



Voids Improvement Project Update

Housing Scrutiny Commission 8 September 2015
Lead director: Ann Branson

Useful information

- Ward(s) affected: All
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- Author contact details: 375177/ 371609
- Report version number 3.4

1. Purpose of Report

- 1.1 To inform Members of the Scrutiny Commission of the progress made in the Voids Improvement Project as requested.

2. Summary

- 2.1 The purpose of this report is to provide an update on the Division's performance on the turnaround of empty council houses. A regular update on void performance was requested when the initial Void Improvement Project report was presented to Housing Scrutiny Commission in December 2014.
- 2.2 Void times and costs increased greatly in 2013/14 because resources had to be diverted due to a problem with delivery of the kitchens & bathrooms programme. Although the situation is improving further work is required to return void times and costs to the levels they were at in 2012/13.
- 2.3 The report details the steady progress being made against the key performance indicators for routine and long-term voids since April 2014. The total amount of rental income lost and Council Tax paid as a result of properties being void has reduced despite more properties becoming void.

3. Report

- 3.1 The Housing Transformation Programme set two targets for the Void Improvement Project:
 - a) To reduce re-let times thereby increasing rental income.
 - b) To make savings through more efficient ways of working
- 3.2 The responsibility for re-letting Council housing properties once a tenancy has been terminated falls to two teams within the Housing Division's Property Services section;
 - The Property Lettings Team who manage the Choice Based Lettings system, allocate properties to housing applicants, inspect the vacant properties, specify the refurbishment works required, manage the decorating allowance scheme and collect garage rents

- The Voids Repairs Team who under take the refurbishment works in the void property as specified.

3.3 Re-let Performance

- 3.3.1 When a property is void there is a loss of rental income and council tax is charged. *Appendix A* shows that (excluding St Peters Tower Blocks) rent loss reduced by 18% from £1,079k in 2013/14 to £881k in 2014/15. Council tax charged on void properties reduced by 23% from £187k in 2013/14 to £144k in 2014/15. This was at a time when the number of properties let increased by 14%.
- 3.3.2 The average cost per void in terms of rent loss and council tax reduced by 29% from £1,015 in 2013/14 to £715 in 2014/15. The re-let time for all voids was 44.3 days in 2012/13, this increased to 67.6 days in 2013/14 due to the kitchen & bathroom issues. In 2014/15, it dropped back down to 64.8 days and currently stands at 65.9 days for 2015 year to date.
- 3.3.3 The main key performance indicator for the service is the void average re-let time. Efficiencies can be generated by reducing the average re-let time, as this will result in an increase in rental income and a reduction in Council Tax liability. In order to assist with internal performance management, voids properties are classified as either routine or long-term voids dependant on certain criteria e.g. major refurbishment works (licensed asbestos removal, structural work) or not available for let (used as decant, unlawful occupier)
- 3.3.4 The average re-let time at the end of July 2015 stands at 42.7 days for routine voids. This is a reduction of 14.4 days on April last year when it was 57.1 days. In 2013/14, void re-let times increased when craft workforce had to be diverted to the kitchen & bathroom programme following the loss of a contractor. *Appendix B* compares the average re-let time for routine voids against last year.
- 3.3.5 The re-let time for long-term voids, has reduced by 14.0 days from 98.0 days in April 2014 to 84.0 days in July 2015 as shown in *Appendix C*. This performance measure is affected by properties which require significant adaptation to meet the needs of disabled applicants. As part of the Void Improvement Project this process will be looked at to improve workflow between the Housing division and the occupational therapy team.
- 3.3.6 The combined average re-let time for all voids (Routine & long-term) was 56.7 days in July 2015, which had reduced by 6.5 days since April 2014 when it stood at 63.2 days (*Appendix D*).
- 3.3.7 *Appendix E* details the number of all voids held. The number held has decreased steadily from a peak of 315 in April 2014 to 188 in July 2015. The number of routine voids held has reduced from 253 in April 2014 to 110 in July 2015. The number of long term voids held has reduced from 62 in April 2014 to 78 in July 2015.

- 3.3.8 The current percentage of properties which are void is between 0.5% and 1.2% across the 6 management areas of the city excluding the St Peter's Tower Blocks. *Appendix F* shows the percentage of properties which are void at the end of June 2015 by area.
- 3.3.9 *Appendix G* shows that 1433 properties were let in total in 2014/15. At the end of July 2015, 410 properties had been let which compares to 470 properties at the same point last year. *Appendix H* contains a map of void properties let in 2014-15 and is overlaid on the new ward and constituency boundaries.
- 3.3.10 In 2014/15, 357 tenants were charged a total of £345k for some of the work that needed doing in the property after they left. These types of debts are hard to collect, but the allocation policy currently states that any applicant on the housing register who has a housing related debt will normally only be considered for re-housing under exceptional circumstances i.e. the applicant will not be allocated another property until their debt is cleared.
- 3.3.11 Staff are developing ways to get the message across that tenants will be charged for rubbish left and damage done. There is a growing problem with unauthorised work to homes and tenants are being reminded that they need permission to do improvement work. This will not be unreasonably withheld and the council may be able advise on how to do it properly.

