

**Donegal County Council**  
**Internal Audit Department**



**FINAL AUDIT REPORT**  
**DONEGAL COUNTY COUNCIL**  
**IA22/02 - Voids Housing Programme**

July 2022

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## 1. Executive Summary

One of the strategic objectives of Donegal County Council's Corporate Plan 2020-2024 is driving growth and a commitment to *"deliver an ambitious social housing building programme with a view to ensuring that every household in Donegal has an affordable dwelling of good quality suited to its needs in a good environment"*.

Since 2014, Exchequer funding has been provided through the Department of Housing, Local Government & Heritage for the Voids Housing Programme to support Local Authorities in preparing vacant units for re-letting.

In Ireland, there continues to be a huge demand for housing due to the current shortage of available housing stock and the need for social housing supports. In this current climate, it is crucial that the available social housing stock is used as efficiently as possible to meet the ongoing requirement for good quality, secure and affordable housing. The Voids programme performs a vital function as part of the social housing process.

Reducing the number of vacant properties and quicker re-let times is important for several reasons: social housing tenancies are offered quickly to people in need; rent revenues for Local Authorities are improved and costs in securing vacant properties are reduced.

From interpreting the various national statistics on Voids as part of this audit, it can be seen that Donegal's figures are comparable to both counties of a similar size and population as well as the overall figures for Voids nationally. However, Donegal County Council faces ongoing challenges in relation to the resources allocated to Voids and the procurement of contractors for the turnaround of vacant properties. The impact of Mica on social housing stock will also impact Housing resources and how they are allocated to the Voids programme.

As part of this audit, it was intended to issue a questionnaire to the various Area Managers in the Municipal Districts to gain a better understanding of the available statistics and the challenges currently faced. However, after liaising with the relevant managers, and in order to make the best use of available resources, further information was made available from the iHouse system. Given the importance of the area of Voids in social housing, Internal Audit intends to revisit this key area to interpret the information in greater detail.

The draft audit was circulated to [REDACTED] relevant managers and staff on 17<sup>th</sup> May 2022. Any responses and comments received have been incorporated in the completion of this report. Internal Audit's findings and recommendations for remedial action, where applicable, are included herein.

## 2. Assurance Rating

This audit has been assigned an assurance rating of:

### Level 2 – Adequate

See **Appendix 2** for Classification of Audit Assurance.

On the basis of the work carried out in this audit, Internal Audit found that there is an adequate system of risk management, control and governance in place in relation to the management and administration of the Donegal County Council Voids Housing programme.

However, some improvements are recommended in relation to reporting, the allocation of resources to the programme and the procurement of contractors. The implementation of the recommendations made in this audit will help improve the overall effectiveness and efficiencies of the programme.

## 3. Introduction and Scope

Individual housing authorities are responsible for the management of local authority housing stock.

Minimising housing vacancies is a key action in relation to the Rebuilding Ireland Programme with funding provided by the Department of Housing, Local Government and Heritage in order to achieve these outcomes.

There are three programmes which support Local Authorities (LAs) with returning vacant social housing stock back to productive use:

1. The Voids Programme – refurbishment of social housing stock
2. The Derelicts Programme – provides additional support (above maximum available) to the Voids Programme in relation to more seriously derelict dwellings
3. The 2 into 1 Programme - converts vacant bedsit type accommodation into one-bedroom units

### **Comment from Divisional Manager Housing:**

*"It should be noted that here has been no funding provided under the Derelicts Programme for some years here in Donegal and likewise, the Council does not have bedsit type accommodation to avail of the 2 into 1 Programme".*

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The Voids programme was introduced nationally in 2014 and is co-funded by the Exchequer and the EU Structural and Investment Funds 2014-2020.

Voids are categorised as vacant social housing stock in need of substantial refurbishment to bring them to a suitable letting condition and are vacant pending that work.

The Government strategy document on Rebuilding Ireland (RI) set out an Action Plan for Housing and Homelessness under five key pillar groups. This programme was superseded in September 2021 by the *Housing for All* Plan. This new programme included measures such as new affordability plans and enhancing social housing delivery.

Managing voids is a core function for Local Authority Housing Sections, with LAs expecting to see a proportion of their homes becoming vacant over time. The current critical shortage of housing stock available to meet growing demand makes the efficient turnaround of voids a priority area with LAs striving to minimise the number of empty properties and the length of time that they are empty.

This audit assessed the work processes involved in the delivery of the Voids Programme within Donegal County Council and identified any potential risks in relation to the effective delivery of the programme within the various Municipal Districts. The audit placed particular emphasis on several key areas:

- Researching relevant Legislation
- Reviewing the processes and procedures in place in relation to the programme
- The interpretation relevant statistics on a local and national level

### **4. Background**

Delivering effective and efficient void services is one of the most important areas of housing management within Local Authorities and forms a core element of providing effective and efficient housing services.

