



Internal Audit

FINAL

Hastings Borough Council

Assurance Review of Housing

2019/20

November 2020

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

- The Council’s Housing Department has been under pressure as a result of the increasing numbers of homeless people and the associated costs of providing emergency housing.
- The Council’s Homelessness Strategy was produced at the end of 2019. The document clearly outlines the measures that will be taken in order to reduce the costs and increase the number of properties available within the Borough. There is a requirement to update the department’s policies and procedures document to align to the strategy and changes in legislation.
- The system that was introduced to manage the properties acquired by the Council to offer emergency housing is not currently reconciled to the Council’s financial information system. Reliance cannot be placed on the data held within the system within an effective reconciliation process.

SCOPE

The review examined controls:

- To ensure the adequacy and effectiveness of Policies, Processes and Procedures including those over Rechargeable Works.
- To ensure Roles and Responsibilities are adequately defined and understood.
- To ensure the adequacy, accuracy and timely reporting of management information.
- To ensure that controls over write-off procedures are proper and efficient.
- To assess their adequacy over backlog management.
- Over implementation of the Rent-Pro housing administration system.
- Any issues arising during the course of the audit.

ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0 | 2 | 6 | 0 |

Management Action Plan - Priority 1, 2 and 3 Recommendations

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|------------|---|--|----------|--|-------------------------------------|---|
| 6 | Compliance | There is no evidence that the rent income figures held with Tilt Origin are being reconciled to the Financial Information System Unit4. | The figures within Origin be reconciled to the Unit4 records, recognising the Unit4 does not hold the benefits receipts for each individual; this information will need to be obtained from the Northgate Housing Benefits system. | 2 | <i>A review of Social Lettings Agency working practices is currently underway, to incorporate the recommendations of the report. We are process mapping existing procedures, including links with finance. We have a regular system of updating finance colleagues as leasing arrangements change.</i> | 15/12/20 | <i>Strategic Housing and Projects Manager</i> |
| 7 | Compliance | There is no evidence that the rent income figures held with Tilt Origin are being reconciled to the Financial Information System Unit4 | A process be introduced that allows housing officers to reconcile the records within Origin with the Unit4 records. | 2 | <i>This will be introduced as part of the review set out above.</i> | 15/12/20 | <i>Strategic Housing and Projects Manager</i> |
| 1 | Directed | An invalid hyperlink is contained within the Council's Housing Strategy document published on the Website. | The housing allocation scheme be updated to ensure that the correct website address is recorded for Hastings Council's Sussex Homemove. | 3 | <i>Completed</i> | <i>Completed</i> | |

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|------------|---|---|----------|--|-------------------------------------|--|
| 2 | Directed | Five of the seven policy and procedure documents provided were found to be due for review; the Council is therefore at risk of failing to comply with current housing legislation and Council policy. | Policies and procedure be reviewed regularly and updated in line with the council's own strategy and housing legislation. | 3 | <i>A new homelessness and rough sleeping strategy was adopted in December 2019, which will inform the review of our other policies and procedures. The council will be consulting on scoping documents for its new strategies to increase the supply of accommodation and improve the quality of housing and neighbourhoods during the autumn. We will also resume our review of our social housing allocation scheme. The procedural documents for the Social Lettings Agency will also be updated as part of our review.</i> | 01/10/21 | Strategic Housing and Projects Manager |
| 3 | Compliance | Officers are currently sharing login details for the Tilt Origin residential lettings application system. | All officers who require access to the system to have a unique user account set up for them to ensure accountability in relation to changes. | 3 | Completed. | Completed | Housing Operations Manager |
| 4 | Compliance | Currently the records within the Tilt Origin system are not being properly maintained and updated. | The Council to carry out a systematic review of the Housing departments processes for managing the housing stock and evaluate how Tilt could assist the Housing department by improving the system. | 3 | <i>This will form part of our review of the Social Lettings Agencies working practices.</i> | 15/12/20 | Strategic Housing and Projects Manager |

