

GEDLING BOROUGH COUNCIL

INTERNAL AUDIT REPORT - FINAL

HOMELESSNESS AND TEMPORARY ACCOMMODATION DECEMBER 2021

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate



EXECUTIVE SUMMARY	'		
DETAILED FINDINGS .	5		
OBSERVATIONS	11		
STAFF INTERVIEWED	14		
APPENDIX I - DEFINITIONS			
APPENDIX II - TERMS	OF REFERENCE		
DISTRIBUTION			
Mike Hill	Chief Executive		
Paul Whitworth	Housing and Welfare Support Manager		
REPORT STATUS LIST			
Auditors:	Helena Warnett		
Dates work performed:	13 September - 26 September 2021		
Draft report issued:	21 October 2021		
Final report issued:	01 December 2021		

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EXECUTIVE SUMMARY LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS) Design Moderate Generally a sound system of internal control designed to achieve system objectives with some exceptions. Effectiveness Moderate Evidence of non compliance with some controls, that may put some of the system objectives at risk. SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I) High 0 Medium 4

TOTAL NUMBER OF RECOMMENDATIONS: 4

CRR REFERENCE

Low

10 - Failure to maintain service standards, customer satisfaction and/or meet customer expectations

BACKGROUND

The Housing Act 1996, Homelessness Act 2002, and the Localism Act 2002 place statutory duties on Local Authorities relating to homelessness. As such the Council is required to ensure that advice and assistance is provided (free of charge) to households who are homeless or threatened with homelessness. Where the authority is satisfied that an applicant is eligible for assistance, unintentionally homeless and falls within a specified priority need group, Local Authorities also have a 'main homelessness duty' to ensure that suitable accommodation is available for the applicant and his or her household. Local Authorities are also required to have a strategy for prevention of homelessness which applies to everyone at risk of homelessness (not just those with a priority need), and are encouraged to relieve homelessness and to record the cases of homelessness.

Gedling Borough Council addresses the prevention of homelessness through the Gedling Housing Delivery Plan and also works with other bodies as part of the South Nottinghamshire Homelessness and Rough Sleeping Strategy (Refresh 2019-21).

The Housing Needs Section at the Council provides a free service for people seeking advice and support with their housing and offer assistance to individuals faced with homelessness. Applications can be made for help with emergency accommodation, available to people who are homeless or threatened with homelessness within 56 days.

Gedling Council are currently in consultation with Broxtowe Borough Council and Rushcliffe Borough Council to devise a new homelessness and rough sleeping strategy, to replace the current Strategy that ends in 2021.

The Council are also in the process of drawing up a framework for temporary accommodation to ensure improved standards and availability of temporary accommodation. The aim of the framework is to get best value for the Council with nightly accommodation, and also to ensure applicants have the best and most suitable accommodation for their needs. Whilst a framework is being developed, the Council's long term aim is to build their own housing units which can be used for temporary accommodation purposes.

The Council are also in the process of adopting a New Licence Agreement Policy which will look to introduce a specified daily charge to clients occupying Bed and Breakfast accommodation in order to aid the Council in alleviating some of their Bed and Breakfast costs.

The Council currently has use of 7 two bedroom Council owned flats and leases a further 4 three bedroom houses. The Council also leases 2 two bedroom flats from a registered social landlord, making a total of 13 properties owned or controlled by the Council available for use of temporary accommodation.

The Council have a mix of Council-owned properties and leased properties. The Council are currently considering three options to enable them to acquire more property:

- Purchasing property on the open market or at auction
- Building their own units
- Lease properties from private owners/landlords.

GOOD PRACTICE

The following areas of good practice were identified:

- The Council's work programmes which relate to preventing homelessness and supporting individuals or households in need of emergency accommodation are clear, appropriately detailed and communicated to appropriate officers
- In discussion with staff we found that staff capacity and training offered is sufficient to support the effective prevention of homelessness
- The Council had fulfilled their 'statutory main homelessness duty' in all 15 cases examined during this audit
- The Council undertake quarterly budget monitoring meetings with Finance to review the actual spend against budget, in the prevention of homelessness
- The Council are undertaking several schemes to support the prevention of homelessness which are:
 - Call before you serve The Council are able to refer cases to Derbyshire Law Centre who provide free impartial legal advice for individuals/households facing homelessness
 - The Council operate a google ads campaign where the Council pay for their specific web pages to be displayed as a priority for those people seeking advice locally online about evictions/homelessness
 - > The Council commission Broxtowe Youth Homelessness to provide briefings in schools within the area about the risk of homelessness
 - The Council commissioned the Citizens Advice Bureau to work in doctors' surgeries to provide financial advice to individuals on benefits, in debt or homeless, or at risk of being homeless
 - ➤ The Council have set up a sanctuary scheme for Domestic Violence victims
 - > The Council have set up a Street Outreach scheme which is an external street outreach service that approaches anyone reported as rough sleeping and try to assist them with the help of the appropriate Local Authority. The Council are working in partnership with six other Local Authorities to achieve this.

