**REPORT TITLE:  HOUSING TENANCY ALLOCATION AUDIT**

| Meeting | Corporate Governance and Audit Committee |
|---|---|
| Date | 25th April 2025 |
| Cabinet Member | Cllr Moses Crook<br>Deputy Leader and Transport and Housing |
| Key Decision -  Eligible for Call In | No |
|  |  |
| **Recommendations**<br><br>The Corporate Governance and Audit Committee is asked to note the content of the report and progress made against recommendations | |
| **Resource Implications**<br>N/A | |
| Date signed off by <u>Executive Director</u> & name | Janet Sharpe – Interim Service Director Homes and Neighbourhoods. |
| Is it also signed off by the Service Director for Finance? | NA |
| Is it also signed off by the Service Director for Legal Governance and Commissioning? | 9th April 2025 |

**Electoral wards affected:** All
**Ward councillors consulted**:  No
**Public or private:** Public
**Has GDPR been considered?** Yes

**1.    Executive Summary**

1.1    A previous audit of Tenancy Allocations (report ref: IA/KNH/0621) was carried out in November 2020 and received a 'Substantial Assurance' audit opinion. It should be noted that the previous audit focused on the choose 'n' move allocations, and did not include the other areas of tenancy allocations that have been expanded on as part of this review.

1.2    The audit of Tenancy Allocations was undertaken as part of the Homes and Neighbourhoods (H&N) 2024/25 Audit Plan. The focus of the audit included:

- Compliance with the Allocations Policy in respect of successions, introductory tenancies, choice-based lettings, transfers, mutual exchanges and discretionary lets (e.g. management, hard to let, decants)
- The efficiency and effectiveness of service performance and key controls
- The reasons for any discretionary changes in banding if found during testing and
- that a documented audit trail is in place for all lettings and investigate any disparities where this is not the case

The scope of the audit included:

- Review of service arrangements in place,
- Review systems and processes currently in place and are consistent, transparent, fair and timely,
- Ensure Council houses are allocated in line with the Council's Allocation Policy,
- Ensure a clear audit trail for all lettings,
- Assess overall internal control environment for any associated risks financial/non-financial,
- Review fraud risks and mitigations.

1.3    All audit work was undertaken through discussions with key officers, the review of procedures, training documentation, data reporting and relevant internal and external data.

1.4    The additional areas of tenancy allocation incorporated successions, introductory tenancies, choice-based lettings, transfers, mutual exchanges and discretionary lets (e.g. management, hard to let, decants).

1.5    This was requested by HN due to concerns from senior management relating to a lack of both management oversight and scrutiny of processes. It was shared by the service that these areas were open to control risks and were critical to this review.

1.6    The audit report made findings in four areas where a "Limited Assurance" opinion was given (Succession, introductory tenancies, Mutual exchange, Management lets) 'Substantial Assurance' opinion was given for Choice Based Lettings, giving an overall limited assurance opinion. Tenancy transfer was not subject to audit as a part of this assessment, and is being pursued as a part of the 2025/26 audit plan. (alongside an independent assessment of progress with these recommendations).

1.7    It was agreed that most areas of assessment would be completed by October 2024, a small number by December 2024, and several which would be addressed when the new computer system CX was implemented (at that time, June 2025, but now autumn 2025). The overall audit opinion was of **'Limited Assurance'** and 26 recommendations were made. The recommendations along with progress updates are listed below.

## 2.    Current Position & Overall Progress

2.1    Recommendation 1 - The existing 'Succession' and 'Use and Occupation' Standard Operating Procedure (SOP) guides and other SOPs reviewed should be amended by the Service to reflect the detailed processes and procedures that need to be undertaken by HO and Managers. This would strengthen training resources, establish best practice and ensure measures in place are effective and efficient for service continuation whilst also minimising the risk of maladministration.

Response - As part of the implementation SOPs have been produced for the processes identified in this audit for Housing Management and to support the CX Training Programme. **This work was completed in December 2024**.

2.2    Recommendation 2.1 - A report should be provided by Income Management Team to Housing Management which would prompt regular reviews and increase transparency for a more effective audit trail. A focus should then be placed on all those accounts with arrears accumulating (beyond 5 weeks).

