

**RMBC Sustainable Communities Scrutiny Panel**

**Scrutiny Review into Void Turnaround  
Times**

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## **1/ INTRODUCTION**

### **1.1 Reason for the review**

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The time taken to re-let void properties has been identified as a key concern for Elected Members. Whilst performance is improving, it still falls below expected levels and with the high demand for housing, it is important that properties are re-let on a timely basis to maximise housing options for tenants and Council revenue. Failure to address this issue will have a significant impact on the Housing Revenue Account and may also damage public perception of Rotherham 2010 Ltd and the Council.

It was agreed that a scrutiny review would be carried out to consider the issue in more detail.

### **1.2 Aim of the review**

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To consider the current process for re-letting void properties and make recommendations for improvements in order to minimise the length of time that houses are empty and provide a more effective service for tenants.

The working group agreed the following terms of reference to define the scope of the review:-

- (a) To gain an understanding of the key issues affecting voids turnaround times including a clarification of how voids are classified;
- (b) To review the effectiveness and impact of procedures and actions which have already been put in place to improve performance;
- (c) To consider the financial impact of long term empty properties in the borough;
- (d) To consider good practice within the borough and from other local authorities in relation to void turnarounds;
- (e) To consider what further measures could be taken to reduce void turnaround times.

### **1.3 Scrutiny working group**

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The scrutiny working group for this review was comprised of the following scrutiny members:

- Cllr Rose McNeely (Chair)
- Cllr Jeb Nightingale
- Cllr Fred Wright
- Cllr Paul Lakin
- Cllr Alex Armitage – Parish Councils’ representative
- Andy Roddison – tenants’ representative

### **1.4 Methodology**

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The Scrutiny Panel decided to take a “Select committee approach” to this review meaning that it was completed within a short period of time so that there would be no delay in making the recommendations.

The scrutiny working group met twice to agree the terms of reference for the review, identify witnesses and look at the background information and good practice in other authorities. Meetings were also held with the Chief Executive of 2010 Rotherham Ltd, the Voids Manager and staff at Key Choices Property Shop. Key witnesses were invited to the Sustainable Communities Scrutiny Panel meeting on 16<sup>th</sup> April to give evidence and answer questions put forward by the Panel members.

### **1.5 Key Findings**

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The review highlighted that the involvement of several different teams in the management of void properties leads to confusion about who is responsible for each stage of the process and a duplication of effort in some areas. Elected Members are not routinely kept informed about void properties in their wards and local residents are frustrated when they see empty houses in their neighbourhoods that are not available to rent.

The average time taken to re-let empty homes has reduced significantly over the last 12 months and 2010 Rotherham Ltd appear committed to making further improvements to the service. Their recent Empty Homes Review carried out at the same time as this scrutiny review in April 2009 identifies several areas for improvement which have been incorporated into an action plan.

2010 Rotherham Ltd's "Empty Homes Service Review" aims to map out the whole of the voids management process giving consideration to the deployment of resources, accountability, priorities, and benchmarking against other services. Unfortunately the Review was only made available on 15<sup>th</sup> April and therefore Members did not have time to digest the information before the scrutiny meeting on the 16<sup>th</sup> April.

### **1.6 Recommendations**

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Having considered the available evidence, the scrutiny review group makes the following recommendations:

- 1. That improvements are made to the Choice Based Lettings process in line with the recommendations of the current Scrutiny Review.**
- 2. That the verification process is made more efficient by screening out ineligible bids at an earlier stage.**
- 3. That clear criteria are published about the circumstances in which decorating vouchers will be issued to new tenants and that the allowance of £25 per room is reviewed.**
- 4. That in line with good practice demonstrated by high-performing ALMOs, consideration is given to a Reward scheme to encourage tenants to leave properties in good condition.**
- 5. That information is provided to Elected Members on a regular basis on the void properties in their ward including reasons why a property is empty and when it is expected to be relet.**

6. That more detailed information is provided when reporting on voids to give a clearer picture of why properties are empty and the financial implications.
  
7. That action taken towards the recommendations of 2010 Rotherham Ltd's Empty Homes Service Review "Every Day Counts" (April 2009) be monitored and reported back to the Sustainable Communities Scrutiny Panel in due course.

