

Final Internal Audit Report

Housing Void Management

07 May 2024

PL2307

**Overall
Assessment**

**Reasonable
Assurance**

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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2023/24 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2023. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive Summary

Overall opinion and summary of findings

The housing pressures on the Council as declared in the [Housing Emergency](#) are recognised. Officers have taken steps to improve performance with a number of key actions identified to reduce the number of void properties, re-let times, and increase the number of re-lets.

Current performance is not in line with the projected target of reducing the void rate to 3% by 31 October 2024, as reported to the [Housing Homelessness and Fair Works Committee in October 23](#). The target was developed based on the projected 80 new monthly voids per month, however voids during this period have been circa 100 per month. Management have revised the target timeline to 31 March 2025. The following opportunities to strengthen operational controls and increase efficiencies in the void management process have been identified:

- Documenting procedures for the Empty Homes process and for performance reporting and regulatory reporting including reviewing information provided by other teams such as finance.
- Reviewing the key controls within the Empty Homes void end to end process to ensure they enable efficient operations and minimise delays while retaining a full audit trail of progress, including mandatory pre and post inspection checks, additional works authorisation and electronic evidence to support key stages of the process (where feasible).
- Manual documentation should clearly evidence that a mandatory check has been completed and all relevant documents/emails should be stored in an accessible location.
- Categories used for performance reporting should be reviewed to clearly reflect the current position of the property, including which team the keys are currently sitting with.

- Quality Assurance checks of the key controls within the Empty Homes Void process should be embedded into the Housing Operations Quality Assurance process. Actions raised as part of the quality assurance process should be prioritised in terms of risk.

Areas of good practice identified

- Relevant void management process information is provided via the Council's website and by officers as required
- Empty Homes Improvement plans are tracked, have clear key actions, and include responsible owners, and expected completion dates
- Void properties are regularly discussed at various levels of management, including:
 - Homelessness Incident Management Team
 - Void Weekly Decision Logs
 - Weekly Void Summary Reports which are reported to the Chief Executive, Council Leader, and Executive Director.
 - discussion at relevant Leaders Meetings - though it is understood that this is now completed via email.

It is also acknowledged that there was a change in management of the Empty Homes process in March 2023 and the structure of the team is currently part of the ongoing Housing Review. In addition, it is recognised that the Empty Homes process is currently undergoing a number of ongoing improvements as part of the Empty Homes Improvement Plan and the proposed introduction of a new IT module called 'Connect' which is proposed to go 'Live' in June 2024.

Audit Assessment

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Policies and Procedures			Finding 1 – Policies and Procedures	Medium Priority
			Finding 2 – Training Assessment of Needs/Matrix	Low Priority
2. Quality and Health and Safety Checks			Finding 3 – Void Process Key Controls	Medium Priority
			Finding 4 – Quality Assurance	Medium Priority
3. Improvement and Governance			Finding 5 – Management Information	Medium Priority
			Finding 6 – Performance and Improvement	Medium Priority

Management Response to Executive Summary

We welcome the findings of the audit. Reducing the number of void Council homes to the stretching target of 3% by 31 March 2025 is an absolute priority for the service and management is committed to strengthening processes to help achieve this target. Lack of quality data and systems functionality to support the end-to-end process of voids management has been a significant factor in the difficulties the service has experienced in managing voids and these issues are recognised through a number of findings in the audit. Work is underway, along with colleagues in ICT, to identify and implement improvements that can be made in this area. A further workshop is being held in May 2024 drawing together managers and team leaders from across the service who are involved in the management of voids to walk through the end-to-end process, identify barriers and opportunities for improvement. Establishing quality controls for voids will be a key priority in the development of a new Quality Management System. This will be progressed by a new Quality Assurance team to be established as part of the Housing and Homelessness Service Review.

Background and scope

As at 31 March 2023, the City of Edinburgh Council (the Council) owned 20,658 social housing properties across the city that are let to tenants in line with the Council's [letting policy](#).

Before a tenant moves into their new home, the Council must carry out all repairs according to the Edinburgh Standard of Let (the Council's Lettable Standard) and ensure all services such as electricity and gas where provided are safe to be turned on. The Council's [Lettable standard](#) was reviewed and updated in November 2023.

