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| <br><b>Brent</b> | <b>Audit &amp; Standards Advisory Committee</b><br>25 September 2025 |
|                                                                                                   | <b>Report from the Director of Housing Services</b>                  |
| <b>Self-Referral to Regulator of Social Housing - September 2025 Update</b>                       |                                                                      |

|                                                                                                                                                           |                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Wards Affected:</b>                                                                                                                                    | All                                                                                                                                                                                                                                                                                                     |
| <b>Key or Non-Key Decision:</b>                                                                                                                           | Not Applicable                                                                                                                                                                                                                                                                                          |
| <b>Open or Part/Fully Exempt:</b><br><small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open                                                                                                                                                                                                                                                                                                    |
| <b>List of Appendices:</b>                                                                                                                                | None                                                                                                                                                                                                                                                                                                    |
| <b>Background Papers:</b>                                                                                                                                 | None                                                                                                                                                                                                                                                                                                    |
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## 1.0 Executive Summary

- 1.1. The purpose of the report is to update the Audit & Advisory Committee of the progress made so far as a consequence of the self-referral in April to the Regulator of Social Housing.
- 1.2. The follows the update to the Committee on 16 June 2025 from the Corporate Director, Residents and Housing Services Director, Housing Services.

## 2.0 Recommendation(s)

- 2.1 That members of the Committee note the content of the report.

## 3.0 Detail

- 3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work detailed in this report and that of the housing management service more generally supports the Council's wider borough plan to Move Brent Forward Together. In particular, the work presented with this report supports the borough plan priority to provide prosperity and stability in Brent through helping to deliver the desired outcome for safe, secure and decent housing across the borough.

## 3.2 Background

3.2.1 In April 2025 it was identified within the Housing Service that True Compliance, which is the compliance software utilised by the council, had been updated incorrectly.

3.2.2 Further investigations established that up to 12,500 fire actions had been wrongly updated to indicate that works had been completed but were missing the required supporting evidence. In addition, the council was unable to reconcile performance data on asbestos management, water safety and detectors for smoke and carbon monoxide.

3.2.3 Upon realising the potential seriousness of the situation, advice was taken on appropriate corrective steps, from a building safety specialist that deals with the management and recovery of regulatory breaches.

3.2.4 In line with the requirements of the Social Housing (Regulations) Act 2023 around transparency, the advice was to self-refer to the Regulator of Social Housing.

3.2.5 Contact was made with the regulator, which subsequently led to a request for further performance information on building safety and stock decency.

3.2.6 The council was unable to provide a comprehensive response, due to the low level of confidence in the performance data held within True Compliance.

3.2.7 As part of the response, the council was asked to provide information on its stock condition data.

3.2.8 The council reported that it had stock data on 95% of its homes, however it does not hold recorded survey information on over 50%.

3.2.9 As a result of the aforementioned issues, on the 28<sup>th</sup> May 2025 the Regulator of Social Housing [published its regulatory judgement](#), that being a grading of **C3**.

3.2.10 The Consumer Standards is the regulatory framework operated by the Regulator of Social Housing. Set out below is an explanation of the grading:

|           |                                                                                                                     |
|-----------|---------------------------------------------------------------------------------------------------------------------|
| Grading   |                                                                                                                     |
| C1        | Fully compliant: landlords demonstrate good compliance and an appetite and ability to address failings effectively. |
| C2        | Still compliant, but there may be some weaknesses or areas for improvement.                                         |
| <b>C3</b> | <b>Serious failings have been identified, and significant improvements are needed.</b>                              |
| C4        | Very serious failings, and fundamental changes are needed to address them                                           |

3.2.11 In response to the situation, the council appointed health and safety advisors that specialise in building safety and assisting landlords in meeting the requirements and outcomes set out in the Social Housing (Regulations) Act 2023, in particular The Quality and Safety Standard.

3.2.12 The independent specialists began their work mid-May and have completed an initial assessment of the council's compliance arrangements against the 'Big 8' areas of compliance. These being:

1. Fire Safety
2. Gas Safety
3. Electrical Safety
4. Water Safety
5. Asbestos Management
6. Mechanical and Engineering (Lifts)
7. Damp and Mould
8. Smoke and Carbon Monoxide (CO) detectors

3.2.13 The Health and Safety Specialist have been contracted to support ongoing improvement work, providing additional objective and independent oversight, as well building safety expertise.

3.2.14 Caldiston Ltd have carried out an independent forensic audit across all key compliance workstreams (including fire, gas, electrical, water, asbestos and decent homes requirements) which was completed in August 2025. The audit involved desktop reviews, staff interviews and validation of data from multiple systems in use by the service, including True Compliance, NEC, and LifeSpan.

3.2.15 The audit aligned with officers' concerns, validating the referral to the regulator confirming that there were significant systemic issues, particularly in data management, governance, and policy implementation. The overall outcome of the audit was that the housing management service has inadequate assurance in relation to managing building safety and compliance.

