



Evaluation of Performance on the Management of Empty Homes

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**Heriot-Watt University and the Housing
Quality Network**

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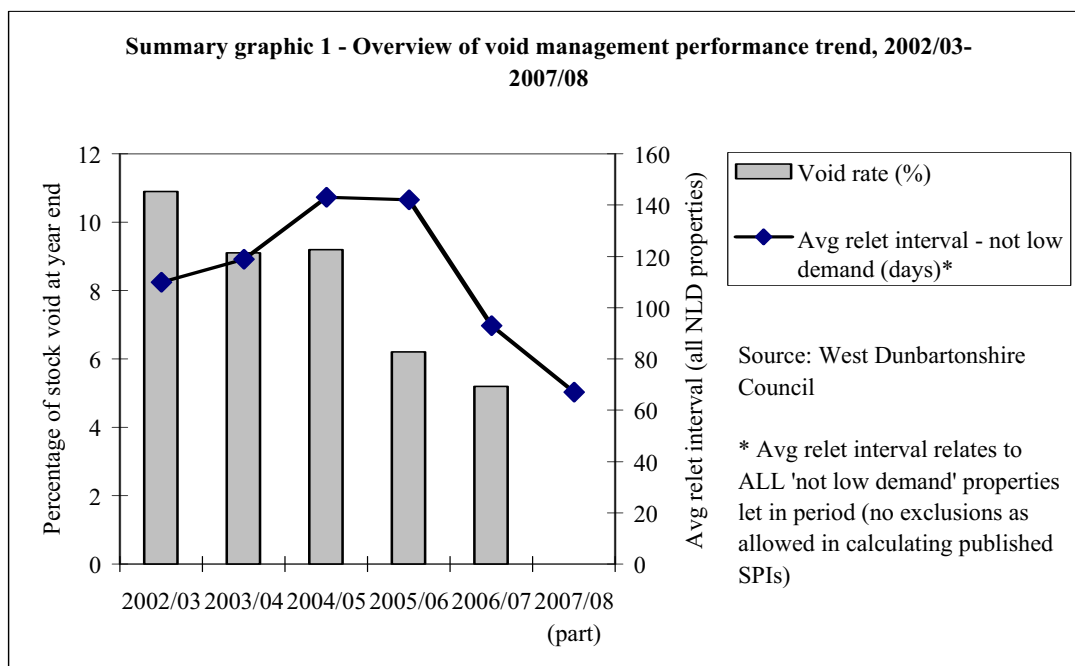
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Summary of Main Findings

1. The Council has recorded major improvements in the efficiency of the void relet process – average relet times for ‘not low demand’ (NLD) properties have been cut by over 50 per cent in the past two years
2. West Dunbartonshire Council’s NLD average relet time for 2006/07 was similar to Scotland-wide norm
3. Faster reletting has contributed to a *void rate* reduction of 50 per cent in past five years – generating £1.4M p.a. theoretical savings in void rent loss
4. Simultaneously reducing *void relet interval* and *void rate* represents a major achievement because cutting the void rate (other than through demolition/disposal) entails letting backlog of ‘old voids’ which tend to depress the average relet interval (as defined for KPI purposes)
5. Still some (limited) scope for further reduction in void relet times remains:
 - % of offers resulting in lets still below 50 per cent (even for NLD properties) – see Section 2.4
 - Potential efficiencies from void pre-allocation as yet unrealised
 - Focusing activity on voids judged relettable
 - Action to promote tenancy sustainment in response to evidence of a high rate of ‘early tenancy terminations’.



