

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager      **SUBJECT:** Homelessness & Housing Advice

**TO:** Head of Housing & Property Services      **DATE:** 3 March 2015

**C.C.** Chief Executive  
Deputy Chief Executive (BH)  
Head of Finance  
Business Support Manager  
Housing Advice & Allocations Manager

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### **1 Introduction**

- 1.1 This subject area was not originally included in the audit plan for 2014/15. However, following a request from the Head of Housing & Property Services to alter the schedule of audits within his service area, an examination of the above topic has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. The topic was last covered in December 2011.
- 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 As a housing authority, the Council has primary duties in dealing with homelessness (actual or threatened) under the Housing Act 1996, as amended by the Homelessness Act 2002 (Part VII). The Act includes a number of criteria that the applicant needs to meet in order for them to be provided with assistance.
- 2.2 The Housing & Property Services department has undertaken a number of restructures in recent years, and structures, responsibilities and working practices within Strategic Housing have been affected. However, the overall aims in respect of dealing with homelessness are still the same.

### **3 Scope and Objectives of the Audit**

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Policies and procedures

- Assessment of need
- Temporary accommodation
- Finance
- Risk assessments
- Performance monitoring

3.3 The audit programme identified the expected controls. The control objectives examined were:

- The policies and procedures in place help to ensure that the council discharges its statutory duties appropriately
- Those who are made homeless are provided with the housing support that they require
- The advice provided helps individuals to deal appropriately with their housing situation
- Temporary accommodation is only used when no other housing solutions are available
- All income due to the council is received
- Expenditure is being controlled appropriately and value for money is being obtained
- Budget variances are limited as the budgets are set appropriately in line with known areas of income and expenditure
- The council is aware of any potential budget variances
- The council is aware of the risks in relation to the provision of homelessness and housing advice services and has taken steps to address them
- Management are aware of the performance of the service in order to be able to take action to address any issues identified.

## **4 Findings**

### **4.1 Policies & Procedures**

- 4.1.1 The Housing Advice & Allocations Manager (HAAM) advised that a specific system is used (Destin) on which all policy and procedural guidance is stored. He highlighted that some of the documentation was known to be out of date, but this was in the process of being updated following the restructuring of the department.
- 4.1.2 The HAAM advised that the Destin system includes case law updates. He also highlighted that the Shelter Legal service is signed up to and updates are sent out by them whenever any relevant legislation or case law changes have occurred. A recent sample email was provided to evidence this. It was also highlighted that staff can also access the Shelter website to refer to cases as required.
- 4.1.3 He also highlighted that there is a standing agenda item at the Housing Advice & Allocations team meetings for communicating any relevant case law updates to the staff. A sample agenda document was obtained which confirmed this to be the case, with specific references being included to the relevant updates that were to be discussed.

### **4.2 Assessment of Need**

- 4.2.1 The HAAM advised that five tests are set out in legislation that must be applied to assess the needs of an applicant:
- Are they eligible (i.e. the person's immigration status allows them access to public funds)?
  - Are they homeless or is homelessness threatened within the next 28 days?
  - Have they got a priority need?
  - Are they intentionally homeless?
  - Do they have a local connection?

Officers are aware of these tests and are trained to assess needs based on them, with reference being made to case law etc.

- 4.2.2 A formal document (Homelessness Code of Guidance) has been published by the Government and this, along with relevant updates is available on-line, so all staff have access to this.
- 4.2.3 Local procedures are also included on the Destin system which detail the 'investigations' that need to be performed to assess the needs of the individuals.
- 4.2.4 A sample of homeless decisions made during the current financial year was selected and testing was undertaken to ensure that the applicant had been appropriately assessed, with the appropriate supporting evidence being retained to support the priority awarded. This testing proved generally satisfactory. However, in three of the sampled cases, insufficient supporting documentation was available to support the decisions made.

