

Appendix 1

Internal Audit of Accommodation Provision for the Homeless

Second Follow Up Review

Purpose & Background Information

Our original review of 'Accommodation Provision for the Homeless' was completed in March 2020 giving a low assurance rating because of the number of risks/issues raised.

The first follow up in November 2021 identified that a number of areas had progressed since our original review, but operationally, actions were taking longer to be delivered than anticipated because of the Covid-19 pandemic, (where demand for emergency and temporary accommodation had increased), and the implementation of a new staffing model and staffing vacancies. The low assurance rating remained as there was insufficient progress with some of the actions resulting from major risks/issues. This second follow up review establishes progress made in addressing the outstanding actions.

The council is taking a more strategic and corporate approach to homelessness to put in alternative longer term accommodation measures in place to reduce the reliance on bed and breakfasts and hotels. Their focus includes ensuring that citizens do not spend too long in these types of accommodation, improving

quality of accommodation provided, and that the citizens continue to get the adequate support required. A number of departments are involved in this, and relevant heads of service and the Chief Executive attend a cross-service management team. There is also the Strategic Housing and Homelessness Group (SHHG) attended by the relevant heads of service and members.

Operationally, the Homelessness Prevention Service is mainly responsible, but Community Housing manages the leased accommodation.

It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

Audit Opinion

Considerable progress has been made now that the staffing vacancies have almost been filled. Our last follow up review concluded that 37% of actions had been fully implemented, with 60% of actions relating to major risks/issues outstanding. Currently, 72% of actions have been fully implemented, with 20% remaining actions relating to major risks/issues.

There is a robust process in place for Community Housing to monitor up-to-date certification is in place, e.g. gas and electrical safety certificates, etc. Tenant arrears are being actively monitored, and action is being taken with historic and complex cases where there have been tenancy issues.

There was also improvement in the recordkeeping of homeless cases, e.g. having a documented assessment, and diary notes being kept up-to-date. Controls need to be strengthened with the authorisation of housing plans and demonstrating that these are regularly reviewed. A Quality & Performance Officer has been recruited who now monitors all key documentation is in place.

Team leaders also carry out regular monitoring of cases, but need to provide a clearer record of their checks.

Written procedures relating to the Rapid Rehousing Model are currently being drafted ready for circulation to Welsh Government, but further documented guidance is still needed for staff to ensure that they carry out processes consistently. Key performance indicators also need to be developed.

Based on the results of the second follow up, we are providing 'medium' assurance.

Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Low ●
At Second Follow Up	Medium ●

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Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	8	2	0
Moderate ●	5	3	0

Ref	Agreed Action	Issue & Risk	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	To implement the Welsh Government Phase 2 Plan, to embed a rapid rehousing model to reduce the reliance on the long term use of unsuitable emergency and temporary accommodation. This includes purchasing a property to provide emergency family accommodation and the purchasing of a property to provide permanent units of accommodation	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service. Major Risk ●	Head of Community Support Services supported by cross-service management team 31/03/2021	Completed – November 2021 Both the Principal Manager (Support Services) and the Housing Development Manager confirmed that while the Phase 2 Plan has been implemented, the reliance on emergency and temporary accommodation has not yet reduced. However, the use of emergency and temporary accommodation will continue to remain part of the Council's approach, but the intention is to limit the amount of time a citizen will spend there. The Covid-19 pandemic has further increased demand for accommodation,

