

Argyll and Bute Council
Internal Audit Report
November 2020
FINAL

Homelessness

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	0	1	0	0

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1. Executive Summary

Introduction

1. As part of the revised 2020/21 internal audit plan, approved by the Audit & Scrutiny Committee in September 2020, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Homelessness.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Homelessness affects a wide variety of people and can be caused by a range of factors including health related issues, losing employment or relationship problems. It can affect anyone at any point of their life due to unforeseen or unplanned circumstances. Local authorities have a statutory responsibility to prevent and alleviate homelessness. By law, councils must offer a minimum of advice, assistance and temporary accommodation to all homeless households and those at risk of becoming homeless.
5. All local authorities have a statutory duty under the Housing (Scotland) Act 2001 to carry out an assessment of homelessness in their area and are required to prepare and submit to Ministers their strategy on the prevention and alleviation of homelessness as part of their Local Housing Strategy.
6. The Scottish Government produced the statutory Code of Guidance on Homelessness in 2009. It provides guidance on legislation, policies and practices to prevent and resolve homelessness. The purpose of the Code is to help local authorities in their duties to assist people who are threatened with or who are experiencing homelessness.
7. The Housing (Scotland) Act 1987 as amended, sets out the powers and duties of local authorities in dealing with applications from those seeking help on the grounds they are homeless or that there is a threat that they will become homeless.
8. The Scottish Housing Regulator (SHR) was established in 2011 under the Housing (Scotland) Act 2010. The SHR is an independent regulator with one statutory objective of safeguarding and promoting the interests of current and future tenants of social landlords, people who are or may become homeless and people who use housing services provided by registered social landlords and local authorities.
9. In 2019/20, across Scotland, the total number of homeless applications assessed as homeless or threatened with homelessness was 31,333. In 2019/2020, 436 homeless applications were made in Argyll & Bute.

Scope

10. The scope of the audit was to ensure appropriate arrangements are in place for the provision of accommodation to homeless clients as outlined in the Terms of Reference agreed with the Head of Development and Economic Growth on 17 September 2020.

Risks

11. The risks considered throughout the audit were:
- **SRR01:** Population and Economic Decline: Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.
 - **Audit Risk 1:** failure to provide accommodation to homeless clients may lead to the Council failing to meet its statutory duties
 - **Audit Risk 2:** failure to have robust arrangements to prevent homelessness may lead to the Council failing to meet its statutory duties

Audit Opinion

12. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
13. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Recommendations

14. We have highlighted one medium priority recommendation where we believe there is scope to strengthen the control and governance environment. This is summarised below:
- quality assurance audits should be reinstated.
15. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

16. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	The Council has appropriate arrangements for the prevention of	SRR01 Audit Risk 2	High	The Council has well established partnership arrangements across a number of key external partners to deliver a wide range of homeless and

	homelessness to ensure compliance with legislation and regulation			housing related services that are required by statute.
2	The Council has appropriate arrangements to offer support, advice, assistance and temporary accommodation to all homeless households, those at risk of homelessness and those who do not meet the homelessness criteria	Audit Risk 1 Audit Risk 2	High	Appropriate arrangements are in place to manage and record homelessness applications. Furthermore new processes have been implemented as a direct response to the COVID pandemic to ensure services can still be delivered whilst adhering to social distancing restrictions.
3	Policies and procedures to ensure compliance with legislation are readily available to staff	Audit Risk 1 Audit Risk 2	Substantial	Appropriate policies and procedures are made available to relevant officer and there is a high ratio of accredited staff within the service. Cases were found to be comprehensively recorded. Monthly quality assurance audits have been out in hold due to the resource pressures created by the COVID pandemic.

17. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

[The Council has appropriate arrangements for the prevention of homelessness to ensure compliance with legislation and regulation](#)

18. The Scottish Government's Code of Guidance on Homelessness (COG) states that the prevention of homelessness should be a key strategic aim which local authorities should pursue through the local housing strategy. The Council has published a Housing Strategy 2016-2021 with one of its primary strategic objectives being to alleviate extreme housing need, particularly homelessness in all its forms, through a clear focus on prevention.
19. Local authorities also have a duty under the Housing (Scotland) Act 2001 to ensure that advice and information about the prevention of homelessness and any services which may assist in the prevention of homelessness is available free of charge to any person in the authority's area. This information is made available on the Council's website.
20. The Council works with relevant local partners to prevent homelessness. Throughout the COVID pandemic the Council has worked closely with housing providers, support agencies and the wider Health and Social Care Partnership (HSCP) to deliver a virtual service for homeless clients, rough sleepers, and those at risk of homelessness. This included increased supply of temporary accommodation, with 48 additional units located across seven housing market areas, a mini bus

service providing transport for applicants unable to secure accommodation in their presenting area, and the provision of eight chalets for applicants with COVID or applicants reporting symptoms of COVID requiring to isolate.

21. HOMEArgyll is the common housing register partnership in Argyll & Bute. Its members are the Council, Argyll Community Housing Association (ACHA), Dunbritton Housing Association, Fyne Homes and West Highland Housing Association. All partners have access to the common housing register modules of the Abris application with access levels restricted on basis of need. A memorandum of understanding between all parties was established in 2013. All HOMEArgyll partners attend Housing Locality Meetings to improve links, communication and working relationships between each of the partner organisations.
22. Housing Services co-ordinate and oversee the Council's statutory duty to assess and secure housing (tenancy) support for homeless persons and those at risk of homelessness. The tenancy support service focuses on homelessness prevention and transitional/tenancy sustainment. Carr Gomm and HELP are the main providers of this service in Argyll and Bute. In 2019/20 there were 342 new households requiring support.
23. Housing services also work with Argyll and Bute Family Mediation to offer a service specifically for people experiencing, or at risk of homelessness due to family relationship breakdown.
24. The Council is working with the HSCP to help tenants to stay in their own home including access to occupational therapists and assistance with required home modifications or adaptations such as a grab-rail, a ramp or a walk-in-shower. The Council also targets grant assistance for adaptations which have been assessed as a priority for disabled people to enable them to stay in their own home.
25. As part of the Scottish Government's Ending Homelessness Together Fund, funding was agreed with COSLA for 2019/20 and provided to all local authorities to support the implementation of Rapid Rehousing Transition Plans (RRTPs). Housing First is delivered within the overall RRTP and aims to give the most chaotic and vulnerable homeless households housing as the first step to recovery. Appropriate support will be provided to the households to give them the maximum chance of sustaining their permanent accommodation.
26. Through the Council's RRTP the following has been delivered:
 - Rent arrears prevention fund which assists households who are at risk of homelessness due to rent arrears. Payments awarded are made directly to the landlord to prevent eviction action. In addition, households receiving these payments are linked to Argyll and Bute Council's Housing Support Service to provide additional support to enable the household to sustain their tenancy moving forward.
 - Rent Deposit Guarantee Scheme which helps homeless people, or potentially homeless people, on low incomes to access private rented accommodation to resolve their housing need. The Council guarantees the payment of the rent deposit.
 - Decoration Project which assists tenants to decorate their properties or bring them up to a standard where they take ownership of their house.
 - Discussion with HSCP and Housing partners in 2019/20 identified a need for a Mental Health Practitioner to work alongside the existing housing support coordinator on mental health matters. The Council continues to work in partnership with the HSCP on this project and the post is currently out to advert.

The Council has appropriate arrangements in place to offer support, advice, assistance and temporary accommodation to all homeless households including those at risk of becoming homeless and those which do not meet the homelessness criteria