The Build programme of the Rebuilding Ireland plan targeted the provision of 33,617 additional units of social housing stock over the period of 2016 to 2021, through a variety of Exchequer and non-Exchequer funded delivery mechanisms. The overall Build programme includes outputs under LA and programmes including the Voids programme.

In 2020, €40m was earmarked to bring 2,500 vacant council housing stock back into use under the voids programme. This target was exceeded with 3,607 social homes brought back into use nationally in 2020. €45m has been allocated to the 2021 voids programme targeting the refurbishment and re-letting of approximately 3,000 social homes. At the time of producing this audit report the final 2021 figures were not available.

## **5. Audit Objectives**

The main objectives of this audit were to:

- Gain a better understanding of the processes involved in the Voids Programme
- Assess Voids data within the individual Municipal Districts
- Compare data and statistics with other Local Authorities
- Determine the long-term strategy and overall goals of the Programme
- Identify any potential risk areas and in work processes and make recommendations where necessary.

## **6. Methodology**

The audit was approached as follows:

- The relevant legislation and policies & procedures were assessed
- Engagement with Donegal County Council staff involved in the Voids Programme
- The Agresso and iHouse systems were interrogated for relevant housing and financial data
- Voids Programme data from each Municipal District was interpreted
- Various statistics were reviewed and compared with other Local Authorities
- Any potential risks in policy and procedures were identified and recommendations made for remedying same

Note: Due to the current restrictions imposed under Covid-19 protocols, meetings and interviews with relevant persons were carried out remotely and social distancing guidelines were observed at all times throughout this audit.

## **7. Relevant Legislation, Guidance and Circulars**

- Housing Act, 1966 – Section 58
- Housing (Miscellaneous Provisions) Act, 1992
- Rebuilding Ireland Action Plan, 2016
- Housing for All Plan, 2021
- “Effective Void Management in Ireland: A good practice guide”, 2015 – The Housing Agency and Chartered Institute of Housing
- The Performance Standard 2018 – The Housing Agency Regulation Office

## **8. Policy Documents**

### **8.1 Rebuilding Ireland Action Plan**

The Irish Government introduced this programme in 2016 in order to address the Housing shortage and Homelessness issues within the country.

The Plan was based around five key pillars:

1. Address homelessness
2. Accelerate social housing
3. Build more homes
4. Improve the rental sector
5. Utilise existing housing

Pillar 5 of the strategy document outlines the utilisation of existing LA Housing and aims to improve the re-letting times of social housing in good condition. The section states: *“A vacated social house, once refurbished, should not remain vacant for an extended period [...] nonetheless; any delays, or indeed perception of delays, in refurbishing and re-letting social houses at a time of considerable need is unacceptable”.*

The Key actions of the plan adhere to best asset management practices for the refurbishment and re-letting of vacant social housing through:

- Adopting a national re-letting performance standard across all Local Authorities
- A preventative maintenance approach to housing stock management
- Greater focus on tenants’ roles and responsibilities
- Funding mechanisms structured to incentivise the swift turnaround, consistent standards and pro-active approaches.

### **8.2 Housing for All Plan**

The Housing for All Scheme was announced by the Irish Government in September 2021 with its main priority being the provision of a sustainable housing system in Ireland whilst meeting short, medium and long-term challenges.

The programme aims to provide four pathways to achieving four overarching objectives:

- Supporting homeownership and increasing affordability
- Eradicating homelessness, increasing Social Housing Delivery and supporting Social Inclusion
- Increasing New Housing Supply
- Addressing vacancy and efficient use of existing stock.

One of the primary aims of the programme is enabling a sustainable housing system which involves strengthening the capacity of Local Authorities to *“initiate, design, plan, develop and manage housing projects and to engage in the range of activities to promote living cities and towns, by tackling vacancy and dereliction and supporting regeneration”*.

As part of the Plan the Housing Delivery Co-Ordination Office (HDCO) was established within the Local Government Management Agency (LGMA), to provide co-ordination of Local Authority housing activities. Further supports are provided through the Housing Agency through technical supports and shared services.

### **8.3 Donegal County Council Voids Policy and Procedures**

Internal Audit were unable to source an internal policy document in relation to the Voids Programme. The Housing Directorate follow processes as set down by the Department of Housing, Local Government and Heritage, guidelines from the Housing Agency are also adhered to.

The process that applies is based on guidelines/circulars as set out by the Department on an annual basis. In general terms the process involves:

- Obtaining keys from former tenant
- Technical assessment of required works
- Preparation of tender spec.
- Tender/procurement
- Selection of contractor
- Supervision/checking of works
- Sign off
- Offer of houses
- Signing of tenancy agreement
- Handover of keys to new tenant

Donegal County Council has established a small working group to prepare a Voids property management Policy/Procedure, to include the process and letting standards.

