

OXFORD CITY COUNCIL
Housing Advisory Board - 27th January 2005
Housing Scrutiny Committee - 1st February 2005
Council - 14th February 2005

Report of: Business Manager, Oxford Building Solutions

Title: REPAIRS TO VOID PROPERTIES

Ward: All

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Key Decision: Yes

Lead Member: Councillor Turner

Scrutiny responsibility: Housing Scrutiny Committee

RECOMMENDATIONS

That the Housing Advisory Board is asked:-

(a) to invite the Housing Services Business Manager, in exercise of her delegated powers, that she might like to act upon the following advice, namely that to enable properties to be re-let quickly and in good condition in pursuance of the Decent Homes Standard, the following arrangements be introduced:-

- (i) The extent of works undertaken in void properties should be the minimum level of Decent Homes work that is essential to bring the property up to a lettable standard. This would include undertaking other Decent Homes work that is an inevitable consequence of the minimum works.
- (ii) Generally internal decorations should be restricted to those rooms in which major capital works have been undertaken, together with other rooms which are in a poor condition. The only exceptions should be where properties are specifically designated for elderly or disabled tenants, in which case decoration throughout should be undertaken.
- (iii) All properties that require expenditure of £25,000 or more on repairs, should be referred to the Housing Advisory Board for an advice decision regarding whether to proceed with the works or that disposal of the property is the best course of action.

(b) to advise the Executive Board to recommend Council to vary the Budget in consequence of (i) and (ii) above.

1. Summary

This report addresses the issues of the extent of voids work undertaken and the impact that this has on meeting performance targets. It also examines the cost of void works and makes proposals to ensure that expenditure is properly directed towards achieving the Decent Homes Standard. Finally, it addresses the need for clarity around decisions regarding the repair or disposal of properties where the cost of repairs work is extensive.

2. The Council's Vision

The Council is committed to achieve the Government's target of all Council properties meeting the Decent Homes Standard by 31st December 2010 and in order to achieve that aim, capital and revenue

expenditure on repairs and improvements needs to be directed to works that meet this.

3. Background

- (a) The repairs work currently undertaken on void properties has evolved over a number of years to take account of the following issues:-
- To present homes in a good condition to facilitate the quick re-letting of the property, both to meet the high demand for homes and to minimise the rental loss.
 - To take account of the Council's changes in tenant repair responsibilities which took effect from 1st April 2003.
 - To improve the properties to ensure that the Decent Homes Standard is met.
- (b) The range of works undertaken, includes the following:-
- Gas and electrical safety checks.
 - Asbestos removal of elements inside the property.
 - Kitchen and bathroom works to meet the Decent Homes Standard.
 - Install or upgrade gas central heating to meet the Decent Homes Standard.
 - Complete internal decoration.
 - Electrical upgrades or rewiring to meet the Decent Homes Standard.
 - External works such as fencing, garden clearance, path repairs etc. for security and safety reasons.
 - Rubbish removal.
 - Miscellaneous ad hoc works, as necessary, such as, removal of sharps, flea disinfestation works etc.
- (c) In 2004/5 it is expected that work will have been undertaken in some 650-700 void properties. The total expenditure for this work is some £3.0 million, of which £2.25 million is capital expenditure and £0.75 million revenue expenditure.

(d) OBS is currently bringing void properties up to the Decent Homes Standard because the following benefits are derived from this course of action:-

- Tenants are not disrupted.
- Labour costs of undertaking the works are reduced.
- Some elements of achieving the Decent Homes Standard would have to be undertaken in any event when properties are handed back in a poor condition, e.g. a badly damaged kitchen.

However, there are also some problems associated with this arrangement, namely:-

- Completed void properties are at a higher standard than other properties in the same street where the Decent Homes work programme is scheduled for the future.
- Voids turnaround time is extended due to the extent of works undertaken. Whilst this has not been unduly problematic in the past, it is proposed that from 1st April 2005 a new National Best Value Performance Indicator for voids will take effect. The full details of this Performance Indicator are attached as Appendix 'A'.

As a consequence of all these issues, the current practice needs to be reviewed.

(e) As stated in (b) above, a complete internal decoration of all void properties is undertaken at present. The purpose of this is to improve the ability for the property to be re-let quickly and also pass the responsibility for decoration to the incoming tenant in the knowledge that the property was in good condition at the time of occupancy. Whilst all those who have viewed completed voids acknowledge that the finished standard is very good, it has not aided the re-let process, with a number of properties still taking some weeks to re-let. Equally, it has been found that in many cases the incoming tenants have redecorated their properties to personalise them within the first few months of occupancy.

The decoration costs for parts of the properties where major works have not been undertaken (i.e. everything except kitchens and bathrooms in most instances) is classed as cosmetic work and cannot therefore be charged to the capital budget. Therefore the ratio of revenue costs (of which decorations represents a high percentage of the works) is high compared with the total works undertaken. This takes a disproportionate share of the budget and does not contribute towards meeting the Decent Homes Standard. It is therefore necessary to review this practice in order to ensure that the maximum

budget available is directed towards achieving the Decent Homes Standard as quickly as possible.

