Southway Housing Trust

Assurance Review of CDM Process

January 2025

Revised Final

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

"Staff safety put at risk." (Extract from the Risk Register).

KEY STRATEGIC FINDINGS

The Construction (Design and Management) Regulations (CDM) 2015 Process and Procedure Document does not provide clear guidelines on stakeholder communication, including the required frequency, format, and roles responsible for ensuring effective communication throughout the project lifecycle.

The Trust's "Client Duties under CDM 2015" document provides general guidance on client responsibilities but lacks detailed procedures for ongoing health and safety monitoring, structured assessment of duty holders' competence, comprehensive verification of welfare facilities, and clear guidance on overseeing the handover process, including the completion of the Health and Safety File.

During 2022, training was provided to various Officers of the Trust on the CDM Regulations 2015. No subsequent similar training was evidenced.

GOOD PRACTICE IDENTIFIED

Audit testing confirmed that robust records and evidence of compliance with the CDM regulations were effectively demonstrated.

The Trust's Green Spaces Strategy, Zero Carbon 2038 Strategy, and Environmental Maintenance and Management Policy align with its Futures Strategy 2020 to 2025. Compliance with CDM 2015 regulations supports these strategies.

SCOPE

The review considered how consistently the revised procedures are applied across the various teams that are subject to the regulations, in particular the in-house repairs team during major planned works programmes.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Version 2 of the Trust's CDM 2015 Process and Procedure Document, dated 27th April 2022, lacks detailed stakeholder communication guidelines, performance monitoring using KPIs, and provisions for ongoing CDM-specific training for key duty holders, posing a risk of non-compliance with evolving regulations.	The Construction (Design and Management) Regulations 2015 Process and Procedure Document should be updated to include clear guidelines on stakeholder communication, outlining the frequency, format, and responsibilities, along with introducing Key Performance Indicators (KPIs) for ongoing project performance monitoring.	2	*Process & Procedure docs to be reviewed with Development and Asset and Operations. Revisions to be cascaded to all.*	*31/03/2025*	*Health and Safety Manager*
2	Directed	The review of the Trust's Client Duties under CDM 2015 document outlines general responsibilities, however, it lacks detailed guidance on ongoing health and safety monitoring during the construction phase, including regular site inspections and progress reviews. There is no formal process for assessing the competence of duty holders, such as the Principal Designer and Principal Contractor, or for verifying that welfare facilities meet CDM standards. Additionally, the document does not provide comprehensive instructions for the client's role in the handover process, particularly concerning the oversight and completion of the Health and Safety File.	The Trust's Client Duties under CDM 2015 document be updated to include clear procedures for ongoing health and safety monitoring, incorporating regular site inspections and progress reviews. A formal process for assessing and verifying the competence of duty holders be introduced, along with specific guidelines for verifying that welfare facilities meet the required standards. Detailed guidance regarding the client's role in the handover process be incorporated, in ensuring that the Health and Safety File is complete and appropriately reviewed before final project handover.	2	*Agreed.* *An update of our Client Duties under CDM 2015 will take place and will be undertaken as part of a wider project including competence of duty holders, responsible persons, and accountable persons. This project will also cover consultants and contractors working across departments and work streams.*	*31/05/2025*	*Health and Safety Manager*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	During 2022, training was provided to various Officers of the Trust on the Construction (Design and Management) Regulations 2015. No subsequent similar training has been arranged.	A CDM-specific training program be implemented to ensure that key duty holders, including Principal Contractors and Principal Designers, receive ongoing and updated training on regulations, best practices, and compliance requirements.	2	*CDM training to be delivered in Q4 and will include revisions to the policy and inform of changes under the BSR.* *The team will continue to ensure that all engaged/ procured contractors provide evidence of training and compliance requirements.*	*31/03/2025*	*Health and Safety Manager*

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
None to report.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

The Construction (Design and Management) Regulations 2015 (CDM 2015) came into force on 6th April 2015, replacing the 2007 regulations, and established minimum health and safety requirements for construction sites. They define the responsibilities of six duty holders (Clients, Principal Designers, Designers, Principal Contractors, Contractors, and Workers) and specify that a project must be notified to the Health and Safety Executive if it exceeds 30 working days with more than 20 workers at any time, or 500 person-days.

Version 13 of the Trust's Health and Safety Policy, approved on 5th December 2023 and available on its website, outlines the Trust's commitment to compliance with health and safety regulations, including CDM 2015. It assigns overall responsibility to the Chief Executive, with support from Stallard Kane Associates Ltd, and mandates employee adherence to the Policy. A review of this Policy is scheduled for quarter three of 2024/25. Key sections reference the roles and responsibilities under CDM 2015, ensuring proper oversight across the Trust.

Version 2 of the Trust's Construction (Design and Management) Regulations 2015 Process and Procedure Document, released on 27th April 2022, was found to lack detailed guidelines on stakeholder communication, performance monitoring, and the use of KPIs. There are no provisions for ongoing CDM-specific training for duty holders such as Principal Contractors and Principal Designers, which may increase the risk of non-compliance and outdated knowledge of CDM requirements (Recommendations one and three refer). This needs to be picked up as a bigger piece o work around how we manage and appoint consultants and contractors.

Other Findings

The Trust's Risk Map identifies staff safety as a significant risk, including potential gaps in health and safety procedures. Mitigating controls include comprehensive guidance notes and recruitment of a new Health and Safety Coordinator, planned for Q1 2024/25. The H&S coordinator has been revised to Health & Safety Manager and this position is now filled.

The review of the Development Project CDM documentation indicates strong compliance with CDM 2015 requirements. It was noted that:

- Pre-construction information is well-structured, includes relevant health and safety risks, and is shared with stakeholders early in the process.
- Employer's Requirements are comprehensive, ensuring the project aligns with CDM regulations and health and safety expectations.
- Insurance coverage is valid, sufficient, and matches the scope of the project, with clear documentation.
- The Principal Designer appointment is formally documented, ensuring accountability under CDM 2015.
- Principal Contractor appointment is well-documented, with responsibilities clearly outlined.
- Collateral warranties are in place, protecting the Trust and confirming compliance obligations are met.
- Clerk of Works inspections are timely, thorough, and well-documented, contributing to the effective monitoring of site conditions.
- Contractor reports are detailed and provide valuable insights into ongoing safety compliance and project progression.
- The F10 notification was submitted on time, and the project start date aligns with the HSE requirements.
- Welfare facilities are fully compliant and suitable for the size and nature of the project. Meeting minutes are regularly maintained.
- Reports from both the Clerk of Works and contractors are consistent, highlighting a well-managed and compliant project.

Overall, the project demonstrates robust adherence to CDM standards. Agreed for the Development Team but not as organised in Asset more work needed.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	3	-

Other Findings

Testing of a development project demonstrated that regular performance monitoring meetings are conducted to ensure operational effectiveness however, a more formal and standardised framework for performance monitoring has been identified. **(Recommendation one refers).**

The Trust's Green Spaces Strategy, Zero Carbon 2038 Strategy, and Environmental Maintenance and Management Policy align with its Futures Strategy 2020 to 2025. Compliance with CDM 2015 regulations supports these strategies, particularly by ensuring that the Trust's homes and construction sites adhere to green and sustainable standards, contributing to its overall vision of "Thriving Communities.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of Arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report:

Stage	Issued	Response Received
Audit Planning Memorandum:	9 April 2024	9 April 2024
Draft Report:	11th October 2024	11th November 2024
Final Report:	12th November 2024	
Revised Final Report:	21st January 2025	