

By: Natalie Liddiard, Head of Gypsy and Traveller Service
Tom Marchant, Interim Head of Countryside and Community
Development

To: Governance and Audit Committee – 15 November 2022

Subject: Update on Progress Following Internal Audit RB27-2022

Classification: Unrestricted

Summary:

This progress report provides an update on the Management Response to the Internal Audit conducted on the Gypsy and Traveller Service -Site Allocation and Pitch Fee Collections completed in February/March 2022.

Recommendation:

The progress made so far is noted.

1. Introduction
 - 1.1 KCC owns and manages seven sites across the County which are used to accommodate the Gypsy and Traveller community and manages a further two on behalf of Maidstone Borough Council until the end of the 2022/23 financial year.
 - 1.2 There is a variety of legislation in force which impacts on the requirement of councils to provide support to gypsies and travellers, and where sites for gypsies and travellers are provided. The Mobile Homes Act 2013 provides security of tenure to residents of mobile home sites where they own the home they live in and rent the pitch from the site owner. From April 2011, this included all local authority Gypsy and Traveller sites.
 - 1.3 A public Gypsy and Traveller pitch can be viewed as the equivalent to social rented housing and is for Gypsies and Travellers only, who cannot meet their accommodation need via private provision.
 - 1.4 It evolved through several member decisions historically (circa 1960s) that KCC would provide accommodation sites for the Gypsy and Traveller community. Whilst there is no statutory responsibility on KCC to provide sites, the provision from KCC does assist District and Borough Councils in meeting their statutory responsibilities.
 - 1.5 As KCC has provided these sites for a number of years, KCC is obliged to maintain the site from a landowner/landlord perspective and that all maintenance and council-led services should be provided by the Owner.
 - 1.6 KCC currently owns and manages seven sites, within 5 districts across Kent, which are designated for gypsy and traveller accommodation. These sites provide 128 pitches of varying size.
 - 1.7 The Service was audited in March 2022, during which time the Head of Service was absent from work and had been since June 2021. Whilst there were temporary management measures in place, this absence had an impact on the Team and its performance.

1.8 The interim management arrangement welcomed the audit and worked well with the audit team to provide all information requested in a timely manner and discussed operational issues openly.

2. Areas for Development

2.1 The Head of Service and Amanda Palmer, Principal Auditor, meet on a quarterly basis to report progress following the Internal Audit and meet on an 'ad-hoc' basis to discuss policy and approach, and provide feedback when needed.

2.2 Progress has been made on all issues identified by the Internal Audit.

2.3 Issue 1 - Gypsy and Traveller Pitch Allocation Policy
The current Gypsy & Traveller Pitch Allocations Policy 2012 is significantly out of date. The Policy was reviewed and updated in 2019, but the new version was not agreed as the GTS now reports to the Growth, Economic Development & Communities Cabinet Committee and no papers have been presented since this change in formal reporting lines.

The pitch allocation policy has been reviewed and redrafted and is currently in 'pre-consultation' phase. Pre-Consultation activity included review and comment from internal KCC departments, namely Counter Fraud, Internal Audit, and the Public Protection Intelligence Team and external partners including East Sussex County Council, Dartford Borough Council, Tunbridge Wells Borough Council, Sevenoaks District Council and the London Gypsy and Traveller Organisation.

The current draft has been presented to the GET Divisional Management Team and is being presented for approval at the Growth, Economic Development and Communities Cabinet Committee on 22nd November 2022. Subject to approval, it is planned that formal consultation will start in December 2022 and end in February 2023, with final sign off for the amended policy in May 2023.

2.4 Issue 2 – Documented Procedure Notes
The currently available process documents do not sufficiently outline the application, assessment and approval processes; including roles and responsibilities.

This is linked to Issue 1, once the new Pitch Allocation Policy has been agreed, a documented procedure note supported with a detailed training session, will be established to ensure full adherence to process. This will be supported by ongoing internal reviewing and 'dip sampling'.

2.5 Issue 3 – Rental Fees
The current pitch fees have not been formally agreed by the relevant Committee or published in accordance with legislative guidance

Where a Local Authority charges an annual fee in addition to a pitch fee (weekly pitch rent), the Mobile Homes Act 2013 requires the Local Authority to publish a fees policy. Currently, KCC only charges pitch licence holders a weekly rent and does not charge an additional annual fee. As such, there is no policy to be published at this time.

2.6 Issue 4 – Case Management System

The new case management system is not being used to its full potential.

