

Appendix Two: Executive Summaries of Audit Reports

The following Executive Summaries have been issued for the audit opinion reviews finalised between March and June 2023 and as requested by Audit Committee are attached below for information.

Ref	Audit Title
A	Ofsted Governance Assurance Assessment
B	Supporting Families Programme
C	Early Years Casework Management
D	School of the Resurrection – School Financial Health Check
E	Adaptations Review
F	Contracts Risk Management
G	Factory Project – Management of Work Package Delivery and Payments
H	Review of Rents Team Core Processes (Homelessness)
I	Housing Services: Review of Fire Risk Assessment Processes
J	Unauthorised Building Work

The SFVS return and Biodiversity Net Gain Grant Certification return do not have executive summaries and so whilst these are reported as final in appendix 3, there are no summaries attached below.

The ICT Assurance: Public Service Network Code of Connection 2023 report has been excluded from the report as it contains security details that if made public would increase the risk of attempted crime or cyber-attack against Manchester City Council.

Executive Summary A

Children's Services: Ofsted Governance – Assurance Report

1. Audit Summary

- 1.1 In March 2022 Manchester Children's Services had an Ofsted inspection. The inspection judged Children's Services to be 'Good' stating "services had significantly improved since the last inspection in 2017". A 'Good' judgement was received in three of the four judgement criteria, with a 'Requirement to Improve' judgement on "experiences and progress of children who need help and protect
- 1.2 An action plan was developed in response to the findings and has been subject to member, officer and external professional scrutiny. Delivery responsibilities for priorities from the plan have been allocated to individuals, with regular progress "check-ins" on progress and impact with senior management.
- 1.3 We agreed with the Deputy Director of Children's Services, Childrens and Education Directorate, to complete a desk top assurance review of the Governance arrangements for delivery of the improvement plan.

2. Audit Opinion and Conclusions

- 2.1 Overall, we are assured that effective governance, monitoring and challenge arrangements have been developed to support delivery of the improvements recommended by Ofsted. Clear actions have been identified and included in an Ofsted Implementation tracker document for each area of improvement identified in the Ofsted report; including clear ownership, timescales for implementation and confirmation of progress.
- 2.2 Regular monthly oversight and challenge of the tracker is evident by the Ofsted implementation group as well as six monthly updates and challenge from Childrens Leadership Team and periodic updates provided to Young Peoples Overview and Scrutiny Committee.

3. Summary of Assurances

- 3.1 In reaching the above conclusion the key areas of assurance are set out below. There are no specific recommendations for improvement that we have to make from this work.
- 3.2 Improvements required to address issues raised by Ofsted have been included in an Ofsted Implementation Group Tracker document which clearly sets out the following:
 - How the improvement will be made with a number of actions being identified under each area of improvement.
 - What the impact will be and how to know if it is successful

- The lead officer for each action with timescales for completion.
 - Progress updates following each meeting of the Ofsted Implementation Group with actions being identified as achieved or progressing.
- 3.3 This tracker document includes clear actions for all of the improvements identified by Ofsted. Additional documents have been embedded as evidence to support narrative updates on progress achieved.
- 3.4 The tracker details monthly meetings of the Ofsted Implementation Group including updates on progress and subsequent actions agreed at each meeting. The group membership includes the Deputy Director of Children's Services, Childrens and Education Directorate and other members of the Children's Services Leadership Team.
- 3.5 We confirmed that the Implementation Group also provided six monthly updates on progress to the Children's Services Leadership Team. The initial plan was shared with the Young Peoples Overview and Scrutiny Committee, who also received an update on progress in January 2023 with plans for future updates as delivery progresses.
- 3.6 The Deputy Director of Children's Services, Childrens and Education Directorate confirmed that the Ofsted improvements are not completed in isolation but are integrated and worked on alongside actions identified from other assessments or reviews. This was demonstrated by the most recent Manchester Children's Services self-assessment from October 2022 which is aimed at tracking the progress of Children's Services and the work of partners by building on previous self-evaluations as well as recommendations from Ofsted visits and inspections.

Executive Summary B

Children’s Services: Supporting Families Programme Audit

Audit Objective	Assurance Opinion	Business Impact
To provide assurance that local systems and processes designed to support the delivery of the Supporting Families Programme (SFP) are sufficient to demonstrate compliance with the key requirements of the programme and the updated GM SFP standards.	Reasonable	Medium
<p>To reflect the changing nature of the delivery model, the audit will also seek to gain assurance over the following areas:</p> <ul style="list-style-type: none"> • The redesign of local systems and key processes acknowledge the changing requirements of the programme and support our ongoing transition and development. • An assessment of the impact and response to the economic financial pressures on families and ongoing service delivery, including any significant challenges this is having and any identified learning. • A continued focus on the role of partner organisations. 	Reasonable	Medium

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 Since 2018/19, Greater Manchester (GM) Councils have been required undertake an annual audit process of the Supporting Families Programme (previously Troubled Families). This process provides necessary assurances to the Department for Levelling Up, Housing and Communities (DLUHC) that GM Districts are meeting the expectations of the national programme. GMCA’s responsibility to act as lead auditor is a key expectation of their delegated role to provide assurance over the delivery of the GM programme.
- 1.2 A set of GM standards have been agreed in previous years to support auditors and local Early Help teams. These standards represent the core features of the national delivery model. But they also allow for flexibility in local practice, which is necessary in delivering effective Early Help.

- 1.3 GMCA has asked for the audit work in 2022/23 to be completed in the final quarter of the financial year. This represents a slightly later timeframe for the audit than in previous years; a reflection of three factors:
- i) It allows for audits to encompass the new outcomes framework which has been implemented from October 2022.
 - ii) It allows for audits to incorporate the approach of GM Districts to 'regression checks', which will only have been possible for most districts to undertake from January 2023 onwards.
 - iii) It takes into consideration revisions made to the GM audit standards for 2022/23 to reflect significant developments to the programme which have taken place nationally, since last years' process.
- 1.4 This report provides the necessary assurance to GMCA over Manchester's use of Supporting Families funding, in line with the agreed updated GM Supporting Families Programme (SFP). We have validated delivery of the Early Help offer against each of the 11 key 'Supporting Families' process areas, including the role of partner organisations.

2. Conclusion and Opinion

- 2.1 Overall, we can provide **Reasonable** assurance that local systems and processes designed to support the delivery of the Supporting Families Programme are sufficient to demonstrate compliance with the key requirements of the programme and the updated GM SFP standards.
- 2.2 We have RAG-rated nine of 11 process areas as 'green' and two 'amber'. The issues resulting in the amber ratings are as follows:
- Of 10 planned Early Help closures that we tested, five did not have a supported families Presenting Needs document completed at the start of the intervention to confirm which of the eligible supporting families needs had been identified for the family.
 - The quarterly Quality Assurance audits of partner Early Help Assessments had not been completed for at least six months as resource pressures had meant officer time was focused elsewhere.
 - Partners were required to submit supporting families Closure Questionnaires to report the success or otherwise in meeting the identified needs for each family and therefore whether or not the intervention had been a supporting families success or not. No quality assurance checks had yet been developed over the evidence retained by partners to support the reported outcomes submitted in these questionnaires.
- 2.3 It is evident that significant work has gone into the redesign of systems and key processes to reflect the changing requirements of the programme. We are assured that the Service are in a position to identify qualifying cases, complete regression checks and complete performance reporting in the new framework.

Executive Summary C

Children's Services: Early Years Casework Management Audit

Audit Objective	Assurance Opinion	Business Impact
To provide assurance that Early Years case management is dealt with in accordance with Council policies and procedures	Reasonable	Medium

Sub objectives that contribute to overall opinion	Assurance
The collection, recording and retention of information	Reasonable
Decisions taken in line with procedures, including appropriate approvals and authorisations	Limited
The timeliness of activity (including making contact with citizens and completing any assessment work)	Reasonable
The appropriate reporting and communicating of action and outcomes	Reasonable
Management frameworks for obtaining assurance over casework activity	Reasonable

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Requirements for management oversight and approvals of early years casework should be added to process diagrams and procedures. This should clarify the level of oversight required and at what stage of the process; and where actions need approving whether the approval needs documenting. This oversight and approval should be documented on Liquid Logic.	Significant	6 months	Implemented
The Early Years Strategic Lead should remind staff of the importance of completing all case records on Liquid Logic in line with procedures, with a particular focus on the areas where we identified gaps in recording.	Significant	6 Months	Implemented

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
<p>Management in Neighbourhood areas 4/7 should be reminded of the process for documenting the strength-based conversation on the Early Help Assessment templates and for these to be attached to Liquid Logic in line with the approach adopted in other areas.</p> <p>For areas of non-compliance consideration should be given to strengthening procedures to be clearer and specify how things should be documented, for example for strength based conversations use the Early Help Assessment template.</p>			

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.5 The Manchester Start Well Strategy 2022-25 is designed to ensure all children get the best start in life and grow up to be safe, happy, healthy, and successful. It is Manchester's way of delivering on the Government priorities set out in the report 'the best start for life – a vision for the 1001 critical days'.
- 1.2 The Strategy is intended to build on the success of the Early Years delivery model and brings together a range of partners to deliver an integrated pathway for all children from pre-birth to 5 years. The pathway aims to ensure that families have access to high quality universal services and are connected to an integrated and targeted family offer delivered through Sure Start Centres.
- 1.3 There are 30 Sure Start Centres across Manchester, arranged in 12 geographical neighbourhood areas. Manchester City Council staff run 14 of these centres in seven neighbourhood areas. The remaining centres are run by externally commissioned providers. Staff at the centres are required to undertake casework in relation to referrals received relating to early years

issues and in some instances, complete Early Help Assessments.