Response - A weekly balance report is provided to Housing Managers. A bi-weekly meeting has been established between Income and Housing Management to review and monitor accounts. A Housing Manager has been allocated to work through historic use and occupation accounts. This includes improving transparency of accounts through a T-Card system. **This action was completed in September 2024**

2.3    Recommendation 2.2 - Income Management officers should also be included as part of the Granicus (housing information system) process which would enable capturing any potential income losses at the earliest point prior to individuals being setup with a use and occupation account.

Response - Housing Managers have been briefed on the recommendations and are aware to of the importance of working with Income Officer and to ensure that referrals to the Money Advice Team are required in all Use & Occupation cases. Monitoring will be undertaken by Service managers in bi-weekly meetings. **This action was completed in September 2024.**

2.4    Recommendation 2.3 - Management must also ensure that arrears write off procedure are followed in accordance with Financial Procedure Rules (rule 11).

Response - This is already embedded within the Write Off Procedure. **This action was completed in September 2024**

2.5    Recommendation 3.1 - The Service should ensure succession approvals and important tenancy documentation are complete and signed by the Housing Management Officers and appropriate level of management and stored consistently on Contact Manager to maintain a complete and reliable audit trail.

Response - Housing Managers have been briefed on the recommendations and are aware that the checklists for use & occupation/succession/mutual exchanges need to be followed and updated within the Contact Manager system. The dip sample and audit of cases bi-weekly by the Service Managers will provide assurance that actions are being completed. **This action was completed in September 2024**

2.6    Recommendation 3.2 - Ensure key notes are maintained on Housing spreadsheets for Use and Occupation accounts should be cross referenced and considered as part of the final decision-making process for succession approvals.

Response - Bi-weekly review meetings ensure cases are progressing, and all information held is used to inform decision making. **This action was completed in September 2024**.

2.7    Recommendation 4 - Housing Management should create a log of all management let requests declined (subject to evidence required) which should be reviewed by HOs on a weekly basis for properties within their patch and serve as a reminder to ensure a timely account review and administration.

Response - The Succession and Use & Occupation process devised for the CX Housing Management system will track cases. All cases will be referred to the Housing Manager within the system and this will contain all information relating to the case. This will provide a clear audit trail. **This will be completed on in September 2025 when CX goes live.**

2.8    Recommendation 5.1 - Housing Management Officers should encourage occupants to bid more frequently (reiterate maximum bids per week entitlement) and consider private rental

accommodation or housing associations to ensure bidding actively in line with the Allocations Policy.

Recommendation 5.2 - A regular review of choose n move activity through a report monitoring all temporary use and occupation accounts and durations would provide more effective oversight and make the service more efficient in taking timely action on accounts with inactive bidders.

Response 5.1 & 5.2  The implementation of dip sampling cases bi-weekly by Service Managers will ensure that actions are taken in a timely way ahead of CX implementation. **This will be completed in September 2025 when CX goes live**.

2.9     Recommendation 6 - A post-implementation review of the new CX Housing Management system will need to be carried out by audit once embedded and established by the Service. This will enable key controls, processes and reporting functions to be tested and assess if the new system controls are fit for purpose.

Response - The service has requested that an audit is carried out in 2026 post CX implementation. The audit team have confirmed the audit has been included in their forward plan. **This action was completed in September 2024**

2.10    Recommendation 7 - A tenancy call and visit should be scheduled at least 3 months prior to the date of securing a tenancy to provide the Service with a last opportunity to review the tenancy and CM account details and determine whether to proceed with an ASB warning/notice or refer to the Officer Review Panel to extend the introductory tenancy period by 6 months. System-based calendar prompts should be explored (in CM and eventually CX) as reminders for regular reviews required by Housing Management Officers.

Response - This action has been completed as Housing Managers have been briefed on and now have access to a tenancy spreadsheet. This will enable them to filter out data for Introductory Tenancies and will support them to prioritise teams workloads and ensure tenancies within 8 months of tenure are fully scrutinised to ensure they do not turn secure when there are breaches of tenancy such as ASB and Rent Arrears. **This action was completed in October 2024**

2.11    Recommendation 8 - The Housing Management Spreadsheet and 'new tenancy visit' tab should be formatted to include RAG rating performance indicators and an end date for the introductory tenancy to prompt HOs and Management to prioritise more urgent reviews nearing the end of the introductory period and to review if an extension is required or not.

