

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: 27 July 2022

Report of: Assistant Director of Housing

**Title: Homes England Compliance Audit**

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

No

### **1. What is the report about?**

1.1 The following report provides feedback from a recent Compliance Audit carried out by Homes England on the back of funding awarded to the Council to purchase properties under the Next Steps Accommodation Programme.

### **2. Recommendations:**

2.1 To recommend that Committee acknowledge the content of the report.

### **3. Reasons for the recommendation:**

3.1 The Compliance Audit was undertaken by an Independent Auditor, Thomas Westcott Chartered Accountants, in September 2021 and their findings and recommendations were presented to Homes England. The following report is an acknowledgement, from Homes England, of that Independent Audit.

### **4. What are the resource implications including non-financial resources?**

4.1 The Independent Audit cost the Council £2,200 to carry out.

### **5. Section 151 Officer Comments:**

5.1 Members should take comfort from the positive outcome of the audit, which will stand the Council in good stead when it comes to future opportunities to bid for Government funds.

### **6. What are the legal aspects?**

6.1 None identified

### **7. Monitoring Officer's comments:**

7.1 The green rated Audit is noted and welcomed.

## **8. Report details:**

8.1 In 2020, The Council were awarded £821,755 from the then Ministry of Housing Communities and Government (MHCLG), now known as Department of Levelling Up, Housing and Communities (DLUHC), towards the purchase of five one-bedroom former Exeter City Council properties and a six bedroom House in Multiple Occupation (HMO) under the Next Steps Accommodation Panel (NSAP). The funding grant is administered through Homes England.

8.2 Homes England are an executive non-departmental public body sponsored by DLUHC, and part of the grant requirements is that Homes England undertake an annual Compliance Audit programme to provide assurance that organisations receiving grant have met Homes England requirements and funding conditions have properly exercised their responsibilities as set out in the Capital Funding Guide.

8.3 The Council received formal notification from Homes England on the 24<sup>th</sup> June 2021 that the Council had been selected for the audit this year. The Council purchased a six bedroom HMO in spring 2021 and this property was selected to be audited.

8.4 The Council were required to appoint an independent auditor and Thomas Westcott, was selected to carry out the audit.

8.5 The Audit commenced on the 31<sup>st</sup> August 2021 in order to meet the deadline with Homes England of the 15<sup>th</sup> September 2021.

8.6 The outcome of the report can be found in Appendix A

## **9. How does the decision contribute to the Council's Corporate Plan?**

9.1 The purchased properties contribute to the Council's Corporate Plan in the following areas:-

- Building great neighbourhoods - By tackling social inequality through maximising homelessness preventions and reliefs and providing high quality temporary accommodation for rough sleepers and people in housing need.
- Promoting active and healthy lifestyles - Supporting homeless households to live in high quality temporary accommodation and to recover from homelessness.

## **10. What risks are there and how can they be reduced?**

10.1 No risks have been identified as on review of the evidence provided, the outcome of the audit has shown that the Council has complied with all the programme requirements and guidance. A GREEN grade has been assigned and no breaches were identified.

## **11. Equality Act 2010 (The Act)**

11.1 The properties purchased will be retained within the Councils' Housing Needs Department and will provide temporary accommodation for people in need. The allocation of the properties will be inclusive and will work with people who are rough sleeping on the streets of Exeter or at risk of homelessness regardless of who they are or where they come from.

Carbon Footprint (Environmental) Implications:

11.2 No direct carbon/environmental impacts arising from the recommendations.

## **12. Are there any other options?**

12.1 The Council were required to appoint an Independent Auditor to carry out the audit on the six bed property under the Next Steps Accommodation programme

12.2 Compliance Audits check the Councils' compliance with Homes England's policies, procedures and funding conditions. Standardised checks are made by Independent Auditors on an agreed sample of Homes England schemes funded under affordable housing programmes. Any findings, which may be a result of checks not being applicable to the scheme or an indication of procedural deficiency, are reported by the Independent Auditor to both the Council and Homes England concurrently. The Homes England Lead Auditor reviews the findings and records those determined to be 'breaches' in this report. Breaches are used as the basis for recommendations and final grades for the Council.

**Assistant Director of Housing: Lawrence Blake**

Author: Chris Stocks

## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

Homes England Compliance Audit Report 2021/22

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275