

BOROUGH OF KETTERING

MONITORING AND AUDIT COMMITTEE

Meeting held: 21st November 2017

Present: Councillor Jonathan West (Chair)

Councillors John Currall, Jenny Henson, Anne Lee, Paul Marks
Greg Titcombe and Mike Tebbutt

Also Present:

Lisa Hyde	(Executive Director)
Mark Dickenson	(Head of Resources)
Guy Holloway	(Head of Corporate Development)
John Conway	(Head of Housing)
Rob Thompson	(Benefits Manager)
Jo Haines	(Group Accountant)
David Pope	(Committee Administrator)
Mark Watkins	(CWAS)
Dan Haywood	(KPMG)

17.MA.18 APOLOGIES

None

17.MA.19 MINUTES

RESOLVED that the minutes of the meeting of the Monitoring and Audit Committee held on 12th September 2017 were approved as a correct record and signed by the Chair.

17.MA.20 DECLARATIONS OF INTEREST

None

17.MA.21 EXTERNAL AUDIT REPORT – ANNUAL AUDIT LETTER (A1)

Members received a report written by the Council's external auditors, KPMG, which presented the Annual Audit Letter following completion of the audit of accounts for 2016/17.

It was noted that the Annual Audit Letter summarised the external audit work carried out during 2016/17 and contained the same messages as previously reported to the Committee at its September meeting as part of the ISA 260 report.

The Chair thanked the Finance Team for their engagement and hard work in allowing the process to be undertaken and completed in a timely manner.

RESOLVED that the Monitoring and Audit Committee received and noted the Annual Audit Letter for the 2016/17 audit.

17.MA.22 INTERNAL AUDIT CHARTER (A2)

A report was submitted which presented the Internal Audit Charter from the Council's internal auditors (CWAS) in compliance with the requirements of the Public Sector Internal Audit Standards (PSIAS) 2017, requiring the purpose, authority and responsibility of the internal audit activity to be formally defined in an Internal Audit Charter.

It was noted that there were a number of minor amendments to the standards that required inclusion within the Internal Audit Charter that had been agreed with KBC. The amendments were as follows:-

- Standards regarding the independence of internal auditors and the avoidance of a conflict of interest when carrying out additional responsibilities or consultancy work had been added. It was noted that this change did not apply to CWAS as it only undertook internal audit work for KBC.
- There had been a strengthening of wording relating to audit planning and reporting processes. The new wording emphasised the need for these to be more closely linked to the strategic risks and objectives of the authority being audited.

Members asked questions in regard to how the scope of works undertaken by internal audit and the risk register was defined.

RESOLVED that the Committee received the Internal Audit Charter.

17.MA.23 RISK MANAGEMENT UPDATE (A3)

A report was submitted which sought member approval for the updated Risk Management Policy Statement, strategy and associated Strategic Risk Register.

The Principal Account provided a presentation which included an explanation of the risk matrix before and after mitigation controls. It was noted that mitigation reduced the likelihood of a specific risk but could not alter the potential impact of the risk.

The Committee noted that a review of the register had been undertaken by the senior management team with amendments made to several existing risks and the addition of two new risks.

The Committee asked questions in relation to the format of the risk register and the impact of external bodies on strategic risks.

RESOLVED that the Risk Management Policy and Strategy be reaffirmed and the updated Strategic Risk Register be endorsed

17.MA.24 KEY UPDATES (A4)

Homelessness Update

The Head of Housing provided the meeting with an update in relation to homelessness. It was acknowledged that there was an ongoing housing crisis locally and nationally and a number of the causal effects were outlined to the meeting:-

- Locally there was a growing and changing population, which had risen approximately 20% since 2001 and now featured a greater number of smaller and older households.
- Home ownership was increasingly unaffordable, with the average house price in the Borough standing at £177,000, six times the average salary.
- Insufficient levels of new housing were being constructed locally and nationally. Approximately 230 affordable homes were required annually to meet demand locally, but this figure had not been achieved to date.
- Private rents were rising rapidly, 3-bed properties in the Borough had seen rent increases of 14% over the last 12 months.
- A cap on Local Housing Allowance (LHA) meant that those on lower incomes were less able to find affordable rental properties.

- Welfare Reform was impacting those on low incomes and there had been cuts in funding for supported housing resulting in the loss of 37 bed spaces across the Borough.

