Staffordshire County Council

NEWCASTLE UNDER LYME BOROUGH COUNCIL

Supported Accommodation

Final Audit Report

2025/26

Our Purpose

To strengthen the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Chief Audit Executive
Lisa Andrews

Senior Audit Manager
Alex Cannon

Lead Auditor
Lesley Heasman

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Draft Report Distribution
Rosie Bloor – Customer Hub Manager
Roger Tait – Service Director - Neighbourhood Delivery
Nesta Barker – Service Director Regulatory Services
Craig Turner – Service Director for Finance (S151 Officer)
Corporate Leadership Team

Final Report Distribution
Gareth Humphreys – Customer Hub Lead
Rosie Bloor – Customer Hub Manager
Gillian Taylor - Housing and Vulnerability Manager
Roger Tait – Service Director - Neighbourhood Delivery
Audit and Standard Committee.

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1 Executive Summary

1.1 Scope and Background of Audit

1.1.1 The audit of supported accommodation has been included to provide assurance over the management and oversight of Housing Benefit subsidy claims. As the local authority claims a subsidy from the Department for Work and Pensions (DWP), this review will assess whether subsidy claims are accurate, compliant with DWP regulations, and appropriately monitored to minimise financial risk.

Housing Benefit assessments for supported accommodation carry a high financial risk to the Council in terms of paying potentially ineligible costs through benefit claims, and through being unable to reclaim some or all the costs via subsidy from the DWP. Errors by the Council in incorrectly classifying the claims can also result in financial subsidy penalties.

The audit focused on the classification of accommodation types, rent reasonableness assessments, and controls in place to ensure that claims for providers (both registered and unregistered), meet eligibility criteria and do not expose the Council to financial loss or subsidy clawback.

Losses for subsidy claims for the last three years are;

- 23/24 – 989k
- 24/25 – 930k
- 25/26 to date 817k (averages out just under £70k per 4 weekly payments run)

The decisions regarding Supported Housing eligibility are quite subjective and have to be considered on a case-by-case basis. People with support needs are identified as:

- older people
- people with a learning disability
- people with a physical disability
- autistic people
- individuals and families at risk of or who have experienced homelessness
- people recovering from drug or alcohol dependence
- people with experience of the criminal justice system
- young people with a support need (such as care leavers or teenage parents)
- people with mental ill health
- people fleeing domestic abuse and their children
- There is Government guidance detailing what is classed as support needs which details best practice although not legislative

1.1.2 The review considered whether appropriate processes and checks are in place to verify that both claimants and landlords are submitting legitimate supported accommodation claims, and whether sufficient action is being taken to ensure providers are registered.

Testing included a sample of claims to ensure all supporting evidence is available, which includes checks to ensure landlords are providing sufficient support to the claimants within their premises.

The spend for supported housing benefit for 2024/25 was circa £850k, with 2025/26 estimated to be over £1m.

During the period under review, the supported accommodation team has taken steps to strengthen elements of the control framework (for example, introducing and developing assessment and engagement documentation); however, as summarised in the root cause analysis at section 1.3.3, the consistent embedment and routine operation of these controls is constrained by limited resourcing/capacity.

1.2 Summary of Audit Findings

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
To ensure that policies and procedures are available for supported accommodation claims and that these documents are appropriately approved and shared with staff for consistent application.	0	0	0	0
To ensure that only eligible claimants receive supported accommodation benefits and that sufficient evidence is obtained to justify vulnerability classifications.	5	1	2	2
To ensure that accommodation providers meet licensing or registration requirements and that controls exist to manage providers effectively.	3	1	2	0
To ensure that landlords claiming higher rents provide genuine and sufficient support to tenants, evidenced through appropriate documentation.	2	1	1	0
To ensure that supported accommodation expenditure and subsidy claims are regularly monitored, accurately reconciled, and reported to minimise financial risk.	3	3	0	0
To ensure that controls are in place to prevent fraudulent or inflated claims and to mitigate the risk of subsidy clawback through robust classification and rent checks.	4	2	1	1
TOTALS	**17**	**9**	**5**	**3**

1.2.1 The following issues were considered to be the key control weaknesses:

Rec Ref	Risk Rating	Summary of Weakness	Agreed Action Date
3936	Medium priority	INA forms are not always completed with sufficient detail for a fair assessment to be made and details of the reviewer, and why a decision has been granted or refused, is not recorded.	30 September 2026
3941	High priority	Claimants recorded as short-term supported accommodation are remaining in placement beyond the intended two-year transitional timeframe.	30 September 2026
3942	Medium priority	Additional support checks are only undertaken for new landlords or where a landlord has been subjected to a scheme visit. Retrospective checks are not being undertaken.	N/A
3943	Low priority	INA forms are not formally reviewed or signed off and decision rationale is not recorded.	30 September 2026
3944	Medium priority	Currently there is one individual responsible for the review and approval of registered and unregistered (non-HMO) landlords providing supported housing as well as overseeing supported accommodation assessments.	N/A
3962	Medium priority	HMO-licensed supported accommodation properties are not subject to a consistently applied and recorded inspection cycle.	N/A
3957	Medium priority	The Council does not operate a documented, periodic, risk-based monitoring approach for supported accommodation providers that are not HMOs.	N/A
3958	Low priority	Currently there is no process or policy in place to manage a complaint received from a tenant in respect of a landlord.	31 May 2026
3945	High priority	There is no formalised process for liaising with tenants and obtaining evidence to ensure that their support needs meet the required criteria to reside in supported accommodation. Nor is evidence obtained that these needs are being met with a timetable in place for moving on to unsupported accommodation within two years of their residency.	30 September 2026
3946	Medium priority	The Council does not routinely request, review and evidence-check an itemised breakdown of IHM charges to confirm what is being charged for and to remove any ineligible/duplicate elements.	30 September 2026
3949	Low priority	There are no random or targeted tests undertaken with high-risk landlords.	N/A
3948	Medium priority	There is currently no documented approach for referring suspected supported accommodation Housing Benefit fraud for investigation, and no cases have been investigated to date.	Implemented

This report focuses on the weaknesses in the Organisation's systems of control that were highlighted by this audit and recommends what Audit considers to be appropriate control improvements. This report contains the following number of recommendations.

