

REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	4 JANUARY 2023	CATEGORY: (RECOMMENDED
REPORT FROM:	HEAD OF HOUSING	OPEN
MEMBERS' CONTACT POINT:	paul.whittingham@southderbyshire.gov.uk	DOC:
SUBJECT:	COUNCIL HOUSE LETTINGS AND VOID PROPERTIES	
WARD(S) AFFECTED:	ALL WHERE THE REPORT AFFECTS THE DISTRICT AS A WHOLE <u>OR</u> SPECIFIC WARDS	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That the contents of the report and the Improvement Plan are noted by the committee.
- 1.2 That a progress report is brought back to the Housing and Community Services committee on 25th April 2023.

2.0 Purpose of the Report

- 2.1 To update the Committee on progress against the actions to improve performance that were presented to the Housing and Community Services Committee on 19th April 2022.
- 2.2 To inform the Committee of the details regarding the performance against the target for reletting Council homes that was recently reported to the Housing and Community Services Committee
- 2.3 To identify the next series of actions that are to be implemented to improve performance.

3.0 Executive Summary

- 3.1 The Corporate Performance Indicator for the average time to relet council homes has failed to achieve the target during the last financial year and has not improved during the year 2022/23.
- 3.2 A series of actions were proposed to the Housing and Community Services Committee on 19th April 2022. Progress has been made with these actions; however, a further detailed action plan has been prepared to deliver improvements to performance.

4.0 Detail

4.1 The report to Housing and Community Services committee on 19/4/2022 identified a series of actions aimed at improving the performance of services to relet council homes. Progress against these actions is shown in the table below.

Actions Identified in April 2022	Target	Complete	Owner	Comment
Performance				
Measurable targets for Teams and Contractors for each stage of the relet process.	Sept 2022	Yes	Repairs Manager	Revised Process Includes Target Timescales
NOVUS Contract variation	July 2022	Yes	Head of housing	Now includes financial compensation
Property				
Follow on repairs after reletting rather than during void period	December 2022	Partial	Repairs Manager	Revision and clarification of the Lettable Standard for SDDC and contractors
Greater control of repairs that are chargeable to the tenant	March 2023	No	Repairs Manager	Improvement Project
Improve procedures for clearing utility meters	November 2022	Partial	Repairs Manager	Support service from British Gas identified. Debit card application accepted
Targeted decoration of properties	June 2022	Yes	Project Officers	Greater use of decoration vouchers
Information Technology				
Enhancing the use of the Lifespan Stock condition systems to update property safety information.	September 2022	Partial	Asset and Compliance Officer	Further work in progress to automate stock condition updates.
Staff Training in Orchard and Lifespan products	October 2022	Yes	Policy and Performance Officer	Further training needed to properly implement systems
Greater use of the Jigsaw system to identify demands and trends	January 2023	Partial	Housing Solutions and Support Manager	

Allocations				
Control of transfers to reduce tenancy terminations	February 2023	Partial	Tenancy Services Manager	New Transfer procedure in development.
Earlier advertising of vacant properties.	November 2022	Yes	Housing Solutions and Support Manager	
Streamlining Sign Up processes	February 2023	No	Tenancy Services Manager	"Secure Sign "electronic document system in process of being procured
Hard to Let Properties				
Early identification of Hard to Let Properties and alternative advertising strategies	January 2023	Yes	Housing Solutions and Support Manager	Wider advertising through Home swapped network for identified low demand properties
Possible Declassification of Sheltered Housing Stock	TBC	No	Internal Audit	Audit review of current classification of sheltered properties
Electrical				
Additional electrical contractor		Yes	Asset and Improvement Manager	Newey Contract Amended
EICR Protocol		Yes	Asset and Improvement Manager	Agreed with External Auditors
EICR Process		Yes	Asset and Compliance Officer	Linked to Lifespan
Electrical project officer recruitment <ul style="list-style-type: none"> Agency officer appointed Advertising complete Interviews arranged	1/12/22	Yes Yes No	Asset and Improvement Manager	No applicants for full time post, agency staff in place.

