

Report for: Audit Committee – 14 December 2023

Item number: 8

Title: Update on the Recommendations from the Audit of the Lettings Function in February 2023.

Report authorised by : Beverley Tarka, Director of Adults, Health and Communities.

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Ward(s) affected: N/A

**Report for Key/
Non-Key Decision:** Report for information.

1. Describe the issue under consideration.

An internal audit of the Lettings process was carried out by Mazars in February 2023, resulting in a report in July 2023. The audit provided adequate assurance but made a number of recommendations. The Audit Committee has asked for an update on the progress of actions resulting from the recommendations of the audit.

2. Cabinet Member Introduction

N/A

3. Recommendations

That Audit Committee note the progress to date and the further actions planned to ensure that all of the recommendations of the audit are addressed.

4. Reasons for decision

N/A

5. Alternative options considered.

N/A

6. Background information

6.1 Haringey faces significant housing pressures and demand for social housing is high. There are currently over 12,000 households on the housing register but last year we only made 370 general needs social housing lets. As the demand for social housing increases, Councils face increasing pressure to ensure that the

allocation process includes sufficient scrutiny to ensure that limited properties are offered to residents in the most housing need in a way that is fair and transparent. It is, therefore, imperative that Councils manage their allocations processes to minimise the risk of properties being allocated inappropriately. As a resident facing service, how the allocations and lettings process is followed in practice has a significant impact on the relationship between residents and the Council.

6.2 Given the importance of the letting of social housing, an audit of the Voids and Lettings process was included in the Council Audit Plan for 2022/23. Due to the challenges in the Voids service and the recognition of the need to implement changes as part of the Housing Improvement Plan, it was agreed with the Head of Audit that it was not possible to go ahead with the voids part of the audit, but that the work would concentrate on the lettings process.

6.3 The audit of the Lettings process was carried out by Mazars in February 2023, resulting in a report in July 2023. The audit concentrated on the work of the Lettings Team who are responsible for making allocations in line with the Housing Allocations Policy and established guidance, which is documented in a series of policies and procedures produced by the Council in accordance with the Housing Act 1996.

6.4 The audit objective was: To provide assurance that adequate controls are in place around the management of lettings. The review considered the following audit risk areas:

- There is an inconsistent approach to assessing applications for housing.
- LBH cannot demonstrate probity in the decision-making process in respect of each tenancy allocation.
- Void properties are not let in a timely manner.
- There is inadequate scrutiny and challenge at the right level over lettings performance.

6.5 The audit process included reviews of the policies and procedures that are in place, reviewing of records held on systems, interviews with staff and checks on a sample of lets that had been made.

6.6 The audit provided adequate assurance and made 6 recommendations – 4 were priority 2 recommendations (significant and need attention) and 2 were priority 3 recommendations (housing keeping with opportunities to introduce better or best practice) There were no priority 1 (fundamental) recommendations.

6.7 The recommendations made were as follows:

- Recommendation 1: The Council should ensure that Northgate is updated to reflect the progress of each property against the stages of the voids re-let process. Priority 2.
- Recommendation 2: In addition to the current communication arrangements in place between the teams involved in the lettings function, the Council could consider implementing a system workflow with the ability to alert/notify relevant teams of updates and actions requiring completion. Priority 2.
- Recommendation 3: The Council should ensure that both Home Connections and the Northgate Housing Management System are updated to reflect the status of each void property during the voids re-let process. Priority 2.
- Recommendation 4: The Council should develop a formal process for the review and approval of decisions made. This process should be documented in the relevant policies and procedures made available to members of the Lettings Team. Priority 2,
- Recommendation 5: The Council should ensure that Northgate is updated to reflect the status of properties throughout the voids re-let process. To allow for the identification of those properties requiring immediate attention at the weekly meetings held between the Lettings Team, HRS and NTLO Team. Priority 3.
- Recommendation 6: As planned, the Council should continue to focus efforts on defining KPIs against which performance specific to the Lettings Team can be monitored. Priority 3.

6.8 The audit also identified some areas of best practice relating to:

- The series of policies and procedures which provide guidance to staff on the processes that should be followed in the letting of accommodation. All procedures were up to date and had version control, highlighting the date of the last review, description of changes and the reviewer. The inclusion of flow charts in some of the procedures directed staff to what needed to happen in a clear way.
- Management oversight of the lettings processes and performance.

6.9 Management accepted all of the recommendations and provided information on the actions that would be taken and the timescales for completion. The agreed audit report, including the management response can be found at appendix 1.

6.10 Appendix 2 provides details of the progress on each recommendation. In summary, progress against the recommendations are as follows:

- Recommendation 1: All actions complete.

- Recommendation 2: Partially completed with one action outstanding relating the ability for the system to flag the next task in the voids and lettings process. This requires work across all of the teams involved in the voids and lettings process and due to competing priorities this will now be completed by March 2024.
- Recommendation 3: There has been limited progress on this recommendation. Operationally the team are taking a consistent approach to the updating of by-passing reasons in Home Connections but are not yet updating the same information in NEC. The actions relating to reviewing and updating the procedures have not been achieved to timescale due to staffing challenges and will now be completed in February 2024. The move to having an automated sheltered waiting list has also been delayed due to competing pressures for IT enhancements and has now been programmed in to be completed by February 2024.
- Recommendation 4: These actions have been partially completed – the operational change to ensure checks at appropriate stages of the process have been made but the procedures have not yet been updated to reflect this approach. As with the recommendation above the updates to the procedures will be completed by February 2024.
- Recommendation 5: All actions complete.
- Recommendation 6: All actions complete though further IT enhancements will support with the ease of reporting and monitoring.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes?

This work links to The Corporate Delivery Plan outcome Homes for the Future - Everyone has a home that is safe, sustainable, stable, and affordable.

8. Carbon and Climate Change

N/A

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

This report recommends that the committee notes the progress made in response to the audit recommendations.

There is no direct financial implication arising from this report. However, there are risks associated with partial and incomplete implementation of the recommendations.

These will continue to be monitored and updates provided in due course.

Procurement

N/A

Head of Legal & Governance

The Head of Legal & Governance has been consulted and confirms that there are no direct legal implications arising from this report.

Equality

N/A

10. Use of Appendices

10.1 Appendix 1 – Internal Audit Report – London Borough of Haringey: Lettings. Mazars - July 2023

10.2 Appendix 2 – Update on progress against the Audit recommendations.

11. Background papers

Internal Audit Report – London Borough of Haringey: Lettings. Mazars - July 2023