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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>19 APRIL 2022</b>	<b>CATEGORY: (See Notes) DELEGATED or RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR SERVICE DELIVERY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>PAUL WHITTINGHAM <a href="mailto:paul.whittingham@southderbyshire.gov.uk">paul.whittingham@southderbyshire.gov.uk</a></b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>COUNCIL HOUSE RELETS</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL WHERE THE REPORT AFFECTS THE DISTRICT AS A WHOLE <u>OR</u> SPECIFIC WARDS</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1.0 Recommendations**

- 1.1 That the Committee notes the progress that has been made in reducing the overall number of empty Council properties and the number of properties under repair.
- 1.2 That the Committee receives further reports on progress in this area and additional information regarding the reasons for property offers being refused by applicants, the reasons for current tenants vacating Council dwellings and the impact of reclassifying sheltered dwellings for general needs use.

## **2.0 Purpose of the Report**

- 2.1 This report outlines the progress made with reletting Council properties during 2021/22.
- 2.2 The report also identifies actions taken so far to improve performance along with short and longer-term actions to improve the overall performance in letting Council properties.

## **3.0 Executive Summary**

- 3.1 Average re-let time and the current average vacancy time for Council properties is reported quarterly as part of the Council's Corporate Performance summary. Whilst performance has improved since April 2021 the current performance must improve still further in order to satisfy customers and reduce rent loss through properties being vacant.
- 3.2 The focus of attention over the past twelve months has been to improve the delivery of repairs to empty properties. The Housing Services Team has identified further actions that are needed to improve the entire delivery of this service, including the overall management of the process and the advertising and allocations of vacant

properties when demand for the different types of properties in different locations across the Councils' stock is variable.

#### **4.0 Detail**

##### **4.1 Headline Analysis**

4.2 At 31 March 2021, there were a total of 111 Council properties empty prior to being relet. There were a further seven properties that were empty but not in a position to be relet. This backlog of properties had built up during the year 2020/21. For much of that financial year the Council like all landlords was prohibited from letting property other than in exceptional or emergency circumstances due to the "Lockdown" restrictions of the COVID pandemic. These restrictions and the knock-on effect on the construction supply chain also limited the amount of work that was allowed to be carried out on Council owned homes.

4.3 However, during this period additional properties continued to arise as tenancies continued to terminate, leaving the Council in a position of playing "catch up" in order to let properties.

4.4 During the year up to 25 March 2022, a further 209 properties became vacant after the tenancy was terminated. 261 properties have been relet during this period.

4.5 As at 25 March 2022, there were 82 Properties empty prior to relet. The table below provides a detailed comparison of the numbers of vacant properties at each stage in the relet process.

<b>RELET STAGE</b>	<b>MARCH 2021</b>	<b>MARCH 2022</b>
METER CHECK/SURVEY	8	12
CONTRACTOR	54	19
FINAL CHECK	20	19
READY TO LET	29	32
<b>TOTAL</b>	<b>111</b>	<b>82</b>

##### **4.6 Property Under repair**

The table shows that the overall number of properties to be relet has reduced with the greatest reduction in the number of properties under repair. Numerically the Council has let the same number of properties that became vacant during the year plus an additional 52.

4.7 Carrying out of repair works is a significant part of the relet process. This work has been completed by contractors with only minimal input from the Councils own tradesmen due to the fact that the Council is not in a position to undertake the Construction Design Management (CDM) function for building works at the present time.

4.8 The Council's Repair Policy includes a lettable standard, which is a minimum standard at which properties can be let and includes the checking of gas and electrical systems as required by statute and regulation.

4.9 In some circumstances the minimum standard was exceeded sometimes out of necessity as in the case of rewiring property rather than carrying out costly electrical repair works. In other cases, new kitchens and bathrooms were provided where

replacement was likely within the next three years. Alongside these more major works comes the need for additional works such as specialist asbestos surveys and removal works along with extensive replastering and making good.

4.10 More frequently the standard was exceeded by the provision of decoration to properties where previously only a modest decoration voucher was provided.