## **2/ THE VOIDS PROCESS**

### **2.1 What is classed as a void?**

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Voids are empty homes. They can be classed as VAVs "Voids Available" i.e. ready to be let (perhaps after minor repairs) or VUNs "Voids Unavailable" i.e. those that would require major works to bring them up to a lettable standard.

Currently the VUNs, which may include properties which have been empty for a long time because they are going to be demolished, are still classed as voids and count towards the figures for Local Performance Indicator 212 which looks at the average time taken to re-let a property. As soon as a void property ceases to be a void because it is let, the total number of days it was void is added to the figures. This means that if long-term voids are brought back into the housing stock, the figure for average re-let time could increase dramatically.

### **2.2 How many voids are there?**

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On 2<sup>nd</sup> June 2009 there were 379 empty properties in Rotherham. Of these 228 (60%) are 'Vun' properties (ie – requiring major works to bring them up to a lettable standard) and 151 (40%) are classed as 'Vavs' – voids available to let.

However the 151 available properties include 21 which are not to be let because they are pending demolition or a decision (14 on Dawsons Croft; 2 on Calladine Way; 2 on Becknoll Road and 3 ex-warden flats). It also includes 38 properties which are classed as sheltered, or age-restricted, and as a result are hard to let.

The table below shows a breakdown of the 379 empty properties by Area Assembly:

	<b>Vav</b>	<b>Vun</b>	<b>Total</b>
Rother Valley South	8	25	33
Rother Valley West	10	29	39
Rotherham North	15	50	65
Rotherham South	8	28	36
Wentworth North	37	30	67
Wentworth South	64	55	119
Wentworth Valley	9	11	20

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There are currently around 19,000 people on the housing register. If more void properties can be brought up to a lettable standard, this would help to reduce the complaints regarding empty homes.

### **2.3 Who is involved in the voids process?**

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In 2007, 2010 Rotherham Ltd undertook a review of the voids service and decided that efficiency savings could be made by creating a centralised Voids team. In April 2009 the name of the team was changed to the Empty Homes team.

In addition to the centralised Empty Homes team, there are several other teams involved in the voids process and it appears that the work is not always joined up. Below is an outline indication of the different areas of responsibility:

- **Empty Homes team, 2010 Rotherham Ltd.**

The voids team complete a pre-termination inspection of the property to assess repair work needed. They carry out the necessary repairs. They receive the shortlist from Key Choices and when the property is ready, they contact the applicants to check that they are eligible, arrange viewings and sign them up to the property.

- **Housing Options team, (Property Shop), RMBC**

The Housing Options team, based within Key Choices receive information that a property is to be vacated and during the 4-week notice period they advertise the property and collate a shortlist of bids which they pass on to the Empty Homes team at 2010 Rotherham Ltd, within 24 hours of the close of advertising. They are not responsible for contacting the people who have bid on the property to verify if they are eligible.

They carry out assessments on customers who may be eligible for properties in the General+ category.

- **Assessment Team, Housing Services, RMBC**

The Assessment Team assess applications for sheltered, aged persons and medical priority housing. The team receive an average of around 220 applications for assessments each month and visit customers to identify their needs in respect of rehousing to suitable properties. The number of applications has increased significantly in the past 12 months. They inform the customers about how to bid for a property and what adaptations they need to look out for on the properties that become available.

They also carry out “mini-assessments” over the telephone for customers who bid for “Direct Homes”. These are properties which are difficult to let and which anyone who meets the advert criteria can bid for. They check that the applicant is eligible and has some level of additional health need.

They check the shortlist of people who have bid on properties in the Priority category to confirm that they have been assessed as meeting the necessary criteria. Sometimes due to customers waiting on the housing list for a long time, their needs change and the team carry out a re-assessment.

- **Estate Management, 2010 Rotherham Ltd**

During estate walkabouts, Neighbourhood Champions inspect void properties to ensure that they are not vandalised and the gardens do not become too overgrown or misused. They report any issues to the Estate Officers and any costs relating to clearing gardens of void properties, for example if they have been used to dump

rubbish, comes from the Estate Management budget. Currently about 65% of all rubbish removal is from void properties although to date there has been no breakdown of the budget to analyse how much this is costing. From 2009/10 financial year, the Estate Management costs will be broken down by Area Assembly area and by void/non-void properties.

- **Neighbourhood Investment Service, RMBC**

With regard to void properties, the Neighbourhood Investment Service is responsible for providing 'landlord' advice, support and direction to 2010 Ltd on investment decisions regarding non-traditional housing stock, any void property which exceeds a total investment cost of £20,000 and unsustainable housing stock, and managing demolition and regeneration programmes.