4.2 Electrical Works

In the Quarter 1 Performance Report presented to the Housing and Community Services Committee on the 18th August 2022, the completion and management of Electrical Installation Condition Reports (EICR) was identified as “The main reason for delays in reletting properties” The report also explained that The Council has asked its Electrical Safety Auditor to review the current electrical safety protocol in order to ensure that checks and certification are compliant with electrical regulation. The table above includes specific actions that were completed to address this, especially with regard to procuring additional contractor capacity to carry out these checks which are necessary at the start of the void period for every property. This has made an immediate impact with the prompt completion of twenty EICRS at the start of the void process.

- 4.3 Unfortunately, the Councils Project Officer (Electrical) also left within this period and the Council has not been able to find a permanent replacement having to rely on agency staff in their place. This post along the Project Officer (Heating), Project Officer (Building) have recently been regraded through the Job Evaluation Process. All three are currently vacant and were advertised with a closing date of 18th November. There were no applicants for the Electrical post and only one applicant suitable for interview for each of the other posts. A review of salaries in the public housing sector has shown that the salaries offered as part of this recruitment process lag behind those for similar positions offered by other providers. The outcome of this recruitment may inform a forthcoming policy regarding market supplements for Council salaries in posts with a statutory responsibility. The Head of Housing has also requested a proposal from Norse (a wholly owned subsidiary of Norfolk county Council) for the outsourcing of statutory property safety client functions.

4.4 Recruitment

- 4.5 Whilst good progress has been made in many of these areas, work has been hampered with the departure of the Repairs Manager and also the Interim Void Manager.
- 4.6 The recruitment process for the Repair Manager has been successful with a new Repairs Manager starting in post on 21/11/22. During the vacancy period a temporary/ interim manager was required to manage the day to day and void repairs process. Two appropriately skilled and qualified candidates were appointed. One candidate did not appear on his first day, the other joined the Council but left after one day having received a permanent offer of employment. The Policy and Research Officer has carried out some additional duties in the meantime to maintain the service. These have included some of the Repairs Manager tasks of day to day supervision of Project Officers carrying out inspections, the planning of surveys and handovers along with the development of the Orchard Void system and the training of staff in its operation.
- 4.7 As well as successful recruitment of the Repairs Manager, additional temporary resource to complete survey and inspection works has also been secured and commenced work on 23/11/22.

4.8 Property

The increased use of decoration vouchers rather than the full decoration of properties has been implemented in order to reduce relet time. Decoration of some properties is still necessary in some cases given their poor overall condition. During the current financial year forty five decoration vouchers have been issued compared with only two during the previous year, when the vast majority of properties were decorated throughout.

- 4.9 The current “lettable standard” will be clarified for Council staff and contractors before the end of December. The current standard is very basic and the cause of poor specification and works ordering. This in turn leads to additional works, variation orders and the need to re inspect properties. The provision of accurate survey and specification information is key to the prompt completion of works and letting of property. At present around 30% of properties require variation orders. This will be reduced to a 10% of completed properties.
- 4.10 Clearing “pre-paid” utility meter debt is still a major obstacle to the whole re let process. However, the Council’s Finance team have supported the application for the use of a corporate debit card to clear meters at local retailers. The Repairs Manager has also now identified a more efficient solution for some meters through a service provided by British Gas, which is hoped to have in place soon. This will still require some meters to be cleared using credit or debit card. The additional temporary surveyor/inspector will be responsible for clearing meters as part of their duties, along with reviewing and reissuing existing surveys. Until this arrangement is in place all prepaid meters in properties need to be cleared and then “topped up “with credit by payment via credit card at local retailers.

4.11 Information Technology

As recommended in Earlier reports to the Audit Subcommittee, the Housing Team has re installed and reconfigured the Lifespan Asset Management system to improve the management of the electrical safety and certification process. It now holds electronic versions of all electrical certificates rather than the entirely paper based system that was in place previously. The system does need further development and further staff training before April 2023, this will also be required in order to meet the requirements of the new approach to Housing Regulation reported to the Housing and Community Services Committee on 28th January 2021.

- 4.12 Since April significant progress has been made with the use of the Orchard Void Management module. This has had to be designed, configured and implemented from “scratch” and then trained out across a number of teams involved in the management of empty properties. Whilst not totally complete this is a vast improvement on paper and spreadsheet-based systems that were in use previously, providing the capacity for auditable and measurable progress through the various stages of reletting property.
- 4.13 The Orchard Void Property module is now constructed so that the status of each property in the void process is clearly identified. The functionality of this module means that data can now be provided to measure performance against timescales at each stage of the process. This data is now being used to drive improvements in the

process and identify blockages. It provides accurate and up to date information which previously was only being partially collected on a number of diffuse spreadsheets which were not able to summarise or report on progress.