> The Council also work closely with the local foodbank who can provide gas/electric meter cards and for clothing, in addition to food parcels.

KEY FINDINGS

- Strategy The South Nottinghamshire Homelessness and Rough Sleeping Strategy (2019-2022) does not currently consider the impact of high local housing costs and how this impacts available private landlord housing stock (Finding 1 Medium)
- Assessments In eight out of 30 cases reviewed we found that the Council had not regularly reviewed a client's assessment of needs (Finding 2 - Medium)
- Bed & Breakfast In three out of 10 cases reviewed we found that clients had spent a significant proportion of time in Bed and Breakfast accommodation. The clients had spent 62, 113 and 116 days in Bed and Breakfast accommodation across our sample (Finding 3 Medium)
- **Key Performance Indicators (KPIs)** The KPIs reported for the prevention of homelessness are not specific to the achievement of the service objectives (**Finding 4 Medium**).

ADDED VALUE

We have compared Council practices to other local authorities to identify best practice which could be put forward to improve the control environment.

CONCLUSION

We noted a number of good practices in relation to the Council's work programmes, training, budget monitoring arrangements and homelessness prevention schemes along with the Council's commitment to reduce their reliance on Bed and Breakfast accommodation.

However, the Council's current Homelessness and Rough Sleeping strategy does not consider the impact of high housing costs and how this impacts available private landlord housing stock, a regular assessment of needs is not always undertaken for clients in emergency accommodation, clients in some instances are still spending significant amounts of time in Bed and Breakfast accommodation and the KPIs reported for the prevention of homelessness in some cases do not provide sufficient meaningful data.

This has led us to conclude a moderate assurance over the design of the controls and a moderate assurance over the operational effectiveness of controls.

DETAILED FINDINGS

RISK: INADEQUATE STRATEGY IN PLACE TO SUPPORT THE PREVENTION OF HOMELESSNESS INCLUDING THE LACK OF CONSIDERATION TO THE IMPACT OF HIGH LOCAL HOUSING COSTS AND HOW THIS IMPACTS AVAILABLE PRIVATE LANDLORD HOUSING STOCK

Ref Significance Finding

1 Medium

Strategy

The Council have a South Nottinghamshire Homelessness and Rough Sleeping Strategy in place which was produced collaboratively between Broxtowe, Gedling and Rushcliffe Borough Councils and a range of partners following extensive partner and public consultation.

We reviewed the Council's Strategy to assess its adequateness to support the prevention of homelessness, including whether it considers the impact of high local housing costs and how this impacts available private landlord housing stock. We found that the current strategy only makes reference to the 'call before you serve' homeless prevention scheme and does not currently address the issue of high local housing costs. We understand that it was not included because high cost housing impacting private landlords was not an issue when the current strategy was written.

The Council have advised that the new Homelessness and Rough Sleeping Strategy to be introduced in 2022 will address the impact of high local housing costs. The Council are committed to ensuring that there are improved offers to Private Sector Landlords within South Nottinghamshire, including assistance with deposits, rent in advance and landlord incentives.

There is a risk of greater reliance on temporary accommodation that generates significantly higher costs if the Council does not address the factors impacting on the availability of private landlord housing stock.

RECOMMENDATION

The Council should work with Broxtowe Borough Council and Rushcliffe Borough Council to produce an updated Homelessness and Rough Sleeping Strategy and ensure that it addresses high local housing costs.

MANAGEMENT RESPONSE

Agreed. This is currently out for eight weeks consultation, with a view to adoption in early 2022. One of the key strategic aims and which the action plan is based on is access to affordable and quality accommodation. Therefore, depending on responses and strength of feelings, this area could be changed to reflect more of a focus.

