

Temporary Accommodation

Internal Audit Advisory Review Report – 2024/2025 – Final



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Executive summary

Introduction

As part of the agreed internal audit plan for 2024/25, we have completed an advisory review on the extent to which the Housing, Property & Planning Directorate has put in place a framework to address corporate and operational key risks relating to the provision of safe and cost-effective Temporary Accommodation (TA) services.

The Q2 Corporate Risk Report includes the corporate risk CR05 (Temporary Accommodation): Failure to Provide Safe Temporary Accommodation within Budget of which there are five sub-risks: availability of cost-effective accommodation; budgetary constraints; compliance with regulatory requirements; attraction and retention of talent; and failure to increase TA rental income.

In response to corporate and operational risks identified, the Housing, Property & Planning Directorate has developed a Housing Service Improvement Plan (HSIP) that contains five work streams one of which covers TA & Homelessness. In addition, a separate outcome tracker spreadsheet has been developed that monitors progress in addressing risks identified at the TA & Homeless Challenge exercise.

At the Audit and Corporate Governance (ACG) Committee held on 22 January 2025, a report set out the progress and next steps to close out housing internal audit recommendations arising from Internal Audit reviews which included the review on Temporary Accommodation. Where additional activity is required beyond Q1 2025/26 to enable the audit recommendation to be closed the issue will be recorded on the HSIP.

Background

Temporary accommodation takes the form of accommodation:

- For use during the Relief stage of homelessness whilst a household's homelessness application is being assessed; and
- Temporary accommodation for households where the Council has accepted an ongoing accommodation duty under Section 193(2) and this accommodation is provided until a suitable offer of longer-term housing to discharge that duty can be made.

The following events informed the Housing, Property & Planning Directorate in the identification of risks and associated action plans:

- A self- assessment health check undertaken in July 2024.
- A two-week TA & Homeless Challenge carried out in September/October 2024 that identified risks to the effective delivery of services with a focus on financial aspects such as identifying cost drivers in the form of placements in high-cost House in Multiple Occupation (HMO) accommodation.
- A Ministry of Housing, Communities and Local Government (MHCLG) visit carried out in September 2024 where the report highlighted the case work assigned to TA officers was significantly more than comparable service providers.

- Pennington Choices, a Surveying and Consultancy service, produced a compliance health check in July 2024 that focused primarily on property compliance management and performance relating to all of the council's Housing Revenue Account buildings. The report also undertook a light touch review of the council's approach to managing compliance in TA.

It became evident to the Housing, Property & Planning Directorate that a key risk related to the inability to rely upon accurate and timely management information underpinned by a 'single version of the truth'.

Underlying data recorded on the Jigsaw system, where information on assessment of homelessness applications is held, and the NEC system that holds data on TA properties and tenancy records, were found to be recording different totals of live accounts (initial Jigsaw accounts total of 1,100 compared to NEC accounts total of 859) which led to data reconciliation work being undertaken. Reconciliation work is effectively being done manually as there is no interface between the two systems. It was also found that the number of invoices paid to TA suppliers was significantly greater than the cases recorded on Jigsaw and NEC (approximately 1400): an invoice reconciliation process is ongoing.

Summary of findings and Management Responses

A summary of findings for each of the review's objectives is set out below together with management responses to matters for consideration.

Framework in place to address corporate and operational risks: The HSIP remains under development and is expected to be signed off by May 2025.

The audit review found the following risks had not been included in the HSIP that was presented for review and therefore there is a risk that progress on addressing identified risks is not subject to effective management review and scrutiny: TA & Allocation structure not fit for purpose; suitability of accommodation reviews not undertaken; lack of 'fit and proper person' checks on private sector landlords who currently provide TA to the council; and lack of effective management information reporting functionality.

Management response: The Housing Programme Manager to update HSIP in respect of: the risk that the TA & Allocation structure is not fit for purpose; requirement to keep the suitability of accommodation under review; lack of 'fit and proper person' checks on private sector landlords currently providing TA to the council; and risk of not having adequate management information reporting functionality.

Recording and monitoring of residents referred into the TA Team: A tracker spreadsheet is in place to provide management with the ability to monitor the completion of procedural tasks and the collation of relevant documentation in respect of new referrals.

