

## COMMUNITY, HOUSING & ASSETS OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday 10 <sup>th</sup> November 2021
<b>Report Subject</b>	Void Properties within the Housing Revenue Account
<b>Cabinet Member</b>	Cabinet Member for Housing
<b>Report Author</b>	Chief Executive
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Letting voids as efficiently and effectively as possible is essential in order to ensure that customers receive much needed accommodation and rent loss is minimized. The voids process combines the role of the Housing Assets Service to make the empty property ready to let and undertake essential safety checks and the housing management service whom allocate the property and sign up the new tenant.

On average each year the service will receive between 500 and 600 void properties. The Covid 19 pandemic affected many areas of business and the voids service was significantly impacted as a result on restrictions with movement limiting sign ups and health and safety requirements which prevented no more than two people working in any one property having a substantial and sustained impact upon the number of voids being managed by the service and the time taken to re-let them.

Both the housing management and housing asset service have undertaken a number of initiatives and made a number of changes in order to re-let more properties more quickly. Some of these initiatives will take some time to become embedded, however, the foundations are now in place and the benefits of the changes made should start to be realised in the third quarter of the current financial year.

Improving performance in relation to voids is a top priority for the service and the measures outlined within the report should support the service objective of letting properties as efficiently and cost effectively as possible.

## RECOMMENDATIONS

1	That Scrutiny note the update in relation to voids managed by the Housing and Assets Service and provide any comments or observations.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE VOID PROPERTIES WITHIN THE HOUSING REVENUE ACCOUNT</b>																		
1.01	Letting voids as efficiently and effectively as possible are essential in order to ensure that customers receive much needed accommodation and rent loss is minimised. The voids process combines the role of the Housing Assets Service to make the empty property ready to let and undertake essential safety checks and the housing management service whom allocate the property and sign up the new tenant.																		
1.02	<p>On average each year the service will receive between 500 and 600 void properties. A breakdown of voids since 2015 is outlined in table one below:</p> <p><b>Table One</b></p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Financial Year</th> <th>Number of Voids</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>575</td> </tr> <tr> <td>2016</td> <td>591</td> </tr> <tr> <td>2017</td> <td>531</td> </tr> <tr> <td>2018</td> <td>567</td> </tr> <tr> <td>2019</td> <td>485</td> </tr> <tr> <td>2020</td> <td>511</td> </tr> <tr> <td>2021*</td> <td>319</td> </tr> <tr> <td colspan="2" style="text-align: center;">*Figures for the year to date</td> </tr> </tbody> </table>	Financial Year	Number of Voids	2015	575	2016	591	2017	531	2018	567	2019	485	2020	511	2021*	319	*Figures for the year to date	
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1.03	When considering the reasons for voids becoming available analysis has identified that the biggest single factor for voids is due to the previous tenant becoming deceased. Given that over one third of the housing stock is classified as sheltered housing containing a higher cohort of more elderly and vulnerable tenants then this statistic should not be surprising. Another major reason for void properties occurring is due to tenants transferring into extra care/ residential care. Once again given the high volume of sheltered housing stock this is to be expected.																		
1.04	Members will note that officers are currently undertaking a review of sheltered housing in order to ensure all schemes are sustainable and where they are not then officers shall provide Members with recommendations for consideration. It is expected that further update reports regarding the sheltered housing review shall be shared with members in the coming months.																		
1.05	The other major reason for tenancy terminations is due to internal transfers. There are a wide range of reasons why transfers are required																		