Response - Housing Managers have been briefed on and now have access to a Tenancy spreadsheet. This will enable them to filter out data for Introductory Tenancies and will support them to prioritise teams workloads and ensure tenancies within 8 months of tenure are fully scrutinised to ensure they do not turn secure when there are breaches of tenancy such as ASB, Rent Arrears. **This action was completed in September 2024.**

2.12    Recommendation 9 - The Income Management Team should produce a report for Housing Management to show the debts accumulating for introductory tenancies and any issues with tenants which would help the Service improve prioritisation of Housing visits and inspections on patches.

Response - Housing Managers now receive the weekly report. **This action was completed in September 2024**

2.13 <u>Recommendation 10</u> - A training refresh should be provided to Housing Management Officers on accurate and consistent administering of the Housing Management spreadsheet which would lead to more effective management reporting and data insights.

Response - A training session has been held for Housing Managers who have been instructed to update staff in team meetings. The fortnightly checks by Service Managers will provide assurance that information is being logged correctly. All findings will be shared with Housing Managers in 1-1's. **This action was completed in October 2024**

2.14 <u>Recommendation 11</u> - New tenancy visit timescales should be considered for three to four week scheduling following sign up to a new introductory tenancy. This may mitigate the delays presently experienced and reported on the Housing Management Spreadsheet. If agreed, this should also be reflected in the new tenancy agreement terms and SOP/guidance for tenancies.

Response - The performance spreadsheet includes new tenancy visits and a column has been added to ensure Housing Managers are satisfied of rationale for no access for new tenancy visits. **This action was completed in October 2024**

2.15 <u>Recommendation 12</u> - Names of HOs and Management (printed and signed on key forms/ checklist and approval documentation e.g. Tenancy Agreements/decisions forms) should match on all agreements and forms requiring authorisation and date input accuracy as a key control.

Response - The forms used for housing management processes are under review and being updated to ensure they reflect the new processes devised for the CX system. Where possible names of individual officers will be printed on forms/ checklists, but as officers from different teams are responsible for various stages of the letting and sign-up process, having one officers name on each document is not possible. Where it is, officer's details will be populated on forms/letters to assist the tenant with contact and to provide a clear audit trail of who has been involved. Refresher training will be arranged for HMO's and HM's and key messages around the accuracy of recording information will be raised. **To be completed in September 2025 as part of CX implementation.**

2.16 <u>Recommendation 13</u> - The new tenancy visit tab on the Housing Management spreadsheet should be updated to include the 'tenancy agreement reference' number and/or tenant's details to ensure transparency for a reliable and complete audit trail.

Response - The Housing management spreadsheet includes tenancy agreement reference, and a column has been added to ensure Housing Managers are satisfied of rationale for no access for new tenancy visits. **This action was completed in September 2024**

2.17 <u>Recommendation 14</u> - The mutual exchange process should be reviewed with IT support to restore the email function and address any other system issues to better support Housing Management Officers.

Response - There has been a long-standing issue in the way Contact Manager integrates with email that cannot be resolved via the software as this is purely a compatibility issue

between Outlook, versions of Windows operating system and Contact Manager itself. **This will no longer be an issue when CX is implemented in September 2025.**

2.18    Recommendation 15 -  The mutual exchange checklist should be reviewed for the home visit to ensure checks are relevant. The Service should confirm that a process is in place to review and initiate any improvements noted to prevent any potential delays to other HN team's actions.

Response -  The Mutual Exchange checklist has been revised and update to align with the new process devised for the CX system. The new process will trigger actions for each of the HMO's managing the exchange. This will avoid delays and will be in view of the HM for monitoring purposes. Although CX will not be implemented until June September, the new Mutual Exchange checklist can be rolled out to staff to assist them in gathering information to support a request. **To be completed September 2025**

2.19    Recommendation 16 - Management should update the existing procedure to include key controls such as a quality assurance process e.g. random monthly sample review of checklists and a management review and authorisation of all mutual exchange requests and other relevant requests e.g. management lets and decants.

Response - Bi-weekly meeting established between Income and Housing Management to review and monitor actions. Allocated a Housing Manager to work through historic use and occupation accounts. This will also include the dip sample and audit of mutual exchange/ succession/use and occupation cases. This includes improving transparency of accounts through a T-Card system. **This action was completed in September 2024**

2.20    Recommendation 17 - Management should reiterate to officers the mutual exchange process requirements and importance of applying notes on Contact Manager for a more efficient and reliable audit trail.

