

Bolsover, Chesterfield and North East Derbyshire District Councils'

Internal Audit Consortium

Internal Audit Report

Authority:	Bolsover District Council
Subject:	Non-decent Homes (HRA stock) reporting
Date of Issue:	12th June 2024
Assurance Level	Limited
Report Distribution:	Strategic Director of Services – BDC Assistant Director – Enforcement & Housing Management - BDC Head of Finance – BDC Chief Executive -BDC Director of Property & Construction – DDL Chief Executive - DDL



CHESTERFIELD
BOROUGH COUNCIL



**North East
Derbyshire**
District Council

INTERNAL AUDIT REPORT

Introduction

The Strategic Director of Services has requested that Internal Audit review data submitted to the Government as part of its Local Authority Housing (LAH) return in respect of the 'Number of non-decent homes owned by the Local Authority as at 31st March' for financial periods 2019/20 to 2023/24 inclusive.

The data reported according to the government website shows the number of non-decent homes increasing from 51 properties as at 31st March 2020 (1% of total housing stock) to 2,535 properties as at 31st March 2023 (51% of total housing stock). Assurance was sought on the accuracy of the data submitted over the period.

The Director of Property and Construction advised that following the request for information for the new Tenant Satisfaction Measures (TSM) in June 2023 it had already been identified by the Housing Asset Management Officer that the required information was not easily available from existing IT systems and that work had commenced to rectify this.

This audit reviewed the data submitted for determining the decent homes standard and has made recommendations for the improvement of the integrity of the data.

Scope and Objectives

The purpose of the audit is to: -

- Verify source data to independent records.
- Ensure that any calculations have been determined in accordance with the criteria as outlined by data return.
- Ensure that the figures reported are accurate.
- Outline processes in place for confirming that data is correct before submission.
- Adequacy of reporting mechanisms for reporting performance to management and members in relation to this indicator.

Conclusion

The conclusion of the audit was that the reliability of the controls relating to the above areas was assessed as **Limited assurance**. Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed. For a full list of Assurance definitions linked to risk see Appendix 1. For definitions of High, Medium, Low and Advisory recommendations see Appendix 2.

Acknowledgement

The help and assistance of both Council and Dragonfly Ltd staff, especially the Housing Asset Management Officer, is appreciated.

Findings and Recommendations

Data submitted for returns 2019/20 to 2022/23

- The following data was submitted as part of the annual LAHs returns relating to decent homes data.

Table 1 – Summary of Decent Homes Data

Extract of Data from LAH Return	<u>Dwellings made decent during year</u>	<u>Dwellings becoming non-decent during year</u>	<u>Other reduction in non-decent dwellings</u>	<u>Number of non-decent dwellings, 31 March</u>	<u>Tenant refusals</u>	<u>Demolitions</u>	<u>Partial transfers</u>
	f13a	f13c	f13d	f13e	f13da	f13db	f13dc
2019/20	526	63	no entry	51	2	0	0
2020/21	499	520	37	0	37	0	0
2021/22	x	x	x	2623	x	x	x
2022/23	432	250	177	2535	85	13	24

Table 2 – Analysis of Non-Decent data by Criterion

	No: of Dwellings (Non-decent)	The proportion of LA homes which were non-decent	Number dwelling with a Category 1 hazard	Number failing to be in a reasonable state of repair	Number failing to have reasonably modern facilities	Number failing to have a reasonable degree of thermal comfort
	f16a	f17a	f16aa	f16ba	f16ca	f16da
2019/20	51	1	no entry	no entry	no entry	no entry
2020/21	0	52	-	-	-	-
2021/22	2623	52.4	x	x	x	x
2022/23	2535	51	1	4	529	2140

- Information was requested to support the figures submitted as part of the above returns. Unfortunately, no supporting working papers have been retained. Staff leading on the completion of this part of the return (cell references given within the tables above), no longer work for the Council/Dragonfly Ltd. The 2022/23 was the first return, in respect to this indicator which had been completed by the Housing Asset Management Officer, which was done on the same basis as previous years.
- The LAHs blank return is available from the internet and once complete is submitted via the Government's portal, DELTA. In addition to the return, the Government publishes guidance notes which includes references to other material that outlines the factors to be considered when determining the 'Decent Home' Standard. The guidance and reference material are extensive and complex and is essential to the correct computation of the data. When completing the returns, the Housing Asset Management Officer explained that she had not been given the guidance and was not aware of its existence.