3.4 Voids Improvement Project

- 3.4.1 In January 2014, the Voids Improvement Project was launched with the aim of generating service improvement in four key areas; performance management, process, standards & specification and resources.
- 3.4.2 In October 2014, the Voids Improvement Project was one of the four major projects brought together under the umbrella of the Housing Transformation Programme.
- 3.4.3 Over the last 6 months the following milestones have been achieved
- Pilot and roll-out of service improvements in key control
 - Pilot and roll-out of improved delivery method of capital kitchen refurbishment programme within void properties via the in-house team
 - Overhaul of the system of work area target monitoring
 - Contribution towards efficiency savings
- 3.4.4 In March 2015, managers visited Nottingham City Homes to share best practice around voids and property lettings. Although both organisations measured their performance slightly differently there were many similarities in the challenges faced. Nottingham work to a combined target of 50 days for all voids (routine and long-term) and were achieve 60 days at the time we visited. Leicester are currently at 79 days year-to-date for 2015/16.

In Leicester, the voids and allocations processes are integrated, whereas at NCH the processes are split between the housing options staff at Nottingham City Council and the voids repairs and allocations staff at the ALMO.

This means that allocations staff are unable to start shortlisting until after the keys had been received, unlike in Leicester where this happens after notification of termination. A number of operational issues were discussed which will help us to reduce the time spent repairing voids.

3.4.5 In June 2015, 6 members of the Tenants & Residents forum arranged a visit to 3 ready-to-let properties in order to inspect the condition which properties were being let in. Each property was different in size and neighbourhood and allowed them to see the differences in Leicester City Council properties. They considered the work to be of a good standard and the decorating allowance granted to be reasonable. They were impressed with the workmanship of the kitchen refurbishments carried out by the in-house team as part of the capital programme.

The visits gave them the chance to see how a basic property can be allocated and then made into a home. They all agreed that the homes were in a suitable void condition but questions were raised regarding cleanliness of communal areas, the cutting back of overgrown gardens and the tidiness of neighbourhood homes.

3.4.6 Work planned for the next 6 to 12 months include:

- Further improvements to processes including design and implementation of a new operating model. This will involve inspecting properties as soon as a tenant gives notice, as well as discussing with applicant the work that will be done in the property after they move in. This should shorten the time the house is empty for repairs. Realistic targets for each phase of the process will be developed.
- This change in process should also allow for the applicant to be consulted on matters such as kitchen design where refurbishment is required but can be scheduled for after they move in.
- Development of voids IT software to enable greater mobile work and improvements to data quality, work scheduling and materials ordering

4. Financial, legal and other implications

4.1 Financial implications

Following the changes to the empty property discount in 2013/14 the Council Tax paid on void properties (excluding properties used for the St Peters Tower Block refurbishment decant) increased from £25k to £187k. However during the same period the average relet increased from 44 to 67 days. The 28 day council tax discount period begins from when the property becomes unfurnished not from the tenancy end date.

In 2013/14 the average re-let time was 67 days (Routine & Long-term) and the total associated rent loss and council tax was £1.3m, compared to £0.6m in 2012/13. The average re-let time in 2014/15 reduced to 64 days and the associated rent loss and council tax was £1.0m. The current forecast for rent loss and council tax in 2015/16 is £0.9m.