	including over/under occupation, medical need and support requirements to name but a few. The service shall always seek to place tenants in homes which are suitable for their need but as needs and circumstances change the service must respond in a positive and compliant way.																					
1.06	Transfers to another FCC/RSL property last year accounted for 29% of overall terminations. Whilst this may be viewed as a reward for some tenants, there are many reasons why transfers are essential and contributes to tenants being housed in properties that are safe and secure, affordable and meet their housing needs.																					
1.07	Some of the main reasons for a tenant requiring a transfer are: <ul style="list-style-type: none"> <li>• Under-occupying their home and subject to the bedroom tax</li> <li>• Living in overcrowded conditions and need for space</li> <li>• Have developed mobility or health problems and need to move to more suitable accommodation or ground floor</li> <li>• Need to be closer to relatives to provide support</li> <li>• An older person wanting to downsize to sheltered bungalow</li> <li>• Are experiencing harassment or anti-social behaviour</li> </ul>																					
1.08	Transfers are managed through the Common Housing register and tenants are required to demonstrate a need for the move. There will be occasions where more urgent moves are required and this will be facilitated through a Management Move.																					
1.09	Whilst it is recognised that enabling tenants to transfer will encourage mobility, help create sustainable communities and makes best use of our housing stock it is also important to recognise that our existing tenants also have a duty to take reasonable care of their property and vacate a property that is in good and lettable condition in order to minimise the financial impact on the Housing service. There are occasions where this is not the case which results in the void taking longer than it should to be made ready to let.																					
1.10	Mutual exchange is another means for a secure tenant to move by swapping homes with another social housing resident. A tenant does require permission in order to exchange their tenancy, however, there are only certain circumstances when this can be refused.																					
1.11	<p><b>Reasons for Tenancy Terminations</b></p> <table border="1"> <thead> <tr> <th>Tenancy End Reason</th> <th>Reasons for Termination of Tenancies April 2020 – March 2021</th> <th>Reasons for Termination of Tenancies April 2021 – July 2021</th> </tr> </thead> <tbody> <tr> <td>Abandoned</td> <td>1</td> <td>3</td> </tr> <tr> <td>Buying Another Property</td> <td>10</td> <td>6</td> </tr> <tr> <td>Decant Tenancy End Period</td> <td>4</td> <td>1</td> </tr> <tr> <td>Deceased</td> <td>134</td> <td>60</td> </tr> <tr> <td>Move to More Cost Effective Accommodation</td> <td>9</td> <td>5</td> </tr> <tr> <td>Move On</td> <td>5</td> <td>1</td> </tr> </tbody> </table>	Tenancy End Reason	Reasons for Termination of Tenancies April 2020 – March 2021	Reasons for Termination of Tenancies April 2021 – July 2021	Abandoned	1	3	Buying Another Property	10	6	Decant Tenancy End Period	4	1	Deceased	134	60	Move to More Cost Effective Accommodation	9	5	Move On	5	1
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	Move to LCHO/Owner Occupation/ Private Rented	44	11
	Mutual Exchange	11	5
	New Let	1	2
	Other	54	23
	Residential Care	52	34
	Tenant Moved to another LA/ RSL Tenancy	28	18
	Transfer to FCC Property	111	35
1.12	Whilst most stock is attractive and sustainable there are a relatively small number of properties which are deemed to be more difficult to let and which require a more bespoke and targeted approach to let the stock.		
1.13	In order to meet this challenge the housing management service are developing a number of tools and techniques to attract interest in empty properties and develop a healthy waiting list for all stock in all areas.		
1.14	Both the Housing Asset and Housing Management teams are committed to letting more properties more quickly and a range of initiatives have been undertaken in order to attain this objective which are outlined below for information.		
1.15	<p><b>Housing Asset Service</b></p> <p>The service presently undertake all routine void works in house and perform well with a track record of meeting void key performance indicators for routine voids. Major voids, which may require asbestos works or major components replacements (electrical rewire, new kitchen, bathroom etc.) are mainly undertaken by an external contractor. Over time the number of contractors available to the service through the voids framework has reduced and the service has been reliant upon one local contractor who most recently has not had the capacity to manage the number of major voids that require being made ready to let.</p>		
1.16	In response to this challenge the service has utilised two further approved contractors to undertake void works and are in the process of procuring a new voids framework agreement which will provide the service with a wider range of contractors with the capacity and capability to complete void works more efficiently and effectively.		
1.17	The service is exploring the potential to provide a number of routine voids to the responsive repairs service to make ready to let.		
1.18	Work has been undertaken to review the Void definition for Major Voids and Routine Voids in order to ensure that the right balance is struck between voids which can be undertaken in-house and voids which require completion by an external contractor.		
1.19	The void service recently moved from paper tickets to receiving and completing works via Personal Digital Assistants (PDAs). This should help to improve the efficiency and effectiveness of the service and make it easier to track progress of work and appraise performance.		