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|------------|--|---|----------|---|-------------------------------------|---|
| 5 | Compliance | There has been limited support given to the staff that use to Tilt Origin system, to help explore how they could make greater use of the system. | Training be provided to the users on how the system be used in order to ensure that the records remain current and accurate. | 3 | <i>This will form part of the review of Social Lettings Agency working practices.</i> | 15/12/20 | <i>Housing Operations Manager</i> |
| 8 | Compliance | There is clearly a requirement for greater dialogue between Finance and the Housing team to ensure effective control is in place to manage outstanding debt. | The meetings between finance offices and housing officers be re-established in order to manage the outstanding debts. Details of who will attend these meetings be recorded in an updated Rent Arrears Process. | 3 | <i>Quarterly Social Lettings Agency board meetings, including finance colleagues are now taking place. Finance will also attend monthly team meetings with the Social Lettings Agency. Except for 2 cases, all tenants in rent arrears now have repayment plans. The remaining cases have been referred to legal.</i> | Ongoing | <i>Strategic Housing and Projects Manager</i> |

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

| Ref | Risk Area | Item | Management Comments |
|--|-----------|------|---------------------|
| There were no matters of operational effectiveness reported. | | | |

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Detailed Findings

Introduction

1. This review was carried out in March 2020 as part of the planned internal audit work for 2019/20. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

Background

2. A decision was taken by the Council in 1996 to transfer its housing stock to 1066 Housing Association. Following a series of mergers, 1066 Housing Association has now been incorporated into Optivo, one of the largest housing associations within the UK. Whilst the Council no longer provided social housing directly, the Council retained ultimate responsibility for housing the homeless. The Council was also required to maintain the Housing Register (the waiting list) and retained the allocation rights for social housing. The Homelessness Reduction Act 2017 significantly reformed the homelessness legislation by placing duties on local authorities to intervene at the early stages to prevent homelessness. There is also a requirement to provide homelessness services to all affected and not just those who are considered to have a "priority need".

Materiality

3. The increasing cost of renting properties within Hastings is having a significant impact on the number of people who are approaching the Council in order to obtain emergency housing. The financial cost of Bed and Breakfast accommodation used to house those people with a priority housing need has risen from under £300,000 in 2017/18 to nearly £1m within the current financial year.

Key Findings & Action Points

4. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

Scope and Limitations of the Review

5. The review examined controls:
 - To ensure the adequacy and effectiveness of Policies, Processes and Procedures including those over Rechargeable Works.
 - To ensure Roles and Responsibilities are adequately defined and understood.
 - To ensure the adequacy, accuracy and timely reporting of management information.
 - To ensure that controls over write-off procedures are proper and efficient.
 - To assess their adequacy over backlog management.
 - Over implementation of the Rent-Pro housing administration system.
 - Any issues arising during the course of the audit.
6. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

Disclaimer

7. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Risk Area Assurance Assessments

8. The definitions of the assurance assessments are:

| | |
|------------------------------|--|
| Substantial Assurance | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| Reasonable Assurance | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| Limited Assurance | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| No Assurance | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

Acknowledgement

9. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

10. The table below sets out the history of this report.

| | |
|--|-------------------------------|
| Date draft report issued: | 2 nd April 2020 |
| Date management responses received: | 4 th November 2020 |
| Date final report issued: | 4 th November 2020 |

11. The following matters were identified in reviewing the Key Risk Control Objective:

Directed Risk: Failure to direct the process through approved policy & procedures.

Housing Policy and Procedure Documents.

Homelessness Strategy

- 11.1 Under the Homelessness Act 2002, the Council are required to have a homelessness strategy in place, reviewing all forms of homelessness in the borough. This strategy must be renewed at least every 5 years.
- 11.2 The Council approved its Homelessness & Rough Sleeping Strategy 2019 – 2023 at the Cabinet meeting on the 18th December 2019. The strategy meets the legislative requirements outlined in the Homelessness Act 2002 and the additional requirements of the Homelessness Reduction Act 2017. The document also outlines the Council's strategy in line with the Governments Homeless Code of guidance for Local Authority published on 22 February 2018 (Updated: 15 April 2019).
- 11.3 The Council is in the process of producing two further strategy documents, which will explain the measures that the Council is taking to increase the supply and quality of housing in Hastings. Originally, these documents were going to be produced in the spring of this year, it is likely that they will be taken to the Cabinet later in the year as a result of the current measures being taken to combat the COVID-19 epidemic. On completion, the three documents will form the basis of the Council's Housing Strategy.

