

Classification: Private

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 8 November 2023

Reporting officer: James Larkin, Head of Internal Audit & Counter Fraud Shared Service (Chief Audit Executive)

Subject: Red Audit Opinion

Purpose and summary of report:

To notify Members of an Audit Opinion of Red following a review of Homelessness – Temporary Accommodation.

Recommendations:

1. This report is for information only.

Key Implications:	
Item	Implications
Legal	There are no legal implications to this report.
Finance and Value for Money	Positive management action to address the actions agreed with Internal Audit will help to ensure that internal controls are sound in the services reviewed.
Corporate Plan	The work of Internal Audit supports the council in achieving all of its objectives set out in the Corporate Plan 2023-27 but is particularly relevant to the Objective One Council : a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact. Financial responsibility : a financially sustainable authority, driven by a strong Medium Term Financial Strategy, enforced by a suite of effective financial monitoring controls.
Climate Change	There are no climate change implications to this report.

1. Introduction

- 1.1 In accordance with the terms of reference of this committee, Internal Audit is required to report to the committee on reviews given an opinion of Red, where the Chief Audit Executive (in consultation with the Section 151 Officer and/or Monitoring Officer as applicable and following discussion with the Chair of the Finance & Audit Committee) considers the weaknesses identified to exceed a

financial threshold of £25,000, or where they represent a significant risk to the achievement of the council's corporate objectives.

- 1.2 This report details the findings from a recent review that has received an overall opinion of Red, and meets the criteria mentioned above, as well as the management responses/actions taken as a consequence of the reviews.

2. Homelessness – Temporary Accommodation – Audit Findings

- 2.1 The review considered the following Risk Management Objective: *The provision of temporary accommodation (TA) is appropriately managed.*
- 2.2 The review found a Homelessness & Rough Sleeping Prevention Strategy 2019-2024 and Temporary Accommodation Policy are in place. Further information about the placement of households in temporary accommodation is provided in a comprehensive procedure manual which is available to staff, though updates are required to reflect changes in practice over time.
- 2.3 A Homelessness section is provided on the council's website where potential applicants can access detailed information and support regarding homelessness. There are arrangements in place for initial enquiries on homelessness to be completed and Housing Options Assessments undertaken, which includes reaching a decision on whether the applicant meets the criteria for interim accommodation under S188 of the Housing Act 1996.
- 2.4 Where officers have reason to believe that interim accommodation should be provided, arrangements exist for Temporary Accommodation Request Forms to be completed and approved by a line manager, though audit testing identified several instances in which the approved forms could not be identified.
- 2.5 Procedures are in place for officers to identify accommodation available for approved placements, confirm placements with providers, issue Offer of Interim accommodation letters, and prepare Licence Agreements, though some omissions were identified in case records as part of testing.
- 2.6 Similarly, nightly paid providers are required to complete booking forms and supply gas and electrical safety certificates, with inspections carried out by the Private Sector Housing Team, but these documents could not be identified for all placements reviewed.
- 2.7 The agreement for rent to be paid and the need for a housing benefit claim to be submitted is set out in several documents prepared as part of the temporary accommodation placement process. Prior to and during the audit, significant work was being undertaken by the service to improve the processes for ensuring that applicants placed in temporary accommodation submit a housing benefit claim as quickly as possible, with a Service Level Agreement agreed between the Housing Options and Housing Benefit services, though further opportunities to enhance and improve compliance with these processes were identified through the review.
- 2.8 At the start of the audit rent accounts were only being set up for temporary accommodation placements in the council's own stock, though work is ongoing to set up rent accounts for nightly paid placements too.
- 2.9 There is a documented arrears process, however arrears monitoring has to date been limited.
- 2.10 Checks/visits by Gravesham staff to confirm that applicants are resident in their temporary accommodation are not routinely undertaken.

- 2.11 Advice is offered to applicants at various points to apply for the Housing Register. It is understood that the process is currently being reviewed and it is intended that once the council has accepted a main housing duty, the applicant will automatically be registered on Kent Home Choice.
- 2.12 Audit testing confirmed that the duty to provide temporary accommodation is discharged and temporary accommodation placements are ended in appropriate instances, following the correct procedure. Monthly budget monitoring is undertaken with regular performance reports presented to senior management.
- 2.13 Actions relate to reviewing and updating the TA procedure manual; reviewing arrangements for evidencing authorisation of TA placements; introducing spot checks to ensure all required documents are completed and retained; reviewing the TA sign-up procedure; spot checking TA info shared with the Housing Benefits team; training being provided for TA officers on the procedures for assisting applicants with submission of housing benefit claims; introducing additional measures to increase the number of housing benefit claims that are successfully made; reviewing the arrears recovery process timeline and finalising the non-co-operation policy; ensuring the arrears recovery process is followed for all rent accounts; ensuring income is correctly allocated on the General Ledger; reviewing procedures for making introductory contact at the outset of placements and ensuring appropriate checks are undertaken after placement to verify residency; ensuring eligible applicants are registered on Kent Home Choice; and, reviewing recharges to the homelessness budget.

3. Management Responses/Actions

- 3.1 It has been an incredibly challenging few years for the service, compounded by the significant increase in the number of households requiring temporary accommodation. The reality is that accessing the private rented sector in Gravesham is largely unaffordable for households that need the council's assistance, and therefore, there is a reliance on expensive nightly paid accommodation as this is the only option available.
- 3.2 Following an extensive restructure of the service, and increasing the resource within the service, a temporary accommodation policy was introduced in early 2022 and since April 2022, the Head of Housing Solutions has been regularly reporting to Management Team to confirm the monthly position which has reported higher demand and decisions have been made to further increase the resources to match the ever-growing demand on the team.
- 3.3 The service continues to have significant pressures however the team has grown to ensure it is fully resourced with two Temporary Accommodation Officers, one Temporary Accommodation Income Officer and a Housing Improvement Officer dedicated to inspection of homes to ensure safety and compliance.
- 3.4 The work involved in managing temporary accommodation is complex and as the service has grown both in demand and resources, changes to the way in which the team works have been necessary, including updating working practices within team and with other departments across the council. Introducing change whilst also managing a very demanding workload has been problematic but the service is now in position where it is effectively managing rent accounts for those in TA through the housing system to ensure income is maximised.
- 3.5 The audit highlighted key areas that need to be reviewed and improved and the Housing Options Management Team have already met to ensure that necessary monitoring is in place to demonstrate compliance with new policies and processes put in place.

4. Appendices

4.1 None

5. Background Documents

5.1 Final Internal Audit Report – Homelessness – Temporary Accommodation.

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Secondary Implications	
Risk Assessment	Failure to address identified control weaknesses could result in financial loss or reputational damage to the council.
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data ? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. No
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk . N/A
Equality Impact Assessment	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	There are no crime & disorder implications to this report.
Digital and website implications	There are no digital implications to this report.
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.