There is no formal programme of occupancy visits currently being undertaken by officers which prevents the council from gaining adequate assurance that the correct tenant resides at the property. The intention is to design a longer-term plan to ensure tenancy checks are conducted on a regular basis.

Management response: A new process map is in place documenting the process of carrying out occupancy checks, an audit trail will be maintained in respect of who undertook the check and an outcome of the visit will be recorded. A recruitment exercise is ongoing to appoint new Compliance officers.

Ability to deliver the Temporary Accommodation function effectively: Findings from a MHCLG visit in September 2024 reported on the relatively high volume of TA cases handled and highlighted the specific homelessness challenges faced by the council. A report from Pennington Choices, a surveying and consultancy service, reported lack of resource and staff capacity as reasons for inconsistent approach to carrying out compliance checks. To ensure the council is able to meet these challenges a review of the structure and resources of TA & Allocation is underway.

Suitability of accommodation reviews being undertaken and relevant changes in circumstance responded to: Suitability of accommodation reviews are not being undertaken.

Management response: A new process map is in place that documents the process of undertaking suitability reviews and where a change in circumstances has occurred. Progress made on carrying out suitability reviews will be tracked once the process is implemented.

Whether a TA procurement policy is in place: A procurement policy is not currently in place.

Management response: A TA Procurement Policy will be developed with the aim to complete by Quarter 2 2025/26.

TA provider compliance responsibilities are clearly defined: Work is ongoing on the finalisation of a draft Private Licence Agreement (PLA) and a Private Sector Fixed Term Lease Agreement (PSL) that will set out landlord responsibilities in terms of compliance. The intention is to move from predominantly nightly charge rate accommodation to longer term lease agreements.

Process in place to ensure compliance with health and safety legislation/regulations are met and reported on: Under existing arrangements there is no requirement for TA providers to confirm that they have complied with all relevant compliance regulations prior the council procuring the accommodation. There is no requirement for existing providers to submit annual statements of compliance and to submit relevant compliance certificates: A formal programme of site visits is not in place that requires checks by council officers to assess whether the accommodation is in a reasonable physical condition, to identify any evidence of damp/mould and to visually inspect electrical installation and equipment.

Management response: Process is now in place requiring landlords/agents to confirm compliance requirements have been met for new placements with a need to catch-up with historical placements. New PLA and PSL agreements require landlords/agents to provide annual statements of compliance and compliance certificates. Procedures in place setting out instructions on collection, checking and storage of compliance certificates. Feasibility of storing documentation on the Private Sector Leasing Module within NEC to be explored. Periodic sample checks to be made to confirm that the correct compliance documentation is in place. Inspections of homes held under Long Term leasing will be undertaken. It is expected that nightly--rate properties will 'self-certify' based on the PSA agreement and whilst some will be inspected, those homes under PLA remain the responsibility of landlord/agent. The Temporary Accommodation and Allocation Lead is seeking a TA H&S Board that will meet monthly.

‘Fit and proper person’ checks for private sector landlords undertaken: There is currently no process in place to conduct 'fit and proper person' checks for existing private sector landlords who rent property to the Council. There is a risk that the Council is unaware about potentially dangerous properties or rogue landlords.

The draft version of the Private Licence Agreement contains a requirement that the licensor shall ensure the legal owner of the premises has no relevant unspent convictions.

Management response: The Temporary Accommodation and Allocation Team to liaise with the Housing Regulation Team to undertake independent due diligence and to agree process and escalation if not fit for purpose.

Monitoring and reporting arrangements in place to enable effective management decision making: The lack of reconciled management information extracted from Jigsaw and NEC systems being available and being demonstrated as being used in decision making and planning makes it difficult to provide assurance that operational and strategic decision making is based on reliable data.

The ICT and Digital Services Team has been tasked to provide management reporting functionality through the development of a Power BI/Dashboard and whilst an early draft version has been presented to the Directorate, the final version which meets the Directorate's expectations has yet to be delivered.

The provision of Power BI/Dashboard functionality has not been captured on the HSIP and therefore at risk of not being subject to rigorous management review and scrutiny.

Management response: Housing Programme Manager, Temporary Accommodation & Allocation Team and Interim Housing Project Manager to agree a formalised process of submitting requests to ICT and Digital Services Team.