#### **Comment from Divisional Manager Housing:**

*“There are a range of policies and template documents that apply to this area of work. These are already in place, i.e. management information reporting templates, procurement policies and procedures, tenancy agreement templates, offer letter templates, good practice guide and so forth. There would therefore not be a requirement for a further internal policy document in my view. However, there is merit in examining and developing an overall workflow process map to outline the key steps in flowchart format and this is what the working group will finalise”.*

## 9. Voids Process and Procedures

In 2015, the Housing Agency in collaboration with the Chartered Institute of Housing produced a good practice guide in relation to the effective management of Voids properties. This document highlighted a number of key areas to ensure the efficient management of vacant housing stock and meet the requirements for good quality, secure and affordable housing.

These key areas included:

1. Making effective use of social assets: ensuring prospective social housing tenants do not have to wait longer than necessary to move into a well-maintained home.
2. Maximising rent and revenue: high levels of voids and long-term voids result in lost rental revenue which affects a Local Authority's ability to meet repair and other service obligations. This can also have a financial impact as it can negatively affect budgets.
3. Effective asset management: maintaining vacant houses in good condition is vital to maintaining the value of housing assets. Where properties are empty for lengthy periods of time, this can result in:
  - increasing repairs and maintenance costs as the property deteriorates
  - security costs, utility reconnection costs and time delays
  - costs of dealing with dilapidation and vandalism
  - customer dissatisfaction and higher turnover and void levels
  - increased risk of squatting
4. Sustainable neighbourhoods: long-term voids can negatively affect the appearance of an area and resident's attitudes as well as undermine future lettings and community regeneration.

This document also advised Local Authorities and Approved Housing Bodies (AHBs) to ensure proper categorisation of void properties to ensure that all available properties are properly registered and tracked.

In order to track statistics in relation to Voids properties within Donegal County Council, a report is available on the Integrated Housing System (iHouse) system to ascertain the number of Voids properties which are still active. This report is available to Area Managers in the Municipal Districts to update figures for their individual areas and for discussion at their monthly meetings.

These reports on the iHouse system present figures in a "real time" format and provide up to date figures for all relevant staff with access to the system.

## 10. Findings

### 10.1 Statistics

In order to get an overview of the Voids Programme at both a National and local level, two recent key reports conducted were analysed by Internal Audit.

#### 10.1.1 Local Government Audit Service Value for Money Report 2021

The LGAS VFM report was published in October 2021 and outlined some key statistics in relation to Voids management; these statistics were based on 2019 and 2020 figures.

Nationally, the following points were relevant:

- The total number of vacant properties as at 31 December 2019 was 4,754; the average level of vacancy was 3.44%. The median level of vacancy was 3.56%, with the median period of vacancy being 46.04 weeks.
- The Voids Programme has completed 16,102 units in the period from 2014 to 2020
- The overall percentage of directly provided local authority stock that was vacant at the end of 2020 was 3.18%, which showed a small increase from the 2019 figure of 3.15%.
- The total number of vacant dwellings at end 2020 was 4,467 vacancies compared to the 2019 figure of 4,365, an increase of 2.34%.
- The national average re-letting time from the date the tenant vacated the dwelling to the date of the first rent debit in 2021 was 32.69 weeks, higher when compared to 28.17 weeks in 2019. The average letting cost was €19,065.30 compared to €18,336.85 in 2019, an increase of €728.45.
- Eighteen Local Authorities (including Donegal) stated that they had a planned maintenance programme in place in 2019, which is a requirement of the Voids Programme to address the issue of vacant social housing.

The report found that there were 177 vacant properties owned by DCC at 31<sup>st</sup> December 2019, this equated to 3.66% of the total housing stock which was just outside the national average. The report found that the average vacancy time within the county was 54.6 weeks, which placed Donegal in a group of 7 LAs with an average period of vacancy of between 41-60 weeks.

#### **Comment from Housing Directorate:**

*"These statistics would include a number of properties that could not be relet (e.g. derelict properties, properties in remote locations), some of which have since been sold".*

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The vacant council-owned properties were classed under the following key headings:

<b>Reason for vacancy</b>	<b>No. of properties</b>
Need for major refurbishment	70
Long term Voids awaiting funding	2
Pending sale	5
Derelict	0
Subject to legal proceedings	4
Turned down by prospective tenants	0
No demand/Rural/Traveller	2
*Other	94

\*Other reasons included: Acquired properties, at allocation stage, minor works pending, Mica/uninhabitable, tenant deceased and surrendered property.