It was noted that the result of these pressures affecting the housing market was a soaring demand for social housing.

Homeless applications made to KBC had risen 237% over the previous four years and now stood at 408 applications annually. This was a trend that was being replicated for local authorities across the county and nationally.

A huge increase in evictions from the private rented sector was pushing many more families and households to present as statutorily homeless. As a result the use of temporary accommodation had increased both in frequency and duration of stay. As of 20th October, 116 households were in temporary accommodation compared with between 18 to 20 households in 2014/15.

The meeting heard that the Homelessness Prevention Act 2017 (HPA) effective from April 2018 would require local authorities to take reasonable steps to prevent people becoming homeless. Existing legislation was designed to offer assistance once an individual became homeless. This would be achieved in the following ways:-

- Enhanced prevention duty increased from 28 days to 56 days.
- Personalised plan for each applicant.
- New duty for local authorities to take steps for 56 days to relieve homelessness.
- Targeted information and advice on the prevention and relief of homelessness and the rights of homeless people.
- Duty for local agencies to refer people who were homeless or at risk of being homeless to local authority housing teams.

In an effort to tackle the homelessness situation, KBC had established Kettering Homelessness Action Partnership featuring a number of statutory organisations locally to provide a coordinated approach to information sharing and to assist in making other agencies aware of the HPA.

A project plan reviewing the Council's homeless prevention policies, processes and staff training needs would be put into place and there would be an expansion of the portfolio of temporary accommodation available through acquisitions and private sector leasing. In addition there would be a review of staffing resources and management structures.

It was reported that the Keyways Housing Allocations Scheme had been amended to allow for statutory homeless households to be rehoused more quickly and work was underway to significantly reduce the number of long-term void properties across the Council's housing stock..

Members asked questions regarding the Keyways register and whether private landlords were liable to undertake the requirements set out in the HPA.

Welfare Reform

It was heard that a debate around the initial claim waiting period for Universal Credit (UC) had yet to occur, but could arise as part of the government's Autumn Budget.

The meeting noted a correlation between homelessness and UC, with the impact expected to rise significantly as UC was rolled out across the Borough from June 2018. It was heard that a plan to implement LHA rates in the social sector with effect from 2019 had now been cancelled.

The Local Council Tax Support consultation had concluded, with a report on the findings being submitted to the December meeting of the Executive Committee.

The meeting noted that the government planned to undertake a review of supported accommodation payments, with the possibility of a new three-tier system being implemented for sheltered, long-term and short-term accommodation.

The Budgeting and Social Inclusion team were still seeing high numbers of customers. A successful event had been held as part of Mental Health Awareness Day and there had also been positive engagement with schools. The weekly drop-in session at the Job Centre was proving to be popular, with a future ambition to have Job Centre representatives based at the Council offices one day a week.

Council representatives had started attending Council Tax court hearings in an attempt to engage with customers directly. Work would be undertaken in the self-service area of the offices to allow for better internet and phone access to organisations such as the DWP and HMRC.

The meeting heard that there had been 340 applications for Discretionary Housing Payments during the year, with £120,000 committed from a budget of £190,000. There had been a total of 243 awards of DHP, with the majority of refusals due to customers having sufficient income to cover their rental costs.

17.MA.25 KEY PERFORMANCE INFORMATION BOOKLET (A5)

Members received the Key Performance Information Booklet.

It was heard that “Cleaner Environment” indicators had changed to those operated by the Association for Public Service Excellence (APSE). This provided the Council with access to more comparative data than under the previous indicators.

The Committee asked questions in relation to the following aspects of the information provided:-

- Targets being set for the new “Cleaner Environment” indicators
- The length of time taken to answer switchboard calls
- Whether long-term sickness figures distorted overall sickness figures

17.MA.26 WORK PROGRAMME (A5)

The work programme was submitted to the Committee for consideration. The following reports would be brought to the next committee:-

- Budget Proposals for 2018/19
- Annual Audit Plan
- Certification of Grants

An update was provided to the meeting regard the Food Safety Audit item that had been on the work programme for some time. It was heard that the audit had been submitted to the Food Standards Agency and their comments were awaited before a report could be submitted to the Committee for consideration.

(The meeting started at 7.00pm and ended at 8.18pm)

Signed:

(Chair)

DJP