

CABINET MEETING – 8 JUNE 2023

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Homes England Compliance Audit Report 2023/23 – Update on Provider’s Acknowledgement of Report

Author(s):

Executive Director of Health, Housing and Communities

Purpose of Report:

To provide an update on the revised outcome of the original Home England Compliance Audit reported to Cabinet on 19th January 2023 and seek formal acknowledgement of the Homes England Compliance Report 2022-23 in line with Homes England requirements

Description of Decision:

Cabinet is recommended to formally acknowledge the revised outcome of the Homes England Compliance Audit Report 2022-23

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 the contents of the Homes England Compliance Audit Report 2022-23 including all recommendations to be acknowledged by the Provider Board’s Chair or equivalent. 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 2022-23

This option has been considered and rejected as failure to acknowledge the report and its recommendations would potentially jeopardise future grant funding

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 2022-23 – UPDATE ON PROVIDER’S ACKNOWLEDGEMENT OF REPORT

REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND COMMUNITIES

1. Purpose of the Report

- 1.1 To provide an update on the revised outcome of the original Home England Compliance Audit reported to Cabinet on 19th January 2023 and seek formal acknowledgement of the Homes England Compliance Report 2022-23 in line with Homes England requirements

2. Description of Decision (Recommendations)

- 2.1 Cabinet is recommended to formally acknowledge the revised outcome of the Homes England Compliance Audit Report 2022-23

3.0 Background

- 3.1 On 19th January 2023 Cabinet received a report outlining the original outcome of the Homes England Compliance Audit report for 2022/23. This report was part of the formal arrangements that are in place with Homes England 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.
- 3.2 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.
- 3.3 Two schemes were to be audited; 8 Ruskin Avenue, DH5 0NX and 12 Wordsworth Avenue East, DH5 8LH. Both schemes are part of the Council’s Purchase and Repair Programme which brings empty properties back into use.
- 3.4 An Independent Auditor was appointed as set out in the Homes England Compliance Audit criteria, and the Housing Development Manager provided the Compliance Audit Lead role.
- 3.5 The initial outcome reported to Cabinet was that based on the Capital Funding Guide the Council were assessed as having one breach, and the Council was graded as “Amber - Some failure to meet requirements”

4.0 Homes England Compliance Audit Report 2022-23 – updated position

- 4.1 On 10th March 2023 Homes England contacted the Council in relation to its Homes England Compliance Audit report for 2022/23 which was issued in November 2022.
- 4.2 Despite the original findings of the Audit showing a breach in the Council processes and the Council receiving an AMBER grading, Homes England have reconsidered the outcome as they have recognised that the Capital Funding Guide in relation to our identified breach may be considered ambiguous in relation to the breach identified.
- 4.3 Therefore, Homes England are updating the Capital Funding Guide to provide more clarity to all its partners. They have revisited our Audit Report and have confirmed that they have revised the Council's Compliance Audit rating which will now be recorded as a GREEN – meeting requirements.
- 4.4 An updated Compliance Audit report is attached at Appendix 1.

5.0 Reasons for the Decision

- 5.1 Homes England requires the contents of the Homes England Compliance Audit Report 2022-23 including all recommendations to be acknowledged by the Provider Board's Chair or equivalent. 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.

6.0 Alternative Options

- 6.1 **That the Council does not acknowledge the Homes England Compliance Audit Report 2022-23**
- 6.2 This option has been considered and rejected as failure to acknowledge the report and its recommendations would potentially jeopardise future grant funding.

7.0 Impact Analysis

- (a) **Equalities** - An Equality Impact Assessment is not required 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 will have a specification that ensures safe and secure homes are provided

8.0 Financial Implications

- 8.1 There are no direct financial implications arising from this report but the revised outcome of the audit is positive which will assist with securing future grant from Homes England for Council projects.

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 legal implications arising from this report.

APPENDIX 1



Scheme/Completions details

Scheme ID/ Completion ID	Address/Site ID	Scheme type
1048919	8 Ruskin Avenue,DH5 0NX	Empty Homes
1014174	12 Wordsworth Avenue EastWordsworth Avenue East,DH5 8LH	Empty Homes

Audit Results

Number of Schemes/Completions Audited	2
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: Councillor Graeme Miller (Leader of the Council)
Date: 19/01/2023

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.