

AUDIT COMMITTEE

25 APRIL 2024

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.4 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett and Karen Hayes)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee:

- The progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

EXECUTIVE SUMMARY

- A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress on issues and items that form part of its governance responsibilities.
- Updates are set out against general items within **Appendix A and B**.
- To date there are no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.

RECOMMENDATION(S)

It is recommended that the Committee notes and considers the progress against the actions set out in **Appendix A and B**.

REASON(S) FOR THE RECOMMENDATION(S)

To provide a timely update to the Committee along with reassurances that actions previously identified are being addressed accordingly.

ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options associated with this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.

LEGAL REQUIREMENTS (including legislation & constitutional powers)	
There are no direct legal implications associated with this report.	
FINANCE AND OTHER RESOURCE IMPLICATIONS	
Finance and other resources	
There are no significant financial implications associated with monitoring of the agreed actions or responses. If additional resources are required then appropriate steps will be taken including any necessary reporting requirements.	
USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Not directly applicable
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Not directly applicable
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Not directly applicable
MILESTONES AND DELIVERY	
The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.	
ASSOCIATED RISKS AND MITIGATION	
The Table of Outstanding Issues is in itself a response to potential risk exposure with further activity highlighted to address matters raised by the Audit Committee.	
The report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.	
OUTCOME OF CONSULTATION AND ENGAGEMENT	
There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.	
EQUALITIES	
The Table of Outstanding Issues aims to deliver fairness, transparency and consistency to all customers and stakeholders.	
SOCIAL VALUE CONSIDERATIONS	
The Table of Outstanding Issues is in itself a response to potential risk exposure, including considerations towards social value, with further activity highlighted to address matters raised by the Audit Committee.	

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
The governance arrangements associated with the Council's aim to be net zero by 2030 fall within the Audit Committee's terms of reference and an update was provided to the Committee at its last meeting.	
OTHER RELEVANT IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	Not applicable
Health Inequalities	Not applicable
Area or Ward affected	All Wards could be affected
ANY OTHER RELEVANT INFORMATION	
None	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>TABLE OF OUTSTANDING ISSUES</p> <p>The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in January 2024.</p> <p>There are two main elements to this report as follows:</p> <ol style="list-style-type: none"> 1) Updates against general items raised by the Committee – APPENDIX A 2) Updates against the 2023 Annual Governance Statement Action Plan – APPENDIX B <p>In terms of Item 1 above, there are no significant issues to raise, with actions remaining in progress or further details set out below. In terms of Item 2, this sets out the latest Annual Governance Statement published as part of the Council's Statement of Accounts for 2022/23 on 01 August 2023. Activity will remain in progress against the various items, which will be reported to Members as part of this report going forward.</p> <p><u>Outstanding actions – further details along with other issues identified</u></p> <p><u>Continuing External Audit delays and an update on the External Auditor's work on the Council's Statement of Accounts 2020/21</u></p> <p>To date, no further update has been received from the Council's Auditors (BDO). The Council's External Auditors have been invited to provide an update which is assumed will be provided directly at the Committee's meeting.</p> <p>In terms of the Government's proposed response to the ongoing audit delays, they have undertaken a further consultation exercise across a number of issues including the proposed statutory backstop dates. At the current time the Government are analysing the feedback from the consultation and it is hoped that they will publish their response shortly.</p>

The East of England Local Government Association (EELGA) Housing Review

As Members will be aware there are changes happening within the Local Government Social Housing arena. The Regulator for Social Housing had had its power enhanced, under the Social Housing (Regulation) Act 2023, and this has resulted in Local Authorities, from 01 Apr 24, becoming part of the regulated social housing regime.

As part of this process the regulator has introduced new consumer standards and 12 Tenant Satisfaction Measures (TSMs).

The four consumer standards that social housing landlords will be assessed against are:

- The Safety and Quality Standard which requires landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.
- The Transparency, Influence and Accountability Standard which requires landlords to be open with tenants and treat them with fairness and respect so they can access services, raise concerns when necessary, influence decision making and hold their landlord to account.
- The Neighbourhood and Community Standard which requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods, and feel safe in their homes.
- The Tenancy Standard which sets requirements for the fair allocation and letting of homes, as well as requirements for how tenancies are managed by landlords.

Tendring will need to report on the new consumer standards from Apr 24, and to put in place processes to evidence that the standards are met from Apr 23.

In order to be able to meet the new standards, TDC requested support from The East Of England LGA (EELGA) and other partners, to evaluate current policy and practice within the Housing Service, and to identify areas for improvement and recommendations for future action to meet the new regulatory requirements. Complaints handling, which the Housing Ombudsman oversees, will be linked to meeting regulatory standards.

Also relevant is the Homelessness Reduction Act 2017 and the good practise that has developed following this legislation. The lack of affordable housing combined with the current cost of living crisis has led to an increase in homelessness. As a result, the number of households placed in temporary accommodation and the associated costs have soared. The impact this is having on resources is also considered.

