

Housing Scrutiny Commission

Void Performance report: January 2020 – March 2020
Year End

Assistant Mayor for Housing: Cllr Elly Cutkelvin

Lead director: Chris Burgin

Date: 7th September 2020



City Mayor

Useful information

- Ward(s) affected: all
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- Report version number: v.2

1. Summary

Void performance in the final quarter of 2019/20 has remained consistent, with the 'All Void' average remaining under the 90-day target.

Positively overall, Void rental loss has reduced in 19/20 to £911,060 from £985,903 in 18/19 and this has remained consistent as a percentage of rent roll.

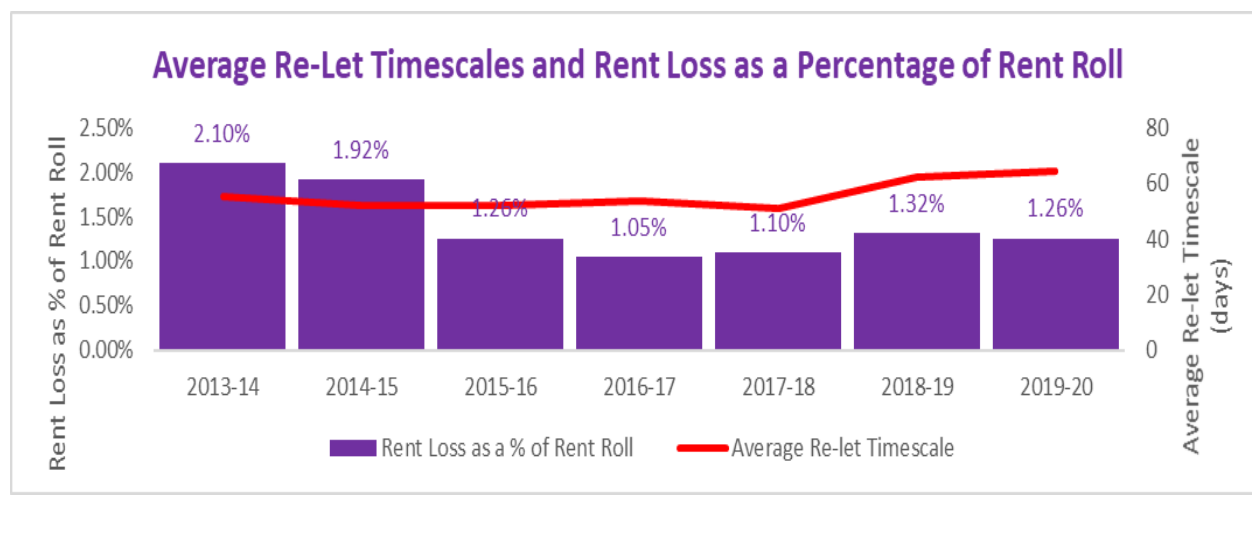
There have been various challenges throughout the year with workloads, contractor capacity, changes in regulations and with the added issues and impacts of COVID 19 to deal with from the middle of March, including the suspension of Leicester HomeChoice. We anticipate that performance in the next quarter will reflect the impacts of COVID 19 in more detail.

2. Purpose of report

To update members of the Housing Scrutiny Commission on Void performance for the final quarter and year end 2019/20.

3. Supporting information including options considered:

Void rental loss has remained low as a percentage of the rent roll. The table below shows performance over the last 7 years. With performance remaining good and consistent over the last 5 years.



Comparator data shows that Leicester sit in the middle of other comparator authorities.

Authority	Rent loss on void dwellings (h11a)	Total value of rent roll (including rent rebates) (h9a)	%	Average Re-let Timescale (days) (g1a)
	2018-19	2018-19	2018-19	2018-19
Oldham	206,873	8,393,063	2.46%	10.00
Newcastle	2,606,334	110,719,828	2.35%	64.91
Kingston upon Hull	1,825,748	94,051,446	1.94%	33.35
Sheffield	2,562,975	148,529,077	1.73%	72.00
Slough	558,675	32,638,600	1.71%	98.16
Bristol	1,771,505	112,118,124	1.58%	41.00
Birmingham	3,719,215	271,007,964	1.40%	37.42
Leicester	985,903	74,718,215	1.32%	62.13
Stoke-on-Trent	715,298	65,251,180	1.10%	28.00
Nottingham	956,433	104,401,199	0.92%	33.56
Salford	51,931	5,792,657	0.90%	2.20
Wolverhampton	757,290	89,597,265	0.85%	19.00
Derby	430,220	56,093,717	0.77%	23.72
Leeds	1,496,856	208,753,765	0.72%	34.43
Milton Keynes	344,792	52,848,734	0.65%	33.00
Manchester	382,355	60,590,377	0.63%	32.89
Sandwell	639,972	118,621,982	0.54%	22.76
Luton	129,440	32,974,856	0.39%	21.29

Source: Local Area Housing Statistics (LAHS). Updated annually.