Pete Coles
Principal Accountant – Housing
x4077

4.2 Legal implications

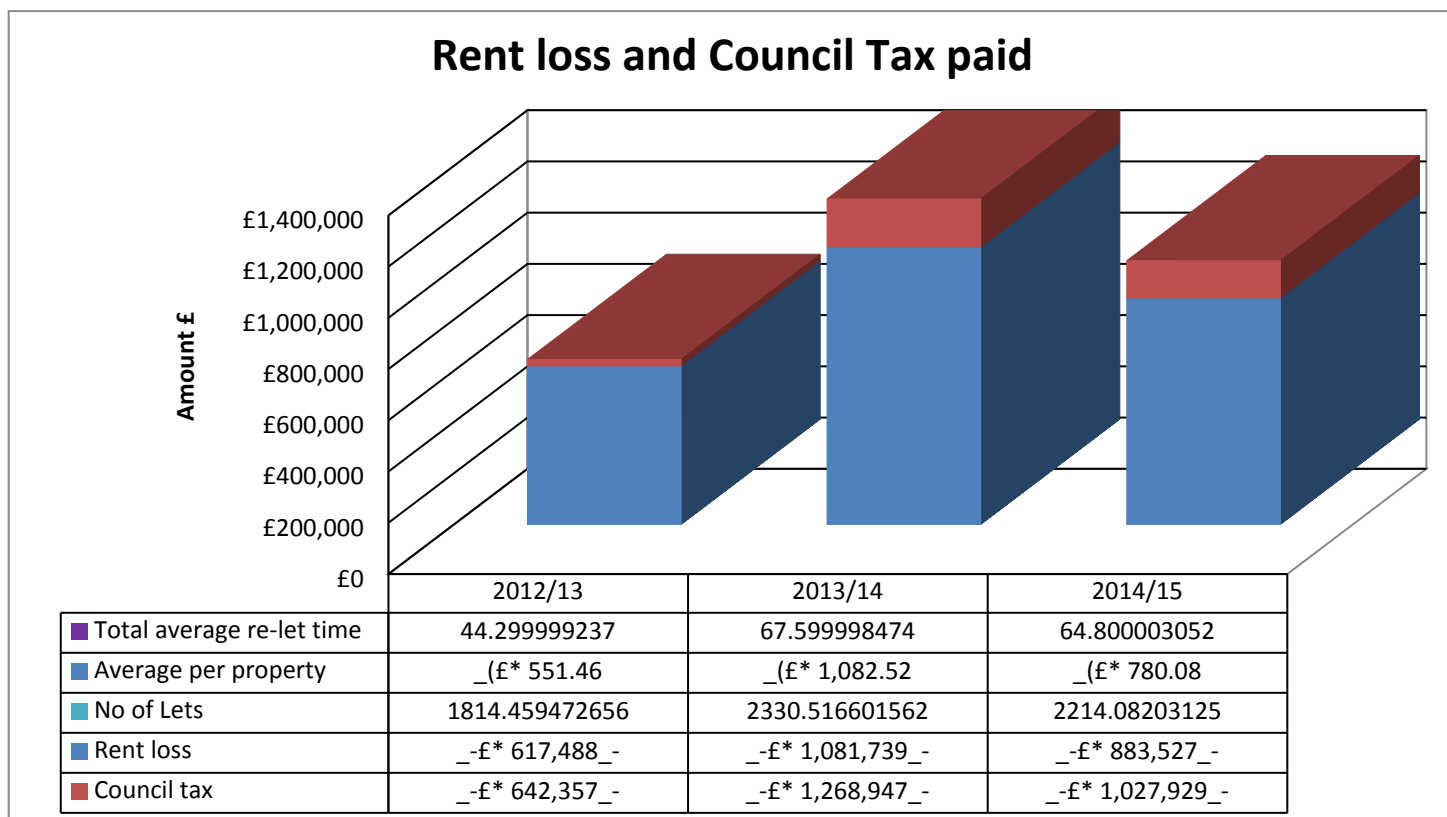
There are no legal implications relating to this report.

Jeremy Rainbow – Supervisory Legal Executive (371435)

5. Summary of appendices:

- A. Table of rent loss and council tax paid
- B. Table of average re-let times (Routine voids)
- C. Table of average re-let times (Long-term voids)
- D. Table of average re-let times (Routine & Long-term voids)
- E. Table of voids held (Routine & Long-term)
- F. Table of voids per area
- G. Table of properties let
- H. Map of voids let 2014-15

