



Cabinet

7 NOVEMBER 2011

LEADER

Councillor Stephen Greenhalgh

CABINET MEMBER FOR HOUSING

Councillor Andrew Johnson

HEALTH AND SAFETY AUDIT PROGRAMME FOR HOUSING AND REGENERATION

Wards:
All

Outlining the proposed independent health and safety audit programme for the Housing and Regeneration Department, focusing on the main property related legislative requirements with respect to gas, fire, legionella and asbestos safety.

CONTRIBUTORS

EDHR
EDFCG
ADLDS

**HAS A EIA BEEN COMPLETED?
YES**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?
YES**

Recommendations:

1. That approval be given to appoint Frankhams Ltd as the health and safety auditor for the four year assurance programme for gas, fire, legionella and asbestos safety across the HRD portfolio.
2. That approval be given to a Health and Safety Audit Programme for Housing and Regeneration at a total cost of £111,937.50 over four years funded from existing budgets.

1. BACKGROUND

- 1.1. Health and safety auditing is an essential part of the monitoring and review process, providing essential feedback enabling continuous improvement of LBHF HRD health and safety management system.
- 1.2. Following reintegration with the Council an independent process is needed to ensure HRD is compliant with legislative requirements with respect to the key property health and safety areas, primarily gas, asbestos, fire and legionella safety.
- 1.3. The audit programme will provide the information to assure HRD that it is legally compliant and furnish recommendations on how to improve performance where identified.
- 1.4. The specific legislation with respect to this work is:
 - Gas safety :The Gas Safety (Installation and Use) Regulations 1998
 - Fire safety :The Regulatory Reform (Fires Safety) Order 2005
 - Asbestos :The Control of Asbestos at Work Regulations 2006
 - Legionella :The Control of Substances Hazardous to Health Regulations 2002
- 1.5. The audit process will test compliance with internal and external requirements, that roles and responsibilities are allocated and that the management system in each case is suitable.
- 1.6. The audit will also comment on the suitability of the safety management system for each of the four disciplines, including their clarity, potential effectiveness and the degree of compliance with legislation found.
- 1.7. The audit will involve physical inspection of a sample of 40 premises across the portfolio per quarter for the first two years and forty properties per six months for years three and four, over a four year programme.
- 1.8. This work falls outside of the existing remit of the Council's audit team, and is not within the scope of their routine audit work. The requirement of this proposed statutory compliance audit is for auditors to hold specific health and safety qualifications as cited in the tender brief i.e. to have all four areas of gas, fire ,asbestos and legionella covered by a competent person(s). This proposal is for a technical audit that investigates LBHF management of the manner in which our policies are applied, as well as testing the safety management system.

2. PROCUREMENT PROCESS

- 2.1. Soft market testing was done in March 2011 which indicated a cost of £72,000. HRD DMT extended the scope of the audit programme to include

Housing Options stock and extended the length of the programme by an additional year to 4 years.

2.2 A full tender was then undertaken using the RFQ process on the London Tenders Portal. An ITT, Specification, Form of Tender and a Consultancy Agreement were prepared in conjunction with Legal Services. The tender was posted on the portal on 4 August 2011 with a return date of 1 September 2011. During the tender period, some tenderers' questions were posted on the portal, and two requests for an extension to the tender period received. Questions were responded to via the portal and a week's extension to the tender period granted. Opportunity was taken at this time to positively remind tenderers that the return time was 03.00 hrs as defined by the 24 hour clock.

2.3 The tender documentation stated that the contract would be awarded on the basis of the most economically advantageous tender calculated on the basis of a 70:30 quality: price split.

2.4 Forty six expressions of interest were received, nine opt-out notices were returned through the portal and two tenders received. The lower of the two tenders received was from Frankham Consultancy, the higher of the two tenders (which was approximately double the price from Frankham) was technically non-compliant on the following counts:

- No accounts information received or available through CreditSafe
- Only one acceptable reference received (the ITT specified that two acceptable references were required and tenderers were asked to submit three)

Frankham's tender was scored at 87% overall, and their tender submission represents a sound, professional approach to the requirement.

2.5 Due to the fact that there was only one compliant tender, a value for money exercise reviewed the lower tender against the original estimate derived from the soft market testing. The initial estimate was based on a three year programme with twenty properties visited per audit, at an approximate cost of £24k per annum.

2.6 The lower tender, taking into account that each audit will involve forty property visits, is based on a full first year cost of £42k. The tendered cost of £112k takes into account that certain elements of the specification reduce over subsequent years.

Spend profile is as follows:

Year 1	£42k
Year 2	£35k
Year 3	£17.5k
Year 4	£17.5k

- 2.7. This amounts to a total of £112k. If the pre-tender estimate were to be extrapolated on a pro-rata basis to the final requirement, it would provide an estimated figure of £130k. The tender from Frankham Consultancy is based on them being able to provide all of the expertise in house, and therefore affords the most economic solution. On the basis of the re-visited pre-tender estimate, the offer from Frankham Consultancy represents value for money.