The Scottish Housing Regulator (SHR) is an independent regulator of social Landlords and the [Scottish Social Housing Charter](#) provides the basis for the SHR to assess and report on how well the Council is performing and enables the Council and its stakeholders to identify areas of strong performance and areas for improvement. The Council must report to the SHR through the Annual Return on the Charter (ARC). The table below sets out the three performance measures which are relevant to empty properties and the Council's performance compared to the Scottish average for 2022/23.

ARC Indicator	CEC	Scottish average
17 Percentage of lettable houses that became vacant in the last year	5.87%	N/A
18 Percentage of rent due lost through properties being empty during the last year	2.3%	1.4%
30 Average length of time taken to re-let properties in the last year (days)	107.7	55.6

As at 8 April 2024, there were 1,241 empty properties. This includes 212 properties categorised as 'not for let' due being used as a decant, earmarked for temporary accommodation, disposal, or demolition.

It is recognised that COVID-19 caused significant disruption for the management and relet of empty properties and caused a backlog of empty properties. The [Void Project Plan](#) as at September 2023 includes the key

actions underway to deliver the void plan and a performance target to reduce voids to a 3% void rate by 31 October 2024 which has been subsequently revised to 31 March 2025.

The Empty Homes repairs service has been subject to annual internal quality management audits carried out by the Housing Compliance team based. The report and findings from the most recent Empty Homes team audit was issued on 5 September 2023.

Housing Operations currently use the NEC Housing, Total Mobile systems, and Empty Homes Database to record and manage Void Housing properties. As part of the Housing Service Improvement Plan the 'Connect' module of Total Mobile module of Total Mobile will be used from June 2024. The [Empty Homes process map](#) versions 6 and 7 (updated 14 February 2024) were used to identify and test key controls within this review.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure that the Void Housing process (from tenancy termination to return of keys for re-let), is managed effectively and in compliance with relevant housing regulations, standards, and legislation.

Alignment to CLT Risks

- Regulatory and Legislative Compliance
- Health and Safety
- Service Delivery
- Fraud and Serious Organised Crime

Reporting Date

Testing was undertaken between 01 February 24 and 22 March 2024

Our audit work concluded on 11 April 2024 and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Policies and Procedures

Finding Rating	Medium Priority
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Testing of the [Empty Homes process map](#) highlighted a number of issues in following the process including a lack of evidence of appropriate checks being completed and lack of adequate record keeping. [Appendix 3](#) of this report provides a summary of our testing results. In addition, our review highlighted the following:

- a) The first step of the process map notes that keys are obtained from the Team Leader within each Locality, but the walkthrough highlighted that this is not always the case as sometimes, the keys are picked up from Multi-storey Buildings, Housing Officers etc., so the process needs to be updated to reflect this.
- b) Inconsistencies in the practice to manage keys were noted across Locality Offices with three offices using logbooks to sign keys in and out to reduce the risk of keys going missing, but the fourth manages this via email.
- c) Each of the four Locality Offices use spreadsheets to track the empty property through the Empty Property team process. However, each of the Team Leaders use different colours for different reasons, which carries a key dependency risk, if the Team Leader was absent for a significant period or left the Council. As part of the audit weekly progress meetings IA noted to the Project Manager that it would be beneficial if each of the spreadsheets had a 'key' to explain what each of the colours meant.
- d) There is evidence to demonstrate that the Empty Homes process map has been cascaded to Team Leaders who were requested to share the new process map with relevant staff at team meetings. However, no evidence was provided to support that this was done.

While there is a high level process map, there is no documented procedure detailing the tasks to be completed to ensure all relevant officers have a clear understanding of their roles and responsibilities.

The [Council's Lettable standard](#) was reviewed and updated in November 2023. Updated Quality Control Officer (QCO) Void Inspection Sheets which included a check between the Standard of Let and the final inspection check were issued to relevant officers in March 2024. The Empty Homes procedures also require updating to ensure that the Empty Homes process is aligned to the lettable standard.

In addition, the last review date for the 'Tenancy Management - Programme Voids - Tenant and Resident Services, Guidance note' is November 2019 and it is noted on the Policy register with a review January 2022 timescale.