The case management system that was being used by the Service is not fit for purpose and did not meet their needs. A number of discussions have happened with the GET Infrastructure Business Partner and background work has been completed to identify the specification and needs of a new case management system. This has now been passed to a Solutions Commissioner, in the Technology Commissioning and Strategy Team to progress.

2.7 Issue 5 – Processing of Pitch Applications

From our review of a sample of 12 applications across various sites, a high number of inconsistencies were identified in the records kept and the way applications have been assessed and scored

The current policy and process for pitch applications was discussed, explained and an interim procedure note developed by the new Head of Service to ensure that applications were processed consistently, fairly and in accordance with the current Pitch Allocation Process in May 2022. This explicitly states that the process that must be followed and provides templates for all communications. This has been implemented effectively and training provided and is working well during this interim period.

Once the new Pitch Allocation Policy has been approved and implemented, a new process will be documents and published, with ongoing internal review to ensure full adherence to published process.

2.8 Issue 6 – Fraud Risks

Staff have not received fraud awareness training or made any fraud referrals to the Counter Fraud Team

Discussions have taken place with the KCC Counter Fraud team and bespoke training session was originally diarised for September 2022, however due to unexpected absences this did not go ahead and the session has been rescheduled for 25th November 2022.

2.9 Issue 7 – Outstanding Debt

The current level of outstanding debt for pitch fees is £384,466 of which £323,031 (84%) is more than 60 days overdue. There is no debt recovery policy or procedure.

A significant amount of work has been completed to tackle the rent and water arrears carried by the Service. The KCC Debt Recovery processes have been adopted and a clear escalation process established. Debt is defined as the total of rent arrears and unpaid water charges and is dealt with as a combination for reporting purposes but is separated and defined individually as part of our legal process. However, all debt recovery action is applicable to both types of debt. At the time of writing this report, there has been a reduction in overall debt of approximately 11% achieved since June 2022, with a further 23 cases passed on to our legal advisors for formal action and a further 29 payment plans agreed and being maintained.

2.10 Issue 8 – Water Recharges

The current agreement with water companies whereby KCC pays the water bills and recharges these costs to the pitch tenants is administratively costly and ineffective.

The administrative process is necessary to support the infrastructure that is in place across the portfolio of sites. Whilst the process is not the most effective, there is limited scope to change it with the on-site infrastructure that is in place.

Investigations into the feasibility and cost to change the set ups on site have started however the cost is not something that can be met from the current service budget and a further project would need to be scoped with funding identified to make any progress on this.

2.11 Issue 9 – Unallocated Receipts

There is currently £26,800 of funds that have been received from tenants and/or from other Local Authorities for those tenants in receipt of housing benefit but not allocated to the relevant invoice.

Several conversations between the Service and KCC Finance Teams have taken place since the Audit to resolve this issue, and there have been a number of changes in process to ensure monies are allocated to the correct accounts. Due to the nature of the payments received, there will always be a reliance on the creditor (residents, Housing Authorities, DWP) to apply the correct references to payments so they can be allocated correctly. As this is not always completed, the Service conducts frequent checks on the finance systems and allocates payments manually to ensure there is a very limited number of unallocated receipts at any time.

3. Prospects for Improvement

In response to the areas identified in the Internal Audit,

3.1 *Currently the post of Head of the GTS is vacant. Although action plans have been developed to address the issues raised in this report it is unclear whether they will be prioritised by the new post-holder or whether the timescales are realistic.*

The new Head of Service started in post on 4th July 2022 and has focussed on the concerns raised in the Internal Audit as well as put plans are in place to review all essential Service policies, processes, and documentation to ensure the service is compliant and effective in day-to-day operations. It has been quickly recognised that the Service needs to establish a robust response to site issues and maintain momentum when dealing with issues of non-compliance and debt, whilst also dealing with the existing operational issues and maintaining focus on the community and our residents.

3.2 *It is unclear whether Case Management System that was purchased for the GTS is fit for purpose as a significant amount of work remains to implement it.*

The case management has been deemed as 'not fit for purpose' and as per section 2.6, work is underway to procure a more suitable case management system to benefit the Service.

4. Conclusion

- 4.1 Based on all the points reported in sections 2 and 3 of this report, we feel that the Service has shown significant improvement since the Internal Audit, and if the Internal Audit was conducted now, the outcome would be much improved.
- 4.2 Based on the improvements and progress against the Management Response, we feel the Service is now demonstrating 'good' Prospects for Improvement.