### **Comment from Divisional Manager, Housing Directorate:**

*"Voids, as a rule, refers to properties that have been vacated by an existing tenant and require refurbishment prior to reletting (i.e. also termed as casual vacancies). The figures quoted above by LGAS (i.e. the 177) also include properties that had just been newly acquired for allocation. These are not considered as 'voids' in the context of NOACs assessment of turnaround times. The LGAS Report therefore is not comparing 'like with like' in the context of this review".*

The average cost of refurbishing properties in Donegal for the same period was €15,909.21; this constituted a slight increase on the year before (€13,704.68). However, the costs are less expensive than the national average for the same period which was €20,767. Around 45% of these costs were funded by Local Authorities' own resources with 28% of the costs being covered by Department funding.

### **10.1.2 NOAC Local Authority Performance Indicator Report 2020**

As part of its statutory functions, NOAC compares Local Government performance against various indicators and produces reports based on relevant data. The most recent of these reports was the Local Authority Performance Indicator Report 2020 which was produced in September 2021.

As part of this report, housing statistics including those relevant to the Voids programme were included. The following data was relevant to this particular audit:

- Donegal County Council owned 4,871 properties as at 31/12/2020
- 2.48% of DCC owned social housing was vacant on the same date
- The average time taken to relet a council-owned property was 35.99 weeks which was slightly longer than the national average of 32.69 weeks\*

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- In keeping with the 2021 LGAS VFM report, it cost just over €12,451 to relet a property in Donegal, which was considerably less than the national average of €19,065 per unit.

### **Comment from Internal Auditor:**

The 2020 NOAC report provided the most up to date data in relation to Voids at the time of completing this audit report. The 2021 NOAC Performance Indicator Report was published in November 2022, for comparison purposes the relevant figures from this report are included in a table in **Appendix 5**.

### **10.2 Donegal County Council Statistics**

The iHouse system is used by Local Authorities to capture information on a “real time” basis in relation to social housing applications, allocations and maintenance. The system was interrogated to get up to date information in relation to council-owned properties and voids figures in Donegal County Council.

#### **No. of Council owned properties by Municipal District**

<b>MD</b>	<b>No. at 31/12/2021</b>
Inishowen	986
Letterkenny-Milford	1,447
Lifford-Stranorlar	922
Glenties	781
Donegal	765
<b>Total</b>	<b>4,901</b>

In order to ascertain the average turnaround times for council-owned properties the vacancy figures for 2019 and 2020 were further interrogated by comparing the NOAC Performance Indicator figures for this period:

<b>Year</b>	<b>No. of owned units</b>	<b>No. of Vacant properties</b>	<b>% vacant properties</b>	<b>Average vacancy time (weeks)</b>
2019	4,844	177	3.66	38.66
2020	4,871	121	2.48	35.99

**Donegal County Council Voids Figures**

<b>Voids properties by Municipal District</b>		
<b>MD</b>	<b>2020</b>	<b>2021</b>
Inishowen	54	55
Letterkenny	55	67
Stranorlar	25	20
Glenties	31	17
Donegal	25	15
<b>Total</b>	<b>190</b>	<b>174</b>

<b>Average turnaround times for Voids by MD in 2021</b>			
<b>MD</b>	<b>No. Properties</b>	<b>Total Weeks</b>	<b>Weeks (Average)</b>
Inishowen	11	420.29	38.21
Letterkenny-Milford	22	612.14	27.82
Lifford-Stranorlar	23	666.00	28.96
Glenties	23	538.86	23.43
Donegal	20	994.14	49.71
<b>Total</b>	<b>99</b>	<b>3,231.43</b>	<b>32.64</b>

As shown by the figures, there is some disparity in the average turnaround times between the Municipal Districts. Housing staff in these areas have highlighted some issues which delay works being carried out, such as stringent procurement procedures for engaging contractors. These procedures can limit responses from contractors and highlight an over-reliance on local contractors to carry out works, especially in more rural areas.

**Comment from Divisional Manager, Housing Directorate:**

*"Average turnaround times can be affected by a range of issues, such as the availability of funding, procurement, availability of contractors in some locations, age of housing stock and associated costs to repair, difficulties re-letting some rural houses, refusal of offers of housing in some locations, time taken for new tenant to give notice in current accommodation and so forth".*

In order to further assess Donegal's overall performance in this area, Internal Audit compared its statistics to five other Local Authorities using data obtained from the most recent available national report, the NOAC Performance Indicator report for 2020. These counties were chosen based on geographical size, rural and urban composition and overall population.

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<b>Local Authority</b>	<b>No. of owned units</b>	<b>No. of vacant properties</b>	<b>% of vacant properties</b>	<b>Average no. of weeks to let</b>
Mayo	2,254	113	5.01	12.5
Kerry	4,321	176	4.07	34.92
Tipperary	5,150	226	4.39	37.22
Wexford	4,586	62	1.35	35.14
Clare	2,600	100	3.85	43.99
<b>Total/Average</b>	<b>18,911</b>	<b>677</b>		<b>32.75</b>

\*Figures at 31/12/2020

As mentioned previously in this report, the average reletting timeframe nationally was 32.69 weeks for the most recent available period (2020).