6. Pushing void properties through system faster has been prioritised over service quality from customer perspective:

- Poor cleaning standards for ‘ready to view’ properties
 - Substantial proportion of ‘void repairs’ deferred until post-let period
7. Concerns over voids repair contract management in terms of:
- Value for money – substantial cost of ‘variations’ to void repair orders under contract in force up to June 2007. In the absence of evidence demonstrating how this issue has been tackled (e.g. improved works ordering procedures) there is concern about whether practice under the new contract will improve
 - The usefulness of monitoring data on performance against the ‘10-day target’ for void repair works, bearing in mind client/contractor disagreement on what the target should cover (individual repair lines or all void repair works to a given property)
 - Uncertainty as to how WDC void repair unit costs compare with those of other social landlords (due to absence of comparable WDC figures).
8. Successful local initiatives have recently helped to reduce the overall incidence of stock classed as ‘low demand’ (from 26 per cent in 2005/06 to 19 per cent in 2007/08) has been some recent reduction in the number of properties. Over a longer timescale, however, demand for council housing appears to be shrinking. Since 2002/03 the annual number of new waiting list registrations has fallen by 25 per cent – sharply contrasting with the 25 per cent increase seen across Scotland as a whole.
9. Important deficiencies in analytical capacity to monitor and evaluate void management performance
10. Scope for improving linkage between housing strategy and operations in relation to determining whether properties in areas affected by low demand should be relet.

1. Introduction

1.1 Background

Void property management is a central aspect of the social landlord role. Optimising performance in this area is vital for a number of reasons. Firstly, ‘excess’ empty properties represent rental income forgone. This translates into reduced resources for other essential landlord functions and/or higher rents. Secondly, over and above some minimum number necessary to allow for turnover within the stock, void properties represent a wasted resource. This impacts on a social landlord’s ability to fulfil its role in accommodating homeless households and others in unsatisfactory housing. Thirdly, the visible presence of un-let properties (particularly those which have stood empty for some time) blights neighbourhoods and undermines community pride and self-confidence.

In May 2007 West Dunbartonshire Council (WDC) asked Heriot-Watt University and the Housing Quality Network to evaluate the Council’s performance on the management of empty homes. The project was to run alongside a more wide-ranging analysis of the West Dunbartonshire housing market and the demand for social housing across the authority.

The research programme described above stems from the Communities Scotland inspection undertaken in 2004, from the critical report which emerged¹, and from discussions between the Council and Communities Scotland around the Council’s Improvement Plan to address the issues identified as needing attention. In awarding a ‘D’ grade for housing management services, the inspectors were particularly critical of performance on administering the reletting of void properties which was described as ‘very poor’.

The CS inspection report recognised that low demand for social housing posed significant challenges for the Council in its efforts to improve empty property management. It also noted a range of measures already being enacted to address identified problems in this area. However, the inspectors identified ‘major weaknesses’ in the Council’s management of empty properties in relation to:

- (j). administering the reletting of individual dwellings
- (j). the approach to categorising and prioritising properties to be relet, and
- (j). waiting list management.

It was also found that the time taken to repair empty properties was typically well in excess of stated targets and that the absence of a specific relet standard was an important issue needing to be addressed.

In response to the CS assessment the Council drew up an Improvement Plan subsequently approved by the regulator in December 2004. Assessing progress with

¹ Communities Scotland (2004) *Pathfinder Inspection Report: West Dunbartonshire Council*; Edinburgh: Communities Scotland
http://www.communitiesscotland.gov.uk/stellent/groups/public/documents/webpages/cs_008296.pdf

respect to the Plan in early 2007, CS acknowledged that ‘approximately 90%’ of the Plan’s proposals had been actioned and completed, and that significant improvements in void property management had resulted. However, it was judged that a number of recommendations in this area remained outstanding. It was also noted that the Council’s housing management performance had been strongly criticised in a 2007 Audit Scotland report². On this basis the Council – working with Communities Scotland – produced a Remedial Plan which included a commitment to commission an evaluation of the Housing Department’s processes for managing empty homes, along with a broader ‘demand and supply’ study.

