

12 June 2013		ITEM: 6
Housing Overview & Scrutiny Committee		
VOIDS PROGRESS		
Report of: Councillor Val Morris-Cook, Portfolio-Holder for Housing		
Wards and communities affected: All	Key Decision: Non key	
Accountable Head of Service: Head of Housing (Investment and Development) Kathryn Adedeji		
Accountable Director: Director of Housing, Barbara Brownlee		
This report is Public		
Purpose of Report: To give an update on the Progress on Thurrock Council Void Properties		

EXECUTIVE SUMMARY

This report is to provide a summary of key improvements made to the management of voids along with an outline of performance on void turnaround and loss.

1. RECOMMENDATIONS:

- 1.1 That Housing Overview and Scrutiny Committee note the contents of the report.

2. INTRODUCTION AND BACKGROUND:

- 2.1 Over the last three financial years approximately 9-10% of the council in Thurrock per year, are void for a given period. This is made up of approximately 7% of properties that become void within a given year and 2-3% carried over from the previous year. This demand is made up of transfers, mutual exchanges, evictions and terminations.
- 2.2 In October 2012 the procedures for delivering voids were revised. The changes introduced were designed to streamline and improve the overall process for managing voids. Voids generally fall into two broad categories:
- a) those assessed to required capital works – wholesale replacement of kitchens as an example, and

b) those assessed to just require repairs.

The key changes implemented were an increased minimum standard at which voids would be let and the creation of a centralised team for management of voids.

- 2.3 The new minimum standard focuses on ensuring an improved quality to all homes re-let, and minimising disruption to new tenants. Post tenancy repairs which were previously done on a regular basis after tenants had moved in are now identified and undertaken whilst a property is void.
- 2.4 The second change involved the creation of a centralised team. Prior to October 2012 void properties were dealt with locally with approximately twenty five to thirty officers in Housing responsible for managing the end to end process, including the direct management of contractors. The centralised team was created to streamline all processes, including the focused responsibility for management of contractors
- 2.5 In addition to the operational changes, a number of key strategic changes which have also impacted voids took place. In February 2013, Cabinet approved an outline estimate five year capital investment programme based on a set of principles agreed in January 2013. The five year programme is underpinned by a new standard for Council homes in Thurrock. This goes beyond the previous decent homes standard and aims to maximise energy efficiency of homes, minimise damp and mould, and use the triggers outlined below as the threshold at which replacement for elements should take place:
- Kitchens over 20 years
 - Bathrooms over 30 years
 - Boilers over 15 years
 - Electrics over 25 years
 - Windows over 30 years or single glazed
 - Roofs over 40 or 50 years as applicable
- 2.6 Achieving the new standard requires a more strategic approach to improving the quality of homes it requires a more comprehensive package of works based on any of the triggers above over the next five years. This effectively lowers the threshold at which a comprehensive refurbishment required and has increased both the number of properties that are now assessed to require capital works and the extent of works undertaken. This standard is applied equally to properties whilst void as well as occupied. As a result of this an increased number of voids are being refurbished to this standard, this reduces incurring repairs costs on properties earmarked for capital improvement.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

