

# COMPLIANCE AUDIT REPORT

November 2013 v1



Homes &  
Communities  
Agency

## COMPLIANCE AUDIT YEAR 2014

Partnership Name	Ashford BC AHP 2011/15
Partnership ID	11891
Lead Partner Name	Ashford Borough Council
Lead Partner ID	29UB
Date of Audit Visit	12 <sup>th</sup> Nov. 2014
Date HCA Report Issued	June 2015
Independent Auditor Name	Ibis Ltd- Jonathan Hudson
HCA Lead Auditor Name	Lesley Banfield
List of Audited Schemes	See attached scheme sample report

1	HCA Audit Report: send <b>advance copy</b> to Development Director and Chief Executive	✓
2	HCA Audit Report: send copy <b>five working days after</b> the advance copy to Board Chair, Development Director, and Chief Executive	

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<b>A</b>	<b>PARTNERSHIP OVERALL AUDIT ASSESSMENT</b>
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### **A 1 Overall audit assessment**

Overall it is considered that the Partnership meets requirements and has complied with the guidance as set out within the Capital Funding Guide.

**Grade Green**

### **A 2 Developing partner's individual assessment**

Partner name	Partner ID	Audit type (Proc/Quality)	HCA assessment
Ashford BC AHP 2011-15	11891	Procedural	Green grade-meets expectations
Ashford BC AHP 2011-15	11891	Quality	Green grade-meets expectations

<b>B</b>	<b>PROCEDURAL ASSESSMENT</b>
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### **B 1 Procedural audit summary**

#### **Number of schemes procedurally audited and number of breaches**

Two schemes have been audited. There was one breach from this audit

See Appendix 1 for full details.

#### **Procedural Recommendations**

Any proposed variations to the contract i.e. the rents to be charged as shown on IMS, and any other changes to information of the scheme on IMS, are to be reported to the HCA in advance. No changes to the contract and the information recorded on IMS are allowed without the express agreement of the HCA.

<b>C</b>	<b>QUALITY ASSESSMENT</b>
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## **C 1 Quality audit summary**

### **Number of schemes quality audited and key findings**

One scheme has been quality audited. The key findings were;

A successful redevelopment of an old garage site, which had previously suffered from problems of antisocial behaviour. Three new spacious three bedroom five persons homes for rent have been created, built to good space standards and achieving Life Time Homes standard as well as the Code for Sustainable Homes level three.

See Appendix 2 for full details of the quality audit findings.

### **Quality Recommendations**

None

### **Overall Assessment**

Overall it is considered that the Partnership meets expectations and is awarded a **Grade Green**

<b>D</b>	<b>HCA SIGNATURE</b>
<p>This report is confidential between the Homes and Communities Agency and partners within the partnership agreement.</p> <p>The breaches identified in this report should be noted and accepted by the partner/s and remedial action should be taken in accordance with the recommendations within this report to ensure that there is no re-occurrence.</p> <p>The information contained in this report has been compiled purely to assist the Homes and Communities Agency in its statutory duty in relation to the payment of grant to partners.</p> <p>The Homes and Communities Agency accepts no liability whatsoever for the accuracy or completeness of any information contained herewith.</p> <p>The assessment is confidential to the addressee and no third party can place any reliance upon it.</p> <p><b>Name and Position:</b></p> <div style="text-align: center; margin: 20px 0;">  </div> <p><b>Signature and Date:</b> <span style="float: right;">June 2015</span></p>	

<b>E</b>	<b>LEAD PARTNER'S SIGNATURE</b>
<p>The breaches identified in this report have been noted and accepted and remedial action will be taken in accordance with the above recommendations to ensure that there is no re-occurrence.</p> <p><b>Name and Position:</b></p> <p><b>Signature and Date:</b></p>	