More recently, as part of its oversight of the Council’s Improvement Plan implementation, Communities Scotland undertook a targeted re-inspection of WDC void management activity in February 2007. This acknowledged the Council’s success in reducing the number of empty homes – in part, a consequence of effective action to speed up the reletting process. It was also noted that ‘exit survey’ data collected by the Housing Department showed improvements in service user satisfaction in relation to the allocations process. An aspect of this involved a reduced number of respondents unhappy with the cleanliness of empty houses. However, CS inspectors also observed the ‘poor condition’ of common areas in some blocks containing void properties and noted that the Council had yet to evaluate whether the current service offered ‘value for money’.

1.2 Research Objectives and Methodology

Against the backdrop described above, the current research was commissioned to:

- Assess and analyse void management and allocation processes
- Assess the impact of any improvements and identify potential for further improvements
- Make recommendations on future practice.

The methods employed in the research to address these objectives were as follows:

- (a). Analysis of published and unpublished statistical data
- (b). Review of void management, allocations and repairs procedure documents
- (c). On-site fieldwork focusing on void management procedures and practices:
 - (i). Inspection visits to void and recently let properties (10)
 - (ii). File-checks of recently let voids (20-25)
 - (iii). In-depth interviews with housing strategy and operational staff, and with DLO managers and staff

² Audit Scotland (2007) *West Dunbartonshire Council: The Audit of Best Value and Community Planning*; Edinburgh: Audit Scotland <http://www.audit-scotland.gov.uk/publications/pdf/2006/06pf07ac.pdf>

- (iv). Focus group meeting with housing ('enforcement') officers, allocations officers, voids maintenance officers and housing assistants
- (v). In-depth interviews with key 'external stakeholders' – social work staff, RSLs and the local CAB (4)
- (d). Focus group work with lettings service customers
- (e). Meeting with Communities Scotland Regulation & Inspection division.

In undertaking void property inspections ((c(ii) above) we were accompanied by tenant inspectors recruited with the kind assistance of WDC housing staff. Inspections were undertaken using a standard template drawing on HQN's extensive experience of housing inspection throughout the UK. Reference was also made to the Council's relet standard. Photographs were taken to illustrate apparent shortcomings in workmanship and cleaning.

Post-let file-checks (see (c(iii) above) were also undertaken using a systematic approach. The checks examined the entire reletting process from the tenant's original housing application right through until their post-tenancy housing officer visit. The aim was to compare the process as recorded with WDC's documented procedures and with best practice in other social landlords.

The research was undertaken between June and August 2007. In undertaking our fieldwork and presenting our findings, we have made reference to the Performance Standards criteria used by Communities Scotland for assessing the 'fitness for purpose' of void management and related functions.

1.3 Research Scope

Whilst processes directly concerned with managing empty properties (e.g. specifying and undertaking repairs) were central issues for the research, it was also important to recognise that 'void management performance' is also affected by policies and procedures relating to waiting list management, tenant selection and wider estate management. Hence, these related areas were also investigated in the course of the project.

The research also took account of the Scottish Housing Quality Standard and the requirement for social landlords to eliminate all non-compliant housing by 2015. It was appreciated that additional works to void properties to address SHQS deficiencies could have an impact on repairs performance with respect to empty homes.

1.4 Report Structure

This report is based on a presentation of research findings made to WDC housing staff on 13 August 2007. It also incorporates the Council's immediate responses to the presentation. Following this introduction, the report presents a statistical analysis of the Council's void management performance. As well as drawing on published performance data, this also makes reference to unpublished housing management statistics and our own analyses of raw data on stock, voids and lettings provided by the Council to the research team.

The report then looks, in turn, at the main aspects of housing management which impinge on void reletting performance. Hence, in Chapter 3 we look at access and allocations – the ways the housing department manages its waiting list and how it matches void properties with people in need of housing. In assessing allocations policy and practice, this section discusses how effectively the Council addresses Communities Scotland’s expectations on ‘diversity’ matters. Linked with a discussion of tenancy sign-up procedures, we also analyse current practice with a bearing on tenancy sustainment.