4. Various sections within the Council (Housing Management, Finance) and Dragonfly Ltd (Property Services / Asset Management) contribute to the completion of the return.
5. Entries for the years 2019/20 and 2020/21 in Table 1 and 2 show that all the required data has not been entered. This may have been due to the absence of having the required data or an oversight on entry.
6. The percentage of non-decent homes has increased from 1% to around 50% from 2020/21 onwards therefore a satisfactory review of the returns before submission should have highlighted either a problem regarding the accuracy of the figures submitted, or with the actual condition of the housing stock. There is no evidence to indicate that figures regarding this indicator have been reviewed and checked by line management within Property Services (Asset Management) before being entered onto the return. There is no evidence that an overview of the return had taken place by the Council prior to submission.
7. As shown in Table 2, for 2022/23, cell f16da, the number of dwellings failings to have a reasonable degree of thermal comfort was recorded as 2,140 (42.7%)*. Previously, no data had been submitted for this cell. It was explained that for 2022/23, it had been assumed that all properties had to have loft insulation at 270mm depth to meet the Standard. The guidance states that to meet the 'thermal comfort' criterion the following is required:
 - For dwellings with gas/oil programmable heating, cavity wall insulation (if there are cavity walls that can be insulated effectively) or at least 50mm loft insulation (if there is loft space) is an effective package of insulation; and
 - For dwellings heated by electric storage heaters/LPG/programmable solid fuel central heating a higher specification of insulation is required: at least 200mm of loft insulation (if there is a loft) and cavity wall insulation (if there are cavity walls that can be insulated effectively).

The required level of insulation meant that a larger proportion of properties would have met the thermal comfort criterion in respect of the Decent Homes Standard.

Having reviewed the housing stock against the correct DH criteria for thermal comfort, the percentage of housing stock with either insufficient or unknown depth of insulation is 3.9%*.

*calculated based on a Housing Stock of 5010 properties.

8. After 2022/23 submission, the Government had contacted the Council to query various items, including some of the figures submitted around decent homes.
 - 'Category 1 hazards' reported and those 'not in a reasonable state of repair' were lower than the England average percentage in comparison to the Council's HRA stock count. This doesn't necessarily mean that the figures reported are incorrect, but this does require further review and investigation.

- The guidance quotes a formula to follow to ensure that the figures submitted reflect the movements in decent/non decent stock and result in the correct year-end position taking into consideration the previous year's opening position (see Table 1). Using the formula quoted, the number of non-decent dwellings reported does not compute.

The response given back to the Government was that the figures were due to not having the required quality of data from the Open Housing system. Whilst this was a contributory factor, the main reason was not being aware of the guidance and not ensuring that the figures were correct once the formula was applied.

9. The Government has given the Council the opportunity to re-submit the figures however as the data is from the Open Housing system which is a live database, it is not possible to re-create the data for prior year returns. Whilst it is not possible to state with certainty, based upon the factors outlined above, it is likely the data submitted for previous returns was incorrect and number of dwellings not meeting the thermal comfort criterion were over-stated.

R1	<p>Government guidance is shared with all parties (Council and Dragonfly Ltd) and followed in compilation of the Local Authority Housing Return.</p> <p>Where the guidance is unclear regarding the return's completion or where data is not available or general assurances are used, management are made aware, and the Government contacted for further advice on completion of the return.</p> <p>Priority: High</p>
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R2	<p>Working papers (including reports from Open Housing etc) are retained to support all information submitted in the LAHs return.</p> <p>As the Council's agent, the relevant manager at Dragonfly Ltd should check the adequacy and accuracy of the data prior to it being entered as part of the final submission and this is documented accordingly.</p> <p>The Council should take steps to review the data input before submission to ensure it is reasonable, considering knowledge it has regarding the stock.</p> <p>Priority: High</p>
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Current reported performance of percentage of Non-Decent homes

10. As at 18th April 2024, performance was reported to Housing Management for presentation at the next Housing Stock Management Group (HSMG). The audit has reviewed the process and the determination of these figures.
11. There is a difference in the determination of the indicator being used for LAHs and the one being report to HSMG. The LAHS return is reporting the movement in non-decent stock numbers taking into account the previous year's reporting. It requires taking into account Right to Buy sales, demolitions, refusals and partial transfers (not included in the previous year's totals) to arrive at the number of non-decent dwellings at 31st March.