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				<p>and it was recognised that some of the alternative solutions would take time to be delivered.</p> <p>However, sufficient progress is being made with this action. The cross-service management team consisting of four heads of service and the Chief Executive continues to meet regularly to provide a co-ordinated corporate response. Designated resource has been allocated, including the Housing Development Manager, to pursue alternative accommodation options. This includes the recent purchase of a property through Welsh Government funding to provide emergency accommodation for families. The property needs renovation, but it is hoped that it will be available from Spring 2022.</p> <p>Another larger property is also under consideration, and a draft framework documented for pursuing further properties. It has been discussed at Cabinet Briefing and at Rhyl Member Area Group, and will go to Cabinet for approval after being taken to Partnership Scrutiny in December 2021.</p>
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				<p>Elected members have been consulted on other potential options for accommodating homeless citizens, with a further workshop currently being arranged.</p> <p>Welsh Government are currently consulting on their proposed action plan to end homelessness (2021-2026) and the expectation is to permanently accommodate so solutions are currently being explored around this.</p>
1.2	To carry on working with Community Housing and Registered Social Landlords (RSLs) whilst Single Access Route To Housing (SARTH) allocations are suspended, to permanently accommodate a number of homeless households from emergency accommodation.	<p>Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.</p> <p>Major Risk ●</p>	<p>Lead Officer Community Housing /Service Manager CSS</p> <p>31/03/2021</p>	<p>Completed – November 2021</p> <p>New WG guidance is also expected on allocations. The SARTH allocations policy continues to be amended to allow for direct lets. This is discussed regularly during the SARTH Partnership meetings where 30% of properties have been direct let, which equates to 90 households that have been permanently accommodated.</p>
1.3	To convert existing leased properties from community housing to permanent tenancies	<p>Use of emergency and temporary accommodation - Citizens are staying in</p>	<p>Lead Officer Community Housing</p>	<p>Complete</p> <p>There are three routes for homeless citizens to gain a permanent tenancy:</p>

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	for 11 households, thus ending homelessness duty.	<p>emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.</p> <p>Major Risk ●</p>	31/12/2020	<p>the conversion of leased properties to permanent tenancies; through Single Access Route to Housing (SARTH); and direct lets from emergency to permanent accommodation.</p> <p>Community Housing have accommodated 49 homeless citizens on direct lets since June 2020. The difficulty is that the housing stock tends to be more available in the south of the county, but homeless citizens usually present in the north of the county.</p> <p>Tenancies are reviewed monthly to ascertain if properties can be converted to a permanent tenancy. This has led to eight of ten leased properties being converted to permanent tenancies. They expected to change the remaining two tenancies over the next two weeks.</p> <p>A further five properties have been provisionally agreed for conversion so are at various stages of the pre-tenancy process.</p>
1.4	To implement the Welsh Government Private Rented Sector (PRS) Leasing Scheme and secure 33 properties to	Use of emergency and temporary accommodation - Citizens are staying in emergency and	Service Manager CSS/ Lead Officer Community Housing	<p>Complete</p> <p>Denbighshire was originally part of a pilot for the PRS leasing scheme, which Conwy County Borough Council</p>

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	permanently accommodate homeless households.	temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service. Major Risk ●	31/03/2021 and ongoing for 5 years	(CCBC) managed. The Covid-19 pandemic impacted the private housing sector, but seven properties were secured in Denbighshire. Welsh Government have made changes to the scheme, and Denbighshire signed up during January 2022 in its own right. The target is that 80 properties will be secured over a five year period, with four in the first year. A dedicated officer has been recruited to support the scheme, and Legal are involved in providing advice on implementation. Monitoring of the scheme will form part of the remit for the Strategic Housing and Homelessness Group as part of other strategic reporting, e.g. Rapid Rehousing Model.
1.5	To complete a needs assessment for every homeless household in emergency accommodation to determine the level of support required and agree their individual housing plan, as required by WG.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers	Service Manager CSS 31/03/2021 and ongoing for any new household presenting as homeless	In Progress – Revised Date 30/11/22 Sample testing of eight homeless citizens cases identified a further improvement since our last review: <ul style="list-style-type: none"> Six cases had a homeless assessment/housing plan documented, but there were reasonable explanations for the two where one did not exist, e.g.

