

<b>10 January 2023</b>		<b>ITEM: 6</b>
<b>Housing Overview and Scrutiny Committee</b>		
<b>Update on Voids Management Policy</b>		
<b>Wards and communities affected:</b> ALL	<b>Key Decision:</b> Non-Key	
<b>Report of:</b> Mohammed Saheed Ullah, Housing Repairs and Planned Maintenance Manager		
<b>Accountable Assistant Director:</b> n/a		
<b>Accountable Director:</b> Ewelina Sorbjan, Interim Director for Housing		
<b>This report is</b> Public		

## **Executive Summary**

This report is being presented to the Housing Overview and Scrutiny Committee to provide an update on the Council's management of void properties within its housing stock.

The Current Voids Policy has been reviewed and updated from March 2022. The new policy and voids process has been implemented by the Housing Directorate.

### **1. Recommendation(s)**

**1.1 The Housing Overview and Scrutiny Committee are invited to note and comment on the Council's Voids Management Policy.**

**1.2 The Housing Overview and Scrutiny Committee are invited to note and comment on the Council's Fit to Let standard.**

**1.3 The Housing Overview and Scrutiny Committee are invited to note and comment on the Council's Voids Recharge Policy.**

### **2. Introduction and Background**

**2.1** Voids are unoccupied properties which often require repairs before being ready for let to new occupants. The Council's objective is to make void properties available for letting as quickly as possible, minimising rent loss and maximising the housing available, whilst enabling our tenants to know that their home will be clean, safe, secure and comply with the Council's fit to let

standard. The policy applies to all properties held by the Council within its Housing Revenue Account and is triggered by a tenancy ending.

- 2.2 The draft Void Policy ensures consistency of the standard of properties that we let to our tenants, working alongside the Housing Strategy and Asset Management Strategy. The policy will enable the Council to ensure its housing voids process, functions effectively by ensuring that all properties are available to our tenants at an acceptable standard, in line with the voids fit to let standard, by meeting the Council's legal obligations and the terms of the Tenancy Agreement.
- 2.3 The draft void policy had been drafted in accordance with the latest statutory and regulatory requirements and best practice. The policy confirms the aim of 'delivering a clean, safe and secure property to incoming tenants, within our targets for turnaround times, standards and cost'. It therefore a high-level commitment to meeting resident expectations and the Council meeting challenging but realistic turnaround times between vacancies.
- 2.4 As part of the void fit to let standard the Council carries out any essential routine repairs and/or health & safety checks that require completing prior to re-letting. The primary objective of the void process is to return the property for re-let in the shortest possible time with a "repair and safety check" process. In the past two years some additional elements have been added to the scope of works for the fit to let standard which include roof insulation, internal fire door replacement and installation of LD1 fire detection systems.
- 2.5 Void properties with a history of damp and mould issues will have a specialist damp and mould survey undertaken. Any required repairs carried out to rectify, this could include damp treatment, building works or improvements made to the thermal efficiency of the property.
- 2.6 The Council manages approximately 9840 rented homes of which an average of approximately 5.7% (558 properties) become vacant each year. The Council's Void Team (CVT) re-let target for standard voids is currently set at 28 calendar days and 60 calendar days for major capital voids.
- 2.7 Standard voids are generally carried out by the repairs and maintenance contractor (Mears) with major voids for the replacement of major elements within the property such as kitchens, bathrooms, roofing etc being undertaken by Wates.
- 2.8 Sheltered Housing

Void sheltered housing properties will undergo all repair works identified during void specifications in line with the general fit to let standard. Additional work to these properties may be undertaken when identified, with the property being fully redecorated in order to ensure our elderly and vulnerable residents have a smooth transition into their new property.

2.9 Void Rent Loss Data 2020 to 2022.

The table below provided rent loss data and average turn-around times for standard and major voids.