Appendix A

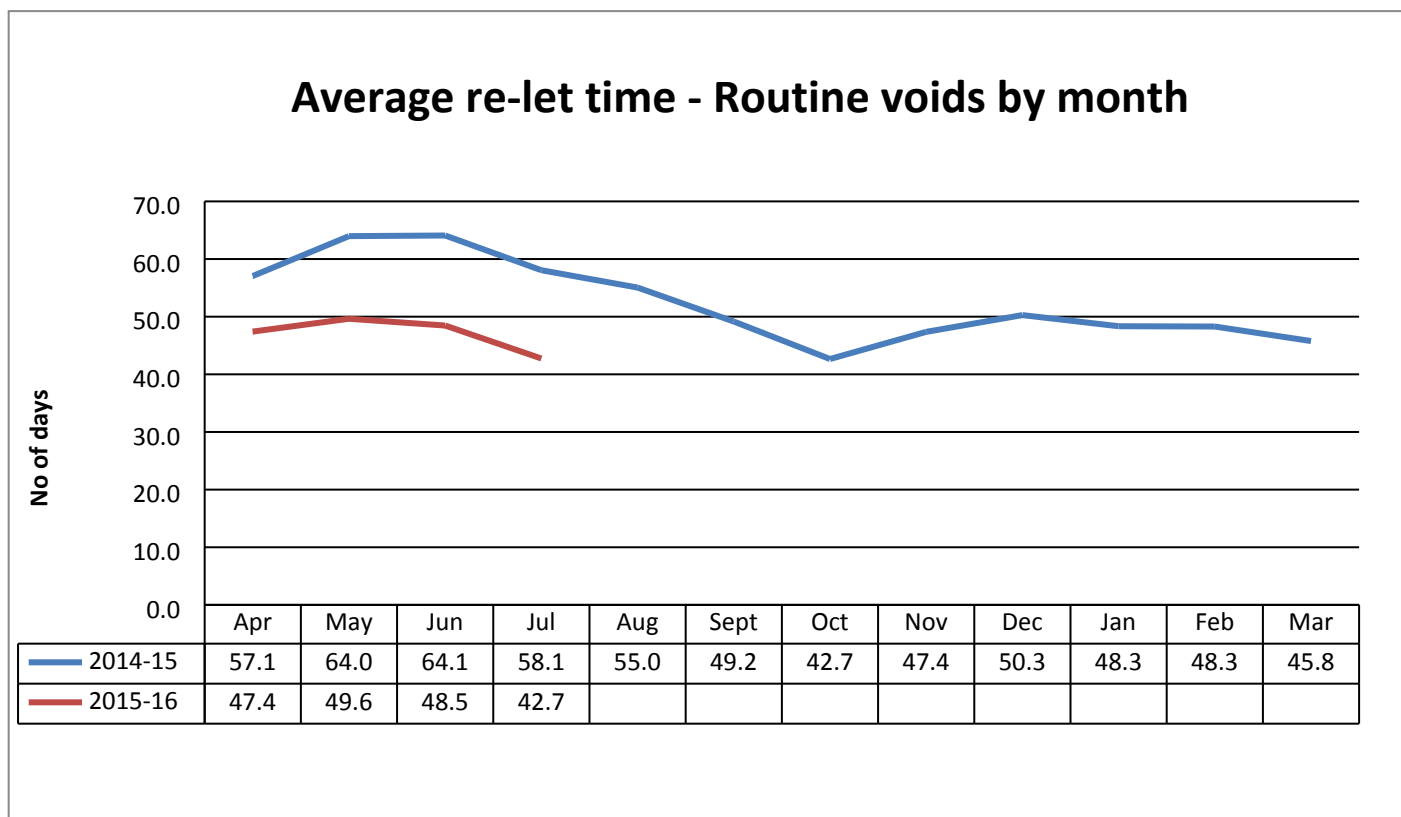


Source: Data provided by Finance/Void sub-status report

n.b. excludes rent loss & council tax liability incurred as a result of the St Peters tower block programme

- This chart shows the rent loss and council tax paid against the previous two years
- The amount of council tax charged increased in 2013/14 following the abolition of exemption class C for vacant properties in April 2013. This means that Council tax is now charged after 28 days rather than after 6 months.
- The void time increased in 2013/14 because craft operatives were diverted to the kitchen & bathroom programme after the loss of a contractor.
- The average re-let time for all voids was 44.3 days in 12/13, 67.6 days in 13/14 and 64.8 days in 14/15
- The average charge per property has reduced by 29% from £1014 in 2013/14 to £715 in 2014/15

