



INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Housing
Head of Neighbourhood and Assets
C.C. Chief Executive
Deputy Chief Executive
Head of Finance
Landlord Operations Manager
Building Surveyor Team Leader
Portfolio Holder (Cllr P Wightman)

SUBJECT: Aids and Adaptations
DATE: 23 January 2024

1 Introduction

- 1.1 In accordance with the Audit Plan for 2023/24, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The Council is a member of the shared HEART (Home Environment Assessment and Response Team) service which, as the name suggests, undertakes assessments of an individual's housing situation. Following these assessments, they may decide that the property needs to be adapted or aids are provided to enable the individual to stay in their home.
- 2.2 Where the person is a tenant of a Council property, a referral will be received which will advise the Council of the works required in order to facilitate this. The works can either be 'major' (covering extensions, provision of a level access shower etc.) or 'minor' (grab rails, stair rails or ramps). These works are passed to one of the Council's appointed contractors.

3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in each section following the stated risk confirm whether the risk is being

controlled appropriately or whether there have been issues identified that need to be addressed.

3.2 In terms of scope, the audit covered the following risks:

1. Monies are spent on works to properties when there are more suitable properties that the tenants could be moved to.
2. Contracts for the works to be performed are not awarded based on the most economically advantageous offer received.
3. The Council does not take due regard of the Equalities Act 2010 when undertaking aids and adaptations works to meet housing needs.
4. Adverse stories in the press if the Council fails to undertake aids and adaptations works in a timely manner once the referral has been received.
5. Referrals are for desirable adaptations as opposed to those based on an assessment of actual needs.
6. The contractor bills for works that have not been completed.
7. Injuries to tenants as a result of works not being undertaken in line with their assessed needs.
8. The HEART partnership does not operate effectively.
9. Failure of Service Providers or Contractors to deliver services.
10. Processes do not reflect the current service delivery models (following internal service redesigns).

3.3 These were identified during discussion between the Principal Internal Auditor and the key contacts for the audit, covering both Housing, and Neighbourhood and Assets.

3.4 The work in this area helps the Council to achieve the external People strand of the Fit for the Future Strategy (as contained within the Business Strategy that was in place at the time of the audit) with regards to meeting the intended outcome of 'Housing needs for all (being) met'. It also helps to meet the internal Services strand regarding 'Focusing on our customers' needs'.

3.5 Disabled Facilities Grants, which are paid to enable homeowners to stay in their own properties, were not covered under the scope of this audit.

4 Findings

4.1 Recommendations from Previous Reports

4.1.1 This section is not applicable as this is the first audit of this subject.

4.2 Financial Risks

4.2.1 **Potential Risk: Monies are spent on works to properties when there are more suitable properties that the tenants could be moved to.**

Active H (the Housing and Assets system) includes a section in the Lettings details that appears to allow for Adaptation Types to be recorded. However, this is not being populated.

The Building Surveyor (BS) advised that a separate Attributes section is, however, updated for certain types of works (not for grab rails or mop stick rails) although he advised that this is currently a manual process as the automated updated from the works orders no longer appears to work.

A sample of referrals received was selected and, of the thirteen cases where works had been completed, only two were works where the attribute details should have been updated on the system. Of these two relevant cases (level access showers), the attribute details had only been updated in one of the cases at the time of audit testing.

Recommendation

Review the Active H system with the Application Support team to ascertain whether the automated updates to the Attributes field from the orders can be restored.

The Landlord Operations Manager (LOM) advised that there would be no checking undertaken of referrals against available, adapted, properties. Whilst he was aware that certain attribute details were updated, he was unsure whether these (or the asset details if the relevant fields were updated) could be reported on to provide a list of relevant properties.

The Business Development and Change Officer (BDCO) advised that the data on the Lettings Details serves no purpose and that there were only 18 properties where data was recorded in this field.

For the Attribute data, the BDCO highlighted that this data can be (and is) brought forward to HomeChoice via a set process. This covered a number of specific attributes with over 1,600 records being included in the list across the different attributes:

- Adapted Kitchen
- Disabled Lift
- Hydraulic Home Lift
- Level Access Shower
- Patient Hoist
- Ramp Access to Front of Property
- Ramp Access to Property
- Ramp Access to Rear of Property
- Stairlift
- Vertical Lift
- Wet Room

The Senior Housing Advice and Allocations Officer (SHAAO) advised that, unless a property is specifically identified for a management move (as agreed by Housing Management and the Head of Housing), the properties would be advertised in the normal way when they became void. If it is a very specific / specialist adaptation, the advert may highlight that priority will be given to an applicant with the need for it.