High	Medium	Low	Total

2	7	3	12

Another one minor priority issue has been highlighted for management's consideration.

1.3 Summary of Control Assurance Provided

1.3.1 **Limited** - Internal Audit is able to offer limited assurance in relation to the areas reviewed and the effectiveness of the controls found to be in place. Some key risks were not well managed, and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.

1.3.2 This audit has been awarded a limited assurance opinion as a result of the following issues being identified by Internal Audit:

- A lack of routine, formalised review and move-on monitoring for short-term supported accommodation cases, resulting in tenants remaining in placement beyond the intended two-year transitional timeframe;
- The absence of a formalised process for liaising with tenants and obtaining evidence to confirm that support needs meet the criteria for supported accommodation, that those needs are being met, and that time-bound move-on planning is in place.
- In addition, there are weaknesses in the quality and audit trail supporting eligibility decision-making, weaknesses in provider oversight arrangements (including reliance on a single officer for supported accommodation provider/claim approvals and non-HMO providers not being subject to a documented periodic, risk-based monitoring approach), and gaps in compliance and risk-based assurance activity (including HMO-licensed supported accommodation properties not being subject to a consistently applied/recorded inspection cycle and insufficient scrutiny of IHM charge breakdowns to identify/remove ineligible or duplicate elements).
- Finally, escalation arrangements for suspected fraud are not embedded in a documented way for supported accommodation cases, and no suspected fraud cases have been investigated to date, reducing assurance that potential irregularities will be identified and progressed appropriately.

1.3.3 Where appropriate, a root cause analysis has been carried out to determine the underlying factors behind the control weaknesses identified in this report. This analysis forms the foundation for the recommended actions. The main key root cause theme that has led to the limited assurance opinion is that the supported accommodation function appears to be under-resourced/has limited capacity, which limits the ability to consistently pursue missing/unclear evidence, challenge inconsistencies and document decision rationale, and also constrains delivery of additional activity (including retrospective Initial Needs Assessments/follow-ups, routine tenant follow-ups, regular inspections being undertaken/recorded, and random/targeted tests on high-risk landlords). It is anticipated by the service area that capacity will be further stretched when additional legislation comes into effect in 2027.
Strengthening resourcing/capacity would support implementation of the recommended verification and monitoring controls, which may reduce the risk of incorrect or inappropriate supported accommodation claims and related payments, and may improve the Council's ability to evidence correct classification and maximise subsidy recovery, although the extent of any financial impact has not been quantified as part of this audit

2 Positive Assurance

We attempted to establish whether the Organisation's system of control for the following areas contained all the key controls expected of a sound and robust process. Through a combination of control evaluation and testing we confirmed that the following adequate controls were in operation:

2.1 Eligibility and Evidence controls

- Given the high financial risk and cost associated with supported accommodation, the Housing Benefit Team has strengthened controls to improve the accuracy of payments, ensure correct claim classification, and maximise subsidy recovery.
- Discussions with the Customer Hub Lead indicated that, for long-term supported accommodation, eligibility and placement suitability checks are undertaken via Continuing Healthcare/Social Services processes, and the service considers these checks sufficient for establishing disability/need and suitability. Historically, short-term supported accommodation claims were accepted without detailed checks. To address this risk, a programme of landlord scheme visits commenced in January 2024. These visits are being carried out for all landlords claiming supported accommodation, prioritising larger providers, regardless of registration status. As part of this process, landlords are required to complete a Supported Accommodation Questionnaire, which captures information on property ownership, rent setting, staffing arrangements, and the nature of support services provided. Landlords must return the completed questionnaire within one month, after which eligibility is assessed and, where appropriate, a scheme visit is arranged.
- Upon completion of the questionnaire, a face-to-face meeting is held with the landlord. This includes visits to selected premises and, where possible, informal discussions with residents. In some cases, tenants may also be asked to complete a Tenant Enquiry Form to confirm their support needs, the services provided, and their future accommodation intentions.
- In addition, an Initial Needs Assessment (INA) Form has been introduced for supported accommodation claims submitted from July 2024 onwards. This form requires landlords to detail the tenant's specific care, support, and supervision needs, previous accommodation, vulnerability, and planned outcomes. The INA is used to assess whether the level of support provided justifies enhanced Housing Benefit. Where sufficient evidence is not provided, or where the support offered does not meet the required threshold, claims are assessed in line with standard Housing Benefit procedures.
- Once a landlord has been assessed and approved, they are required to complete an INA for all new tenants. This ensures that individual needs are identified at the outset and that the support provided continues to meet the criteria for supported accommodation.
- Although the number of supported housing schemes has continued to increase, the enhanced assessment of landlords and claims has had a positive impact. Subsidy losses have reduced despite expanded provision, indicating improved control effectiveness and claim accuracy.

