

2 April 2014		ITEM: 6
Housing Overview and 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: Kathryn Adedeji – Head of Housing – Investment and Development		
Accountable Director: Barbara Brownlee Director of Housing		
This report is Public		
Purpose of Report: To give an update on the Progress on Thurrock Council Void Properties		

EXECUTIVE SUMMARY

This report provides an update to Members on the Management of Council Housing Voids properties. The report provides an outline of key changes and improvements to the process and procedures that underpin the management of voids. It also provides an outline of the associated improvements achieved across a range of measures; the quality of Council properties re-let this financial year, average length of time void, and average loss of rent per void property. This financial year the Council has improved its performance on voids against every measure.

1. RECOMMENDATIONS:

1.1 That Housing Overview and Scrutiny Committee note the contents of this Report.

2. INTRODUCTION AND BACKGROUND:

2.1 Void demand is made up of, new tenancies as a result of terminations, or evictions and transfers of existing tenants to preferred accommodation that better suits their needs. Over the course of this financial year the Council has experienced a substantial increase in the number of void properties. This was primarily as a result of changes made to the Council Housing allocation policy which gave priority to existing tenants – as a result of this in the first two quarters of the financial year there was an increase in tenants being able to move to more suitable accommodation. This financial year 41% of all Council housing re-lets were to existing tenants, this compares with 37% from 12/13.

This represents an additional 130 existing tenants moving to more suitable accommodation. To a much lesser extent a proportion of the increase can also be attributed to transfers as a result of condition of a property, which necessitated a reprioritisation into the first year of the Council's Transforming homes programme.

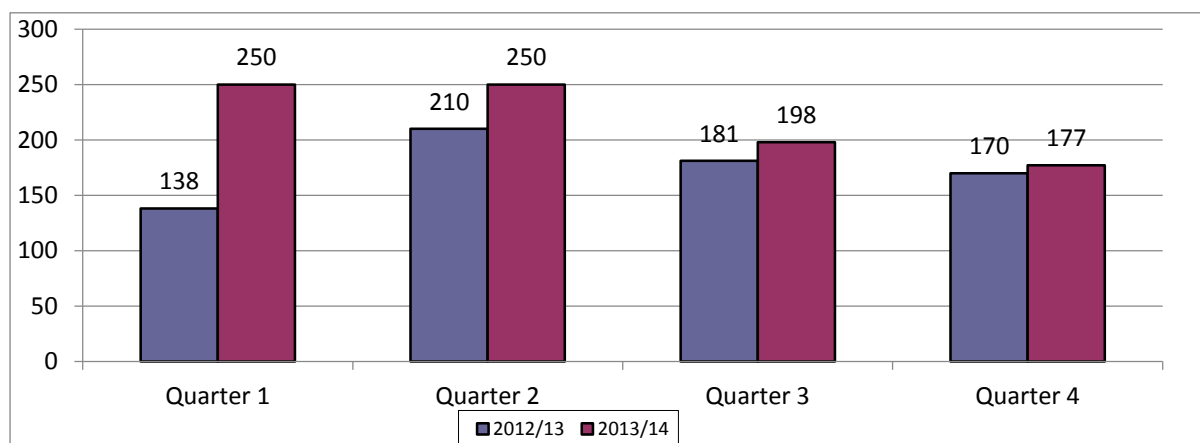
2.2 Against this backdrop the Council has made a number of significant improvements in the management of voids within Council owned Housing. These are:

- 26% reduction in average income loss per property.
- 34% increase in the number of voids re-let this financial year.
- 60% of void properties improved to the Transforming Homes standard
- 60% reduction void turnaround time

Void demand and re-let achievements

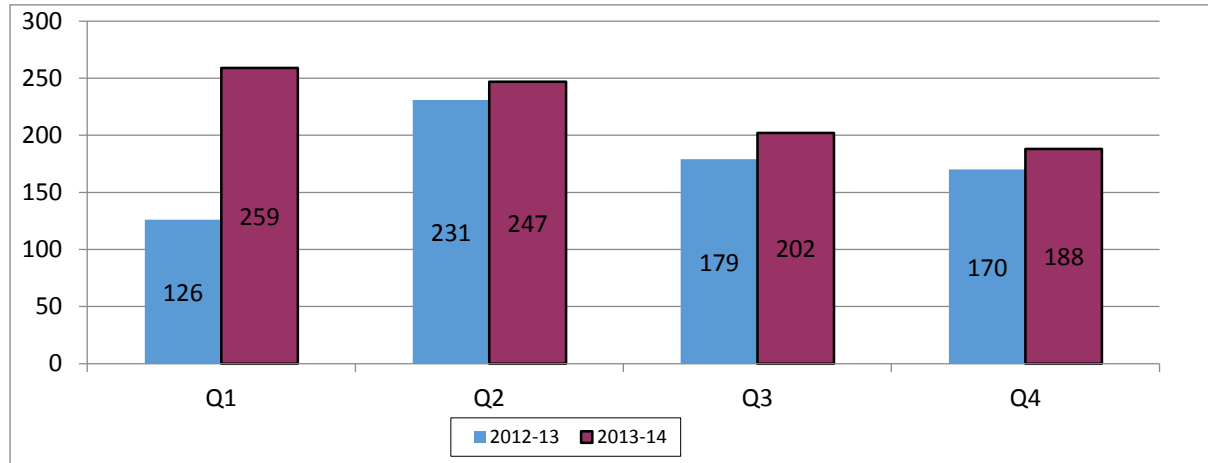
2.3 This financial year to date 858 properties have become void, this compares with 699 for 12/13. This represents an additional 13 void properties for each month of the financial year. As noted earlier the increase in the number of void properties was primarily driven by positive policies that allowed existing residents increased mobility within Thurrock.