Next Steps

Audit recognise that the Housing, Property & Planning Directorate is at a relatively early stage in the process of designing and implementing management controls to mitigate known corporate and operational risks.

Whilst progress has been made in areas such as developing private sector lease agreements that contain responsibilities of the provider in meeting compliance standards, there remains more work to be done in areas such as undertaking suitability of accommodation reviews.

It is therefore proposed that as part of the internal audit plan for 2025/26, a risk-based opinion audit is undertaken that assesses the effectiveness of mitigating controls in place to address corporate and operational key risks relating to the provision of safe and cost effective Temporary Accommodation (TA) services.

The review should be carried out in Quarter 3 2025/26 which would enable the audit team to assess and report on the extent to which planned actions recorded in the HSIP have been implemented together with any other controls the Housing, Property & Planning Directorate has put in place.

Detailed Findings

The audit review found the following:

Objective 1: Framework in place to address corporate and operational risks: A framework has been put in place in the form of a HSIP and TA & Homeless challenge exercise outcome tracker spreadsheet that captures regular updates from workstream leads on progress in meeting milestones with oversight from the Housing Programme Manager. The documents are subject to review by the Director of Housing.

Audit reviewed the report to the ACG Committee and the HSIP and noted the following progress in addressing sub-risks recorded on the Q2 Corporate Risk Report relating to CR05 (Temporary Accommodation) Failure to Provide Safe Temporary Accommodation within Budget:

- Availability of cost-effective accommodation: Plans to secure 25 properties on long term leases using institutional investment and to improve commercial deals with existing TA providers.
- Budgetary constraints: Clarity on budget has remained the same.
- Compliance with regulatory requirements: The report to the ASG Committee confirmed the recommendations resulting from the compliance health check undertaken by Pennington Choices had been accepted and details would be reflected in the HSIP.
- Attraction and retention of talent: A review on the structure and capacity of the TA & Allocation function is underway, however, as noted under Objective 3, the issue had not been recorded in the HSIP version presented for audit.
- Failure to increase TA rental income: Milestones in place to create new TA rent accounts and charges, review rent accounts with no Housing Benefit (HB) and look to post all historic HB to rent accounts.

Conclusion and considerations

The HSIP remains under development and is subject to regular monitoring and review which may result in additional risks and associated action plans being added.

The audit review identified the following risks that we consider should be assessed for inclusion within the HSIP together with associated action plans to mitigate the risk:

- TA & Allocation structure is not fit for purpose;
- Failure to keep the suitability of accommodation under review, and to respond to any relevant change in circumstances, for example additional family members, which may mean the current accommodation is no longer suitable;
- Failure to undertake 'fit and proper person' checks for private landlords who currently provide accommodation to the Council; and
- Failure to have adequate, management information in place to oversee the management of the temporary accommodation portfolio.

Management Response

In response to the matters for consideration, management has provided the following responses:

- Business as usual and recovery teams being recruited to improve the TA & Allocation structure.
- Fit and proper person's checks on private landlords who currently provide accommodation to the Council to be incorporated within the new PLA and PSL agreements. The agreements will include the requirement to provide compliance documentation and clear terms to enable contract management.
- Management Information Dashboard designed to support oversight of the temporary accommodation portfolio almost complete.

Objective 2: Whether appropriate systems are in place for recording and monitoring of residents who have been referred into the TA Team following assessment by the Housing Demand Team. Referrals from the Housing Demand team are emailed to the TA and Allocation inbox that contain a copy of the referral form, risk assessment, photo ID of the applicant, financial assessment and any additional information relevant to the application.

On taking up the placement the tenant meets with a TA officer to sign a Non-Secure Licence Agreement for Temporary Accommodation and to complete a Claim Form for Housing Benefit. There is an expectation that the forms will be signed by the tenant on the day of the placement, unless there are specific reasons preventing this such as the referral being received late in the day or due to competing priorities within the TA and Allocation team.

To facilitate effective monitoring, the TA and Allocation Team has created a Weekly TA Booking Tracker spreadsheet that is held on the team's shared drive and is updated with new referrals. The tracker requires TA officers to record the date of the meeting agreed with the tenant and requires TA officers to confirm that key documentation has been received, such as email confirmation from TA provider that the tenant has taken up the placement offer and has moved into the property.