The overall national figures for this report are outlined in full in **Appendix 4**.

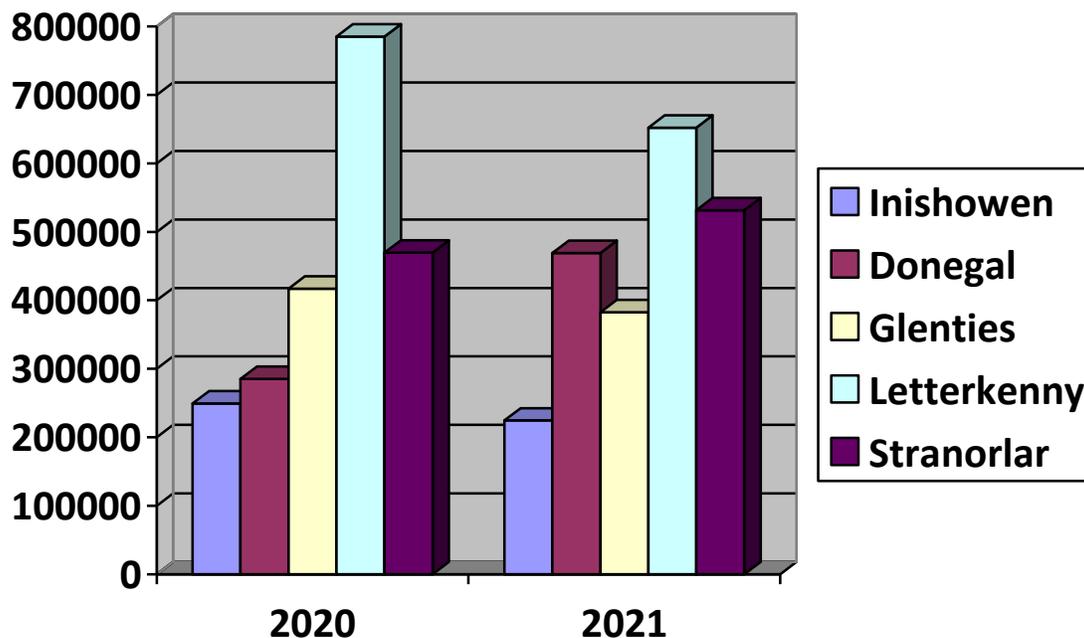
### 10.2 Voids Budgets and Expenditure

Donegal County Council has sourced funding from The Department of Housing, Local Government & Heritage under the Voids programmes since 2014.

Using the Agresso system, Internal Audit determined the actual expenditure in relation to Voids maintenance for each Municipal District in 2020 and 2021:

<b>Municipal District</b>	<b>Agresso Job Code</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Inishowen	██████████	249,511.70	224,573.55	474,085.25
Donegal	██████████	285,125.19	469,220.03	754,345.22
Glenties	██████████	416,980.29	382,532.28	799,512.57
Letterkenny	██████████	785,151.60	651,801.16	1,436,952.76
Stranorlar	██████████	469,487.47	531,289.08	1,000,776.55
<b>Totals</b>		<b>2,208,276.25</b>	<b>2,261,437.10</b>	<b>4,465,672.35</b>

**2020-2021 Expenditure by Municipal District**



The NOAC Performance Indicator Report for 2020 shows that the national average spend for reletting properties is €19,065, Donegal’s average spend is €12,451.89 per property for the same period.

**10.3 Mica and the Defective Concrete Blocks Grant Scheme**

In 2019 Donegal County Council had almost 40% (70) of their vacant properties classified as requiring a major refurbishment, almost a quarter (17) of these were buildings were found to have mica or flood damage.

Recent estimates state that there are approximately 1,000 council-owned properties in total affected by Mica and pyrite in Donegal, however, testing of properties is ongoing with more accurate figures due to be made available later in 2022. It should be noted that any such figures are subject to change.

At a special Council meeting held on 24<sup>th</sup> February 2022 Donegal County Council confirmed that it will arrange for remediation works in respect of Council owned houses. DCC has put a Special Project Delivery team in place to deal with this issue with the team made up of both administrative and technical staff.

Due to the size and complexity of the issue with Mica affected Council-owned properties in County Donegal, this particular area of housing has not been included in detail as part of this audit report. However, it is reasonable to assume that the issue will merit a more in-depth audit in the future

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In November 2021, the Irish Government announced the '*Financial Assistance Scheme for Remediation of Damaged Dwellings due to the Use of Defective Concrete Blocks*' otherwise known as the Defective Concrete Blocks Grant Scheme. The grant is available to financially assist private homeowners in remediating their properties damaged by the use of defective concrete blocks in its construction. The grant scheme will be operated and administered by Mayo and Donegal County Councils respectively.

