

COMMUNITY, HOUSING & ASSETS OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Tuesday 27 th September 2022
Report Subject	Void Management
Cabinet Member	Cabinet Member for Housing and Regeneration
Report Author	Chief Officer (Housing and Communities)
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on voids management and delivery.

The Housing and Assets Service housing stock consists of circa 7,300 properties. The service refurbishes an average 550 empty properties annually, with works varying from minor to major general maintenance and repair works.

The Housing and Revenue account is a ring fenced account derived from rental income in the main and Welsh Government funding.

The average age of the Councils housing stock is considered to be some of the oldest in the United Kingdom and they are also considerably older than many nearby Local Housing Associations housing stock. As a result, there are many challenges and obstacles that arise when completing refurbishment and capital investment works to these older properties.

RECOMMENDATIONS

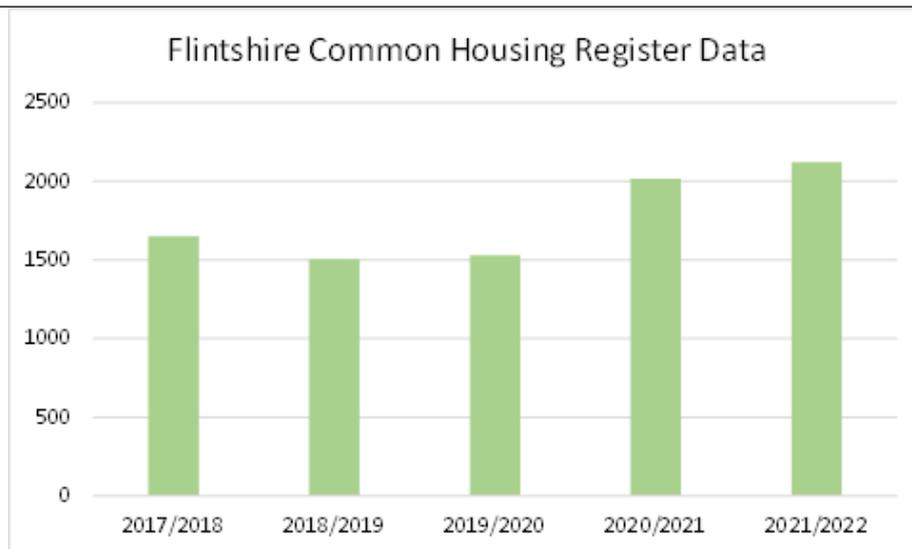
1	Community, Housing and Assets, Overview and Scrutiny Committee note the increasing pressures and challenges impacting on service delivery across the Housing and Communities Portfolio
2	Community, Housing and Assets, Overview and Scrutiny Committee to support the proposals for addressing the challenges identified

REPORT DETAIL

1.00	EXPLAINING VOIDS MANAGEMENT
1.01	<p>Background</p> <p>Empty properties or voids happen when a tenant leaves one of our Council owned housing units. It creates an opportunity to review, modernise and reoccupy and has a number of cross cutting service links through Housing Management, from the receipt of the void by housing management, the refurbishment of the void to prepare it for reoccupation and the re-letting of the property to those on the General Housing Register.</p> <p>The pandemic, Brexit and now the war in Ukraine have created a number of challenges for the Housing Service in how we progress our empty properties, these include the availability of skilled resources, raw materials and linked price increases, all of this impacts negatively on void delivery and turnaround times.</p>
1.02	<p>End to end process</p> <p>The diagram (also attached at appendix 1) outlines the various stages in managing a void property from receipt of the notice to allocation and induction visits for tenants.</p> <p>Each stage can be subject to delays, depending upon complexities surrounding the tenancy (support needs and equipment) and the condition of the asset (outstanding upgrade works or previous access issues).</p>
1.03	<p>Voids Targets</p> <p>To enable us to monitor performance on void refurbishment there are agreed targets and timescales in place. The measures and key performance indicators (KPI's) within the service are also used to benchmark the service and Council performance against neighbouring authorities and through The Association for Public Service Excellence (APSE) and HouseMark.</p> <p>The target timescales for the refurbishment of a property classified as a minor void is 20 working days. This classification is for any works associated with minor repairs, decoration, statutory safety checks and servicing.</p>