3. CONCLUSION

- 3.1 The audit is a necessary undertaking to demonstrate that our activities in respect of these four key areas are compliant with statutory legislation. The audit specification has been designed to provide in-built efficiencies by making use of common access arrangements across all four disciplines. The offer from Frankham Consultancy affords value for money and it is therefore recommended Frankham Consultancy is appointed as the Health and Safety auditor for a four year assurance programme for gas, fire, legionella and asbestos safety across the HRD portfolio.

4. RISK MANAGEMENT

- 4.1. Following the reintegration of Housing Options and Regeneration Services with H&F Homes into HRD an independent assurance process is needed to ensure the change management process has not affected health and safety performance and that legal compliance is achieved. This objective is specifically reflected in the council's risk policy.
- 4.2 Compliance with gas, fire, legionella and asbestos safety across the HRD portfolio is included on the HRD risk register.

5. EQUALITY IMPLICATIONS

- 5.1 An EIA is available electronically. This audit programme helps ensure that the statutory maintenance requirements are being undertaken, and benefits all tenants equally, irrespective of vulnerability or protected rights.

6. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 6.1. The costs of the Health & Safety Audit programme will be funded from within existing revenue provision within the Housing Revenue Account and General Fund.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

7.1. Legal services has advised the client department during the procurement process. The procurement has been carried out in accordance with the Council's contract standing orders and EU procurement rules and principles.

8. COMMENTS OF THE ASSISTANT DIRECTOR (PROCUREMENT & I.T. STRATEGY)

8.1 The AD supports the recommendations contained in the report.

8.2 The tender has been undertaken using the Council's e-tendering system and complies with the Council's Contracts Standing Orders.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Tender documentation	Ian Watts 1848	HRD
CONTACT OFFICER: Health and Safety Adviser		NAME: Paul Williams EXT. 07825504131	

APPENDIX 1
SPECIFICATION

For

SERVICES TO UNDERTAKE

A

STATUTORY COMPLIANCE AUDIT

IN RESPECT OF

**GAS SAFETY, LEGIONELLA MANAGEMENT, FIRE SAFETY &
ASBESTOS MANAGEMENT**

for the

THE LONDON BOROUGH OF HAMMERSMITH & FULHAM

From October 2011 to July 2015

**The information contained in this brief is strictly confidential and exempt from
disclosure under FOI.**

SUMMARY

The Housing & Regeneration Department (HRD) (and any successor departments) of the London Borough of Hammersmith & Fulham (the Council) has arrangements in place to carry out Gas Safety Testing, Management of Legionella, Fire Safety Management and Asbestos Management across its housing stock. The Council wishes to establish that these arrangements are statutorily compliant.

A routine audit process is to be commissioned to cover all four areas of compliance for a period of 4 years, starting October 2011.

The Council is looking to appoint a contractor who can demonstrate appropriate qualifications in all four areas amongst its staff, and which can deliver the audit outputs in the most efficient manner.

1.0 BACKGROUND

Arrangements for provision of the four services are outsourced. There is a separate provider for each service (note: Other providers may be used for temporary accommodation).

Gas Safety Checks by PH Jones (northern area) & Robert Heath (southern area)
Legionella Management currently provided by Clearwater with a new contractor due to start 1 September 2011.
Fire Risk Assessments under RRO 2005 by Cyril Sweett
Asbestos Management by Ayerst Environmental

The audit is intended to demonstrate suitable assurance of these arrangements.

2.0 BRIEF

Health and safety auditing is an integral part of the monitoring and review process, providing essential feedback for continuous improvement of the Council's HRD health and safety management system.

A process is required to ensure HRD is compliant with legislative requirements with respect to gas, asbestos, fire and legionella.

The audit programme shall be designed to provide HRD with the information to demonstrate that it is legally compliant, and to provide recommendations on how to improve performance. The audit programme shall test to see if legal compliance is being achieved, and if an appropriate level of performance is being achieved for the Social Housing sector.

Audits shall be undertaken on the four main risk areas, namely:

- Gas safety
- Management of Legionella
- Fire Safety
- Management of Asbestos

These are the current key areas of risk within HRD, and it is vital that the Council, as a provider, achieves a high level of management in each area.

3.0 APPROACH

The audit programme shall be designed and developed to report on the following:

- Identification of policies, processes and procedures required by legalisation and best practice guidance for each area

- Identification of staff/managers who are given specific responsibilities, and the nature of these responsibilities
- Identification of the specific legal duties in each case, and the relevant guidance & best practice
- Report on the suitability of the safety management system for each area, in terms of their approach to the relative risk, clarity, potential effectiveness, and the degree of compliance with legislation found.

Key test criteria are:

1. The degree of compliance with health and safety performance standards;
2. The degree of compliance with respect to legislation;
3. Areas where standards are absent or inadequate;
4. Achievement of stated objectives within given time-scales;
5. Trends and common features;

The audit approach shall be developed through an assessment of risks and management controls operating within each area of the scope.