Appendix B

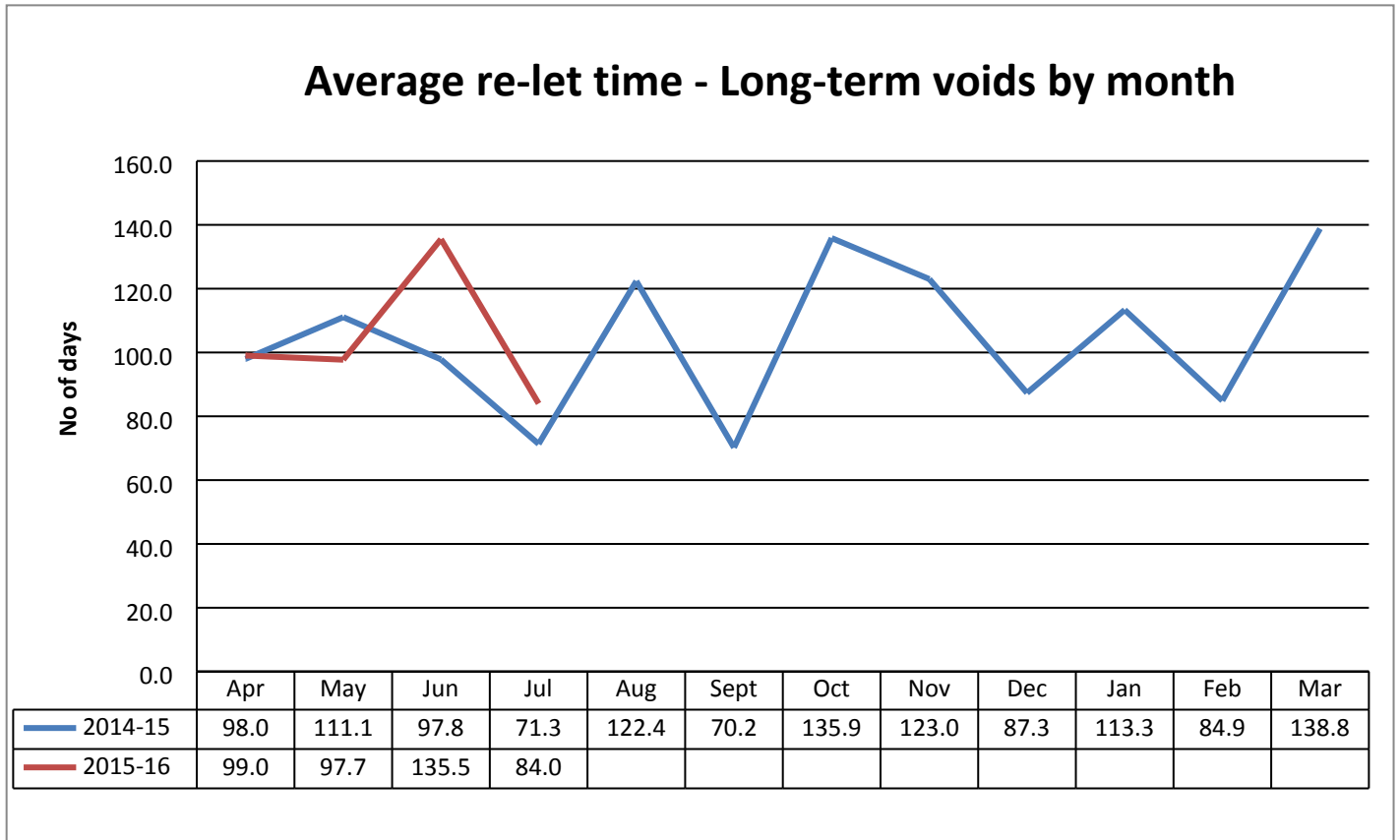


Source: Void sub-status report

n.b. excludes properties which are void as a result of the St Peters tower block programme

- This chart shows the void average re-let time for routine voids in 2015/16 in comparison to last year.
- The average re-let time as at July 2015 stands at 42.7 days for routine voids.
- This has reduced by 14.4 days since April 2014, when it was 57.1 days.

Appendix C

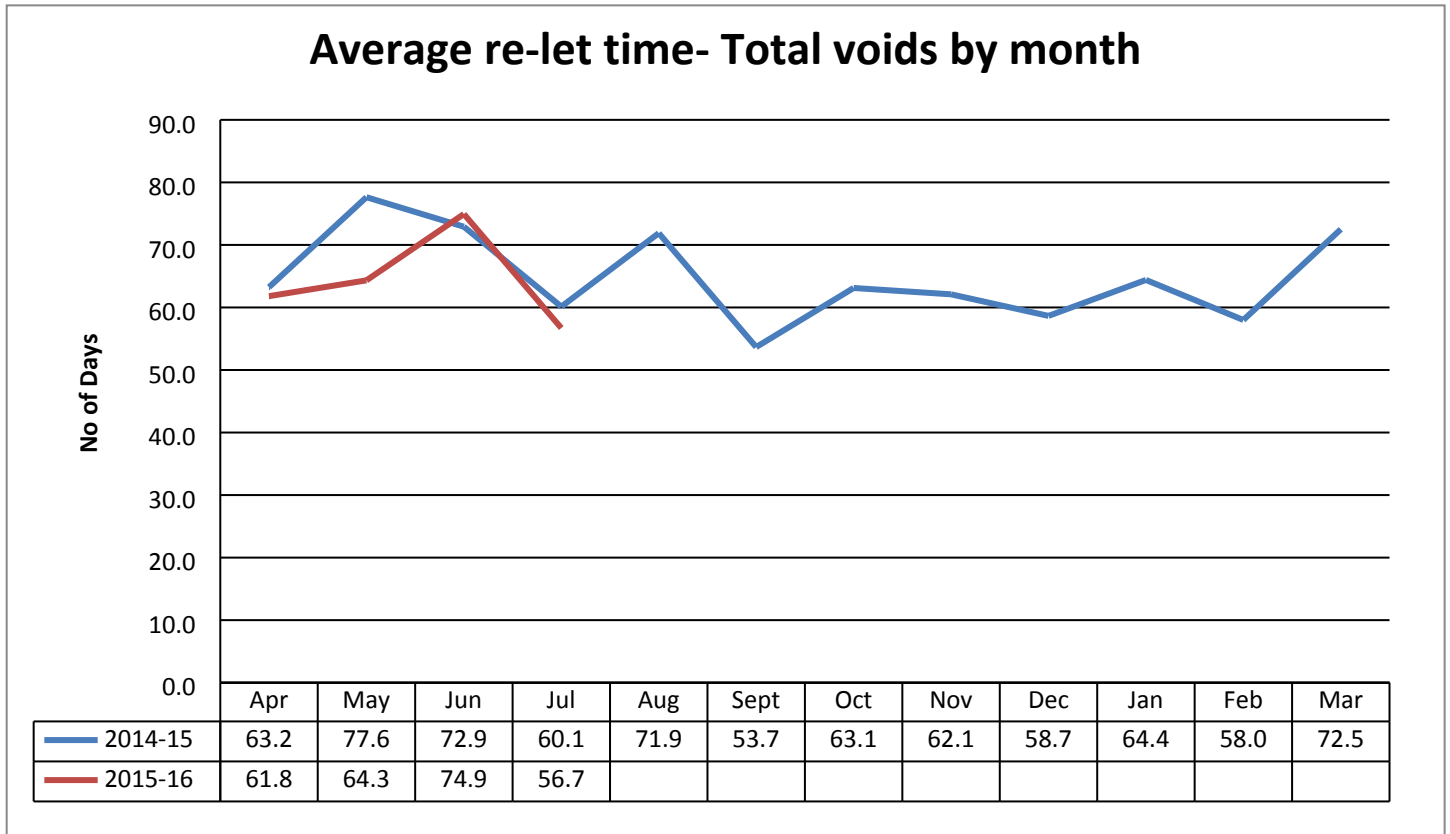


Source: Void sub-status report

n.b. excludes properties which are void as a result of the St Peters tower block programme