The following areas were included as part of the evaluation:

Housing strategy and policy, tenancy management, tenant involvement, surveyors and management of the repairs and maintenance service and homelessness. For each of these areas, the following was considered:

- People – organisational structure, culture and skills, interdepartmental working
- Systems and processes – handling of complaints, repairs (including fire safety, damp and mould), managing contractors, IT and other system support.
- Budgets – the impact of the 7% rent cap, the balance between capital and revenue spend on repair and maintenance.
- Governance – clarity of decision making and accountability, the quality of tenant

involvement and empowerment.

To carry out the evaluation of the above, a number of different approaches were taken including desk top reviews of documentation, interviews with staff, managers and the Housing Portfolio Holder, tenants and external partners. The level of compliance with regulations and legislation was also explored.

A more detailed explanation of the findings from the evaluation work carried out is set out below.

Strategy

The main strategies that you would expect to find were in place. However, key documents were not actively monitored against recommendations. Where documents are still current, in particular the Housing Strategy and the Homeless Reduction and Rough Sleeping Strategy, they should be reviewed and progress against commitments evaluated to identify gaps and priorities for the remainder of the strategy timeframe. The Resident Involvement Strategy which has now expired provides a good base from which to draw up renewed commitments to strengthening engagement with tenants across the whole of housing services.

This has led to a significant amount of work being undertaken to review existing policies as well bring forward new policies that are needed in order to deliver sustainable social housing.

To date the following housing policies have been reviewed and approved.

Damp and Mould, Repairs and Maintenance, Fire Safety, Homelessness Prevention, Temporary Accommodation, Tenancy Deposit Guarantee, Rechargeable works policy.

Additional Housing policies are in the pipeline to be reviewed and delivered within the following twelve months.

Staff Culture

By and large staff were found to be dedicated and keen to move from what they described as a reactive service to a more proactive way of working. Many staff in Tendring have been employed by the Council for a long time and have got used to working in established ways. The combined impact of changing regulatory frameworks and changes to both working practices and the demand on some services as a result of the Covid pandemic mean that new ways of working need to be embraced. Leadership plays an important role in setting and supporting the culture of the housing service. Managers must be visible and engaged with those they manage and with tenants. They need to reinforce the importance of being outcome focused and also respectful to tenants.

Regular meetings are held with the Corporate Director responsible with housing managers to discuss the progress being made to meet the regulatory requirements. These discussions are then fed back to the various teams via their respective team meetings.

Data Management

This was an area of serious concern. Poor record keeping was frequently raised as problematic. Restrictions on the sharing of information held by other departments with the

Housing Services was highlighted as a hindrance and more work should be undertaken to understand the application of the GDPR to these scenarios. Shared main databases were not being populated. Performance data for decent homes and building safety was found to be incomplete with the result that Tendring would not be able to demonstrate that they met safety and quality standards in several areas.

In order to address the issues an exercise was carried out to identify the gaps in the population of the databases and to then address those issues. Databases have been centralised and monitored to ensure that they are being populated appropriately.

New software, Lifespans, has been purchased and installed. Currently the team are undergoing training and the information held on other databases is being uploaded to further centralise the data for ease of use/integration with existing work streams.

A contractor, Property Techtonics, has been commissioned to carry a 25% stock condition survey of the Council's housing stock. To date 10% of the surveys have been completed. This information will also be fed back into the Lifespan software as a continuation of the improvements to our data collection.

A new Data Compliance Officer post has been created and filled. This post will ensure that data is collected, collated and appropriately analysed.

Strategic Partnership Working

Tendring District Council has several effective partnerships addressing housing related issues. Managers are actively engaged in these partnerships and are well regarded by other agencies. Partnership working is delivering tangible benefits to Tendring in terms of joint working, funding, and engaging with the wider community. It is suggested that some thought is given to developing strategic work with other housing providers in the next iteration of the Housing Strategy and also the impact of a concentration of voluntary services located in Clacton. This is an area we will continue to explore.

Housing Budgets

Budgets were well managed corporately. The Portfolio Holder for Corporate Finance and Governance received quarterly reports for the General Fund and the Housing Revenue Account. The impact of the 7% rent rise in 2023, which was below inflation, had been factored in and absorbed into the budget forecast for the HRA using balances. However, this is not a sustainable position. There are pressures on all budgets which will need to be factored in and managed for the future through the identification of savings, redirection of resources and securing external funding. For the HRA revenue budget the most significant pressures come from the increasing costs of day to day repairs. In the HRA capital budget pressures will come from the requirements to meet the Decent Homes Standard, safety standards and better insulation of homes. For the General Fund the cost of temporary accommodation and the use of the Homeless Prevention Grant both would benefit from closer planning and scrutiny and targeting to address need.

Complaints

Both the Ombudsman and the Regulator of Social Housing strongly emphasise complaints as an indicator of how well social landlords listen to and respond to the concerns of their

residents. Tending have introduced a new complaints policy that scores well against the Ombudsman's Complaints Handling Code meeting all the obligatory requirements and all of the applicable recommended requirements. Increasing disrepair claims are a concern and further analysis is needed to establish whether they indicate this is simply because tenants are being targeted by external companies to make claims, or whether they also reflect an underlying problem. There is active engagement with the Ombudsman and tenants over complaints that reach this stage.