In Chapter 4, the report then moves on to look at the void repairs service. This section covers both the specification of works and contractor performance in undertaking such works. Chapter 5 addresses some value for money issues relating to void repair works and to the broader void management function.

Finally, in Chapter 6 we set out our conclusions and list a number of key recommendations envisaged as capable of further improving the service.

2. WDC Void Management Performance: A Statistical Analysis

2.1 Context: The Housing Stock

As at 2001 social housing accounted for just over a third of West Dunbartonshire's total stock (see Table 2.1). Unlike the private sector, however, a majority of social rented dwellings were flats (54 per cent of council housing and 80 per cent of housing association properties). More recent figures provided to the research team show that houses now account for only just over a quarter of council stock (26 per cent), with multi-storey and tenement flats making up 30 per cent – see Table 2.2.

Table 2.1 – West Dunbartonshire households by tenure, 2001

	Owner occupied	Private rented	LA	HA	Total
Number	21,847	2,531	12,010	4,393	40,781
%	54	6	29	11	100

Source: 2001 Census. Note: 'private rented' includes 1,569 households classified as 'living rent free' – some of which may have involved people living in dwellings owned by social landlords.

Table 2.2 West Dunbartonshire Council housing stock, 2007 – breakdown by stock type and size

	2-apt No	3-apt No	4-apt plus No	Total No	%
House	345	1,216	1,493	3,054	26
Four in a block	1,308	1,033	1,020	3,361	29
Multi-storey flat	486	1,217	74	1,777	15
Tenement flat	352	950	418	1,720	15
Other flat/maisonette	276	1,105	409	1,790	15
Total	2,767	5,521	3,414	11,702	100