Performance information is gathered on a regular basis for a number of forums, however there is no documented process to support performance reporting of the Empty Homes process, and there is no documented process/procedure setting out how the figures reported in the annual SHR return are obtained, including the different roles that are involved, and the different reports/systems used.

Risks

- **Service Delivery** – policies and procedures may not be up to date and may not reflect the current process, and standards. Relevant officers may not understand the required tasks and what is expected of them.

Recommendations and Management Action Plan: Policies and Procedures

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	A documented procedure which adequately records the end to end Empty Homes process should be developed to provide clear management direction and to support new start induction where required. This procedure document should be aligned to the Council's Lettable standard and this procedure should be communicated to all relevant officers.	A procedure will be documented that records the end to end empty homes process, aligned to the Council's lettable standard. This will be communicated to all relevant officers.	Executive Director of Place	Service Director, Housing and Homelessness Head of Housing Operations	31/10/2024
1.2	The 'Tenancy Management - Programme Voids - Tenant and Resident Services Guidance note should be reviewed.	The guidance note will be reviewed. If required, the note will be revised. A date for its next review will also be set.			31/10/2024
1.3	A documented process to support performance reporting of the Empty Homes process should be implemented to provide clear management direction and to support new start induction where required.	The process that is currently in place to provide performance reporting on voids will be documented. This process will be updated as systems are improved and developed in the future.			31/10/2024
1.4	A documented process/procedure to support how the figures reported in the annual Scottish Housing Regulator (SHR) return are obtained, should be developed to provide clear management direction and to support new start induction where required. The procedure should include the different roles and teams that are involved in the reporting process, and the different reports/systems used. The procedure should also detail checks undertaken to validate the accuracy of the data prior to reporting.	A procedure will be documented ensuring that team roles, responsibilities, systems, and reports entailed in the process are included. The procedure will also include details of the checks that are performed on the data reported. This will be communicated through training of all relevant officers.			31/10/2024

Finding 2 – Training Assessment of Needs/Matrix

Finding
Rating

Low Priority

The service area uses Training Needs Assessment (TNA) spreadsheets for the training of Craft Operatives, Quality Control Officers (QCOs) and the Team Leaders. These records should be completed and dated by Officers and should be signed off by the relevant Line Managers. However, there was no evidence of to support that a TNA had been signed off by a manager within the Empty Homes Team.

An overarching Training Matrix is held by the Housing Health and Safety Officer to monitor all Health and Safety Training completed. It was established that this may not be up to date as there is currently a vacant Health and Safety post (since summer 2023) and this post has not been replaced due to the ongoing Housing Review. It was noted that this post is to be embedded under the new structure.

A check of the TNAs showed that Asbestos Awareness Training should be completed annually, and Risk Assessment training should be covered every 3 years. However, a check of the training matrix was completed for the Team Leaders and QCOs whom IA had met with as part of the audit walkthrough process, there was no record for these officers within the spreadsheet for Asbestos Awareness training in 2023 and there was no relevant tab/sheet which covered Risk Assessment Training.

Risks

- **Service Delivery** – officers may not have completed the required mandatory training, within the required timescales and a lack of effective monitoring by the line managers.

Recommendations and Management Action Plan: Training Assessment of Needs/Matrix

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	Training Needs Assessment spreadsheets should be updated, and completion monitored by relevant officers and line managers on a regular basis. All relevant officers required to complete the required Asbestos Awareness Training and Risk Assessment Training should be requested to complete the training as soon as feasible.	The Training Needs Assessment will be reviewed and updated if required with regular reviews date set. Any out of date Asbestos Awareness and Risk Assessment Training will be completed.	Executive Director of Place	Service Director, Housing and Homelessness Head of Housing Operations	31/10/2024
2.2	The Health and Safety Training Matrix should be updated and maintained on a regular basis	The Health and Safety training matrix spreadsheet will be updated and monitored.			31/10/2024

Finding 3 – Empty Homes Void Process Key Controls

Finding
Rating

Medium
Priority

A sample of 20 void properties was selected from the 'Locality Voids Report 12 February 2024'. The sample was split to select 10 properties each from the comments field using the sub-headings of 'Voids Team' and 'Ready to Let'.