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		<p>becoming too reliant on the council for this service.</p> <p>Major Risk ●</p>		<p>a case had been closed within a seven day period, and for the other, further information was being obtained over the current status of the existing tenancy.</p> <ul style="list-style-type: none">• Four of the six housing plans did not detail review dates. The majority relate to where Housing Support Practitioners (HSPs) are involved who conduct a multi-disciplinary assessment using a 'What Matters' approach to focus on the citizen's outcomes rather than just their housing needs using separate documentation. They will discuss actions detailed on the housing plan, but there is currently not a clear audit trail to confirm that these actions are being picked up and actively reviewed.• One assessment was unsigned. The other five were not physically signed by the citizen, but the form records that verbal consent had been provided. While we understand why this practice was introduced during the Covid-19 pandemic, there needs to be clearer written
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				<p>confirmation that a citizen agrees to their housing plan to prevent a dispute at a later date.</p> <ul style="list-style-type: none"> The majority had key documentation, e.g. start/end memos, letters detailing duty, or discharge letters where applicable, and What Matters conversations.
1.6	<p>To continue to improve prevention services to those households at risk of homelessness through close working with Civica/DWP partnership, CAD and Working Denbighshire, procuring a range of early intervention and prevention services, and building on best practice and learning from existing partnerships.</p>	<p>Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service.</p> <p>Major Risk ●</p>	<p>Service Manager CSS/ Procurement Business Partner</p> <p>30/06/2021</p>	<p>Completed – November 2021</p> <p>The Principal Manager (Support Services) confirmed that close working with other organisations is taking place, particularly with Civica where a project is being carried out to engage with households at risk of homelessness to provide information, advice and assistance to prevent them entering statutory homelessness provision. This involves checking whether the citizen is on the Single Access Route to Housing (SARTH) register. Formal reporting of the project will be carried out by the end of October 2021, but the outcomes so far have been positive.</p> <p>An Early Intervention project has recently been approved, and a procurement exercise is now being</p>

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				undertaken for providers to tender for the management of a model of early homelessness prevention.
1.7	To amalgamate the Strategic Homelessness Plan and WG action plan into one document to be monitored by the Strategic Homelessness and Housing Group.	Use of emergency and temporary accommodation - Citizens are staying in emergency and temporary accommodation for lengthy periods resulting in significant budgetary pressures, and providers becoming too reliant on the council for this service. Major Risk ●	Principal Manager CSS 30/11/2020	Completed – November 2021 The homelessness action plan and audit action plan were fully incorporated into the revised Homelessness and Housing Strategy document during 2020. Progress with the plan is monitored by the Strategic Homelessness and Housing Group.
2.1	To contract out the management of all private rented sector leased properties to ensure effective property management including all certification and compliance with the Minimum Energy Efficiency Standards and Rent Smart Wales.	Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales)	Service Manager CSS / Lead Officer Community Housing 30/06/2021	Complete Community Housing has responsibility for the management of leased properties provided to the homeless. There is a Service Level Agreement in place between Housing and Community Support Services (CSS) to cover roles and responsibilities for managing leased properties. A spreadsheet has been set up to assist staff with monitoring compliance

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		<p>2014, or there is insufficient evidence why support is being provided to the citizen</p> <p>Major Risk ●</p>	<p>with the Minimum Energy Efficiency Standards and other certification in relation to insurance, and gas and electrical safety checks. There is a mechanism to alert a month prior to the expiry of the certification.</p> <p>Reviewing the spreadsheet identified that out of 70 properties leased from private landlords:</p> <ul style="list-style-type: none">• 3 had an expired gas safety certificate• 1 had an expired electrical safety certificate• 4 had not got an up-to-date Energy Performance Certificate (EPC). With one of these properties, the tenancy is coming to an end as there has been access and tenancy issues.• 3 had not got an up-to-date building insurance certificate. One of these properties is as detailed above where there have been tenancy issues. <p>There are also four properties where neither the private landlord nor the property is registered on Rentsmart Wales. Community Housing have taken advice directly from Rentsmart</p>
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				<p>Wales confirming that they are exempt from registering as they are the social housing landlord for the tenant.</p> <p>We are satisfied that Housing have put in robust measures to monitor effectively and follow up with landlords for outstanding certification. The only area that needs strengthening is to record their checks of energy ratings to confirm compliance with the Minimum Energy Efficiency Standard Regulations.</p>
2.2	To continue with 6 weekly caseload reviews that the Team Leaders / Manager carry out with the Homeless Prevention Officers and a weekly quality monitoring check has been put in place to monitor the activity to permanently accommodate those in emergency accommodation	Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales) 2014, or there is insufficient evidence why support is being provided to the citizen	Service Manager CSS Ongoing	<p>In Progress – Revised Date 30/09/2022</p> <p>Both team leaders confirmed that they had recently begun regular caseload reviews as part of their staff's one-to-one process. However, they record their quality assurance checks differently, e.g. recording on a one-to-one form or as a diary note. We could not clearly identify which cases had been subject to quality monitoring and have suggested setting up a separate form to evidence this.</p> <p>The Senior Social Worker confirmed that homeless support practitioners are seeing citizens two to three times a week as they base themselves in the</p>