- **Cabinet Member, Economic Development, Planning and Transportation**

If repair work on a void property is estimated to cost more than £20,000, it must be authorised by the Cabinet Member for Economic Development, Planning and Transportation.

## **2.4 Bidding for properties**

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Under the Key Choices Choice Based Lettings (CBL) system which has been in place in Rotherham since June 2005, tenants can exercise a right to choose a council property that they wish to live in. In reality, demand outweighs supply of Council owned dwellings and so in order to increase housing options, the Housing Options team advertise Housing Association properties and private rented properties managed by the Council's Key Choices Property Management Service on behalf of the landlord.

In relation to voids, CBL could potentially have a positive impact in highlighting to prospective tenants that if they bid for properties which are less desirable (due to their size or location) they have a much greater chance of success.

A separate scrutiny review is currently underway looking at the Choice Based Lettings process and it is hoped that implementation of its recommendations will help to improve the system and have a positive effect on the voids management process. Emerging issues of the CBL review which impact on voids include a need for more consistency in the information provided on adverts for properties, communication between teams in 2010 Rotherham Ltd and Key Choices and provision of information to Elected Members.

## **2.5 Repairs**

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There is an Empty Homes lettable standard and associated cleaning standard, both of which were agreed by the Empty Homes Service Improvement Group. Tenants are currently offered a copy of these when they move into a property as part of their Houseproud bucket which is filled with cleaning products.

Rotherham 2010 Ltd identified delays in the time taken to carry out repairs as the main reason behind the underperformance against LPI 212 (Average Re-let Times). In June 2008 a restructure of the Voids repair team took place so that instead of three pre-let and three post-let repair champions covering three geographical areas

there are now six Repairs Champions covering six geographical areas. The average re-let times have improved significantly since June 2008 and the new team structure means that less time is spent travelling between repair jobs.

The Repairs Champions carry out the termination inspections before a property becomes vacant and where possible carry out repairs during the 28 day notice period whilst the outgoing tenant is still in the property.

In order to address the backlog of empty properties needing repairs in 2008, some properties were passed to the Decent Homes teams who brought them up to the Decent Homes standard. In these cases, the Decent Homes work was paid for from their budget and general empty property repairs were charged to the empty homes budget.

## **2.6 Long-term voids**

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There are some properties in the borough that have been empty for a number of years, either because they are undesirable to bidders, in need of significant investment to bring them up to a lettable standard, or awaiting a decision about possible demolition. Long-term voids result in a considerable loss of rent for the Council; it is calculated that £96,733.81 was lost in rent in 2008/9 on properties that are pending a decision regarding investment or change of use.

If repairs needed on a property are estimated to cost more than £20,000, 2010 Rotherham Ltd refer the property to the Neighbourhood Investment Service who will evaluate the options and submit a report to the Cabinet Member for Housing and Neighbourhood Services who will approve either investment, sale of the property or demolition. This process currently takes around 8 weeks. 2010 Rotherham Ltd have recommended in their recent review of the voids service that when a property is referred to the Neighbourhood Investment Service, a clear target date is agreed for a decision to be made. They have also recommended that consideration be given to increasing the threshold from £20,000 to £25,000 before referral to the Neighbourhood Investment Service is required.

## **2.7 Budget**

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The budget for empty homes for 2008/9 was £3.7 million split between £1.5million Capital and £2.2 million Revenue which was to cover all works undertaken to vacant properties.

The budget has increased by £450,000 for 2009/10 with £1.5million Capital and £2.5 million Revenue and an additional £100k for damp proofing and £50k for structural works.

## **2.8 Performance**

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The 2008 Audit Commission report into 2010 Rotherham Ltd reported that with regards to void properties,

“...strengths outweigh weaknesses. An integrated voids team manages empty homes effectively. Performance is high on re-letting empty homes quickly. Procedures are customer focused. Too many empty properties have security grilles however, and the repair standard is not clear to new tenants.”

Performance on empty properties is measured by Local Performance Indicator (LPI) 212 which records how long it takes for an empty property to be re-let. The target for 2008/9 was an average turnaround time of 23 days, and this was not met as the actual cumulative average was 39.45 days. However if the figures are broken down, significant progress was made during 2008/9 to reduce the average re-let time from 66.78 days in the first quarter to 24.54 days in the final quarter. The target for this year 2009/10 remains at 23 days. Current performance for re-let times is 26.35 days for April 2009 and 24.01 days for May 2009.