Housing Allocation Scheme.

- 11.4 Each council is required to have a housing allocation scheme which sets out the rules on how the council allocates housing within its area. The current allocation scheme for Hastings Borough Council was produced in 2018; the document is available from the Council's Website. The principles of the councils housing allocations scheme that are included within the document are to:
- Provide a fair and transparent system by which eligible households are prioritised for social housing.
 - Prevent homelessness and help people to solve their housing problems by giving advice and assistance.
 - Enable people to make informed choices about their housing options.
 - Treat everyone fairly, taking steps to avoid discrimination on the grounds of ethnicity, religion, sexual orientation, employment or marital status.
 - Help those in the most housing need.
 - Provide housing that is suitable for those who are eligible, as described in our scheme, as soon as possible.
 - Make the best use of social housing in Hastings.
 - Create sustainable communities through lettings plans.
 - Treat information confidentially and with respect.

- 11.5 The allocation scheme clearly sets out:
- Who can apply to go on the council waiting list (also known as the Housing Register).
 - Who gets priority for housing (and those who are not eligible to apply).
 - The information that is required in order to make an application.
- 11.6 The councils housing allocation scheme document that is held on the Council's website contains an incorrect hyperlink. When selecting the link that is displayed for www.homemove.org.uk the link connects to the Homemove Website for Brighton & Hove, Chichester and Adur & Worthing Councils (Historically these Councils also worked in partnership with Hastings, Rother and Wealden).

Recommendation: 1
Priority 3
The housing allocation scheme be updated to ensure that the correct website address is recorded for Hastings Council's Sussex Homemove.
Policy and Procedure documents.

- 11.7 A review was carried out of the relevant policies and procedure documents for housing. The documents were provided by the Strategic Housing and Projects Manager. There is a comprehensive list of policies and procedure documents in place which are clearly marked with the expected review dates, there are however a number of these documents that have become out of date, in some cases the documents do not cover changes in legislations.
- 11.8 There are a number of specific procedure documents in place for the Social Lettings Agency:
- The **Procurement Procedure** created in May 2015 and due for review in October 2015 outlines the process for acquiring properties for lease. The Council's "**Procurement Procedure**" is designed to ensure that properties that the Council are letting, meet the basic standards before it can be added to the "Letstart Letting" scheme. (See **Letstart lettings/Social Lettings Agency** below). Under the Fitness for Human Habitation Act 2018, the Council is responsible for ensuring that the properties that they are providing remain in habitable condition. This procedure document was due to be reviewed in 2015 and there would not address current legislative requirements and guidance that have been issued since this date ("Homes Act of 2018", "Housing Health and Safety Rating System", "Housing Decency Standards" and the "Private Rented Sector Energy Efficiency Regulations"
 - The **Tenant Assessment Procedure** was created in February 2018 this document was due for review in August 2018. This document outlines the checks that are carried out to ensure that a tenant is suitable for the property. e.g. A disabled tenant is not placed in a property which is inaccessible to them.
 - The **Antisocial Behaviour Procedure** was created in May 2015 and is due for review in July 2020. The document outlines the actions to be taken when dealing with the anti-social behaviours of the tenants.
 - The **Reporting Disrepair: Social Letting Agency Tenants Procedure** created in May 2015 and was due for review in January 2018. This document outlines roles and responsibilities regarding property maintenance.
 - The **Rent Arrears Procedures** was created in May 2015 and was due for review in January 2018 this document outlines actions to detect and take action on rent defaults.