The Council's website includes a page on 'Council adaptations for disabled tenants' which highlights that, 'depending on individual circumstances, the best solution may be for the Council to assist by providing alternative accommodation. However, where this is not feasible, the Council may fund adaptations to your existing home.'

4.2.2 **Potential Risk: Contracts for the works to be performed are not awarded based on the most economically advantageous offer received.**

Upon review of the contracts register and the contracts 'module' of Ci Anywhere, it was identified that there is a live contract with CLC for aids and adaptations (end date of 31 March 2024) as well as another 'Kitchens and Bathrooms' contract with Ian Williams that includes 'aids and adaptations for bathrooms'.

Upon discussion with the Building Surveyor Team Leader (BSTL) and the BS it was highlighted that, whilst the CLC contract was still effectively live, they were no longer being used for this work for reasons covered under separate audits. Before the contract was awarded to Ian Williams, there had been some interim contracts with Lovells and UK Gas.

The Ian Williams contract had been let via a Fusion 21 framework for kitchens and bathrooms which has a specific schedule of rates for adapted bathrooms. Whilst this contract covered adaptations to bathrooms, the works performed by Ian Williams included a number of works not associated with bathrooms (mainly 'grab rails' and 'mop stick' (stair) rails).

The Technical Manager (TM), who is the nominated contract owner, advised that the use of Ian Williams had come about as their 'pricing' for disabled bathrooms had been noticed when the main Kitchen and Bathroom contract was being retendered.

However, he could not recall whether there had been anything else included within their schedules or whether there had been any other specific discussions about them being used for anything other than bathrooms, although he felt that it was logical to get them to do the grab rails in bathrooms as part of the wider adaptations works and, therefore, it was appropriate to use them for the other, similar, works.

Recommendation

The use of the Ian Williams contract for non-Bathroom aids and adaptations should be discussed with the Procurement team to ascertain whether it is appropriate.

The BS highlighted that some works (i.e. half steps and ramps) is placed through the minor civil engineering contracts with Allworks and McVeigh. This work had been formally tendered for through an open process, with the instructions highlighting that the works would be split between the two successful companies.

There is also a contract in place for Aids and Adaptations architects. The BSTL advised that this was initially for CAD designs for four properties where

extensions were to be built, with the work being awarded upon receipt of three quotes.

He also highlighted that the Council had struggled to get any of the (aids and adaptations) contractors to undertake the works for these extensions. The TM confirmed that a contract had been signed with Bell Group for 'Assets projects', which would include the extensions required.

Upon review of the sample above, it was confirmed that, subject to the 'acceptability' of the works placed under the Ian Williams contract, all works had been placed with the appropriate contractor.

4.3 **Legal and Regulatory Risks**

4.3.1 **Potential Risk: The Council does not take due regard of the Equalities Act 2010 when undertaking aids and adaptations works to meet housing needs.**

As highlighted above, the LOM advised that the Council does not have an Aids and Adaptations Policy in place. He also advised that there are no operational procedures.

During the opening meeting, he suggested that he had previously made a start on a draft policy although this had not been taken forward.

Recommendation

An Aids and Adaptations Policy and operational procedures should be drawn up, setting out how the Council meets the requirements of legislation and how the needs of the tenants are to be met.

4.4 **Reputational Risks**

4.4.1 **Potential Risk: Adverse stories in the press if the Council fails to undertake aids and adaptations works in a timely manner once the referral has been received.**

The BS advised that there is no specific target in place for the time taken to pass the referrals received onto the contractors.

He highlighted that, in the past, there have been issues with the contracts, with Lovells struggling to resource the contract that they were awarded. As a result, the works were being 'drip fed' to them, so there were gaps between the Council receiving the referral and the work being passed to the contractor.

However, Ian Williams are now being given the works as and when they are received, although the BS highlighted that there has always been a knock-on effect from the initial contract issues with CLC, so the new contractors have never started with a clean slate.

Upon review of the sample of cases covered for the previous tests, it was identified that the time taken to pass the works onto the contractor varied from

no days in one case to over 200 days in two cases. However, due to the previous issues and the 'drip feeding' of works to contractors at various stages due to capacity and backlog issues, it was not felt that a formal recommendation was warranted. However, this should be kept under review.

The 2022/23 service area plan (SAP) for Neighbourhood and Assets includes a performance measure for the 'end to end' process for aids and adaptations, although this appears to 'only' cover the period from when the works order is raised to the completion of the job (60 days) as opposed to the time from when the referral is received.