A sample of properties where the comments were marked as 'ready to let' were chosen, to confirm whether there was evidence of final inspections / final checks being completed for the identified properties.

During the sample testing, it was highlighted that three of the void 'ready to let' homes had been marked as ready to let by entering the 'Actual Key Returned Date' on the Empty Homes Database when the properties had only been transferred to another team and the property was not ready to be re-let. The Project Manager advised that guidance would be issued to address this to the relevant Team Leaders within the Empty Homes Team.

Management advised that the 'ready to let' term was used internally to indicate that keys are passed from the Repairs team to the Locality team and did not mean the property was necessarily ready to be re-let and that these properties are still shown as being a 'Void property' on the Housing NEC system.

However, there is no documented guidance which sets this out. Therefore, substantiating the full position of the properties included in the sampling testing proved difficult. A summary of the main testing outcomes can be found within [Appendix 3](#) of this report.

During the audit review, evidence to support why the property had been recorded as a void for a significant period (i.e. > 6 months), had to be obtained from several sources, i.e. Void Inspection sheets, Empty Homes Spreadsheets, and the Empty Homes Database and copy emails. Whilst there was evidence to support the works in the majority of properties sampled, there were significant gaps in the information held and it was not possible to follow a full audit trail of the journey of works / teams to a property for the some of the cases tested, i.e. from the tenancy end date/void date noted within the Locality Voids Report to the tenancy re-let date.

The evidence provided to support the audit sample mainly related to the voids team, but IA were advised that the keys are often passed to a number of different teams prior to and after the keys have been passed to the Empty Homes teams.

In addition, there was no evidence to support that the completed Quality Control Officer (QCO) Void Inspection Sheets inspection checks were aligned to the lettable standard.

Risks

- **Service Delivery** – mandatory checks within the Empty Homes process are not completed or are missed.

Recommendations and Management Action Plan: Empty Homes Void Process Key Controls

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	Key controls within the Empty Homes void end to end process should be determined and documented. This should include but not be limited to consideration of: <ul style="list-style-type: none"> • mandatory pre and post inspection checks 	As per recommendation 1.1, the Empty Homes procedure will be formally documented. The procedure will include: <ul style="list-style-type: none"> • mandatory checks with evidence of completion 	Executive Director of Place	Service Director, Housing and Homelessness	31/10/2024

<ul style="list-style-type: none"> • additional works authorisation • electronic evidence to support key stages of the process (where feasible) • requirement for all manual documentation to clearly evidence that a mandatory check has been completed and • storage of all relevant documents and emails to support the evidence of checks completed/decisions made in an accessible location. <p>The Empty Homes procedure document referred to in finding 1 should clearly document each of the above points.</p>	<ul style="list-style-type: none"> • how additional works are authorised • where relevant documentation should be stored. 		Head of Housing Operations	
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Finding 4 – Quality Assurance

Finding
Rating

Medium
Priority

Prior to October 2023, the Empty Homes repairs service had been subject to annual internal quality management audits conducted by the Housing Compliance team, which were based on the ISO 9001 standard and subject to external assessment.

The service is currently part of a structural review, and it is not known whether a new quality management process will be in place or whether future annual reviews of the Empty Home's repairs process will be undertaken. The date for a future Empty Homes review has not been completed within the Compliance Audit Schedule as the future audit schedule will be developed by the Compliance team once the team is in place.

Management have however advised that Quality Assurance has been included within the proposed new Housing and Homelessness structure.

The following quality assurance issues were also noted:

- testing highlighted a lack of regular quality control checks to ensure that the key controls within the Empty Homes Void Process have been completed and completed accurately, for example, relevant mandatory pre and post inspection checks, appropriate authorisation for completion of works, final inspections/checks vs the Lettable standard.

- findings raised in Compliance Team audit reports were recorded within the ISO Response Tracker but were not prioritised in terms of risk, so therefore there may be a lack of clarity for managers which actions are of higher priority for completion.
- review of Audit Action Meeting Minutes highlighted that the relevant action reference number is not cross referenced between the ISO action tracker and the relevant meeting minutes, as a result it was challenging to conclude on whether the discussion was considering the risks raised.