- The **Eviction Procedure** was created in July 2019 and due for review in April 2021 outlines eviction proceedings including the causes of and lead up to eviction.
- The **Property Handback Procedure** was created in February 2018 and was due for review in August 2018. This document outlines the processes involved at the end of the lease period when the property is returned back to the owner.

11.9 In addition to the policy and procedure document, there are also flow charts available regarding the following subject matters:

- Letting to a new tenant.
- Housing benefit contributions for temporary accommodation.
- Personal contributions for temporary accommodation.

11.10 Five of the seven policy and procedure documents provided were found to be due for review; the Council is therefore at risk of failing to comply with current housing legislation and Council policy.

| | |
|--------------------------|---|
| Recommendation: 2 | Policies and procedures be reviewed regularly and updated in line with the council’s own strategy and housing legislation. |
| Priority 3 | |

Compliance Risk: Failure to comply with approved policy and procedure leads to potential losses.

Housing Allocation.

- 11.11 The council operates a choice based lettings scheme called “Sussex Homemove” operated jointly with Wealden and Rother Councils. Anyone who wishes to apply for social housing within the borough completes an online form that is held on the Sussex Homemove system, which is hosted by a company called “Locata”. The completed questionnaires are assessed by the Homemove officer, he assesses each application placing each applicant into one of four bands (A-D) “A” being the applicants that are considered as the highest priority. If the applicant’s circumstances change, they have the option to have their banding reassessed by selecting an option in the system. This may place them in a new band depending on the significance of the change.
- 11.12 When a property becomes available, details are placed on the Sussex Homemove Website www.sussexhomemove.org.uk, those applicants who have been added to the housing register can bid for a suitable home when they become available.

Emergency Housing.

- 11.13 The Council is required to provide emergency housing to those people who have someone within their household who has what is considered to be a priority need. The needs include; families with children under 16; pregnant; Care leavers aged 18-20, homeless due to a fire; flood or other disaster or people who are classed as 'vulnerable'.

11.14 Providing emergency housing has become increasingly difficult for the Council due to a lack of affordable properties, increasing numbers of homeless people with priority needs and growing disparity between the Housing Benefits funding and the rents within the area. These factors make it measurably difficult to identify how the initiatives taken by the Council to reduce the cost of emergency housing are providing savings. See table below:

| Net cost of Providing Emergency Housing | | Total number of people in Emergency housing within Hastings | | | |
|---|----------|---|--------|--------|--------|
| | £ | Qtr. 1 | Qtr. 2 | Qtr. 3 | Qtr. 4 |
| 2019/20 | 836,166* | 178 | 170 | 170 | 171 |
| 2018/19 | 510,000 | 84 | 109 | 120 | 149 |
| 2017/18 | 298,746 | 78 | 73 | 72 | 70 |

*The current year figure was calculated using the spend-to-date figure as at March and subtracting the estimated figure for the Flexible Housing Support Grant as the final grant figure had not been received at the time that the audit was carried out.

11.15 Increasingly the Council has been relying on bed and breakfast (B&B) accommodation in order to meet the emergency housing need. Procedure notes provide guidance on the process for the invoicing of bed and breakfast accommodation as well and procedures for the removal and storage of furniture and other items whilst the person is housed in B&B accommodation.

11.16 The Council’s “**Letstart Lettings**” scheme was an initiative that developed from an earlier initiative called “Letstart” which was designed to provide an alternative to Bed and Breakfast accommodation with a particular emphasis on families. The original “Letstart” scheme was designed to connect people seeking housing with private sector property owners who could provide appropriate housing. “Letstart Lettings” was introduced in 2015. Under the “Letstart Lettings” initiative, the Council took the decision to lease houses directly from private property owners creating additional properties to meet the increasing emergency housing need.

11.17 Once the property is being leased by the council, any issues regarding habitability and maintenance will fall under the Reporting Disrepair: Social Letting Agency Tenants Procedure. All repairs must be reported through Hastings Borough Council, the lease agreement dictates what repairs will fall under the property owner or the council’s remit. There is guidance in the procedure document on how quickly repairs must be completed which is dependent on severity and out of hours contact details along with other pertinent details.