VOID DEMAND

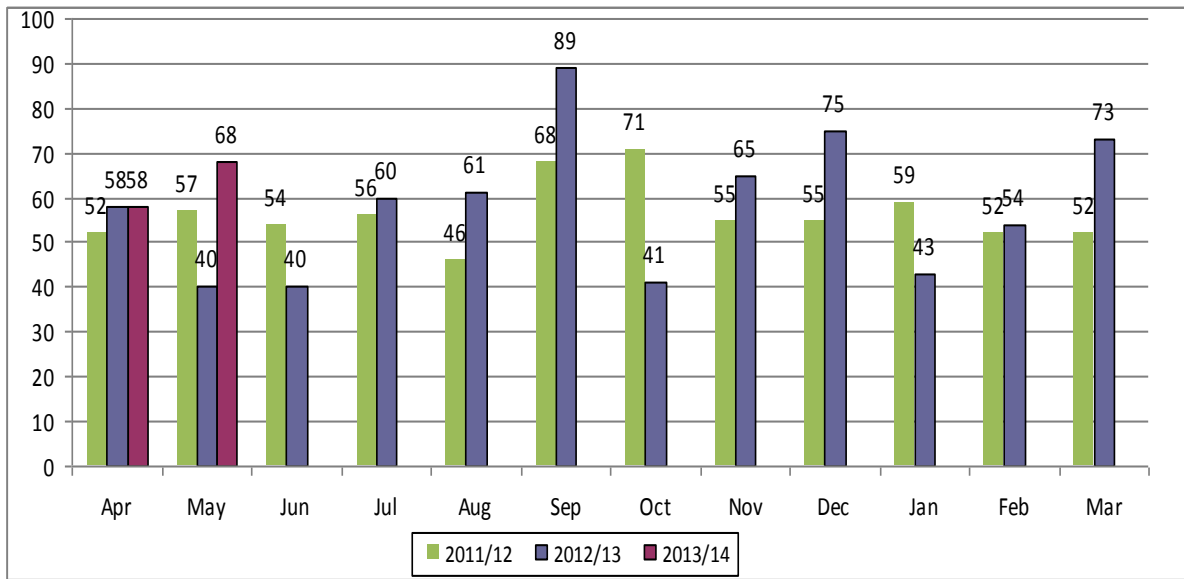
3.1 The table below shows the void demand by area. This is shown against the percentage of Thurrock Council's stock in each area to give an indication of the void numbers in each area. Grays, Tilbury and Purfleet have a slightly higher percentage of voids raised when compared to the percentage of stock in these areas but overall the voids raised are comparable to the stock level.

Table 1

Area	% of Thurrock Stock	% of Voids Raised
Aveley	7.2%	5.5%
Chadwell St Mary	13.6%	13.6%
Corringham	5.1%	4.4%
East Tilbury	0.7%	1.0%
Grays	21.9%	23.1%
Horndon On The Hill	0.4%	0.2%
North Stifford	0.1%	0.0%
Orsett	0.7%	0.5%
Purfleet	3.7%	5.2%
South Ockendon	23.5%	23.1%
Stanford Le Hope	3.9%	3.8%
Tilbury	17.0%	17.7%
West Thurrock	2.0%	1.8%

3.2 Chart 1 below shows the total number of voids raised in each month over the last three financial years. This shows that total voids over the first two months of this financial year is greater than in previous years. If this projection continues, in year void demand is likely to increase to 8-9% of overall stock.

Chart 1 Voids Raised by Month *note that 2013/14 figure is as of 26th May



VOIDS RE-LET

3.3 Chart 2 shows the rate of voids that have been re-let in each month over the last three years. This shows ongoing significant improvements in the number of properties being tenanted by the Housing directorate.