2.2 Provider Compliance and Registration

- Formal licensing and registration checks are undertaken for properties classified as Houses in Multiple Occupation (HMOs), defined as accommodation occupied by three or more individuals sharing facilities such as kitchens or bathrooms. Landlords are required to submit licence applications and supporting documentation via the GOV.UK portal. Application details and evidence, including fire alarm and detection system certification, are transferred to the Civica APP case management system. This system is used to maintain case records, issue licences, manage renewals, set review dates, and support the HMO register and the risk-based inspection programme.
- Although applications and renewals are submitted via GOV.UK, landlords are also required to provide an updated gas safety certificate annually, ensure smoke alarms are installed and maintained, and supply electrical safety certificates when requested. HMO licences are subject to re-registration every five years, at which point all supporting evidence must be resubmitted for verification.
- In addition to the statutory HMO register, a comprehensive landlord register is maintained by the Customer Hub Lead. This register records all supported accommodation properties and includes details such as property addresses, type of provision, provider business information, funding arrangements, and rent levels.
- Properties applying for supported accommodation costs that are not classified as HMOs are required to complete a separate questionnaire. This captures details of the premises, rent charges, and the nature of support provided. Providers must also demonstrate that they operate on a not-for-profit basis and supply financial and service information to confirm that the level of support provided is more than minimal.
- From the 30 claimants selected for testing purposes, four of the properties were registered as HMO properties). The electric, fire, emergency lighting and PAT testing certificates were provided, and all were in date.

2.3 Verification of Support Services

- Since January 2024, the Customer Hub Lead has undertaken scheme visits to all landlords claiming supported accommodation. Prior to a visit, landlords are required to complete an INA outlining the tenant’s support needs and how these will be met. The INA is reviewed by the Customer Hub Officer to assess claim eligibility and supported accommodation benefit is not paid until the scheme visit has been completed. During visits, informal discussions may take place with tenants to confirm whether support is being delivered and needs are being met.
- For long-term supported accommodation, tenants typically have complex medical and support requirements. Eligibility checks and placement reviews are undertaken by Social Services to ensure accommodation remains appropriate. While medical evidence is required to support these decisions, it is not collected or verified by the Customer Hub Team due to the sensitive nature of the information.
- There are plans to introduce structured tenant request forms and routine follow-up visits; however, these are not currently operating due to capacity constraints within the team
- At present, Aspire is the only provider with Service Level Agreements (SLAs) in place with the Council. Two SLAs exist, covering silver and gold accommodation standards, both of which specify the criteria required to qualify for enhanced supported accommodation payments. Preparatory work is currently underway to establish an SLA

with Brighter Futures.

2.4 Financial Oversight and Monitoring

- Monthly subsidy monitoring reports are produced by the Customer Hub Lead (Benefits) and reviewed to identify anomalies or variances. Where issues are identified, actions are documented and tracked within the reporting spreadsheet. A monthly reconciliation is also undertaken between Civica and NEC. Evidence provided confirmed that, as of February 2026, both systems reconciled to £13,797,623.74, with no discrepancies identified. Supported accommodation expenditure is not reported separately, as Housing Benefit payments are reconciled in aggregate and are not split between supported and general needs within Civica.
- The subsidy claims spreadsheet is maintained by the Customer Hub Lead (Benefits) and reconciled throughout the year. While variances are monitored on an ongoing basis, adjustments are only finalised when the subsidy year is closed. The final subsidy claim is submitted to the DWP by 30 April following year-end.
- The Finance Department provided the annual Housing Benefit payment summary for 2025/26, totalling £16,522,259.51, together with supporting evidence for cancelled BACS payments of £3,806.16 and debtor adjustments of £1,034.29, confirming that the totals reconciled.
- The Customer Hub Lead (Benefits) also undertakes detailed checks of subsidy classification within cells 96 and 97 of the subsidy claim. Cell 96 relates to vulnerable claimants, for whom 60% subsidy is reclaimable on top of the rent officers determination, while cell 97 relates to non-vulnerable claimants where only the rent officers determination amount of subsidy is payable. Prior to submission of the final claim, a report is re-run, and every case is reviewed to confirm correct classification. Any errors identified are corrected before submission to the DWP.
- A review of all supported accommodation-related subsidy adjustments for 2025/26 confirmed that discrepancies are clearly recorded within the subsidy spreadsheet, alongside explanatory notes and documented corrective actions.
- There are no standalone performance indicators specifically for supported accommodation claims; however, these are captured within wider Housing Benefit performance measures. Due to the enhanced verification required for supported accommodation, processing times are measured from the date all required landlord information is received rather than the claim receipt date. The internal target for new Housing Benefit claims is 18 days, against a national target of 20 days. As of February 2026, average processing time for new claims was 10.84 days. Performance data is produced monthly, reviewed by the Customer Hub Manager, and reported to the Service Director - Neighbourhood Delivery.
- Performance reports presented to Cabinet apply a six-day target, with performance of 4.40 days in Q2 and 4.51 days in Q3. This variance in targets was clarified with the Customer Hub lead (Benefits) who explained that these performance figures combine new claims and changes, whereas the 18-day target applies solely to new Housing Benefit claims.
- The Assessment Team conducts ongoing checks to ensure supported accommodation claims are accurately coded for subsidy purposes and carries out regular assurance checks with the DWP to maximise subsidy recovery. In addition, the Customer Hub Lead

(Benefits) performs a final comprehensive review of subsidy classifications prior to year-end closure to confirm all expenditure is recorded in the correct subsidy cell.