- 4.2.5 The storage of documentation relating to homelessness is in the process of being changed from the maintenance of paper files to the storage of scanned documents in specific network files for each case. In these cases the electronic files were either empty or did not contain all relevant documents and the paper files could not be located. However, whilst it was felt to be worth noting in the report, no recommendation is considered necessary, as the processes are being changed and it was suggested that these documents are probably in transition.
- 4.2.6 Whilst not specifically related to the testing undertaken, it was also noted that some of the files provided included documentation relating to other cases.

### **Risk**

**Staff will not be able to deal with queries raised.**

### **Recommendation**

**Care should be taken to ensure that documentation is retained with the correct case files (either electronic or paper based).**

- 4.2.7 The HAAM advised that there is a statutory right of review if an applicant feels that their homelessness application has not been dealt with properly. These would generally be dealt with by the Senior Housing Advice and Allocations Officer (SHAAO) or the HAAM in her absence or if she had undertaken the initial assessment.
- 4.2.8 There is, however, no routine management checking of samples of all applications, although the HAAM suggested that this is something he wants to implement in the future.
- 4.2.9 The processes of providing advice have changed recently. Pre-booked appointments can be made to see Housing Advice Officers (HAO) in the afternoon and a drop-in session is held in the morning. This used to be operated by the HAOs with the first four individuals being given appointments. However, the sessions are now run by the Housing Advice & Allocations Assistants (HAAAs) who aim to see as many people as possible. If the cases are then found to be more complex, they can pass them on to one of the HAOs.
- 4.2.10 When people are seen during these drop-in sessions, a form will be completed recording basic details including what the issue is and the advice given. Records are also maintained on the Homeless Policy tab on Active-H.
- 4.2.11 The sample chosen previously was also used to check whether advice given was being appropriately recorded. The SHAAO highlighted that the fact that an assessment had been made would indicate the provision of advice. In the majority of cases, copies of housing options assessment forms were held and these indicate that formal applications were being made.
- 4.2.12 Some of the forms included specific details of the advice given but other applicants would just be given general advice (e.g. to bid on as many properties on HomeChoice as possible) but this was not specifically recorded. Diary notes were also sometimes available on the Active-H system which gave further evidence of advice being provided.

### **4.3 Temporary Accommodation**

- 4.3.1 There are currently three different temporary accommodation options that the council can use. The council owns a block of flats in Tachbrook Street, a lease is held with a private individual for another block of flats in Tachbrook Road and bed and breakfast (B&B) accommodation can also be used if required. Applicants can also be referred to services provided by other organisations such as the Salvation Army.
- 4.3.2 Upon review of the relevant procedure note on Destin, it was identified that there is no reference to attempting to place an applicant in permanent accommodation prior to them being placed into temporary accommodation. However, the HAAM suggested this would be the case, and this would be in evidence in most cases via the completion of the HomeChoice application form, as that would show that the homeless applicant had been registered to apply for permanent social housing.
- 4.3.3 Sample testing of those in temporary accommodation at the time of the audit confirmed that all users had completed HomeChoice application forms prior to being placed into the accommodation.
- 4.3.4 The intention was initially that the sample for the assessment of needs testing (see above) would be used to review the use of temporary accommodation, but it transpired that only two of these applicants had taken up temporary accommodation.
- 4.3.5 One issue noted during the review of this sample was that a number of people were classed as being 'homeless at home' (e.g. although they were classed as homeless and in priority need, they would not find themselves on the street and could, temporarily stay in the current accommodation). However, in a number of these cases, the temporary accommodation screen on Active-H had not been appropriately completed with this information, which meant that the SHAAO was having to back-fill this when completing performance monitoring figures.