The performance data included on the SAP for the relevant measure ('headlined' on the spreadsheet as being for 2021/22) was only completed for two quarters of 2022/23 and nothing for the current financial year.

(NB the 2022/23 SAP was reviewed as the 2023/24 interim SAPs introduced during the course of the audit had not been updated with any performance data with the formal SAPs for the current financial year not being in place whilst awaiting the agreement of the new Business Strategy.)

The Compliance Manager (CM) advised that the information for this measure was not reportable from Active H, so the information was requested directly from the BS and the BSTL. However, this had not been actively monitored and has not been revisited whilst awaiting the new SAPs.

He also highlighted that the measure only covers the time from the works order being raised as, historically, the referrals were only being received by Housing who were raising the basic orders and, as such, the Assets measure only started when they became responsible for the works.

Recommendation

The measure in the SAP should be amended to monitor the time taken from the receipt of the referral to the completion of the works to provide a fuller picture of the process once the Council becomes responsible for works required.

The BS advised that the 60-day target would be applied and monitored for the 'major' works, whilst the smaller jobs (rails etc.) should take approximately half of this time.

Of the thirteen completed jobs from the sample used above, nine had been completed within this target, with the longest case taking 110 days to complete.

In terms of the progress monitoring, the BS advised that the majority of this will be done during the regular progress meetings (these had initially been fortnightly with Ian Williams but were moving to monthly now that the contract was more settled) and also (informally) during his daily catch-ups.

Upon review of copies of the progress meeting minutes, it was confirmed that specific jobs were being queried in terms of both quality and timeliness as well as general progress.

4.5 **Fraud Risks**

4.5.1 **Potential Risk: Referrals are for desirable adaptations as opposed to those based on an assessment of actual needs.**

The LOM advised that the Council places reliance on the referrals received from HEART, based on what the Occupational Therapists advise.

In some 'complicated' cases, it may not always be possible to undertake exactly what is required due to the practicalities of the property or it may be excessively costly. In these cases the LOM will generally be contacted by the BS to look at the options and these may be discussed with the relevant Housing Officer.

Advisory

Any amendments being considered should also be discussed with the Occupational Therapists.

However, the vast majority of jobs are for standard items such as rails and level access showers which are not 'aspirational' (i.e. they are not things that tenants would consider desirable as opposed to necessary for their needs).

4.5.2 **Potential Risk: The contractor bills for works that have not been completed.**

The invoices submitted by Ian Williams under the current contract were reviewed to ensure that they were all for completed jobs.

The BS highlighted that valuations are prepared from the system based on the completed jobs and, upon review, it was confirmed that all invoices were in line with the amounts on the valuations.

All invoices had been authorised by the BSTL, ensuring segregation of duties from the BS who had raised the jobs and the valuations on Active H.

4.6 **Health, Safety and Wellbeing Risks**

4.6.1 **Potential Risk: Injuries to tenants as a result of works not being undertaken in line with their assessed needs.**

Of the completed jobs from the sample chosen above, evidence was provided which showed that the works had been completed in line with the referrals (subject to minor variations, such as the exact placement of the grab rails etc. which is generally undertaken as required / requested by the tenant when the works are being arranged by the contractor).

4.7 Other Risks

4.7.1 Potential Risk: The HEART partnership does not operate effectively.

There is a partnership agreement in place. This commenced in October 2016, with the Council formally acceding to the agreement with effect from 1 April 2017.

The original agreement was for five years. A subsequent one year 'transitional' extension was entered into in April 2022 followed by a new five-year agreement which was in place from April 2023 (reported to Cabinet in December 2022).

The original agreement document sets out the responsibilities of the Host authority, the Head of Home Environment Services (employed by the host) and the Management Board and sets out the services to be provided.

Specifically in relation to this audit, the services to be provided include:

6.1.2 Working with Housing Authority Council Housing Repairs and Capital Programme teams to refer council housing major and minor adaptations and repairs to support the process within Council Housing.

The Head of Housing has a place on the Management Board of HEART and, as such, receives performance updates (covering all of the HEART activities including the various grants that are awarded, such as Disabled Facilities Grants, alongside the performance figures for local authority adaptations).

Meeting minutes (including action points) are documented and performance reports have recently been put into a revised format to meet the needs of the members of the partnership.

The BS advised that he attends monthly 'operational' meetings with HEART to discuss general progress and this will cover both individual cases and the progress of the contractor.