2.5 Fraudulent or Inflated Claims Risk Management

- Discussion with the Customer Hub Lead confirmed that recovery of overpaid or incorrect payment would be the same as procedures followed for housing benefit claims. Claims for reimbursement would be to the landlord as they receive the payments and these can be recovered via deductions from direct payments, via an invoice or by civil proceedings.
- The Customer Hub Lead advised that dates of birth and National Insurance Numbers are cross referenced to any other claims on the system and that although the system could initially set up a duplicate claim if there was a variation in the different application, this would be rectified once a searchlight check and cross referencing has been done.
- Clarification was sought regarding any protocols in place for internal or joint fraud investigations with corporate fraud teams. The Customer Hub Lead advised that should a fraud investigation be required this would follow the same protocol as fraudulent housing benefit claims. Benefit fraud is dealt with by the Single Fraud Investigation Service at the Department for Work and Pensions (DWP). When fraud is suspected, a Single Fraud Investigation Referral form is completed and sent to DWP.

3 Control Weaknesses & Recommendations

3.1 Eligibility and Evidence controls

3.1.1 It is expected that robust eligibility checks are completed when a claim starts.

A sample of 30 claims were selected for testing (15 from November 2025 and 15 from January 2026), five were supported by an INA) Completion of the forms was varied with some quite detailed with sufficient information recorded to evidence a tenant's care, support and supervision needs, vulnerability status (where applicable), and the support outcomes/plan the landlord states will be delivered to justify enhanced Housing Benefit.

However, testing identified the following exceptions:

- One INA submitted by GLOW was incomplete (Benefit claim 21022895);
- one included minimal information. (Benefit claim 0065995A);
- One submitted by The Lyme Tree Trust appeared to include information that was contradictory of support required (Benefit claim 21023327); and
- The INA does not record who reviews the form upon receipt from the landlord. This information would be useful together with reasons for accepting or rejecting a claim.

Root cause: The supported accommodation review process is reliant on landlord self-reported information and follow-up challenge activity, but the function is under-resourced (only two officers), meaning there is insufficient capacity to consistently pursue missing/unclear evidence, challenge inconsistencies and document decision rationale. This results in variable quality of information received and an incomplete audit trail to support eligibility decisions

There is a risk that landlords are claiming supported accommodation benefits inappropriately and a full audit trail is not available.

Recommendation Ref 3936		Summary Response	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: INA forms are not always completed with sufficient detail for a fair assessment to be made and details of the reviewer, and why a decision has been granted or refused, is not recorded.		**Agreed Actions:** Details of reviewer and rationale for decision (including rejection of incomplete forms) to be recorded on INA forms and/or system Capacity does not exist at present to pursue/challenge landlords for missing/unclear evidence	
Recommendation: It is recommended that systems and support be put in place to ensure that staff are able to further investigate landlord claims in a timely manner to ensure claims received are sufficient and adequate and that details of the assessor and how they have reached their decision is recorded either on the		**Implementation Date:** September 2026 for INA forms No date can be set at present for landlord liaison due to unavailability of capacity	

form or on the system for completeness.	

3.1.2 It is expected that periodic reviews are undertaken for claimants on a regular basis.

The frequency of housing benefit reviews is not set nationally. The Customer Hub Lead advised that reviews are not currently undertaken due to limited resources, and the service is therefore unable to carry out routine reviews at present. It is hoped this will be possible in future.

Updates to housing benefit claims are undertaken when notifications are received from DWP, however this would not be specific to the supported accommodation element of the claim.

A sample of 30 claims were tested which showed that there were 20 claimants in short-term accommodation, 7 were in long-term accommodation and three landlords were new and were awaiting assessment. Short-term supported housing is intended to be transitional, with residents moving on to settled accommodation within two years. Of the 20 claimants in short-term accommodation, nine of these claimants had been in residence in excess of 2 years and with six of the claimants exceeding four years as tenants in their properties. Given that short-term supported housing is intended to be transitional, extended stays may indicate a lack of effective move-on arrangements and reduce assurance that support remains appropriate and delivered.

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Root cause: Insufficient capacity and lack of a formal, routine review/move-on monitoring process for short-term supported accommodation (including tenant engagement) results in reactive oversight and reliance on landlord notifications, allowing placements to continue beyond the intended transitional period without documented reassessment or move-on planning

There is a risk that supported accommodation continues to be paid for tenants that no longer require support but continue to live in the premises.

Recommendation Ref 3941		**Summary Response**	
Risk Rating:	**High priority**	**Responsible Officer:**	Gillian Taylor - Housing and Vulnerability Manager Gareth Humphreys – Customer Hub Lead
Summary of Weakness: Claimants recorded as short-term supported accommodation are remaining in placement beyond the intended two-year transitional timeframe.		**Agreed Actions:** Capacity does not exist at present to implement a regular, formal review and move-on monitoring process, although officers are clear on how this process would be mapped out and a template for it has been drafted. Data has also been collected on claimants who are in short-term placements and the duration of their stay	
Recommendation:		**Implementation Date:**	

It is recommended that a formal, documented review process for all claimants recorded as being in short-term supported accommodation is implemented. As a minimum, where a claimant has been in the same short-term placement for 18 months or more, the Council should complete (and retain evidence of) a review to confirm: (i) that the claimant continues to meet the supported accommodation criteria, (ii) that the support being claimed for is still being provided and remains appropriate to the claimant's needs, and (iii) that a clear, time-bound move-on plan is in place (or where this is not achievable, the reasons are documented). Management should also consider undertaking regular, scheduled reviews of all short-term supported accommodation cases (for example six-monthly), with the outcome recorded (including reviewer, date, decision rationale and any actions agreed). Reviews should be prioritised where length of stay exceeds the intended two-year transitional timeframe for short-term supported housing, and where reviews identify that support is no longer required or is not evidenced, appropriate corrective action should be taken (including reclassification where applicable and/or engagement with the provider to agree next steps).	No date can be set at present to implement this process due to unavailability of capacity and lack of available move-on provision. A template for implementation will be finalised by September 2026

3.1.3 It is expected that the Council carries out scheduled reviews of supported accommodation cases to verify that the level and type of support being provided continues to justify the supported accommodation classification.