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		Major Risk ●		<p>emergency accommodation to carry out welfare checks. Our sample-testing of eight homeless cases (covered in action 1.5) established that there was a noticeable improvement in terms of updating diary notes on the Open Housing system to reflect contact with citizens.</p> <p>Room inspections were stopped during the Covid-19 pandemic, but there are plans to restart this shortly.</p>
2.3	To develop and embed performance and quality monitoring for all initiatives to secure accommodation for homeless households, e.g. PRS Leasing Scheme and DCC Landlord Offer.	<p>Insufficient Monitoring - There is a risk that accommodation used is no longer suitable, is either not being used or used inappropriately, and the welfare of the citizen is not adequately monitored. A lack of monitoring could result in staff not complying with the Housing Act (Wales) 2014, or there is insufficient evidence why support is being provided to the citizen</p> <p>Major Risk ●</p>	<p>Service Manager CSS</p> <p>30/09/2021</p>	<p>Complete</p> <p>Community Housing have a performance dashboard that incorporates the leased properties. This includes monitoring the number of properties, the days spent in leased accommodation, and the rents recovered.</p> <p>A Quality & Performance Officer has recently been recruited into the homeless team and has set up a tool to monitor progress with ensuring an assessment and other key documentation is in place for each case, and whether the person has been referred for the correct support, e.g. Citizen Advice Denbighshire, Working Denbighshire, etc. Staff are</p>

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				<p>contacted where information is missing so they can resolve.</p> <p>The only key element that is missed by this reporting is Single Access Route to Housing (SARTH) referrals as the officer currently has not got access to the portal. This was being rectified at the conclusion of our review.</p>
3.1	<p>To develop written procedures and guidance based on the new Rapid Rehousing Model, Welsh Government is wanting every Local Authority to implement by March 2022. As new practice is embedded guidance and processes will be developed to support the implementation.</p>	<p>Documented guidance for key processes - Without written procedures or guidance, staff may not be clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation</p> <p>Moderate Risk ●</p>	<p>Service Manager CSS</p> <p>31/03/2022</p>	<p>In Progress – Revised Date 30/09/2022</p> <p>Procedures are currently being drafted as these will need to be reported to Welsh Government by the end of June 2022. The Strategic Housing & Homelessness Group will also need to agree and monitor them.</p>
3.2	<p>To conduct a full review of every role within the Homelessness Prevention Team in line with the new delivery model.</p>	<p>Documented guidance for key processes - Without written procedures or guidance, staff may not be clear of their duties and carry out processes inconsistently, which could lead to non-</p>	<p>Service Manager CSS</p> <p>31/03/2021</p>	<p>Completed at November 2021</p> <p>A staff restructure has been undertaken in the homeless team to provide an early intervention and prevention model to support those at risk of homelessness. The aim is for the team to be multi-disciplinary</p>

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		compliance with legislation Moderate Risk ●		providing a wide range of support, e.g. substance misuse and mental health issues.
4.1	To implement a procedure whereby any personal interest or potential conflict of interest is declared by all staff working in the homelessness service, including working with or having access to a close family member or ex-member of staff's personal information, in-line with Corporate Policies and Procedures	Declaration of personal and business interests - There is a risk that conflicts of interest are not being managed as not all staff are declaring a personal or business interests Moderate Risk ●	Service Manager CSS 30/11/2020	Complete The Service Manager (Business Support & Communities) has designed a declaration of interest form that was shared with staff in November 2022. No staff at the time raised a declaration, although one employee has recently declared an interest. While we were initially consulted as part of the form's design, we have suggested that the content is strengthened to encourage all staff to respond to the form even if it is a nil return. We have also advised that the declaration of interest process should be conducted at least annually.
5.1	To engage with the ICT Business Partner to review which system would work best for homelessness record keeping i.e. Open Housing, Paris (or its successor) and update systems accordingly to stop duplication, and ensure a	Key management information / audit trail - Without recording key information, there is a lack of evidence to demonstrate that adequate action is being taken to secure alternative	Service Manager CSS 31/07/2021	Completed November 2021 Discussions have been had with regards to the best system to use, but not finalised due to needing to further the business case for replacing Paris. In the meantime, actions have been taken to improve the recording, e.g.

