Project Officer concerned was not interviewed, having left the Council's employment. All other relevant Council employees were interviewed and provided documentary evidence to support their statements.

6. Findings

6.1 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.

On the available evidence the decisions in 2012 and 2016 to replace parts of the heating and hot water system without a full review of the whole system, bearing in mind the age of the connecting pipework, could be seen now as short-sighted. As those involved in these decisions were no longer employed by SKDC this was not explored further.

There was evidence in the minutes of meetings between the gas contractor and the Council from 15.12.16 that issues with hot water and heating which followed the installation of Heat Distribution Units (HDUs) in 2016 were known to some Council employees from 1.11.18. Minutes of the meeting on 1.11.18 included a warning from the gas contractor against using HDUs at Riverside prior to their installation, along with recommendations for a different system. In March 2017 there was discussion of obtaining quotes for a full pump and pipe upgrade but then this appears not to have been followed up on.

It was clear from the evidence presented by the relative of the resident in his submission and at interview that serious issues with heating and hot water began for residents in 2016 after the heat exchangers were installed. The evidence suggested that no action had been taken by the Council at any point to investigate the root cause of these problems. This was despite extensive evidence from a relative of a resident that concerns had been raised consistently using a variety of different approaches. One explanation for the Council not acting until December 2018 may be that there was no central method of recording incoming issues/complaints about heating and hot water and the evidence suggests there may also have been a lack of recording altogether. This could have resulted in Council employees not recognising trends or patterns which could have prompted escalation and action sooner.

The evidence suggests a failure of accurate recording systems and management oversight, leading to a lack of action by the Council to investigate and resolve the root cause of the concerns raised by residents for over 2 years from the summer of 2016, until a decision to replace the pipework was made in January 2019. As a result, residents suffered inconsistent or lack of heating and hot water for a much longer period than necessary.

6.2 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.

The evidence demonstrated that Council employees had followed the CPPR process correctly using a reputable framework which they had used successfully before, to commission the contractor to carry out the work. There was no evidence that they had acted other than in good faith.

One area of concern in respect of the commissioning process is whether the PO was sufficiently experienced and qualified to provide sufficient and detailed information about the Riverside project and what the Council required. The decision to recommend the contractor was based on this information. The available evidence suggests the PO may not have been sufficiently experienced to perform this role and reflecting with hindsight it was considered by a senior manager that it may have been better to have employed a suitably qualified external consultant.

The pre-contract documentation and meeting on 23.4.19 highlighted a number of actions for the PO and contractor to complete before work started, yet several of these actions were not completed on both sides. It may be that senior managers did not feel the pressure to get the work started in April was too much, but perhaps the PO did. The evidence suggests the senior manager did not see a final version of the PO's work on the contract, nor double checked all the necessary pre contract actions had been completed before work started.

6.3 To explore the management of the project from when work began on site on 29 April 2019 until completion

Many pre-contract actions from the meeting on 23.4.19 between the Council and contractor were not completed by the PO or the contractor. The Construction Phase Plan (CPP) was not updated by the contractor nor were plans for how the work was to be completed. A Project Check sheet was not completed by the PO. The FH10 notification was in the shared drive, completed and noted as sent to the HSE on 23.4.19 by the PO, but appears not to have been sent as is required. There was no record

of any monitoring of the contract with the contractor in terms of monthly contract meetings or weekly site visits.

There was no risk register for the project. The PO had not followed the Corporate Health and Safety Asbestos Management Policy and the Property and Facilities Asbestos Management Procedure. This was a serious breach of the standards required as set out in Control of Asbestos at Work Regulations 2012 and was gross misconduct. The PO had also not followed the prescribed procedure for Council building projects set out in the Project Check Sheet and Guidance Notes. Expertise within the Council had not been utilised to support risk assessment. It transpired that Equality impact assessments are not routinely carried out by POs at the start of a project as part of the risk assessment process. There was no record of any monitoring of the contract in terms of monthly contract meetings or weekly site visits. There was evidence of unsafe site management with obvious risks to contractors and residents, which indicated a lack of any management of the site by the contractors and any monitoring by Council employees.

There were clear signs that the project was behind on 1.8.19 when the health and safety concerns were raised by the Health and Safety Compliance Officer but there appears to have been little effort by senior managers in the PO's 7 week sickness absence, to try to get the works back on track and start to robustly manage the contract. The approach appeared to be to wait for the PO to return and sort it out.

From 1.11.19 the evidence suggests a more structured and robust approach to deal with the discovery of asbestos quickly and effectively and manage the contract to ensure the work was completed without unnecessary further delay.

There was evidence of some effort to improve project management and governance arrangements but overall, the evidence suggested reliance on the existing policies and procedures. These are detailed and robust if followed correctly, which was usually the case. The PO was trusted to work on the Riverside project unsupervised, with no formal checking of the evidence of his actions by managers. No evidence was found of steps being taken which could prevent this happening again.

