

Report of: Head of Oxford City Homes

To: Executive Board

Date: 3 December 2007

Item No:

Title of Report: Review of the Voids Pilot

Summary and Recommendations

Purpose of report: To review the effect of the Voids Pilot scheme and recommend an extension to the current arrangements for 2007/8. Whilst this extension is taking place, to set up a working group comprising Elected Members, Tenant Representatives, Officers and new Tenants to advise on the lettable standard.

Key decision: No

Portfolio Holder: Councillor Patrick Murray

Scrutiny Responsibility: Housing Scrutiny Committee

Ward(s) affected: All wards

Report Approved by

Portfolio Holder: Councillor Patrick Murray

Head of Oxford City Homes: Graham Bourton

Legal: Jeremy King

Finance: David Higgins

Strategic Director: Michael Lawrence

Policy Framework: Void Works Policy

Recommendation(s):

To continue with the current voids pilot across the City for the remainder of 2007/8 (Option 1, Paragraph 29) and set up a working group as detailed in Paragraphs 33 and 34 to determine a lettable standard and make recommendations on this standard taking into account the issues detailed in Paragraph 36.

Background

1. On 5th September 2006 Housing Advisory Board advised the Strategic Director, (Housing, Health and Community) that a pilot scheme be run for a 3 month period, during which a random selection comprising 25% of voids received would have minimal work carried out.

At the end of this initial pilot, success of the scheme was measured in terms of;

- Dwellings remaining lettable.
 - Reduced void turnaround.
 - Customer satisfaction levels.
2. Further to this initial pilot, Housing Scrutiny Committee on 22nd February 2007 recommended Housing Advisory Board to advise the Strategic Director (Housing, Health and Community) that;
 - a. The Voids Pilot scheme be extended for a further 6 months to;
 - i. Include all void properties in that time-frame.
 - ii. Allow for a further review of the scheme after six months.
 - iii. Allow for a further independent Tenants survey to be carried out.
 - iv. Allow for steps to be undertaken to introduce the Tenants Choice features before new Tenants moved into their property, in line with the original pilot proposals.
 - b. A decision on whether to permanently adopt the policy should be taken after 6 months.
 - c. All possible steps should be taken to advise Tenants at Tenancy sign-up on how they could pay their rent.
 - d. Officers worked on proposals for incentivising Tenants to adhere to the terms of their Tenancy Agreement at the end of their Tenancy, to reduce the number of abandoned properties, with a positive (carrot) and negative (stick) approaches being investigated. The results of this work should be reported to Housing Scrutiny Committee once the 6 month pilot is completed.
 3. As a direct result of minimising the work carried out at void stage (i.e. removing the Decent Homes capital works wherever possible) the target spend per individual void was notionally set at £2,000 with an additional £500 allocated for the Tenants Choice elements. The overall void budget for financial year 2007/8 was then set against the criteria detailed in previous paragraphs for the 12 months.
 4. An additional £800,000 was set aside for those voids that contained capital budget elements that were not "fit to let". In simplistic terms this equates to a capital reduction from the £3,375,000 spent in 2006/7 to £800,000 for the financial year 2007/8.

Voids Pilot Scheme

5. For the purpose of this report the period under consideration is from 2nd April 2007 until 30th September 2007. There were 207 voids received in this time and they are detailed by property types below;

Property Type	Number in Pilot
Studio flat	18*
1 bedroom flat	62
2 bedroom flat	52
1 bedroom bungalow	7
3 bedroom bungalow	1
2 bedroom house	19
3 bedroom house	35
4 bedroom house	4
5 bedroom house	2
2 bedroom maisonette	4
3 bedroom maisonette	3
Total	207

*where feasible the void team convert studio flats to one bedroom flats but for monitoring purposes they are recorded as a studio flat.

6. The scope of works for each property was based on the Housing Advisory Board report presented on 5th September 2006 which in summary meant that only essential repair works were carried out with only those properties where major elements (capital works) were not “fit to let” having those particular elements addressed.
7. Even with this criterion there were a number of properties that were not “fit to let”. Of the 207 properties received 114 required some or multiple elements of capital work. This work broke down as follows;

Capital Element*	Number Completed
Kitchen	72
Bathroom	51
Electrical Re-wire	24
Central Heating	46

*many properties required multiple capital work (i.e. kitchen and bathroom)

8. A further 43 kitchens and 23 bathrooms were identified as requiring work that was not carried out at void stage as the individual element was deemed to be “fit to let” at the time of void but not deemed to be “decent”.
9. These properties are to be scheduled into the Decent Homes programme so that work can be carried out prior to 2010. Where an incoming Tenants vulnerability was considered to be such that this approach was inappropriate then a “fast-tracking” system is in operation.