4.11 In all cases the delivery of more major works and decoration has added to the time taken to complete repairs to vacant properties. The completion of works in a timely fashion has been pursued with the main contractor NOVUS through regular operational meetings and with its Senior team. Through the course of the "lockdowns" there were some issues with regard to the supply of materials and also skilled labour in certain trade areas such as flooring which is usually required when providing new kitchens and bathrooms. NOVUS identified these issues and its proposed actions to address them in its presentation to the Council's Overview and Scrutiny Committee on 13 October 2021. Since then, the proposed actions have been deployed and good progress has continued to be made in turning properties around and making them available for letting, with the number of properties under repair now at pre pandemic levels.

**4.12 Council duties, tenancy termination and reletting.**

4.13 The "metercheck/survey, final check and ready to let stages of the process are the responsibility of the Council. The checking and clearing of electric meters have posed particular problems during 2021/22 with electrical testing and works unable to be commenced until power has been restored once a previous tenant's account and any debt has been cleared. This involves identifying the previous tenant's utility supplier and gaining access to their accounts in order to make payments to clear outstanding debt.

4.14 Advertising, offering and letting of property is subject to the varying demand for properties by their type and location. A summary of the average bids received through the Choice Based Lettings system for each property type is included in the table below. This also shows the range of bids from lowest to highest.

<b>Property Type</b>	<b>Average Bids per property</b>	<b>Range of Bids (Lowest- Highest)</b>
1 Bed Houses	23	17 Swadlincote -29 Overseal
2 Bed Houses	25	8 Seales- 42 Woodville
3 Bed Houses	17	2 Netherseal -44 Newhall
4 Bed Houses	16	11 Midway -20 Swadlincote
5 Bed Houses	5	5 Swadlincote (only 1 property)
1 Bed flats	7	1 Shardlow -16 Church Gresley
2 Bed flats	5	2 Overseal -9 Repton

1 Bed Bungalows	16	6 Hartshorne -30 Swadlincote
2 Bed Bungalows	12	1 Willington -19 Castle Gresley

4.15 The table shows that Flats, bungalows and three-bedroom houses in Shardlow, Willington and Netherseal have proved least popular to applicants receiving only one or two bids. Houses in Newhall and Woodville along with bungalows in Swadlincote have proved most popular receiving up to 44 bids per property. One and two-bedroom flats are on average the least popular properties across the District receiving an average of only five to seven bids. Bungalows received an average of 12 to 16 bids with houses receiving an average from 16 to 23 per property. A number of offers of properties are refused each year and further work is underway to quantify these refusals and the reasons for them.

4.16 A breakdown of the number of terminations and lettings is shown in the table below.

Property Type	Terminations	Relets	Current Voids
Bungalow	47 (23%)	56(22%)	19 (23.5%)
Sheltered Flat	36(17%)	40(15%)	19(23.5%)
Flat	56(27%)	66(25%)	24 (29%)
House	70 (33%)	99 (38%)	20 (24%)
<b>TOTAL</b>	<b>209</b>	<b>261</b>	<b>82</b>

4.17 As shown in the table the majority of tenancies that are terminated and available for re-letting are either bungalows or flats. This suggests that further action is needed to identify possible reasons for the lower demand for these properties whilst the supply of them remains high and is likely to do so. Of the 209 tenancies terminated, 67 (32%) were due to the tenant being deceased or moving into long term care. Transfers from one Council property to another accounted for 58 (28%) of terminations with 56 Council tenants (27%) moving to homes provided by Housing Associations. Whilst the Council cannot control the number of deceased tenants, further work is needed to understand the reasons for tenants moving to generally more expensive Housing Association homes and also the number of internal transfers which do create additional vacancies.

4.18 The proportion of flats and bungalows in the housing stock that become available to relet is likely to increase over time as the Council's stock of houses is diminished by around twenty per year through the Right to Buy. This is unless the Council can replace these homes with new ones to keep pace with the loss. The Council has acquired/built 37 homes in the last two/three years via the work of the Council House Development Group with more properties in the pipeline. Flats and bungalows are rarely purchased by existing tenants.