#### **Risk**

**Statutory returns may be inaccurate.**

#### **Recommendation**

**Staff are reminded of the need to accurately complete all relevant fields in Active-H.**

- 4.3.6 The HAAM advised that use would always be made of the council-owned and leased properties before B&Bs were used wherever possible. As the lease is paid regardless of whether anyone is using the property, there is no need to use the council-owned property before the leased property.
- 4.3.7 He also advised that part of his review into the use of temporary accommodation that is included in the priority action plan (see below) is to look at the value-for-money aspects of the leased properties.
- 4.3.8 Internal Audit queried whether there were any records that would show whether there were any periods when the leased accommodation was not in use, to work out the actual 'cost per use'. However, the HAAM suggested

that it was pretty much in constant use, with the only empty periods being when it was being made ready for the next tenant (i.e. the void works period) or when it was known that someone would soon become eligible to use it and they were higher priority than other current homeless persons.

- 4.3.9 He also highlighted that, in some cases, it is not possible to place those in need in the council or leased properties even if they are available, either due to the circumstances of the individuals (e.g. they cannot remain in an area for certain reasons) or if the need arises outside of certain hours.
- 4.3.10 A sample of B&B users was chosen from the invoices sampled for payment testing (see below). A general review was performed on Active-H to see whether any of the council-owned or leased properties were available during these periods of B&B usage.
- 4.3.11 This highlighted a number of void periods that coincided with the B&B stays of two individuals although, as suggested above, the HAAM advised that the properties with either being made ready for the next tenant or were being held for another homeless person and, in both cases, the individuals were subsequently placed into one of the properties.
- 4.3.12 At the time of audit testing it was also noted that there were three people being housed in B&B accommodation but there were two empty flats and two void flats shown on the board in the council and leased properties. However, appropriate reasons were provided by the SHAAO as to why these individuals remained in the B&Bs.
- 4.3.13 Whilst it is not thought to warrant a formal recommendation, it is suggested that consideration should be given to formally recording reasons why those in B&B have not been placed in the other temporary accommodation when it becomes void in case of challenges being raised, as the information was not readily available at the time of the audit.
- 4.3.14 The HAAM advised that legislation requires that homeless families are only placed in B&B accommodation for a maximum of six weeks. The sample used above was checked to ensure that this had not been breached.
- 4.3.15 Only two of the sample included dependent children. One of those families was moved to the council-owned accommodation after one night but the other family had been in B&B accommodation for over eight weeks. However, the SHAAO explained that the family had successfully bid on HomeChoice for a permanent home but it was found to include asbestos. It was, therefore, agreed with the family that they would stay in the B&B until their new home was ready so that they didn't have to move everything twice and set up different utility accounts etc.
- 4.3.16 Additional queries were also raised as to what had been done to help the other 'long term' users of the B&Bs. Again, the HAAM and the SHAAO were able to provide appropriate explanations with regards to what had been done to find more permanent accommodation for the applicants, or why they were not being placed into the other accommodation.

## **4.4 Finance**

- 4.4.1 Accounts relating to those in temporary accommodation at the time of audit testing were sampled to check whether rents were being paid, either by the tenants or by benefits, as appropriate. It was noted that some payments were being received in respect of all properties, although in a number of cases, accounts were in arrears.
- 4.4.2 The HAAM advised that these would be dealt with as per any other tenants whose rent was in arrears. He also highlighted that some of the arrears related to water payments and it was expected that these would be passed to Severn Trent to deal with in the future.
- 4.4.3 A couple of other issues were identified relating to the non-payment of rent increases and water rates that were being paid erroneously from benefits were noted, but the HAAM was able to provide evidence to show that he had already identified these and had taken steps to address them.
- 4.4.4 The HAAM advised that the lease for Tachbrook Road was agreed a long time ago (dated 2003) before he took up his post. The use of B&Bs is also a long-standing agreement. The fact that no current staff are aware of how these arrangements have been procured is acknowledged by staff in Housing & Property Services.
- 4.4.5 The Procurement Officer provided a copy of the latest contract register which included comments from the Business Support Manager (BSM) highlighting that no contractual documentation could be found, but that a Temporary Accommodation review was to be performed in 2015-16 which would consider options for providing these services (as previously highlighted by the HAAM).
- 4.4.6 As plans are already in place to address this issue, it is not thought that a recommendation needs to be included with regards to the lack of formal procurement.
- 4.4.7 A sample of payments made in respect of temporary accommodation usage was chosen and testing was undertaken to ensure that a check had been performed to confirm that someone had been placed in the accommodation by the council and the payments had been authorised as appropriate.
- 4.4.8 The HAAM advised that when he is presented with an invoice to authorise for payment he will check that the accommodation had been used and, therefore, that his signature on the invoices would confirm both aspects of the test.
- 4.4.9 The test proved generally satisfactory, although it was noted that one of the invoices had been signed off by the Business Administration Assistant. The HAAM suggested that this was an error due to changes that had taken place with regards to invoice processing was, therefore, considered to be a one-off.
- 4.4.10 The two relevant budget cost centres were reviewed on TOTAL and budget variances were discussed with the HAAM. It was highlighted that a number of budgets had changed during the year due to a realignment of the budget codes following the recent restructure.