Although separate support teams have been put in place by DCC to oversee these schemes, Internal Audit is mindful of the extra demand placed on existing resources which may impact other areas such as the Voids Scheme.

### 10.4 Staffing

The LGAS report in 2021 confirmed that there were 68.55 Whole Time Equivalent (WTE) staff working in the Housing section of Donegal County Council in 2019 with 6.67 WTE (9.73% of the work force) working on the Voids programme in an administrative capacity.

Below is a breakdown of the staff allocation for Whole Time Equivalent (WTE) employees working on Voids in the Housing Section in each Municipal District in 2021:

<b>Municipal District/Area</b>	<b>Total Housing Staff</b>	<b>*Maintenance</b>	<b>Administrative staff for Voids</b>
Inishowen	16	1.8	1.1
Donegal	14	2.67	1.2
Glenties	10	2.16	0.95
Letterkenny	19	6.15	1.7
Stranorlar	14	1.65	0.9
HQ	15	0	0.04
<b>Total</b>	<b>88</b>	<b>14.43</b>	<b>5.89</b>

\*It should be noted that the figures for maintenance staff are the total WTE for each MD, these staff members are not assigned solely to Voids.

When compared with the total figures in the LGAS report (technical and administrative staff), DCC are above the national average of 15.06% with 23.09% WTE staff from Housing working in the area of Voids in some capacity.

It should be noted that the total staff numbers in each area include staff assigned to the Corporate Directorate and there may be an overlap in some offices as some staff members may carry out roles in both Housing and Corporate services.

**Comment from Divisional Manager, Housing Directorate:**

*“As noted above, the staff numbers recorded within the LGAS Report includes staff who roles are multifunctional, i.e. ‘voids’ only forms part of their overall duties. The Council has a decentralised staffing structure, where staff undertake a range of duties as required within each Public Services Centre. The figures therefore would not be reflective of staff working solely on voids”.*

## **11. Conclusions and Recommendations**

It is recommended that the findings in this report be considered and that appropriate remedial action be taken where necessary.

### **11.1 Voids Policies and Procedures**

#### **Conclusion**

Internal Audit was unable to source a formal internal procedural document for the Voids process and was informed that management and staff use guidance provided by the Housing Agency in publications such as the “Performance Standard” and “Effective Void Management” documents to carry out the relevant processes.

The Housing Agency Performance Standard document advises that Approved Housing Bodies, such as Local Authorities, are expected to have:

*“A void policy and procedure detailing how empty properties are managed, made available for letting, how vacant periods are minimised and that all necessary void repair and safety works are completed”.*

It is unclear if such policies and procedures are currently documented by DCC.

#### **Recommendation**

It is recommended that relevant Management review the current internal procedures in relation to the voids process with a view to producing a formal guidance document in relation to policies and procedures. This document should act as a reference point and be made available to relevant staff to ensure that DCC is in adherence to best practice for the Voids Programme.

**Comment from Divisional Manager, Housing Directorate:**

*"There are a range of policies and template documents that apply to this area of work. These are already in place, i.e. management information reporting templates, procurement policies and procedures, tenancy agreement templates, offer letter templates, good practice guide and so forth. Voids are discussed at monthly Management Meetings. There would therefore not be a requirement for a further internal policy document in my view.*

*However, there is merit in examining and developing an overall workflow process map to outline the key steps in flowchart format and this is being developed".*

## **11.2 Statistics**

### **Conclusion**

The most recent figures for the number of vacant properties and the time taken to relet properties are just outside the national average and comparable to other counties of similar size and population.

The 2021 figures from iHouse show that Donegal currently has 174 Voids properties which is 3.55% of the current council-owned housing stock and just ahead of the national average figure of 3.56% in the LGAS report published last year.

There has been a marked improvement in the number of weeks to re-let vacant properties in Donegal in recent years, from 38 weeks in 2019 to 32.64 weeks in 2021. Again, the county is slightly better than the national average of 32.69 weeks in the most recent report carried out for the sector.

Overall, there has been continuous improvement in Donegal's performance in relation to the number of vacant properties and the turnaround times for reletting same. This improvement would suggest an increased efficiency in this area in recent years reflecting the increased focus on the overall housing sector nationally and the introduction of Voids-specific funding in recent years.

However, the current Mica issue which will affect Council-owned properties may result in a large increase in social housing vacancies as the issue is remediated.

### **Recommendation**

It is recommended that in addition to the provision of Voids statistics at the monthly Area Manager meetings, reports and figures are made readily available to other stakeholders as appropriate.

**Internal Audit Comment:**

Housing have since confirmed that in addition to providing up to date, “real time” data to Elected Members through iHouse reports, this information is also made readily available to other stakeholders.