<b>VOID</b>			
	<b>2020/2021</b>	<b>2021/2022</b>	<b>Apr-Oct 2022/23</b>
Voids Value	£1,654,583	£1,660,338	£1,445,951
Number of Voids	595	545	405
Average Turnaround (Standard)	47.5	35.1	31.7*
Average Turnaround (Capital)	79.8	82.7	76.5
Total Rental Loss £ (Without “Leased Back Rent” - PHI)	£403,894	£433,852	£227,449
Total Rental Loss £ (With “Leased Back Rent” - PHI)	£405,844	£590,269	£237,044
Average Price Per Void	£2,780	£3,046	£3,570

2.10 The average price per void between 2020 to 2022 has increased by 28%. Recent regulatory changes for fire and building safety have added addition scope requirements to the void process to ensure vacant properties are compliant with current regulations. These regulation changes have added to the cost of completing void works such upgrading fire safety systems to include LD1/LD2 smoke detection alarms. These changes have brought additional pressures to the end-to-end void process requiring coordination between the different suppliers and teams as well add to lead in times for specialist materials and supplies.

2.11 The above average costs have been compared against similar sized authorities in southeast region and London as provided by Housemark. Housemark is a leading data and insight company for the UK housing sector and is jointly owned by the National Housing Federation and the Chartered Institute for Housing. In total between 22 and 25 authorities returned data from our request to Housemark for their average void costs and completion times between 2018/19 – 2020/21. At the time of the request the average cost data for 2021 was pending. However average cost increase for voids between 2018 and 2020 from the sample group of authorities was 23%.

Year	2018/19	2019/2020	2020/21
Sample Size	22	25	23
Av. Cost for standard void £	3833.17	4749.51	tbc
Av calendar days to complete standard void	23.75	30.10	24.15

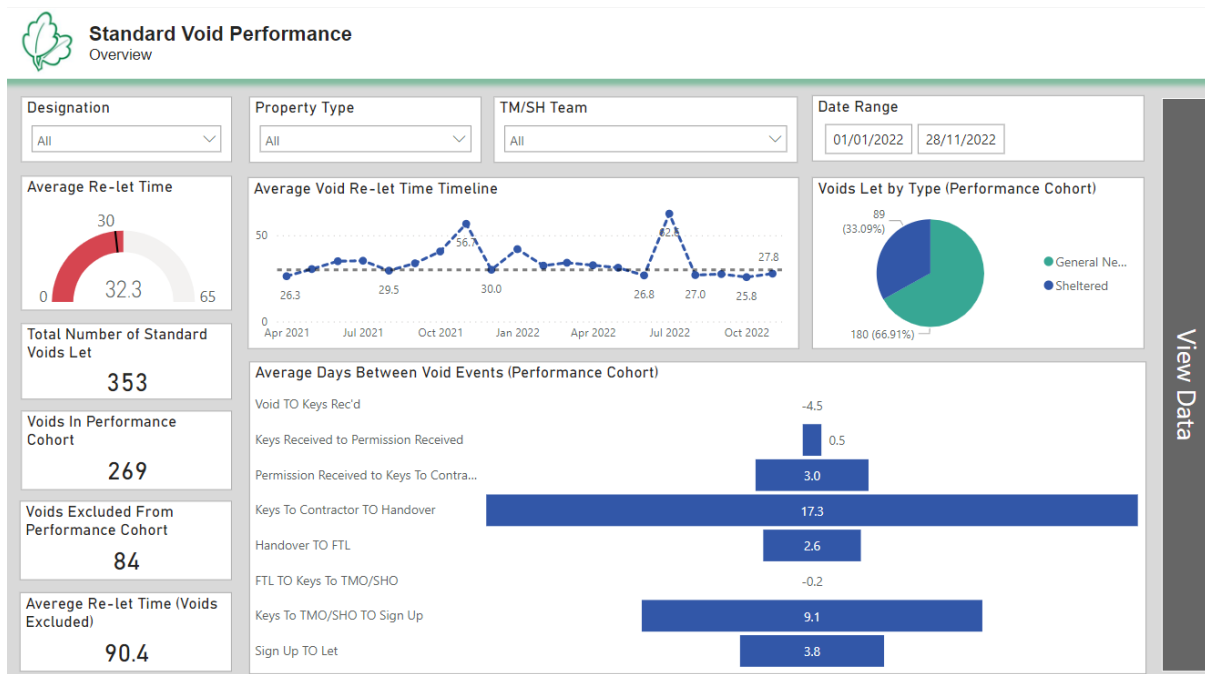
2.12 As part of the new Voids policy improved processes and reporting have been implemented with the void process mapped end-to-end across the different functions and services. Monthly Voids management meetings are held with

relevant services (Repairs, Housing Options, and Tenancy Services) to address any issues. Monthly tracker reports are generated to provide progress on works, timescales and lettings. This has enabled an improved collaborative and cross-team working ethos and approach in the management of voids. The current average turnaround times as of 30th Nov 2022 is 25.8 days for standard voids. This is a positive improvement since the beginning of the year.

