

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

5th July 2021

REPORT OF CORPORATE DIRECTOR – OPERATIONS AND DELIVERY

A.2 *Housing Voids*

(Report prepared by *Tim Clarke*)

PURPOSE OF THE REPORT

To inform the Committee's discussions around the following agenda item:

The implementation of the new contractor to bring void Council House properties back into use and progress towards getting the level of voids/duration of properties being void down to the stated aim of 2% and whether this target itself is appropriate based on comparator authorities. This enquiry will also look at the logistics on voids and costings.

INVITEES

None

BACKGROUND

As set out in Purpose above.

Additionally Members may recall the All Member Briefing on 14th April 2021 where officers provided a comprehensive presentation on the topic of housing voids and the process that is following to bring them back into use. Some questions were asked during and following that meeting that are addressed in this report.

This committee has also considered the topic of housing voids at its meeting in July 2020 and in February 2021.

DETAILED INFORMATION

Implementation of the New Maintenance Contract

The new responsive repairs term contractor commenced responsibility for void works on 05 April 2021. It is appropriate to make allowance during the initial stages of the contract and some initial performance issues are being discussed with the contractor.

The initial set up period ends in July 2021 and liquidated damages provisions in the contract will start to take effect then. The damages level is set to allow for lost rent and increased administrative and other costs but will apply only to the period during which the contractor has control of the properties. The time allowed for works within the contract is related to the extent of works required with a series of thresholds providing different timescales for different levels of work.

Once contract arrangements become fully established it is hoped that all properties will be

returned within timescale or any delay offset, financially, by the damages provisions.

Points raised following the April All Member Briefing in April 2021

1. Expected inspection rate of a TDC property and what is the actual inspection rate?

The repairs and estates services for individual properties operate on an essentially responsive basis. Regular visits to dwellings do take place in the form of annual gas servicing and safety visits, electrical and detector testing and servicing and the teams respond to concerns raised by tenants.

The potential for additional inspections has been considered both in response to the voids condition question but also in relation to potential disrepair claims. This would however introduce additional costs that have to be assessed against the likely benefits achieved.

2. What percentage of returned properties are left empty, clean and requiring no repairs caused by resident damage?

It is very rare for properties to be returned clean, empty and free from defect. In 2020/1 Void maintenance costs built up as:

£0-£500	5 Properties
£500-£1000	8 Properties
£1000-£5000	73 Properties
£5-0000- £10,000	54 Properties
£10,000- £20,000	19 properties
Over £20,000	1 Property

3. Annual cost of clearing / cleaning / repairing properties left in a poor state by residents, and how much of this money is reclaimed annually?

1. The total cost of clearing properties was £177,000
2. The total cost of all void works was £937,082
3. No cost was reclaimed from any former tenant in 2020/21

A revised tenant recharge policy was agreed earlier this year that sets out the circumstances in which attempts will be made to recover costs from former tenants.

Void Duration

2020/21 saw an increase in the length of time properties remained vacant. Largely this is attributable to the COVID-19 pandemic and restrictions placed on the letting of properties and the ability and desire from people to move home. It should be noted that the Council's void rate was increasing prior to the pandemic. Other stock retained councils have reported a rise in void properties during 2020.

The requirement to work from home had an impact of the Allocations Team and there is no doubt that the process of letting properties became more challenging and time consuming over the last 12 months or so.

Void maintenance works were slowed during the pandemic to some degree in the general housing stock and paused altogether (save for safety work) in the sheltered units.

Rental income loss as a result of void properties for the 2020/21 financial year will be published within the financial performance report in September 2021.

In February an officer working group was set up to address the increase in void times and consequent financial loss. A new monitoring system has been introduced that allows the allocations and building services teams to share data and track progress with individual properties. Previously this data was held separately. Some operational processes have also been streamlined.

At the time of writing this report the end of first quarter of the financial year has not been reached although officers are optimistic that the void rental loss will show improvement that will continue throughout the year.

The forthcoming month will see a significant focus on letting the properties that are available and developing a strategy for letting vacant sheltered flats and lower demand properties. Additionally, new housing allocations software will be introduced that will improve the process of managing the housing register and allocating vacant properties. Implementation of this system has been delayed due to technical difficulties identified during testing.

Achievement of a 2% void rate

Previously a 2 – 3% void rate was achieved and on that basis officers believe it is possible to return to that level, especially in respect of general stock housing. Due to the age and nature of some of our sheltered housing schemes it may be more difficult to achieve a lower rate without more drastic action.

Other stock retained Councils have varying void rates although it is likely that they use varying methods to calculate those figures making direct comparisons difficult or misleading. Nonetheless, achieving a return to our 2% figure does appear possible in light of the rates reported by others.

RECOMMENDATION

That the Committee determines whether it has any comments or recommendations it wishes to put forward to the relevant Portfolio Holder or Cabinet.