



ASHFORD
BOROUGH COUNCIL

Agenda Item No.	5
Report to:	Audit Committee
Date of Meeting:	19 th March 2024
Report Title:	Homes England – Compliance Audit Annual Report 2023-24 for Ashford Borough Council
Report Author & Job title:	Giles Holloway, Housing Development & Regeneration Manager
Portfolio Holder:	Cllr Bill Barrett, Cabinet member for homes and Homelessness

Key Summary:

As part of the Council's affordable homes programme, it is often successful in attracting considerable sums of grant funding from Homes England to subsidise delivery. Homes England's grant awards have helped the seen the Council deliver numerous affordable housing schemes, such as independent living schemes, infill sites and latterly Halstow Way.

The grant award for Halstow Way is at a high enough grant level to enable the housing service to set a social rent, a genuinely affordable rent at about 60% of the open market rental value, meaning the homes are at an attainable and accessible rent level for those who have been allocated one of the high-class homes, designed in-house by the authority's in-house architect.

Randomly, Homes England choose authorities to be spot-checked and to ensure that funding is spent as per the criteria for awarding it. The attached report from Homes England advises Members of the outcome of the 2023-24 Compliance Audit carried out by Homes England and confirms that the provider (the Council) has complied with Homes England's policies, procedures and funding conditions.

Decision:	No
Recommendations:	The Audit Committee is recommended to note the contents of the report. The Chair is asked to confirm that he has signed the report.
Policy Overview:	N/A
Finance Risk Assessment:	N/A
Contact:	Giles Holloway - Email: giles.holloway@ashford.gov.uk

Homes England – Compliance Audit Annual Report 2023-24 for Ashford Borough Council

Introduction and Background

1. Each year Homes England (formerly known as the Homes and Communities Agency) carries out Compliance Audits on housing providers who are in receipt of Homes England funding under the Affordable Housing Programme, in this case it is its 2016-21 programme, or other funding programmes (such as its 2021-26 programme). It selects a random sample to spot check to satisfy itself that the provider (the Council) has complied with its policies, procedures and funding conditions on all contracts and agreements entered into, as well as inputting the correct data into its IMS system (which manages the progress and spend of the grant).
2. In the first instance, providers have to appoint an independent auditor themselves, work with that auditor and then wait for that auditor to report their findings back to Homes England. Homes England then assess this report and issue a report of their own to the provider, advising them of the grade they have been awarded. These are:
 - Green, if they meet requirements
 - Amber, if there is some failure to meet requirements
 - Red, if there is a serious failure to meet requirements
3. Given the bold ambitions that the council has in its pipeline for affordable housing delivery, it is essential that Homes England views the Council as an effective and reliable body who can be entrusted to deliver affordable homes and spend the grant appropriately and to time, thus meeting funding criteria. Reputationally this is an important consideration to the success of the remaining properties in its pipeline.
4. Obviously, failure to comply will be viewed negatively. Not only because it casts into considerable doubt the Council's reputation and how it is perceived as a responsible deliverer of homes by Homes England but it would sour the relationship that officers have built with Homes England contacts over a number of years. In the context for a delivery programme likely to be in excess of £100m this could have major impacts on the HRA Business Plan if grant could not be assumed for schemes going forward.

2023-24 Compliance Audit

5. Homes England have now undertaken three such checks in the last four years with Ashford Borough Council. In the current 2023-24 financial year, the Council was selected for a Compliance Audit on its Halstow Way scheme in South Ashford. The scheme is a high-quality block of 17 apartments, a mix of 1-bed, 2-bed and stunning 3-bed duplex homes.

6. Ashford Borough Council received exactly £60,000 per 'unit' for Halstow Way, a total of £1,020,000 in total, which allowed the Council to set a social rental value for these homes, meaning they are genuinely affordable housing compared with the private rented sector, for example. This was through the 2016-21 Affordable Housing Programme to significantly aid the delivering of this scheme.
7. The independently appointed auditor appointed was Greg Trimmer of Trimmer CS Ltd, an independent auditor the Council has used previously who understand the process well and has always rigorously demonstrated an independence and an understanding of the process which is beneficial to the Council and Homes England. He was appointed in June 2023 and subsequently undertook the work. Following his audit, Ashford Borough Council was advised of the outcome by Homes England in January 2024 (actually ahead of an expected March date).
8. The attached report (Appendix A) from Homes England confirms that the council was pleasingly awarded a Green Grade with only a minor breach of funding conditions – relating to internal communication around the inputting of data around work costs and final room sizes. Ashford Borough Council has had five Compliance Audits now since 2014 and in each audit has been awarded a Green Grade, which is very pleasing.
9. As stated, this enables the Council to further build its trusted delivery credentials with Homes England and to be seen by them as a trusted partner. The issues they have pointed out have been absorbed by the housing team who will ensure that they are embedded in working practices to ensure positive outcome again when next it is audited.

Recommendations

- I. Members are asked to note the contents of the Homes England Compliance Report for the 2023-24 financial year.
- II. The Chair is asked to confirm that he has signed the report.

Contact and E-Mail

Giles Holloway, Housing Development & Regeneration Manager
Email: giles.holloway@ashford.gov.uk