6.4 To explore the impact of the project on Riverside residents

The evidence is clear that the residents experienced considerable hardship when the project did not complete on time at the end of August 2019 and instead continued throughout the coldest winter

months until February 2020. Temporary measures were put in place by the Council, but these were insufficient to provide enough hot water, and enough heat to keep the homes warm. At interview two employees were clearly moved by the situation they had found several residents in and expressed concern at how “...we could have done this to people”. The accounts of residents’ individual experiences and the effect on their own health within the Grantham Journal articles illustrated how detrimental the impact of the delays had been on their day to day lives for so long. It would have been difficult for younger, fitter people to cope with coming into a cold home after a day at work but for these residents, in the main elderly, retired, some with long term health issues it was so much worse.

Another impact of the delays was the feeling expressed by residents that they had been let down, were not cared about, and were lied to. This was partly because the problems with heating and hot water had gone on since 2016 but then once the upgrade project started there were so many missed deadlines that they lost faith in anything they were told by the Council.

The evidence suggests that the impact of the discovery of asbestos for most residents was fairly minimal; the asbestos being less of an issue than the resulting additional delay to the work being completed.

The evidence suggests that the level of engagement provided by SKDC employees throughout the project did not meet the resident’s expectations; instead leaving them feeling frustrated, upset and unable to believe any new deadlines for the work to be completed, because of so many previous assurances not being met. However, there was evidence of improvements in the level of engagement following other Council employees becoming involved from 1 November 2019.

The evidence indicated few suggestions had been received from residents. A relative of a resident had several ideas which were focused on ensuring individual residents’ needs were identified at the start so communications and action could be tailored accordingly. Identifying a named point of contact and escalation point was also mentioned although it was noted each of the letters to residents already contained a point of contact. Honesty in communication and a regular and approachable presence on site, to speak to and take responsibility for dealing with any issues, had been welcomed following other employees becoming involved from 1 November 2019.

7. Recommendations

The following actions were identified for consideration when approaching projects of this nature in future. There are resource implications for some of these actions, but more rigorous governance is certainly required.

- Urgently establish a single point for all calls concerning hot water and heating issues to be taken and recorded. Manage that data in a manner which ensures the correct components of the data can be extracted to quantify specific information, provide qualitative detail to support the figures and thus facilitate analysis e.g. highlighting peaks in calls from a particular location. Review the data quarterly, record that review and analysis and sign off the review process at a Senior Management level.
- Continue with the review of all housing with similar commercial type hot water and heating systems. Seek expert opinion on the best long-term methods of providing hot water and heating systems in line with other SKDC strategies e.g. environmental, alternative power sources, sustainability.
- At the start of a project identify a Project Officer (PO) who has the relevant knowledge, skills, and qualifications to ensure correct specifications are provided for procurement, and if not available bring in specialist expertise.
- Work more collaboratively and utilise internal expertise:
 - To support POs to identify risks and ensure compliance with Asbestos Management and Health and Safety legislation invite the Asbestos Co-ordinator and Health and Safety Compliance Officer to pre-contract meetings with contractors, or in-house meetings when work is to be carried out by SKDC operatives.
 - To support POs to identify risks and ensure compliance with Equality legislation by liaising with Housing colleagues e.g. Sheltered Officers in identifying mitigating actions to ensure individual residents needs are identified and responded to in such a way that there is no adverse/disproportionate impact on protected groups.
- Develop a communications plan setting out methods and frequency of communications, tailored to ensure those with particular needs are met and review as the project progresses. Be honest if problems arise which may cause delays and provide opportunities to explain the issues face to face as this appears to be valued by residents.
- Continue with the work to ensure one shared drive which the whole team has access to with a standard file structure.

- The Health and Safety Compliance Officer or Asbestos Co-ordinator as appropriate, to conduct Health and Safety and Asbestos Management audits every 3 months on existing projects by accessing the shared drive documents, recording the outcome, and providing feedback to PO and Senior Manager.
- The Health and Safety Compliance Officer or Asbestos Co-ordinator as appropriate, to conduct unannounced site visits to carry out observations and ask relevant questions of operators/site supervisor to ensure compliance with Health and Safety and Asbestos Management legislation.

Project Management

To ensure tighter project management and governance key stages should be formally recorded and signed off by the PO and these should be checked and countersigned as correct by a Senior Manager.

To facilitate this the following template documents should be developed:

- Assigning a PO and Deputy with responsibility to manage a project.
- Specification of the works for tender or framework.
- Content of draft contracts before being sent off.
- A list of all pre-contract actions and information to be exchanged, signed as completed by the PO and checked and countersigned by a Senior Manager before work begins.
- Record of the dates of all meetings which take place between the PO and Contractor to monitor delivery of the contract. The template to include dates of site visits as well as the monthly contract management meetings.
- If not already in place templates for the monthly contract meeting agenda and recording the minutes of the meeting.

Management actions

- Regular recorded one to ones to be carried out at all levels to ensure accountability for actions and checking of outputs. Senior managers to check that their reporting managers are all doing this within their one to ones.
- Continue with efforts to create more of a “one team” culture across both sites, with employees encouraged to provide positive and constructive challenge.
- Continue the recent practice of two PO’s checking each other’s project folders to include site visits. Feedback could be informal, but it is important to record the exercise has taken place. This exercise could be carried out quarterly.

- Encourage including in house expertise Health and Safety Compliance Officer, Asbestos Co-ordinator and Housing colleagues at the earliest opportunity and promote this positively as collaborative working and part of a one Council approach.