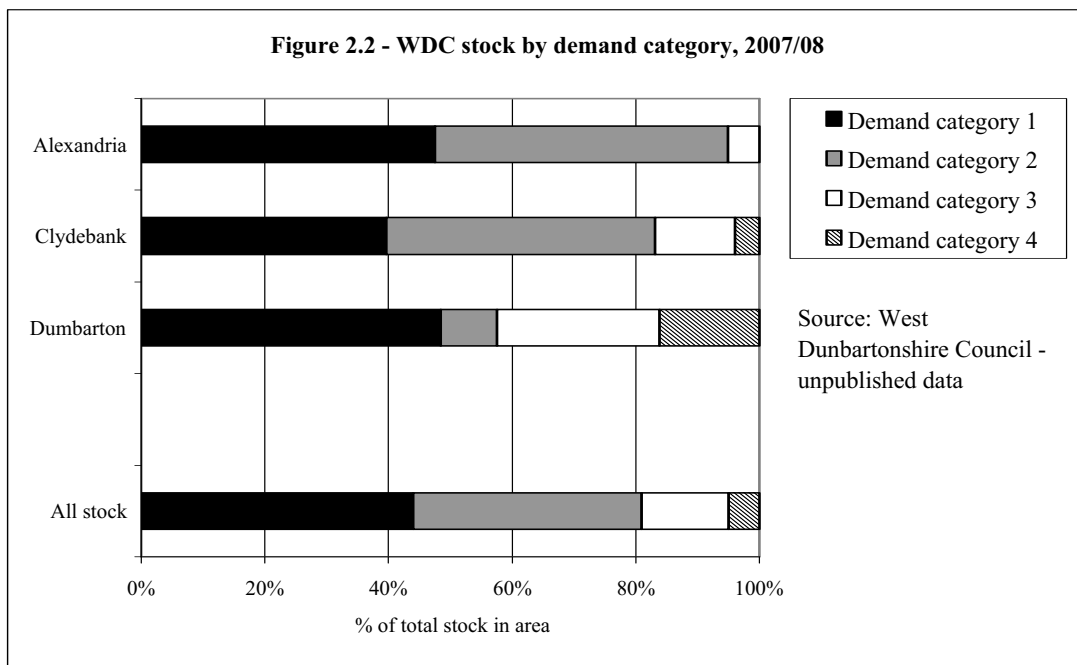
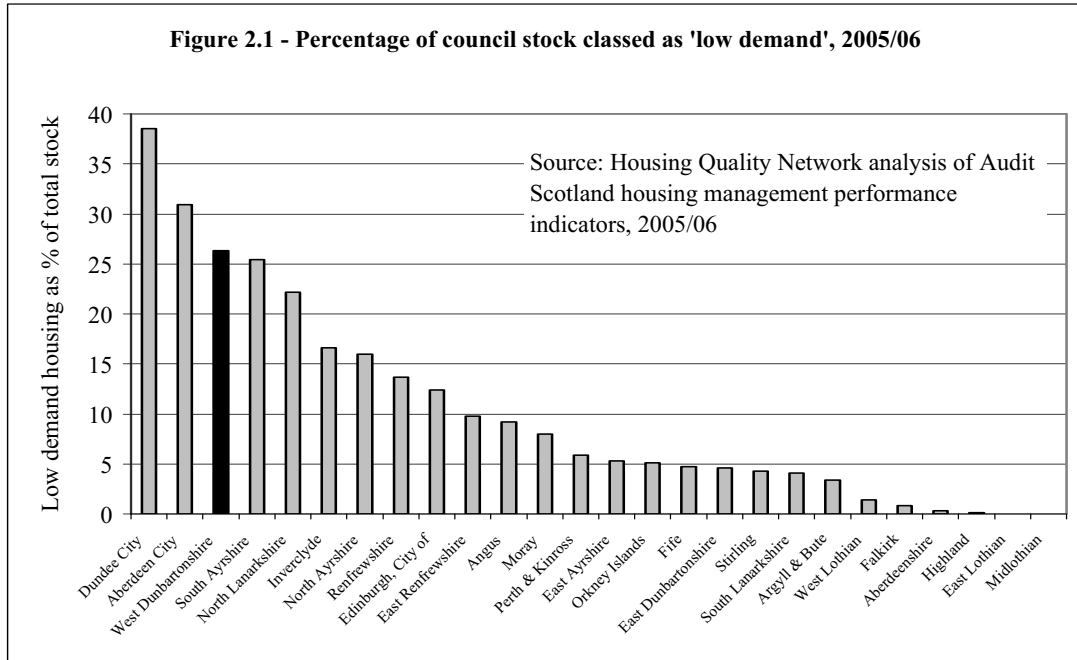
Source: West Dunbartonshire Council

Table 2.1 shows the tenure breakdown of occupied dwellings, hence understating the total size of the stock. WDC estimated its housing stock in September 2001 as 13,829³. By 2007, this had declined to 11,700 – a reduction of 2,100 or 15 per cent. Whilst most of this is attributable to Right to Buy sales, a small proportion involved demolitions.

A key aspect of the context for void management is the significant proportion of the Council's housing stock subject to low demand (see Figure 2.1). By 2007/08, however, the proportion of the Council's stock classed as low demand had reduced somewhat to 19 per cent – see Figure 2.2. Demand categories 3 and 4 both denote 'no demand', with the former referring to vacancies where reletting is being actively promoted, whilst the latter involve dwellings in areas with concentrations of long-

³ Scottish Executive (2002) Quarterly housing trends in Scotland: Quarter ending 30 September 2001 <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/PubHousingTrend>

term voids where stock was scheduled for disposal under the Council's rejected COP bid. The assignment of demand categories is a matter of practical importance as voids classed in Category 1 or Category 2 are sensibly prioritised for urgent action with respect to reletting. At the same time, procedures allow for any Category 3 or Category 4 property to be fast-tracked where a potential tenant is identified.



The Council has demolished 964 dwellings since 1999. However, the recent reduction in low demand stock mainly reflects renewed lettable of some properties previously considered as unpopular. For example, initiatives to stimulate demand for multi-storey blocks in Clydebank have met with success. Nevertheless, partly in recognition of the low demand issue, the Council has officially earmarked a further 800 properties for

demolition. These include a substantial number of low demand void properties, as well as some currently tenanted stock. Unfortunately, implementation of this plan is currently stalled (see below).