- This chart shows the void average re-let time for long-term voids in 2015/16 in comparison to last year.
- The average re-let time currently stands at 84.0 days for long-term voids.
- This has reduced by 14.0 days since April 2014, when it was 98.0 days.
- This performance measure is affected by properties which require significant adaptation for disabled applicants

Appendix D

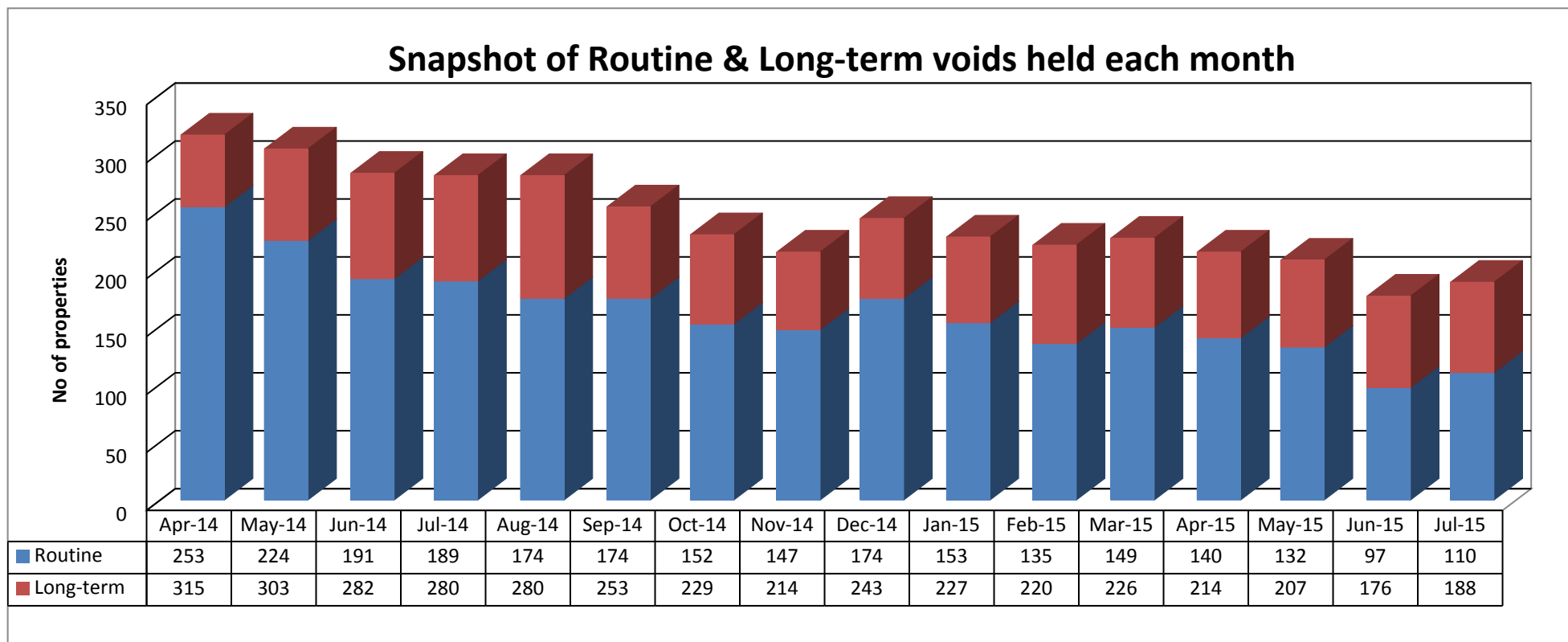


Source: Void sub-status report

n.b. excludes properties which are void as a result of the St Peters tower block programme

- This chart shows the void average re-let time for all voids in 2015/16 in comparison to last year.
- The average re-let time currently stands at 56.7 days for all voids.
- This has reduced by 6.5 days since April 2014, when it was 63.2 days.