12. The data provided to HSMG is provided monthly is not showing movements, more a recalculation of all the figures. The Right to Buy sales have been deducted from the analysis but properties earmarked for demolition have been included. Paragraph 7.8 of the ‘Decent Home Definition and guidance for implementation’ states that ‘where non-decent properties are to be demolished, these can be counted as reducing the non-decent homes when reporting progress’. For consistency purposes, it would be prudent, if possible, to report on the same basis as the LAHs return. Given the work that is required for reporting and how often the Open Housing database is being updated, quarterly instead of monthly reporting may be more meaningful in respect of performance.

R3	<p>Quarterly reporting of performance figures be presented to the Housing Stock Management Group (HSMG) on the same basis as required for the LAHs return.</p> <p>Priority: Low</p>
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Decent Homes Standard

13. For a dwelling to be considered ‘decent’ under the Decent Homes Standard, it must:
- meet the statutory minimum standard for housing (the Housing Health and Safety Rating System HHSRS, since April 2016), homes which contain a Category 1 hazard under the HHSRS are considered non-decent,
 - be in a reasonable state of repair,
 - have reasonably modern facilities and services,
 - provide a reasonable degree of thermal comfort.

Further information for each criteria is given in the publication [A decent home: definition and guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk).

14. The guidance is detailed and requires Councils to have reliable and up-to-date data regarding its housing stock. The Council has recognised that a Stock Condition Survey needs to be undertaken – the last one being completed in 2014– and work has been ongoing to specify this since 2023 by BDC. A report to May 2024 Council is seeking approval to procure a survey and put in measures to keep this maintained.
15. All information for determining the decent homes standard figures had been taken from the Open Housing system. The audit has considered the adequacy of the information available to support the decent/non decent figures being provided to HSMG. To meet the Decent Homes Standard, a dwelling must meet 4 criterions as discussed in detail below.

Criterion 1 – Does not have one or more hazards assessed as serious (Category 1) under the Housing Health and Safety Rating System (HHSRS).

16. Dwelling which fail to meet this criterion are those containing one or more hazards assessed as serious (Category 1) under the HHSRS. HHSRS assessment considers 29 hazards within 4 main categories, physiological requirements, psychological requirements, protection against infections and protection against accidents.

17. Information provided as part of the working papers showed 4 properties categorised as having a 'C' under this category, however it was not clear what the 'C' denoted. These properties had been determined as decent for the calculation of this indicator. Dragonfly Ltd staff have now further investigated and established that one of these properties has a Category 1 hazard. Internal Audit has now been informed that this property, although previously identified as having a Category 1 hazard, work had been refused by the tenant. The LAHS guidance states that where an individual tenant does not want work carried out on their home to bring it up to the Decent Homes standard, then the home can remain below the standard until the property is vacated, at which point the necessary work can be undertaken. Whilst the home is occupied it should not be counted as non-decent for reporting purposes.' However, where the property is non-decent due to a Category 1 hazard further consideration is needed and referral to the guidance is required.
18. Dragonfly Ltd staff explained that Category 1 hazards will have been noted from the last Stock Condition Survey plus detected as part of on-going visits to properties, where access has been possible. Given observations made in the last LAH return (paragraph 8 above) and comments made regarding thermal comfort (paragraph 27 & 28), it should be an area for further review when completing the 2023/24 return.

Criterion 2 – Reasonable state of repair

19. Dwellings which fail to meet this criterion are those whether either:
- one or more of the key building components are old and, because of their condition, need replacing or major repair; or
 - two or more of the other building components are old and because of their condition, need replacing or major repair.

'Key' and 'Other' components are listed in Table 2 together with the age by which the component is considered old. A component cannot fail this criterion based on age alone.

20. The colour-coding at Table 3 shows the data which the Housing Asset Management Officer explained has been used from the Open Housing system to determine the Decent Homes indicator. As no specific key component data (items in green) has been recorded, the Housing Asset Management Officer has not taken into consideration this factor in producing the indicator for HSMG. For those highlighted in 'orange' data is recorded on the age of the component but not necessarily the condition, although where there has been a recent inspection, details have been recorded. For those with no colour, all information is recorded. Those components orange and no-colour have been taken into consideration for determining the indicator.