There is no formal programme of occupancy visits undertaken by the TA & Allocation team to confirm the tenant resides at the property. Occasional visits are made on an ad hoc basis, for example, in response to alleged incidents of Anti-Social Behaviour.

The Head of TA & Allocations advise that the structure of the team and current capacity prevents a programme of occupancy visits being undertaken. The focus of TA officers is on ensuring referrals are actioned and placements processed on a timely basis and there are insufficient resources to carry out a programme of visits.

The report to the ACG Committee sets out the proposed action plan that will consist of designing a longer-term plan to ensure tenancy checks are carried out on a regular basis.

Conclusion and considerations

The implementation of the Weekly TA Booking Tracker spreadsheet enables the TA and Allocations Lead officer to view and monitor the completion of procedural tasks and that relevant documentation has been collated in respect of new referrals.

Lack of a formal programme of occupancy visits undertaken by council officers prevents the council from gaining assurance that the correct tenant resides at the property.

Consideration should be given to:

- Having a clearly documented process for undertaking occupancy checks that includes the basis on which visits will be prioritised, for example, risk of fraud.
- A record should be held of who undertook the occupancy checks as there is a risk that where any future issues or concerns arise, there is a lack of audit trail.
- The outcome of the visits to be recorded and clear guidance produced on what steps are required to be taken following the visit findings, for example, escalation procedures in cases of suspected fraudulent activity or where there is evidence the tenant no longer resides at the property.
- Landlords/Agents requested to provide details of tenants at properties in which the council is currently placing a tenant. On receipt of this information, tenant's details to be matched to NEC records and where there are any discrepancies these are to be investigated.
- Once management reporting functionality is in place (Power BI/Dashboard), key performance indicators to be reported upon, for example, the percentage of TA accommodation that has been subject to occupation checks and the number and type of escalations arising from the visits.

Management Response

In response to the matters for consideration, management has provided the following responses:

- There is a new process map in place to support the carrying out of occupancy checks. A recruitment exercise to appoint new Compliance officers is ongoing with a target date for recruitment of April 2025.
- A record will be held of who undertook the occupancy checks to support an effective audit trail.
- The outcome of the occupancy visits will be recorded and clear guidance produced on what steps are required to be taken following the visit findings.
- Landlords/Agents will be requested to provide details of tenants at properties in which the council is currently placing a tenant. On receipt of this information, tenant's details to be matched to NEC records and where there are any discrepancies these are to be investigated.
- Key performance indicators to be reported on, subject to the extent to which occupancy checks are actually taking place and being recorded.

Objective 3: Ability to deliver the Temporary Accommodation function effectively:

MHCLG visited the council in September 2024 and reported on the volume of TA placements which was found to be the highest in England outside of London and highlighted the challenges faced by the council concerning homelessness.

Pennington Choices' compliance health check report noted that issues of lack of resource and staff capacity had been raised as a reason for the lack of a consistent approach to carrying out compliance checks and actions.

Head of the TA & Allocation Team informed audit that the structure was not fit for purpose as there was no separation of responsibilities in which one part of the team would focus on

procuring TA and arranging placement of the tenant and another team with post-placement responsibilities, for example undertaking occupancy checks and ensuring compliance certificates were obtained. Due to a lack of resources, the team's focus was on responding to new referrals by ensuring appropriate checks and documentation was in place and securing accommodation based on the lowest cost and suitability based on the tenant's individual circumstances.

Conclusion and considerations

Audit informed that a review of structural and resource issues affecting the delivery of TA & Allocation functions is underway, however, the issue and planned action was not recorded on the HSIP version presented for audit.

Consideration should be given to:

- Updating the HSIP to include the risk that the TA & Allocation structure is not fit for purpose.

Management Response

In response to the matter for consideration, management has provided the following response:

- HSIP will be updated by the Housing Programme Manager to include the risk that the TA & Allocation structure is not fit for purpose.

Objective 4: Whether suitability of accommodation reviews are being undertaken and relevant changes in circumstances responded to: MHCLG's Homelessness Code of Guidance for Local Authorities provides guidance on the factors to be taken into account when determining the suitability of accommodation secured and helped to secure under the 1996 Act. This includes (temporary) accommodation secured under interim accommodation duties or the main housing duty.