	<p>The target timescales for the refurbishment of a property classified as a major void is 45 working days. This classification is for any works associated with major repairs, major plastering works, capital investment works such as component renewals (kitchen / bathroom / heating etc.), safety checks and servicing.</p> <p>Approximately 70% of current void properties are completed within the target period noted above.</p> <p>Average costs for refurbishment of void properties range from £1,500 for a minor void to an average of £9,000 for a major void property.</p> <p>There are void properties that exceed these costs, where properties are subject to major refurbishment works. This can be due to the property reaching a state of disrepair, where the tenant has failed to report any defects or where the Council has experienced access issues, such as when major capital refurbishment works were due to be completed. The cost of refurbishing these properties can increase to £25,000-£45,000.</p> <p>Those void properties, which require more work and expenditure than a typical minor or major void property, impact negatively upon budgets, resources and the ability to manage the overall void refurbishment programme.</p> <p>The recently implemented new housing 'patch' areas will assist with ensuring we are proactively addressing disrepair and refurbishment works before the asset/component deteriorates further through engagement. This will allow Housing Officers to be proactive in identifying and reporting asset concerns and ensuring tenants are reporting property repairs proactively.</p> <p>A large percentage of the costs and time in properties, relates to internal works, such as plastering and external garden works, such as garden clearances and works to footpaths and boundaries.</p> <p>Our void turnover equates to approximately 7.4%, based on an average of 550 void properties refurbished annually, with the average across the United Kingdom ranging from 5%-11%.</p> <p>Equally, our current void backlog equates to 2.9%, based upon a current backlog of 209 void properties as of 9th August 2022. Neighbouring Councils are currently averaging similar void backlog percentages of 3.1%.</p>
1.04	<p>Neighbourhood Housing – Estate Management</p> <p>There is an operational review of the estate management function ongoing. During the last 12 months some significant changes and improvements have been implemented.</p> <ol style="list-style-type: none"> 1) New Customer and Secure tenancy teams were merged creating a generic housing management function. This has led to the officer's having smaller more manageable 'patches' which are aligned to the ward boundaries. This change will enable the teams to build and grow their relationships with the tenants; be more aware of issues at

	<p>an earlier stage to enable early intervention around property condition or tenancy issues.</p> <p>The change will enable the housing officers to visit more properties more often, ensuring welfare and tenancy checks are completed on a regular basis and that any issues or damages are dealt with in a proactive manner. We will also ensure feedback on the service we provide is captured through these visits, with all appointments being recorded on our housing systems.</p> <ol style="list-style-type: none"> 2) Introduction of two new posts in relation to tenancy sustainment to support tenants and encourage engagement at an early stage so as to avoid escalation to enforcement of the tenancy 3) Specific allocations role introduced and is being piloted with a small team taking overall responsibility for the allocations process, this has proved successful in terms of providing a single point of contact that has an overview of the whole of the void stock profile. The team are able to work with prospective tenants and service areas to ensure that allocations are made as early as possible in order to secure the property for the incoming tenant. The team maintain contact with the incoming tenants during the void periods to update on progress. <p>The teams conduct pre-termination visits on all properties during the notice period, this serves to address any issues that the outgoing tenant needs to address prior to their vacation and also provides early general indication of the level of void work required when it moves to the void works phase.</p> <p>It needs to be noted that we don't always receive notice of a tenancy termination, i.e. when the tenant passes away or the property is abandoned. In cases such as this, the visit is carried out as soon as possible once we receive the keys or gain access to the property.</p>
1.05	<p>Housing Pressures - Housing Need Common Housing Register</p> <p>Social housing is in significant demand. The Common Housing Register captures the information about all those applicants who qualify for social housing. In Flintshire we operate a shared Policy with our Housing Association Partners (Common Allocations Policy) and Flintshire administers the Common Housing Register for the Council and Housing Association Partners.</p> <p>The Common Housing Register can only be accessed by those applicants who are eligible for housing as per the Common Allocations Policy. This Policy ensures that the level of demand for social housing is not inflated by those people who “want” social housing, as opposed to those who “need” social housing. Having a needs based Housing Register gives a truer reflection of need and also ensures the scarce resource that is social housing, goes to the people in greatest need.</p> <p>Detailed below is a chart which evidences a significant increase in the level of housing need and the numbers of applicants accepted onto the Common Housing Register in Flintshire over a 5 year period.</p>



Housing Needs Data Common Housing Register LIVE Apps	
2017/2018	1651
2018/2019	1507
2019/2020	1529
2020/2021	2015
2021/2022	2123

This clearly shows an increase in demand for social housing over a number of years – a 28.59% increase over 5 years. This data reflects all housing need and not just those of people experiencing homeless. As of the end of Q1 2022/2023 the level of demand for the housing register was 2288 and with the cost of living crisis and increasing pressures around homelessness in Wales, it is anticipated the numbers will increase further in the coming months and years.