10. For the period 2nd April 2007 to 30th September 2007 a total of 192 new tenancies were created. These 192 properties had an average rent loss period of 5.7 weeks. It should be noted that the 5.7 weeks is a Local indicator that includes all voids rent loss as opposed to BV212 which is the Government's indicator that is reported annually. The difference is that for properties where extensive works are required, these are excluded from the BVPI calculation. Currently our BV212 performance is 21.6 days i.e. 3 weeks, which puts us in the upper quartile of all Local Authorities.

11. The building work carried out during the period 2nd April 2007 to 30th September 2007 took on average 4.85 weeks. Whilst it is slightly disappointing that the 4 week rent loss target has not been achieved, this result can be clearly attributed to the amount of capital work that has had to be carried out to over 50% of the voids received during the pilot. Additionally it is worth noting that this has put pressure on the overall voids capital budget. A month by month breakdown of time taken to carry out the building work within the void properties is detailed below;

Month (2007)	Weeks to Carry Out Work
April*	6
May	5
June	4
July	3.9
August	5.5
September	4.7
Average Weeks	4.85

*in April there were a number of properties that were not part of the initial pilot (75%) and therefore it is important to consider this in April's average.

12. The number of offers (for the 192 properties) has been, on average, 1.7 per property. Therefore although the scope of works undertaken has been reduced, which obviously raises the potential for increased refusal levels, the pro-active measures taken by the new Void Property Officers Team, dedicated to the re-letting of properties and the introduction of Tenants Choice, has avoided any increased refusal rates.

Tenants Choice

13. The agreed Tenants Choice scheme was based around a list of non-urgent replacement / improvements that the incoming tenant can choose from. The items were awarded points proportionate to costs and a maximum spend of 50 points per new Tenant was available. The list was refined after consultation with the former Oxford Tenants Panel and officers.

14. All 192 Tenants were offered Tenants Choice and the items chosen by them are detailed, by percentage of acceptance, in the Appendix to this report.

15. Due to the continued initiative with relation to minimising rent loss it was agreed with the Tenant, at sign-up, what elements of Tenants Choice they wanted.

Wherever possible these works were carried out during the void period (whilst the resources were available on site). However, much of the work was not deliverable at that point (for example, prior to the tenant moving in it would not be feasible to connect a cooker or washing machine).

16. From an officer perspective most elements of the Tenants Choice scheme have been well received and add value to the customer service delivery. Customer feedback shows that the items that have been a success were house packs, electric cooker connection and extra security measures. However, although overall the Tenants Choice has been well received it is considered that the scheme can be further developed to maximise potential with regard to customer satisfaction.

Rent Advice at Sign-up

17. A robust procedure has been developed in order to offer new Tenants the best advice regarding means to pay their rent. This includes a brochure in the “Welcome Pack” and a mandatory question within the officers paperwork about method of rent payment.

18. Void Property Officers give the new Tenant options for paying their rent including;

- i. Direct Debit – completion of Direct Debit mandate at sign-up.
- ii. Payment card – ordering of payment card at sign-up.
- iii. Housing Benefit – completion of application form (devised a Housing Benefit statement detailing the intention to claim).

19. Where Tenants are liable for rent payment, officers are asking for rent payment in advance.

Approaches in Relation to Reduction in Abandoned Properties

20. The former Oxford Tenants Panel was initially approached with regard to incentivising Tenants to adhere to the terms of their Tenancy Agreement. However, this idea received little support and it was considered that an alternative approach was required.

21. A procedure was thus produced for all “front-facing” staff (including Customer Service Officers) which gives clear guidelines on how to maximise the receipt of Notice from outgoing Tenants. Additionally a new key receipt pad was developed which clearly states that any items left within the property will, after 28 days, be disposed of and the costs incurred passed to the outgoing Tenant.

22. The existing Recharge Policy is robustly being adhered to in relation to both the above and also in regard to recharging outgoing Tenants if the property has been neglected or indeed abused.

23. The number of Notices received is gradually improving and this has led to a continual increase in pre-termination visits.

Financial Considerations

24. The 207 voids received had the appropriate work carried out at an approximate average cost of £4,400 per void (including Tenants Choice) with capital works equating to 47% and revenue work equating to 53% of the total. This is greater expenditure per void than anticipated, but is wholly attributable to the amount of capital work that has been necessary. Based on the current pilot criteria, it is likely that capital expenditure will exceed the budget in 2007/8 by £200,000. This can be funded from an underspend in the rewiring capital budget.

25. It is important to be clear that both the capital voids budget for 2007/8 was calculated with the current pilot criteria as a guide. Any change to the criteria would require an additional capital budget in 2007/8 and future years.