The introduction of scheme reviews and INAs is part of the Council's strengthened approach to short-term supported accommodation, noting that historically claims were accepted without detailed checks. A programme of provider reviews/scheme visits has been underway since early 2024, and INAs were introduced from July 2024 to support eligibility decisions for new tenants once a provider's scheme has been reviewed/approved. However, this approach is not currently being applied retrospectively to tenants already in residence prior to the provider review, as completing INAs (and associated follow-up/tenant engagement) for the existing cohort would require significant additional resource. Management advised that, while a full review of all existing tenants would be the preferred position to strengthen ongoing assurance, this is not currently achievable under existing staffing/capacity arrangements.

Root cause: The supported accommodation function does not have sufficient capacity/specialist resource to undertake and follow up INAs for the wider cohort alongside ongoing provider reviews.

There is a risk that existing tenants are residing within supported accommodation that do not meet the criteria.

Recommendation Ref 3942	Summary Response

Risk Rating:	**Medium priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: Additional support checks are only undertaken for new landlords or where a landlord has been subjected to a scheme visit. Retrospective checks are not being undertaken.		**Agreed Actions:** Capacity does not exist at present to undertake retrospective landlord checks	
Recommendation: It is recommended that all tenants/landlords undergo checks on a regular basis to ensure that supported accommodation criteria is being met and being provided to appropriate tenants.		**Implementation Date:** No date can be set at present to undertake retrospective checks due to unavailability of capacity	

3.1.4 It is expected that segregation of duties is maintained between assessment and approval.

Discussion with the Customer Hub Lead established that assessments for supported housing are undertaken in the main by the Customer Hub Officer with some being undertaken by the Customer Hub Lead. Whilst the Customer Hub Lead completes occasional spot checks of assessments approved by the Customer Hub Officer, there is no formal process for signing off claims and the assessments completed by the Customer Hub Lead are not checked by anyone.

There is a risk that INA forms are incorrectly approved due to the lack of segregation and oversight, reducing assurance that eligibility decisions are consistently supported and increasing the risk of unsupported or inconsistent approvals.

Recommendation Ref 3943		**Summary Response**	
Risk Rating:	**Low priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: INA forms are not formally reviewed or signed off and decision rationale is not recorded.		**Agreed Actions:** Customer Hub Lead to review and sign off a sample of INAs completed by Customer Hub Officer each month	
Recommendation: It is recommended that a process be implemented whereby the Customer Hub officer and the Customer Hub Lead reperform a number of assessments each month to gain assurance that an appropriate decision has been reached regarding eligibility for supported accommodation benefit.		**Implementation Date:** September 2026	

3.1.5 It is expected that scheme visits and supported accommodation provider/claim approvals are undertaken through a documented multi-disciplinary assessment process, with clear roles and recorded decision-making to ensure appropriate expertise is applied, segregation of duties is maintained, and arrangements are resilient for business continuity.

Whilst there is a regular updated register of housing providers and visits are undertaken when notification of a new landlord is received or when a scheme visit is undertaken, the responsibility for these visits currently lies with one individual, which is the Customer Hub Lead. As the approval of properties/claimants is quite subjective it would be preferential that a multi-disciplinary team is in place to make these assessments. This will help ensure expertise from different areas is utilised and will also be beneficial in relation to business continuity arrangements and from a segregation of duties perspective.

Other authorities who receive SHIP funding (Supported Housing Improvement Programme) have set up multi-disciplinary teams and have found this to be the best approach and work effectively. Teams that should be considered as part of this multi-disciplinary team include housing, homelessness, housing benefits, public and environmental health. This would ensure a transparent and open process with the likelihood of inappropriate properties/landlords being permitted to claim supported accommodation.

There is a risk that due to the lack of segregation and other expert opinions, incorrect decisions relating to supported accommodation could be made. In addition, there are business continuity risks in relation to the assessment of supported accommodation claims, should the member of staff be absent for significant period of time.

Recommendation Ref 3944		**Summary Response**	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Service Director- Neighbourhood Delivery and Service Director – Regulatory Services
Summary of Weakness: Currently there is one individual responsible for the review and approval of registered and unregistered (non HMO) landlords providing supported housing as well as overseeing supported accommodation assessments.		**Agreed Actions:** A multi-disciplinary team from Customer Hub and Housing and Vulnerability is to review and approve landlords providing supported accommodation and carry out supported accommodation assessments. Support will also be required from Staffordshire County Council Social Services in appropriate cases.	
Recommendation: It is recommended that a multi-disciplinary Team be put in place for the assessing of properties to ensure suitable for supported accommodation. Should the Customer Hub Lead be absent for any length of time this would ensure that knowledge had been shared and others could continue with the assessments in the interim.		**Implementation Date:** No date can be set at present to set up and deploy this team due to unavailability of capacity across both services	

3.2 Provider Compliance and Registration

3.2.1 It is expected that licensing and applicable safety certificates checks are undertaken prior to providers being registered for Houses in Multiple Occupation (HMO)

Where supported accommodation meets the legal definition of a HMO, the Council has specific statutory responsibilities under Part 2 of the Housing Act 2004 and the Management of Houses in Multiple Occupation (England) Regulations 2006. This includes requirements for mandatory HMO licensing. As part of this framework, the Council is required to undertake inspections as part of the licensing process, carry out re-inspections upon licence renewal, and undertake inspections where complaints are received or where risks to health and safety are identified. These requirements apply irrespective of whether the HMO is used for supported accommodation or general private rented housing.