2.00	RESOURCE IMPLICATIONS
2.01	<p>Staff</p> <p>During the past six months the Voids Team have experienced a turnover of staff and other absences. The existing Voids Team consists of:</p> <ul style="list-style-type: none"> • Operations Manager x1 - Oversees Void refurbishment works and overall delivery • Team Leaders x3 - Responsible for managing the refurbishment work element and to monitor the progress of each void property through to completion and handover • Void Inspectors x2 - Responsible for inspecting the void property and undertaking detailed surveys, along with scheduling the required works. <p>The Voids Team continues to experience staff absence, with two of the team leaders currently absent. This is impacting on the ability of the team to manage the number of void properties, void backlog and manage those works allocated to external contractors.</p>

	<p>A number of activities have been undertaken to address the challenges outlined in the report including:</p> <ul style="list-style-type: none"> • New Allocations Process - Completed • Securing of additional Grant Funding (£200,000 awarded for the Transitional Accommodation Capital Programme) - Secured • Capital Works Team Leader assigned to Void Delivery - Completed • Capital Works Surveyor allocated a percentage of Major Voids with new Contractor(s) – Competed <p>In addition, the following activities are proposed to further build resilience in void management and to reduce the current backlog:</p> <ul style="list-style-type: none"> • Additional posts to address current backlog - Actively Planned • Additional resource allocated to Void Inspections - Actively Planned • Additional training, robust inspection templates and guides - Ongoing • Building in resilience (Assistant posts & Succession Planning) – Ongoing
2.02	<p>Budgets</p> <p>Our budgets are constantly being stretched in terms of labour and materials, the current economic climate is not assisting in this respect. In addition, Welsh Government are in the process of increasing their standards with regards to the Welsh Housing Quality Standards (WHQS) and Decarbonisation, including obligating the Council to undertake some of these works whilst the property is empty, i.e. Floor coverings etc..</p> <p>The age and condition of the stock (Wales has oldest average stock in the UK) is also impacting upon our budgets, increasing the likelihood of the asset requiring more extensive refurbishment i.e. plastering.</p> <p>The impact of Brexit on our supply chain and material availability, has impacted our budgets due the increase in labour and materials. The limited availability of materials and delays receiving them, means the Council are often subject to multiple delivery charges and associated management fees for those deliveries. As a result, materials that would have been previously received in one delivery, are now received over multiple deliveries spanning across multiple days & weeks.</p> <p>We must secure additional funding if we are to meet Welsh Governments new WHQS standards, the decarbonisation agenda and address the backlog of properties that are currently not tenanted.</p> <p>The Council has recently been successful in securing additional funding to assist with accelerating the refurbishment works to some of our void properties, this amounts to over £200k in grant funding.</p> <p>Further grant funding availability is being explored with a view to submitting further bids.</p>
2.03	<p>Contractors</p> <p>The Voids Team are in the process re-tendering to procure additional contactors. The current contract arrangement means we only have access</p>

	<p>to one Contractor. The re-tendering exercise will increase resilience, whilst ensuring newly procured contracts are held accountable to performance targets and robustly managed through our existing Capital Works regimes.</p>
2.04	<p>Materials/ Suppliers</p> <p>There have been multiple material and supply issues over the past 24 months, with delays becoming difficult to manage and track, and additional work involved in monitoring and managing these delays. The service has experienced significant issues compared with the usual timeframes, e.g. windows and glazing being delayed by 15 weeks compared to the previous timescale of 2-3 weeks. To ensure we have remained as efficient as possible these delays have resulted in work being halted and our resource teams reallocated to alternative void properties.</p> <p>As per 2.03 above, the service will be procuring additional suppliers and ensuring existing arrangements are robust to mitigate any future supply issues and provide alternative solutions if needed.</p>
2.05	<p>Procurement - Void Refurbishment Framework</p> <p>The service is in the process of completing the necessary tender documentation and propose to finalise the tender in the next three months.</p> <p>The Council is also in the process of trailing new contractors, in anticipation of new framework going live.</p>
2.06	<p>Stock Condition Surveys & Inspection</p> <p>The service is working towards completing a full stock condition survey along with inspecting the void properties that are within the backlog of properties.</p> <p>This will provide the service with increased stock data and component condition and replacement cycles, and will enable the teams to work more efficiently with regards to programming and scheduling the void property works.</p>
2.07	<p>COVID Pandemic</p> <p>The pandemic has had a major impact upon service delivery and has resulted in the backlog of properties that require refurbishment.</p> <p>During this period, only one trade operative could access and remain in the void property at any time, thus extending the work durations impacting upon work schedules and sequencing etc.</p>
2.08	<p>Energy Supplies - Meters</p> <p>The clearance of debt on any meter supply impacts upon the Councils ability to deliver the refurbishment works and safety checks to each empty property along with the Councils ability to let a property.</p> <p>We are in the process of procuring a new company (Energy Angels) who will assist the Council with engaging with the various Energy Suppliers and debt clearance of energy supplier's meters etc.</p>