Responsible Officer: Paul Whitworth

Implementation Date: 31 March 2022

INADEQUATE ARRANGEMENTS ARE IN PLACE TO MANAGE THE COSTS RELATING TO HOMELESSNESS IE INCREASING TEMPORARY ACCOMMODATION COSTS AND WEAK PROCEDURES AROUND RENT GUARANTEE SCHEMES, REAL LETTINGS SCHEME AND/OR FINDERS FEES SCHEMES

Ref Significance Finding

2 Medium

Assessments

The South Nottinghamshire Homelessness and Rough Sleeping Strategy (2019-2021) states that the Council has 'a duty to prevent homelessness for all eligible applicants threatened with homelessness, including providing a personal housing plan and keeping such assessments under review until any accommodation duty is discharged'. The overall aim of the plan is to set out actions to ensure the client has somewhere suitable to live for at least six months.

We tested 30 homelessness applications between April 2021 and September 2021 to ascertain whether regular contact had been made with the client in order to determine whether assessments remained under review. We found:

 On eight out of 30 (27%) occasions, the Council had made no contact with the client in the last six months. Five had received no contact since April 2021 and three had received no contact since June 2021.

We found that Council Officers are not making best use of the inbuilt functionality in the Abritas system. This function would enable them to set reminders to contact clients at regular intervals ensuring the clients' assessment of needs is regularly reviewed.

There is an increased chance of homelessness reoccurring if a regular assessment of needs is not undertaken and the clients are not supported by the Council to sustain independent living. In addition, it could result in an increase in the need for temporary accommodation and therefore an increase in costs.

RECOMMENDATION

As per the South Nottinghamshire Homelessness and Rough Sleeping Strategy dated 2019-2021 the Council should ensure that clients' assessment of needs are reviewed at regular intervals. The frequency of the regular reviews should be agreed (eg weekly/bi-weekly until any accommodation duty is discharged).

Officers should use the inbuilt functionality in the Abritas system to set diary reminders which will prompt officers to update client's case notes, and it will also remind them of the need to contact clients to ensure that the client's assessment of needs is regularly reviewed and updated.

MANAGEMENT RESPONSE

Recommendation agreed.

Responsible Officer: Paul Whitworth

Implementation Date: 28 Feb 2022

INADEQUATE ARRANGEMENTS ARE IN PLACE TO MANAGE THE COSTS RELATING TO HOMELESSNESS IE INCREASING TEMPORARY ACCOMMODATION COSTS AND WEAK PROCEDURES AROUND RENT GUARANTEE SCHEMES, REAL LETTINGS SCHEME AND/OR FINDERS FEES SCHEMES

Ref Significance Finding

3 Medium

Bed and Breakfast

The Council have stated in their South Nottinghamshire Homelessness and Rough Sleeping Strategy (2019-2021) that they are committed to working across the three authorities in the provision of temporary accommodation to minimise Bed and Breakfast usage. Total spend on bed and breakfast in 2020/21 was £391,856 and 2021/22 to date is £138,261.

The Council's aim is reduce the reliance on the use of bed and breakfast accommodation through the acquisition and leasing of properties.

We reviewed 10 cases where an individual or household had been placed in temporary accommodation between 1 April 2021 and 23 September 2021 in order to review the action taken by the Council to move individuals/households into permanent housing. We found that:

- On three out of 10 (30%) occasions the individuals/household had spent an excessive amount of time within temporary bed and breakfast accommodation (62, 113 and 116 days at the time of the audit).
- For the remaining seven cases reviewed we found the Council had taken appropriate action to move individuals/households into permanent housing.

The Council currently does not have enough available permanent housing for homeless individuals. However, we note that the Council are taking the appropriate steps to address this within their long-term strategy: to purchase and lease more suitable accommodation within the Borough along with their long-term strategy to build their own housing units.

Housing individuals/households in temporary accommodation in the long-term results in significant cost implications for the Council, and inappropriate living space for the individual/household.

RECOMMENDATION

The Council should pursue formulating a New Licence Agreement with the aim of introducing a daily charge to individuals/households who occupy Bed and Breakfast accommodation.

The Council should re-assess internal arrangements and undertake their own spot checks on individuals/households who have spent significant amounts of time in Bed and Breakfast accommodation. These checks should be documented.

MANAGEMENT RESPONSE

Agreed. A new licence agreement has already been written and is currently with our Legal Services Team for consideration. The daily charge needs to be considered but will not automatically be applied in future. Also, the aim is to reduce B&B accommodation as much as is reasonable possible in future.

The authority is set to introduce a new temporary accommodation officer who aim is to specifically address these issues and provide ongoing care and support to those households in TA including B&B accommodation.

