

Scope for the Independent Review of the B&S Audit implementation

BRIEF HISTORY:

Origin and aims

Following a campaign over a number of years from leaseholders/THLA, full Council unanimously agreed in autumn 2008 to commission an independent audit of leasehold service charges. One of the main justifications of the audit was to provide the basis for rebuilding trust/confidence among leaseholders, which all accepted had broken down over previous years to the detriment of all sides.

In March 2010, Beevers and Struthers (B&S) audited the THH service charges covering the years 2008/9 to 2010/11 (estimated charges only). Their report was issued in July 2010 and was accepted and adopted by the Project Steering Group (PSG) in May 2011.

The Audit Commission (AC) inspected THH leasehold services in November 2010 and made a series of recommendations to improve leaseholder satisfaction. The internal Leaseholder Service Improvement Group had also been working to identify their priorities for change.

It was therefore agreed that a Leasehold Action Plan would be developed that brought together the recommendations of all three sources, giving THH and leaseholders an agreed basis by which THH could continue to improve services to leaseholders. These were combined into a single Leasehold Action Plan containing 54 service recommendations. Following PSG meetings in June and July 2011 the Action Plan was signed off by B&S as a "fit for purpose" draft for leaseholders to work on and formally adopted by THH.

A Project Plan was also formulated as a detailed subsidiary of the Action Plan. The Leasehold Action Plan Working Group (LAPWG), consisting of THH officials and leaseholders from the PSG, together with an LBTH officer representative, was created to oversee the review and implementation of these 54 recommendations.

Management & control of the plan

- Action items (Action Plan and Project Plan) were to be managed and implemented by THH, and monitored by LAPWG/PSG
- The action plan and progress made, including actions ready for sign-off, were to be reviewed monthly at the LAPWG Meetings
- A bi-monthly progress report would be issued to the PSG
- Actions deemed to be complete by both THH and LH would be submitted to PSG
- No action could be closed without PSG sign-off

In autumn 2012, after 18 months of regular LAPWG meetings (and additional working sub groups set up to address specific issues) relations between THH and Leaseholders broke down completely. Leaseholders felt that whilst little progress had been made in addressing/implementing the B&S recommendations, significant changes had been made by THH outside of the LAPWG forum and the PSG. Changes implemented by THH (a new format and methodology said to inform 11/12 service charge actuals) did not reflect the B&S recommendations, were without reference to leaseholders involved in working parties on the issues and no justification was provided by THH for this change of direction prior to implementation. In addition THH reverted on previous signed-off actions, without formal notification and/or agreement at either the LAPWG or PSG.

THH say that they have given due consideration to the B&S report and have implemented a significant number of the 54 LAPWG recommendations.

2013 INDEPENDENT AUDIT REVIEW

Objectives:

In light of the above council have agreed to conduct an independent review To assess progress of implementation of the Action Plan

To ensure impartiality the appointed auditors will not be presently working for the council or THH, or have done such work in the last 6 years.

The selection committee will consist of:

Leaseholders x2
LBTH Procurement x1
LBTH Strategic Client Team x 1
Independent - Mike Tyrrell - Observer

Output:

Six out of the 54 action points have been agreed. The appointed auditors will present a report to the PSG on:

- Progress on the implementation of the Action Plan –
- First steps on how Leaseholders and THH can best work together to resume and agree Action Plan activities
- Evaluate the potential risk which could arise from failure to implement actions.
- Provide recommendations to ensure the remaining Action Plan is completed swiftly and to the satisfaction of all involved.
- Cause of breakdown

Scope of the Independent Review:

1. Recommendation on establishing a constructive working relationship between leaseholders and THH
2. The Auditors will review and assess the work of LAPWG and related working groups to October 2012 in relation to the original and agreed objectives and processes spelt out at the beginning of the Action Plan.
3. Explore the cause of the breakdown in the working relationship between THH and Leaseholders that has led to a clearly unsatisfactory present situation.
4. The Independent Review should take into consideration, but not be limited to:
 - a. The original B&S Report & Recommendations
 - b. The Leasehold Action Plan – containing the 54 combined recommendations, responses and updates
 - c. Minutes from the following meetings (including email and written exchanges between THH, LH and LBTH):
 - i. PSG
 - ii. LAPWG
 - iii. LSIG
 - iv. Building Insurance Working Sub Group
 - v. Management & Administration Costs working sub Group
 - vi. Energy Efficiency Working Sub Group
 - d. Leaseholder and THH observations to the original B&S Audit report,
5. The review will include interviews with PSG, LAPWG Leaseholders (including Leaseholders committed to LAPWG sub groups), LBTH and THH officers.(such as LSIG)

6. The on site review period should be completed within 2 months, with the provision for an agreed and time limited extension if necessary.

Timescales:

The Audit will commence on <Date>, consist of fortnightly meetings with LBTH, THH and LAPWG Leaseholders, and provide weekly e-mail updates to the PSG. Additional meetings to be organised at the request of stakeholders. The target completion date is <DATE>.

Reporting:

The Auditor will provide a draft report for management and leaseholder comments <Date>, followed by a final report on <Date>.

Project Management:

In line with the original process, LBTH will lead; both LH and THH will have opportunity to comment before any progress reports are presented to PSG.

Auditors must demonstrate at all stages of the process that they provide equality of access, input and consideration to all key stakeholders

The final report will be signed off by PSG. This report and subsequent comments from THH and LH will be made available to all residents via the THH and LH website and through concerted communications. THH/LH comments will appear as an appendix to the auditor report.