Table 3	Decent Homes Standard. Age of component		
	House & Bungalows	All flats in blocks of below 6 storeys	All flats in blocks 6 storeys or more
Building components key components marked*			
Wall structure*	80	80	80
Lintels*	60	60	60
Brickwork (spalling)*	30	30	30
Wall finish*	60	60	30
Roof structure*	50	30	30
Roof finish*	50	30	30
Chimney*	50	50	N/A
Windows*	40	30	30
External doors*	40	30	30
Kitchen	30	30	30
Bathrooms	40	40	40
Heating central heating gas boiler*	15	15	15
Heating central heating distributions system	40	40	40
Heating other* (available for Solid Fuel Only)	30	30	30
Electrical systems*	30	30	30

Key: Green –Component data not included in calculation. Orange – Component Data recorded re age but not condition in all cases, included in calculation. No colour – Component Data included in calculation.

21. The absence of key component data in the calculation has been discussed with Dragonfly Ltd staff. Although the condition of each element is not recorded in the Open Housing system, assurance is being taken from other sources. Visits to properties to undertake capital works, planned and responsive repairs, and compliance checks take place and if there were serious issues, they are likely to have been detected and recorded at this point. In addition, there is a low level of complaints, disrepair claims and no complaints have been reported to the Housing Ombudsman.

Criterion 3 - Modern Facilities and Services

22. Dwellings which fail to meet this criterion are those which lack three or more of the following:

- a reasonably modern kitchen (20 years old or less),
- a kitchen with adequate space and layout,
- a reasonably modern bathroom (30 years old or less),
- an adequately located bathroom and WC,
- adequate insulation against external noise (where external noise is a problem) and
- adequate size and layout of common areas for blocks of flats.

The current assessment is being based upon the first and third factors above. Dragonfly have explained the following:-

- A programme of works was undertaken across the District to create corridors in properties where the bathroom was inappropriately located.

- In respect of noise insulation, where this occurs a report from Environmental Health regarding noise would trigger an inspection and any necessary works would be undertaken.
 - For blocks of flats, all relevant communal areas have within the last 18 months been inspected in respect to fire safety and meet the standard.
23. Taking into consideration the above, whilst a dwelling may fail to meet two factors (age of kitchen and a bathroom) it is less likely to fail on 3 factors due to other requirements being met. Dwellings are therefore less likely to fail only on this criterion.

Criterion 4 - Provide a reasonable degree of thermal comfort

24. This definition requires a dwelling to have both efficient heating and effective insulation. Efficient heating is defined as any gas or oil programmable central heating, or
- Electrical Storage heaters or
 - Warm Air systems, or
 - Underfloor Heating,
 - Programmable LPG/solid fuel central heating, or
 - Similarly efficient heating systems which are developed in the future.
25. As outlined in paragraph 7, because of the differences in efficiency between gas/oil heating systems and other heating systems listed, the level of insulation that is appropriate for the Decent Homes Standard differs.
26. The guidance also outlines that a SAP rating of less than 35 (using 2001 SAP methodology) has been established as a proxy for the likely presence of a Category 1 hazard from excess cold. The SAP rating is not being used but energy efficiency is being measured through Energy Performance Certificates (EPCs). The Government's view is that a poor EPC rating indicates the possibility of a Category 1 hazard.
27. Where insulation information is available it is being used to determine the indicator. There are however 183 properties where the insulation level is not known but currently these are assumed to be decent. Of these, 132 dwellings have an EPC rating of 'E', an average energy efficiency rating.
28. The Council has 17 dwellings which are recorded as having an EPC 'F' or 'G' rating which the EPC determines as an inefficient energy rating and indicates that significant improvements may be necessary to achieve higher ratings. The 17 properties have the required insulation and are being determined as decent. Currently, Minimum Energy Efficiency Standards state that properties require an EPC rating of 'E' or above to be legally let unless the property is exempt. Further consideration as to whether these properties meet the decent homes standard would be prudent in addition to those queried under the criterion 1 at paragraph 17.
29. The data also indicates that there are 1415 properties which do not have an EPC certificate according to the Government's EPC register. EPC assessments are being undertaken once a dwelling becomes vacant or where major refurbishment has been undertaken.