Of the 30 properties/claims selected for testing, four related to HMO properties; 33, 41 and 56 London Road for which the Lyme Trust are the registered landlord and 7 Sidmouth Avenue for which Glow are the registered landlord. The inspection history for these four properties was reviewed. The most recent inspection dates varied significantly, with 33 London Road last inspected on 17 June 2025, 41 London Road on 21 September 2023, 56 London Road on 16 July 2025 and 7 Sidmouth Avenue on 22 August 2018.

Root cause: Limited resource/capacity within the service area means the Council is not always able to consistently undertake and/or record the expected HMO inspection activity (including timely inspections as part of the licensing/renewal cycle and responsive inspections where required), resulting in variable inspection coverage across supported accommodation HMOs.

There is a risk that the Council are unaware of the status of properties for which they pay enhanced benefits to and that these properties are not being retained in adequate condition.

Recommendation Ref 3962		**Summary Response**	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Gillian Taylor - Housing and Vulnerability Manager
Summary of Weakness: HMO-licensed supported accommodation properties are not subject to a consistently applied and recorded inspection cycle.		**Agreed Actions:** Capacity does not exist at present to increase the current inspection cycle and update records	
Recommendation: It is recommended that an inspection programme be implemented whereby all HMO properties are inspected on a regular, rotational basis to ensure ongoing compliance with HMO licence requirements and property safety standards.		**Implementation Date:** No date can be set to increase the current existing inspection cycle at present due to unavailability of capacity, however current inspection programme within existing resources is based on property risk and due date	

3.2.2 It is expected that the Council undertakes periodic, risk-based monitoring to confirm supported accommodation providers remain compliant with ongoing requirements. suitable for living in, but this is not a requirement…

The Supported Housing (Regulatory Oversight) Act 2023 is expected to introduce a licensing framework for supported accommodation and link entitlement to enhanced Housing Benefit to holding a valid licence, with the National Supported Housing Standards covering areas such as property conditions, support quality, safeguarding, staff competence, local need and governance; local authorities will be required to publish Supported Housing Strategies assessing current and future need by 31 March 2027 and to run licensing schemes, with draft regulations expected in 2026 and the full framework not

expected before 2027. Until that licensing framework is in force, supported accommodation that is not a HMO is not currently subject to a mandatory inspection regime linked to supported-housing licensing. However, local housing authorities have duties and powers under the Housing Act 2004 to keep housing conditions under review and to arrange inspections where appropriate to determine whether Category 1 or 2 hazards exist (for example following complaints or where an inspection is considered appropriate for other reasons). The Housing Health and Safety Rating System (HHSRS) provides a risk-based approach for assessing hazards in residential properties and is used to identify risks to health and safety. In addition, DWP guidance recognises that, beyond administering Housing Benefit, local authorities have a role in the strategic planning, commissioning and monitoring of supported housing in their area. Therefore, implementing proportionate, risk-based monitoring for non-HMO supported accommodation would support assurance that accommodation remains suitable and safe pending the introduction of the new licensing requirements and standards.
The abolition of unlicensed landlords will also increase the subsidy that can be claimed as all landlords will be required to be registered, however this will entail a substantial amount of additional work for an already over-stretched team.

We were informed by the Customer Hub Lead that currently, landlords that are not classed as HMO's do not undergo further inspections due to capacity issues within the team.

Root cause: Discussions with the Customer Hub Lead identified that these inspections are not undertaken due to a lack of resources/capacity, which they believe will be further stretched when changes to legislation come into effect.

In the absence of periodic, risk-based monitoring of non-HMO supported accommodation providers, the Council may not identify and address property condition hazards or emerging compliance issues in a timely way, reducing assurance that accommodation remains safe and suitable for vulnerable residents and weakening the Council's readiness to evidence compliance with the forthcoming supported accommodation licensing and standards framework and associated strategic duties.

Recommendation Ref 3957		**Summary Response**	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Gillian Taylor - Housing and Vulnerability Manager
Summary of Weakness: The Council does not operate a documented, periodic, risk-based monitoring approach for supported accommodation providers that are not HMOs.		**Agreed Actions:** Capacity does not exist at present to set up and deliver a documented, periodic, risk-based monitoring approach for non-HMO supported accommodation providers A multi-disciplinary team from Customer Hub and Housing and Vulnerability could inspect, review and approve non-HMO supported accommodation provision if capacity was created notwithstanding properties that are covered by registered providers, care setting or CQC inspections.	
Recommendation:		**Implementation Date:**	

It is recommended that consideration be given to the current staffing arrangements in relation to the supported accommodation inspections. This may be in the form of additionally trained staff or the implementation of a multi-disciplinary team to assist with the inspections/visits.	No date can be set at present to set up and deploy this team due to unavailability of capacity.