Risks

- **Legislative and Regulatory Compliance** – without a robust quality assurance process, non-compliance issues and errors may go undetected
- **Service Delivery** – failure to complete required tasks in line with the Empty Homes process which could lead to misinformation and / or inaccuracies in the property status recorded
- **Service Delivery** – lack of clarity on which improvement actions should take priority.

Recommendations and Management Action Plan: Quality Assurance

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
4.1	Quality Assurance checks of the key controls within the Empty Homes Void process should be embedded into the Housing Operations Quality Assurance process. Assurance checks should include mandatory Health and Safety Checks, appropriate	Quality Assurance checks will be included as part of the Quality Management System that will be developed.	Executive Director of Place	Service Director, Housing and Homelessness	31/01/2025

	authorisation for completion of works, final inspections/checks vs Lettable standard.			Head of Housing Operations	
4.2	Actions raised as part of the quality assurance process should be prioritised in terms of risk to provide clear prioritisation for managers on which actions should be completed first.	Prioritisation of actions will be considered as part of the development of the Quality Management System.			31/01/2025
4.3	Actions raised as part of the quality assurance process should be cross-referenced between the action tracker and the minutes of meetings held ensure progress made is discussed and accurately recorded.	Tracking of actions will be considered as part of the development of the Quality Management System.			31/01/2025

Finding 5 – Management information

Finding
Rating

Medium
Priority

Housing Operations currently use the NEC Housing, Total Mobile systems, and Empty Homes Database to record and manage Void Housing properties, however, management have advised that the systems “cannot talk to each other” and do not adequately support the tracking of voids, and as a result, obtaining effective management information is difficult. Management have advised that the new Total Mobile Connect model (due to be implemented in June 2024), will address some of the issues identified.

Management also advised that Performance reporting is largely based on a manual process to update relevant fields, i.e. the ready to let status within the comments field within NEC which is used as a ‘blunt tool’ used to obtain an understanding of the current status of void properties. Performance information is collated by using the ‘Weekly Locality Void Report’ and is used to provide summary information to relevant Housing Managers, Service Director, Executive Director, the Chief Executive, and the Council Leader.

As noted at Finding 3, discrepancies in the property status was noted with management stating that the 'ready to let' is a term used internally to indicate that keys are passed from the Repairs team to the Locality team and is not meant to show that the property is actually ready to be re-let and that these properties are still shown as being a Void property on the Housing NEC system. However, where properties are recorded within the NEC system as ‘ready to let’, these are included within the ‘Locality Void Report’ and therefore

included within the weekly performance report figures as ‘Repairs complete/to be let’ when they are not actually ‘ready to let’. Internal Audit requested Housing team about the details of rent loss data, indicator 18 of the annual data return, provided annually to the SHR. Management could not provide those details during the fieldwork stage of the audit as the key staff member was on leave. The key staff member, after their return, have informed that the rent loss data is received from the Council’s Finance team, however no independent oversight by Housing Operations could be substantiated to ensure completeness and accuracy of the reported rent loss data.

The Empty Homes Improvement Plan is on the agenda of the Housing Operations Improvement Plan monthly update meetings; however, no minutes are taken for these meetings to support evidence of discussions on progress.

Risks

- **Service Delivery** – management information does not accurately reflect the Void property status.
- **Service Delivery** – Reporting to the Scottish Housing Regulator is inaccurate which could also impact on the Housing Services reputation.
- **Financial and Budget Management** – the Void rent loss figure is inaccurate.

Recommendations and Management Action Plan: Management Information

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
5.1	The sub heading reporting categories used for performance reporting should be reviewed to clearly reflect the current position of the property,	The current manual process of using comments to track the status of voids is an interim process in the absence of adequate tracking and reporting in systems.	Executive Director of Place	Service Director, Housing and Homelessness	31/08/2024