11.18 The rents for these properties is determined using a government formula, which is calculated based on the relative value of the property, the size of the property and relative local income levels. The rent remains the same for the three-year lease period. The property owner retains responsibility for any repairs to the fabric of the property; the Council is responsible for maintaining the property and carrying out the necessary safety checks. At the end of the lease, the council will take all reasonable steps to ensure that the property is returned in the condition that it was provided, minus reasonable wear and tear. The cost of carrying out the repairs and cleaning required is limited to a maximum of 8 weeks rent.

11.19 Weekly inspections of the properties are carried out by the Council to comply with safety requirements and to remind the occupants that the accommodation is only temporary.

Landlord Incentive Schemes

11.20 The Council has schemes in place designed to both reduce homelessness within the Borough and reduce time that individuals and families spend in emergency housing.

11.21 The schemes in place include:

- The **tenancy sustainment fund**, which helps to prevent tenants in private lettings who are at risk of becoming homeless from becoming so by providing interest free loans.
- **Rent in advance and deposit funding** which helps to remove individuals or families from emergency accommodation and allow them to obtain private letting accommodation. It is also designed to prevent individuals from requiring emergency accommodation from the offset. There is a flow chart, which show the process of the rent in advance and deposit funding scheme. The deposit request sheet covers checks required prior to providing a deposit and the agreement of the tenants to the council, there is a process for loan agreements and a checklist of tasks which must be completed. There is also guidance on the process of applying for rent advance/deposit loans for clients.
- The **rent guarantor scheme** provides individuals with aid so that they can get out of emergency housing by acting as a guarantor for those who cannot get an appropriate guarantor by their own means. This guarantees landlords rent for up to six months on the condition that they notify the council of the rent default within two weeks. In terms of guidance for the guarantor scheme there is a guarantor checklist showing details which need to be obtained, a standard guarantor agreement between the council and the tenant and also between the council and the landlord.

In addition, there is also a new scheme being developed that aims to help provide employment and tenancy skills so that there is a reduced need for emergency housing.

11.22 These grants and loans are managed through the Hastings and Rother Credit Union.

11.23 A report was provided detailing the amount and number of loan agreements that have been issued by the Council Since April 2019. There have been 158 loans provided by the council to support individuals who require rent in advance, deposits or rent arrears. Generally, the majority of loans are provided for rent arrears to cover outstanding debts from previous tenancies. Rent in advance/deposit loans are to help new tenants who are required to find large sums of money to provide deposits and rent in advance which are required in privately rented property.

| Summary of the number of each type of loan and the cost of the loans. | | | |
|---|-----------------------|-----------------------|--------------------------|
| Type of Loan | Number of Loans Given | Net Cost of the Loans | Average Net Cost of Loan |
| Rent in Advance/Deposit or both | 142 | £139,761.27 | £984.23 |
| Rent Arrears | 16 | £24,955.06 | £1,559.69 |

