



Southway Housing Trust

Assurance Review of Legal Disrepair

January 2026

Revised Final

Executive Summary

OVERALL ASSESSMENT			REASONABLE ASSURANCE	ACTION POINTS	HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
					0	5	1	0
KEY STRATEGIC FINDINGS								
RM	Pertinent risks have been identified but do not highlight legal disrepair management as an effective control mechanism.							
C	No formal guidelines are currently available for compensations paid.							
C	The Trust does not currently have a standalone Disrepair Policy.							
C	Testing identified instances on non-compliance with works completion, delay in disclosures and tenant appointment.							
SCOPE				ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE				
The review considered the arrangements in place to manage disrepair claims, including the managing and recording of the incoming claims, the process by which claims are agreed / rejected, the completion of the works as required, the calculation and payment of compensation and the monitoring and reporting of successful / unsuccessful claims and outcomes.				Southway does not deliver a customer focused and efficient responsive repairs services to its tenants.				

Assurance - Key Findings and Management Action Plan (MAP)

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	C	The Trust has a suite of documents pertaining to the disrepair process along with relevant policies including a Pre Action Protocol for Housing Disrepair Cases. This was prepared by the Housing Disrepair Protocol Working Party from October 2007 and outlines protocol and guidance towards letter of claims, letter of instructions, etc. This document is a recommendation from the Lord Woolf Final Access to Justice Report encouraging the pre action protocol for housing associations. Although detailed, this document is supported by various other policies and procedures such as repairs and complaints handling.	A comprehensive Legal Disrepair policy be put together incorporating the Pre Action Protocol with accountable roles from the Trust and the SHT Disrepair process flowchart. This policy and procedure be reviewed and approved by Committee/Board periodically.	2	Agree with recommendation. Historically the Trust has not had a Disrepair Policy as this was captured within the HDR Protocol and repair policy.	31/03/26	Assistant Director of Property Services
2	C	Lessons learnt is currently an informal process wherein progress meetings identify areas of improvement.	Formalise lessons learnt process for each claim investigation with an action plan identified with responsibility assigned to implement such lessons and reporting on progress, along with monitoring of actual outcomes.	2	This is to be covered and structured in the new Disrepair Policy.	31/03/26	Contracts Manager

PRIORITY GRADINGS

1	HIGH RISK	Fundamental control weaknesses or compliance issues that require immediate attention.
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2	MEDIUM RISK	Control weaknesses that are not critical but require planned action at the earliest opportunity.
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3	LOW RISK	Minor issues on which action should be taken or monitored as part of continuous improvement.
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Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	C	The Contract Manager provides a monthly summary of the total open and closed cases to the Executive Director - Homes and Communities as evidenced via email screenshot and quarterly team performance statement which includes quarterly number of open disrepair cases. These KPIs are not provided to the Board or Committee but are overseen on a regular basis.	Disrepair Claims and compensation be formally monitored with KPIs inbuilt as part of Housing Management Reporting.	2	<i>We will implement monthly reporting detailing:</i> <i>Number of cases received.</i> <i>Number of cases closed.</i> <i>Number of cases open.</i> <i>Percentage of cases successfully defended.</i> <i>Amount of compensation paid.</i> <i>This will be discussed at quarterly Directorate Management Team meetings and then escalated to Executive Team when required</i>	01/02/26	Contracts Manager

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Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	C	A review of 10 disrepair claims found three cases that did not proceed to a formal claim, four cases were compliant to the required timeframe for reporting disclosure, inspection, issuing scope of works, and arranging appointments and recording completion of works. There were instances of delays pertaining to property and client access. Of the remaining cases, the following non-compliance issues were identified: Disclosure was sent on 9th January 2025, but inspection (to occur within 10 days) was delayed to 18th February 2025 due to the claimant's refusal of a joint inspection. The P35 report, due within 10 days of inspection, was issued late on 5th March 2025. The works appointment, required within 5 days, was booked on 25th March 2025, and works completed late on 29th October 2025, exceeding the 30-day requirement. Scope of works issued 27th June 2025; tenant appointment made on 23rd July 2025, which is outside the required 5-day window. Letter of claim received 3rd June 2025; disclosure sent late on 19th June 2025 (deadline: 5 days). - pertaining to management in leave and admin not being able to pick it up.	Maintain compliance to deadline controls, improve coordination between teams and contractors to reduce legal and operational risk.	2	Agree with recommendations. Improvements have already been put in place that improve coordination between teams and contractors. Progress meetings include that disrepair processes are followed and timeframes adhered to.	Already implemented	Legal Surveyor

