

Waverley Borough Council

The Policy & Process for Mutual Exchanges

Waverley Scrutiny Group Report

WSG
9-6-2018

1. Introduction

This is the fifth scrutiny review carried out by the Waverley Scrutiny Group (WSG). The topic selected was the Mutual Exchange Policy and Process, which is a follow on from the Recharge Review, in Waverley's general needs housing and work began in June 2018.

WSG, whilst preparing the Recharge report, became aware that Mutual Exchanges were a natural follow on report, as recharges were generated during the Mutual Exchange process. WSG and the Waverley Housing Service agreed this was an important area to be reported on.

The Waverley Housing Service wished us to include in our report a review on downsizing with particular reference to Senior Living Accommodation and make recommendations to engender greater interest and willingness to seriously consider downsizing by older tenants, but still maintaining independent living. This being part of The Waverley's 2016 – 2019 Corporate Plan.

The scrutiny review covered the Mutual Exchange Policy and Process, how the policy was being implemented, providing VfM, reports produced and the IT systems supporting the delivery of the Mutual Exchange Policy and Process.

The scope of this report is to find:

1. Is the Mutual Exchange Policy and Process fit for purpose and fair to tenants?
2. How the Housing sections, Housing Customer Services, Tenancy & Estates Stock Surveyor are operating the process?
3. What Systems are being used to monitor and regulate Mutual Exchanges?
4. Is there effective communication for encouraging downsizing by mutual exchange?
5. How cost effective is the Mutual Exchange process and does it provide VfM?
6. Is there effective communication for encouraging older tenants to move to Senior Living Accommodation?
7. Identify if any improvements can be made to the process.

Summary & purpose:

To report on the Housing Mutual Exchange policy and process; along with downsizing to Senior Living Accommodation. To establish whether the policy/process provides Value for Money; is workable, resourced and benefits both tenant and Housing. The report identifies issues impacting on performance and recommends actions to improve the Mutual Exchange process, Value for Money, communication and systems used.

Abbreviations.

Waverley Scrutiny Group (WSG); Value for Money (VfM); Housing Customer Services Team (HCST); Tenancy & Estates (T & E).

1. Key findings

1.1 The Group used two methods to obtain information for this review and as a starting point interviewed the Tenancy & Estates Team Leader, who outlined the Mutual Exchange process. The interview gave the Group a clear indication of who they should be talking to regarding the working of the Mutual Exchange process, as to who is responsible for seeing, the policy and process is working and providing reports.

1.2 The primary method used, for collecting information on how the staff viewed the Mutual Exchange policy/process and its implementation, were interviews with staff to gain a clear understanding of what happens in the field. The secondary method used was by looking at other Council's and Housing Associations policies and processes and comparing their processes with WBC's. This was supplemented by understanding the Governments regulations on Mutual Exchanges and reports generated by Waverley.

1.3 The Group used all the information gathered to form the basis of the recommendations.

1.4 Is the Mutual Exchange Policy and Process fit for purpose and fair to tenants?

1.5 The Group were given copies of Waverley's Mutual Exchange Policy, Housing Act 1985 Section 91 Schedule 3, Localism Act 2011 Schedule 14, guidance on swapping your home, additional documentation etc. letters & forms and the User Guide 3 for managing the Mutual Exchange Process (Orchard).

1.6 Waverley's policy on Mutual Exchanges is regulated by the Housing Act 1985 and can only refuse a mutual exchange for the following reasons:

- *Landlord has started possession proceedings*
- *You work for your landlord and your home was provided in connection with your job*
- *Your home is adapted for a person with special needs and nobody in the new tenant's household has special needs*
- *The home you want to move to is much larger than your household needs*
- *The home you want is too small for your household and you would be overcrowded*
- *If any member of your household has behaved in an anti-social way, and action including Possession proceedings, injunctions, anti-social behaviour orders or a demotion orders against them are in place or are being sought*

- *The landlord is a charity and the proposed new tenants moving into the property would conflict with the objects of the charity*
- *The property:*
 1. *Has been adapted or has features that make it suitable for disabled person*
 2. *Is a property owned by a landlord which lets properties to particularly vulnerable people or*
 3. *The property is for people with special needs (supported housing)*

And if the mutual exchange took place there would no longer be such a person living in the property.