- 1.4 Previously casework has been recorded in paper format but since the introduction of Liquid Logic, specifically the Early Help Module in Education Services (EHM) in January 2022, the Council's Early Years staff have started using the system for recording casework activity. There is not yet a formal Liquid Logic workflow for Early Years but one is in development. Until this workflow is implemented, Council staff are required to add case notes and upload copies of documents to Liquid Logic to demonstrate casework activity.
- 1.5 The externally commissioned centres are not yet required to use Liquid Logic for their casework activity but will be required to once the formal workflow is operational. We agreed with the Strategic Head of Early Help to include an audit of compliance with casework management arrangements for City Council run Early Years services, including seeking assurance that Council staff were complying with requirements to move from paper records to using Liquid Logic EHM for recording. This report summarises the findings and recommendations from this audit.

2. Conclusion and Opinion

- 2.1 We are able to provide **reasonable** assurance overall that Early Years case management is dealt with in accordance with Council policies and procedures. Staff had clearly brought into the use of Liquid Logic for case recording with use embedded across the service and workers clear on its benefits in supporting them in their work. Workers were consistently using Liquid Logic for case activity including for recording outcomes and decisions in case activity and overall activity was completed on a timely basis.
- 2.2 We did raise a number of recommendations with a couple of these rated a significant risk. Procedures and process flows don't currently fully cover management oversight and challenge arrangements and documentation of approvals of key decisions and actions and challenge is currently limited on Liquid Logic. Also whilst staff are recording in line with procedures overall on Liquid Logic there are a couple of areas of inconsistency, in particular the documentation of strength based conversations in Liquid Logic is currently limited in neighbourhood area 4/7 compared to the detailed record in other areas and we have therefore recommended action is taken to improve consistency in this area.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 Procedures and process diagrams are in place which includes details of how to add key documentation to Liquid Logic although these needed to be developed to address some gaps
- 3.2 Staff and management that we spoke with were supportive of the use of Liquid Logic for Early Years Casework. All described that they had been

appropriately trained and our sample showed that the use of Liquid Logic for casework documentation was being embedded in the service.

- 3.3 Staff considered that the use of Liquid Logic for case recording had made it a more straight forward job to complete and ensured it was completed in a more timely fashion.
- 3.4 Actions, outcomes and decisions made by case workers were clearly recorded on Liquid Logic.

Key Areas for Development

- 3.5 We have made two significant risk and three moderate risk recommendations in this report. Specifically in relation to these issues we have recommended that management should:
 - Clarify management oversight and approval requirements for cases on Liquid Logic.
 - Remind staff of the need to complete all case activity on Liquid Logic. In particular to remind management in neighbourhood area 4/7 of requirements for documenting the strength-based conversations and follow up on this to ensure that it is addressed.
 - Clarify the documentation requirements for completion of initial risk assessments and triage and case reviews.
 - Review timescales for completion of key stages of the process to ensure they remain realistic.
 - Consider moving to recording cases against the family rather than against individuals.

Executive Summary D

Children's and Education: Church of England School of the Resurrection, Schools Financial Health Check

Audit Objective	Assurance Opinion	Business Impact
To provide assurance to the Local Authority and Governing Body over the adequacy, application and effectiveness of financial control systems operating at your school.	Limited	Medium

Sub objectives that contribute to overall opinion	Assurance
Allocation of financial roles and responsibilities	Limited
Long term financial planning, budget approval and monitoring	Substantial
Key financial reconciliations	Substantial
Expenditure, specifically purchasing and payroll	Limited
Income collection and recording	Limited

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
The School Business Manager and Head Teacher should ensure that the Scheme of Financial Delegation and Operation Financial Procedure Manual is updated to define roles and responsibilities and key duties for all key duties for all key financial control systems, specifically focusing on the issues identified in our findings.	Significant	6 months	21 October 2023
All purchases should be fully authorised prior to commitment and before invoices come in for payment. If the value of a purchase is higher than the authorised amount, further authorisation must be requested and documented. Separation of duties should be followed in all three stages of purchases.	Significant	6 months	21 October 2023
The Head Teacher should review and revise the current debit card arrangements			

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
to strengthen controls particularly on only the card holder using the card and implementing a card log. Consideration of a purchase card for another staff member and a reminder to staff that credit should not be built up.	Significant	6 months	21 October 2023
The Head Teacher should ensure that for all purchases over £2,000 School Financial Regulations are followed. Full quotation exercises should be completed in all purchases over £2000 and documented as per Scheme of Financial Delegation and Operation Financial Procedure Manual, where a full quotation exercise was not completed, or the lowest quotation was not chosen the reason should be documented along with full governing body approval.	Critical	3 months	21 July 2023
The School Business Manager and Head Teacher should revise cash collection arrangements to ensure that cashing up records are used and retained when monies are collected for match day parking both when cash is initially counted after collection and when monies are counted when received by finance staff. Both records should be signed by both individuals who count the cash.	Significant	3 months	21 October 2023

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The 2022/23 Internal Audit plan included an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. Church of England School of the Resurrection was selected as part of this programme of audits. This review was completed as an onsite visit to review and test paper records and review of documentation.

- 1.2 Documentation was provided by the Business Manager in paper format during our first day site visit. Internal Audit have reviewed evidence and this report summarises the outcome of our assessment.

2. Conclusion and Opinion

- 2.1 We are only able to provide **limited** assurance over the adequacy, application and effectiveness of the Schools financial control systems. The main reasons we are unable to provide a higher level of assurance at this stage is due to the need to strengthen the Schools controls over expenditure, particularly around use of the School debit card and ensuring it is only used by the named card holder and also in ensuring that the required number of quotations and tenders are obtained for higher value purchases. The issues raised are outlined in our summary of recommendations in Appendix 1.
- 2.2 We discussed potential solutions in these areas with the School Business Manager and Head Teacher. Both were keen to take prompt action where necessary to reduce the risk in these areas where we have raised significant risk recommendations.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 Timely budget monitoring reporting to the City Council and clear oversight and input from the Head Teacher over management of the budget.
- 3.2 The Head Teacher demonstrated a clear awareness of the Schools tight budget position with in year deficits forecast for the next couple of years. She described plans in place to review the Schools staffing structure at the end of the Academic year to ensure it remains affordable and to reduce the risk of deficit budgets materialising.
- 3.3 A detailed multi year School development plan with clear links to the budget is in place.
- 3.4 Clear evidence of timely financial reporting to Governors and appropriate challenge and oversight from Governors on financial matters including approval of the Annual Budget.
- 3.5 Key reconciliations including payroll and bank reconciliations are completed and reviewed on a timely basis and are signed and dated as such. Bank reconciliations include unreconciled items listings with evidence of review and checking where necessary.
- 3.6 Starters, leavers and additional hour payments are processed accurately and in a timely fashion. Payroll reports and reconciliations are retained along with supporting evidence for any changes to payroll.

Key Areas for Development

3.7 We have made one critical and four significant recommendations to help improve the key financial controls at the School, specifically relating to the following issues:

- The Scheme of Financial Delegation and Operation Financial Procedure Manual should be updated to define roles, responsibilities and key duties for all key financial control systems.
- Compliance with the Schools financial regulations and the Schools own Scheme of Financial Delegation and financial procedures for all purchases need to be improved; specifically in ensuring appropriate separation of duties and that the appropriate number of quotations are obtained or where necessary tendering exercises completed.
- Controls over use of the School's debit cards should be improved, particularly ensuring controlled access to the cards by use of a log and ensuring that cards are only used by the named card holder. We also discussed the use of purchase cards rather than debit cards as a way of strengthening controls.
- Arrangements for collection of cash received for use of the School site for car parking should be strengthened by introducing the use of cash collection sheets at source and also in the School office to document the monies received and also evidence the monies being dual counted.