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5	C	There are currently no formalised guidelines for issuing compensation. Discussions with the Contracts Manager indicated that compensation is calculated based on advice from solicitors and initially approved by the Legal Disrepair Surveyor, who is authorised to make the offer within their financial approval limits. The payment is then subject to validation by multiple financial officers or managers before being processed.	Incorporate compensation with the legal disrepair policy outlining eligibility criteria, assessment methodology, approval thresholds, and documentation requirements.	2	<i>We will approach our legal disrepair solicitors to provide assessment methodology on damages assessment. It follows affected habitable rooms deducted as a percentage of the weekly rent although offer made is based on variable factors, and on a case-by-case basis balanced on risk of case. Approval thresholds are set as per Southway financial regulations.</i>	31/03/26	Contracts Manager
6	RM	The Risk Register dated September 2025 includes the risk of 'Southway does not deliver a customer focused and efficient responsive repairs services to its tenants'. The risk does not however identify Legal Disrepair and its management process within its risk controls to mitigate the risk.	Legal Disrepair to be identified as a control to mitigate the repairs risk within the risk register.	3	<i>Legal Disrepair Policy will be added as mitigation, as per the recommendation and will include trigger points for escalation to the risk register should legal disrepair indicate a risk to Southway.</i>	31/03/26	Assistant Director of Property Services

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Root Cause Indicator	Finding	Suggested Action	Management Comments
No Operational effectiveness matters were identified.				

ADVISORY NOTE

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

Findings

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.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	6	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, 3, 4 & 5	-
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.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

Other Information

- Of the 10 sample claims reviewed, five had been settled; however, no formal controls were identified. Instead, the processing relied on email correspondence, including exchanges with Clarke Willmott regarding damage assessments, arrears confirmations, legal costs, and settlement approvals, as applicable. (Recommendation refers).
- The SHT Disrepair process flowchart starts when a Letter of Claim (LOC) is received (to be processed within 24 hours), followed by administrative setup of the case file, tracker, and disclosure documents within five days. The surveyor reviews the LOC for emergency repairs, damp and mould, and personal injury, and contacts the customer regarding Alternate Dispute Resolution (ADR), where they speak to the claimants to resolve disputes without full legal proceedings, and instructs the solicitor promptly. Depending on whether the case proceeds legally or via ADR, property inspections and scope of works (SOW) proposals occur within 10 days. After expert inspection the independent surveyor inspection completes a P35 report, to be issued within 10 days. A joint inspection with the PS Supervisor and SHT Disrepair Surveyor is arranged within five days, the SOW is produced and issued to the PS Supervisor within five days, and PSA and the Supervisor arrange tenant appointments within five days. Works are completed within 30 days, with weekly monitoring on litigated cases, and any snagging or outstanding works are raised and resolved within five days. The process concludes with a final inspection, customer sign-off, and removal of warning markers from the system.
- A SWH disrepair tracker is in place which provides the complete information relating to each claim received, information of the claimant, date logged, case owner and claimant's solicitor details. The tracker also includes any work updates, next actions and financial compensation details. The tracker is maintained by the Legal Disrepair Surveyor and the allocated admin to disrepair.

Other Information



Claims are regularly monitored via the Disrepair tracker which is a live tracker updated in real time. It is updated within every 6-weekly meeting with Clarke Willmott reviewing each case. This was evidenced via February, June and September minutes. Monthly update reports from Clarke Willmott as evidenced for last three months provide for regular progress reporting. These reports are in the form of spreadsheet advising on each currently open case during the month with a list of closed files.

Fortnightly progress meetings are also undertaken with Property services to discuss progress of all cases with actions emailed to the team with a view to completing all actions prior to the next progress meeting. This was evidenced via April, May and June 2025 minutes.



The Surveyor initially contacts the claimant informally, either by telephone or through a visit to the property. This initial contact is undertaken to verify the legitimacy of the claim. Once the claim is confirmed, progress is overseen through the respective solicitors representing each party, who are responsible for keeping the claimant informed regarding developments and any compensation due.



A SHT Disrepair Tracker is maintained by the Legal Disrepair Surveyor and the allocated admin to disrepair. The tracker is a live document which includes all property details, case details, current work update if any and finance information including compensation if any.

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.

Assignment Engagement Details

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TIAA Auditors	Title	Contact Email
Gurmin Kaur	Senior Auditor	gurmin.kaur@ttaa.co.uk
David Robinson	Director of Audit	David.robinson@ttaa.co.uk

Effectiveness of arrangements

- 4. 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

5. 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

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

Release of Report

7. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	7 th June 2025	13 th June 2025
Draft Report:	2 nd December 2025	18 th December 2025
Final Report:	18 th December 2025	
Revised Final Report:	22 nd January 2026	