<b>APPENDIX 1</b>	<b>PROCEDURAL BREACHES</b>
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<b>Partner Name</b>	Ashford BC AHP 2011-15
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<b>Partner IMS ID</b>	11891
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<b>Scheme Address</b>	89 Hunter Rd, Willesborough
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<b>Scheme IMS no.</b>	81-614151
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<b>Breach Heading</b>	IMS data
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<b>Breach Type</b>	Incorrect data entered- genuine error
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<b>Breach Severity Measure</b>	Medium
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<b>Comments and Recommendations</b>
<p>1. The Independent Auditor noted; ‘the rent shown on IMS is £140.00pw but the unit was let at £131.52 which was the LHA maximum.’ Ashford Borough Council subsequently advised; ‘the affordable rent was calculated and input to IMS as £140.00pw. It was only at the point that the property was due to be let that our Lettings Officer noted that this was over the Local Housing Allowance rate and would impact on the applicant who was being offered the property as Housing Benefit would not cover the full rent. We therefore agreed to lower the rent to £131.52 which would fall within the LHA rate. We were unaware that we had to report this change to the HCA as we had already submitted final scheme details.’</p> <p>Any changes to the contractual details of funding as recorded on IMS are to be discussed with the HCA in advance and agreed.</p>

<b>APPENDIX 2</b>	<b>QUALITY AUDIT FINDINGS</b>
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Findings identified under each of the four main key headings are listed below.

<b>Partner Name</b>	Ashford Borough Council AHP 2011/15
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<b>Partner IMS ID</b>	11891
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<b>Scheme Address</b>	Arcon Road, Ashford, Kent, TN23 5BY
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<b>Scheme IMS no.</b>	81-607359
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<b>Background</b>
<p>This is a development by a Local Authority on land it already owned, in a residential area of Ashford, where there was a lack of on road parking for existing residents. It consisted of demolition of existing garages where some problems existed due to antisocial behaviour, and construction of three new three bed houses for rent.</p>

<b>1 Resident Satisfaction</b>
The homes were not complete at the time of the quality visit so no resident feedback is reported.
<b>2 Internal Environment</b>
The houses are of a good size and proportion and well exceed the minimum HQI required, in addition the homes achieve Life Time Homes standard.
<b>3 External Environment</b>
An infill development where existing garages had been located and suffered from problems of antisocial behaviour. The new homes follow the existing building line and form of surrounding houses, and have improved the area, previously being run down, and now providing improved surveillance to the area. Additional on street car parking spaces for existing houses had been provided as part of the scheme to help alleviate shortage of parking.
<b>4 Sustainability</b>
The Code for Sustainable Homes level 3 was achieved with a fabric first approach including 'thin joint' block work which reduces air leakage and improves speed of

construction.	
<b>Comments and Recommendations</b>	
A well-received scheme that has improved an old garage site, providing three new homes for rent, built to good space standards with flexible layout. In addition the scheme includes parking for some adjoining homes where previously there was insufficient parking.	
<b>Overall Grade</b>	Green

<b>APPENDIX 3</b>	<b>OBJECTIVES OF COMPLIANCE AUDIT</b>
<p>Compliance Audit visits are made to partners to check compliance with the Homes and Communities Agency's procedures and funding conditions. If you have any queries of the detail of the audit, please refer back to the HCA lead auditor who assessed the audit.</p> <p>If you wish to feedback comments on the methodology of Compliance Audit, please contact:</p> <p><i>Team Leader - Design and Sustainability Homes and Communities Agency London Corporate Office</i></p>	

<b>APPENDIX 4</b>	<b>PROCEDURAL GRADES DEFINITIONS</b>
<p><b>Grade Green - meets requirements</b> The HCA Audit Report will normally express general satisfaction with a Partner's overall performance. It may also identify areas where minor improvements are required.</p> <p><b>Grade Amber - fails to meet requirements</b> This grade is given where the Partner fails to meet requirements but no misapplication of public money has occurred. The Partner will be expected to correct the problem(s) in future schemes and current developments where possible, but the problem(s) do not prevent the scheme objectives from being fulfilled. The HCA Audit Report should set out the areas of non compliance and the remedial action required.</p> <p><b>Grade Red - serious failure to meet requirements</b> This grade is given where there is a serious failure to meet requirements. The serious failures may involve:</p> <ul style="list-style-type: none"> <li>• Misuse of public funds;</li> <li>• A scheme failing materially to meet its objectives; and/or</li> <li>• A range of failures that casts serious doubt over the Partner's competence, for example where there is an on-going trend of Grade Amber failure.</li> </ul>	

<b>APPENDIX 5</b>	<b>QUALITY MEASURES DEFINITIONS</b>
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Quality is reported by reference to resident satisfaction and the core performance standards for internal environment, external environment and sustainability set out in the Design and Quality Standards April 2007.