Hastings Housing Company

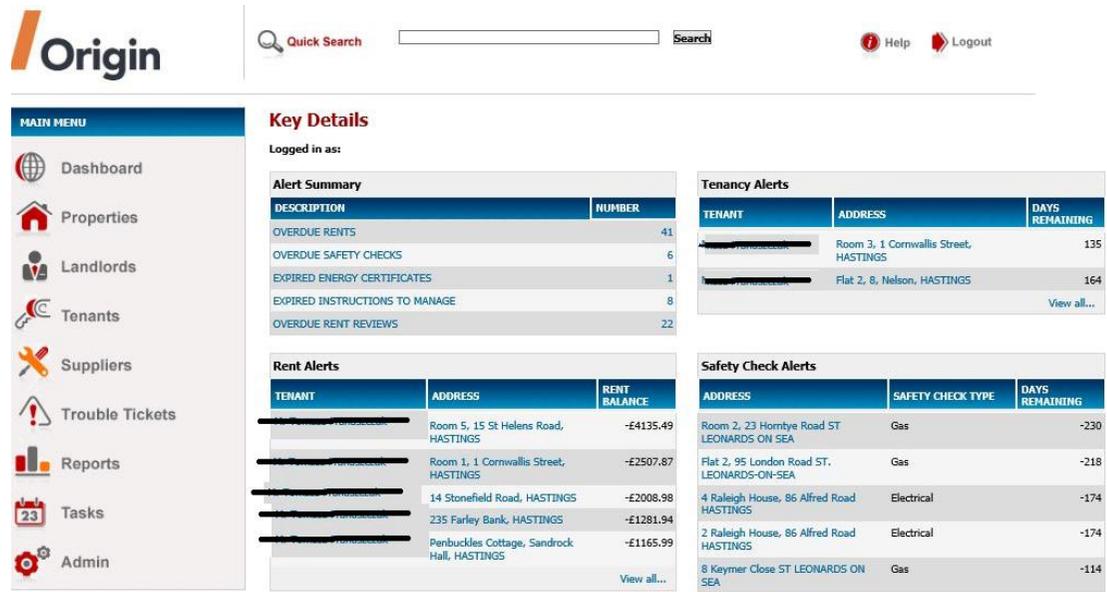
11.24 In addition to the Social Lettings Agency, the Council has also created a company called Hastings Housing Company, this was originally set up to borrow money in order to acquire and build suitable houses, increasing the number of rental properties available within the Borough. This scheme was also expected to raise additional funds that could support an expansion of the Social Lettings Agency. Changes in legislation in relation to council borrowing have prevented the Council from achieving its original objectives

11.25 With the exception of one property the 20 properties that are owned by the Hastings Housing Company are managed by “Lets2Share” a Sussex based letting agency.

Tilt Origin ~ Simple Lettings Software

- 11.26 In order to manage the Council's Social Lettings Agency properties, the Council to the decision to obtain a managed residential lettings software solution called "Origin ~ Simple Lettings" developed by a company called TILT (Formerly known as RENTPRO).
- 11.27 The "Origin" software is accessed through a web browser and it can be accessed by anyone who has been provided with a user account. The system does not require any software to be installed on the Councils computers. The application system and Council data is all housed on the Amazon Web Services (AWS) "Cloud" located in Ireland. This should ensure that the system is resilient and available even when the Council systems are not accessible.
- 11.28 As Cloud based "Software as a System" (SaaS) there was no financial outlay to acquire the software, the Council is charged a fixed monthly fee in order to use the system. The Council is currently paying £64.99 per month plus VAT; this permits the housing department to manage up to 250 properties in the system.
- 11.29 Currently the system is used for 21 properties, 20 of the properties leased through the Social Lettings Agency process and one of the Council owned properties that was acquired through the Hastings Housing Company initiative. This will increase to 57 properties when the 36 new properties are added to the Social Lettings Agency property portfolio.
- 11.30 The Council is not fully utilising the software's functionality. The system is a relational database designed for small letting agencies and estate agencies and as such should provide all of the functionality required for the Council to manage the properties that the Council are currently letting. The system can hold the following information:
- Property details
 - Landlords (includes the ability to record lease payments to the property owners)
 - Tenants (the tenancy records include a basic rent accounting function which can record the rent charged and the income received from the tenants and from housing benefits)
 - Suppliers (which can be used for details of the orders/invoices raised for contractors that maintain the properties).
 - There system also provides a basic "Help Desk" function allowing maintenance and other tenancy queries to be recorded and managed for each property.
 - There are comprehensive lists of reports available which include:
 - Property reports ~ these include, rent reports and Landlord reports.
 - Landlords ~ these reports include details of payments made to the property owner.
 - Tenants ~ these reports include tenants rent statement.
 - Suppliers ~ these reports can include orders and invoices raised for the supplier.
 - Trouble Tickets (Helpdesk), the report includes, Overdue Trouble Tickets, Tickets by Landlord, Tickets by Property, and Tickets by Quote.
 - Alerts, the alert reports include a range of alerts, which can be configured within the system including some important areas such as warning housing officers when properties require inspections or when safety checks need to be carried out.