	including which team the keys are currently sitting with.	The use of 'Repairs complete / Ready to Let' as one of those statuses will be reviewed, and if decision is made to change it will be implemented.		Head of Housing Operations	
5.2	Assurance should be obtained from relevant managers involved in the Empty Homes process to support that data used for performance and annual reporting has been accurately recorded, including the correct allocation to relevant codes within relevant housing systems.	Weekly reports are currently in place to support managers to carry out this data validation. In addition, as per recommendation 4.1, Quality Assurance checks will be included as part of the Quality Management System that will be developed to ensure data used for performance and annual reporting has been accurately recorded.			31/01/2025
5.3	Housing Operations management should document the procedure to ensure accurate and complete data reporting to the SHR, to ensure there is no key person dependency. Data reported to the SHR should also be supported with an audit trail.	As per recommendation 1.4, a procedure will be documented ensuring that team roles, responsibilities, systems, and reports entailed in the process are included. The procedure will also include details of the checks that are performed on the data reported. This will be communicated through training of all relevant officers.			31/10/2024
5.4	Minutes and/or action notes should be maintained for the Housing Operations Improvement Plan monthly update meetings.	Action notes will be maintained for the Housing Operations Improvement Plan monthly update meetings			31/08/2024

Finding 6 – Performance and improvement

Finding
Rating

Medium
Priority

Performance indicators are reported through the [Housing Service Improvement Plan \(HSIP\)](#) which is reported on a six monthly basis to the Housing, Homeless and Fair Work Committee. A weekly void summary is also provided to management detailing numbers by void category.

It is recognised that COVID-19 caused significant disruption for the management and relet of empty properties and caused a backlog of empty properties. The [Void Project Plan](#) as at September 2023 set a target of 3% void rate to be achieved by October 2024 (circa 566 properties including those in the ‘unable to let’ category) with the aim of reducing the number of voids to 986 by March 2024.

In November 2023, the Council [declared a Housing Emergency](#) which highlighted Edinburgh had the highest number of households in temporary accommodation in Scotland and a severe shortage of social rented homes with circa 200 bids per property advertised.

As at 8 April 2024, the number of void properties was 1,241, which is 25% higher than the voids plan projected target for this period. The average void length is 555 days, with 543 (44%) properties void for over 1 year. The table below provides a breakdown of the position as at 8 April 2024:

	Total Voids	Average Duration	% of Voids
Under 3 Months	280	43 days	22.6%
3 to 6 Months	196	135 days	15.8%
6 to 12 Months	222	275 days	17.9%
12 to 18 Months	139	448 days	11.2%
18 Months +	404	1303 days	32.6%
Total	1241	555 days	100.0%

The void rent loss of from April to December 2023 was £1,685,233.

Management advised that due to the Housing Emergency the focus since November 2023 has been on turning around shorter-term voids for re-let resulting in a backlog of longer-term voids.

Management have also advised that further work has been done on the voids plan since the report in October 2023. Following further refinement of data, assumptions (increase in new monthly voids from 80 to 100), capacity and actual performance, an update will be provided to the Housing Homelessness and Fair Work Committee on 14 May 2024. Management propose to set a target of voids reduced to 650 by 31 March 2025, an extension of 5 months in reaching the target 3% void rate.

During times of crisis, key controls such as updating policies and procedures, maintaining training and data quality issues can seem less of a priority and can fall by the wayside, however it is important to retain a focus on maintenance of key controls, as getting to the root cause of these issues and ensuring there are effective controls can help increase overall efficiency and effectiveness. Management has advised that this focus will continue to be provided through the Homelessness Incident Management Team.





Risks

- **Strategic Delivery** – Projected Housing void targets are not met resulting in less Empty Homes being available for re-let and an increase in potential loss of income through void rent loss.

Recommendations and Management Action Plan: Performance and improvement

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
6.1	<p>Management should review the findings raised in this report and consider as part of the Voids Plan where there are opportunities for improving efficiencies and cross-team working/handovers.</p> <p>Progress towards meeting the 3% void target should be tracked closely with a focus on improving management information and data accuracy so pressure points are identified promptly, and remedial action taken.</p>	<p>Progress towards meeting the target of 3% is closely monitored through weekly meetings and reports, with opportunities for improvements being identified and implemented.</p>	<p>Executive Director of Place</p>	<p>Service Director, Housing and Homelessness</p> <p>Head of Housing Operations</p>	<p>31/08/2024</p>