- 4.14 Members of this Committee may be aware that there are a number of outstanding recommendations from the Housing Repairs Audit that rely on the upgrading of the Orchard Repairs module generally. Specifically, these refer to the introduction of “mobile working” These recommendations will also impact on the management of the repair of void properties and provide the capacity for inspection and survey data to be captured electronically on site and linked directly to Schedule of Works orders. This will reduce the time taken to complete inspections and raise orders. It will also assist in managing the process so that orders are accurate with fewer variations.
- 4.15 The full mobile working system is being demonstrated to the staff team on 14th December 2022 with an outline timetable for completion in late 2023. In the meantime, an interim work around method for producing job tickets electronically is being trialled. The possibility of completing property survey documentation is being investigated with Orchard the current IT provider.

4.16 Allocations/Hard to Let Properties

- 4.17 The Jigsaw Housing Allocations /Choice Based Lettings system went live in January 2022. This provides the online advertising of properties in line with the Councils allocations policy.
- 4.18 The advertising of each individual vacant property is completed at the earliest opportunity – once an estimated date for completion of works is agreed. This will depend on the scope and scale of works required. The housing Solutions and support Team has identified other online vehicles for the advertising of eight current hard to let first and second floor “sheltered” flats which will be pursued further subject to compliance with the Councils Allocations Policy.
- 4.19 During this financial year 229 properties have been advertised for letting through the Councils Jigsaw, Choice Based Lettings system. 106 of these properties were with Housing Associations, 113 with the Council. There was an average of 27 bids for each property. Housing Association properties attracted an average of 37 bids per property with Council properties only receiving an average of 20 bids. Ten or less bids were received on 37 Council properties.
- 4.20 Of the Council properties 66 (58%) of properties advertised were flats which received an average of 13 bids. Of these 29 were sheltered flats,
- 4.21 In summary, council flats, (especially sheltered flats) which make up the majority of properties advertised are relatively more difficult to let than other social rented properties in the district.
- 4.22 This issue was identified in the report to Housing and Community Services Committee in April 2019, Internal Audit have agreed to review the current stock of “Sheltered Housing “to consider whether these properties especially those on the first and second floor are appropriate for this type of housing. The recommendations and responses arising from this review will form part of a report to the Audit Subcommittee.

4.23 Performance

The operation of the relet- repair process is managed through a weekly operational planning meeting between SDDC and Novus and daily contact to confirm progress. A weekly management is chaired by the Head of Housing. Overall performance is contained in a monthly contract report which is then reviewed at a monthly Contract meeting. During the first quarter of the year Novus returned 15 properties as being ready to let with no properties returned within target. A range of reasons for this performance were suggested: including delays in electrical certification, shortage of skilled labour/subcontractors, absence of key staff and the inaccuracy of SDDC survey and works order information.

During the second quarter completions increased with 33 properties being returned, three within target. The performance issue was escalated again via the Head of Housing to the Regional Director of Novus, who were invited to attend Overview and Scrutiny Committee in October 2022. Their presentation to this meeting confirmed their commitment to increase completions to 8 per week in order to resolve the backlog of properties and assist in reducing overall relet times. Whilst progress has been made on improving IT, processes and procedures, clearing meters etc, this has not yet been translated into improved performance of Average Relet time for properties already in the backlog. These changes and the proposed actions will make an impact on ensuring these properties are let and also that newly arising properties are let more quickly

4.24 The position at 14/11/22 compared with the position reported to Housing and Community Services Committee in April 2022 is shown in the table below, it is important to note that Since 1/4/2022 a further 211 tenancies have been terminated by outgoing tenants. 20 of these are under notice and not vacant. 83 Properties have been relet.

Relet stage	March 2021	March 2022	Nov 2022	Dec 6th 2022
Awaiting Meter check/survey	8	12	19	44
Contractor	54	19	54	42
Final check	20	19	13	3
Ready to let	29	32	12	15
total	111	82	98	104

The table confirms that from April to November 2022 the number of properties being processed towards reletting has not kept pace with new terminations nor has it made sufficient progress with dealing with properties in the backlog.

