

CABINET MEETING – 14 MARCH 2024

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Homes England Compliance Audit Report 2023-24 - Provider's Acknowledgement of Report

Author(s):

Executive Director of Health, Housing and Communities

Purpose of Report:

To seek formal acknowledgement of the Homes England Compliance Report 2023-24 in line with Homes England requirements.

Description of Decision:

Cabinet is recommended to: -

- I. formally acknowledge the Homes England Compliance Audit Report 2023-24 and any contained recommendations.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Homes England requires that the contents of the Homes England Compliance Audit Report 2023-24 including all recommendations must be acknowledged by the Provider Board's Chair or equivalent and for the Council this would be Cabinet. Confirmation of this acknowledgement must be recorded in the IMS Compliance Audit System by the Compliance Audit Lead no later than three calendar months of the report email notification being sent.

Alternative options to be considered and recommended to be rejected:

That the Council does not proceed acknowledge the Homes England Compliance Audit Report 2023-24

This option has been considered and rejected as failure to acknowledge the report and its recommendations would jeopardise future grant funding as we would not meet Homes England Audit requirements and there would be wider reputational damage to the Council in failing to meet our Audit responsibilities.

Impacts analysed;

Equality **Privacy** **Sustainability** **Crime and Disorder**

Is the Decision consistent with the Council's co-operative values? Yes/~~No~~

Is this a "Key Decision" as defined in the Constitution? Yes/~~No~~

Is it included in the 28-day Notice of Decisions? Yes/~~No~~

**HOMES ENGLAND COMPLIANCE AUDIT REPORT 2023-24 - PROVIDER'S
ACKNOWLEDGEMENT OF REPORT**

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND
COMMUNITIES**

1. Purpose of the Report

- 1.1 To seek formal acknowledgement of the Homes England Compliance Report 2023-24 in line with Homes England requirements.

2. Description of Decision (Recommendations)

Cabinet is recommended to: -

- I. formally acknowledge the Homes England Compliance Audit Report 2023-24 and any contained recommendations.

3.0 Background

- 3.1 On 11 February 2020 Cabinet approved the Housing Delivery and Investment Plan (HDIP). Since this approval, the Housing Development Team have made progress in delivering the HDIP outputs and as part of the programme of delivery secured Homes England grant funding to support development costs.
- 3.2 Homes England through their Shared Ownership and Affordable Homes Programme 2016-21 and their Affordable Homes Programme 2021-26 have provided grant funding to the Council to support the delivery of affordable housing.
- 3.3 In 2021-22 and 2022-23 the Homes England Compliance Audit gave the Council a grading of 'Green - Meets requirements', with zero breaches identified in both years.
- 3.4 This report summarises the findings of the Homes England Compliance Audit for 2023-24.

4.0 Homes England Compliance Audit Report 2023-24

- 4.1 The purpose of a Homes England Compliance Audit is to confirm that grant recipients have met all of Homes England's funding conditions and contractual requirements and have properly exercised their responsibilities as set out in the Capital Funding Guide. Homes England use the audit findings (which are confidential between Homes England and the grant recipient) to inform their future investment decisions and to reassure the Homes England Chief Accounting Officer that public funds have been properly used.
- 4.2 Where findings have been determined as breaches they are then used as the basis for recommendations and final grades for Providers. Grades of green,

amber, or red are awarded; definitions are provided at the end of the Compliance Audit report which is attached at Appendix 1.

- 4.3 Where breaches are identified the Provider is to use the recommendations within the Compliance Audit to prevent similar breaches from reoccurring in the future and to aid good governance for complying with Homes England's policies, procedures, and funding conditions.
- 4.4 The recent audit identified three schemes to be audited, these were 12 Fairy Street DH5 9EJ, 1 North View NE37 2BP and 1 Margaret Alice Street SR4 6RG. All three schemes were part of the Council's Purchase and Repair Programme which brings empty properties back into use.
- 4.5 An Independent Auditor was appointed in line with the Homes England Compliance Audit criteria, and the Housing Development Manager provided the Compliance Audit Lead role.
- 4.6 Appendix 1 is a copy the Homes England Compliance Report 2023-24 (received 17 January 2024) which shows that, after the findings have been assessed, zero breaches were identified, and the Council has been graded as "Green - Meets requirements"

5.0 Reasons for the Decision

- 5.1 Homes England requires that the contents of the Homes England Compliance Audit Report 2023-24, including all recommendations, to be acknowledged by the Provider Board's Chair or equivalent and for the Council this would be Cabinet. Confirmation of this acknowledgement must be recorded in the IMS Compliance Audit System by the Compliance Audit Lead no later than three calendar months of the report notification being sent.

6.0 Alternative Options

- 6.1 That the Council does not proceed acknowledge the Homes England Compliance Audit Report 2023-24.
- 6.2 This option has been considered and rejected as failure to acknowledge the report and its recommendations would jeopardise future grant funding as we would not meet Homes England Audit requirements and there would be wider reputational damage to the Council in failing to meet our Audit responsibilities.