Table 2 – Void Demand



2.4 Against this increase in void properties, this financial year to date the Housing department has re let 947 properties compared to 706 re-let in the preceding financial year. This represents an additional 20 properties per month being re-let when compared with last year. It is important to note the void re-lets are a function of void demand. The key figure to demonstrating effective management is ensuring amongst other things that re-lets are at least equal to or exceed void demand as applicable.

Table 3 – Number of Voids re-let



** important to note the Q3 is only part of quarter*

AVERAGE LENGTH OF TIME A PROPERTY IS VOID

2.5 The average time a property is void is known as the void turnaround figure and it is a corporate indicator reported monthly. The figure is based on a standardised calculation for measuring average periods void. It is important to note, there are some key exclusions from the figure these are:

- Warden properties
- Extra care facilities
- All capital works refurbishment periods.

2.6 For the financial year 12/13 the Council had a target of average re-let time per void of 60days. This financial year 13/14 a more ambitious target of 35days by the end of the year was set. The Housing directorate met this target midway through the financial year and is projected to continue to meet it for the end of the financial year. Key to achieving this was a number of changes that were made to the processes and procedures that underpin void management. Two of the key ones include:

- Contractor refurbishment periods – this figure has been halved this financial year.
- Advertising timeframes – this figure has improved substantially and properties are now advertised on average three weeks in advance.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

Transforming Homes and the minimum standard

3.1 The transforming homes programme is scheduled to ensure the quality of all Council Housing is at a new standard that goes beyond previous Decent Homes Standard. The programme which commenced in July 13 is on

schedule to ensure that 20% of all homes are assessed and all necessary works undertaken to each home to ensure it is at this new standard.

- 3.2 Of the one thousand and seven properties re-let so far this financial year 622 (62%) were improved to the Transforming homes standard and 385 (38%) were improved to the new minimum standard. The difference in the two standards while substantial is unavoidable as a result of budgetary constraints in any given year.
- 3.3 Over the course of this financial year the Council has sought to improve as many voids as possible to the New Standard for Housing in Thurrock being delivered through its Transforming Homes programme. The level of void demand however at over 1,000 a year has meant that the HRA cannot sustain the additional funding that would be required to undertake all voids to this standard in a single financial year with additional borrowing to support it.
- 3.4 In line with the prioritisation of the programme all properties scheduled to be completed in 14/15 financial year plus those where the condition warrants full capital investment are being forward funded. This approach has two benefits of reducing disruption to the occupying tenants and delivering efficiencies by undertaking all works necessary in a planned programme whilst the property is empty.
- 3.5 As a result of this approach of the 1004 properties refurbished year to date 622(62%) have been improved to the New standard for Council Housing in Thurrock and 382(38%) have been improved to the new minimum fit to let standard. This effectively means two broad standards of refurbishment are in operation. However as noted earlier along with the HRA not being able to fund all voids to the higher transforming homes standard in a single year and deliver the programme for occupied homes as currently scheduled . If voids were prioritised over occupied properties it would have the effect of tenants who do not wish to move having to wait longer for their homes to be improved or substantially more funding being made available to facilitate this.
- 3.6 Over the next two financial years the proportion of homes improved to minimum standard will necessarily decrease as the programme matures and more voids will either be within a year of their scheduled improvement or would have already been done at an earlier stage in the programme

Void Loss, Cost of achieving the standard, and Recharges

- 3.7 The average loss of rental income per void property currently stands at £924 and is projected by the end of the financial year to be £1,000 this will represent a reduction in lost rental income of £346 per void property when compared with figures from 12/13.
- 3.8 In total when compared with last year the HRA void loss will be circa 150K less than the loss experienced in 12/13 and this is set against an increase in demand of approximately two hundred and forty properties over the course of this financial year.

- 3.9 This financial year the Council has spent a total of £4.5m improving voids - this includes 3.6m from the Transforming Homes programme and an additional circa 900K improving properties to the minimum letting standard. It is important to note that these sums include a range of works that this Council carries out as a result of tenant not appropriately assuming their share of responsibility for appropriate management of their homes.
- 3.10 The housing department in conjunction with Debt recovery colleagues have strengthened the recharge process this year where damage is identified. This financial year to date the Council has recovered £10k and a further £7K, is subject to agreed payment plan of 83K of recharges associated with tenant damage or negligence in 13/14.
- 3.11 In addition the transfer process has been made more robust. Approval of a transfer request now requires that damage is repaired at the cost of the tenant before a move to a different property is allowed. This is particularly important when the proportion of homes improved to the new Thurrock standard is taken into account and tenants who have not appropriately maintained their homes should not be allowed to use the process to secure a vastly improved home ahead of tenants that have appropriately their homes.

4. REASONS FOR RECOMMENDATION:

- 4.1 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)

N/A

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.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Michael Jones**
Telephone and email: **01375 65 2772**
mxjones@thurrock.gov.uk

Financial implications are contained within the body of this report under section 3.7 and 3.8.

7.2 **Legal**

Implications verified by: **Maria Oshunrinade**
Telephone and email: **0208 724 8461**
Maria.Oshunrinade@BDTLegal.org.uk

Length of time properties remain void has an impact on the number of properties available for re-let.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Warren Community Development and Equalities Manager**
Telephone and email: **01375 652186**
nwarren@thurrock.gov.uk

There are no diversity implications arising from this report

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

There are no further implications arising from this report

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

- No background papers were used in the preparation of this report

APPENDICES TO THIS REPORT:

N/A

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