Chart 2 Voids re-let per month

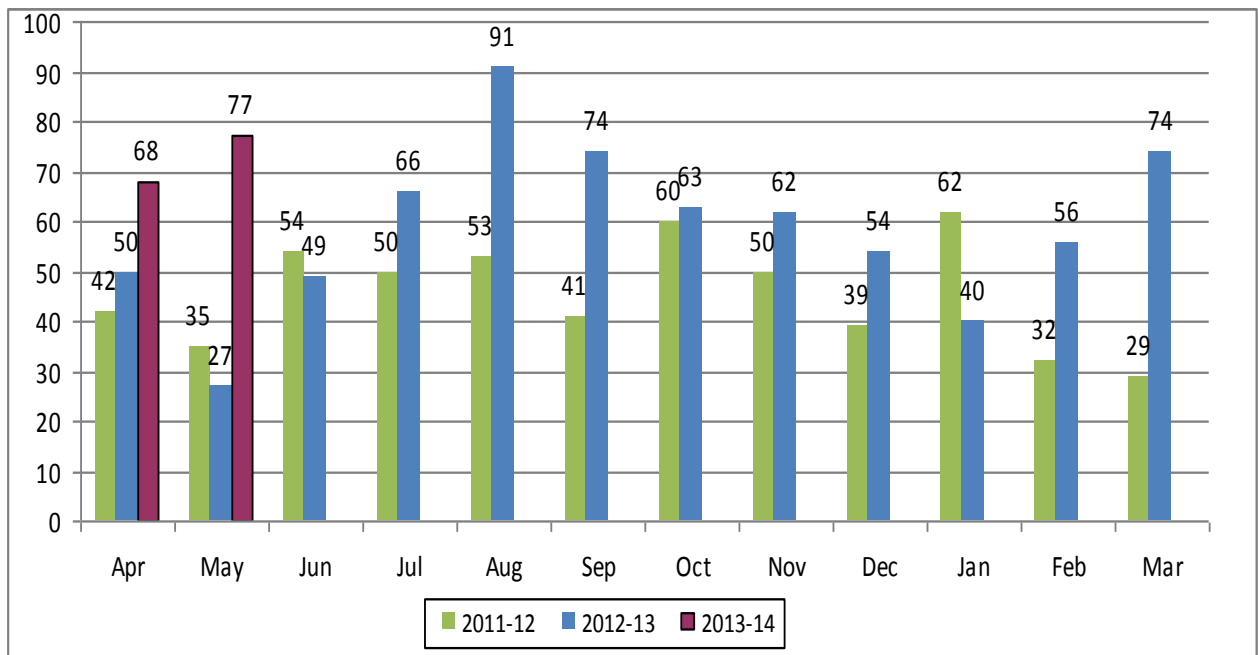
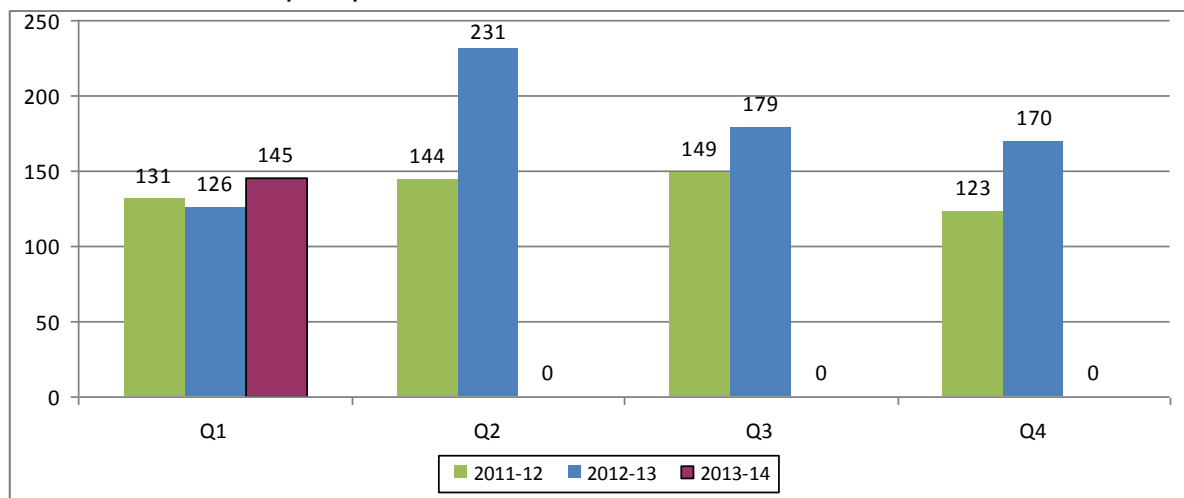


Chart 3 Voids re-let per quarter



3.4 Chart 3, showing performance by quarter, shows that with one month left in the first quarter of 2013/14 more properties have already been re-let than in either of the previous two financial years.