The guidance states that housing authorities have a continuing obligation to keep the suitability of accommodation under review, and to respond to any relevant change in circumstances which may affect suitability, until such time as the accommodation duty is brought to an end.

In discussion with the Head of the TA & Allocation Team there is currently no process in place to monitor the suitability of accommodation in which tenants are placed due to insufficient capacity within the team and also given the structure of the team which is focused on procuring accommodation and arranging placements. We note that the issue of suitability reviews does not form part of the HSIP.

In the absence of suitability of accommodation reviews, there is a risk that accommodation provided to tenants at the relief stage is no longer adequate where a main housing duty has been determined and furthermore changes to the tenant's circumstances may require the council to re-evaluate the placement and look to seeking alternative accommodation.

Conclusion and considerations

Arrangements are not in place to keep the suitability of accommodation under review, and to respond to any relevant change in circumstances which may affect suitability and the issue has not been recorded on the HSIP.

Consideration should be given to:

- Updating the HSIP with the requirement to keep the suitability of accommodation under review and how changes in circumstances will be responded to.
- Documenting the process of undertaking ongoing reviews of suitability of accommodation which as a minimum sets out the frequency of reviews, how reviews are prioritised, the criteria to be followed in determining the suitability of accommodation.
- Document the process to be followed where a change in circumstances has been identified.
- Progress made on undertaking suitability of accommodation reviews to be incorporated into management information reporting.

Management Response

In response to the matters for consideration, management has provided the following responses:

- HSIP will be updated by the Housing Programme Manager to capture the requirement to keep the suitability of accommodation under review and how changes in circumstances will be responded to.
- A new process map documents the process of undertaking reviews of suitability of accommodation.
- A new process map documents the process to be followed where a change in circumstances has been identified.
- Progress on undertaking suitability of accommodation reviews will form part of management information reporting once the process is implemented and checks are carried out.

Objective 5: TA procurement policy in place: There is currently no policy in place in respect of TA procurement. In the absence of such a policy there is a risk that procurement decisions will not be made on a consistent basis, in line with agreed council procedures and may fail to take into account value for money when securing temporary accommodation.

Audit understand that approximately 90% of TA placements are secured under nightly rate charges. There is an intention to move towards entering into longer term lease arrangements. Furthermore, the current list of 80+ accommodation providers will be reviewed with the intention of reducing the number to approximately 25.

TA providers email the TA & Allocation team with availability and the nightly charge rate. TA officers secure the accommodation based primarily on value for money but also on suitability grounds, for example taking into account geographical considerations.

Until recently, TA officer had autonomy to accept increases in nightly rate charges without supervisor approval. The TA & Allocation Team has introduced a control that sets a cap on nightly charges based on the number of rooms and if the quoted charge from the provider breaches this cap there is a requirement for the officer to seek management approval.

Conclusion and considerations

A procurement policy is not currently in place. The TA & Allocation team has recently implemented a control that caps the nightly rate charge and any breaches of these limits require management approval.

Consideration should be given to:

- Developing a TA Procurement Policy.

Management Response

In response to the matter for consideration, management has provided the following response:

- A TA Procurement Policy will be developed with the aim to complete by Quarter 2 2025/26.

Objective 6: TA provider compliance responsibilities are clearly defined: A report from Pennington Choices, Surveying and Consultancy services, commented on the lack of a consistent approach to ensuring that the required compliance checks had taken place on all TA properties.

The findings from this report informed the TA & Homeless Challenge event which identified the need to ensure formal agreements were in place with TA providers that sets out their compliance responsibilities.

HB Law property lawyers, a shared service between Slough Borough Council, London Borough of Harrow and London Borough of Hounslow are working on finalising the drafting of a Private Licence Agreement and a Private Sector Fixed Term Lease Agreement that will include landlord compliance responsibilities. Once finalised, the Directorate will look to enter in to discussion with preferred providers and put in place signed lease agreements. The Directorate recognise there is a compliance gap and the introduction of signed lease agreements setting out clear responsibilities of the provider in terms of meeting compliance standards aims to close this gap.