Executive Summary E

Adult Social Care: Adaptations Review

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over arrangements for delivering the Council's Adaptations Offer across the City in line with Disabled Facilities Grant (DFG) delivery guidance	Limited	Medium

Sub objectives that contribute to overall opinion	Assurance
There is a clear overarching strategy.	Reasonable
Roles and responsibilities are clearly defined and understood.	Limited
Processes are in place to ensure offers are consistent, specifically in relation to pricing, quality of works, process times and waiting times.	Limited
Arrangements are in place to understand customer satisfaction/ experience and address concerns raised.	Reasonable
Management information informs decision making and performance monitoring.	Limited

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
The Adaptations SLA should be reviewed, updated, and formally agreed as a priority, and reviewed / revised annually thereafter. This work should include a review of the performance reporting requirements and performance indicators included in SLA.	Significant	6 months	31 August 2023
A centralised workflow with supporting procedures should be produced to map the end to end process for delivery, including defined timescales for each process stage; from initial request, through assessment, to decision and completion of adaptation and sign off the work.	Significant	6 Months	30 June 2023

Responsibility for completion of the smaller RPs adaptations should be reallocated away from the three large RPs to allow them to focus their resources on their own adaptations. Options include allocating smaller RPs work back into the City Councils MEAP team or alternatively, asking the small RPs to complete their own adaptations.	Significant	6 Months	30 June 2023
Options for achieving a more consistent and streamlined approach for recording and tracking adaptation requests must be considered. If the option chosen does not involve shared records between MEAP and the RPs, then MEAPs waiting lists should be regularly shared with each RP so that the RPs are clear on the numbers on the MEAP waiting lists that may come through for assessment.	Significant	6 Months	30 June 2023
As part of the wider review of adaptations delivery consideration should be given to bringing the delivery and oversight of Manchester Housing Operations adaptations back under the MEAP team.	Significant	6 Months	31 May 2023
A working group should be developed including representatives from both the City Council and each of the RPs with a remit to consider options to improve the timeliness and effectiveness of the adaptations process across the City, this should include but not be limited to a focus on the issues identified in our audit as contributing to the delays our testing identified.	Significant	6 Months	30 June 2023
In the review and revision of the SLA recommended at recommendation 1 above; the requirements around quality checks should be clearly articulated and consideration should be given to developing a standard document to be completed demonstrating quality checks have been completed prior to handover.	Significant	6 Months	31 August 2023

Assurance Impact on Key Systems of Governance, Risk and Control

Finance	Strategy and Planning	Resources
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Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The Council, working in collaboration with partners, is responsible for the provision of services to support delivery of home improvements; enabling citizens to continue to live independently in their own homes. These can be minor changes; providing mobility equipment, undertaking work such as fitting handrails or major building works, for example bathroom conversions or extensions requiring structural changes to be made; or a combination of actions. The Council has a duty of care to ensure that citizens are supported and able to stay safely in their own homes wherever possible.
- 1.2 The number of referrals for adaptations and the subsequent assessment of need to Manchester City Council increased during 2021/22. This increase has been attributed to the following factors:
- The pandemic and subsequent restrictions on the ability to deliver assessments, including them ceasing for a period.
 - An aging population and in particular, the precedent set by the Islington Ruling; prior to this ruling, more cases would have been refused at the assessment panel in favour of rehousing citizens to more appropriate properties, as opposed to adaptation.
- 1.3 The expectation from management is that the demand will continue at this level or even increase in terms of the number of cases being passed to registered providers (RPs) for both feasibility assessments and assessments of need. Management have some concerns over the current delivery model which can mean a citizen's journey can take different routes, depending on a series of factors including; whether the citizen is living in social housing, the private rented sector or owns their home; the scale of the adaptation works required; whether they are minor or major adaptations; or whether they are standard or non-standard requirements.
- 1.4 Management have also identified other challenges which can impact upon a citizen's adaptation experience, regardless of the combination of factors and the route of their journey. These include:
- Time taken for feasibility reports to be completed. These are often outsourced to companies with limited knowledge or expertise by lead RPs due to capacity challenges.
 - Time for works to proceed with a lack of robust evidence around sign off, inspection and quality assurance upon completion to ensure the work meets the assessed need.
 - Insufficient expertise in understanding disability needs to provide appropriate plans.
 - Inconsistency across different tenures for delivery in terms of waiting time, quality, and cost.

- Resource intensive in terms of performance management and potential issue to resolve around conflict of interest; as contractors undertake both the work and sign off.
- 1.5 These challenges can create delays in the installation of adaptations which are increasing the potential for a deterioration in a citizen's ability to live well and safely from home.
- 1.6 Internal Audit therefore agreed as part of their 2022/23 plan, to complete an audit of the consistency of the adaptations offer across the city, to support a wider review of the adaptations delivery model which is underway.

2. Conclusion and Opinion

- 2.1 We are only able to provide **limited** assurance over arrangements for delivering the Council's Adaptations Offer across the City. This opinion is mainly due to the Service Level Agreement (SLA) between the City Council and the registered providers being out of date; the SLA was last updated / reviewed in 2018. We also confirmed that a key element of the SLA in terms of performance reporting had lapsed and there had been no central performance reporting across the adaptations process since the COVID pandemic.
- 2.2 We did confirm that there were clear and transparent processes within each of the organisations responsible for completion of adaptations with documentation retained, mainly electronically, to support each of the adaptations. We also confirmed that there were no waiting lists for work to start at any of the RPs for adaptations activity once they had received the assessment of need; each of the providers started work on sourcing contractors to complete works as soon as the grant was approved. We were able to track each of the adaptations we tested through the process from assessment to completion and reasons were given for delays in the process which are reported on in the action plan below.
- 2.3 Standard documentation was used across the adaptations process for the assessments of needs, request for DFG funding, approval of DFG funding and the customer satisfaction questionnaires. This helped ensure these elements of the process were completed on a consistent basis.
- 2.4 There were some significant delays in the adaptations process with MEAP having waiting lists for initial assessments to be completed and long delays on average across the sample we selected from when the work was allocated to an RP and work was started on the property by a contractor. The reasons given for these delays was the sheer volume of work coming through the system and the difficulty there was in sourcing alternative contractors when the primary contractors had reached their capacity and the time it took contractors to start work following acceptance of the job. We were assured by providers that they started work in sourcing contractors for each job as soon as they were received.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 All three RPs (Southway, Wythenshaw and One Manchester) and MCC Housing Operation (previously Northwards) maintained all records supporting the adaptations process electronically and MEAP were in the process of moving to full electronic records. All supporting records were available for the sample of adaptations that we reviewed, and documentation provided a clear audit trail for the individual adaptation exercises.
- 3.2 Standard documentation was also used for key elements of the process for example the notification of adaptations to the RPs, notification of variations, request for DFG funding and the customer satisfaction questionnaires.
- 3.3 Staff within each organisation responsible for elements of the adaptations process were clear in their understanding of their role in the process.
- 3.4 Wythenshawe Housing, One Manchester, MCC Housing Operations and MEAP had local procedures documenting their processes for dealing with Adaptations.
- 3.5 Once contractors actually started work on site for individual adaptations the work tended to be completed on a timely basis for the sample of adaptations we tested.
- 3.6 Despite the lack of central collation of performance statistics, we confirmed that Wythenshawe, One Manchester and MCC Housing Operations do complete internal performance reporting to varying degrees.
- 3.7 Once the DFG application form was sent through for approval to the DFG team within the Council approval of the grant was largely carried out in a timely fashion.
- 3.8 Customer satisfactions questionnaires were used across all providers to obtain feedback from citizens on the completion of adaptations work, these were mostly completed in a timely fashion after the completion of the adaptations and were retained alongside other documentation supporting the adaptation.

Key Areas for Development

- 3.9 We have made seven significant risk recommendations in this report. Specifically in relation to these issues we have recommend that management should:
 - Review and revise the Service Level Agreement for the adaptations offer.
 - Develop a system wide workflow/ procedural document that includes desired timescales for each stage.

- Review the current arrangements for delivery of the adaptations offer with a particular focus on potential changes to delivery of the offer to small RPs and landlords and MCC Housing Operations.
- Review the recording and documentation arrangements for adaptations activity with a view to ensuring it is streamlined and consistent across partners.
- Develop a working group that includes City Council and partner organisations to consider options that may improve the timeliness and effectiveness of the adaptations process.
- Review and revise performance reporting requirements and the performance indicators included in the SLA.
- Ensure the SLA review includes clarity of the requirements in relation to quality checks and consider standard documentation to support these quality checks.

Executive Summary F

Core – Integrated Commissioning and Procurement: Contracts Risk Management

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over the Council's arrangements for responding to contract risk.	Reasonable	High

Sub objectives that contribute to overall opinion	Assurance
Actions taken to mitigate risks arising from supplier resilience and the financial pressures caused by inflation and contract price increases.	Reasonable

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
A strengthened approach to gaining assurance over current risk exposure for the Council's most critical contracts.	Significant	6 months	31 August 2023

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The Council spends around £600 million a year in revenue and £300 million in capital with third party suppliers. These contracts have a significant impact on the local and regional economy, the provision of services to residents and in the delivery of Council services.
- 1.2 The ongoing fiscal and financial pressures resulting from reductions in Government funding, rising demand for services, the impacts of COVID-19, supply market disruption, the energy price crisis and the macroeconomic effects including significantly high inflation levels mean that the impact and risk profile of spend with third party suppliers is even more critical. As such, the reliance placed on robust arrangements for responding to contract risks arising from supplier resilience and the financial pressures caused by inflation and contract price increases is particularly important.