Customer Satisfaction

26. The Housing Scrutiny Committee commissioned an independent check of tenant satisfaction with the voids pilot process. Feedback Market Research Ltd carried out this work. 30 tenants who had moved into Council properties during the void pilot were surveyed. The main findings from this work were:

- 83.3% of tenants were given an accompanied view of their new home before moving in
- 80% of tenants were advised on the tenants choice items they could choose either before or after they moved into their home. 66.7% selected items from the tenants choice list for their home.
- Given the choice, 70% of tenants would rather have decent homes work done on their property before moving in, even though they could move in quicker if this work was done once they had moved in.
- 93.3% of tenants felt that they had all the help they needed when signing their tenancy agreement.
- 60% of those surveyed were not happy with the condition of their new home. Those who weren't happy gave a variety of reasons as to why this was. This list will be a useful starting point for the working group that will be looking at a lettable standard for void properties.
- 73.4% of tenants were either satisfied or very satisfied with the overall process of moving into their new home. 10% were either very dissatisfied or dissatisfied. 16.7% were neither satisfied nor dissatisfied.

27. The full results from the survey are available on request from the Scrutiny Team and are also available on the City Council's website.

Options

28. There are a number of options available for consideration;

29. **Option 1 - Adopt the criterion used throughout the voids pilot scheme.**

- a. The budget is in place for this to continue. However, there is a need to keep capital spend under review.
- b. General feedback from Members, officers and customers shows that there has been concern surrounding the "lettable" standard and there is a continuing debate regarding what is "fit to let".
- c. Voids turnaround times have been sustainable and there is no evidence that the refusal rate (allocations) has changed.

30. **Option 2 – Return to the previous practice of completing all voids up to the Decent Homes Standard.**

- a. This is likely to increase the void turnaround times and a consequential increase in the rent loss.
- b. There is currently no budgetary provision within the existing voids capital budget for the additional "decency" work. It is therefore likely that the budget would need to increase from £800,000 per annum to £1,600,00.
- c. Officers foresee no issues surrounding the signing-up of properties that achieve the Decent Homes Standard.

31. **Option 3 – Continue to carry out minimal work within the voids period and, within 12 months of the new Tenant moving into their property, the necessary Decent Homes work would be undertaken.**

- d. This option would ensure that the incoming Tenants needs and requirements are taken into consideration therefore providing elements of choice.
- e. The Decent Homes work would need to be funded from the capital budget.
- f. The new Tenant would be liable for rent in their property therefore maximising rental income.
- g. This approach would mean that new Tenants would be dealt with out of sync with the current Decent Homes programme which was one of the reasons for carrying out the voids pilot in the first instance. Equally Tenants moving into a void property could have improvement works undertaken prior to existing Tenants in that area which is likely to cause some resentment and allegations of unfair treatment.

Lettable Standard

32. Clearly many different views and opinions exist regarding what is a lettable standard. It is important that all customers (both existing Tenants and new

Tenants) agree that what we provide is both acceptable and fair. Equally, it is important that Elected Members are satisfied that the correct balance of work undertaken, expenditure incurred and void turnaround times is achieved.

33. It is therefore proposed that a review of the “lettable standard” be undertaken by a working group comprising Members, Tenant Representatives, Officers and new Tenants would be a way forward. This would then clearly define what the “Oxford Lettable Standard” is.

34. It is proposed that the working group is made up of 8 people with appointments being as follows: -

- 2 Elected Members (Chair of Housing Scrutiny Committee and the Housing Portfolio holder, or their nominated substitutes).
- 2 Tenant Representatives (Chair and Vice Chair of the Involvement Monitoring Panel, or their nominated substitutes).
- 2 Officers (Responsive Operations Manager and Voids Manager).
- 2 Tenants who have moved into their property in the last 3 months.

Conclusion

35. Many of the original objectives are being achieved, but there is still some unease about the lettable standard currently being undertaken. It may therefore be prudent to review this further prior to adopting a permanent change.

Recommendation

36. It is recommended that Option 1 be adopted for the remainder of 2007/08 (i.e. a further extension of the void pilot period for 6 months until 31 March 2008). It is also recommended that the Lettable Standard working group be created and asked to report back to Housing Scrutiny Committee and the Executive Board in February / March 2008. The working group should be tasked with reviewing the lettable standard prior to a final decision on a policy change and to consider the implications that their recommendations will have in respect of: -

- h. Customer satisfaction.
- i. Refusal rates.
- j. Voids turnaround times and therefore total rent loss period.
- k. Budget implications.
- l. The impact of any change on existing tenants.

Appendix

Appendix 1 - Diagram detailing take-up of Tenants Choice items.

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Appendix One – Diagram detailing take-up of Tenants Choice items by the 192 Tenants.