#### 4.19 Actions to Improve Performance

Since September 2021 as a result of the recent restructure of the Housing Services Team a new Management Team of four managers has been in place supported by

new Policy and performance Officer and Compliance Officer roles. The end to end relet process involves all of these teams and having full time permanent staff in these roles has provided the necessary capacity to identify areas for improvement and take action to deliver this. During the course of 2021/22, a number of issues have been addressed with regard to the delivery of repairs to vacant properties and the advertising and letting of property. This has included:

- Improving the management of empty properties by deploying the Orchard IT system to replace manual management process.
- Introducing clearer joint working processes and communication between Council Repairs and Allocations teams along with NOVUS and the other contractors involved in empty property repairs.
- Changing the management by NOVUS of its maintenance teams.
- Improving procedures for the certification and recording of electrical safety works
- Implementing a new Housing Jigsaw choice Based Lettings system.

4.20 There are further improvements to the entire process that will be necessary over the coming year. From 1 April 2022, relet performance will be reported as an overall average along with an “in year” indicator which will show the relet time for all tenancies terminated after this date. Performance over each stage of the process will also be able to be measured more robustly thanks to the deployment of the Orchard Housing Management system to do this. Previously this relied on cumbersome and inefficient spreadsheet systems to do this. This will allow for the early identification of delays and what action needs to be taken to mitigate this.

4.21 The other actions that have been identified are:

- **Performance**
  - Measurable targets for Housing Teams and Contractors for each stage of the relet process.
- **Property**
  - Follow on repairs after reletting rather than during void period
  - Greater control of repairs that are chargeable to the tenant
  - Improve procedures for clearing utility meters
  - Targeted decoration of properties
- **Information Technology**
  - Enhancing the use of the Lifespan Stock condition systems to update stock condition and property safety information.
  - Staff Training in Orchard and Lifespan products
  - Greater use of the Jigsaw system to identify demands and trends
- **Allocations**
  - Greater control of transfers to reduce the number of tenancy terminations
  - Earlier advertising of vacant properties
  - Streamlining Sign Up processes
- **Hard to Let Properties**
  - Early identification of Hard to Let Properties and alternative advertising strategies
  - Possible Declassification of Sheltered Housing Stock

- **Tenants and Other Customers**
- Revise the new tenants' customer satisfaction Survey
- Involve Tenant Panel in relet process and reporting.

4.22 Some of these actions such as the retraining of staff are already in progress and may be completed in the short-term. Others such as the declassification of sheltered stock would need to be the subject of consultation with existing tenants and also the approval of Housing and Community Services Committee.

## **5.0 Financial Implications**

- 5.1 One of the aims of the improvements identified is to reduce the overall rent loss to the Council of properties being vacant which is reported to Committee on a quarterly basis. to Committee on a quarterly basis.
- 5.2 Reports to Finance and Management Committee throughout 2021/22, have highlighted the loss of income from void properties compared to that included in the HRA's Budget. As reported to that Committee on 17 March, the overall reduction in rent due to voids, was expected to total £450k in 2021/22 compared to a budget provision of £215k.
- 5.3 In addition, the additional works identified in this report, are projected to cost an additional £300k more overall in the Repairs Budget for 2021/22. Although the rent loss and cost of repairs is being contained in the overall level of HRA Reserves, it will potentially put pressure on the HRA's longer term financial position.

## **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 The contents of this report directly contribute to the mitigation of the risks identified within the Service Delivery Risk Register :SD1 - Loss of income to the Housing Revenue Account and SD3 – Safety standards.

## **7.0 Community Impact**

## **Consultation**

- 7.1 A revised customer satisfaction survey for new tenants will be introduced during 2022/3 with the results used to inform future service delivery. The newly formed tenants' group have also requested that reletting properties is discussed with them.

## **Equality and Diversity Impact**

- 7.2 There is no direct Equality and Diversity Impact contained within this report.

## **Social Value Impact**

- 7.3 Providing safe secure homes especially for vulnerable people provides a direct and valuable contribution to the well-being of the community.

## **Environmental Sustainability**

- 7.4 There are no direct environmental sustainability implications contained within this report.

## **8.0 Conclusions**

- 8.1 A combination of factors have led to Council homes being empty for long periods which has been unsatisfactory for the Council and the Local community. Progress has been made in addressing some of these factors to reduce the number of empty properties undergoing repair.
- 8.2 Work still needs to be done in order to re let safe and secure properties in a timely fashion and through a service that provides high levels of satisfaction to new tenants and their families.

## **9.0 Background Papers**

Quarterly Performance reports to Housing and Community Services Committee 2021/22

NOVUS Presentation to Overview and Scrutiny Committee 13/10/21