7.0 Impact Analysis

- (a) **Equalities** - An Equality Impact Assessment has been completed in support of this report
- (b) **Privacy Impact Assessment (PIA)** – there are no foreseen risks to the privacy of the public.
- (c) **Sustainability**
Sunderland Strategy Objectives cross checked with decisions outcomes:

- **Dynamic City**
 - ✓ More and better jobs
 - ✓ More and better housing
- **Healthy City**
 - ✓ More people living healthier for longer.
 - ✓ People enjoy independent lives.
 - ✓ Cleaner and more attractive city and neighbourhoods
- **Vibrant City**
 - ✓ More residents participating in the communities.
 - ✓ More people feel safe in their neighbourhoods and homes.
 - ✓ More resilient people

(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion

The projects and properties supported by Homes England grant funding will have a specification that provides safe and secure homes.

8.0 Financial Implications

8.1 There are no financial implications arising from this report.

9.0 Other Relevant Considerations / Consultations

Co-operative Values – By delivering new social housing it demonstrates the values of a co-operative Council by providing homes and support for those in greatest need and creating more mixed and sustainable communities.

- (i) Risk Analysis** – there are no risk implications arising from this report.
- (ii) Legal Implications** – there are no apparent legal implications arising from this report. The Assistant Director of Law and Governance has been consulted on this report and their comments incorporated.
- (iii) Procurement Implications** – there are no procurement implications arising from this report.
- (iv) Policy Implications** – there are no policy implications arising from this report.
- (v) Implications for Other Services** – there are no implications for other services arising from this report.
- (vi) The Public / External Bodies** – Homes England has advised on grant matters relating to the Council's delivery of social housing.
- (vii) Compatibility with European Convention on Human Rights** – There are no issues in relation to compatibility with the European Convention on Human Rights at the present time.



Compliance Audit Report – 2023/24

5080 – Sunderland City Council

Final Grade	Green - Meets requirements
Independent Auditor Organisation	Veritau Ltd
Independent Auditor Name	Matthew Deane

Report Purpose and Objectives

The purpose of the Compliance Audit report is to confirm that grant recipients have met Homes England's funding conditions and contractual requirements and have properly exercised their responsibilities as set out in the Capital Funding Guide.

We use the audit findings (which are confidential between Homes England and the grant recipient) to inform our future investment decisions and to reassure the Homes England Chief Accounting Officer that public funds have been properly used.

Where findings have been determined as breaches they are then used as the basis for recommendations and final grades for Providers. Grades of green, amber or red are awarded; definitions are provided at the end of this report. Where applicable the Provider is to use the recommendations to prevent similar breaches from reoccurring in the future and to aid good governance for complying with Homes England's policies, procedures and funding conditions.

Information about the audit process and guidance is available at:
<https://www.gov.uk/guidance/compliance-audit>

Compliance Audit Grade and Judgement Summary

Final Grade	Green - Meets requirements
Judgement Summary	On review of the evidence provided, the outcome of the audit has shown the provider has complied with all the programme requirements and guidance. A GREEN grade has been assigned and no breaches were identified.

Scheme/Completions details

Scheme ID/ Completion ID	Address/Site ID	Scheme type
1089825	12 Fairy StreetFairy Street,DH5 9EJ	Empty Homes
1056188	1 North View,NE37 2BP	Empty Homes
1077540	1 Margaret Alice StreetMargaret Alice Stree,SR4 6RG	Empty Homes

Audit Results

Number of Schemes/Completions Audited	3
Number of Breaches Assigned	0
Number of High Severity Breaches	0
Number of Medium Severity Breaches	0
Number of Low Severity Breaches	0

Provider's Acknowledgement of Report

The contents of this report including all recommendations must be acknowledged by your Board's Chair or equivalent. Confirmation of this acknowledgement must be recorded in the IMS Compliance Audit System by your Compliance Audit Lead no later than three calendar months of the report email notification being sent.

Report acknowledged by:

Date:

Confidentiality

The information contained within this report has been compiled purely to assist Homes England in its statutory duty relating to the payment of grant to the Provider. Homes England accepts no liability for the accuracy or completeness of any information contained within this report. This report is confidential between Homes England and the Provider and no third party can place any reliance upon it.

Compliance Audit Grade Definitions

Green Grade	No high or medium severity breaches identified, although there may be low breaches identified. The Homes England audit report shows that the provider has a satisfactory overall performance but may identify areas where minor improvements are required.
Amber Grade	One or more medium severity breaches identified. The Homes England audit report will show that the provider has failed to meet some requirements but has not misapplied public money. The provider will be expected to correct identified problem(s) in future schemes and current developments.
Red Grade	One or more high level severity breaches identified, the Homes England audit report shows that the provider has failed to meet some requirements and there has been a risk of misapplication of public funds.