4.7.2 Potential Risk: Failure of Service Providers or Contractors to deliver services.

As highlighted above, the TM is the contract owner for the identified contracts. However, on a day-to-day basis, the contracts are managed / administered by the BSTL and the BS.

As also previously noted, there were issues with the previous contractors that led to the awarding of the current contract with the meetings with the new contractor being held initially on a fortnightly basis to ensure that any issues could be dealt with.

The issues with the previous contractor (CLC) have been covered in a separate (investigation) report, so were not covered again as part of this audit (NB this covered aspects of various contracts held by them and not just in relation to Aids and Adaptations).

4.7.3 **Potential Risk: Processes do not reflect the current service delivery models (following internal service redesigns).**

In overview terms, the referral emails are initially received by the Business Support Team in Housing who record the information on a spreadsheet which is held on a shared drive. The BS then copies the information onto the Assets drive and includes the details on master spreadsheets for the contractor.

Orders will then be raised on Active H by the BS and the jobs will be passed to the relevant contractor. If there are any 'unusual' or larger jobs, the LOM (who is part of the Housing department) will be contacted to review the case.

Once the order has been placed with the contractor, the jobs will be monitored by the BS through to completion and the creation / payment of the valuation certificates which are separately authorised by the BSTL.

At one stage, the BS was receiving copies of the referral emails, but HEART changed their IT system which only allowed the email to be sent to one address. The Business Support Manager (BSM) highlighted that that the Business Support Team's role was largely a legacy from the 2018 redesign of Housing. There used to be an in-house 'supporting people' team who dealt with these cases (and the supporting peoples 'charges') before the work was moved to HEART.

The BSM inherited some of these staff and used to place the orders on Active H. However, her team's role was now limited to receiving the referrals. It was, therefore, to be questioned whether her team still needed to be involved, especially as the BS picks up the referral spreadsheet and copies it.

Advisory

The referral emails could be sent directly to a new generic 'Aids and Adaptations' email account which relevant Assets staff could access directly, removing the Business Support Team from the process.

5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that are under review as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 1 – Monies are spent on works to properties when there are more suitable properties that the tenants could be moved to.
- Risk 2 – Contracts for the works to be performed are not awarded based on the most economically advantageous offer received.
- Risk 3 – The Council does not take due regard of the Equalities Act 2010 when undertaking aids and adaptations works to meet housing needs.
- Risk 4 – Adverse stories in the press if the Council fails to undertake aids and adaptations works in a timely manner once the referral has been received.

5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no risk if actions are not taken.

5.3 In overall terms, therefore, we can give only a MODERATE degree of assurance that the systems and controls in place in respect of Aids and Adaptations are appropriate and are working effectively to help mitigate and control the identified risks.

5.4 The assurance bands are shown below:

Level of Assurance	Definition
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Aids and Adaptations – November 2023

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.1	Monies are spent on works to properties when there are more suitable properties that the tenants could be moved to.	Review the Active H system with the Application Support team to ascertain whether the automated updates to the Attributes field from the orders can be restored.	Low	Compliance Manager & Business Development and Change Officer	The system will be reviewed to ascertain whether this link can be restored.	July 2024
4.2.2	Contracts for the works to be performed are not awarded based on the most economically advantageous offer received.	The use of the Ian Williams contract for non-Bathroom aids and adaptations should be discussed with the Procurement team to ascertain whether it is appropriate.	Low	Head of Neighbourhood and Assets	This will be discussed with the Procurement Team.	February 2024
4.3.1	The Council does not take due regard of the Equalities Act 2010 when undertaking aids and adaptations works to meet housing needs.	An Aids and Adaptations Policy and operational procedures should be drawn up, setting out how the Council meets the requirements of legislation and how the needs of the tenants are to be met.	Medium	Landlord Operations Manager & Building Surveyor Team Leader	A policy will be drafted and consulted upon with relevant stakeholders	January 2025

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.1	Adverse stories in the press if the Council fails to undertake aids and adaptations works in a timely manner once the referral has been received.	The measure in the SAP should be amended to monitor the time taken from the receipt of the referral to the completion of the works to provide a fuller picture of the process once the Council becomes responsible for works required.	Low	Compliance Manager, Business Development and Change Manager & Business Development and Change Officer	The relevant end to end measure will be included in the Service Area Plans for each service area, ensuring that the relevant data is captured following confirmation of the relevant targets from HEART.	April 2024

* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

- High: Issue of significant importance requiring urgent attention.
- Medium: Issue of moderate importance requiring prompt attention.
- Low: Issue of minor importance requiring attention.