1.7 The Group found that the information provided to prospective Mutual Exchange tenants either on the Waverley's Web site or in paper form was basic and did not provide full details and explanations. The Waverley's web site was uninviting, lacked detail and did not encourage mutual exchanges or downsizing i.e. no frequently asked questions section, no clear explanation on difference between mutual exchange and a transfer, no advice on what to do before deciding on a mutual exchange, incentives to move to a smaller property, clear informative details on how to arrange an exchange.

1.8 The Group found the main way to arrange a mutual exchange was to use Homeswapper an online country wide system used by local authorities and Housing Associations. Here information on how to go about joining Homeswapper was basic and reliant on accessibility to the internet. There appeared to be limited options i.e. to advertise in your local area or on Facebook.

1.9 The Group are aware the Council arranges a yearly event specifically for mutual exchanges. These are well received and held jointly with Guildford Borough Council The next planned event is in October.

1.10 The mutual exchange guide which is sent out to tenants expressing a wish to mutual exchange is basic in content. In an opening statement it says *We will give you a decision on the exchange within 42 working days*. However, letters acknowledging the application say *we aim to give you a decision within 28 days*.

1.11 The Group found the process is not fair to all tenants as it requires access to the internet for Homeswapper the principal method of arranging an exchange. This is providing a barrier, especially in some sections of society, where internet access is not available or affordable.

1.12 How the Housing sections, HCS, T & E and SS are operating the process.

1.13 Following discussions with staff from the various sections involved in the ME process, we found the following:

1.14 The process starts with an enquiry by a tenant, who is wishing to mutually exchange, to the HCS team. We understand this could be by someone who has already found a mutual exchange or in the process of looking to exchange and are guided to use Homeswapper. An application form is sent out, one for each applicant.

1.15 At this stage there is no investigation to see if the intended applicant (s) are eligible for a mutual exchange i.e. no rent check, legal injunctions.

1.16 Nothing is activated on Orchard until both sets of completed forms are received. If one of the applicants is from outside the area the information is entered manually.

1.17 On Orchard the mutual exchange is entered and monitored through the Void process.

1.18 On receipt of the forms the checks are made for rent status and fraud. Rent arrears have to be cleared before an exchange is agreed. sets a benchmark for rent arrears. If a non-Waverley application then references are sought.

1.19 When all the information and paperwork is collated and checked the HCS team book an appointment for the Stock Surveyor to inspect the property.

1.20 Letters to the applicants should be raised on Orchard but due to inconsistencies within Orchard the T & E team produce their own letters. These we found provided insufficient information i.e. not giving the name or title of the inspector who would be carrying out the survey (the Stock Surveyor).

1.21 The Stock Surveyor covers the whole borough and sets aside Wednesdays for inspections. There is flexibility on appointments and generally found that tenants are happy to accept a Wednesday appointment.

1.22 Before the Stock Surveyor visits the applicant, a check is made to see if there has been a recent stock survey on the property and any other relevant history i.e. structural issues.

1.23 If there has been no recent stock survey, then one is carried out during the visit. On the visit details are taken as to condition of the property both for repairs, recharges, decoration, condition of the garden, disabled adaptations etc.

1.24 Any repairs deemed to be the responsibility of Waverley are reported back to the HCS team to raise necessary orders.

1.25 If damage to the property is seen to be made by the tenants this is brought to their attention and informed there will be a recharge if the damage is not put right.

1.26 However, the Group found the information on the inspection form lacked full detail of any issues found and did not include such facts as to when the property met Decent Homes Standard, when kitchen, bathroom, double glazing etc were installed or when they are due to be replaced.

1.27 As the tenant is informed verbally of any repairs they are responsible for, they often state that the incoming tenant is aware of repairs and the incoming tenant is happy to accept them and the property as is. This gives the impression that the outgoing tenant believes they do not have to carry out any repairs as the incoming tenant is aware of them and accepts the property as is.