The table below shows quarters 1,2 3 and 4 of 19/20 performance with 18/19 as a comparison.

Measure / Target	Quarter 1 19/20	Quarter 2 19/20	Quarter 3 19/20	Quarter 4 19/20	Year end 19/20	Year end 18/19
Routine Voids* (days) 45-day avg. target	59.6	64.9	74	58.6	64.1	62.1
All voids (days) Max 90day avg. target	90.9	195.1	100.4	77.1	123.3	85.8
No. Voids Held (Less than 2% (421))	248	218	239	270	(avg 239)	(avg 309)
Total annual rent loss No greater than £800K	£265,127	£226,407	£175,874	243,652	£911,060	£985,903
Ready to let to Occupation** (days) 10-day target	5.7	5.3	5.2	5.9	5.5	5.9

*This figure is the number of days void from the end of one tenancy to the start of the next including weekends.

**This figure is the number of working days between when the property is ready to when the new tenancy starts.

Void turnaround times have not been as good as we had aspired to this year, there have been some good improvement for routine voids but on average the year-end figures are disappointing. Our aspiration is to continually improve the letting standard whilst attempting to reduce void times overall.

Definitions

Routine voids

Are those properties that require a comparatively lower level of work prior to being re let.

Long term voids

Are those properties which require a higher level of repair before it can be re let, the reasons maybe:

- *Damp proof work, wood worm treatment.*
- *Asbestos removal (licenced)*
- *Structural repairs*
- *Major adaptations*
- *Fire damaged properties*
- *The property is being used as an office, by a resident's group or the police*
- *Projects (such as the tower blocks)*
- *New meters and supplies.*
- *Pest control.*
- *Rewires, new capital kitchens and bathrooms*

All voids

This is the term used when talking and reporting on all voids regardless of if they are routine or long term.

Number of voids held

This is a snapshot of the number of vacant properties we hold at any one time; this should be less than 2% of the total stock and excludes decants

Total annual rent loss

This is the amount of rental income we have lost as a result of a property being empty and is based on a daily rate, the longer the property is empty the greater the amount.

There are two weeks over the Christmas period that are defined as rent free, this means that December is traditionally a low month for void income loss. The average weekly rental figure is: £69.97 (range £53.64 - £116.48)

Total annual council tax loss

We become liable for paying council tax on void properties at a daily rate as soon as the property has been empty for 1 calendar month. There are exceptions to this but in the majority of cases this will apply. We work closely with Council Tax to ensure this information is correct and it is audited quarterly.

Current issues affecting void times:

COVID 19

From when lockdown was announced in late March 2020 this had an immediate impact with regards to resources and operational processes and the majority of these impacts will show in the next quarters report. From an applicant point of view, Leicester HomeChoice was suspended, and moves were also placed on hold towards the end of March due to lockdown issues such as applicants and family members with symptoms, not able to book removals etc. A recovery plan is in place.

Condition properties returned in

As has been reported before we continue to see an increase in the number of properties returned back to us in a poor condition both internally and externally which has an impact on the time it takes for the property to be brought back into use. This is not an issue we can control but one we can influence and have planned in discussions with Housing Management to look at potential ways/initiatives that could be applied to influence an improvement on the returned condition. We are currently also looking into a property condition grading system which will be included in future reports to HSC.

Completing capital works

We often take the opportunity to complete of capital works in void properties to avoid disruption to tenants. We carry out a lot of electrical rewire and kitchen refurbishments, this could be because we made the decision to defer the refurbishment to the void period to lessen the impact on the current tenant or the current tenants declined to have the work carried out at the time. When a property is void it is a good time to do these types of works as they can be very disruptive, but it does add to the time the property is empty. Our own craft staff do carry out some of these works but rewire and some kitchen refurbishments are issued out to contractors. Where using contractors we adhere to procurement rules and enable and encourage local contractors where able.