Tenant Engagement

Historically tenant engagement had been good and the Tenant Involvement Strategy which ran until 2019 encapsulated good practice. The restrictions of the Covid pandemic have severely disrupted tenant engagement and this needs reinvigorating as a priority. Thought should be given to how to engage with a representative group of tenants, the value of a regular newsletter and other channels of communication and having more of a presence on estates through walkabouts and events. The Tenant Engagement Strategy is being updated and should be widened to a Resident Involvement Strategy to include leaseholders. Tenant or resident engagement should be the responsibility of all staff.

We continue to work with our tenants, via the Tenant's Panel to ensure that there is good dialogue and challenge from the tenants as to how we support them.

We have also reinstated our Tenants newsletter and are actively looking at other ways to engage with our tenants.

Housing Management

Housing management, in part because of long term vacancies, directs most resource towards managing risk and enforcement work – getting the rent in, dealing with anti-social behaviour, and tackling fraud. A new tenancy sustainment post works with tenants on wider tenancy issues, including hoarding and overgrown gardens, and links with the County Council and other agencies who provide additional support. When fully staffed housing management should have greater capacity to expand proactive tenancy sustainment work with tenants in both general needs and sheltered housing who would benefit from advice and support to address growing pressures from cost of living increases, fuel poverty and mental health issues.

Currently we are fully staffed and have also created an additional 4 posts to support tenancy management. These additional posts will give us an opportunity to increase our engagement with our tenants as well as to support those who are in financial difficulty and to gain a better understanding of our tenants in general.

Repairs and Maintenance

This is an area where the building blocks are being put in place to build the capacity to meet the required standards, but there is still some way to go to achieve required outcomes. A team of motivated surveyors oversee the work of contractors, several of whom are being supported to gain professional surveying qualifications. A small in-house repairs team carry out some of the more straightforward day to day repairs for housing (and other coastal related responsibilities). Complex and specialist repairs and maintenance are carried out by external

contractors. As mentioned earlier in this report, a stock condition survey has been commissioned and is underway. This should provide the basis for a dedicated housing asset management plan that can inform the HRA 30 year business plan. A revised repairs policy has been adopted and introduced a reduced number categories, clear response times, and looked to strike a balance between landlord and tenant responsibilities, whilst having clear targets for performance. The work identified that there is a need to address gaps in data performance and management across a range of measures that will be included as Tenant Satisfaction Measures.

Many of the issues raised here have been addressed within the Data Management section of this report, and a draft Housing Asset Management Plan has been produced and is currently under review.

Housing Options and Homelessness

This service is well thought of within the council and was described as caring and supportive. However, an increasing volume of referrals (caseloads of 50-70 and 7 new cases a week), linked to the cost-of -living crisis and a lack of affordable housing for those in need is impacting on the morale and stress levels of staff working in this area. There is an immediate need for greater management support to address the pressures staff are under.

We recognise the pressure that staff are under and we are, Currently, looking to create an additional post to provide extra support to staff in this area.

Temporary Accommodation and Prevention

There appear to be relatively high numbers in temporary accommodation but few of those have an 'accepted' decision. The balance between homelessness prevention work and use of temporary accommodation needs to be reviewed. Linked to this is greater clarity on how the budget for the Homeless Prevention Grant can be and is spent and use of this and other funding to resource increased capacity for support and prevention work. An appraisal of the value for money and standards of temporary accommodation is also recommended.

We are in the process of carrying out a review to explore how we ensure that we achieve the best value/efficient way to use the Homeless Prevention Grant.

Supported Housing

There are a number of supported housing schemes in Tendring meeting the needs of a variety of client groups. Partners cite a lack of supported accommodation for single people with more complex needs and challenging behaviours who may not be suitable for existing shared accommodation. A Housing First Scheme was included in the homelessness action plan but has not yet been considered. The council could also consider developing small sites for temporary modular homes for single people, which are becoming recognised as very successful in other areas. Access to floating support did not appear to have a clear and consistent pathway.

The Council is a member of the Essex wide, Supported Housing Partnership Board and will be developing a Supported Housing Strategy in conjunction with other Essex Authorities and this will support us in meeting our statutory requirement.

Conclusion

The review of the housing service has been a positive step in understanding the current policy and practice within the service. It provided an overview to help identify what is working well and where further work was needed. Following on from this exercise, an accurate 'position' was identified, and an action plan developed to build upon the positive areas identified as well as to be able to address those areas that fell short of the requirements of the new regulatory standards. Regular meetings are conducted to monitor the progress and the impact of the action plan.

The action plan has enabled the Housing Service to take a significant step forward to meet the requirements of the new Regulatory regime.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

The Table of Outstanding Issues is presented to the Committee at each of its meetings.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Table of Outstanding Issues (April 2024) – General

Appendix B – Table of Outstanding Issues (April 2024) – Update against 2022/23 Annual Governance Statement Actions

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