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	more robust record keeping process.	accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need Moderate Risk ●		additional attribute added to track Section 21s in Open Housing. A new assessment form has also been designed with drop-down lists to enable more consistent recording, which incorporates the triage assessment. Benefit memos are also stored on Open Housing instead of the network drive.
5.2	To develop processes and guidance around robust record keeping and management information mechanisms once ICT systems have been agreed.	Key management information / audit trail - Without recording key information, there is a lack of evidence to demonstrate that adequate action is being taken to secure alternative accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need Moderate Risk ●	Service Manager CSS 31/03/2022	In Progress – Revised Date 31/12/2022 ICT systems are still under review. Staffing resource has been an issue until recently, so no further progress has been made with this action since our last review. New Welsh Government legislation (that is currently out for consultation) may also impact processes.
5.3	To continue with ongoing 6 weekly caseload reviews for each Homelessness Prevention	Key management information / audit trail - Without recording key	Service Manager CSS	In Progress – Revised Date 31/12/2022

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	Officer, by the management team. New processes for review will be introduced as the Rapid Rehousing Model is implemented and KPIs developed.	information, there is a lack of evidence to demonstrate that adequate action is being taken to secure alternative accommodation, sufficient checks are being carried out on the citizens, or that the person has a genuine homeless need Moderate Risk ●	31/03/2021 and ongoing	As discussed in Action 2.2, there are regular caseload reviews, but the recording of them needs to be strengthened. There will be some Key Performance Indicators (KPIs) as part of the Rapid Rehousing Model, but no others have been developed as yet.
6.1	To undertake a strategic review of charging within emergency and temporary accommodation leading to the development of a Homelessness Charging Policy, if appropriate	Accommodation charges - Where there is a shortfall between the occupation charge and benefits available, the council usually covers the difference. While discretion can be applied based on individual circumstances, there is little evidence of efforts taken to minimise the shortfall and lessen the financial impact on the council. Also, citizens may be reluctant to	Principal Manager (CSS, Support Services) 30/06/2021	Complete Community Housing have reviewed charging for leased accommodation, e.g. landlords now paid quarterly. The Service Manager (Business Support & Communities) confirmed that charging for emergency accommodation was discussed at the Strategic Housing and Homelessness Group in June 2022. It was decided that it will not be implemented, but will be considered again when the council-owned emergency accommodation is available.

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		<p>secure permanent tenancies as the rent will be unaffordable in comparison</p> <p>Moderate Risk ●</p>		
7.1	<p>To agree a policy and procedures around managing arrears of rent from those households in temporary accommodation including management sign off for writing off bad debts and credits on tenancy accounts.</p>	<p>Management of occupation accounts - A lack of regular monitoring will result in outstanding debts not being recovered promptly, and could result in the system being exploited</p> <p>Moderate Risk ●</p>	<p>Service Manager CSS / Finance Business Partner/Lead Officer Community Housing</p> <p>30/06/2021</p>	<p>Complete</p> <p>Community Housing are now responsible for monitoring the accounts from leased accommodation. Tenant arrears are being actively monitored, and action is being taken with the historic and complex cases where there have been tenancy issues.</p> <p>Since our last review, a Leased Property Write Off and Credit Authorisation Procedure has been developed to clearly detail the process and scheme of delegation for write offs. Write offs of unrecoverable debts have also been carried out.</p> <p>The Strategic & Development Manager confirmed that all account credits are regularly monitored.</p>

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Report Recipients

- Homeless Team Manager (MDT)
- Interim Head of Service (Business Support Services)
- Service Manager (Business Support & Communities)
- Corporate Director, Communities
- Lead Officer, Community Housing
- Housing Development Manager
- Head of Finance & Property / S151 Officer
- Chief Executive
- Strategic & Development Manager (Housing)
- Head of Communities and Customers
- Partnership Scrutiny Committee
- Lead Member for Housing & Communities
- Governance & Audit Committee
- Strategic Planning & Performance Officer
- Scrutiny Co-ordinator

Internal Audit Team

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Key Dates

Review commenced

May 2022

Review completed

June 2022

Proposed date for next follow up review

December 2022