1.28 As the Stock Surveyor carries out this inspection on his own no inspection of the loft is undertaken and whether there are any personal belongings stored in the loft is reliant upon the say so of the tenant.

1.29 We understand the tenant is not given a copy of the report and Waverley are reliant upon the honesty of the tenant regarding the necessary repairs required and the incoming tenant's willingness to accept the property as it is.

1.30 Here the Group identified an issue raised by a mutual exchange Housing Association tenant, who had decorated his home for the new tenants, but on moving to his new home found the walls covered in graffiti.

1.31 We have assumed the property was inspected by Waverley stock surveyor and visited by the mutual exchange tenant and the graffiti was not noted at time of inspection.

1.32 There is a difference here between a property as seen on inspection/visit and not as is at assignment.

1.33 The group were informed that the Stock Surveyor is not given the details of whom the tenant is swapping with. This is an omission which needs to be addressed.

1.34 The Stock Surveyor could, on visiting the other tenant's property involved in the mutual exchange, confirm the suitability of the property. Whether the tenants have visited each other's property and are aware of any issues that need to be highlighted to them; this is important where a mutual exchange involves a disabled or vulnerable tenant.

1.35 On the Stock Surveyors return to the office they have 24 hours to write up their report and process photographs, this is then passed to the relevant T & E officer.

1.36 On receipt of the documents from the Stock Surveyor, the T & E officers, on agreement with the T & E manager, arrange for both parties, involved in the mutual exchange, to come into Waverley for the assignment.

1.37 At no stage has a T & E officer visited the property or spoken to the tenant's face to face until the assignment sign up.

1.38 To sum up, the Group found the process fragmented, could easily lead to errors and not customer friendly.

1.39 The HCS team were responsible for arranging bookings, scanning documents for fraud checks, sending initial letters, booking the electrical and gas checks and reliant upon others to inform them when to book appointments. The Energy Performance certificate survey (EPC) is carried out through the Asset Management team but they were not sure if a copy of the certificate is passed to the mutual exchange tenant.

1.40 The T & E officers, due to problems with the Orchard set up, write their own letters and there appears to be no definitive guide setting out who is responsible for tracking the progress of the application. It was felt by members of staff that a Case Management System was needed.

1.41 There is no joint visit by Stock Surveyor and T & E inspectors which would allow for the loft to be inspected.

1.42 The Stock Surveyor is not informed as to whom the tenant is exchanging with.

1.43 The exchanging tenants are not given copies of the inspection results before the assignment and the inspection form lacked detail.

1.44 None of the paperwork is scanned until the process complete so if paperwork goes missing there is no back up.

1.45 It was not clear as to whose responsibility it was to inform the rents team of the date a new tenancy was starting.

1.46 Additionally, if the rents officer responsible for setting up new Direct Debit accounts is on leave, no new accounts could be set up whilst the rent officer responsible for this is on leave.

1.47 This same issue applies to the Stock Surveyor, if they are on leave then no inspections are carried out until they return.

1.48 By carrying out joint visits the T & E officer could be trained to carry out a mutual exchange inspection (not the stock survey) when the stock surveyor is not available. This would save on time and be good for the tenants who are eager to move as quickly as possible.

1.49 The Group found the staff was managing the process under difficult circumstances and there were areas where things could go wrong and there was heavy reliance on each section being informed, primarily verbally on the status of the mutual exchange.

1.50 What systems are being used to monitor and regulate mutual exchanges?

1.51 The legal requirement for a mutual exchange decision is within 42 days. Waverley have set a target of 28 days. We could find no reports confirming whether this target had been met. There was also a lack of reports on numbers received, detailing the type of mutual exchange (i.e. how many cancelled, reason for moving, numbers rejected).

1.52 Though Orchard is supposed to be the central operating system for monitoring mutual exchanges. There is a large manual (User Guide 3 92 pages) on what to do to complete each stage but, as mentioned above, Orchard does not appear to be working as it should and therefore is not being utilized by all parties.