2.09	<p>Void Working Group</p> <p>The service has established a void working group. Since January 2022, key teams and officers have been involved in a full review of our standards, processes and specifications. We have implemented solutions and measures which will improve not only the end to end process, but will build resilience within the delivery model and will see increased efficiencies with regards to turn round times and associated costs.</p>
2.10	<p>Performance</p> <p>The performance of the voids delivery framework along with the associated teams (Voids & Housing) are in the process of implementing performance measures which will identify and support the service areas with addressing any issues or delays.</p> <p>The performance will be managed through monthly meetings and reported through our Open Housing system.</p> <p>Following the changes made to the allocation process and also the planned improvements to the void refurbishment process (additional resources and monitoring reports) the Council have forecasted a downward trend over the next 12months (subject to the challenges and external factors as detailed in the main body of this report).</p>
2.11	<p>Update Report</p> <p>A regular update report will be presented to capture progress and to measure the performance of our new contractor framework, quality of works and successful allocations.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>As paragraphs 2.05 and 2.09, the Council has commenced with a full review of the end to end process and involved all key stakeholders from within the Portfolio and have also liaised with other Councils and RSL's.</p> <p>The Housing & Assets service are in the process of procuring a framework of contractors and suppliers to mitigate risks in terms of contractor resource and material supply and to also provide assurance with regards to associated costs, which impact upon our budgets etc.</p>

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	<ul style="list-style-type: none"> • Void Workshops - Internal Stakeholders (Feedback etc.) • Welsh Government • Local Councils • RSL's • Housing Board - Regular Update Report • Discussions have taken place internally and with colleagues from other Local Authorities to shape and inform the proposals within this report.

5.00	APPENDICES
5.01	Appendix 1 - End to End Process.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	https://www.flintshire.gov.uk/en/Resident/Housing/Housing-Policies-and-Procedures/Welsh-Housing-Quality-Standard-WHQS.aspx
6.02	https://www.flintshire.gov.uk/en/Resident/Housing/Condensation-and-Mould-Advice.aspx
6.03	https://www.flintshire.gov.uk/en/Resident/Housing/Housing-Improvements-and-Repairs.aspx

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officers: Sean O'Donnell (Service Manager - Housing Assets) sean.o'donnell@flintshire.gov.uk</p> <p>Jen Griffiths (Service Manager - Housing Management, Benefit Service including Disabled Facilities Grants) Jen.Griffiths@flintshire.gov.uk</p> <p>Martin Cooil (Service Manager - Housing & Prevention) Martin.Cooil@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>The Welsh Housing Quality Standard (WHQS): is a national standard of quality for homes. This is set by the Welsh Government. It means that all tenants in Wales should have the opportunity to live in good quality homes which meet the requirements of that household.</p> <p>Brexit: is an abbreviation of two English words: 'Britain' and 'exit' and refers to the withdrawal process of the United Kingdom (UK) from the European Union (EU).</p> <p>Financial Year: the period of 12 months commencing on 1 April.</p>

Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.

Contract Framework: A Contract Framework is an agreement between one or more contracting authorities and one or more economic operators. These frameworks have Contractors, Consultants and Suppliers that have been successful in joining the specific work categories.

The Council often uses these frameworks to procure works that have already gone through a tender process in line with OJEU and can be utilised to procure works or services.

They are often the most economic advantage in terms of value for money and local training provision.

HRA: The Housing Revenue Account is a ring fenced account derived from rental income and in the main, Welsh Government funding.

Components: A part or element such as an assets amenities (Kitchen Bathroom, Boiler, Roof, Windows, Doors etc.)