Conclusion

Work is ongoing into finalising the drafting of Private Licence Agreement and a Private Sector Fixed Term Lease Agreement that will include landlord compliance responsibilities. The aim is to move away from procurement of nightly charge rate accommodation on to more long-term lease agreements with preferred providers.

Objective 7: Process in place to ensure compliance with health and safety legislation/regulations are met and reported on: Article 3 of the Homelessness (Suitability of Accommodation) (England) Order 2012 concerns the suitability of privately rented accommodation offered to certain applicants who are homeless or threatened with homelessness.

A private rented property must not be regarded as suitable if the housing authority are of the view any of the following apply:

- it is not in a reasonable physical condition;
- electrical equipment supplied with the accommodation does not meet the requirements of Schedule 1 to the Electrical Equipment (Safety) Regulations 2016;
- the landlord has not taken reasonable fire safety precautions with the accommodation and any furnishings supplied with it;
- the landlord has not taken reasonable precautions to prevent the possibility of carbon monoxide poisoning in the accommodation;

- it forms part of residential property which does not have a valid Energy Performance Certificate as required by the Energy Performance of Buildings (England and Wales) Regulations 2012; and
- it is or forms part of relevant premises which do not have a current gas safety record in accordance with regulation 36 of the Gas Safety (Installation and Use) Regulations 1998(e).

Furthermore, the Regulatory Reform (Fire Safety) Order 2005 applies to the common or shared parts of multi occupied residential buildings. It places a duty on landlords, owners or managing agents to carry out a fire risk assessment of the common parts and implement and maintain appropriate and adequate fire safety measures to manage the risk that lives could be lost in a fire.

To determine whether or not accommodation meets the requirements set out in Article 3 housing authorities are advised to ensure it is visited by a local authority officer or someone acting on their behalf able to carry out an inspection. Attention should be paid to signs of damp or mould and indications that the property would be cold as well as to a visual check made of electrical installations and equipment (for example; looking for loose wiring, cracked or broken electrical sockets, light switches that do not work and appliances which do not appear to have been safety tested).

A formal programme is not currently in place requiring site visit inspections to be undertaken by officers to satisfy themselves that the property is in reasonable physical condition. Site visits are undertaken on an ad hoc basis only, for example, in response to a request from the tenant. The report to the ACG Committee stated that the longer-term plan was to ensure tenancy checks are carried out on a regular basis and that the check will ensure homes are safe and compliant.

For new referrals, tenants attend the council's office to complete the tenancy agreement and are given instructions and directions to attend the temporary accommodation address where the landlord/agency representative provides them with the key, however, a council officer is not in attendance at the property to meet the tenant and inspect the property.

Under existing arrangements there is no requirement for new TA providers to confirm in writing that they complied with all relevant compliance regulations. Providers are not required to submit annual statements of compliance and they are not required to submit relevant compliance certificates.

Audit informed that there is currently no facility on NEC to hold compliance documentation, however, it is understood that consideration is being given to implementing the Private Sector Leasing Module within NEC that would have the facility to retain documentation and the functionality to send reminders to providers when annual certificates/inspections become due for renewal.

It should be noted that Pennington Choices' report made a number of TA recommendations that included developing an approach to holding compliance certification for all TA properties and reviewing capacity within the TA team to ensure they have the resources to undertake checks. Audit informed that the Directorate is actively reacting to the recommendations raised, and the report to the ASG Committee states that the recommendations have been incorporated into the HSIP.

Conclusion and considerations

No formal programme of visits by officers currently in place to confirm that the accommodation is in a reasonable physical condition, whether there is evidence of any damp/mould and electrical installation and equipment are not subject to visual inspection. The plan to undertake tenancy checks on a regular basis will include a check to ensure the home is safe and compliant.

New TA providers are not required to confirm in writing that the accommodation satisfies relevant compliance regulations and there is no requirement for landlords/agents to submit annual statements of compliance. Furthermore, there is no mechanism in place whereby providers are requested to provide supporting compliance certificates.

Where the Council is unable to properly demonstrate that none of the criteria set out in Article 3 of the Homelessness (Suitability of Accommodation) England Order 2012 apply, the Council may be in breach of the Order and there is a risk that clients are placed in accommodation without sufficient safeguards.