1.20	The service has identified the need to add some capacity to the inspection service and has appointed an agency inspector to bring the number of void inspectors up to three full time staff. This will help provide cover for inspectors who are absent due to leave, sickness or training and ensure that delays due to inspections are minimised.
1.21	As a result of the pandemic, the need to socially distance and being mindful of Health and Safety Executive interventions where too many contractors or trades persons were working in a property at any one time, the Covid 19 risk assessment for the Housing Asset service was updated to state that no more than two persons should work in any one void property at the same time. This was done in order to protect staff in line with the Councils duty of care to its employees. Whilst this was the correct thing to do it did have a direct impact on how quickly void properties were made ready to let.
1.22	In September 2021 following the progress made with the vaccination roll out programme and in keeping with the removal of the most onerous restrictions as part of the opening up plans developed by Welsh Government the risk assessment was reviewed and the restrictions relating to only two persons working in a void property at any one time have now been relaxed. The risk assessment is a dynamic document and shall be kept under review in order to ensure that the service responds to any potential issues in a proactive and measured way.
1.23	On average the service has been receiving 9.5 voids each week since April 2021 whilst the service has been letting on average 6 voids per week. Through the above initiatives the service has been challenged to return at least twelve voids each week to housing management for letting (although this target may be difficult to attain consistently until the new voids procurement framework has been established).
1.24	<p><b>Housing Management Service</b></p> <p>The Housing Management Service have undertaken a number of initiatives to let properties more efficiently and effectively. In response to the pandemic and the restriction on movement which prevented applicants from physically visiting properties to view them. The service developed a video link so that applicants could view vacant properties via a virtual tour of the property. This enabled applicants to view properties safely and also speeded up decision making on offers. This facility was particularly helpful for applicants unable to view the property if they lived outside the local area.</p>
1.25	In addition, there has been some changes within the team with the introduction of new working arrangements. As of September 2021, Housing Officers now have smaller patch areas to manage and the role has been changed to that of a generic Housing Officer. This means that they will be responsible for all areas of Housing Management, from lettings to managing all aspects of neighbourhood issues. This will ensure that they will have a greater understanding of the neighbourhoods that they manage and will be more proactive and able to deal with issues at a much earlier stage.

1.26	<p>The Housing Management team are working closely with Homelessness colleagues to secure rapid rehousing for urgent homeless cases and have developed effective working initiatives with the Connects Team and Common Housing Register team in order to triage cases more effectively and to better manage the expectations of applicants regarding the realistic length of time they will have to wait for an offer if they opt not to be more flexible in their choice of area/ accommodation. Further work has also been undertaken in order to gain a better understanding of applicant's preferences by drilling down into area preferences to ensure that applicant's preferences are clearly understood so that they do not receive offers in any sub areas or schemes that they do not want.</p>
1.27	<p>The work on developing the priority system for prioritising void works allied to the better understanding of applicant preferences shall enable allocations, lettings and tenancy commencement to happen more efficiently and effectively.</p>
1.28	<p><b>Housing Waiting List</b></p> <p>Whilst it is recognised that the number of voids is significant this turnover of housing provides an opportunity to meet the housing needs of applicants accepted onto the Common Housing Register (at the time of reporting there are over 2000 live applications for social housing in Flintshire). There is however some disparity between the local housing needs and the supply of void properties for re-let by the Housing Service.</p>
1.29	<p>The following are all reasons why this disparity between supply (void properties) and demand (the properties routinely available and in the voids process) exists and creates not only operational challenges for the voids process, but also exacerbates unmet housing need in Flintshire:</p> <ul style="list-style-type: none"> <li>• Changing needs and aspirations of applicants within our older population <ul style="list-style-type: none"> <li>○ Preference for bungalows over flats</li> <li>○ Mobility issues meaning greater demand and need for ground floor and accessible accommodation</li> <li>○ Anxieties linked to high rise living (specific to Flint area)</li> </ul> </li> <li>• Expectations and needs of families shows a significant preferences for houses over flats, particularly within the two bed range, meaning two bed flats can be less desirable and harder to let. Factors that drive this include: <ul style="list-style-type: none"> <li>○ Access to gardens is a significant factor in accepting or declining offers</li> <li>○ Families navigating stairs for access to homes</li> <li>○ Suitability of flats for families with mobility issues</li> </ul> </li> <li>• Available housing doesn't always lend itself to adaptation for households with physical needs linked to mobility and disability. This is not always exclusively due to the property itself but also on occasion due to topography of estates and access to essential facilities such as parking or proximity to shops.</li> </ul>

- High demand for properties that have limited availability e.g. general needs one bed properties
- Properties available within areas of lower demand for issues such as but not limited to:
  - Community stigma
  - Community safety issues
  - Lack of public services
  - Rural locations

1.30

**Performance**

Outlined below at table 2 is the performance of the Housing Assets team for the last 5 years.