A rating system to determine level of compliance as part of the process shall reflect the following;

Level 4 - Best practice that *at least* equals the requirements of legislation and frequently exceeds them

Level 3 - Good practice in health and safety management, giving a high degree of reliability and assurance that the department is meeting the requirements of legislation as they apply to the department

Level 2 - Reflects positive action, which demonstrates that the department is taking steps to improve its systems for health and safety management, though these systems are not sufficiently robust to assure compliance with all aspects of legislation and national guidance

Level 1 - Indicates a basic level of performance, such that policies are passively accepted without taking positive steps to integrate them into the management systems

Level 0 - No identified performance against the relevant indicator

4.0 SPECIFIC OBJECTIVES

To prepare a quarterly audit plan, with the initial audit comprising a full audit of systems and site inspections. The subsequent audits in the year only involving site inspections.

Subsequent years will involve a review of systems in the first audit plus site inspections, subsequent audits in that year only involving site inspections.

If a high level of compliance is demonstrated in Years 1 & 2, the frequency of audits in Years 3 & 4 may be reduced to 6 monthly.

The contractor shall prepare a programme, and report on the delivery of service against that programme.

The contractor shall report periodically during each audit and shall submit proposals for reporting frequencies with the bid.

The audits are to demonstrate compliance in the following areas:

- Gas

The Gas Safety (Installation and Use) Regulations 1998 (3rd edition) concerns all gas installations. The audit would test our compliance with the landlord's legal duty to both maintenance and annual safety inspections and the LBHF process for this and include those that LBHF has a duty of care to such as those in temporary accommodation.

- Legionella

A legionella audit was carried out in 2009 which resulted in a significant contract review. The new contract which is due to commence on 1 September 2011 is specified to be compliant with L8.

- Fire

Fire risk assessments are required under the Regulatory Reform (Fire Safety) Order 2005. The audit would examine the arrangements in place to comply with this legislation and in particular that risk assessments are in place and suitable and sufficient.

- Asbestos

The control of Asbestos at Work Regulations set a strict framework for the management of asbestos. The audit shall test the defined responsibilities and processes in asbestos management. The audit will consider the nominated legislative roles being discharged, compliance in terms of information available, communication of the information and training of those involved.

For the avoidance of doubt, where there are changes to the legislative or regulatory requirements during the duration of the contract, the audits must demonstrate compliance with any such new requirements.

5.0 ON SITE AUDIT WORK

In addition to the office based systems audit work, the audit process shall sample compliance in 40 properties on a quarterly basis visiting 160 premises over a one year cycle.. The contractor will be provided with a full list of properties classified by size or type of property. The housing stock consists of circa 18,000 tenanted & leasehold properties with 67 high rise blocks and a blend of 4 storeys and below, and street properties, 10 hostels and 12 sheltered blocks. A further 1000 properties are comprised of Private Licence Agreements (PLA) and Public Sector Leasing (PSL), with some hostel and bed and breakfast premises used for housing people on a temporary basis.

6.0 COMPETENCIES

The contractor shall provide auditors with demonstrable experience in carrying out audits with large multi-site organisations, preferably within a social housing context. Specific auditor qualifications shall be:

- Gas

A Gas Safe qualification enabling understanding gas systems and the legal requirements with respect to compliance to gas safety legislation.

- Legionella

WMS accredited or City and Guilds qualification with respect to safety of water systems or a relevant public health qualification such as the Environmental Health Diploma.

- Fire

The fire safety management element of the audit programme must be carried out by someone who has attained the competency standard for persons who carry out fire risk assessments on a commercial basis. This would include the NEBOSH Fire Certificate or IFE Fire Risk Assessors course or Professional membership (or entitlement to) a recognised body minimum level of Tech IOSH or AIFireE.

- Asbestos

The SO301 qualification with respect to asbestos management.

7.0 TIMELINE

Fieldwork will commence during October 2011 and each quarterly audit shall be completed and reported on within one calendar month of commencement.

An exit meeting shall be held on completion of the fieldwork after 20 days to discuss findings and recommendations, and the draft report shall be issued within 10 working days of the exit meeting being held.

Any slippage to the programme shall be managed out during the next audit. Should the programme slip for two successive audits, the contractor shall be viewed as being in default.

8.0 GENERAL REQUIREMENTS

8.1 The contractor is to allow within his tender to carry out all of the specified works and no claim for additional costs will be accepted on the grounds of lack of knowledge.

8.2 The contractor shall be responsible for arranging access to the selected properties. The Council will issue the contractor with a letter of authorisation outlining the work the auditor is undertaking on site. The contractor's personnel are to wear identification badges in a prominent position at all times when undertaking in site visits.

8.3 The following documents, provided with the tender documents, form part of the Contract Documents:

- 8.3.1 Council's Health & Safety Policy
- 8.3.2 Council's Legionella Management Policy
- 8.3.3 Council's Fire Safety Policy
- 8.3.4 Council's Asbestos Policy

8.4 The contractor will be issued with drop keys to gain access to most multi storey blocks. It is the contractor's responsibility however to gain access to all properties for the purposes of carrying out the required services.. Where street properties are difficult to access and no keys are available for issue, the contractor must operate a process for making appointments outside normal working time during the hours of 18:00 hours – 20:30 weekdays or 09:00 – 14:30 hours on Saturdays. The contractor is to include for all associated costs within his tender price.