- 2.13 Tenancy Management officers are engaged in the voids process to support tenants in meeting terms and conditions of their tenancy agreement by ensuring the minimum period of four weeks' notice is served by the tenant and the property is returned in a reasonable condition, including removal of rubbish. Work will also be undertaken to better capture the reasons for tenancies ending, allowing analysis to identify issues that the Council may be able to act upon to prevent properties becoming void.
- 2.14 Prior to the property keys being returned a joint inspection takes place with the Void Officer, Tenancy Management Officer and the tenant as part of the Exit Inspection. The Void Officer will endeavour to identify all possible recharges at this point and discuss possible solutions with both the tenant and Tenancy Management Officer. All recharges and agreed solutions will be noted in the Exit Inspection paperwork.
- 2.15 The fit to let standard (attached as Appendix Two) provides clear guidance for Council Officers and new tenants on the offer for tenants at the start of their tenancy. The fit to let standard ensures consistency in the standard of properties that the Council lets to our tenants. All void properties are inspected upon completion to ensure it meets the fit to let standard.
- 2.16 The Draft Recharges Policy (attached as Appendix Three) has been developed to ensure:
- recharges are issued fairly and consistently
  - tenants are provided with the necessary support to meet recharge payments
  - future incidents that would result in a recharge are prevented
  - legal action is used fairly and within reason
  - best practice is always sought and adhered to.
- 2.17 When a rechargeable repair remains unpaid it is the HRA fund which ensures the repair and the wider property is left in a safe condition until a solution can be reached. This policy will create a robust approach in tackling recharges and therefore ensure the HRA is protected, meaning monies can be spent in line with the 30-year Business Plan.
- 2.18 In the financial year ending in March 2022, a total of 283 individual recharges were recorded amounting to a final total of £51,712.57. This is in relation to both tenanted and void properties.
- 2.19 Performance Standards for Voids Process.

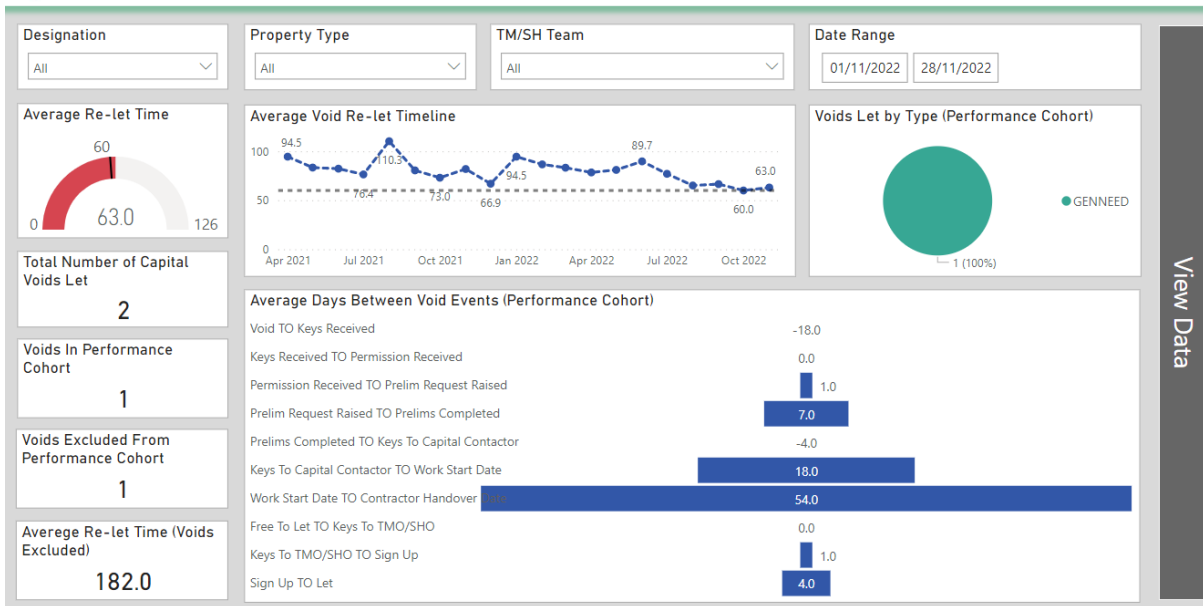
Satisfaction surveys undertaken on behalf of the Housing service are conducted following Housemark STAR methodology where possible, which is the leading satisfaction framework for the UK Housing sector. Performance targets are agreed annually with the Housing Management Team / Director of Housing along with the Housing Intelligence and Performance Manager. Performance reports are presented to voids performance meetings with officers and stakeholders (VIRG). KPI's will include satisfaction with the standard of property when re-let, average days to re-let, % re-let within target time, number of refusals and reasons, tenancy sustainability, termination reasons, and income lost due to voids.