Responsible Officer: Paul Whitworth

Implementation Date: 31 March 2022

RISK: ASSETS ARE INACCURATELY VALUED BASED ON CHANGES TO THE CONDITION OF THE PROPERTY AND THERE IS INADEQUATE RECORDING OF CHANGES IN VALUE, LEADING TO AN INACCURATE UNDERSTANDING OF THE COUNCIL'S FIXED ASSETS

Ref Significance Finding

4 Medium

Key Performance Indicators (KPIs)

There are currently 16 KPIs in place reported to Senior Management and Members that relate to the prevention of Homelessness (see Appendix I). However, there too many KPIs in place and they are not specific enough to inform the Council as to whether for example the homelessness initiatives or the service it is providing is making an impact on their clients or the problem they are targeting.

For example, the performance indicators report on the following without specifically detailing what they are trying to achieve by reporting these indicators:

- "Number of interviews"
- "Number of cases prevented"
- "Number of applications received"
- "Number of applications accepted".

These are measures of input and output rather than outcomes.

There are no specific indicators which link into the achievement of the actions reported in the Council's Service Plan. For example, the Service plan states the following objectives the Council aims to achieve, but no specific performance measures in place to measure success against these objective:

- Reduce the reliance upon the use of B&B accommodation through the acquisition and leasing of properties.
- Implement and review regular identified interventions to prevent homelessness and rough sleeping

The risk to the Council of insufficiently tailored KPI reporting is that it could lead to the impediment of the Council's ability to appropriately address poor performance and take the necessary action required to improve on performance.

We have presented the current Key Performance Indicators in two graphs to show the trends and variations in the data from the period April - August 2021 presented as an observation at the end of the report.

RECOMMENDATION

The performance indicators should be reconsidered to highlight performance against the new homelessness strategy, and also consider the achievement of the homelessness service objectives. They should also be specific to limit ambiguity. KPIs set should also be achievable and measurable by the Council to ensure that overambitious targets are not set.

Performance indicators should allow the service to assess the impact of any new initiatives and should pinpoint areas for improvement. They should be robust, specific and measurable and also provide Elective Members and Senior Management with a critical analysis of the Council's performance in the prevention of homelessness.

Performance indicators could cover considerations such as:

- Prevention are fewer people experiencing homelessness for the first time?
- Incidence of homelessness are overall rates of homelessness declining?
- Length of stay in system do people stay homeless for shorter periods of time?
- Successful resolution do people resolve their housing/homeless crisis successfully by maintaining/obtaining permanent housing?
- Repeat incidents are repeat occurrences of homelessness avoided or declining?

The Council should give consideration to adopting the following measureable Performance Indicators in order to specifically link into their Service Plan:

- Clients average length of stay in Bed and Breakfast accommodation in the last 18 months
- Active number of housing cases
- Average housing case per case officer
- Average housing case load
- Number of interventions realised.

The Council should carry out annual reviews of the key performance indicators used in the reporting of homelessness prevention to ensure they remain fit for purpose.

MANAGEMENT RESPONSE

It is agreed that the current KPI indicators be reviewed.

Responsible Officer: Paul Whitworth

Implementation Date: 31 March 2022

OBSERVATIONS

HOMELESSNESS AND TEMPORARY ACCOMMODATION STARTEGIES - BENCHMARKING

We compared Gedling Borough Council's practices for the prevention of homelessness to five local authorities to identify other homelessness initiatives.

We found the following five Councils had adopted the following homelessness prevention practices

Manchester City Council

Ensuring that no one is discharged from hospital, in-patient mental-health services, or drug and alcohol detox treatment if they are homeless. Also ensuring that all discharges are planned, with continuity of treatment and support where needed.

East Devon District Council

- Identify the need for women only temporary hostel accommodation.
- Where rough sleepers are reluctant to move to a location where temporary accommodation is available East Devon District Council are investigating the use of shelters
 - Investigate if shelters should be available year round, or restricted to times of extreme weather.
 - o Investigate the merits of 'pop-up' night shelters
 - Look to develop 'Safe Sleep' schemes, and investigate if churches might be a possible location for these schemes.
 - Work with our partners to identify viable areas to offer night shelters in East Devon

Mid Sussex District Council

Working with Citizen's Advice to provide money advice and homelessness prevention service

Litchfield District Council

Set up a partnership with Fusion Credit Union (FCU), a not-for-profit financial co-operative that administers low-cost loans, for deposits or rent in advance.