**Table 2**

Year	17/18	18/19	19/20	20/21	21/22*
Number of days	13061	11717	17089	14364	3128
Number of Voids	445	419	485	397	71
Days in Maintenance	29	28	35	36	44
Target * Quarter 1 Performance	32	32	32	32	32

1.31

The average void target is set at 32 days for all voids. The key performance indicator comprises the amalgamation of two distinct targets. The target set for routine voids being 20 days and the target for major voids being set at 45 days. The reason for the increase in void turnaround times reflect a combination of factors including the number of voids requiring making ready to let, the condition of the property returned to the Council, the over reliance upon one approved contractor and the social distancing restrictions which have reduced the number of operatives working in voids which has had a particularly pronounced impact upon major voids.

1.32

Void performance in the current financial year has been affected by a significant number of major voids and the time taken to complete them. During quarter 1 the service managed 71 voids of which 51 were major voids and 20 voids were routine. The major voids took on average 54 days to make ready to let against a target of 45 days. It is worth noting however that average figures are distorted when long terms voids are relet.

1.33

The major voids have been directly impacted by some of the supply shortages experienced across the country for example shortages of plaster, plasterboard, timber products and UPVC doors and fire doors. The lack of kitchens units caused significant delays as associated works for example rewires and plastering and tiling cannot be fully completed until the kitchen has been fitted. In response to this challenge the voids service

	<p>maximised the use of materials from the in-house stores and utilised spare kitchens retained by the capital works team. Whilst the supply shortages are not as acute as during the height of the pandemic it is clear that the pandemic has cast a long lasting shadow and the risk of the virus wreaking further havoc upon supply chains, staffing levels and further restrictions of movement should not be underestimated.</p>
1.34	<p>The service has learnt a lot during the past 12 months and is now better placed to manage these risks going forward. Furthermore, having a new void contractor framework in place will provide the service with a wider range of contractors and supply chains to choose from which should reduce the risk associated with supply shortages.</p>
1.35	<p>Whilst the performance on major voids has been significantly impacted by the issues mentioned above by contrast 20 routine voids were let in an average of 18 days against a target of 20 days. As can be seen from the above analysis the major problem rests presently with major voids. The voids contractor framework will help to improve the time taken to relet empty properties by having a range of good quality contractors to rely upon to make properties ready to let and inspectors have been instructed not to commission major works in voids if they are not immediately required.</p>
1.36	<p>The service has traditionally sought to undertake major works to empty properties to save inconvenience to an incoming tenant. Whilst this is a very customer focused approach and provides for a very good standard of accommodation conversely it does have the disadvantage of incurring additional rent loss. It is important that the service strikes the right balance here and there will be trade-offs between letting properties more quickly and the timing of improvement works as where it is reasonable and safe to do so works shall be undertaken when the tenant is in situ. Where works cannot be effectively undertaken when the property has been relet for example major plastering works or replacement of flooring or urgent works to replace heating systems for example then the works shall be undertaken whilst the property is void.</p>
1.37	<p>The number of voids being managed by the service in the current financial year have increased from 154 to 230 as at 4<sup>th</sup> October 2021. The reasons for the increase are attributable to the factors outlined above. The pandemic has had a significant and sustained impact upon how many voids were worked on and how quickly they were made ready to let.</p>
1.38	<p>It is unlikely that the number of voids have reached their peak. The service is confident, however, that due to the measures outlined above the number of voids are likely to start to reduce over time. However, as can be seen above the service is now having to manage an additional 100 voids compared to the number of voids in the system prior to the pandemic.</p>
1.39	<p>This shall have a substantial and sustained impact upon the service in making these properties ready to let and it is not unreasonable to assume that it may take another 9 to 12 months for voids to reach their pre-pandemic levels of around 130 empty properties.</p>