2.20 The performance graphics below are drawn from the Housing Power BI Data Analytic dashboards for voids performance between 1<sup>st</sup> Jan 2022 and 28<sup>th</sup> oct 2022.

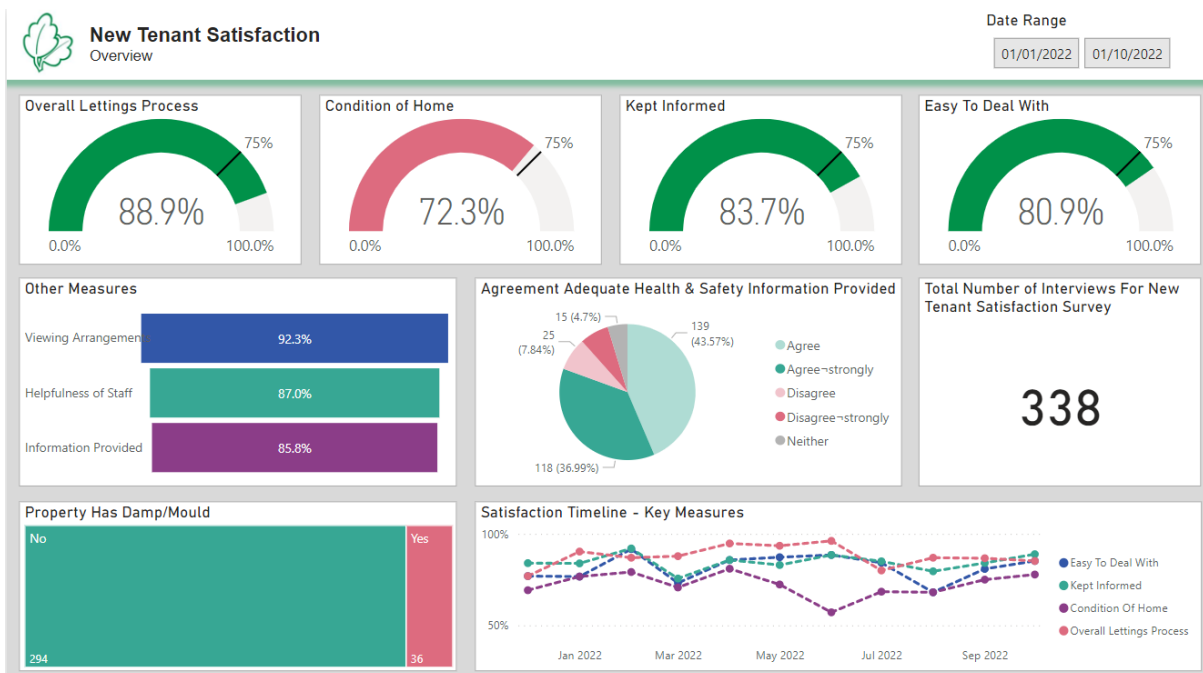




## Capital Void Performance Overview



New tenant satisfaction performance data have been presented in the dashboard below for the period between 1<sup>st</sup> Jan 2022 and 1<sup>st</sup> Oct 2022.