The void turnaround time also impacts on other performance indicators, including:

- Rent loss through voids (LPI 69)
- Percentage of tenancies not lasting 12 months.
- Number of households living in temporary accommodation (NI 156)

### **3/ FINDINGS**

#### **3.1 The Choice Based Lettings process**

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The review identified that there is a need for a clearer understanding about how the bidding process in Choice Based Letting works. There is anecdotal evidence showing that many people believe they have to be seen to be actively bidding in order to have a greater chance of getting a property. This means that some people are regularly bidding for properties that they do not want, believing that this will improve their chances of success when a property they do want becomes available.

These 'wasted' bids are slowing down the allocations process. In fact, analysis for 2007/8 showed that 28.1% of people who were offered a property refused to move and the four main reasons given for refusal were:

1. No wish to move
2. Not desired location
3. Property too small
4. Refused to view

Prior to the new allocation policy taking effect in December 2008, the assessment team "matched" applicants to properties and this contributed to the higher refusal rates. There are also customers who may have had no intention for moving house in the first place or who would have benefitted from having more information available to them at the bidding stage in order to make a properly informed decision about whether the property was suitable for them.

A discussion took place at the scrutiny meeting on 16<sup>th</sup> April 2009 about whether people bidding on properties that they did not want ought to be penalised in some way, but it was felt that this would be contrary to the Code of Guidance in allocations and that what is needed is for customers to have a better understanding of how the bidding system works.

It appears that there is currently duplication of effort in the allocations process between the Key Choices team and 2010 Rotherham Ltd. As set out in section 2.4, Key Choices are responsible for collating a list of the top 30 bidders for each property and sending this list through to 2010 Rotherham Ltd who verify the eligibility of customers for that property. On occasions, due to the high percentage of customers with Priority needs and to 'wasted' bids, a large number of applicants will not be eligible and 2010 Rotherham Ltd must work their way down the list of names before finding someone who could take the property. Delays between the shortlists being



drawn up and the applicants being contacted also mean that customers have sometimes already been rehoused or changed their minds. This does not seem to be the most efficient way of allocating properties and there are clear frustrations between the two teams.

On occasions there have been long delays between Key Choices submitting a shortlist to 2010 Rotherham Ltd and applicants being informed that they are to be offered a property.

### **3.2 Carrying out repairs**

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If the Repairs Champion considers the standard of decorating in a property to be unsatisfactory, vouchers up to the value of £25 per room will be offered to the new tenants and included in the property advert. The scrutiny working group has questioned whether this amount is sufficient and anecdotal evidence suggests that the vouchers are not always issued immediately. The Audit Commission report (2008) found that there was no clear approach to awarding decorating allowances and the review group recommends that clear criteria are published setting out the conditions under which a decorating allowance will be given to ensure transparency.

During the review, questions were raised about the costs of putting metal screens on empty properties and whether, due to the high costs of hiring screens and rent loss, it would be more economically viable to have the repairs carried out by sub-contractors. This does happen to some extent already, but could probably be looked into in more detail. The Audit Commission report into 2010 Rotherham Ltd in 2008 concluded that screens are being used too frequently giving a negative impression to prospective tenants and affecting the appearance of neighbourhoods. They found that around 40 per cent of short-term voids and most long-term voids have steel shutters. As a direct result of the Audit Commission recommendation, 2010 introduced a new procedure for securing empty properties and re-tendered the grilling contract. Each void is now made secure dependant on the area and known issues and alternatives to metal screens are considered including alarms, net curtains and clear polymer screens.

### **3.3 Sheltered and Medical Priority properties**

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The allocation of sheltered, aged persons and adapted properties contributes to the delay in reletting empty properties because these homes are harder to let. This is because customers must be assessed to confirm if they meet the criteria for the property they have bid for. Many applicants do not meet the criteria set out in the Allocations Policy.

Previously only over 55s on the housing register and classified as “priority” due to disabilities or other extra needs could apply for sheltered housing. However on 24<sup>th</sup> September 2008, 2010 Rotherham Ltd were instructed to a change in policy allowing over 55s without priority needs to be offered “sheltered” properties if no sheltered matches could be found, as long as the tenants were willing to pay the £8/week service charge attached to the sheltered housing (even though they did not require the service). As a result 51 “sheltered” properties with a total of 8344 days void between them were let to over 55s.

