

Report of: Chief Executive
To: Standards Committee
Date: 9th March 2007 **Item No:**
Title of Report : Ombudsman Investigation (Housing Rents)

Summary and Recommendations

Purpose of report: To provide Committee with further information in respect of the Council's response to the outcome of an investigation by the Local Government Ombudsman into a complaint about Council housing management.

Key decision: No

Portfolio Holder: Councillor David Rundle

Scrutiny Responsibility: N/A

Ward(s) affected: All

Report Approved by: Sarah Fogden, Financial & Asset Management Business Manager and William Reed, Democratic Services Manager

Policy Framework: Corporate Governance

Recommendation(s): The Committee is asked to note the report.

Introduction

1. At its meeting on 1st December 2006, Committee noted a report that gave details of the total amount of money the Council had paid out by way of refund of rent, following the investigation by the Local Government Ombudsman into a complaint about housing management, where the Ombudsman had found that the complainant had suffered injustice because of the Council's maladministration. The report also provided Committee with information about the training that

had been given to staff responsible for implementing financial changes in Housing.

2. Committee will recall from the report that it considered at its meeting on 8th September 2006, that, as part of the remedy suggested by the Ombudsman and agreed by the Council, the Council was to carry out an internal audit and review of processes in respect of the Housing Rent Account.

Total Refund

3. Following further information received from the complainant, it was discovered that because of a clerical error, not all of those residents and former residents due the refund had been paid.
4. In fact, 31 residents or former residents were entitled to the payment, not six as previously reported. All of the residents and former residents concerned have been paid their respective refunds.
5. In total, £49,259.39 has been paid out, including interest. The amount is within the budget provision set aside for the refunds.

Internal Audit

6. Arrangements have been made for the Council's internal auditors to undertake the reviews recommended by the Ombudsman. The reviews will cover:
 - A review of the processes for implementing financial changes, including reporting to Members and notification to tenants;
 - An internal audit of the components of the Rent Account;
 - A review of the headings in the Rent Account for clarity;
 - A review of a sample of rents to verify the base rents are correct, the phasing is consistently applied and a correct net charge is raised.
7. The reviews will take into account that housing rents no longer include a modernisation element (as they did when the error highlighted by the complainant occurred) and are now calculated in accordance with a formula set by the Government.

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Background papers: None