27. Assessing homeless applications is one of the statutory housing functions carried out by the Council. The Council has no housing stock and relies on registered social landlords and the private sector to provide both temporary and settled accommodation. The Council currently discharges the duty to provide permanent housing to statutory homeless households through the HOMEArgyll partners.
28. When a household is accepted as statutory homeless and the Council has a duty to secure permanent housing for them they are awarded 200 points which places them at the top of the prioritised waiting list for permanent accommodation. If they do not have access to alternative accommodation in the interim period temporary accommodation is provided.
29. If a person is threatened with homelessness they are initially offered advice to try to prevent them becoming homeless. The applicant can be provided with contacts for other agencies which may provide support and advice on issues such as debt management, social work issues and a number of other support services.
30. Homeless applicants are required to complete an application form which, due to COVID, are now completed by phone or through the Council's website. Previously applicants could present themselves at the various service centres around Argyll. COVID required the implementation of new processes which mean it is now possible for a homeless person to be accommodated without meeting a member of staff.
31. The Council use the Abrisas system to record all homelessness matters. This application is hosted remotely and accessed via the internet from users' PCs using standard web browser software. Access rights to Abrisas are role specific and the employees' role defines a set of menu items and toolbar buttons the users are able to access. Abrisas also has a document management system where any letters sent to applicants and any documentation received on behalf of the applicant are stored. This provides for a full audit trail for each applicant. A diary screen where notes/communications with applicants can be recorded provides a full audit trail and history for each applicant.
32. The homeless application form is completed by a housing officer and reviewed by the Area Housing Officer who determines whether the applicant can be deemed unintentionally homeless. A decision must be made within 28 days or reasons for any delay recorded. This Abrisas screen was observed and all current applicants (as of 22 October) were within the 28 day timeframe. A report was generated from Abrisas which highlighted that 27% of application decisions in 2019/2020 were outwith the 28 day deadline. The guidance confirms it is acceptable for decisions to take longer so long as records are maintained in relation to the delay and, as per paragraph 39 sample testing confirmed that comprehensive records are maintained.
33. An out-of-hours service is operated by a provider with any callers being routed to the appropriate duty officer for help. The service is available at all times when the offices are closed and is operated by staff on a rota basis with a designated duty officer providing the service for a period of seven days/nights.

Policies and procedures to ensure compliance with legislation are readily available to staff

34. The Council has appropriate policies and procedures to help ensure compliance with relevant regulation and legislation. These are readily available to staff on a shared drive.
35. A staff structure has been established with essential and desirable qualifications identified in the job progression process. Training, including professional qualification training is available to staff and the Council has a relatively large proportion of members of the Chartered Institute of Housing in comparison to other councils. Staff training records are maintained.
36. Standard template letters are available on Abris ensuring consistency of information.
37. Weekly virtual homeless service highlight reports summarise activity within Housing Services including availability of temporary accommodation and numbers of statutory homeless throughout Argyll and Bute. These reports are distributed within housing services and to the Policy Lead.
38. During 2019/20, 32 of the 436 cases dealt with were recorded as intentionally homeless. A recent review by management highlighted that three of the 32 were recording errors by Area Officers (the decision was unintentional but recorded as intentional). In addition one case was a duplicate. A further four of the decisions were overturned on review. This reduced the number of intentionally homeless cases to 24. We reviewed six (25%) of the intentionally homeless case files. All were found to be recorded correctly with a full audit trail of notes relating to communications with the client, landlords and support providers. The decisions taken were valid in relation to the criteria of intentionally homeless.
39. In addition we reviewed a sample of eight applications of unintentionally homeless case files and confirmed that all had been processed in compliance with established procedures and, furthermore, case notes were comprehensive.
40. Prior to the COVID outbreak, monthly audits were undertaken by management to review homeless application decisions. This provided assurance over compliance with established procedures and that decisions were correct and consistent with relevant guidance. Performing these audits was put on hold due to the additional resource pressures created by the response to COVID and have not yet been reinstated.

Action Plan 1

41. The Council, as required, provides regular statistical returns and reports to the Scottish Government and regulators as follows:
 - Quarterly H1 return to the Scottish Government
 - Annual Return – Scottish Housing Charter
 - Scottish Housing Regulator Annual Assurance Statement

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	<p>Quality Assurance Audits</p> <p>Prior to the COVID outbreak, monthly audits were undertaken to review homeless application decisions. This provided assurance over compliance with established procedures and that decisions were consistent with relevant guidance. Performing these audits was put on hold due to the additional resource pressures created by the response to COVID and have not yet been reinstated.</p>	Homeless decisions may not be correct and training needs not identified. This could lead to an increase in decisions being overturned on appeal,	Audits will be reinstated.	<p>Housing Team Lead – Operations</p> <p>30 June 2021</p>

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.