NOVUS acknowledged in their presentation to Overview and Scrutiny Committee on 12th October 2022 the challenges that they had faced with regard to delivering EICR and works to void properties and confirmed their commitment to improve the position in both areas along with the actions in place to deliver this.

4.25 The outline target of 8 completions per week included in the improvement plan had already been discussed with NOVUS and was acknowledged in their presentation to the Committee.

4.26 The reconfigured Orchard system now gives the Council a more robust means to monitor performance at each stage of the relet process. The Housing Team have been able to provide data that illustrates the performance of the repair part of the process. The table below shows the number of properties returned by NOVUS to the Council in Quarter 2 and also so far in Quarter 3 of this financial year.

	Quarter 2	%	Quarter 3	%
Repair Time	Number of Properties		Number of properties	
Less than 30 Days	3	9%	8	28%
30-60 Days	2	7%	5	17%
61-90 Days	12	36%	3	10%
90-291 days	16	48%	13	45%
Total	33	100%	29	100%

4.27 It is clear that the return rate for properties has picked up so far during Quarter 3. It is also clear that a greater proportion of properties are being returned on target. Whilst this is positive the return rate is not yet at the 8 properties per week agreed by NOVUS.

4.28 As described above, the analysis of the data provided thus far shows that around 30% of properties require additional works which must be authorised through a Variation order. This increased both the works time and also the time take to re inspect and certify property.

4.29 A revised Improvement Plan has been prepared to address performance issues with all contractors involved in the void process and also with Council teams that are involved. The Improvement Plan is below. This will be managed by the Head of Housing; It includes specific actions for the new repairs Manager and the additional surveyor resource in order to make immediate progress to improve performance.

4.30 **Targets and assumptions**

Assuming that terminations continue at the same rate of an average of 6 per week, then a further 108 tenancies can be expected to terminate by the end of the financial year. Whilst there are on average 6 terminations per week over the year, this has slowed in the last few weeks with only 2 tenancies expected to terminate on the last two Mondays in December.

To achieve a target of there being no properties being vacant for more than 8 weeks (56) calendar days by 1/4/23 this would require the current voids (98) plus a further 60 properties to be let at around 8 lettings per week. (This includes an assumption that properties will not be let on 26th December or 2nd January).

Letting the current /backlog of voids at the same rate with the expected 60 new voids a target of 30 days will reduce void relet time to 82.59 days by the end of the financial year. Letting the void properties that are expected to arise in February and March under the new processes will reduce relet times to 56 Days within April with a target to achieve a relet time of 30 days before the end of the first quarter on 2023/24.

SDDC Void /Relet Improvement Plan 2022/23 Targets: • No Property (other than redevelopment /hard to let properties) vacant for longer than 8 weeks @ 1/4/23 • Average time of current voids to be 56 days by 1/4/23	Target	Complete	Owner	Comment
IT	Target	Complete	Owner	Comments
Direct IT Link from Orchard to contractors	1/3/23	No	Head of Housing/IT Project Support/NOVUS	Will improve process for placing orders for all repair work
PROCESS /PROCEDURE				
New process documented	1/10/22	Yes	Head of Housing/Policy and Performance Officer	The process map is attached at Appendix A.
Communications in place with SDDC staff team	28/11/22	Yes	Head of Housing/Policy and Performance Officer	
Voids planning and contract monitoring meetings in place	5/12/22	Yes	Head of Housing/Repairs Manager	
Sign off /handover documentation to be agreed	5/12/22		Head of Housing/Repairs Manager/NOVUS	
“New” Process to be applied to all properties currently under notice	5/12/22		Head of Housing/Repairs Manager /NOVUS	
Current Voids @14/11/22				
Target Date for Outstanding EICRS	2/12/22		Head of Housing/Asset and Improvement Manager/NEWAY/NOVUS	
Target dates for Meter Clearances agreed	5/12/22	Yes	Head of Housing/Repairs Manager	
Target dates for SDDC surveys agreed	5/12/22	Yes	Head of Housing/Repairs	

			Manager	
Target dates for outstanding safety certificates	2/12/22	Yes	Head of Housing/Asset and Improvement Manager	
Expected Completion dates for properties under repair agreed	2/12/22	Yes	Head of Housing/Repair Manager NOVUS	
Review and revise Survey reports	16/12/22	In Progress	Head of Housing/Repairs Manager	
Individual Property Plan	9/12/22	Yes	Head of housing/Repairs Manager /NOVUS	Attached at Appendix B
Fast Track for minor works	9/12/22	Yes	Head of Housing/ Manager/NOVUS	
Clarify "Lettable standard"	20/12/22	In Progress	Head of Housing/Novus	To reduce number of variation orders