2. Conclusion and Opinion

- 2.1 Overall, we can provide a reasonable assurance opinion over the Council's arrangements for responding to contract risk. We were satisfied that the current financial and macro-economic risks were known, and mitigations were being strengthened to respond to these risks. Regular reporting to the Commercial Board, scrutiny committees and SMT provided transparency over our response in these unprecedented times.
- 2.2 We support the additional planned developments described below and have identified a number of areas for improvement to further enhance the control framework being built and embedded and to ensure the current focus being given to strengthening the commercial grip over our suppliers does not diminish.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 We were satisfied that current key risks including inflation, the cost of living, failure of key suppliers and supply chain disruption were identified in the recent refresh of the Corporate Risk Register. This provided confirmation of the Council's proactive response to such risks and assessment of current mitigations.
- 3.2 We saw several examples of reporting to the Commercial Board, Resources and Governance Scrutiny Committee, and Senior Management Team providing procurement updates and detail over the approach being taken in response to specific high risk contracts such as the electricity and gas contracts. We reviewed a sample of reports which provided detail over the steps taken to address the current contract risks associated with price increases and market volatility and included assurances over cost forecasts in these areas.
- 3.3 A price increase log was developed to capture fixed price increase requests for contracts which do not have the mechanisms for inflationary increases built into contract terms. However, it should be noted that the Council's position, which was communicated to contract and commissioning colleagues was that price increases should only be considered if there is a significant risk to delivery of public services from contract failure and other options to mitigate the need for relief have been exhausted. Any increase requests must be approved by the Deputy Chief Executive and City Treasurer in accordance with the Constitution.
- 3.4 A spend review, recently undertaken by the Integrated Commissioning and Procurement Team generated intelligence highlighting the Council's top suppliers in terms of spend. This provided data to allow for arrangements with those suppliers to be reviewed to ensure contract related risks were being managed appropriately.
- 3.5 The recent establishment of a Major Contracts Oversight Board should help in consolidating assurance over the Council's key contracts. The Board is chaired

by the Executive Member and its proposed remit includes the evaluation of major contracts including ensuring they are performance managed with deeper dives commissioned if considered necessary. The Board held their first meeting in November where its terms of reference were agreed.

- 3.6 The upskilling of contract and commissioning colleagues has been identified as a priority and contract managers covering all directorates have been asked to complete the Government Commercial Function contract management online training. Statistics are maintained in terms of course enrolments and completions and this should continue to be closely monitored with regular analysis undertaken to identify gaps and prompt further promotion of this training as necessary.
- 3.7 Discussions with sample services to determine their response to contract risks highlighted many examples of good practice which included the use of industry standard indices to ensure costs charged by suppliers remain reasonable, keeping abreast of issues in the market and the receipt of relevant industry updates, use of frameworks where labour market shortages were evident, the inclusion of unidentified risk pots in capital and highways projects, uplift expectations built into budgets, agreement of fuel costs on a termly basis and work to review uplift models to arrive at the optimum model. From our discussions we consider the strength of commercial skills varied across services, and options for addressing any skills gap would be beneficial, although we acknowledge that a one size fits all approach is not always appropriate.
- 3.8 There is an expectation that contract managers make use of a particular risk agency's system to enable the financial standing of current and prospective suppliers to be determined. This produces a score which is a summary indicator for a company's risk of failure over the next 12 months, whilst we consider this to be good practice, we agree that this should not be used in isolation and should continue to be considered alongside other due diligence factors in monitoring and assessing the ongoing financial resilience of our suppliers.
- 3.9 Work led by the Due Diligence Working Group (DDWG) during 2022 resulted in the launch of the Due Diligence Framework, whilst there was recognition that the widespread adoption of this across Council services will take time to embed, the assurance and risk management tool set out in the Framework should help to formalise expectations over due diligence processes across the Council.
- 3.10 The introduction of a Contract Management System, planned for 2023 will facilitate the collation of data to determine risk exposure in terms of supplier resilience. The intelligence drawn from this can then be used to direct support resources where needed. There was a recognition that this will take time to become fully populated but that a strategy is being adopted to get the highest risk contracts onto the system first.

3.11 Ongoing and upcoming developments which will also have a positive impact on the overall control framework surrounding commercial contracts included the completion of a questionnaire by gold contract managers to determine the extent of contract monitoring activity over our most critical contracts. A self-assessment exercise is planned for early 2023 using the Government's Commercial Continuous Improvement Assessment Framework as a benchmark, to highlight any gaps in assurance. There were also plans to undertake the Local Government Association assessment later in the year. We support the planned developments to continue the momentum in strengthening our response to contract risks.

Key Areas for Development

3.12 Whilst we recognise that some gold contracts are well managed, at the time of our review there was no consolidated view of gold contracts risk exposure and assurance over these suppliers. The recently launched Due Diligence Framework included a contract monitoring and due diligence checklist to be completed twice yearly for gold contracts although it was not clear how many had been completed and returned to date. We also consider given the current risk exposure at present this frequency may be more appropriate increasing to quarterly for the time being.

3.13 We discussed the possible introduction of a supplier assurance monitoring mechanism which could be completed and submitted by contract managers on a periodic basis and the Strategic Lead Integrated Commissioning and Procurement (ICP) agreed this would be beneficial. This could be used alongside the due diligence checklist with potential areas for inclusion being; company detail including details of parent company, subcontractors, H score, risks and issues, spend data, business continuity information, KPI compliance, overall risk rating. The production of this on a quarterly basis would provide an opportunity to identify changing or increasing risks more easily along with wider cross cutting themes or issues. This would allow for more prompt action where needed to mitigate the risks associated with the success of the contract.

3.14 The commercial skills of officers involved in discussions with suppliers varied and we consider options for addressing any skills gaps should be explored to improve the overall commercial skill set of contract management officers. This could take the form of shared learning from officers more experienced and confident in conducting challenging conversations, shadowing or attendance at key supplier meetings, options for services to tap into specialist support if commercial skills are lacking within their service to allow them to have the commercial strength and confidence. Steps have been taken to arrange and offer contract management training to contract and commissioning officers. Take up of this training should be monitored regularly and targeted promotion of this in services where completion is poor to ensure the commercial skills of contract managers across the Council continues to improve.

3.15 The Major Contracts Oversight Board was in its infancy and collaboration and its alignment with pre-existing groups including the Commercial Board and Due Diligence Working Group is important to ensure value is optimised and the risk

of duplication and overlap is managed. At the time of our review, there was no defined work plan for the group and therefore recommend the development of a reporting timeline/schedule for the year ahead to ensure appropriate coverage, oversight and scrutiny of assurance need areas throughout the year.

Executive Summary G

Core: Factory Project - Management of Work Package Delivery and Payments

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over arrangements in place to ensure the effective management of work packages.	Reasonable	High

Sub objectives that contribute to overall opinion	Assurance
Work is clearly defined and allocated to enable the delivery of it to be managed and controlled.	Reasonable
Systems and processes are in place to assess work against time and quality standards.	Substantial
Payments are made in line with prices agreed and there are suitable controls over any variations.	Reasonable
Work package progress and delivery is reported to key stakeholders and used to inform decision making.	Reasonable

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Not applicable	-	-	-

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 As part of a programme of assurance work over the lifecycle of the Factory project we agreed this review would focus on the management of work packages. The Blockwork and Fire and Acoustic Stopping works packages were selected.
- 1.2 The Factory is a project of high value, impact and profile and is integral to the ongoing development and delivery of world class culture in Manchester. As a major project it is critical that work is completed on time, to budget and relevant

standards to ensure that the overall programme of work is delivered in the planned timescale outlined within the project programme and the project cost plan. Overall we have assessed this area as having a high business impact.

2. Conclusion and Opinion

- 2.1 We can provide reasonable assurance over the arrangements in place to ensure the effective management of the selected work packages. There were established processes and controls to manage and determine progress with the ongoing delivery of the selected work packages. Collaborative working between Laing O'Rourke (Management Contractor) and Turner & Townsend (Quantity Surveyor) was evident from audit testing.
- 2.2 There was good evidence to support the review of payment applications made by the works contractors with supporting schedules and documents to support any variations or changes. All payments tested had been made on time.
- 2.3 It is important to note for context the complexity of the project and associated challenges around design along with external pressures including inflation, supply chain disruptions, market pressures, the Covid pandemic and workforce shortages. As such, for both work packages the current budget position was significantly higher than the original contract. Nonetheless our review confirmed the existence of good controls to manage the work packages selected as demonstrated by the various forms of monitoring, evidence of review of payments and variations and regular oversight and reporting of progress.

Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 The Council project team gained assurance over the management of work packages in various ways. We were satisfied that key responsibilities had been defined and communicated per work package, weekly and fortnightly meetings took place to review progress and identify any flags or areas requiring further scrutiny, the commercial cost report produced by T&T was reviewed by the project team and the Council were involved in the certification of the monthly valuation payment to the Management Contractor.
- 3.2 Robust progress monitoring arrangements and activity by the work package teams was evident for those selected. A digital system was utilised for the project and to facilitate task management, quality control, progress reporting and insights into commercial assessment of work completed on site. The works contractor for the Blockwork package submitted contractor progress reports regularly and these were supported by commercial meetings with the works contractor to discuss additional works and to review costs.
- 3.3 Inspection and Test Plans had been produced for both of the work packages tested and were shared with the Project Team which provided assurance over the inspection test method and frequency for each element that requires

checking. Joint site checks were also undertaken prior to the certification of payments to confirm the completion of works applied for.

- 3.3 Handover, hold point checks and inspection sheets provided some assurance over the monitoring and inspection regime although some gaps were noted in the signed declarations which were required as part of the process. For the Blockwork work package, of six inspection sheets reviewed three were only signed by the Management Contractor and the remaining three were not signed at all, a review of five handover sheets confirmed only one had been signed off by both the works contractor and Management Contractor, three were only signed by the works contractor and the remaining sheet only signed by the Management Contractor. These gaps reduce the evidence available to confirm the satisfactory sign off of an area by all required parties.
- 3.4 One form of performance monitoring of the Fire Stopping works package was through progress meetings with the works contractor, the frequency of which has recently been increased from fortnightly to weekly to maintain good grip of the works package in its final months. A snapshot of the Live Programme is used as the basis to inform discussions and understand upcoming works and which tasks within the work package are ahead or behind. Progress percentages for each activity are captured and incorporated into the Live Programme, which is then rescheduled to provide the current forecast position of any works outstanding.
- 3.5 There was evidence of scrutiny and challenge by the Management Contractor regarding additional requests made by the works contractor. This was evident following an Extension of Time request by the Blockwork works contractor. This was reviewed but refused after the Management Contractor confirmed they were still within the original contract period. However, additional preliminaries were allowable and there was supporting evidence confirming the calculation of this.
- 3.6 Audit testing confirmed there were robust controls over payments, scrutiny of the works contractor application and reductions being made where required by both LoR and T&T. We were satisfied that suitable evidence was maintained to support the amounts paid. We reviewed a sample of payments to the work package contractors and were able to verify the amounts paid against supporting records which provided assurance that payments were being made in accordance with their valuation. All payments tested were made in a timely manner and in advance of the payment due date.
- 3.7 There was a significant value of variations for both work packages reviewed which were recorded separately within the payment application and supporting schedules included the relevant Contract Administrator Instruction (CAI), however costs had yet to be assigned to these in the case of the Fire Stopping work package. A sample of variations were reviewed alongside supporting signed CAIs and relevant drawings which provided evidence to support the variations and their approval.

- 3.8 Commercial cost reporting for individual work packages was produced monthly by the Quantity Surveyor which was shared with the work package team and Council project team for review. This included an Executive Summary with headline figures including work in progress budget, projected, over/underspend, paid to date, committed amount not yet spent. The headline figures could be traced through to other supporting schedules. For the Fire Stopping work package this only included the current budget which was significantly higher than the original budget which may have been beneficial to include to show how this approved budget has increased over time and to help retain focus on the need for robust cost control.
- 3.9 The Rev 25 works package programme impact document provided assurance of the individual work packages being monitored against the target delivery programme. This showed key delivery dates and the percentage completions for the activities making up the work package. We did note the use of colours on the spreadsheet although there was no key to provide detail over the meaning behind any colours used which would have been helpful to aid user interpretation.
- 3.10 Other reporting included progress updates to the Council's Scrutiny and Executive which included the current construction position and cost pressures, these provided assurance over the assessment and reporting of progress to key stakeholders.

Key Areas for Development

- 3.11 The contract for the Blockwork work package, whilst signed by the works contractor had not been signed by the Management Contractor. We raised this during our review and the Management Contractor confirmed they would make arrangements for this to be signed by a director as soon as possible.
- 3.12 There were additional complexities associated with the valuation and costs to complete for the Fire Stopping work package resulting from it being a re-measure contract. This is done on an activity basis, rather than as the composite items measured in the Bill of Quantities which adds a further challenge in reconciling the measure. We were informed that work is ongoing regarding the remeasure to confirm the rates used, to assign costs to the CAIs, (and ensuring these are added to the works contractor system) to facilitate the reconciliation of instructions with the remeasure. We acknowledge the priority being given to this by T&T and LoR and support the continuation of this to reconcile this at the earliest opportunity. We have included a recommendation to ensure this is highlighted as a specific risk to the Project Team and can be followed up and monitored appropriately.
- 3.12 Additionally for the Fire Stopping work package there were instances where rates were agreed with the works contractor and this agreement was within individual email accounts. We raised our concerns regarding the retention of such decisions in individual email accounts but were informed by the Management Contractor that all emails of this nature would be backed up onto the server to ensure it remained accessible in the event that key officers leave

the organisation. Thought should be given to introduction of a proforma for recording rate agreements to strengthen the evidence trail and reduce the risk of the loss of decision making around the agreement of rates etc.

- 3.13 A top up payment had been requested by the works contractor for the Fire Stopping work package where productivity outputs were not achieved. From our discussions and the evidence supplied it was evident that whilst the amounts applied for had been paid as part of the sample payments tested, further substantiation had been requested from the works contractor. Dependent on the outcome of the additional evidence provided, the Management Contractor and Quantity Surveyor will need to make any necessary adjustments in line with the previously claimed and paid amounts.

Executive Summary H

Homelessness Service: Review of Rents Team Core Processes

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over the developing approach and processes undertaken by the Homelessness Rents Team.	Reasonable	Medium

Sub objectives that contribute to overall opinion	Assurance
Roles, responsibilities and expectations are clearly defined and understood.	Reasonable
Adequate systems and processes are in place to support the work of the team.	Reasonable
Management information and reporting is sufficient to support monitoring, challenge and decision making.	Limited

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Not applicable			

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The Homelessness Service has a Strategy and a Transformation Programme that sets out to create A Place Called Home for residents. The mission is structured around four Strategic Objectives of Increasing Prevention; Reducing Rough Sleeping; More Suitable and Affordable Accommodation; and Better Outcomes and Better Lives.
- 1.2 A number of changes have been made to help the achievement of these homelessness priorities which included the centralisation of the housing rents team and introduction of the RentSense system to help identify cases where supportive action or intervention is required to reduce the risk of arrears or evictions. Procedures and processes are being developed to support the work

of the rents team and we agreed to review the developing arrangements to help identify any gaps / areas for improvement as required.

- 1.3 Given the Council's statutory duties in this area, commitment to supporting individuals trying to secure and maintain accommodation and financial risks associated with the inefficient management of rent accounts we have classed this area as having a medium business impact.

2. Conclusion and Opinion

- 2.1 Overall we are able to provide reasonable assurance over the developing approach and processes undertaken by the Homelessness Rents Team. It was evident that the objectives of the team were clear, with this demonstrated through discussions and as set out in the service plan and operational procedures.
- 2.2 A recent development, the introduction of the use of RentSense, is proving valuable to the team in helping the prioritisation of cases requiring action. This is particularly beneficial given the volume of cases assigned to Rent Officers who are unable to take action on all cases which require it, meaning the prioritisation of cases is essential. We also acknowledge the reactive nature of the work of the team, which along with the high volume of cases impacts the ability to progress other areas requiring development such as management information and reporting. The capacity of the team and constraints in their ability to take action on all cases which require it should be kept under review as the team embeds further to ensure there is sufficient capacity and that this is sustainable.
- 2.3 Further refinement of procedures will help to provide additional clarity in some areas, which we consider is particularly important given many of the team members are new to the role. Additionally, assurance over the effectiveness of the team and approach could be further enhanced through the development and review of activity reports / management information to help evaluate the work undertaken by the team, provide an overall position of cases and help to highlight trends/areas requiring further work or scrutiny. Whilst we reviewed some reporting to the Homeless Transformation Steering Group and Scrutiny Committee this covered a broader area than the Rents Team. The Homelessness Service Plan included key KPIs although it was not clear if these were currently being reported on.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 The team works to the Rent Collection Policy and Procedures document that defines the objectives and work of the team and the key responsibilities of each officer. This includes a flow chart covering the main stages in the arrears process, key timescales to be applied in serving notices requesting court and eviction proceedings and was supplemented by template letters to promote consistency of approach. The objectives of the team and key stages

in the process were emphasised by staff in our discussions although there was an emphasis on operational practice being more person than process driven in recognition that a one size fits all approach is not always appropriate.