We are also experiencing contractor delays due to the volume of work we are issuing.

Kitchen Pilot

A number of Void properties have new kitchens fitted. Kitchens on average take 10 working days to complete. We have been running a pilot project to see if we can reduce the number of days a kitchen takes to fit. The results of the pilot will be reported in the next quarterly report.

Increased workload

The Voids and property Lettings Team are dealing with additional properties aside from normal voids, these are acquisitions or 'buy back' as they used to be called. In Q4 of 2019/20 we received keys for 44 acquisition properties. Unfortunately, 90% of acquisitions need rewire, 25% need new boilers and a third need new kitchens. Additional resources to support the acquisition process have been secured for next quarter.

Recent changes to the electrical requirements through the 18th Edition have seen regulations strengthened to enhance health and safety. For example, the frequency of replacing consumer units has increased significantly because of the requirement for the RCD protection to all fixed luminaries. This occurs mostly where we fit new kitchens and can take half a day. We also now have to fit fire clips to wiring systems such as PVC trunking in all locations, not just over escape routes. This occurs mostly in flats and can take half a day.

Additionally, changes to the Fire Regs BS5839-6:2019 have increased the amount of smoke alarms that require to be fitted to voids. This occurs in 75% of voids and can take up a full day's work.

These changes are a time/labour consideration. A void can therefore have an extra 2 days' work added due to the above. Over the course of 12 months this equates to 990 extra days which is equivalent to 16 x 60-day additional voids.

Key management:

This has always been an issue & challenge that the team continue to try to improve. Since the closure of many local offices tenants now hand deliver their keys to certain locations across the city and they have to be collected which sometimes causes delays. We have now improved this system by sending tenants pre-paid envelopes with which to send their keys back to us. We also have the void snapshot, this is a report that tells us how many terminations are due the following week so we can monitor which keys have/have not been returned so Housing Management can then chase and action accordingly.

Keys are moved in order for almost all of the functions that need to happen within the void, some functions happen concurrently, like the actual inspection and the Energy Performance Certificate, but most others are carried out by different specialist teams. To try to overcome delays we do split keys where we are able but with certain works such as asbestos this is not possible due to health and safety considerations. At the point of lockdown many keys were delivered to closed libraries, housing offices and customer service centres resulting in a number of properties where we needed to gain entry and carry out a lock change in order to minimise delays

We have also tried to make the process of capital works better by looking at the challenges of contractor capacity and contract type which can have a negative impact. As advised above we have secured an additional admin resource for the next quarter which will assist with acquisitions and the monitoring and chasing contractor works. We are also currently looking into the feasibility of a specific Voids Contract

Recruitment:

There are always vacancies in the Void Team due to the number of people employed within the service area and the numbers of applications that are successful in the recruitment process. For example, the last recruitment exercise looked to recruit 5 posts and we successfully recruited 3. The turnover, time taken and the difficulty we have recruiting appropriately trained staff impacts on available resources. We are in the process of a further round of recruitment. The situation is constantly changing with an ageing workforce so we are also looking to improve workforce planning to meet

future needs. To bridge the gap, we do employ agency workers when needed and we also issue void repairs to contractors when we hit capacity. The craft apprenticeship programme is also key to vacancy management within the Voids team and we ensure that our requirements are fed into the Divisional plan for future recruitment. We are also involved in the skills development of the individuals as part of their apprenticeship programme.

Immediate Priorities

To continue to work closely in partnership with Housing Options to facilitate the provision of accommodation for homeless cases, especially the COVID 19 move on cases.

To continue to work with applicants to facilitate moves, and those that were previously on hold due to COVID measures.

To investigate the potential to enhance the Void standard specification utilising the Community Support grant to decorate and carpet a property for identified vulnerable groups and will report back to a future meeting.

To investigate further putting a specific Void Contract in place

To continue to work to improve operational arrangements identified in this report including key management arrangements and the condition of returned properties.

To improve workforce planning arrangements and bring forward recruitment and to also consider an extended apprenticeship craft offer to meet needs in the future.

4. Details of Scrutiny

Report for HSC

5. Financial, legal and other implications

5.1 Financial implications

None sought – for information only

5.2 Legal implications

None sought – for information only

5.3 Climate Change and Carbon Reduction implications

None sought – for information only

5.4 Equalities Implications

None sought – for information

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)