3.2.16 Key recommendations from the audit include developing a comprehensive compliance framework, resolving data integrity issues, closing overdue fire risk assessment actions, establishing central registers for smoke and CO detectors, and providing staff training on compliance processes. It is also recommended

to implement dashboards for real-time KPI monitoring and align the Strategic Risk Register with actual risks.

3.2.17 The findings from the audit have highlighted and clarified several areas that the service had already identified as needing focus as well as some additional key learning. These findings will now feed into the development of a robust action plan for improvement. This action plan will also include root cause analysis (as recommended by The Regulator), to ensure permanent solutions are in place to prevent similar issues arising in the future and will form a key part of the agenda and monitoring for the relevant project board under the newly established Housing and Tenant Improvement Programme.

#### **4.0 Ongoing improvement work**

- 4.1 Whilst the reflective audit work is vital for lesson learning and effectively mapping robust and long-term improvements to our management of building safety, it has been important to us as a service to ensure we are driving forward rapid improvements on the ground to strengthen oversight quickly and provide re-assurance for our residents
- 4.2 The Compliance Team have been onboarding additional contractors to expedite the completion of works as a consequence of Fire Risk Assessments, and as of 1 September it is confirmed that all outstanding high-risk fire actions in high-rise blocks have been satisfactorily addressed; either closed with evidence, completed and closed with evidence or work booked.
- 4.3 The rebuild of True Compliance and the NEC asset register is underway, and additional governance has also been implemented around the management of data, in particular restricting property creation access which provides a more controlled approach to new properties being added to the system and feeding into compliance workstreams accurately.
- 4.4 The compliance team has been progressing with recruitment. A Compliance and Contract Manager, a dedicated electrical manager, a Quality and Delivery Manager and an interim Contract Officer all started in September. Two permanent Contract Officers are being shortlisted currently, all with a focus on compliance and safety.
- 4.5 Furthermore, the Housing & Tenant Satisfaction Improvement Board met for its initial meeting in September.
- 4.6 This Board, chaired by the Chief Executive, will oversee and drive initiatives aimed at improving the quality of housing services and increasing tenant satisfaction.
- 4.7 The Board will provide governance and oversight by monitoring the progress of improvement initiatives and ensuring compliance with housing standards.
- 4.8 Significant progress has been made in addressing the data issues highlighted in the audit report. Our priority has been to validate the ownership and the

council's compliance responsibilities of all properties on our Housing Database, NEC. This work is essential to build confidence in our data and provide a reliable foundation for reporting.

- 4.9 We are currently in the process of systematically reviewing each compliance stream, starting with Gas. This will confirm the properties that fall in or out of scope, and importantly, for what reason. Whilst the audit highlighted that confidence in the reporting number is low, we are using these figures as a baseline so that improvements can be clearly appreciated as our validation work progresses. This will result in the reported asset numbers changing as properties are validated and confirmed in work streams, and percentages fluctuating because of this.
- 4.10 This data correction work is not limited only to the properties we report on to the Regulator (i.e. council owned homes) but has been expanded to all residents in our properties e.g. leaseholders, i4B and FWH tenants etc. This ensures a consistent, council-wide approach that strengthens both safety and assurance moving forward.
- 4.11 We have accelerated the Stock Condition Survey program to 35% this financial year splitting the remaining surveys between the next 2 years with a goal to reach 100% March 2028

## **5.0 Engagement with residents and key stakeholders**

- 5.1 Effective communication and engagement with residents and key stakeholders is central to the overall recovery plan. A multi-channel engagement strategy has been developed in partnership with the councils Communications Team which prioritises transparency, trust and keeping all key parties informed of progress and upcoming changes.
- 5.2 Engagement and communication activities scheduled for the coming month:
- Special print edition of The Noticeboard (council tenant and leaseholder newsletter), providing an update on building safety, re-iterating how to contact the service about building safety concerns and an overview of the new repairs contract set up.
  - E-newsletter version of The Noticeboard to include video message from Cllr Donnelly-Jackson outlining the Regulator judgement, what it means, what action has been taken so far and our commitment to rapid and lasting improvements.
  - Update to the existing web page and FAQs.
  - Members bulletin update and self-referral update report to PCG.

## **6.0 Financial Considerations**

- 6.1 Like other local authorities, Brent is facing significant financial pressures and is continuously needing to look for efficiencies to address budget challenges. Some of the main challenges that could affect the long-term viability of the HRA Business Plan along with rent levels are major works and repairs.
- 6.2 As the Council adds more stock to its portfolio and complexities of new additional requirements to building standards are increasing, such as fire safety works and decarbonisation, the cost of major works are rising. At the moment, there is insufficient government subsidy available to address these changes. The Asset Management Strategy and investment plans must be approached cautiously and allow for flexibility to scale back on schemes where required. Careful budget monitoring and financial planning are crucial. With a current 5.75% loan rate for the HRA, £1m in borrowing costs the HRA circa £28k per annum in interest costs.
- 6.3 The specialists that have been appointed to assist with the recovery of the compliance breaches, are currently undertaking an initial assessment of the situation with the intention of developing a recovery programme.
- 6.4 Upon completion of the initial assessment, a paper will be presented setting out the anticipated costs and financial implications. For comparative purposes, a registered provider with 21,000 homes that were in a similar situation, spent £2.3m on their recovery programme.
- 6.5 It should be noted that whilst operating under a regulatory notice, access to grant funding for housing developments may be reduced or ceased, until the council can evidence a position of compliance.