Consideration should be given to:

- Landlords/Agents required to provide written confirmation, prior to the accommodation being procured, that they have satisfied all relevant compliance requirements.
- Landlords/Agents to be requested to provide annual statements of compliance and copies of compliance certificates in respect of electrical, gas, fire safety, carbon monoxide, valid Energy Performance Certificate; and for common or shared parts of multi occupied residential buildings evidence of a fire risk assessment of the common parts and evidence appropriate and that adequate fire safety measures have been implemented and maintained.
- Putting in place procedures setting out instructions on the collection, checking and storing of compliance certificates.
- The feasibility of storing documentation on the Private Sector Leasing Module within NEC should be explored.
- Periodic sample checks to be made by the TA & Allocation Lead to confirm that the correct compliance documentation is in place.
- TA accommodation to be subject to inspection to assess whether it is in reasonable physical condition, evidence of any damp/mould and visual inspection of electrical installation and equipment. The inspection to be sufficiently detailed in terms of detailing any remedial works that needs to be completed by the landlord before the property can be signed up for use and a final inspection should be undertaken confirming completion of all works. All inspection reports to be stored.

Management Response

In response to the matters for consideration, management has provided the following responses:

- Process now in place for new placements for Landlords/Agents to provide written confirmation that they have complied with all relevant compliance requirements. There is a need to catch-up with historical placements.
- Landlords/Agents are requested to provide annual statements of compliance and copies of compliance certificates as part of new PLA and PSL agreements.

- Procedures are in place setting out the instructions on the collection, checking and storage of compliance certificates for new placements.
- The Housing Programme Manager will discuss with the Interim Housing Project Manager, ICT and Digital Services, feasibility of storing documentation on the Private Sector Leasing Module within NEC.
- Periodic sample checks will be carried out to confirm correct compliance documentation in place.
- Inspections of homes held under Long Term leasing will be undertaken. It is expected that nightly--rate properties will 'self-certify' based on the PSA agreement and whilst some will be inspected, those homes under PLA remain the responsibility of landlord/agent. The Temporary Accommodation and Allocation Lead is seeking a TA H&S Board that will meet monthly.

Objective 8: Process for conducting 'fit and proper person' checks for private sector landlords: A private rented property must not be regarded as suitable if the housing authority are of the view the landlord is not a fit and proper person to act in the capacity of landlord. Housing authorities must satisfy themselves that landlords are fit and proper people to act in the capacity of a landlord. This assessment involves consideration if the landlord has:

- committed any offence involving fraud or other dishonesty, or violence or illegal drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003(2) (offences attracting notification requirements);
- practised unlawful discrimination on grounds of sex, race, age, disability, marriage or civil partnership, pregnancy or maternity, religion or belief, sexual orientation, gender identity or gender reassignment in, or in connection with, the carrying on of any business;
- contravened any provision of the law relating to housing (including landlord or tenant law); or
- acted otherwise than in accordance with any applicable code of practice for the management of a house in multiple occupation, approved under section 233 of the Housing Act 2004.

There is currently no process in place within the TA Service team to conduct 'fit and proper person' checks for private sector landlords who rent property to the Council. Audit informed by the Head of TA & Allocation team that it would not be practical to undertake such checks as in the vast majority of cases the name of the landlord is not known as the accommodation was procured via an agency. Additionally, it is thought that the agency would be reluctant to pass on landlord details as this may lead to the landlord dealing directly with the council and thereby avoid agency management fees.

Whilst it is understandable that the Council does not wish to lose potential properties to other local authorities, there is a risk that this strategy prevents the Council from learning about potentially dangerous properties or rogue landlords.

Audit note that the draft version of the Private Licence Agreement contains a requirement that the licensor shall ensure the legal owner of the premises has no unspent convictions for: offences involving fraud or other dishonesty, or violence or drugs; convictions for offences of unlawful discrimination on grounds of sex, colour, race, ethnic or national origins; contravention of any provision of the law relating to housing or of landlord and tenant law.

Conclusion and considerations

A process of undertaking 'fit and proper person' checks for existing private landlords who rent property to the Council is not currently in place. Where the Council is unable to properly demonstrate that landlord checks in line with the requirements of provision 3 of the Homelessness (Suitability of Accommodation) England Order 2012 have been undertaken, the Council may be in breach of the Order and there is a risk that clients are placed with unsuitable landlords. The Draft Private Licence Agreement places a responsibility of the licensor to ensure the legal owner of the premises has no relevant unspent convictions.