Response - The revised Mutual Exchange checklist will be rolled out to staff to support guidance through the process. **This action was completed in October 2024**

2.21    Recommendation 18 -  Management should remove the tab for recording management lets on the Housing Management spreadsheet. The Decant and Management Let Panel spreadsheet should be administered accurately and consistently to mitigate the risks of human error or lack of data integrity.

Response - The recommendation made to remove the management let tab from the Housing Management spreadsheet was completed at the time of the audit. **This action was completed in September 2024**

2.22    Recommendation 19 - The Allocations Policy document should be updated to provide an overview of the Management Lets and Decants processes.

Response - This recommendation was shared with the Allocations Review Group in September. It has been logged as a proposed amendment and will be taken forward for consideration. **This action was completed in September 2024**

2.23    Recommendation 20 - The Service should create a record / register of decisions made which would enhance transparency and accountability on decisions and provide additional reporting insights for management.

Response - A spreadsheet is now in place and it provides details of all decisions made for management lets and decants on a secure teams site. This will enable the extraction of data for reporting purposes. **This action was completed in October 2024**

2.24 Recommendation 21 - The management let and decants panel attendance should be reviewed and reduced to one North or South representative from each area (on weekly rotation) which will generate a resource and time-saving efficiency.

Response - The housing manager for Empty Homes in the South was undertaking training and required support of the other manager in the meetings. The panel is now covered by one manager. **This action was completed in October 2024**

2.25 Recommendation 22 - The management let panel members should administer the decisions made, on Contact Manager accounts, instead of Housing Management Officers to ensure appropriate segregation of duties and effective management oversight. Decision outcome emails should still be sent by the panel to Housing Management Officers to be aware of outcomes.

Response - It has been agreed that management let decisions will be logged in Contact Manager, and Housing Managers /Housing Management Officers will continue to be emailed with the outcome of the referral of the decision made by the panel. **This action was completed in September 2024**

2.26 Recommendation 23 - The Service should consult with IT to review the access rights of all Housing staff including Management to ensure these are further restricted if necessary or prompt a management approval before changes can be made.

Response - Access rights to information within the Contact Manager system is strictly authorised by the member of staff's team manager. In addition to this all staff are required to complete mandatory data protection training and this provides advice about not accessing information unless they have good cause to do so. When staff move onto CX they will be set up within the system with access rights to only certain levels of data, dependent on their role. In the CX system, processes where decisions need to be made by the housing manager are allocated to them for authorisation prior any to changes being made. **This action was completed in October 2024**

2.27 The table below provides a summary of progress against recommendations made.

| Status | 26 Recommendations Made |
|---|---|
| Completed Actions | 22 |
| Outstanding/Partially Completed Actions | 4<br>(Rec 4, 5.1, 5.2 & 12)<br>All relating to the implementation of CX |

## 3    Implications for the Council

### 3.1    Council Plan
Completion of the actions against the recommendations made supports the Council Plan and will ensure that we operate efficiently and effectively, and get the basics right with robust systems, processes, and governance.

### 3.2    Financial Implications

Kirklees Council must ensure that it is making the best use of its housing stock. If properties are not allocated in line with the Allocations Policy, there is a risk that those in the most need may need temporary accommodation at a significant cost to the Council.

**3.3    Legal Implications**
We are under a legal duty to only allocate housing to 'eligible persons' as set out in chapter three of the Governments 'Allocation of Accommodation – Guidance for Local Authorities.

**3.4    Other (e.g Risk, Integrated Impact Assessment or Human Resources)**
N/A

**4.    Consultation**
N/A

**5.    Engagement**
N/A

**6.    Options**
6.1    This report is to provide an update on the Tenancy Allocations Audit actions against the recommendations made.

**7.    Reasons for recommended option**
7.1    No options recommended.

**8.    Next steps and timelines**
8.1    Further audit to complete assessment of all areas and check the implementation. In due course to follow up recommendations that relate to the implementation of the CX IT system

**9.    Contact officer**
Lisa Ramsden, Head of Housing Management and Partnerships. Tel: 07734435026 or Email: lisa.ramsden@kirklees.gov.uk

**10.    Background Papers and History of Decisions**
10.1    Internal Audit Review: Tenancy Allocation KC/0825

**11.    Appendices**
11.1    None

**12.    Interim Service Director responsible**
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