30. The 2006 guidance does not state that a property's low EPC necessarily means failure of Criteria 4 of the Decent Homes standard, as an EPC considers factors relating to the energy performance of a dwelling including lighting etc.

R4	<p>Inspections of properties with a 'F' to 'G' EPC rating are visited as a matter of urgency to determine if there is a Category 1 failing and to assess whether letting is permissible under the current rules.</p> <p>The Council considers whether there is sufficient assurance that properties meet the reasonable state of repair and thermal comfort requirements.</p> <p>The results should be updated as part of the calculation of the decent/non decent indicator.</p> <p>Priority: High</p>
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Process for determining the indicator for HSMG reporting

31. The data required and factors to consider in determining whether a property meets the non-decent standard is complex.
32. As highlighted above not all information is recorded within the Open Housing system to determine the indicator. The Housing Asset Management Officer has determined the figures reported to HSMG based upon data that is recorded within the Open Housing system and applied this against the Decent Home Standard requirements. In some areas, where data isn't recorded, assumptions are being made in respect to the condition of properties for determining the indicator.
33. To determine the decent homes data a report has been downloaded of all changes made to the condition of the stock. A further exercise is undertaken to remove any duplicate data. The remaining data is imported into a spreadsheet, 'Stock list' providing information on when components were replaced plus details of refusals and those earmarked for demolition. A series of look-ups tables have been used to then determine whether a component fails and if there are sufficient fails for the property to be determined as non-decent. The data requires a high level of manipulation to provide the non-decent homes figures. Further notes are added to overlay information regarding inspections. Currently the spreadsheet is showing which properties are non-decent but the category failure (which of the 4 criterion it has failed on) is still being developed. The reason as to why a property is determined as non-decent is required as part of the LAHs return (cells f16aa, f16ba, f16ca, f16da).
34. Reported performance to HSMG shows the percentage of non-decent properties as 0.3%. The reports provide useful information in numerical and graph form regarding which type of components are failing and the number of dwellings where there are multiple failings. The report does state that some information has been 'cloned' as it wasn't possible in 2013/14 to undertake a stock condition survey due to access.

35. Where dwellings have multiple failings, it is logical where a non-decent determination has been given against a property. However, there are some assumptions particularly regarding the 'reasonable' state of repair' and 'thermal comfort' criterion where it is not clear from the data that has been used that the decent homes standard is being achieved. If 17 properties with poor EPC ratings and 4 properties under Criterion 1 were included the non-decent performance the percentage would continue to be low at 0.7%. If properties where the loft insulation depth was not known, were also considered non-decent, this would increase the non-decent performance to 4%. If other assurances as outlined are not accepted by the Council (condition of key components, condition of aged kitchens and bathrooms) this will increase the percentage further but is unlikely to meet the 51% level reported in 2022/23.
36. The imminent Stock Condition Survey will improve the quality of stock data going forward. In addition, the Government is reviewing the current criteria for Decent Homes Standard so further changes to requirements may occur. The current data will only be used for the 2023/24 LAHs return (in addition to HSMG), therefore in the intervening period focus should be targeted at risk areas regarding data quality. The 2023/24 return is currently being worked upon and requires submission by 12th July 2024. As included at Recommendation 1, further advice should be obtained from the Government for the completion of the cells relating to Decent Homes data for 2023/24 explaining the assurance taken from other sources that has been necessary to determine current performance.
37. Further minor points on the determination of the indicator have been discussed with the Housing Asset Management Officer.

Decent Homes Module

38. Capita, the provider of the Open Housing system has indicated within its selling literature that it has dedicated reporting tools to help with meeting legislative and regulatory requirements such as Decent Homes Standard. The Council does have the Decent Homes module but currently it is not being used to determine this indicator and therefore its future use should be explored. This exercise is of most benefit once there is assurance that all the relevant information appears on the system.