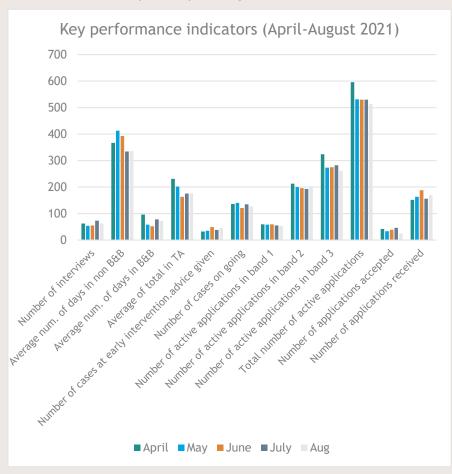
Stafford Borough Council

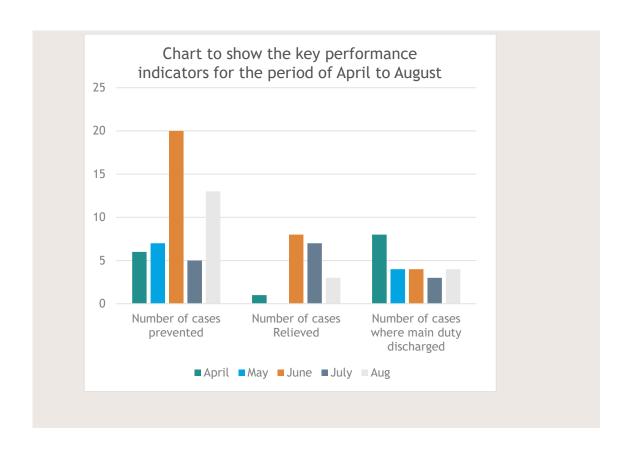
Invest in staff training in psychologically informed interviewing and listening skills

OBSERVATIONS

KEY PERFORMANCE INDICATORS

We have presented the Key Performance Indicators in two graphs to show the trends and variations in the data from the period April - August 2021.





STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Paul Whitworth	Housing and Welfare Support Manager
Alison Bennett	Development and Economic Regeneration Manager
Joelle Davies	Head of Regeneration & Welfare
Cathy Evans	Housing Services Team Leader
Susan Buchanan	Policy and Development Officer
Sharon Bentley	Housing Options Officer

APPENDIX I - DEFINITIONS					
LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS		
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.	
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.	
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.	
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.	

RECOMMENDATION SIGNIFICANCE		
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.	
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.	
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.	

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW

The purpose of the audit is to provide assurance over arrangements in place to implement the South Nottinghamshire Homelessness and Routh Sleeping Strategy (the Strategy) and procedures in place to support individuals at risk of homelessness either in the immediate or short-to-medium term.

KEY RISKS

- Inadequate strategy in place to support the prevention of homelessness including the lack of consideration to the impact of high local housing costs and how this impacts available private landlord housing stock
- The Council's work programmes relating to preventing homelessness and supporting individuals or households in need of emergency accommodation are not sufficiently clear or detailed and communicated to relevant staff, leading to an ineffective contribution to the aims of the Gedling Housing Delivery Plan and the Strategy
- Staff capacity and training is insufficient to support the effective prevention of homelessness
- Inadequate arrangements are in place to manage the costs relating to homelessness ie increasing temporary accommodation costs and weak procedures around rent guarantee schemes, real lettings scheme and/or finders fees schemes
- Financial management and budget planning is ineffective which results in substandard procedures to prevent homelessness
- Monitoring and oversight of management information relating to outcomes is not effective, and this information is insufficiently analysed and acted upon.

SCOPE OF REVIEW

The following areas will be covered as part of this review:

- Review the Council's strategy in place to support the prevention of homelessness including consideration of the impact of high local housing costs and how this impacts available private landlord housing stock
 - Review the work programmes/action plans relating to preventing homelessness and supporting individuals or households in need of emergency accommodation to consider if:
 - The work programme is clear on how it supports delivery of Gedling Borough Council's commitment to the South Nottinghamshire Homelessness and Rough Sleeping Strategy
 - Actions within the work programme are specific, measurable, achievable, realistic, and timebound (SMART)
 - Assigned to clear action owners
 - Are appropriately followed up.
- Review staff capacity and the training received by appropriate officers to support the
 effective prevention of homelessness
- Review the arrangements in place to manage the costs relating to homelessness and use of temporary accommodation. Review the work undertaken to reduce the costs, including the prevention initiatives and the project to purchase and lease more properties
- Review a sample of cases where the Council has been contacted for support to consider if assessments of needs have been carried out and regularly reviewed

- Review a sample of cases where individuals at risk of homelessness have made an application for emergency housing and if the Council have met their statutory "main homeless duty"
- Review management information and evidence of monitoring and oversight over key performance indicators relating to the efficacy of the Council's strategies and operational plans for preventing homelessness and supporting individuals or households at risk of immediate homelessness.

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

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