Appendix E

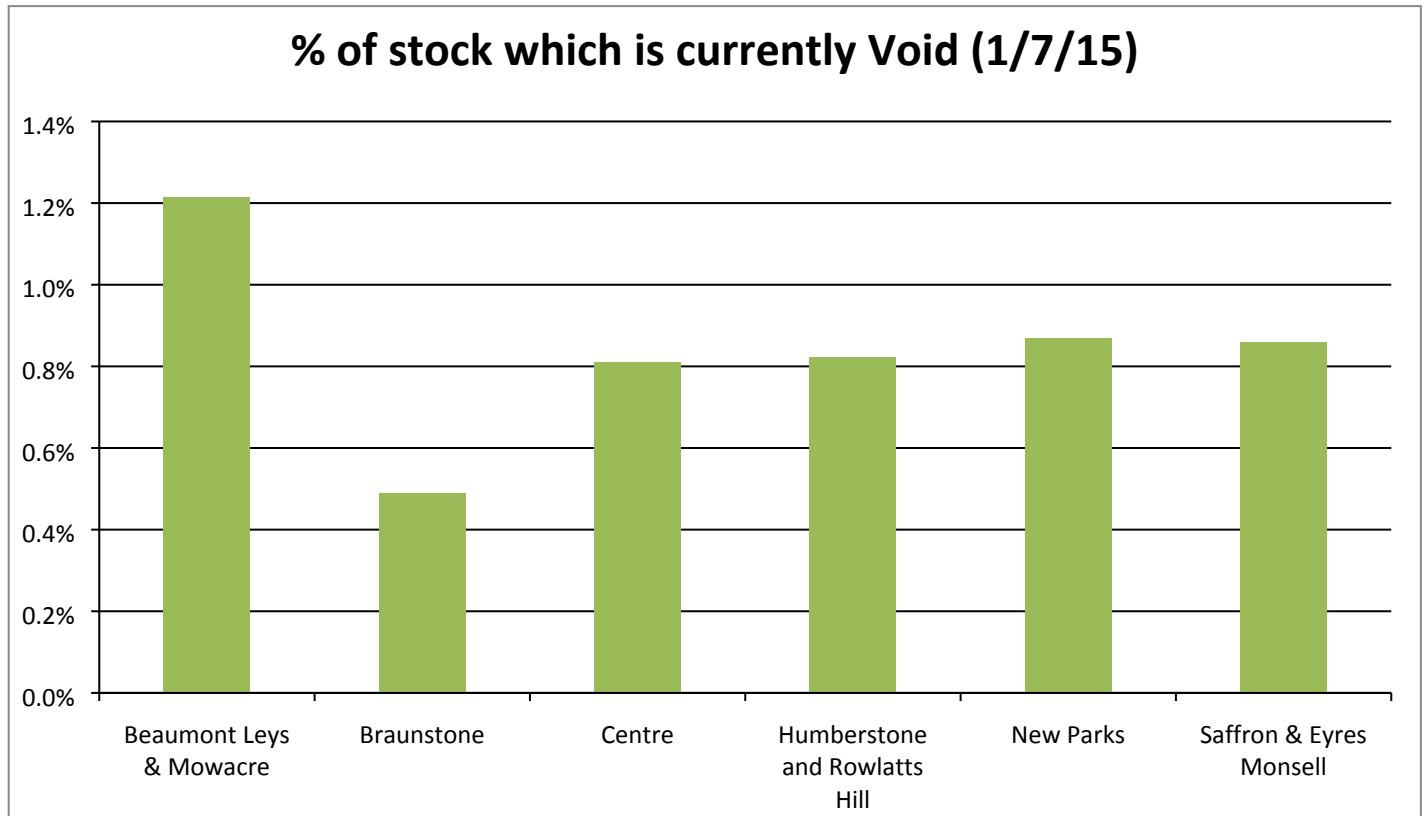


Source: Void properties & New Tenancies report

n.b. excludes properties which are void as a result of the St Peters tower block programme

- This chart compares the total number of voids (routine & long-term) held at the end of each month.
- The number held has been falling steadily since its peak of 315 (1.4% of stock) in April 2014 and now stands at 188 (0.8% of stock) in July 2015.
- The number of routine voids held has reduced from 253 in April 2014 to 110 in July 2015.
- The number of long term voids held has increased slightly from 62 in April 2014 to 78 in July 2015. This is due to normal fluctuations in demand for temporary accommodation from area offices.

Appendix F



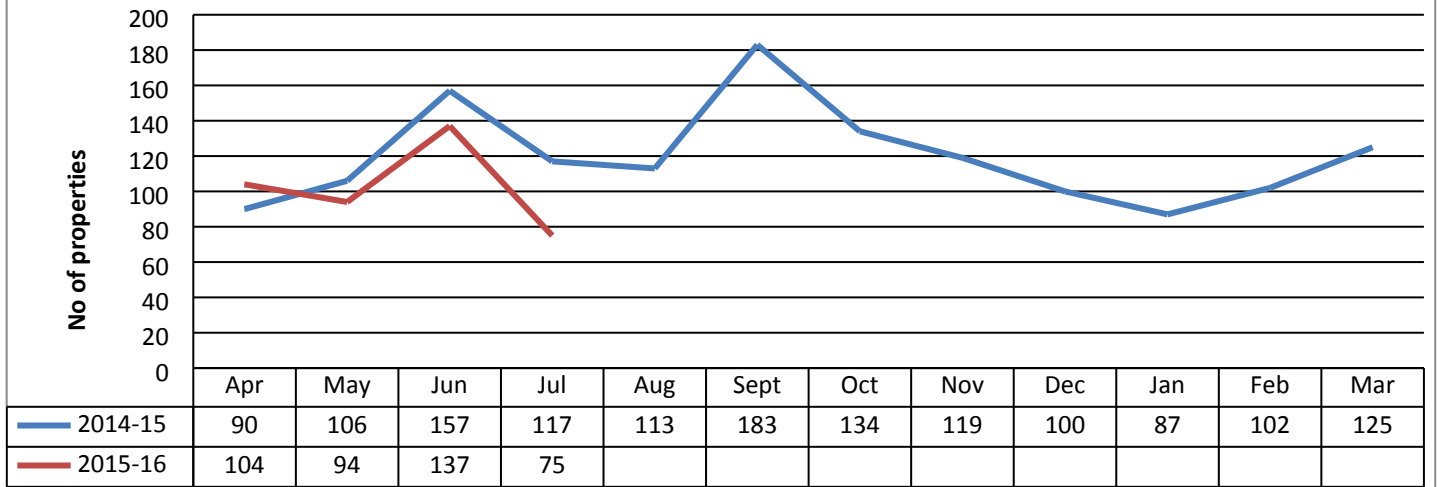
Source: Void performance report

n.b. excludes properties which are void as a result of the St Peters tower block programme