- 4.4.11 Where variances were identified, these were generally adequately explained by the HAAM which highlighted that he was aware of the situation. One issue that he was unsure of was why there was no budget in the software code for the payments made in relation to Destin. The HAAM subsequently arranged for a virement to be processed, with a permanent budget being included for future years.

## **4.5 Risk Assessments**

- 4.5.1 The risk register for Housing & Property Services was provided and was found to include a number of references to homelessness, including the risk of using sheltered accommodation to house homeless people which could be triggered by the lack of alternative accommodation, and the risk of not being able to meet housing strategy objectives which could lead to an increase in homelessness.
- 4.5.2 However, the register was out of date as all of the due dates for actions included in the register had passed (mainly in 2013) and a number of the responsible officers had left the organisation.
- 4.5.3 The BSM advised that the register is currently undergoing a full review in preparation for its presentation to the Finance & Audit Scrutiny Committee in April 2015. She advised that, as part of this, consultation was to be undertaken with all teams within the department so that they were aware of it and could use it going forward.

## **4.6 Performance Monitoring**

- 4.6.1 The council has to submit homelessness statistics to the Government on a quarterly basis, detailing records of the cases where homelessness has been prevented or relieved (P1E returns). The returns from all authorities are then collated by the DCLG to produce quarterly statistics.
- 4.6.2 The HAAM provided a screenshot from the P1E submission system showing that the council had submitted returns as required, although one was slightly late. He suggested that this is sometimes the case when the form is not available on time for completion.
- 4.6.3 The service area plan for Housing & Property Services includes two relevant measures: the percentage of homeless applications / prevention cases on which the outcome was achieved within 33 days; and the number of applicants in bed and breakfast accommodation.
- 4.6.4 The figures for the year to December 2014 were included in the copy of the plan provided. The SHAAO collates the figures each month and passes these to the OD Officer for reporting. The HAAM also advised that progress would be discussed informally at the weekly meetings he has with the SHAAO when cases are reviewed.
- 4.6.5 The Overview & Scrutiny Committee generally receive updates from the relevant portfolio holders on how the departments are performing against their measures. However, the last report from Housing & Property Services covered how the department is performing as a whole and the steps that



were being put in place to respond to the challenges faced. This included details of the 'Priority Action Plan'.

- 4.6.6 A copy of the Priority Action Plan spreadsheet was provided and this was found to include a tab for performance indicators. The measures included differentiated between those that were considered to be formal performance indicators and those that were just for management information.
- 4.6.7 The HAAM advised that these have not yet been formally adopted, but they will be used from April 2015. Where relevant, these will 'marry up' with those in the service area plan.

## **5 Summary & Conclusion**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place for the management of Homelessness & Housing Advice are appropriate and are working effectively.
- 5.2 A couple of minor issues were, however, identified relating to the appropriate retention of documentation and the accurate recording of temporary accommodation on Active-H.
- 5.3 A number of other issues were identified during the course of the audit, but evidence was provided which confirmed that the department were already aware of the issues and were taking appropriate steps to resolve them.

## **6 Management Action**

- 6.1 Recommendations to address the issues raised are reproduced in the Action Plan together with the management response.

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