Managing the Plan

- 4.31 As included in the table above, a works plan has been provided by NOVUS and is attached at Appendix B. The first phase of this plan details the duration of works on vacant properties up to the end of January 2023. There are a further 23 properties which will be planned once the Council has completed revised surveys and provided accurate specifications for the works. This is scheduled to be complete by 16/12/22.
- 4.32 It is expected that within the 23 properties awaiting survey will be a number of minor works voids that will be "fast tracked" for completion to add to the weekly completions identified in the plan.
- 4.33 Weekly planning meetings for void properties have been in place for some time with "front line" Council and NOVUS colleagues in attendance. The wider contractual issues are covered through the existing "whole house" contract meetings chaired by the Asset and Improvement Manager.
- 4.34 The Head of Housing will now also chair an additional meeting of SDDC and NOVUS management colleagues to review progress towards the targets identified.
- 4.35 In the short term the additional surveyor resource has been employed to update and correct all the surveys for existing vacant properties. This will remove the potential for delays due additional works or variation orders.
- 4.36 NOVUS have also confirmed their current level of resource employed to deliver the contents of the plan.
- 4.37 As a further contingency measure. The Councils procurement advisors have been asked to draft an "expression of interest" document to issue to contractors in the Efficiency East Midlands (EEM) Framework to ascertain whether there is any interest

or capacity in completing void property works. Earlier informal enquiries did not receive a positive response.

5.0 Financial Implications

- 5.1 The Financial Implications section of the report to Finance & Management Committee 24th November 2022. The reported stated that rental income is lower in year due to the average level of voids which is currently around 100 properties per month, together with the time being taken to relet voids, which on average currently stands at 183 days. The loss forecast for 2022/23 is £417k.
- 5.2 The assumptions applied to the calculations of rental income for the 2023/24 budget is for the level of voids to remain at 3.41% (100 voids) in 2023/24 reducing to 2.39% (70 voids) in 2024/25 and levelling back to 1.71% (50 voids) thereafter.
- 5.3 The effect of using these assumptions on the rental income budget for 2023/24 vary the rental income receivable from £13,065m at 3.41% (100), £13,204 at 2.39% (70) and £13,296m at 1.71% (50) this illustrates the impact on income depending on the level of voids.

6.0 Corporate Implications

Employment Implications

- 6.1 There are no direct employment implications contained within this report

Legal Implications

- 6.2 There are no direct Legal implications contained within this report.

Corporate Plan Implications

- 6.3 The contents of this report directly contribute to the aims within the Corporate Plan to: Support and safeguarding the most vulnerable. With partners encourage independent living and keep residents healthy and happy in their homes.
Promote health and wellbeing across the district.
Improve the condition of housing stock and public buildings.

Risk Impact

- 6.4 A number of Risks have been identified that could impact on the delivery of this plan.
- A higher number of terminations than expected.
 - Loss of skilled contractor labour
 - Loss of Skilled SDDC supervisory colleagues (electrical /gas Project officers)
 - Harder to let properties becoming vacant. Around 20% of vacant properties are consistently first and second floor sheltered flats with low demand.

7.0 Community Impact

Consultation

7.1 The process for reletting Council properties will be on an agenda for the Tenants Voice Group meeting in early 2023.

Equality and Diversity Impact

7.2 There is direct Equality and Diversity impact contained within this report.

Social Value Impact

7.3

Environmental Sustainability

7.4 There are no direct environmental sustainability impacts within this report.

8.0 Conclusions

8.1 Whilst progress has been made with implementing new operating and monitoring systems for repairs this has only made a modest impact on repairs performance.

8.2 An improvement plan is necessary to deliver the much needs performance improvements.

9.0 Background Papers

Housing and Community Services Committee 19th April 2022 Council House Reletting Overview and Scrutiny Committee 12th October 2022 Novus Presentation
Housing and Community Services Committee 17th November 2022 – Corporate Performance Report.

Notes:

- * Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- ** Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- *** Committee Terms Of Reference in [Responsibility for Functions - Committees](#).