- This chart shows the percentage of properties in each management area which were void at the end of June 2015.
- Between 0.5% and 1.2% of stock is currently Void. Variances can be explained by the stock portfolios of each area.

Appendix G

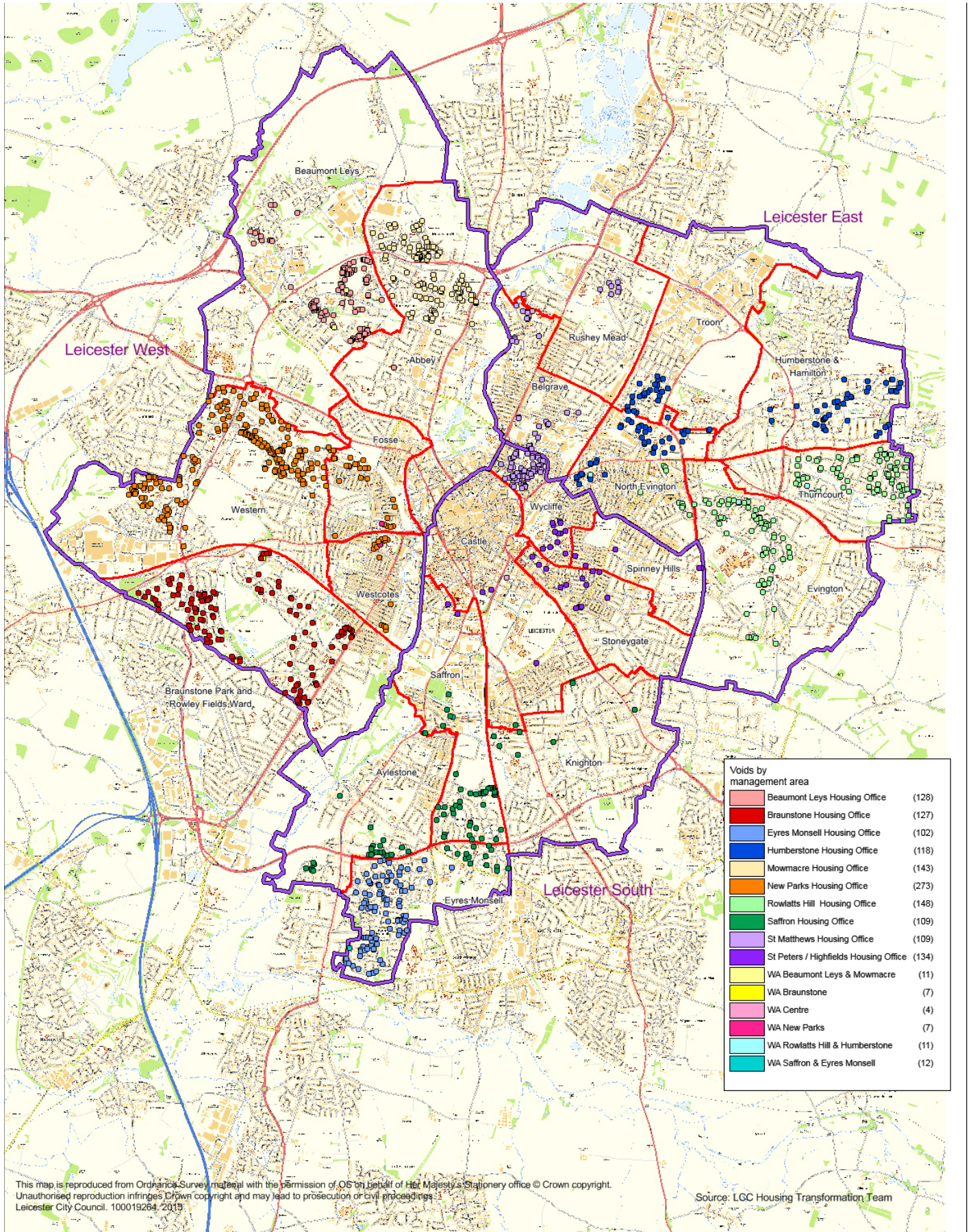
No of properties let per month



Source: Void sub-status report

- This chart compares the total number of properties let (routine & long-term) in 2015/16 to last year.
- 1433 properties were let in 2014/15
- 410 properties have been let in the first 4 months of this year compared to 470 in the same period last year

Appendix H – Properties let 2014/15



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Source: LGC Housing Transformation Team