R5	<p>The availability of better-quality reports (requiring less manipulation of the data via spreadsheet) is explored.</p> <p>Further assistance should be sought from the Open Housing User Group on this matter and the opportunity should be taken to assess how others are using the system to determine the Decent Homes Standard.</p> <p>Priority: Low</p>
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Governance and Performance

39. The Decent Homes Standard has played a key role in setting the minimum standards that social homes are required to meet since the early 2000's.
40. The Council did not include the percentage of decent properties as one of its performance indicators until November 2023 when it was requested as part of the HSMG. Prior to submission of the first figures to the Group, Dragonfly Ltd queried whether the previous reported figures in the LAHs return were correct. Further work was done and the figure re-calculated resulting in performance being reported in November 2023 as 1.75%. The minutes of the HSMG do not indicate the error in previous LAHs reporting had been shared with all parties, with the errors being discussed once raised by the Social Housing Regulator.
41. Although reported at the HSMG, 'the percentage of decent homes' indicator does not form part of the key performance indicators for the Council. Some local authorities are continuing to report this indicator as part of their corporate performance. The requirements under the Social Housing Regulation Act and Awaab's Law are likely to place further focus on the standard of properties.

R6	<p>The target is set for the percentage of properties which meet the Decent Homes Standard and performance is measured and included as part of corporate performance indicators.</p> <p>Priority: High</p>
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42. For many years, the Council has had two departments focusing on Housing delivery, Housing Management and Property Services. Although the latter is now a company, the responsibilities of Dragonfly Management in this area have not principally changed. It is essential that there is adequate overview of Housing as a whole so that strategic matters can be identified, discussed openly and any areas of improvement tackled.

A1	<p>Consideration is given to how a holistic review of Housing services review (including the provision of quality housing stock) can be improved.</p> <p>Priority: Advisory</p>
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Appendix 1

Assurance Level	Internal Audit Definition	Risk Register Link
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.	Minor / negligible impact
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.	Minor / moderate
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.	Moderate / Severe Impact
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.	Catastrophic Impact

Indicative Definitions of High Medium and Low Recommendations

Rating	Definition
High	<p>Risks that can have a catastrophic / severe impact on the operation of the Council or service - Must take action to mitigate or terminate if not possible to do so: -</p> <ul style="list-style-type: none"> • Death, extensive injury, major permanent harm • Unable to function without government or other agency intervention • Significant impact on service objectives • Inability to fulfil obligations • Short to medium term impairment to service capability • Adverse national publicity, highly damaging, loss of public confidence • Major adverse local publicity • High risk of fraud being able to occur e.g., key internal controls are not operating or are missing • Direct link to a strategic risk occurring • A serious breach of legislation/ legal requirements leading to substantial financial penalties or severe breach of data protection (report to ICO) • Substantial loss or damage to Council assets/or information
Medium	<p>Risks which have a noticeable impact on the service provided, will cause a degree of disruption to service provision / impinge on the budget - Check current controls and consider if others are required: -</p> <ul style="list-style-type: none"> • Medical treatment required, semi-permanent harm up to 1 year • Short term disruption to service capability • Significant financial loss • Some adverse publicity, needs careful public relations • Isolated personal details compromised • Risk of fraud being able to occur • Direct link to identified operational risks occurring • A serious breach of organisational policies and procedures • A breach of legislation / legal requirements leading to a moderate financial impact • Loss or damage to Council assets, information • Previously agreed medium internal audit recommendations remain outstanding
Low	<p>Risks where the impact and any associated losses will be minor</p> <ul style="list-style-type: none"> • First Aid treatment, non- permanent harm up to 1 month, no obvious harm or injury • Minor / negligible impact on service objectives • Financial loss that can be accommodated at service level / minimal • Some public embarrassment, no damage to reputation, unlikely to cause any adverse publicity / internal only • Minimal risk of fraud • No direct link to operational or strategic risks • A minor breach of organisations policies and procedures • A minor breach of Legislation / legal requirements • Low risk of loss or damage to Council assets
Advisory	<p>Not risk or control related</p> <ul style="list-style-type: none"> • May enhance the service • May achieve efficiencies • May lead to an improved outcome

Internal Audit Report – Implementation Schedule

Report Title:	Non-Decent Homes (HRA) Stock Reporting	Report Date: 7th June 2024
		Response Due By Date: 28th June 2024