Consideration should be given to:

- Conducting local checks with Licensing colleagues to check if the landlord of the property is known prior to starting any agreement.
- For existing TA placements, a written request to be sent to the property agent seeking what steps they have taken to ensure themselves the landlord of the property is fit and proper.
- Updating the HSIP to reflect the risk that 'fit and proper' checks are not being undertaken in respect of existing TA placements.

Management Response

In response to the matters for consideration, management has provided the following responses:

- The Temporary Accommodation and Allocation Team to liaise with the Housing Regulation Team to undertake independent due diligence and to agree process and escalation if not fit for purpose.
- Updating the HSIP to reflect risk that 'fit and proper' checks are not being undertaken for private sector landlords who rent property to the Council.

Objective 9: Monitoring and reporting arrangements in place to enable effective management decision making: Accurate reliable data gathering and analysis is key in proactively managing service risks, supporting operational decision making and informing longer term planning.

The lack of reconciled management information extracted from Jigsaw and NEC systems being available and being demonstrated as being used in decision making and planning makes it difficult to provide assurance that operational and strategic decision making is based on reliable data.

The ICT and Digital Services Team has been tasked to provide management reporting functionality through the development of a Power BI/Dashboard. Audit understand an early draft version has been presented to the Housing, Property & Planning Directorate that shows key indicators such as how long individuals/families have been in their temporary accommodation but that a more comprehensive version, that meets the Directorate's expectations, has not yet been delivered and this is causing some frustration.

Audit understand that a formal specification/SLA was not agreed with the ICT and Digital Services Team that would set out the agreed deliverables, milestones, timeframe and outcomes, but rather more informally through for example email correspondence.

The delivery of Power BI/Dashboard management information reporting is not recorded on the HSIP and therefore may not be subject to effective monitoring and management oversight and scrutiny.

Conclusion and considerations

Failure to have adequate, management information in place to oversee the management of the temporary accommodation portfolio may lead to the service being unable to meet its objectives and legislative requirements.

Consideration should be given to:

- Updating the HSIP with the risk of not having adequate management information reporting functionality.
- Ensuring future requests to the ICT and Digital Services Team are formalised, for example in the form of an SLA or written specification.

Management Response

In response to the matters for consideration, management has provided the following responses:

- Housing Programme Manager to update HSIP with the risk of not having adequate management information reporting functionality.
- Housing Programme Manager, Temporary Accommodation & Allocation Team and Interim Housing Project Manager to agree a formalised process of submitting requests to ICT and Digital Services Team.

Annex 1 – Objectives, scope and approach

Objectives

The review focused on the extent to which action is being taken to fulfil the following objectives:

- Framework in place to mitigate corporate and operational risks.
- Appropriate systems in place for recording and monitoring of residents who have been referred into the TA Team following assessment by the Housing Demand Team.
- Ability to deliver the Temporary Accommodation function effectively.
- Whether suitability of accommodation reviews is undertaken and relevant changes in circumstances are responded to.
- TA placement and procurement policies in place.
- TA provider compliance responsibilities are clearly defined.
- Process in place to ensure compliance with health and safety legislation/regulations are met and reported on.
- Process for conducting 'fit and proper person' checks for private sector landlords.
- Monitoring and reporting arrangements in place to enable effective management decision making.

Scope of the review

The objective of the review was to focus on the extent to which the Housing, Property & Planning Directorate has put in place a framework to address corporate and operational key risks relating to the provision of safe and cost-effective Temporary Accommodation (TA) services.

Approach

The review comprised of the following stages:

- Discussion with the Housing Programme Manager who has responsibilities in delivering TA and Homeless improvement work;
- Discussions with the Temporary Accommodation and Allocations Team to understand the TA and allocation process and to review changes being implemented to strengthen the control environment;
- Review of TA improvement project documentation such as the Service Improvement Plan (HSIP) and TA & Homeless Challenge Outcome Tracker; and
- Review of the report to the ACG Committee on the progress of implementing housing internal audit recommendations.

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