

ABERDEEN CITY COUNCIL

COMMITTEE	Housing & Environment Committee
DATE	26 August 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Update on the Review of Void Processes
REPORT NUMBER:	H&E/14/050
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

This report provides members with updated information on the progress of revised practices for the management of void properties which were reported to this committee in January 2014 and thereafter introduced in February 2014.

2. RECOMMENDATION(S)

- a) It is recommended that committee note the contents of the report, the progress made and the associated challenges.
- b) To note the actions already taken.
- c) To approve the proposed improvements as listed under Recommendations for Improvement

3. FINANCIAL IMPLICATIONS

There are no additional financial implications arising from the amendments to working practices detailed within the report which will continue to be funded from current budget. However, there may be additional costs by engaging external contractors.

4. OTHER IMPLICATIONS

The Council's reputation could suffer should performance remain at the current level or further decline. In addition, there would be increased costs to the Homelessness Service through the increased demand for temporary accommodation necessitating the use of Guest House or Hotel accommodation.

5. BACKGROUND/MAIN ISSUES

The Council's performance in the management of void properties had substantially improved following an unsatisfactory inspection in 2005. The Council's performance at that time showed a Void Rent Loss of 6.3% with an average relet period of 164 days for non-low demand stock and 274 days for low demand stock.

Various improvements were identified and delivered and performance increased dramatically in the following years and has been sustained in more recent years. Void rent loss being consistently around 1% and turnover for all properties consistently around 40 – 50 days.

Performance dropped towards the end of 2012/13 and continued to decline throughout 2013/14. It was difficult to evidence the reasons for the downturn from the information being recorded. A revised system for the recording and classifying of voids was introduced in February 2014. It should be noted that the recording and classifying of voids will not improve performance itself but provides the means to identify problem areas and for appropriate solutions to be considered.

The changes introduced classifications of voids based on factors affecting turnover. These took account of policy and legislative requirements such as requirement to bring properties up to Scottish Housing Quality Standard by 31 March 2015, Major Works, Death and suitability for properties to meet the needs of clients requiring aids and adaptations.

Since the introduction of the new void classifications, gross voids as a % of stock has remained around 2.3%. Average relet times has improved from 88.7 days to 78.6 days. Void Rent Loss has remained consistent in the region of £130k - £140k per month or around 2% of gross debit.

Since the introduction of the new void paths in February 2014, 678 void properties have been relet. An analysis of these lets in terms of the number of days taken is as follows:

CITYWIDE								
Void Path	ROUT	DETH	FAST	SHQS	VR3	MAJW	E&A	TOTAL
Voids Re-let	292	123	4	11	222	14	12	678
Total Days	14273	12362	84	756	23611	959	1225	53270
Average Days	48.9	100.5	21.0	68.7	106.4	68.5	102.1	78.6

Analysis of the paths has identified the following factors impacting on performance.

Death Void Path:

The void period and void rent loss commences on the Sunday following the death of the tenant. Council policy is to allow a two week clearance period to relatives/representatives of the tenant to clear the property before returning the keys. Where the relatives/representatives require an extended period, a weekly licence fee is charged.

The Council is only able to commence relet/repair works following the return of the keys by the relatives/representatives.

The average number of days following termination until the council can commence the process is 22.2 days.

Thereafter, the average number of days for repairs to be completed are 37.6 days and a further 32.8 days to complete the letting process.

Fast Track Void Path:

These voids are identified during the notice period and entry is provided by the outgoing tenant and is found to be in good order and thereby requiring minimal repairs, eg gas and electric checks.

Only 4 properties have been let under this path although entry had been gained to 63 properties during the notice period. The majority of the properties identified did not meet SHQS requirements.

Major Works Path/SHQS Paths:

The average time for repairs to be completed is 56.3 days and 41.3 days respectively. These properties require additional works to be completed before the properties are ready for occupation. SHQS works should be consistent whereas Major Works are variable.

The average time for these properties to be let following completion of works is 14.8 and 17.5 days respectively.

Equipment & Adaptations Path:

These properties require the intervention of the Occupational Therapist in matching the needs of the prospective tenant with the vacancy including identifying any aids and adaptations that may be necessary. Furthermore, the amenity standard does not sufficiently meet the needs of the vast majority of clients without adaptations.

Routine Void Path:

The majority of properties should be classed as routine. The average repairs amounted to 32.2 days with the letting process completed in a further 12.8 days.

Void Breakdown as at 28 July 2014

	<u>Tilly/Woodside</u>	<u>Mastrick</u>	<u>MC</u>	<u>City</u>
Work in Progress	201	33	35	269
Ready for Let (F/Set)	101	40	16	157
Off Charge	<u>9</u>	<u>74</u>	<u>7</u>	<u>90</u>

Total 516 147 58 516

The off-charge properties for Mastrick include properties affected by the Haudagain and Smithfield Court developments.

Issues identified:

The analysis has highlighted a number of issues that require to be addressed

- The impact of low or no demand voids
- The number of properties not yet ready for letting due to outstanding repairs/improvements.
- System/processes/communication gaps

Low or No demand voids

A number of properties have been on the voids system for a considerable time. Most of these were void prior to the new system being introduced and are still on the “VR3” void path. The barrier to getting these let is lack of demand. The type of property which dominates this list is multi storey sheltered and amenity type housing.