**11.3 Voids Budgets and Expenditure**

**Conclusion**

There was a reduction in expenditure for Voids maintenance in three of the Municipal Districts during 2021, however both the Donegal and Stranorlar MD’s showed increased expenditure with Donegal showing a large increase in spending of an additional €183,708.33. This increase was mainly for construction and maintenance works, with an additional €53,762 being spent on major improvement works on council properties. Overall spend in the county increased by €53,160.85 for the same period.

The most recent NOAC Performance Indicator Report shows that DCC spends less on reletting properties than the national average and also spends slightly less in relation to property maintenance. There are a number of factors which may contribute to these figures such as more properties in rural areas, the use of trusted, locally based contractors and a good working knowledge of issues among staff.

From the data reviewed during this audit it is clear that overall expenditure in relation to voids and vacant properties is comparable and, in some instances, ahead of both the national average and other counties of similar size and population.

However, staff and management have highlighted issues in relation to engaging contractors for repair and maintenance works due primarily to adherence to national procurement procedures.

These procurement procedures can inhibit responses from contractors for works in more rural locations resulting in an increased dependence on local contractors in the areas to carry out the works. If these contractors are unavailable, this can lead to longer turnaround times for voids properties.

**Recommendation**

It is recommended that Housing management review procurement processes and procedures in relation to engaging contractors for repair works. A more localised approach will help ensure that appropriate contractors can respond to tender requests which will cut down on the costs involved as well as improve turnaround times for vacant and voids properties.

**Response from Divisional Manager, Housing Directorate:**

*"There are already plans in place to develop a procurement framework for Voids. While on one hand, this will streamline procurement, it may result in other challenges in more rural locations. However, it is intended to 'pilot' same in 2 Municipal Districts shortly, and preparatory work is already well advanced".*

**11.4 Staffing**

**Conclusion**

The number of administrative staff in Donegal County Council with duties in relation to the Voids programme (23.09%) is higher than the national average of 15.06% among other Local Authorities according to the most recent LGAS figures.

However, it is anticipated that the presence of Mica in Council-owned Housing stock and the provision of administrative support for the Defective Concrete Block Scheme will likely add to staff workloads despite specific teams being in place to deal with these issues. This may impact programmes such as Voids in relation to areas such as engaging suppliers and completing payments to same.

**Comment from Divisional Manager, Housing Directorate:**

*"The staff numbers recorded within the LGAS Report are not reflective of the fact that the Council has a decentralised structure with staff in Public Service Centres who roles are multifunctional, i.e. work on voids only forms part of their overall duties. The figures quoted therefore by LGAS are in a different context and not reflective of the actual number of staff working solely on Voids".*

**Recommendation**

It is recommended that Housing Area Managers and the Senior Management Team review the current workforce plan in relation to the resources currently assigned to the Housing Section in each Municipal District.

Given the current focus nationally on social housing and the role the Voids programme plays in the overall process, it is imperative that the area is properly resourced to ensure an efficient and effective Voids process.

**Comment from Divisional Manager, Housing Directorate:**

*"Staffing resources continue to be kept under review as work priorities and demands arise".*

**Acknowledgement**

I would like to acknowledge the assistance and co-operation of staff in the Housing Directorate during this Audit. The level of engagement is reflected in the comments and responses to the findings and recommendations in the report.

*Sean Canning*

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**Sean Canning,  
A/INTERNAL AUDITOR.**



**Appendix 2 – Audit Classification**

<b>Level</b>	<b>Definition</b>
1. Substantial	Evaluation Opinion: - There is a robust system of risk management, control and governance - The systems in place should ensure that objectives are fully achieved - The control processes tested are being applied consistently
2. Adequate	Evaluation Opinion: - There is a generally adequate system of risk management, control and governance - The systems in place should ensure that essential objectives are fully achieved - The control processes tested are, in general, being applied consistently - However, there are some weaknesses in control that are placing some objectives at risk. There is a risk that some objectives may not be fully achieved - Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance
3. Limited	Evaluation Opinion: - There is a weak system of risk management, control and governance - There is considerable risk that objectives will not be achieved - The control processes that exist are not being applied consistently - There are some significant weaknesses in control in a number of areas - Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance
4. Unsatisfactory	Evaluation Opinion: - There is an inadequate system of risk management, control and governance - The system has failed or there is a real and substantial risk that the system will fail to meet its objectives - Systems/processes are open to significant error or abuse - Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance
5. No Assurance	Evaluation Opinion: - Internal Audit has been unable to form an opinion on the system of risk management, control and governance - Internal Audit has been unable to access or has been prevented from accessing essential information required to form an opinion - Internal Audit has not received the cooperation of staff/management

