

DRAFT REPORT

DIRECTORATE:

**HOUSING, LEISURE, AND
CUSTOMER SERVICES**

PROJECT:

MUTUAL EXCHANGES

AUDITOR:

D.R. PENDLE

DATE:

**5TH NOVEMBER 2008 (First Draft)
8TH DECEMBER 2008 (Revised Draft)**

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1. INTRODUCTION

- 1.1 A Mutual Exchange occurs when tenants occupying Council premises wish to swap their homes with other tenants. These maybe tenanted occupants from other Authorities or even Housing Associations not within the area.

To be considered for such Mutual Exchanges the tenants must initially obtain written approval from the Council's agreeing to such moves.

In order to be able to take full advantage of this scheme there are certain stringent conditions that need to be complied with and addressed.

The Mutual Exchange Scheme is an alternative mechanism to going on the Housing Register and may be one of the options considered by the Housing Options Team when providing housing advice to an existing Council Tenant.

Details supporting properties subject to Mutual Exchange can be seen on the Choice Base Lettings internet site, which allows for other tenants to make expressions of interest in the property(s) concerned.

2. EXTENT OF AUDIT

- 2.1 The system procedures were reviewed with the Tenancy Manager.
- 2.2 A sample of 5 case files were reviewed so as to ensure that the procedures had been complied with.

3. MATTERS ARISING

- 3.1.1 Application to go on C.B.L. system to seek a Mutual Exchange.

Tenants wishing to consider Mutual Exchange can either:-

- i) Access the internet and if they wish complete the application form, thus expressing an interest.
- ii) Alternatively the tenant can visit the OSS and complete the necessary documentation there. This information is then forwarded to J. Smith (Senior Administration Officer, Woodrow) for inputting onto the C.B.L. system where the application is advertised. However, if the a preliminary check of the application by the Tenancy Team shows the applicant is not suitable the request for the exchange is denied at this stage.

- iii) The Tenancy Team deal with all Mutual Exchanges and process the applications.

Prior to putting Mutual Exchange applications onto the Choice Base Lettings System on the internet each one is reviewed by the Tenancy Officer/s who delete the property number and any considered inappropriate comments. (Example shown in Appendix D).

Currently there appears to be a weakness in the application side of the process in that there is no link up between the advert information for Mutual Exchanges that are entered onto the C.B.L. system by the Tenancy Team and the actual Mutual Exchange applications completed by the applicant which are sent to the Tenancy Teams.

Once the Mutual Exchange has taken place the property details should be deleted from the internet. There is no mechanism for identifying Mutual Exchanges once transacted on the C.B.L. system. Details are however entered onto the house files.

The Lead Tenancy Officer on the Mutual Exchange is determined by "Alpha" identification - i.e. Downsell Road and Exhall Close. (The Lead Tenancy Officer would be the Downsell Road Officer)

3.1.2 Processing of Mutual Exchanges

- i) When the Mutual Exchange forms are received by the Tenancy Team a number of checks are undertaken prior to giving written permission to continue with the proposed Mutual Exchange these basically are:-
- Check the suitability of both properties i.e. ensuring the exchange will not result in over occupancy or under occupancy or is a specially designated adapted property.
 - Rent accounts / Council Tax accounts will be reviewed and should there be any arrears the tenant will be contacted and advised that prior to proceeding with the exchange the account/s would need to be up to date and clear of any arrears.
 - The next stage would be to arrange an inspection of the properties with the Voids Inspector. Out of Borough Mutual Exchanges would be dealt with through the Council's equivalent counterparts.
 - Should the property be an Housing Association property the Tenancy Officer will send a Landlords report to them and await one from them on their property.

- If the property passes the inspection an electrical test will be arranged. Should the property fail the inspection works must be completed prior to the electrical test being ordered. It is the responsibility of the tenants for carrying out the repair works.
- On completion of the basic checks and a satisfactory electrical test report then both parties are contacted to arrange a "sign up" interview. Appendix A details all associated paperwork for Mutual Exchanges. The extract from the Tenancy conditions regarding the details governing this process are shown in Appendix B.

3.1.3 Agreed pending Mutual Exchange details are no longer held on the Saffron System. They are recorded on a stand alone system and monitored weekly by the Senior Tenancy Officer.

A spreadsheet list is produced of pending Mutual Exchanges. Officers check the existing list weekly to ensure that applicants still require a Mutual Exchange and if so update any necessary information. Appendix C refers.

Once the Exchange has been completed the new Saffron rent accounts are set up but details held on the CBL are not updated for the completed Mutual Exchange. The Senior Tenancy Officer has advised that currently there is no link up between information input onto Saffron System and that held on the C.B.L. system.

3.2 Ten Mutual Exchange files were randomly selected and reviewed with the Senior Tenancy Officer these being:-

- i) 68, Astley Close and 62 Prospect Road
- ii) 49, Dolben Lane and 49 Greystone Close
- iii) 33, Hazel Road and 7, Elmley House
- iv) 156, Ibstock Close and a property in Aberdeen, Scotland.
- v) 30, Highland Way and 115, Foxlydiate Crescent
(See Working Paper 3.2)

Each of the 10 files reviewed had complied with the procedure guidelines and all relevant documentation could be evidenced on each file.

Details supporting the "out of area exchange" and liaison with Aberdeen Council (both notes covering the conversations that took place between the Authorities and official correspondence) were included within the file. All files had been well presented.

4. **CONCLUSIONS**

- 4.1 Each Mutual Exchange application reviewed had been processed in compliance with the laid down procedures and was found to be satisfactory.

The only concerns are that once the Mutual Exchange has been transacted there is no means of identifying the property/ies without referral to the Housing file but for this to occur there would be a need to know that the said property/ies that had been subject to a Mutual Exchange. Further there is a lack of a link up between the completed Mutual Exchange and the details retained on the CBL System. The Senior Tenancy Officer advised that the current structure is due for change in December 08 and it is felt that this could remedy this potential problem by issuing this task to the dedicated Allocations Team.

4.2 **Statement of Internal Control**

The documentation and monitoring controls currently in place have provided a full audit trail for each individual applicant which can easily be related to the procedures but the current failure within the system is the lack of a positive link between the advert detailed on the C.B.L. system and the actual application form.

5. **RECOMMENDATIONS**

Implementation Time Table

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| 5.1 | Consideration should be given to maintaining a register of completed Mutual Exchanges with a brief note referring to the Housing file. (This would make Mutual Exchanged properties to be easily identified and provide a full audit trail). | Tenancy Manager and Senior Tenancy Officer to review. |
| 5.2 | Controls need to be implemented to link up the adverts on the C.B.L. system with the Mutual Exchange application so that on completion of the exchange the advert can be deleted from the C.B.L. system. | Tenancy Manager and Senior Tenancy Officer to review. |