1.40	<p><b>Sector wide benchmarking data</b></p> <p>It is important to note that the most recent survey data from Housemark UK (Monthly Pulse Report) indicated that in September 2021 there was a 13% increase in the number of properties sitting vacant across the social housing sector. The report went on to state that anecdotally, 55% of landlords who experienced an increase in vacancies told Housemark that this was due to higher terminations, decreased resource, an increase in major voids and properties not being available to let, as well as materials and labour availability due to the 'Pandemic'.</p>
1.41	<p>All of the factors stated above have to a greater or lesser degree been observed within Flintshire and it would appear that the service is being impacted by a number of wider strategic issues associated with the pandemic. It is evident that the pandemic allied to some of the supply shortages as a result of Brexit have had a substantial and sustained impact upon the voids and lettings service within Flintshire and upon the social housing sector more broadly.</p>
1.42	<p>It is worth noting that whilst the worst effects of the pandemic would appear to be behind us the situation is still very fluid and could quickly change and escalate to cause similar problems and disruptions to services that were experienced in the first and second wave of the pandemic. It is therefore important that the service remains vigilant and the timeframe for recovery to a pre-pandemic level of voids has been developed with caution given the potential for further significant disruption over the winter period.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>Rent Loss associated with void properties is factored into the business plan as the service will never be in a position to have every property let due to the need to make voids ready to let and to complete all necessary safety and compliance works.</p>
2.02	<p>Due to the growth in voids this is having a direct impact upon rent loss as the target for voids is currently being exceeded with the void loss for 2021/22 financial year currently running at 2.59% compared to a business plan allowance of 2% void loss.</p>
2.03	<p>As mentioned above a number of measures have been taken to address the high number of voids which the service is currently experiencing and the number of voids is expected to slowly decrease and return to a more normal rate and level over the next 9 to 12 months. The re-designation of more routine voids and the appointment of a framework agreement for voids contractors shall be pivotally important in realising this objective.</p>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>The rent loss incurred as a result of voids is presently exceeding target as set within the business plan. The continuation of high levels of voids will reduce the income available to the service to invest in stock and to pay salaries.</p> <p>The current void percentage of 2.59% equates to rent loss £1,038,890 compared to a base business plan assumption of 2% which equates to £746,828 for voids. It is expected that the number of voids and level of rent loss shall reduce by year end but it is worth noting that escalation in voids and associated rent loss have taken a number of months to build up and it is estimated that it will take at least a further 9 – 12 months before the service is in a position to return void levels to a similar scale to where they were prior to the pandemic.</p>

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The report has been developed by officers and has not involved any wider consultation at this stage.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><a href="https://www.legislation.gov.uk/ukpga/1985/68">https://www.legislation.gov.uk/ukpga/1985/68</a></p> <p><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/278607/Promoting_mobility_through_mutual_exchange_-_learning_lessons.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/278607/Promoting_mobility_through_mutual_exchange_-_learning_lessons.pdf</a></p>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Peter McHugh Service Manager Housing Assets  <b>Telephone:</b> 01352 701658  <b>E-mail:</b> <a href="mailto:peter.mchugh@flintshire.gov.uk">peter.mchugh@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Void</b> – an empty property

8.02	<b>Major Void</b> – a major void is defined as a property that requires major works for example a new kitchen/ bathroom/ electrical rewire or extensive asbestos removal or plastering works which require redecoration.
8.03	<b>Minor Void/routine void</b> – relates to an empty property where the focus is placed upon repairing rather than replacing components and where the extent of works are considered to be small for example patch plastering rather than the re- plastering of whole walls/ ceilings
8.04	<b>TPAS</b> – Tenant Participation Advisory Service
8.05	<b>Rapid rehousing</b> - The Rapid Re-Housing program is a Housing First intervention providing a primary solution for ending homelessness. It has been demonstrated to be effective in getting people experiencing homelessness into permanent housing and keeping them there.
8.06	<b>Transfer</b> – The rehousing of an existing tenant to an alternative Council tenancy.
8.07	<b>Mutual Exchange</b> – This is the process whereby two tenants swap homes. The mutual exchange can be between 2 Council tenants within the same authority or between a Flintshire Council Tenant and the tenant of another Local Authority or Registered Social Landlord.