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings

Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Area of Audit Focus	Control Objectives
Policies and Procedures	<ul style="list-style-type: none"> • Clear and up to date policies and procedures which are aligned to the relevant void management legislation and standards are in place with consistency of approach across each of the localities. • Policies and procedures have been communicated to all relevant staff and appropriate training on the void management process has been provided. • Relevant detailed information on lettable standards (i.e. what property conditions to expect when a property is let out to tenants and when the keys are returned) is provided to tenants via the Council’s website and by officers, as required.
Quality and Health and Safety Checks	<ul style="list-style-type: none"> • Appropriate quality checks and relevant health and safety checks are completed to ensure that the empty property meets relevant legislation, regulations, and standards. • Quality issues and remedial actions identified are tracked, have appropriate timescales for completion and are reported to an appropriate level of management.
Improvement and Governance	<ul style="list-style-type: none"> • There is effective oversight of the reporting of void management operational performance, including the frequency of reporting, and an escalation process to management which clearly identifies the action taken when expected performance improvements are not being made. • Improvement plans are tracked, have clear key actions, and include responsible owners, expected completion dates, and have appropriate management oversight. • Performance data reported to the SHR on void management is accurate and supported by evidence including the correct allocation to codes within relevant housing systems.
Risk Management	<ul style="list-style-type: none"> • Risks related to void management are identified, recorded, and managed within a service risk register, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required.

Appendix 3 – Summary of Audit Test Results

In line with the IA terms of reference, the following control objectives were tested through a sample of 20 void properties which were selected from the Locality Voids Report 12Feb 2024 v0.1:

- **Quality and Health and Safety Checks:** - Appropriate quality checks and relevant health and safety checks are completed to ensure that the empty property meets relevant legislation, regulations, and standards.

The selected sample was split to select 10 properties from each of the sub-headings of 'Voids Team' and 'Ready to Let'. The outcomes of sample testing are as follows:

Voids Team Sample Testing:

- 3 out of 10 cases did not have evidence of asbestos checks. IA observed during the process walkthrough that the Quality Control Officers and Team Leaders can complete a check to see if a recent Asbestos check has been completed by checking the AMS (Asbestos Management System) Register to see if an asbestos survey has been done recently. This is completed via their phone. However, testing highlighted that there is nothing recorded to demonstrate that this check has been completed either within the Void Inspection Sheets, the Empty Homes database, or the Team Leaders Empty Homes Spreadsheets.
- 5 out of 10 cases did not have a record of the Needle Stick risk check being completed.
- IA were advised that the current status of the property should be updated within the 'notes column' of the Empty Homes Database, however testing highlighted that 8 out of 10 cases did not have the 'notes' column completed on the database. However, it is acknowledged that there was other evidence such as photos to support the ongoing works was available for 4 of these cases.
- IA were advised that if the keys had been passed to another team for example the dampness team, that this would be recorded within the "Keys Passed to Internal Team" fields within the Empty Homes database. However, testing highlighted that no data had been recorded within the relevant fields within this section of the record for 4 out of the 10 cases and one case had the code "C19" entered, and it was not possible to determine the definition of this code.

Ready to Let Sample:

- 3 of the void 'ready to let' homes had been marked as ready to let by entering the 'Actual Key Returned Date' on the Empty Homes Database when the properties had only been transferred to another team and the property was not actually ready to be re-let.
- 5 out of 10 properties were either not recorded on the Empty Homes Locality spreadsheets or the records were incomplete.
- There is a lack of consistency for definitions of different colours used within the individual Team Leaders Empty Homes spreadsheets, therefore, a consistent approach should be taken, or a key included to explain what each of the colours mean on their individual spreadsheets.

- There were no inspection sheets for 2 of the properties and for a further 2 properties it was not clear whether it was an initial inspection or post work inspection which had been completed.
- It was not possible to establish whether the asbestos check had been completed on three of the properties as the check had not been recorded as having taken place and for a further 3 properties, there was evidence to support that 'asbestos aware' but again it was unclear whether the asbestos check had been completed as this not been recorded as such.
- Within 4 of the properties there was nothing recorded to demonstrate that a final inspection check of the property had been completed.
- The Empty Homes process map includes a step to note that the final inspection sheet should be issued via email to issued Empty Homes Team Leaders, Business Support, and Locality Housing Team Leaders but there were no copy emails available to support that this task had been done in 7 of the cases tested.
- There was no evidence for the approval of additional works in one of the cases tested.