- (f) At present, there is no clear policy concerning the level at which void properties are considered to be uneconomic to repair. Officers' judgement had been used in the past and this has led to inconsistent interpretations. It is considered that a clear policy should be agreed so that members are allowed to make an early decision regarding whether the void should be repaired or sold.

4. Options Considered

- (a) In respect of the extent of the works to be undertaken whilst the properties are void, there appear to be three options:-

- (i) No change – this has the benefits and disadvantages detailed in 3 (d) above.
- (ii) Only undertake safety checks and minimum works. The balance of works would be undertaken when the property is occupied.

This speeds up turnaround times, but the poor condition that many properties are left in by the outgoing tenant means that the work will still need to be substantial.

- (iii) Only undertake the minimum level of Decent Homes work that is essential to bring the property up to lettable standard. All Decent Homes work that is a consequence of minimum works will be undertaken at the same time, e.g. electrical upgrades/rewires when a new kitchen is installed. These minimum works exclude decorations in rooms where no improvements have taken place.

This course of action would speed up turnaround times and leave the property in a good condition to enable a speedy re-let.

- (b) In respect of the complete internal decoration of properties, the following options have been considered:-

- (i) No change. This would leave the costs and turnaround times unchanged.
- (ii) Only undertake decorations in rooms where major capital works have been undertaken, e.g. new kitchens or bathrooms.

This would allow all decorating costs to be charged to capital, but would leave some rooms in properties in a

poor condition, thereby making them more difficult to re-let.

- (iii) Undertake decorations in rooms where major capital works have been undertaken and other rooms which are in a poor condition.

This course of action would still speed up void turnaround times and should have no adverse impact on the ability to re-let.

- (c) So far as the level at which a property is considered to be uneconomic to repair, the following options have been considered:-

- (i) No change. This leads to inconsistent interpretation.
- (ii) To base it on a percentage of the value of the property, e.g. 25% of the market value. This would again be open to a different interpretation based on perceptions of market value.
- (iii) To fix a financial limit on the works to be undertaken, e.g. any property which requires expenditure in excess of £25,000 should be referred to Committee for a decision.

5. Tenant Representative Involvement

In order to shape the proposals within this report, there has been a high level of consultation with tenant representatives. In order to inform the discussions, tenant representatives have visited a number of void properties with officers in order to understand the condition that properties are returned in and to see repairs and improvement works at various stages within the voids process.

Following the visits, discussions have been held between tenant representatives and officers from both the Housing Services and Oxford Building Solutions Business Units in an attempt to find a line of best fit to meet all needs and aspirations. The proposals in paragraph 6 below represent the consensus of all those involved.

6. Proposals

- (i) It is proposed that the extent of works undertaken in void properties should be the minimum level of Decent Homes work that is essential to bring the property up to a lettable standard. This would include undertaking other Decent Homes work that is an inevitable consequence of the minimum works.

- (ii) It is proposed that generally internal decorations should be restricted to those rooms in which major capital works have been undertaken, together with other rooms which are in a poor condition. The only exceptions should be where properties are specifically designated for elderly or disabled tenants, in which case decoration throughout should be undertaken.
- (iii) It is proposed that all properties that require expenditure of £25,000 or more on repairs, should be referred to the Housing Advisory Board for a decision regarding whether to proceed with the works or whether to recommend to Council that disposal of the property is the best course of action.

7. Financial Implications

- (i) The proposal outlined in paragraph 6 (i) would incur no additional costs and would achieve savings in decorations as shown above.
- (ii) The proposal outlined in paragraph 6 (ii) would achieve savings of some £250,000 per annum from the revenue budget.
- (iii) The proposal outlined in paragraph 6 (iii) has no cost implications.

8. Conclusion

It is considered that the adoption of these proposals meets the criteria of directing expenditure towards achieving the Decent Homes Standard for the whole of the Council's housing stock by 31st December 2010 and also reduces the extent of void works to enable turnaround times to be reduced, thereby improving a key performance indicator.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:
Portfolio Holder: Councillor Turner
Legal and Democratic Services: Lindsey Cane
Financial Management: Sarah Fogden

Background papers: Attached as an Appendix

BV (X12) – Average time taken to re-let Council dwellings

Introduction/Purpose:

It is proposed to reintroduce this PI (formerly BVPI 68) as it remains a key indicator of housing management performance. It enables comparisons to be made year on year and between local authorities.

Definition

Average relet times for local authority dwellings let in the financial year. This indicator is calculated from data on the total number of lettings made during the year (excluding those let after major repairs) and the total number of days these dwellings were vacant. The total number of lettings covers all lettings (excluding mutual exchanges) made during the financial year where there was no major repair work financed from the authority's capital programme carried out in the period that the dwelling was vacant. Days a dwelling is vacant should cover the number of calendar days (inclusive) from the day following the date that the dwelling is vacated by the previous occupant (s), including where a sole tenant has died, or in cases where the previous tenants have left without notifying the authority, the date when it is established that the dwelling is vacant to the date when the new tenant signs for the tenancy and receives the keys.

A major repair is defined in the HIP form as one that is part of the capital programme and be the reason for the property being void. That means that a dwelling that has come vacant and then undergoes capital work while empty and the work is of a type that would normally be done with the tenant remaining in residence should not be counted as a property undergoing a major repair.

Major capital repairs financed through revenue count as major repairs for the purposes of this indicator.