3.2.3 It is expected that the Council has a documented and publicised process for supported accommodation tenants to raise complaints about landlords/providers.

Whilst the council have a formal complaints policy and process on their website there is no reference to how to complain regarding a landlord and details of any support that the council can offer

If there is no clear, accessible and documented process for tenants to raise landlord/provider complaints, then concerns may go unreported or unaddressed, allowing poor standards to persist and exposing the Council to increased reputational and regulatory risk

Recommendation Ref 3958		Summary Response	
Risk Rating:	**Low priority**	**Responsible Officer:**	Gillian Taylor - Housing and Vulnerability Manager
Summary of Weakness: Currently there is no process or policy in place to manage a complaint received from a tenant in respect of a landlord.		**Agreed Actions:** The recently formally adopted process for tenant complaints regarding landlords in relation to the Renters Rights Act is to include tenants in supported accommodation	
Recommendation: It is recommended that guidance be made available for tenants to ensure they are aware of their rights should they wish to raise a complaint regarding a landlord who is in receipt of supported accommodation benefit.		**Implementation Date:** May 2026 (information published on Council website)	

3.3 Verification of Support Services

3.3.1 It is expected that appropriate documentation/evidence is available to verify that landlords claiming higher rents are providing sufficient support to their tenants.

Discussions were held with the Customer Hub Lead and the Customer Hub Officer who advised that prior to July 2024, claims for supported housing were granted on an honesty basis without any investigation. Currently, whilst some background information is beginning to be gathered via an Initial Needs Assessment form which is completed by the landlord, evidence such as probation letters, or GP reports are not obtained. Ad-hoc meetings with tenants do occur during scheme visits but there is no formalised process to liaise directly with tenants that are residing within supported accommodation to understand their needs, whether the accommodation allocated is appropriate and whether their needs are being met.

Evidence is also not being obtained to demonstrate that a tenant's needs are being met by their housing provider, with a timetable in place for moving on to unsupported accommodation within two years of their residency.

Although management has developed/identified a tenant questionnaire/request form to support structured tenant engagement and intends to introduce routine follow-up visits/forms, these arrangements are not currently embedded and have not been implemented under existing staffing/capacity arrangements.

Root cause: Supported accommodation verification controls were historically underdeveloped (claims previously accepted on an honesty basis) and, although tools such as landlord INAs and a tenant questionnaire have since been developed, limited staffing/capacity has prevented the formal embedding of a consistent process to obtain and document independent supporting evidence and routine tenant follow-ups, to confirm needs are being met and move-on planning is in place.

There is a risk that supported accommodation is being provided to tenants that do not meet the criteria for support and/or that their support needs are not being met in order for them to be able to move on to unsupported accommodation.

<table>
<tr><th colspan="2">Recommendation Ref 3945</th><th colspan="2">Summary Response</th></tr>
<tr><td>Risk Rating:</td><td>High priority</td><td>Responsible Officer:</td><td>Gareth Humphreys – Customer Hub Lead

Gillian Taylor - Housing and Vulnerability Manager</td></tr>
<tr><td colspan="2">Summary of Weakness:

There is no formalised process for liaising with tenants and obtaining evidence to ensure that their support needs meet the required criteria to reside in supported accommodation. Nor is evidence obtained that these needs are being met with a timetable in place for moving on to unsupported accommodation within two years of their residency.</td><td colspan="2">Agreed Actions:

Capacity does not exist at present to set up and deliver a formal tenant engagement process, although officers are clear on how this process would be mapped out and implemented.

A multi-disciplinary team from Customer Hub and Housing and Vulnerability (Social Services where necessary) could engage with tenants and obtain/review evidence in respect of their support needs meeting the criteria for supported accommodation, and being met, if capacity was created.</td></tr>
<tr><td colspan="2">Recommendation:

It is recommended that management formalise and implement the intended tenant engagement approach by adopting the existing tenant questionnaire/review template. As a minimum, this should be completed for all new claimants (post-scheme approval) and management should introduce a risk-based schedule of follow-up reviews for tenants in residence to evidence (i) current support needs, (ii) whether support is being delivered, and (iii) move-on plans/progress. Where the full roll-out of routine follow-ups is not achievable under current staffing arrangements,</td><td colspan="2">Implementation Date:

No date can be set at present to set up and deploy this team due to unavailability of capacity.

The existing tenant questionnaire is fit for purpose should capacity be created to roll it out to all claimants on a prioritised basis.

A proportionate approach template will be drafted by September 2026 for use if capacity becomes available to progress with tenant engagement.</td></tr>
</table>

management should define and document a proportionate approach (e.g., prioritisation criteria, minimum review frequency, and triggers for review), with outcomes recorded on the case file to provide an auditable trail.	

3.3.2 It is expected that Intensive Housing Management (IHM) charges are only accepted where providers evidence what IHM comprises and demonstrate delivery.

Intensive Housing Management is a term used to describe the housing management tasks that supported housing providers perform in addition to the duties of a general needs' landlord.
Where charges relate to services which contribute to the accommodation satisfying the care, support or supervision requirement to be specified accommodation, they must be eligible.
The gov.uk website advises local authorities to ask for a breakdown of these charges and then identify and deduct any ineligible or duplicate charges.

Due to limited resource and capacity, we were advised that the Council is not currently undertaking detailed scrutiny of providers' IHM charge breakdowns to identify and remove any ineligible or duplicate elements.
Root Cause : a lack of resource and capacity

If detailed scrutiny of providers' IHM charge breakdowns is not undertaken to identify and remove any ineligible or duplicate elements, there is a risk that IHM is being claimed without being provided and/or that ineligible/duplicate charges remain within the eligible rent calculation, resulting in inappropriate supported accommodation Housing Benefit payments and associated financial exposure for the Council.