- 3.2 The importance of maintaining good working relationships with colleagues in revenues and benefits was recognised to ensure claims were processed in a timely manner to help minimise loss of income.
- 3.3 Rent Officers have a large volume of cases to manage and the recent introduction of the RentSense system has helped to prioritise those cases requiring attention or action. During our fieldwork we were made aware that there was an issue with the timing of the RentSense report which meant officers were not working with the most up to date position. Following the completion of audit work we were pleased that this issue had been resolved and the report is now run at the optimum time.
- 3.4 Whilst Rent Team Officers have their own allocated patches to manage, the team keep the QL system updated with action in relation to a case which allows for others within the team to pick up the case if needed which ensures that progress with a case can continue in the absence of assigned Rent Officer.
- 3.5 The Service Delivery Plans for the Homelessness service (2022/23 and 2023/24) were reviewed. These set out the service's achievements in the previous year, the current priorities and activities to support delivery of those, of relevance was ending the routine use of Bed and Breakfast accommodation for families and improving the standards of temporary accommodation and support. In terms of performance, three key KPIs were highlighted in the monitoring delivery section for 2022/23 although it was not clear whether these were regularly monitored and reported on. For 2023/24 a more extensive list of overall performance metrics and KPIs have been developed and we consider this demonstrates a positive direction of travel and development of the service planning and delivery processes.
- 3.6 We were satisfied that relevant risks were known and this was supplemented by a comprehensive risk register for the service. This included a number of risks relating to the financial pressures and insufficient available accommodation provision along with mitigations to manage those risks.
- 3.7 A recent scrutiny report was reviewed and whilst this was broader than temporary accommodation (TA), this included data on the total number of households in TA and comparisons with the position at each quarter end and snapshot of the bed and breakfast (B&B) position showing the number of families in bed and breakfast and those in B&B for over 6 weeks. The monthly bookings in and out of B&B for families was also included.
- 3.8 A Homeless Transformation Steering Group was in operation to progress the transformation programme (A Place Called Home). A performance update was provided as part of the update presentation in February 2023 which included data including numbers in TA; 3133 of which 2146 (68%) were

families. The numbers in B&B were 738 in total of which 209 (28%) were families. The data source of this was HPA2. Whilst this did include some performance data this was broader than the work of the rents team so it would be worthwhile to consider separate performance reporting for the work of the team to provide assurance over the performance against objectives.

Key Areas for Development

- 3.9 There was a lack of reporting or management information covering the work of the team or providing a current position of the status of cases managed by the team. We were satisfied that management recognised this as an area which required improvement. We recommend that this is progressed and potential areas could include the number of cases at each stage, number of payment plans, numbers currently in breach of payment plan, rent collection rates, arrears value etc. It may also be useful for this information to be presented by area or accommodation type to allow for the identification of any patterns or trends and to allow for comparisons with previous periods.
- 3.10 The Homelessness Service Plan for 2022/23 included three overarching KPIs for monitoring delivery (Ending the routine use of B&B for families; Increasing prevention from 36-50%; Reducing temporary accommodation) whilst this is broader than the activity of the Rents Team the monitoring and position reported here should be considered as part of the work of the team and therefore link in with any Rents Team activity reporting.
- 3.11 We acknowledge this is a relatively new team with additional changes to come to better streamline services. However, given the continued development of the team and the fact that some members of the team were new to the rent and income officer role, we consider the quality assurance framework and mechanisms for the provision of management oversight, scrutiny and support could be better defined and developed.
- 3.12 At the time of our review the RentSense report used by the team to prioritise which cases to work on was not produced at the optimum time meaning the position is out of date at the point when Rent Officers are deciding which cases to take action on. Contact was made with the system provider to try and make changes to this and we understand that this has now been resolved.
- 3.13 B&B arrears are not currently being managed and we were informed that they would soon be brought into the team and added to their list of responsibilities. Similarly these accommodation types are not included within RentSense and will need to be added in future (these will need classifying as licenced properties in order for them to be picked up as part of the data extraction).
- 3.14 We reviewed the key procedural documents and supporting templates used by the team and make the following observations to be explored by management within the team in the ongoing development and refinement of the team and supporting processes:

- Greater clarity within procedural documents over when management approval/oversight is required (review of payment plan amount, progression of case to specific stages etc).
- Any quality assurance to be undertaken in respect of the management of cases (sample checking, review of cases, one to ones, team/performance meetings).
- Completing missing sections of the procedure document (Key roles and responsibilities of Strategic Lead, Service Manager, Legal Guidance section) or referred to roles no longer in the structure of the team (Operations Manager). In addition, this referred to the service being within the Adult's Directorate.
- Expectations over contingency arrangements for the progression of cases in the absence of key officers was not included.
- Documentation to reflect the current arrangements in terms of reporting, performance data and monitoring and performance meetings.
- Inclusion of guidance or parameters over the calculation of payment plan amounts.
- Developing the template letters to address the following:
 - The payment plan letter did not detail how the payment plan was determined to provide additional clarity and transparency.
 - In an example court letter provided there was not much time between the date of the letter (Friday 28 October) and the date contact was required from the resident (Wednesday 2 November) to avoid being taken to court.
 - No contact information was included on the eviction letter template.
 - The template letter used for Stage 4 stage included an incomplete sentence 'This starts legal action which.....'
 - The Court Date letter (Stage 9) did not include the address of the Court should the tenant wish to attend.
 - The staged letters were numbered however there were no letters for stages 5,6,8,10 which may cause confusion for new officers within the team.
- The team's involvement in former rent arrears and write offs should be added to the procedure.

Executive Summary I

Housing Services: Review of Fire Risk Assessment Processes (Residential Properties)

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over the developing approach and processes to support the timely completion of actions arising from Fire Risk Assessments of the Council's residential buildings.	Limited	High

Sub objectives that contribute to overall opinion	Assurance
Roles, responsibilities and expectations are clearly defined and understood.	Limited
Adequate systems and processes are in place to support the work of the teams.	Limited
Management information and reporting is sufficient to support monitoring, challenge and decision making.	Limited

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Development of a coordinated plan for responding to fire safety related recommendations not covered by the 10 phased programme.	Critical	3 months	30 September 2023
Improvements in the ownership and priority assigned to the completion of FRA actions across relevant teams and services.	Significant	6 months	31 December 2023
Establishment of contingency arrangements for key parts of the process. Ensuring the assessment, interpretation and allocation of actions is undertaken by a technical role.	Significant	6 months	31 December 2023
Maximising value from the FRA contract through robust contract monitoring and management activity.	Significant	6 months	31 December 2023
Optimising the capability of the Risk Hub system and addressing duplicate actions.	Significant	6 months	31 December 2023
Development of a framework to provide assurance through management reporting and quality assurance.	Significant	6 months	31 December 2023

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Development and roll out of a corporate access strategy.	Critical	3 months	30 September 2023

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Introduction

- 1.1 There have been significant recent changes to the legal and regulatory framework governing the management of building safety during design, construction and occupation. As a result, non-compliance with Fire Risk Assessment (FRA) actions has been identified as a key risk for the Council. Fire risk is also one of the big six (or big seven if now including damp and mould) components of building safety that present threat to life and limb and where any landlord needs robust compliance and assurance processes.
- 1.2 At 17 March 2023 there were 1,431 overdue FRA actions of which 863 were to be addressed through Capital Programmes (Minor works) with the remainder under Housing Services (Repairs and Maintenance) and Homelessness.
- 1.3 There was recognition from leadership and management of the need for improvements to the completion of FRA action processes and this has been recognised as a key priority for Housing Services for 2023/24. To assist with this, management have commissioned external parties to help accelerate the improvements needed. We agreed to review the current processes undertaken by the various teams/services involved to provide assurance over the approach and highlight potential gaps or areas for improvement.
- 1.4 Non-compliance with the building safety standards could result in reputational damage, criminal charges or financial penalties; and most importantly could put residents' health and safety at risk. As such we consider this area to have a high business impact.

2. Conclusion and Opinion

- 2.1 Overall we are able to provide limited assurance over the developing approach and processes to support the timely completion of actions arising from Fire Risk Assessments (FRAs) of the Council's residential buildings. We recognise the inherent complexities and challenges resulting from the

involvement of multiple teams such as homelessness, repairs and maintenance, strategic housing and minor works in the completion of FRA activities and alignment with other responsibilities such as repairs, maintenance and servicing. However there is a need for strong communication, accountability and ownership from senior managers across these services to align resources and prioritise action according to risk and ensuring suitable resources both in terms of staffing and finance are available to support this work. The potential risks associated with the non completion of actions is significant and the resource and priority assigned to address these needs to be proportionate. The Improvement Board and Programme, with a high level plan of actions, is a clear and welcome step towards this.

- 2.2 Whilst we were satisfied there is a plan to address the backlog of outstanding FRA actions with deadline dates up to April 2022, through delivery of the 10 phased programme, there is not an agreed, coordinated approach to the commissioning and delivery of work related to actions that fall due after this time. This is compounded by the fact that there is no earmarked budget for the work required resulting from FRA actions. We therefore recommend the development of a coordinated risk based plan, which is sustainable and incorporated into business as usual budgets to respond appropriately and efficiently to FRA recommended actions. This must be supported by robust mechanisms in terms of budget, staffing capacity and available procurement routes in order to affect this change. Whilst the focus of this review was on fire this links to other statutory compliance, safety and repairs issues and actions need to be progressed in that context with a focus on efficiency and coordination of approach.
- 2.3 Overall we conclude there have been positive steps over the last 6 months but more work is needed and this needs to be sustained and actions delivered, this is reflected in the current assurance opinion provided here.