VOID TURNAROUND

3.5 The void turnaround figure is a corporate indicator that is reported monthly – the figure is based on a standardised calculation for measuring average periods void. It is important to note that there are some key exclusions from the figure which are:

- warden properties
- Extra care facilities
- all capital works refurbishment periods.

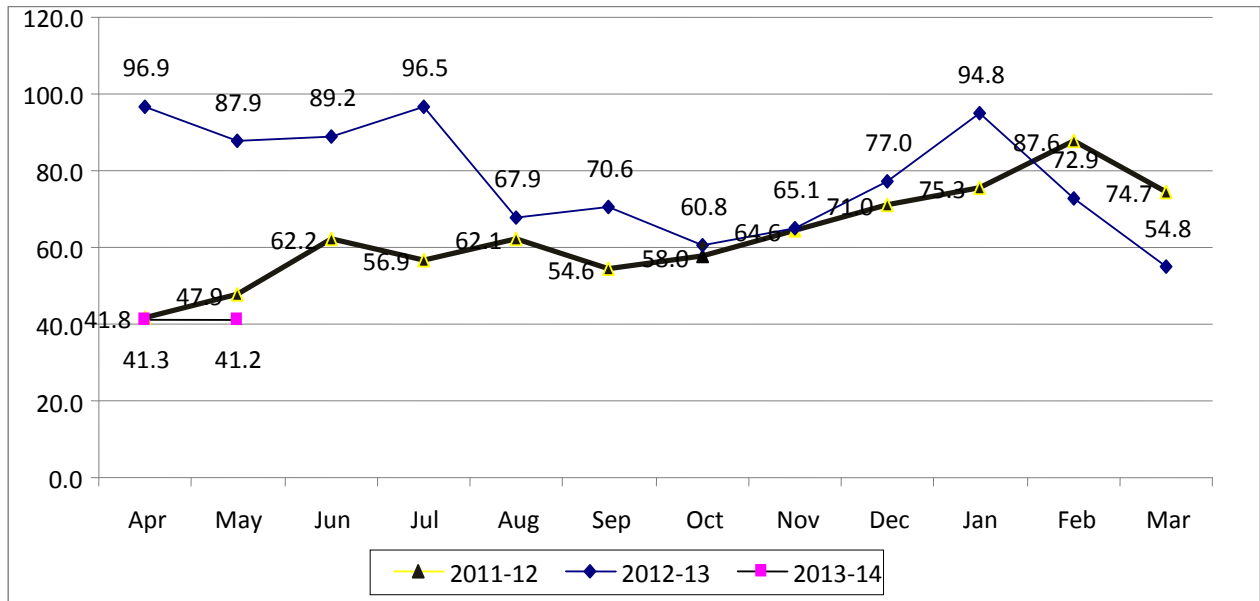
The target set for this year is to achieve an average of 36days by the end of the financial year, which is a substantial reduction on 60day target for 12/13.

3.6 Chart 4 below highlights that the void turnaround figures show a continued trajectory in the right direction. This is being achieved through continued embedding of streamlined processes and effective management of contractors and the whole end to end process. As a result of these changes it is expected that the corporate target will be met this year. Some of the key process changes are:

- Introduction of new main contractors delivered improved value 50% reduction in costs achieved.
- Revised contractor KPIS and improved governance of delivery
- New pre tenancy sparkle cleans for all properties
- New electrical Tag system
- Recharging previous tenant damage/neglect/vandalism
- Advertising early to reduce rent loss

- Arranging previewing of properties to reduce turnaround times
- Electronic specification
- Electronic void property photo's
- Working in close partnership with Essex Police to reduce the level of theft
- New Alarms systems being piloted currently installed on two of the most vulnerable properties