Recommendation Ref 3946		**Summary Response**	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: The Council does not routinely request, review and evidence-check an itemised breakdown of IHM charges to confirm what is being charged for and to remove any ineligible/duplicate elements.		**Agreed Actions:** Breakdown of IHM charges is already requested from every provider on a scheme-wide basis, but not on an individual resident basis However, capacity does not exist at present to scrutinise the charges and remove ineligible/duplicate elements	
Recommendation: It is recommended that a documented IHM scrutiny process is implemented whereby, for any provider claiming IHM, the provider must submit an itemised breakdown and supporting evidence of the IHM activities/charges (and any associated split against other charges), and the Council must review and record the assessment outcome on file (including deductions of any ineligible or duplicate		**Implementation Date:** No date can be set at present to set up and deliver this process due to unavailability of capacity. Requests for breakdown of IHM charges for individuals is not required as scheme-wide costs are apportioned as a percentage to each individual.	

elements and escalation where concerns persist), using a proportionate risk-based approach if full coverage is not achievable within current resources.	A template scrutiny process will be drafted by September 2026 for use should capacity be created to progress scrutiny of IHM charges.

3.4 Fraudulent or Inflated Claims Risk Management

3.4.1 It is expected that adequate controls are in place to prevent and detect fraudulent or inflated claims being processed, and that targeted checks on high-risk providers are undertaken.

There are no random targeted tests undertaken on high-risk providers at present which is, in the main, due to capacity issues. It is hoped by the service area that when the new supported accommodation requirements are in place whereby all landlords are required to be registered, that this will reduce high risk providers. However, there is currently no date known for these changes to come into effect.

Root cause: There is no capacity within the team to undertake random or targeted tests on high-risk landlords.

There is a risk that high risk landlords do not undergo sufficient monitoring allowing them the opportunity to operate unethically or non-compliant practices going undetected and potentially leading to inappropriate supported accommodation payments and associated financial and reputational impact for the Council.

Recommendation Ref 3949		**Summary Response**	
Risk Rating:	**Low priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: There are no random or targeted tests undertaken with high-risk landlords.		**Agreed Actions:** Capacity does not exist at present to undertake random or targeted tests with high risk landlords. Identification of high risk landlords and a prioritised programme of annual tests would be undertaken if capacity is created.	
Recommendation: It is recommended that random checks/visits to high-risk landlords be implemented to reduce the risk of inappropriate claims and poor practice going undetected through proactive, risk-based monitoring.		**Implementation Date:** No date can be set for this at present due to unavailability of capacity. However, tests will be undertaken on a case by case basis if suspected fraud is identified.	

3.4.2 It is expected that escalation processes are in place should fraud be suspected.

Whilst there are processes in place to recover monies, where necessary there have been no cases escalated where there may be suspicions that a fraud has occurred. The Customer Hub Lead advised that as the awarding of supported accommodation is subjective with no documented processes the proving of fraud would be difficult. However, suspected fraud can still be investigated where evidence indicates dishonest false representation or non-disclosure. In considering whether suspected fraud cases should be escalated, it is important to note that the fact a supported accommodation assessment involves professional judgement does not, of itself, mean that fraud would be difficult to evidence; fraud is established by demonstrating that an individual or organisation dishonestly made a false representation (or failed to disclose information) with the intention of making a gain or causing (or exposing another to) a loss, as set out in the Fraud Act 2006 and the Crown Prosecution Service's prosecutorial guidance. Consistent with this, GOV.UK defines benefit fraud as claiming benefits you are not entitled to on purpose, for example by providing false information or not reporting a change in circumstances; therefore, where there are credible indicators of deliberate misrepresentation or non-disclosure, these cases remain capable of investigation and should not be discounted solely on the basis that eligibility decisions can be subjective.

There is a risk that fraudulent claims are being made and paid with no actions being taken to investigate.

Recommendation Ref 3948		**Summary Response**	
Risk Rating:	**Medium priority**	**Responsible Officer:**	Gareth Humphreys – Customer Hub Lead
Summary of Weakness: There is currently no documented approach for referring suspected supported accommodation Housing Benefit fraud for investigation, and no cases have been investigated to date.		**Agreed Actions:** A general corporate fraud investigation and referral process already exists and would be used for supported accommodation fraud.	
Recommendation: It is recommended that a documented fraud referral and escalation process is established and embedded for supported accommodation Housing Benefit cases, so that where concerns arise regarding the support being provided and/or the suitability of accommodation, the case is promptly recorded, supported by an evidence summary, and referred to the Counter Fraud function for case assessment and investigation in line with the Council's fraud reporting and investigation arrangements.		**Implementation Date:** Already in place.	

4 Minor Issues

During the course of this audit, Internal Audit have identified control issues which are considered to pose only a minor risk to the Organisation. As such, we have not raised formal recommendations for management to respond to and we do not intend to formally follow up any of these issues. Management is at liberty to take whatever action it deems necessary to mitigate the following minor risks:

4.1 Formal Agreements

- The majority of landlords do not have an SLA in place between themselves and the Council which may make enforcement of a service difficult if support requirements are not formally documented for each of their schemes. Whilst it is not a statutory requirement to have an SLA in place with landlords for each of their schemes, it is recognised as best practice

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