### **3.4 Improving Performance**

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The *Voids Performance Recovery Plan* produced in July 2008 listed 25 actions to address the issues which were thought to have contributed to the poor performance, including:

- Communication problems and lack of ownership between Voids Team and Neighbourhood Team
- Insufficient staff resources to carry out repairs
- Key Choices process takes 24 days
- No analysis of termination reasons undertaken.

The actions should have all been completed by March 2009, however some of these issues have not been resolved and are still listed as areas for improvement in the recent 2010 review into Empty Homes, "Every Day Counts". Outstanding areas for improvement have been incorporated into the Empty Homes Review Action Plan with target dates and an identified lead person or team. Performance will need to be monitored against the listed actions and Members kept informed of progress.

For 2009-10, 2010 Rotherham Ltd will report more detailed figures on voids, including a breakdown of long-term voids and properties that are with the Neighbourhood Investment Service pending a decision. This will give a much clearer picture of the voids situation and help to identify any reasons for delays in reletting properties.

### **3.5 Customer Satisfaction**

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Turnaround figures are only one part of the story and there is a balance to be found between minimising the time that a property is empty and making sure that the property is repaired to a satisfactory standard and is right for the tenant.

Tenants are now given 48 hours after a viewing to consider whether or not they wish to accept the property. Previously they were expected to sign up immediately. Although this adds two days on to the void turnaround time, failed tenancies (those lasting less than 12 months) have fallen from 13% to 5%.

## **4 / LOOKING AT GOOD PRACTICE ELSEWHERE**

It is useful to look at what other ALMOs are doing in comparison to 2010 Rotherham Ltd. Sandwell Homes, Solihull Community Housing and Homes for Islington were all recently rated as excellent by the Audit Commission and below is an outline of the voids service they offer.

**Sandwell Homes** was inspected by the Audit Commission in November 2008 and was classed as "excellent" with "excellent" prospects for improvement. They have a clear void standard developed with tenants and provide tenants with an empty property standard setting out how the property is to be left. A reward scheme is being piloted which pays tenants £100 if they leave the property clean with no rechargeable repairs and no rent arrears.

Empty homes are repaired quickly and re-let in an average of 27 days. There are clear targets for each stage of the void process and tracking systems in place to

monitor the progress of voids as well as clarity about the inclusion of decent homes improvements in empty properties.

There were however some areas of the voids process which were criticised including: Monitoring customer satisfaction, and arrangements for outgoing tenants not yet being fully implemented.

**Solihull Community Housing** (ALMO) currently re-lets properties within an average of 24 days (their target is 28 days). They rarely use screens to protect empty properties, instead favouring portable alarm systems where necessary so as to make sure the properties remain attractive to prospective tenants. They rank empty properties as gold, silver or bronze to prioritise repairs, based on the property's likely lettable. Their lettable standard is however criticised for being too basic and tenants often have to carry out decorating themselves.

**Homes for Islington** has an average turnaround time for voids of 22 days (2007/8). They provide a high quality welcome box for new tenants to establish a positive relationship with them. They have an incentive scheme which pays £150 to tenants leaving the property to a specified standard, and estimate that the scheme has saved £10,000 a year after costs. Tenants whose property does not reach this standard can be charged up to £290. Tenants benefit from gas and electricity being connected for them prior to moving in.

## **5 / WITNESSES AND THANKS**

1. Cllr Akhtar            Cabinet Member for Neighbourhoods
2. Kevin Lowry        Chief Executive 2010 Rotherham Ltd
3. Adrian Cheetham   Voids Manager, 2010 Rotherham Ltd
4. Sandra Tolley      Housing Choices Manager, Key Choices, RMBC
5. Sandra Wardle      Housing Options Manager, Key Choices, RMBC
6. Phil Syrat           Housing Options Co-ordinator, Key Choices, RMBC
7. Catherine Dale     Neighbourhood Initiatives Manager, RMBC
8. Diane Green        Assessment Manager, Neighbourhoods, RMBC  
*(regarding allocation of medical priority housing)*
9. Paul Walsh          Programme Manager, Neighbourhood Investment Service, RMBC  
*(regarding investment in long-term voids)*