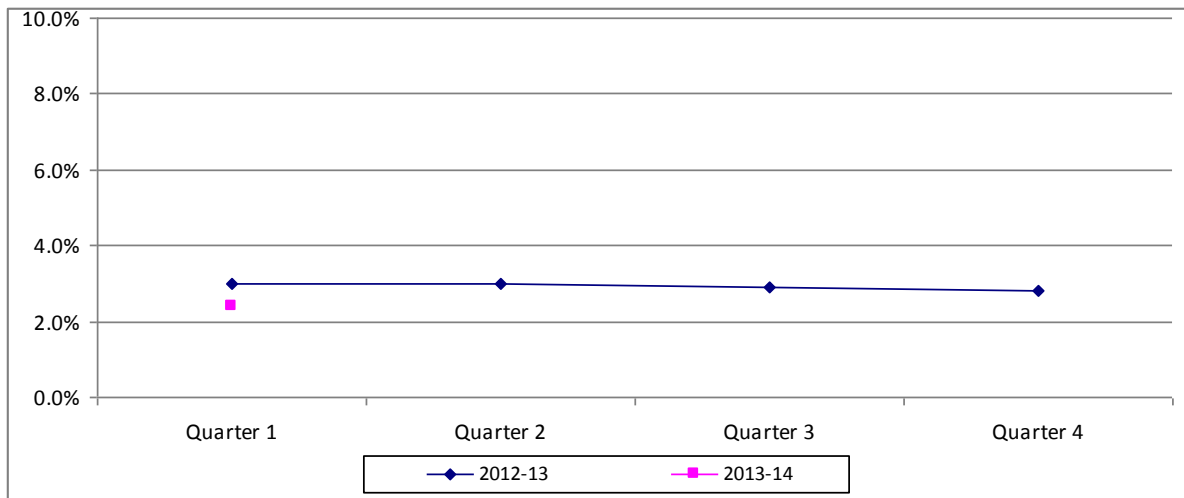
Chart 4 – Void turnaround



VOID RENT LOSS

3.7 Void loss is a function of void demand and void periods in any given financial year, It is important to note that based both on the new Thurrock standard the increased number of homes that will now have comprehensive capital works and the increased number of voids a direct comparison with loss in previous is imprecise.

Chart 5 – Void rent Loss



4. REASONS FOR RECOMMENDATION:

The changes outlined in this report are designed to improve the overall quality of service delivered to residents. This is being achieved through ensuring a continued reduction in both the number of empty properties and the length of time each property remains empty and a reduction in the number of post tenancy complaints about the void standard.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

5.1 Feedback from residents informed the creation of the new minimum standard, particularly regarding the overall quality of newly tenanted homes and the requirement to move into their new homes with outstanding repairs being carried out whilst in situ as part of the process. In addition the capital works standard has been subject to several consultations with Residents excellence panel and Housing investment forums. Further feedback will be obtained on a regular basis via the introduction of post lettings surveys which are scheduled to commence in the second quarter of this financial year.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

6.1 Poor performance in void turnaround times impacts adversely on rental income to the Housing Revenue Account and means that households could be kept in temporary accommodation longer than is necessary. Further empty properties left for a long time also contribute to

7. IMPLICATIONS

7.1 **Financial**

Implications verified by: **Mike Jones**
Telephone and email: **01375 652772**
mxjones@thurrock.gov.uk

The recommendations within the report are for noting the progress. The implications of void properties can have a significant impact on the HRA operating position though rent income not be realised

7.2 **Legal**

Implications verified by: **Assaf Chaudry, Major Projects Solicitor**
Telephone and email: **01375 652201**
assaf.chaudry@bdtlegal.org.uk

There no other direct legal implications arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Steve Cox**
Telephone and email: **01375 652280**
scox@thurrock.gov.uk

There are no direct diversity implications arising from this report

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- None

APPENDICES TO THIS REPORT:

- None

Report Author Contact Details:

Name: Kathryn Adedeji
Telephone: 01375 652718
E-mail: kadedeji@thurrock.gov.uk