

NOTTINGHAM CITY HOMES

HOUSING MANAGEMENT SERVICES COMMITTEE

21 JUNE 2010

REPORT OF THE DIRECTOR OF HOUSING OPERATIONS

OFFER OF ACCOMMODATION TO RELATED PARTIES AND ALLOCATIONS POLICY UPDATE

1 SUMMARY

1.1 The purpose of this report is to update members of the Housing Management Services Committee on dealing with related party offers of accommodation.

1.2 To Update Board on progress with the review of the Allocations policy.

2 RECOMMENDATIONS

It is recommended that the Housing Management Services Committee:

2.1 Approve the cessation of the practice of including relatives of non-housing NCC employees within the related party process with immediate effect;

2.2 Make a recommendation to Board to amend the standing orders as follows:-

- a) The officers delegated to approved offers to staff members be amended to Director and Assistant Director of Housing Services;
- b) To include only Nottingham City Council staff who work in housing – i.e. housing strategy, regeneration, and Housing Aid.

2.3 Approve the related party procedures are amended to include garage tenancies; and

2.4 Note the update on the Allocations Policy Review

3 BACKGROUND

3.1 In May 2006, in view of the criticisms raised during the November 2005 Audit commission inspection a new rigorous procedure was introduced with regard to scrutiny, approval and maintenance of applications for re-housing from “related parties” i.e. members of NCH staff and NCC housing staff, and their relatives, Board members/Elected members and their relatives. (Procedure attached at Appendix 1).

- 3.2 For Nottingham City Council staff, these procedures only related to staff that were part of the retained housing services. Additional scrutiny for non-housing staff did take place but this was carried out at a local housing office level and approval for allocations considered by AHMs
- 3.3 The procedures have been updated since May 2006 to reflect changes in job designation i.e. approval amended from HOLO to Assistant Director.
- 3.4 In May 2008, the Company Standing Orders were established. In relation to offers to related parties these did not however reflect the procedure at that time in that:-
- Approval of offers to staff members was to be given by Director of Housing plus one other Director rather than Director of Housing and Assistant Director, as in the procedures.
 - NCC staff members were not limited to "Housing Staff"
 - NCC staff members did not include relatives.
- 3.5 The error with regard to the designation of delegated officers for approval of offers was immediately identified and the then the Acting Director of Finance prepared a report to have amendments made. However it appears that this was never progressed and the standing orders have therefore, not been corrected.
- 3.6 In relation to the inconsistency between the standing orders and the related party procedures for approval of offers to NCC non housing staff, a decision was made to amend the procedure in view of the need to demonstrate additional scrutiny due to the current sensitivity in this service area.
- 3.7 In relation to relatives of NCC staff, although not absolutely necessary, we have continued to include relatives as related parties.
- 3.8 Although the standing orders relate to offers of tenancy, the related party procedures only explicitly mentions rehousing and do not refer to offers of garage tenancies.

4.0 REPORT

4.1 Related Parties

- 4.1.1 From March 2009 to Feb 2010 inclusive there have been 216 cases of related parties sent for approval. 143 (66%) of those were for NCC non housing staff and their relatives.
- 4.1.2 The high numbers of requests for approval from NCC non housing related staff has proved to have a negative impact on service delivery as follows:-
- **Increased void times and subsequent increases in rent loss** – Many of the related parties who are NCC staff or relatives thereof, are not identified until sign up/offer stage which means that the offer has

to be put on hold or the sign up deferred until approval has been given. It takes a minimum of 3 days to prepare a request for approval, relevant centralised checks to be made, and to gain the relevant approval from both of the delegated approval officers. Potentially if a property is ready to let, at least one week can be added to the void time in addition to a week's rent being lost.

- **The demand on resources needed to process these applications** – the process involves Lettings Officer, Lettings Manager, Central Allocations Officers, Assistant Director and Director. Instant availability of officers to complete the process is not always possible, particularly at Director and Assistant Director level, due to many other pressing demands. The process is time consuming as thorough checks have to be made. Subsequently there is a negative impact on other high priority tasks which may be delayed or deferred due to the high numbers of cases being processed.

- 4.1.3 The risk of members of NCC non- housing staff being in a position to influence their application or an offer is minimal, due to the security in place for registering and amending applications and making offers.
- 4.1.4 Conversely the risk to NCH and our customers in relation to reduced performance and decreased service delivery, whilst applying extra scrutiny to these applications, is high. NCC is one of Nottingham's biggest employers and therefore the number of applications could be very high. Staff includes gardeners, dinner ladies, school staff etc.
- 4.1.5 Over the past two years (since the procedure was amended to include all NCC staff members) NCH has developed robust scrutiny and monitoring arrangements which means that any potential abuse of the systems is minimal.
- 4.1.6 Furthermore security within the IT system has been improved which means only allocations staff can amend applications and let properties. All lettings are reconciled with shortlists or the relevant approval i.e. manual offer approval, mutual exchange approval or tenancy amendment approval.
- 4.1.7 Whilst it is still important to scrutinise applications from related parties who may potentially have the advantage of access to staff or systems within the allocations service, it would appear that the risks of continuing to include all NCC staff, and their relatives, within the related party procedure greatly outweigh the risk of abuse or unfair advantage to, or by these particular applicants. Conversely there are potentially serious consequences for the business if these applicants continue to be scrutinised at such a high level as NCH staff and NCC Housing staff.
- 4.1.8 Although the current standing orders refer to offers of tenancy, the related party procedure only explicitly refers to re-housing. Potentially this could lead to an inappropriate offer of a garage tenancy. In order to ensure that all tenancies to relevant related parties are monitored and scrutinised, the

procedures need to be amended accordingly.

4.2 Update Allocation Policy Review

- 4.2.1 The recommended changes to the Allocations Policy are currently being considered by Executive members prior to being presented to Executive Board. In addition to a member's seminar and presentation to the Overview and Scrutiny Committee, the Leader of the Council has requested further clarification on a number of issues. Gill Moy, Director of Housing Operations and Sue Lomax, Housing Registration and Allocations Manager, together with leading officers from NCC will meet with the Leader early in July with a view to the recommendations being presented to the Executive Board later that month.

5 OTHER OPTIONS

- 5.1 The current standing orders and procedures could be retained. However this impacts negatively on service delivery and performance as pointed out above.

6 FINANCIAL & RISK IMPLICATIONS

- 6.1 The recommendations minimises additional void time and rent loss due to the current excessive resource demands with the high number of non-housing NCC staff applications (approx 143 per year).

7 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 7.1 Ensuring that the Allocations Service is fair and transparent and that no application is given an unfair advantage over another is paramount to the Company values. By having robust policies our company mission to deliver excellent services will be achieved.

8 VALUE FOR MONEY & EFFICIENCY ISSUES

- 8.1 In addition to the savings in rent loss and void time, staffing resources can be more efficiently employed in other high priority tasks.

9 EQUALITY & DIVERSITY IMPLICATIONS

- 9.1 The related party process must be in place in order to ensure that no applicant is given an unfair advantage to another applicant on the housing register.

10 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Related Party Procedure
NCH Company Standing Orders

Contact Officer:

Sue Lomax
Housing Registration & Allocations Manager
14 Hounds Gate
Nottingham
NG1 7BA
Tel: 0115 915 7318
Email: sue.lomax@nottinghamcityhomes.org.uk

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