## **7.0 Legal Considerations**

- 7.1 This report ensures compliance with the regulatory standards for housing, in particular ensuring we comply with the requirements of the Social Housing (Regulations) Act 2023 (the “Act”).
- 7.2 The Act received royal assent on 20 July 2023. It makes provision for the regulation of social housing landlords, particularly with regard to issues such as safety, transparency, standards and conduct of staff and tenant engagement. The Act also strengthens the powers of the Housing Ombudsman and enables requirements to be set for social landlords to address hazards such as damp and mould within a fixed time period.
- 7.3 As a result of the amendments made by this Act, safety and transparency will become explicit parts of the objectives of the Regulator of Social Housing (“the Regulator”) and the Regulator will have greater powers in relation to the competency and conduct of staff and the provision of information. The Regulator will also be given strengthened economic powers to ensure they can effectively intervene when required to enable them to assess landlords failing to meet standards more routinely and proactively, as well as taking action in a

wider range of circumstances. Changes are also made to the economic regulatory regime to ensure that providers of social housing are well governed and financially viable.

- The Act has three core objectives as follows:
- To facilitate a new, proactive consumer regulation regime
- To refine the existing economic regulatory regime
- To strengthen the Regulator's powers to enforce the consumer and economic regimes.

7.4 On 29 February the Regulator set out the revised consumer standards that apply to all registered housing providers from 1 April 2024. The new standards are:

- The Safety and Quality Standard
- The Transparency, Influence and Accountability Standard
- The Neighbourhood and Community Standard
- The Tenancy Standard

7.5 The introduction of the revised consumer standards also included information on the Regulator's Tenant Satisfaction Measures (TSM) referred to above, that all social housing landlords must report on. The TSMs will help the Council to see how well it is doing in areas such as keeping properties in good repair, maintaining building safety, and effectively handling tenant complaints. The Regulator required all landlords who own more than 1,000 homes to submit their first TSM data return by 30<sup>th</sup> June 2024 to enable the Regulator to publish the first year of data by autumn 2024.

7.6 As a social landlord the council has a duty to provide a safe environment for those living in their homes. Failure to comply could result in negative outcomes ranging from customer dissatisfaction and criticism to a requirement to submit (to the Regulator) a Performance Improvement Plan, or to take particular remedial actions as set out in an enforcement notice. If necessary, the Regulator will be able to authorise an appropriate person to enter a social housing premises to take emergency remedial action, issue penalties such as unlimited fines, or require the provider of social housing to pay compensation. A provider of social housing will commit an offence if they obstruct access or work required to undertake remedial action. A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 4 on the standard scale.

7.7 As per the report the council completed a self-referral that focused on the Safety and Quality Standard. The regulator notes that: "This is the first time we have issued a consumer grade in relation to this landlord. LB Brent has engaged positively with us since making its self-referral and has plans in place to understand the wider impact of its current position. Those actions include work to understand the root causes of the presenting issues, reviewing the completion of all closed fire safety remedial actions through a risk-based approach and working to develop a suitable action plan to resolve the issues. We will continue to engage with LB Brent as it seeks to address the issues that

have led to this judgement. This includes evidencing that it is taking reasonable steps to mitigate risks to tenants as it creates and delivers its improvement plan. We are not proposing to use our enforcement powers at this stage but will keep this under review as LB Brent seeks to resolve these issues”.

## **8.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 8.1 The public sector equality duty set out in Section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

## **9.0 Climate Change and Environmental Considerations**

- 9.1 Housing is a key stakeholder in delivering the Councils Climate Action strategy. The actions Housing is responsible for are as follows:

- Retrofit work to three tower blocks;
- We will deliver further retrofitting projects via the Council’s Carbon offset fund;
- We will develop and implement employer requirements for energy efficiency standards within all new Council housing;
- We will explore and identify an opportunity for an exemplar net zero new build within the NCHP;
- We will review developments within our NCHP pipeline to ensure that all aspects of sustainability are holistically addressed, with a special focus on the proposed development plans for St Raphael’s Estate;

## **10.0 Human Resources/Property Considerations (if appropriate)**

- 10.1 At this time it is anticipated that additional resource will be required in the short to medium term, to assist with the recovery programme.

## **11.0 Communication Considerations**

- 11.1 In consultation with the regulator, we are adopting a proactive approach concerning our engagement with tenants, elected members, and the wider community.

### **Report sign off:**

**Thomas Cattermole**

Corporate Director of Residents and Housing Services