1.53 All staff members said Orchard mutual exchange system was complicated and took unnecessary length of time to complete. All said that the previous Lotus Notes procedure (now defunct) was simple, easy to manage and above all fulfilled the need for a smooth uncomplicated process.

1.54 The Orchard mutual exchange process needs to be re-evaluated and made simpler.

1.55 From our previous reports and this report, we have found that the Orchard system does not appear to fully meet the requirements of Housing, specifically where requirements are more complex in nature.

1.56 The Group also found that the use of new technology. i.e. iPads were not available across all of Property Services and where available were not linked to Orchard, so making the use of the iPad an inefficient reporting tool.

1.57 It is difficult to fully identify all the problems with Orchard, but we did find that the system become over complicated when recording the processes involved whether voids, recharges or mutual exchanges.

1.58 Where reports are required to monitor performance and capture data on customer satisfaction we found that the primary reason for data collection was to demonstrate how good Waverley Housing is and secondly that there was not clear thought and communication as to what was required and how that information would be used.

1.59 The data collected would be more effective if used to improve how good Waverley Housing is i.e. in communicating with customers. There is a need to be more targeted, more intelligent and more responsive.

1.60 The questions being asked need to be relevant, telling customers why Waverley is collecting the information and what Waverley are doing with the responses; and to take time to review and reflect on what the responses actually signify and in doing so, deliver an active tool for providing efficiencies and Value for Money (VfM).

1.61 Is there effective communication for encouraging downsizing by mutual exchange?

1.62 The Group found the web site uninformative, basic in its format, not appealing to the eye and did not highlight the advantages of mutual exchanges particular with reference to downsizing. There is also an absence of literature in the form of a leaflet or pamphlet on mutual exchanges.

1.63 We would recommend the Mutual Exchange web site of Harlow Council as an example of excellence in promoting mutual exchanges and given detailed full information on the whole process. <http://www.harlow.gov.uk/mutual-exchange>.

1.64 How cost effective is the mutual exchange process and does it provide VfM?

1.65 The Group found that with the fragmentation of the whole process, lack of communication both within Waverley and to its tenants, the failures of Orchard and the lack of cover of staff when on leave was not cost effective and did not promote VfM.

1.66 Clear communication both with tenants and staff needs to be improved; the process simplified and therefore becoming more cost effective.

1.67 Orchard needs to work efficiently by making it easier to input data, easier to follow, inform staff on the status of the mutual exchange and what needs to be done

to push the mutual exchange along and provide the necessary letters with correct details and full information correctly.

1.68 This is wholly reliant upon the staff clearly understanding what they require from Orchard and communicating their requirements to IT in a clear understandable way and there being clear lines of responsibility in ensuring the mutual exchange process works.

1.69 IT also has the responsibility to be fully conversant with the workings of Orchard and to say what can and cannot be done and if necessary report back where updates need to be purchased, make efficiencies where required to provide VfM.

1.70 The Group would have liked the opportunity to talk to any tenants who have recently gone through the mutual exchange process. Unfortunately, no information was forthcoming.

1.71 However, at a recent Star Event, attended by a WSG member, several issues were raised by two tenants who had recently mutually exchanged. One tenant, who was previously a Housing Association tenant, did not know how to report a repair and it would appear neither tenants received the gas, electric or EPC certificates.

1.72 The tenants were told they could not report a repair for 6 months. This might be a misunderstanding, misinterpretation by the tenants. In the case of the Housing Association tenant (see 1.30 pg.5 above), where the graffiti was covering the walls, this is a recharge against the previous tenant(s) and should be addressed by Waverley and not the responsibility of the new tenant.

1.73 The Group are concerned that information being given to new tenants is not clear on how, when and what type of repair is Waverley's responsibility and any Health and Safety issue could be left unattended to for up to 6 months.

1.74 There is also a missed opportunity to apply recharges as no follow up inspection is carried out immediately after the new tenant has moved in.

1.75 Is there effective communication for encouraging older tenants to move to Senior Living Accommodation?

1.76 The Group was asked, as part of the report on mutual exchanges, to investigate the communication and encouragement to downsize to Senior Living accommodation and provide ideas towards a leaflet on encouraging tenants to move to Senior Living Housing. The group has provided a sample pamphlet to Hugh Wagstaff along with suggestions as a hard copy.

