



Audit Committee



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Report for:	Audit Committee
Title of report:	Homes England Compliance Audit Report
Date:	12/02/2025
Report on behalf of:	Councillor Simy Dhyani, Portfolio Holder for Housing
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Compliance Audit Report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	None

Report Author / Responsible Officer

David Barrett, Assistant Director Strategic Housing & Delivery

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Corporate Priorities	Community engagement: Engage with residents and partners to have a real say on our services and the borough Service improvement and delivery: Running the Council efficiently and putting residents at the heart of everything we do Vibrant communities: Foster arts, culture and leisure opportunities
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	<p>Sustainable future: Take action on the Climate and Ecological Emergency</p> <p>Clean, safe and green: Provide a clean, safe and green-focussed environment</p> <p>Homes to be proud of: Enable well-maintained and affordable homes, where people want to live</p> <p>Proud and thriving borough: Realise our potential as a great place to live and work with a thriving business community</p>
Wards affected	Highfield
Purpose of the report:	1. To report on the outcome of a Homes England Compliance Audit.
Recommendation (s) to the decision maker (s):	1. To acknowledge the Compliance Audit Report and its recommendation.
Period for post policy/project review:	The project will be subject to a lessons learnt exercise during the defects period and carried out over the next six months.

1 Introduction/Background:

Homes England provide grant funding for the construction of affordable housing through their Affordable Homes Programme. Over the last 3 years The Council have been allocated £20,004,268 from Homes England to support our development programme. The funding received has been for the following group of projects.

Sites	New homes	Funding Received
5 Garage Sites (Beechfield, Housewood, Dione Rd, Sempill & Sleddale)	25	£2,539,399.00
Randalls Ride	30	£1,998,739.00
St Margaret's Way	46	£4,559,954.00
Marchmont	32	£3,793,600.00
Paradise Depot	56	£7,112,576.00
Total	189	£20,004,268.00

2 Homes England Audit Compliance

Audit and Process

Homes England conduct an annual audit programme for projects receiving their funding. The process ensures that providers of affordable housing receiving grant funding have complied with Homes England's requirements and funding conditions and have properly exercised their responsibilities as set out in Homes England's Capital Funding Guide.

The Council were selected for an audit to be undertaken on a garage site in Dione Road, Hemel Hempstead where four new houses had been constructed.

To conduct the audit The Council were required to appoint an Independent Auditor. Following the Independent Auditor completing their report Homes England undertake a review to identify any breaches and provide a grade that is either **RED, AMBER OR GREEN**. The audit process and timeline is set out below:

1. Homes England notified The Council on the 8th July 2024 that they will be audited.
2. The Council had to appoint an Independent Auditor.
3. Independent Auditor (Saffer Cooper Consultancy) completes a checklist and submits their findings within 5 weeks.
4. The Council's Housing Development Team had 10 working days to review and comment on the findings of the Independent Auditor.
5. Homes England assess the Independent Auditors report between October to December 2024.
6. Homes England issued report to The Council on the 17th January 2025.
7. The Councils Audit Committee are required to acknowledge the report and confirm agreed recommendations all within 3 months of receiving report.

Outcome

The Compliance Audit Report can be seen in Appendix A and confirms a GREEN rating.

3 Financial and value for money implications:

Grant funding from Homes England is utilised to finance the delivery of new build housing for the Housing Revenue Account, the Council's housing landlord function. The assignment of a 'Green' grade for this audit provides assurance to Committee and to Homes England that grant funding received by the Council has been properly applied. The receipt and application of Homes England funding is monitored and managed closely by the Council's Investment and Delivery service and Financial Services.

4 Legal Implications

There are no legal implications arising from the report.

5 Risk implications:

Any RED rating or failure to comply with the audit outcome may impact future availability of funding from Homes England.

6 Equalities, Community Impact and Human Rights:

There are no Equalities, Community Impact or Human Rights Implications arising from this report.

7 Sustainability implications (including climate change, health and wellbeing, community safety)

There are no sustainability implications arising from the report.

8 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no Council infrastructure implications arising from the report.

9 Conclusions:

The Council received a **GREEN** rating for the Dione Road development as a result of the Homes England Compliance Audit. In order to complete the audit and ensure compliance, the report and its recommendation must be acknowledged by the Audit Committee.

10 Recommendation

The audit report and its recommendation are acknowledged and signed off by Audit Committee and confirmation of this acknowledgement is recorded in the Homes England Investment Management System.