3. Summary of Findings

Strategy, Approach and Resources

- 3.1 Whilst it is positive that funding for works to deliver the backlog of FRA actions has been approved there was a lack of clarity and limited mechanisms to ensure the availability of ongoing budget for responding to actions made post April 2022. We confirmed through our discussions that this often appears to be a blocker in the timely commissioning and delivery of work to address FRA actions.
- 3.2 Outstanding FRA actions that fell due prior to April 2022 were being addressed through a 10 phased programme with a clear purpose to clear the backlog of agreed actions. An extensive period of research, cost analysis, geographic assessment and work was done by CPD minor works to package this into 10 phases of work with a cost estimate of £5.4m, which was approved by the Strategic Capital Board. Work on this has commenced and is due for completion in 2024. For those actions not being addressed through the 10 phased programme, an overarching strategy is needed to identify, plan

and coordinate all required works associated with fire safety on Council residential buildings. We understand that as well as the FRA actions there are also recommendations made in EWS1/ PAS9980s (appraised fire risk of external wall construction and cladding) which also need actioning and will therefore need to feed into wider plans. Currently, there is not a planned programme to address these and previously work has been assessed in isolation without consideration to wider works requirements and therefore not approached or planned in the most efficient way or according to risk.

3.3 As such, we recommend a coordinated, cross directorate approach is needed for addressing fire safety related actions and should include representatives from the multiple teams described earlier. This should incorporate an assessment of ongoing budget provision and procurement options for the commissioning and delivery of works and works planned efficiently, according to risk and in alignment with other priorities. This will be particularly important as we move into business as usual once the backlog has been addressed and to facilitate the completion of repair, safety and compliance works in the most efficient way. The risk with continuing with the current approach could lead to works being undertaken in isolation without sight of wider priorities leading to increased costs or disruption for residents. This also presents ongoing risks around non-compliance with fire safety legislation for sustained periods of time.

3.4 As part of this strategy development work, there is a need for current procurement options to be considered to ensure they are accessible, flexible and fit for purpose covering the range of works required. This may lead to the exploration of broader procurement options including access to frameworks allowing works to be commissioned and delivered in a timely manner. We also concluded that there was some ambiguity over the most appropriate route for works falling between the classifications of repairs and maintenance and planned maintenance (e.g. 30 fire doors) which should be determined and communicated to relevant officers to assist them in knowing which route to follow in the commissioning and delivery of work.

3.5 Whilst we were satisfied that the longstanding issues associated with the timely completion of FRA actions were known, we are not sufficiently assured at this time that the priority being given to this work is proportionate with the level of risk. There was a lack of clear structure, approach and resources to address, escalate and expedite actions that were not progressing sufficiently. As such this was impacting on the timely completion and monitoring of outstanding actions.

3.6 To address current capacity issues, a recruitment process is underway to recruit a fire safety manager and business support. Resource will need to be kept under review to ensure this is sufficient to meet needs and given that there have been challenges securing appointments and gaps in the service structure remain or are anticipated due to staff leaving. To support the transition of new officers to the role work has begun to document a step by step guide of the FRA action process.

Roles and Responsibilities

- 3.7 There is now a Housing Improvement Programme with a dedicated workstream for FRA. This is also an area which has been discussed regularly as part of Housing DMT and JCC meetings with the Trades Unions and there is Member awareness of the issues. There has also been a renewed organisational focus on Housing Services led by the Chief Executive and Strategic Director Neighbourhoods with emergent support sourced externally, through other services and from colleagues in the Homelessness Service. The scale of the challenges to be overcome and capacity to respond to these nonetheless remain a key risk.
- 3.8 In light of recognition of the scale of outstanding actions and the need for these to be addressed, additional senior officers have been brought in to improve the Council's delivery of FRA actions. In addition, the FRA Group was established which is held regularly, its membership includes representatives from the various teams with an involvement in the process and meetings supported by agendas, reports, minutes and action points. Further consideration of purpose, focus and membership/resources is needed to maximise the value and impact of the group and ensure that capable officers involved in this work are not overloaded and less able to function effectively - further detail on this is provided below.
- 3.9 The reinforcement and communication of the distinct roles, responsibilities and expectations of cross directorate teams such as Homelessness, Strategic Housing, Repairs and Maintenance, Minor Works, is required to drive the improvement needed and to reduce any ambiguity over core processes including the arrangement and approval of works. Priority should be given to this work along with ensuring there is an appropriate level of oversight to determine when escalation is necessary to respond to unsatisfactory progress or where improvement is needed. We also understand there is a tendency for progress with actions to only begin once close to their recommended deadline and so it may be helpful to promote that whilst action should be prioritised according to risk, actions can be addressed ahead of their deadline.
- 3.10 At the beginning of our review other than a responsibilities tracker per building there were no defined policies, procedures, flow charts, templates covering the FRA process. However work has since started to develop and document these covering a start to finish FRA action process guide and the associated planned governance arrangements, a template to support requests to re-assign FRA actions and a template for a workstream highlight report. Another recent development which we support is the allocation of actions to a team rather than an individual to reduce the risk of actions being missed. Overall accountability and ownership of actions will still be needed to ensure actions are progressed in a timely manner. Alongside these positive developments there is an opportunity to adapt and streamline processes, an example being the assessment of whether photographic evidence to support the completion of an action is required for every action or whether this could be done on a risk basis. We support the need for such work and this should continue at pace to help provide clarity over the core processes and respective roles and

responsibilities of the various teams involved in contributing to the successful implementation of FRA actions. The timeliness of this is particularly important given forthcoming staffing changes and planned recruitment of new staff.

- 3.11 We also identified some capacity issues which present risks to the governance, risk and control surrounding core FRA processes. The current role of the Building Safety Manager presents a single point of failure risk whose role includes the allocation of FRA actions, review and assessment of evidence submitted to support the completion of the action, confirming the completion of actions, closure of actions where satisfactory evidence has been provided, the completion of management actions raised through FRAs and the production of management information for the FRA Group. There was a lack of contingency arrangements in the absence of the Building Safety Manager to ensure the continuation of work. This is an increased issue given his planned departure and challenges appointing to the role of Fire Safety Manager. We acknowledge recruitment is underway to grow the team which will need to be kept under review to ensure there is sufficient and sustained capacity to carry out this work.
- 3.12 An FRA Group was established to gain a better grip over the completion of FRA actions. There is a terms of reference for the group and each meeting has an agenda and minutes/action points. Membership of this group is fairly senior which demonstrates positive commitment but this could also present an inadvertent barrier to tactical decision making and operational progress that may be more likely to be achieved with officers operationally engaged in these areas. The FRA group was set up with the intention of driving action although this does not appear to be having the desired impact from our discussions and a review of FRA minutes and management information. Whilst the addressing of issues described earlier around ownership, oversight and escalation should have a positive impact on the completion of FRA actions and role of the FRA Group, we also consider the exploration of options for a more operational group sitting below this may facilitate the desired actions and outcomes being achieved and could help in the provision of assurance to the FRA group. Another option could be for the establishment of FRA Champions within each of the core teams to allow messages/priorities to be cascaded and act as a central point for any questions, issues or concerns to be raised. This could be an area of consideration within the improvement programme to ensure best use is made of people and ways to progress actions.

Systems and Processes

Contracts and Third Party Support

- 3.13 Improved challenge, validation and interpretation of FRA actions at the point of actions being raised by Savills is needed. Previously, this task was undertaken by a business support role which led to problems with actions not being allocated to the right areas/individuals, (due to a lack of technical knowledge), this then required the action to be reallocated, multiple times in some cases, causing delays in the response to the FRA action. This task is

currently undertaken by the Building Safety Manager in addition to his substantive post.

- 3.14 The interpretation of actions could be undertaken by officers with a technical role such as a surveyor to better understand what works were required, allowing this to be packaged up more accurately and allocated to the most appropriate team to complete or lead on the commissioning and delivery of the work to fulfil the action. This may help alleviate some of the concerns reported to us that less qualified business support staff have understandably struggled to assign actions to the best placed individual/team in the past given they are not qualified or experienced to do so. This would also provide the opportunity to enable the gathering of more details if required, as we understand some actions can be vague. By having a better defined job/package of works this should lead to more accurate pricing as contractors can be provided with a more accurate description of the works required and this may reduce the occurrence of variations or delays to works.
- 3.15 We also consider there is an opportunity to ensure we are getting the most out of our contract with Savills ensuring there are clear deliverable actions through more robust challenge of actions and the descriptors given and to request whether more could be done whilst on site to reduce the volume of actions being raised for completion. The example provided was the need for the removal of combustible items by the caretaker, if this could be resolved at the time of the fire risk assessment being completed this would be more efficient and reduce the need for follow up action at a later date and reduce the numbers of actions for tracking.