**Appendix 3 – IA22/02 Voids Housing Programme – Summary Recommendations**

	<b><i>Recommendations</i></b>	<b><i>Response from Directorate</i></b>	<b><i>Follow-up Actions undertaken by</i></b>	<b><i>Timeline</i></b>
1	<p><b><u>11.1 Voids Policies and Procedures</u></b></p> <p>It is recommended that relevant Management review the current internal procedures in relation to the voids process with a view to producing a formal guidance document in relation to policies and procedures.</p>	<p>There are a range of policies and template documents already in place and apply to this area of work. There is therefore no requirement for a further internal policy / process document. However, there is merit in developing an overall workflow process map to outline the key steps in flowchart format and this is being developed.</p>	<p>Housing, Corporate &amp; Cultural Svcs.</p>	<p>Q3 2023</p>
2	<p><b><u>11.2 Statistics</u></b></p> <p>It is recommended that in addition to the provision of Voids statistics at the monthly Area Manager meetings, reports and figures are made readily available to other stakeholders as appropriate.</p>	<p>This is already in place. 'Real Time' reports are already available to all relevant staff involved in managing voids. Reports are also made available to other stakeholders such as elected members via MD Reporting templates.</p>	<p>Housing, Corporate &amp; Cultural Svcs.</p>	<p>In place.</p>
3	<p><b><u>11.3 Voids Budgets &amp; Expenditure</u></b></p> <p>It is recommended that Housing management review procurement processes and procedures in relation to engaging contractors for repair works.</p>	<p>There are already plans in place to develop a procurement framework for Voids. While on one hand, this will streamline procurement, it may result in other challenges in more rural locations. However, it is intended to 'pilot' same in 2 Municipal Districts shortly, and preparatory work is already well advanced.</p>	<p>Housing, Corporate &amp; Cultural Svcs.</p>	<p>Ongoing Q3 2023</p>
4	<p><b><u>11.4 Staffing</u></b></p> <p>It is recommended that Housing Area Managers and the Senior Management Team review the current workforce plan in relation to the resources currently assigned to the Housing Section in each Municipal District.</p>	<p>Staffing is and will continue to be kept under review, particularly in the current context where sourcing sufficient numbers of suitable new employees is challenging given the range of additional requirements being placed on the Local Government Sector generally, and current employment market.</p>	<p>Housing, Corporate &amp; Cultural Svcs.</p>	<p>Ongoing</p>

**Appendix 4 – NOAC Performance Indicator Report (Housing) 2020**

<b>City/County Council</b>	<b>No. of owned units</b>	<b>% of Vacant properties</b>	<b>Average relet times (weeks)</b>	<b>Housing maintenance spend per property (€)</b>
Carlow	1,845	2.38	29.49	450.85
Cavan	2,080	6.06	61.82	356.52
Clare	2,600	3.85	43.99	993.16
Cork	10,390	5.17	85.08	1,357.94
Cork	7,311	5.10	49.91	528.39
Donegal	4,871	2.48	35.99	848.67
Dublin City Council	26,467	2.64	15.17	2,441.06
Dún Laoghaire/Rathdown	4,467	1.26	23.37	929.51
Fingal	5,479	3.38	35.43	703.95
Galway County Council	2,306	2.08	44.47	976.1
Galway City Council	2,590	7.07	49.22	1,058.16
Kerry	4,321	4.07	34.92	743.39
Kildare	4,816	1.69	38.88	654.41
Kilkenny	2,466	2.39	24.72	1,122.45
Laois	2,225	2.65	18.61	761.34
Leitrim	982	2.65	36.43	1,335.66
Limerick City & County	5,475	3.70	59.85	1,894.49
Longford	2,112	6.35	48.78	336.5
Louth County Council	3,983	1.73	39	608.92
Mayo County Council	2,254	5.01	12.5	465.83
Meath County Council	3,563	6.93	31.4	556.50
Monaghan	1,667	0.72	11.49	326.9
Offaly	1,918	2.50	26	565.45
Roscommon	1,380	2.97	21.84	448.17
Sligo	2,163	2.05	22.06	462
South Dublin	9,575	0.70	24.88	692.09
Tipperary	5,150	4.39	37.22	593.68
Waterford City & County	5,275	1.23	26.74	917.87
Westmeath	2,025	2.38	21.98	775.07
Wexford	4,586	1.35	35.14	782.01
Wicklow	4,786	4.81	27.96	659.97
<b>Total/Mean</b>	<b>141,128</b>		<b>32.69</b>	<b>25,347.01</b>

**Appendix 5 – NOAC Performance Indicator Report (Housing) 2021**

<b>NOAC Performance Indicators - Donegal</b>	<b>2021</b>
Total DCC Properties	4,901
No. of DCC properties vacant at 31/12/21	174
Percentage of DCC owned properties vacant at 31/12/21	3.55%
Properties Vacant National Average	3.16%
Average re-letting Time DCC (weeks)	32.64
Average re-letting Time (Nationally)	34.44
Average re-letting Cost (DCC)	€15,124
Average re-letting Cost (Nationally)	€19,653