1.77 As reported above the Group found the Waverley web site was lacking in information across the board. There was little additional information available apart from phoning Housing and making your own enquires.

1.78 We found there were no specific articles on downsizing to Senior Living Accommodation.

1.79 From talking to tenants who had moved and their reasons for moving we found that many had found, once they had contacted Waverley staff, the process was efficient and the Waverley staff helpful and understanding and the move went smoothly.

1.80 The main issue was apparent lack of any detailed information on how to start the process of moving to Senior Living accommodation.

1.81 The Group felt that one solution was to provide a A5 Senior Living folded Brochure, which can be opened up to A3, with a map of Waverley, photographs of all eight units and location, providing details of the eight schemes available, lists advantages and disadvantages for moving and how and who to contact. This could also be pull out pages from the centre of Homes & People.

(Ideas for consideration including an example for a brochure or central pull out for Homes & People has been provided separately to Hugh Wagstaff).

1.82 To further communication about Senior Living Accommodation, as with Mutual Exchanges, to have open days at the schemes once or twice a year.

1.83 Use the data on age held by Waverley to target tenants over 50 who are living in under occupied properties.

1.84 To advertise in Waverley Home & People.

Conclusion

1.85 The Group concluded that the Mutual Exchange policy and process along with the downsizing to Senior Living Accommodation was deficient in communication, confusing, did not encourage mutual exchanges and does not provide a coherent and efficient process to provide a cost effective and VfM system.

2.0 Recommendations.

2.1 The Policy document dated 2016 July needs to be updated. We understand this is in hand.

2.2 To put in place a Case Management System. We understand this is now in operation.

2.3 To provide clear guidance on what safety certificates are required and who is responsible for providing them.

2.4 The Orchard mutual exchange system needs to be simplified to make the system work efficiently, but we do not think that a separate bespoke system not using Orchard, is an answer.

2.5 New technology needs to be encouraged and used effectively and link to Orchard in all areas.

2.6 The Web site needs to be updated, made more welcoming, informative and user friendly to encourage more mutual exchanges and to visit the Harlow Council Website.

2.7 To provide literature in the form of a leaflet on mutual exchanges giving clear details of how to report a repair, detailing what to do if any repairs, or clearance, noted on the inspection survey as the previous tenant's responsibilities, have not been carried out.

2.8 The Disclaimer, at the bottom of the Inspection survey, needs to be reworded as it says that it is the responsibility of the outgoing tenant for any repairs. Waverley as a landlord are equally responsible for Health and Safety repairs and confirm the legality of the Disclaimer.

2.9 To look into broadening the avenues for people seeking information on mutual exchanges apart from the internet.

2.10 Joint visits to be undertaken by the Stock Surveyor and T & E inspectors and both informed of who the tenants are exchanging with.

2.11 To provide both mutual exchange tenants with copies of all the inspection reports, including the EPC, within 24 hours of the inspection and where relevant the forms to provide detailed information on Decent Homes work that has been or when this work will be undertaken.

2.12 All paperwork to be scanned within 24 hours of receipt.

2.13 All letters to be produced from Orchard, to be reviewed and be consistent This we feel is a fundamental issue in the mutual exchange process.

2.14 To train T & E inspectors and Rent staff to provide cover for staff when on leave or sick, to address any stoppage in the mutual exchange process.

2.15 To provide Reports that are meaningful and provide information on how the mutual exchange process benefits the tenant and Housing.

2.16 To carry out necessary reference, financial and fraud checks are, to confirm suitability for an exchange, before the application forms are sent out.

2.17 To investigate the provision of a brochure explaining the advantages and disadvantages on moving to Senior Living Accommodation.

2.18 To have twice yearly open days at Senior Living Accommodation schemes.

2.19 To target 50+ tenants who are living in under occupied properties.

2.20 To advertise in the Waverley Homes & People, where the Senior Living Schemes are, along with contact details.

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