### 3. Issues, Options and Analysis of Options

3.1 There are two options that can be considered: Option 1 - Do nothing. This would entail the Council continue in the same way with no void policy or approved re-let standard in place. This is not advised as there are no

perceived benefits of doing so and imposes a greater risk of poor performance.

- 3.2 Option 2 which is the recommended option is for the Council to continue with its implementation of the new draft void policy and continue with the current fit to let policy to enable the Council to meet its commitments under the Asset Management Strategy.

#### **4. Reasons for Recommendation**

- 4.1 The Void Policy provides clear guidance to:

- Reduce turnaround times to a minimum so that potential tenants can access properties within agreed timescales
- Minimise rental loss by minimising void periods through good management; and
- Ensure void works provide a safe and secure home for tenants.

- 4.2 The draft void policy has been drafted in accordance with latest statutory & regulatory requirements, and best practice within the sector (attached as Appendix One). It confirms the overall policy aim of “delivering a clean, safe and secure property to incoming tenants, within our targets for turnaround times, standard, and cost” and is a high-level commitment to meeting the Council’s commitments under the Asset Management strategy.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Internal consultation has been undertaken with all teams involved in the end-to-end management of void properties.
- 5.2 The draft void policy and fit to let standard has been presented to the Residents Excellence Panel to invite comment. The Resident Excellence Panel members are invited to regular visits to void properties that are in progress with works to view the standards of delivery and related issues. A representative of the Residents Excellence Panel is also a standing member of the Core Group meetings with Mears which is part of the governance structure of the repairs and maintenance contract with Mears.

#### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The ongoing investment, maintenance and improvement of the Council’s void properties stock supports the Council’s key strategic priorities as articulated through the Housing Asset Management Strategy through the provision of quality housing and estates people are proud to live on.

## **7. Implications**

### **7.1 Financial**

**Implications verified by:                      Mike Jones**  
**Strategic Lead - Corporate Finance –**  
**Resources and Place Delivery**

All expenditure pertaining to the void works will be contained within the ring-fenced housing revenue account. The completion of void works are essential to minimise the rent loss to the HRA. The report has set out the cost comparisons with similar housing providers for these works which seem reasonable within context of the challenging cost conditions within the housing sector.

The voids repairs budget for 2022/23 is set at £1.589m, increasing, subject to approval of the 2023/24 budget, to £1.684m in 2023/24.

The 2023/24 dwelling rent income budget has been set to include a £0.500m loss of rent due to voids. This will provide a prudent starting point, and any improvements in voids performance will subsequently increase the dwelling rent income yield, providing additional financial resources to the Housing Revenue account in the year. Additionally, a reduction in the level of rent loss through voids will also be taken into account in the medium term financial planning for the HRA, which have a positive benefit.

### **7.2 Legal**

**Implications verified by:                      Deirdre Collins**  
**Principal Barrister, Prosecution,**  
**Litigation and Housing**

As set out in this report the Council has a responsibility under the Landlord and Tenant Act 1985 as amended by the Housing (Fitness for Human Habitation) Act and Fire Safe Regulations to ensure that their property is fit for human habitation at the beginning of the tenancy and for the duration of the tenancy; and where a landlord fails to do so, the tenant has the right to take action in the courts for against the Council breach of contract on the grounds that the property is unfit for human habitation.

To address this duty the council needs to have a planned voids and maintenance programme with periodic inspections and an effective responsive repairs service.

As this report is an information item inviting comment there are no direct legal implications.



### 7.3 **Diversity and Equality**

**Implications verified by:** **Roxanne Scanlon**  
**Community Engagement and Project**  
**Monitoring Officer**

The turnaround of void properties is essential to ensure residents from the housing waiting list can move into their first homes. There are no diversity implications arising from this report.

### 7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None

### 8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

### 9. **Appendices to the report**

Appendix 1 - Void Management Policy March 2022  
Appendix 2 - Fit To Let Standard  
Appendix 3 - Draft Recharges Policy

### **Report Author:**

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