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
R1	Previous government returns have been completed without reference to guidance, increasing the risk of inaccurate data regarding non-decent dwellings being submitted.	Government guidance is shared with all parties (Council and Dragonfly Ltd) and followed in compilation of the Local Authority Housing Return. Where the guidance is unclear regarding the return's completion or where data is not available or general assurances are used, management are made aware, and the Government contacted for further advice on completion of the return.	High	Yes	VD\DW	30.6.24	Guidance was issued\clarified through course of the audit in preparation of 2023\24 LAHS submission.
R2	Working papers to support the non-decent data within the LAH returns has not been retained therefore it is not possible to confirm the accuracy of submissions. No independent check of the data has been undertaken to verify the	Working papers (including reports from Open Housing etc) are retained to support all information submitted in the LAHs return. As the Council's agent, the relevant manager at Dragonfly Ltd should check the adequacy and accuracy of the data prior to it being	High	Yes Yes	VD\DW VD\DW	30.6.24 30.6.24	Working papers for 2023\24 return retained along with clear requirement for future years. Dragonfly will check\verify information prior

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
	data submission.	<p>entered as part of the final submission and this is documented accordingly.</p> <p>The Council should take steps to review the data input before submission to ensure it is reasonable, considering knowledge it has regarding the stock.</p>		Yes	VD\DW	30.6.24	<p>to passing to the Housing Client.</p> <p>Housing Client to check\verify information prior reporting to Housing Stock Management Group prior to government submission</p>
R3	Performance to HSMG is not on the same basis as the LAHs therefore there is the potential for different out-turn performance. Considering the work necessary and the low level of reported movements, consideration be given to quarterly as opposed to monthly reporting.	Quarterly reporting of performance figures be presented to the Housing Stock Management Group (HSMG) on the same basis as required for the LAHs return.	Medium	Yes	VD\DW	30.6.24	Regular (i.e., quarterly) performance reporting will be undertaken.
R4	17 properties (determined as decent) have EPC 'inefficient energy' ratings therefore there is a greater risk of a Category 1 hazard. Tenancies should not be made to properties with less than	Inspections of properties with a 'F' to 'G' EPC rating are visited as a matter of urgency to determine if there is a Category 1 failing and to assess whether letting is permissible under the current rules.	High	Yes	VD\DW	30.6.24	Inspections undertaken by Dragonfly.

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
	<p>an 'E' rating subject to certain exceptions.</p> <p>Data is not available to indicate that 183 dwellings have sufficient loft insulation but have been determined as decent homes.</p>	<p>The Council considers whether there is sufficient assurance that properties meet the reasonable state of repair and thermal comfort requirements.</p> <p>The results should be updated as part of the calculation of the decent/non decent indicator.</p>		Yes	VD\DW	30.6.24	<p>Full housing stock condition survey with energy\thermal efficiency included being undertaken.</p> <p>Stock condition survey information will provide greater assurance on decent homes indicator.</p>
R5	<p>The 'decent homes' module is not currently being used for the determination of this indicator which may offer a more efficient method of determining performance. There is the opportunity to learn from other authorities reporting non-decent data.</p>	<p>The availability of better-quality reports (requiring less manipulation of the data via spreadsheet) is explored.</p> <p>Further assistant should be sought from the Open Housing User Group on this matter and the opportunity should be taken to assess how others are using the system to determine the Decent Homes Standard.</p>	Low	Yes	VD\DW	30.6.24	<p>Housing Open Decent Homes module being updated to improve information retention and reporting.</p>
R6	<p>A target for the percentage of dwellings meeting the Decent Homes standard be</p>	<p>The target is set for the percentage of properties which meet the Decent Homes Standard and</p>					<p>This will be considered once up to date housing stock</p>

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
	agreed and reported corporately to provide assurance on all stakeholders on the improvements being made to housing stock.	performance is measured and included as part of corporate performance indicators.	High	Yes	VD\DW	30.6.25	condition data is available in which to set a baseline.
A1	Housing functions are mostly delivered via two separate departments /now organisations (housing management – BDC & Property Services, Dragonfly Ltd). It is important that strategic housing matters can be identified, discussed openly and any areas of improvement tackled.	Consideration is given to how a holistic review of Housing services review (including the provision of quality housing stock) can be improved.	Advisory	Yes	KH\SB	30.6.25	For consideration following issue of Social Housing Regulator report in developing an improvement action plan.

Please tick the appropriate response (✓) and give comments for all recommendations not agreed.

Signed Head of Service:		Date:	23 rd August 2024.
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Note: In respect of any High priority recommendations please forward evidence of their implementation to the Internal Audit team as on as possible.