Risk Hub System

- 3.16 Whilst our discussions with individuals confirmed the Risk Hub system worked well and was a good tool to support the work there are a number of issues and risks worthy of note. Risk Hub is Savills' system and this could lead to issues in the future should we wish to procure the service from another supplier. Similarly there are risks around the retention and transfer of data currently stored in Risk Hub should we choose to change supplier in the future.
- 3.17 Functionality of the Risk Hub was not being fully utilised for example the organisational structure of the Council is not built into the system nor are the costs attributed to certain jobs (the current costs attached to actions raised are the supplier's indicative costings and were outdated and not considered to be very accurate). We understand that these are areas that have been picked up by management and work is planned to add this information to the system. In the intervening time Savills could be asked to update the costings, if known to be out of date. This should allow actions to be more easily directed to the correct team for actioning and will give more accurate scope of works with costings relating to required FRA actions.
- 3.18 In addition we understand there are some duplicate actions on the Risk Hub with the same FRA action reported in multiple risk assessments. Therefore

reconciliation work is needed to identify and remove duplicate actions. Once complete and moving forward into BAU this should form part of the validation checks at the point of being raised to ensure the same issue is not raised multiple times. At the time of our review there were 33 actions which had yet to be assigned with target dates for completion in 2024. Further work should therefore be undertaken to assign these at the earliest opportunity to enable work to be progressed.

Access Strategy

- 3.19 Access by residents to properties to complete required works remains an area of challenge which limits the successful completion of actions raised through the FRA and leads to the continued exposure to fire safety risks for our residents. There was no corporate access strategy for managing and responding to refusals from residents to gain access to complete fire safety works. This limits the Council's ability to proceed in a consistent, legal and approved way. Without a robust access strategy the Council could be seen to not be taking sufficient action to try and complete fire safety works which could put some residents at increased risk if no action is being taken and could lead to non-compliance with fire legislation.

Management Reporting and Quality Assurance

- 3.20 Whilst we were provided with some examples of regular management information on the FRA outstanding actions, produced for the FRA Group, we consider that the data being reported could be refined to provide the most pertinent information. Current reporting is presented in Microsoft Word with no graphical presentation of the data to show the changing position from one period to another. A template dashboard was being developed to allow for further interrogation of data through the use of filters, this should aim to address the various information and assurance needs of what information is needed and the intended audience for which would be beneficial for the reader. The Risk Hub system has the functionality to produce reports/management information which could reduce officer time involved in producing the data, which at the moment, is very labour intensive. This could be utilised to provide data on specific buildings rather than the whole of the profile, this could also be shown per type of work e.g. fire doors which could then be used to drive a programme of work in that area.
- 3.21 Quality assurance over the Council's response to FRA actions was lacking and a robust framework should be developed which is sustainable to provide the necessary assurance over the timely completion of FRA actions on an ongoing basis. This could consist of dip sampling, deep dives into specific buildings/teams/type of work. The results of which can then be used to drive improvement and highlight any areas where further support/refinement of process is needed. As part of this development work, consideration should be given to the expected output of quality assurance activity and the reporting of this along with the intended audience.

Executive Summary J

Growth and Development – Building Control: Unauthorised Building Work

Audit Objective	Assurance Opinion	Business Impact
To provide assurance that there are effective arrangements in place to handle complaints or matters related to unauthorised building work	Limited	Low

Sub objectives that contribute to overall opinion	Assurance
There is an established process for handling unauthorised work complaints in accordance with the requirements of the Building Act and in line with the principles of the corporate Enforcement Policy.	Reasonable
Referrals are progressed in line with the established process and case records are regularly updated in a timely manner with appropriate and proportionate information.	Limited
Appropriate management information is produced to support case and performance management and inform decision making.	Limited
Developing systems address gaps and weaknesses in the process and associated roles and responsibilities are clearly defined, resources identified with the relevant skills.	Reasonable

Key Actions	Risk	Priority	Planned Action Date
The specification for the new case management system should address current system deficiencies.	Significant	6 months	30 November 2023
Action is taken to ensure new complaints and unauthorised work referrals comply with defined procedures and flowcharts.	Significant	6 months	30 November 2023

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The Council has a general duty to enforce Building Regulations within the City to ensure that standards of building construction meet the requirements necessary to protect the Health and Safety of the community. This is done initially by informal means wherever possible. The Building Control team are responsible for the administration, compliance, and enforcement of those Building Regulations and operate within a statutory and legal framework around the Building Act 1984 and associated legislation.
- 1.2 There are a number of contextual challenges related to Building Control worthy of note including significant emerging changes in legislation and a UK wide shortage of building control officers. As such, a review of the Council's building control service is underway, led by the Director of Planning, Building Control and Licensing, to improve core processes, retain experienced officers, prepare for the changes in legislation and improve the customer service offer.
- 1.3 A recent Planning service review included providing support to the Building Control team (including complaints about unauthorised building work) in view of the current significant challenges due to a lack of resources. Management asked that Internal Audit review the current and developing arrangements regarding unauthorised building work to ensure that the key actions and priorities were aligned with the service plan.

2. Conclusion and Opinion

- 2.1 Overall we are able to provide a limited assurance over the current arrangements in place to manage complaints or matters related to unauthorised building work, where this relates to the Building Act. However, we acknowledge the service is in a period of change and there are a number of improvements planned including the procurement of a new IT system for managing cases and the update and revision of the Enforcement Policy. As such we consider there is a positive direction of travel for the service which should facilitate improvements to core processes.
- 2.2 Our sample testing of cases highlighted a lack of formal structure for recording and responding to compliance issues, with sample testing suggesting some cases had not been investigated at all. We acknowledge that the service has suffered from inadequate staffing levels for a number of years (in line with a UK wide shortage in Building Control officers) therefore priority was given to the highest risk cases such as dangerous buildings and to the review of legitimate and authorised work. We were also told that the majority of compliance issues arise as routine business and are dealt with and resolved whilst inspectors are on site. However, as these were not formally recorded as complaints, we were unable to determine the number or scale of these issues.
- 2.3 Due to forthcoming changes in building legislation there are likely to be penalties and sanctions on Councils which do not meet as yet undefined service standards. Therefore more robust arrangements are required to

ensure any allegations of unauthorised works are appropriately and proportionately investigated and relevant evidence retained to support work undertaken.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 There is a documented process for responding to unauthorised work complaints and flowcharts exist for dealing with unauthorised building referrals and regularisations. We reviewed these and were satisfied that they were in accordance with the requirements of the Building Act, the LABC (Local Authority Building Control) processes and were in line with the principles of the corporate Enforcement Policy.
- 3.2 During the audit we reviewed a draft of the service Enforcement Policy which was being developed. This was in line with the corporate Enforcement Policy and clearly outlined the enforcement options available and the approach officers should take. We provided a number of comments and suggested improvements which should be considered before finalising the policy.
- 3.3 Management were already aware of weaknesses in the current Uniform system that were highlighted during audit testing and procurement of a new case management system to replace this is already underway. We were assured that these system limitations would be considered in the procurement of the new system and would be built into the specification documents ahead of tendering. Current proposals were for the introduction of the new system in late 2023.
- 3.4 It is intended that the new system will have the functionality to enable officers to proactively record and send information whilst mobile. New system requirements have also been considered with the wider Council Resident and Business Digital Experience Programme (RBDxP). This forms part of the Future Shape programme which aims to improve digital interactions with Residents and Businesses. This should create a better customer experience and make the process more seamless.
- 3.5 Recent improvements have been made to increase the ways in which people can contact the Council regarding building control issues. A new Building Control Enforcement inbox is operational and new web forms have been designed and sent to Digital Communications prior to launch on the Council's website.
- 3.6 Proposals described to us for the new central support function and combined compliance team were clear and logical.

4. Key Areas for Development

- 4.1 The current case management system (Uniform) is limited in terms of capabilities for dealing with unauthorised building work cases and the

reporting functionality was not sufficient. Current issues include a lack of inbuilt notifications and standard documentation, inability to attach documents while cases are open (so have to have separate case files) and inability to link enforcement action and other cases. These increase the risks of error and inefficiency in process.

- 4.2 Our sample testing focused on 15 of the 46 cases since 1 April 2022 (33%) and three associated regularisation applications. Nine of the 15 cases reviewed had no action taken at all (60%) therefore were not compliant with the statutory duty, expectations or corporate Enforcement Policy presenting risks that those developments may continue in an unsafe manner.
- 4.3 Five further cases were not actioned in line with the defined process set out in the flowchart provided. Uniform did not have details of any of the referrals or complaints (only three of these were on the associated folder in the G drive). The majority of cases reviewed did not have follow up actions i.e. to see if regularisation was applied for or if requested changes had been made.
- 4.4 There was no management information or performance monitoring produced relating to unauthorised building works and the system capabilities in this regard were poor. There were no relevant Key Performance Indicators (KPIs) and senior staff advised that due to resources and capacity challenges they were unable to frequently undertake performance monitoring / case reviews or complete one to ones with staff (although we note that they work closely together and hold regular informal discussions on casework).