It is understood that demand for housing is highly associated with stock type, with unpopularity tending to be associated with multi-storey and tenement blocks. A breakdown of stock type by demand is shown in Annex 1 (Figure A1.1).

As demonstrated by Figure 2.2 the incidence of low demand housing varies substantially across West Dunbartonshire, with Category 4 stock largely concentrated in Dumbarton. More than 40 per cent of Dumbarton stock is classed as Category 3 or Category 4.

2.2 Context: Social Housing Applications and Council Lettings

On an authority-wide scale demand for social housing appears to be relatively healthy, with the number of households registered as waiting for housing totalling around 7,000 at the end of 2005/06 (see Table 2.3) – equivalent to more than five times the annual number of properties let. And, whereas the waiting list total has remained fairly constant over recent years, the number of homelessness applications has risen sharply. At the same time, however, it is notable that there is a downward trend in the numbers of applicants joining the Register. This has reduced by more than 25 per cent since 2002/03.

Table 2.3 – Social housing demand

Category	2002/03	2003/04	2004/05	2005/06
Total applicants on Register (year end)	6,430	6,094	6,358	7,054
Applicants leaving Register during year	2,700	2,906	2,550	1,376
New applicants joining the Register	4,302	3,698	3,920	3,061
Number rehoused	1,240	1,106	1,106	989
Number of suspensions (year end)	301	301	1,212	1,078
Homelessness applications	1,231	1,430	2,272	2,406

Source: West Dunbartonshire Council and Scottish Executive (homelessness)

Table 2.4 Lettings and Terminations

Category	2002/03	2003/04	2004/05	2005/06	2006/07
Dwellings	12,621	12,395	11,427	11,749***	11,702
Terminations	1,532	1,348	1,037	999	1,224
Lets*	1,192	1,102	1,078	1,002	1,325
% homeless lets**	-	-	-	50%	39%
% transfer lets	32%	28%	23%	26%	20%
Turnover (gross)	12.1%	10.9%	9.1%	8.5%	10.5%

Sources: Lets - WDC; Voids and stock Scottish Executive except 06/07 (WDC)

* Lets data provided by LA does not correspond to data reported to in WDC key issues paper

** Unable to separate lets to homeless for earlier years *** stock figure reported to Scottish Executive (anomalously) increased in 2005/06

One hypothesis would be that falling waiting list registrations simply reflect rising homelessness applications. If the two cohorts were independent of one another this

argument could be sustained, since adding the two sets of figures together produces a fairly steady total figure. In fact, homelessness applicants are routinely logged as housing register applicants and so are included in the 'new applicants joining the register' statistic. This implies a sharply reducing number of non-homeless applicants joining the register (total new applicants joining the register minus homelessness applications). In the three years to 2005/06 this number contracted from 3,061 to only 655 – a drop of almost 80 per cent. However, this may somewhat overstate the actual reduction in non-homeless applicants since some will have had a waiting list application lodged prior to their homelessness application.

As the Council has widened its definition of priority need in recent years, some people who might otherwise have applied for housing only through the register may, instead, have been advised to make homelessness applications. In any case, the shrinking numbers signing on the WDC Register (down 25 per cent in three years) contrast sharply with the 25 per cent increase in the numbers of households registering on LA housing waiting lists across Scotland over the same period (data from Scottish Executive 'Housing Trends' bulletins).

Key statistics to note in Table 2.4 include the increased number of lets achieved in 2006/07, substantially in excess of the number of tenancies terminated in the year (and, hence, increasing the number of tenanted homes). The number of waiting list applicants suspended appears relatively high (since 2005/06), particularly given the Council's problems in generating sufficient demand for available properties in some areas. It would be advisable for this figure to be analysed in more detail (in terms of reason for suspension) and for the Council to consider whether its current suspension rules might sensibly be relaxed somewhat. It is, however, noted that refusal of a tenancy offer is penalised only with respect to NLD voids (Category 1 or Category 2).