11.31 The system provides a dashboard layout on the home screen, which highlights any alerts (see screen dump below):



11.32 Whilst the annual cost of £780 per annum is high for the current number of properties, this solution will be more cost effective as the number of properties recorded on the system increases.

11.33 The system is currently used by just two officers within the Housing Operations team who at the time of carrying out the audit were using the same login name and password. Whilst it is not possible to amend the rent, account records held in the system allow for any changes made to details held in the system to be attributed to the person whose user account is being used to make the change.

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|--------------------------|---|
| Recommendation: 3 | All officers who require access to the system to have a unique user account set up for them to ensure accountability in relation to changes. |
| Priority 3 | |

11.34 Currently the records within the system are not being properly maintained and updated. It was reported that with a vacancy within the team it is difficult to maintain the system with other priorities taking priority. Whilst alerts are shown on the desktop in some cases these relate to properties that are no longer leased by the Council. There has been limited support given to the staff that use to system to help explore how they could make greater use of the system.

| | |
|-------------------------|--|
| Recommendation 4 | The Council to carry out a systematic review of the Housing departments processes for managing the housing stock and evaluate how Tilt could assist the Housing department by improving the system. For example, all correspondence from tenants could be stored within Tilt. |
| Priority 3 | |

| | |
|--------------------------|---|
| Recommendation: 5 | Training be provided to the users on how the system be used in order to ensure that the records remain current and accurate. |
| Priority 3 | |

11.35 The Housing department are using the Origin system to record rent charges and income receipts for each property/tenant. The system generates the amount of rent owed using the details that are recorded for each property and the income that is received from each tenant is provided by the income team, the housing benefits receipts are provided by the Revenue and Benefits team. The income figures are manually typed into Tilt. There is no interface with either the Northgate Housing Benefits system or the Unit 4 income module. Whilst it was not possible to check, the accuracy of the income receipts there is no evidence of a reconciliation process in place to match the total amount of personal contributions to the income received through the bank or the Housing Benefits payments received in relation to the tenants who are occupying the Councils Social Housing Agency Properties. Whilst the Financial Information System Unit4 will contain an accurate figure for income received, it is important that the records in Tilt are reconciled to the finance system to ensure that any input errors or any processing errors are identified before rent statements are issued to tenants or outstanding debt reports are produced.

| | |
|--------------------------|---|
| Recommendation: 6 | The figures within Origin be reconciled to the Unit4 records, recognising the Unit4 does not hold the benefits receipts for each individual; this information will need to be obtained from the Northgate Housing Benefits system. |
| Priority: 2 | |

| | |
|--------------------------|--|
| Recommendation: 7 | A process be introduced that allows housing officers to reconcile the records within Origin with the Unit4 records. |
| Priority: 2 | |

Rent Arrears

- 11.36 It was reported that there has been an increase in rent arrears due to a failure to take appropriate action when a tenant defaults on their rent payments. Plans are in place to establish an early warning process that will alert management to any potential issue.
- 11.37 Due to the lack of a reconciliation process as highlighted above, it was not possible to obtain a reliable report on the current outstanding balances for each tenant.
- 11.38 The Rent Arrears Procedure document that was produced in 2015 (due to have been reviewed in 2018) states: “The Income recovery officer (IRO) and Housing Operations Manager (HOM) are to meet weekly to discuss the rent accounts for each tenant. The focus of these meetings will alternate between HMO Tenants and Single Family Dwelling tenants each week”. These meetings have not taken place for time. There is clearly a requirement for greater dialogue between Finance and the Housing team to ensure effective control is in place to manage outstanding debt.

| | |
|--------------------------|--|
| Recommendation: 8 | The meetings between finance offices and housing officers be re-established in order to manage the outstanding debts. Details of who will attend these meetings be recorded in an updated Rent Arrears Process. |
| Priority 3 | |