Sheltered and amenity type property in developments where there is lack of demand:

Development	Size	Type	Number of void flats	Combined number of void days at 30 June 2014
Ashgrove Court	2 bedroom	Sheltered	5	1386
Castleton Court	2 bedroom	Sheltered	4	1064
Clifton Court	1 bedroom	Sheltered	7	2527
Donview House	1 bedroom	Sheltered	8	2226
Fullerton Court	1 bedroom	Sheltered	5	1186
Granitehill House	1 bedroom	Sheltered	8	2030
Hamewith*	bedsit	Sheltered	1	368
Hilton Court	1 bedroom	Sheltered	3	413
Lord Hay's Court	1 bedroom	Sheltered	11	2198
Meadow Court	1 bedroom	Amenity	6	3388

Murray Court	1 bedroom	Sheltered	1	140
Seaview House	1 bedroom	Amenity	2	931
Seaton House	1 bedroom	Sheltered	12	4025
Woodhill Court	2 bedroom	Sheltered	6	1813

*There is a high demand for Hamewith but no demand for bedsit type

The majority of the low or no demand stock lies in those sheltered or former sheltered multis. The Housing for Varying Needs review made recommendations for the future use of every sheltered housing complex and a phased implementation commenced in April 2013. Impact of this review is ongoing and a further report to committee will be made on progress including any recommended changes by the end of this year.

The Council previously introduced a policy of adapting all bedsit and one bedroom cottages that became vacant to amenity standard. This policy was subsequently amended to assess the suitability and viability of converting future voids to amenity standard. Adapting one-bedroom cottages to amenity standard did not cause any issues other than the adaptations required delaying the letting process. Demand exists across the city for one-bedroom amenity properties. However, bedsit cottages are not as popular and demand is virtually non-existent even for high demand areas. Many applicants are moving from larger properties and find bedsit accommodation simply too small.

There were 5 bed-sit amenity cottages void as at 30 June 2014. The properties were in Hazlehead (3), Kincorth (1) and Torry (1). Although only a relatively small number, the impact on performance is significant. The combined void period of those properties amounted to 1106 days as at 30 June 2014.

Properties not ready for occupation:

There has been no significant increase in the number of terminations in 2013/14 to the previous year yet the number of voids not brought up to letting condition has significantly increased.

A target of 70% of voids to be brought up to lettable condition within 3 weeks was agreed some years ago. Targets have regularly been achieved or exceeded. However, performance has deteriorated and current performance is around 30% of properties completed within the 3 week period.

The main factors affecting performance are as follows:

- a) Volume of properties requiring SHQS or Major Works

- b) Poor condition of properties returned by outgoing tenants
- c) Number of properties with sub-standard DIY or alterations
- d) Shortage of trades –
 - Reliance on Agency staff, which is extremely volatile
 - Limited trades available
 - Highly competitive employment market in Aberdeen area.
- e) Coordination of Repairs/Improvements
- f) Managing resources
 - Supervision of trades
 - Ability to prioritise voids

Aids and adaptations process is lengthy and no guarantee that prospective tenant will accept property.

Recommendations for improvement

Actions to date:

- Restructure of the Housing Access, Selections and Processing had increased the number of selectors available. Selecting for vacancies is no longer an issue
- Increased hours for Agency Staff from out of Aberdeen from 37 to 41 hours per week
- Contractor appointed to take on all amenity upgrades and rewiring.
- Specialist squad established to install kitchens under SHQS remit.
- Communications between Housing Management, Repairs and Housing Improvements have been improved through a review of reports to ensure relevant information is passed between sections quickly. This will enhance future understanding of barriers or factors affecting performance and allow prospective tenants to receive appropriate advice or assistance.
- Reduction in number of offers prior to deferment or satisfying homelessness duty. Success rate of offers has increased from 50% in 2013 to 67%.

Proposed Improvements (Repairs)

- Appoint agency staff to permanent posts
- Explore availability of other contractors
- Improve supervision of depots by merging Northfield and Hilton depots (1 month)
- Use of mobile technology to log repairs at point of inspection (3 months)

- Transfer of Fire, Flood or other exceptional repairs to Response Repairs
- Further improve communications with Housing Management regarding sharing of relevant information and prioritising voids
- Improved coordination of works between void teams, contractors and housing improvements.

Proposed Improvements (Other)

- To instruct officers to re-assess suitability of bed-sit cottages previously adapted to amenity standard and where no longer viable to return these properties to mainstream stock. Sensitive lettings policy should apply.
- To instruct officers to agree with OT Service on the following:
 - a) Streamline assessments to avoid planning and development works without tenant commitment
 - b) Tenant to demonstrate commitment by accepting tenancy prior to adaptations being fitted on the understanding that they would not incur liability for rent until such time as property was fit for occupation
 - c) Level access showers be fitted as standard to amenity properties during void period to meet needs of this specific client group.
 - d) To ensure all information on adaptations is recorded on the housing database to identify properties that have been adapted, can be adapted and to what degree, and those properties that cannot be adapted to further streamline process and avoid unnecessary delays
- To approach clients with low priority on the Support List regarding the immediate availability of vacancies in low or no demand blocks.
- To approach other agencies and RSLs about immediately available low or no demand stock

6. IMPACT

The community plan sets out our vision for the future of the City – an even better place to live and work, where people can expect high quality services to meet their needs.

This project meets the following objectives:

- Homes challenge – improve the quality of housing and environment for individuals and the community
- Adopt and implement strategies to support independent living for people with special needs.

It also meets the objectives in the policy document “Aberdeen – the Smarter City”:

- Smarter living – we will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self esteem.

Aberdeen City Waste Strategy – 2010 – 2015

- Reduce, re-use and recycle – the recent changes to the clearance of empty property will assist this council to achieve its targets by recycling items to the next tenant.

The contents of this report will treat citizens equally in terms of race, gender, LGBT, older people and people with disabilities.

7. MANAGEMENT OF RISK

None

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Graham Souter
Housing Manager
GSouter@aberdeencity.gov.uk
(01224) 522135

Kiemon Stewart
Operations Manager
Kiestewart@aberdeencity.gov.uk
(01224) 489365