**Resident Satisfaction measure:** outcomes of the resident interviews conducted as part of the quality audit on-site assessment.

**Internal Environment measure:** Internal environments should be comfortable, convenient, and capable of sensibly accommodating the necessary furniture and equipment associated with specific room activities and is suitable for the particular needs of intended user groups.

**External Environment measure:** The development of new homes should be undertaken in a manner which delivers great places to live, creates well-mixed and integrated communities and provides an appropriate balance between private and public open space.

**Sustainability measure:** New homes should be designed and constructed in a sustainable manner using products and processes that reduce environmental impact, better adapt to climate change, with lower running costs and incorporating features that enhance the health and well-being of constructors, occupiers and the wider community.

## **COMPLIANCE AUDIT Scheme Sample Report (Partnerships) for Partnership: Ashford Borough Council AHP Programme 2011/15**

**Audit Year: 2014**

**11891**

**Region: East and South East**

**Organisation: 29UB Ashford Borough Council**

**Scheme: 81-607359**

**Arcon Road,TN23 5BY**

**Exp Prog:** ADP

**Status**

**Final Grant Date:** 1/12/2014

**Scheme Class:** RENT **LA Code:** 251 **Dev Type:** Not Specified **MMC:** ECO Homes:

**Grant Amount:** 70,788 **Total Scheme Cost:** 517,187 **No of Units:** 3

**Audit Type:** Target Date

**Lesley Banfield (ESE) Overall Audit Status:** Scheduled

**CSH Ind:**Level Three (\*\*\*)

**Quality**

**Procedural**

**Scheme: 81-614151**

**89 Hunter Road,Willesborough,TN24 0RT**

**Exp Prog:** ADP

**Status**

**Final Grant Date:** 27/1/2014

**Scheme Class:** RENT **LA Code:** 251 **Dev Type:** Not Specified **MMC:** ECO Homes:

**Grant Amount:** 23,102 **Total Scheme Cost:** 165,178 **No of Units:** 1

**Audit Type:** Target Date

**Lesley Banfield (ESE) Overall Audit Status:** Scheduled

**CSH Ind:**Level Two (\*\*)

**Procedural**

**Scheme: 81-620432**

**18 Riverview,Ashford,TN23 4XH**

**Exp Prog:** ADP

**Status**

**Final Grant Date:** 17/3/2014

**Scheme Class:** RENT **LA Code:** 251 **Dev Type:** Not Specified **MMC:** ECO Homes:

**Grant Amount:** 23,102 **Total Scheme Cost:** 105,278 **No of Units:** 1

**Audit Type:** Target Date

**Lesley Banfield (ESE) Overall Audit Status:** Scheduled

**CSH Ind:**Level Two (\*\*)

**Procedural**

**Scheme: 81-626903**

**Christchurch House,1a,Christchurch Rd,TN23 7BX**

**Exp Prog:** ADP

**Status**

**Final Grant Date:** 18/8/2014

**Scheme Class:** RENT **LA Code:** 251 **Dev Type:** Not Specified **MMC:** ECO Homes:  
**Grant Amount:** 150,000 **Total Scheme Cost:** No of Units: 8  
Audit Type Target Date  
Lesley Banfield (ESE) **Overall Audit Status:** Scheduled  
CSH Ind:Not meeting any  
Procedural

**SCHEME TOTALS FOR ORGANISATION: 29UB Ashford Borough Council**  
**Total Scheme Cost: 787,643 Total Grant Value: 266,992 Total No Of Units: 13**

**REPORT (PARTNERSHIP) TOTALS for**  
**Total Scheme Cost: 787,643 Total Grant Value: 266,992 Total No Of Units: 13**  
**Ashford Borough Council AHP Programme 2011/15**