At 9-12 per cent, the overall incidence of tenancy turnover is somewhat above the national norm (Scottish Housing Best Value Network benchmarking data records an average figure of eight per cent for Scottish LAs in 2006/07). To some extent, therefore, the Council's relatively high void rate (see below) could reflect excessive 'tenancy churn'.

A linked finding is that 20 per cent of 2006/07 tenancy terminations involved tenancies of less than 12 months duration. Recent Heriot-Watt University research suggests that the proportion of tenancies terminated within a year typically averages around 12-13 per cent⁴. The WDC figure of 20 per cent compares closely with that for Glasgow Housing Association⁵, a level which is considered by GHA to be a major problem. As in the GHA case, the WDC figure would probably be considerably higher if transfer lets were excluded.

⁴ Pawson, H., Jones, C., Watkins, D., Donohoe, T., Netto, G., Fancy, C., Clegg, S. and Thomas, A. (2006) *Monitoring the Longer Term Impact of Choice-based Lettings*; London: Department for Communities & Local Government
http://www.communities.gov.uk/pub/599/MonitoringtheLongerTermImpactofChoicebasedLettings_id1503599.pdf

⁵ Heriot-Watt University & Mandy Littlewood (2006) *Investigating Tenancy Sustainment in Glasgow*
http://www.gha.org.uk/content/mediaassets/doc/tenancy_sustainment_summary.pdf

A number of WDC staff interviewed in the course of our research reported ‘tenancy abandonment’ as a major problem with ‘abandonments’ accounting for more than 40 per cent of tenancy terminations. Whilst this seems to have been based on a figure cited in one council report provided to the research team this was inconsistent with the analysis of tenancy terminations in 2006/07 as reported to the WDC Social Justice Committee and reproduced in Table 2.5.

Further enquiries, however, revealed a second (and quite different) set of monitoring data on tenancy termination reasons. An annual breakdown of this data as shown in Annex 1 (see Table A1.1) shows ‘abandonments’ fluctuating between 10 and 15 per cent of total terminations over recent years. As a benchmark, the equivalent Scotland-wide figure for 2005/06 was approximately 8 per cent. Again, therefore, the WDC figures are somewhat on the high side, suggesting a need for the Council to work on retaining as well as attracting tenants.

Table 2.5 – Breakdown of tenancy terminations in 2006/07

Termination reason	Total	%
Death of tenant	192	16%
Eviction/repossession	151	12%
Move to hospital/nursing home	52	4%
Left the WDC area	99	8%
No forwarding address	87	7%
Normal termination notice	250	20%
Transfer to WDC (or HA) tenancy	396	32%
Total 2006/07	1,224	100%

Source: WDC – Report to Social Justice Committee

2.3 Void Management Performance

There is no doubt that, historically, WDC performance on void management has been poor by comparison with national norms. With more than 10 per cent of the Council’s properties standing empty in 2003 and average relet intervals until recently well above the Scottish average action to address the situation was clearly required. As demonstrated by Table 2.6, however, remarkable progress has been made since 2004/05.

Table 2.6 – Void management performance, 2002/03-2007/08

Void category	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<i>Average relet interval - calendar days</i>						
Not low demand	110	119	143	142	93	67
Low demand	272	326	369	427	286	260
All stock	148	180	216	233	157	137
Target low demand	-	-	-	370	440	392
Target not low demand	-	-	-	95	50	45
LA vacant dwellings – year end (no)	1,434	1,144	1,121	748	605	
LA vacant dwellings – year end (%)	10.9	9.1	9.2	6.2	5.2	

Source: Analysis of relet intervals based on WDC raw data on lettings. Note: Figures include relet intervals for all lettings – hence, the numbers are not consistent with published performance indicators because these relate to a dataset from which a small proportion of lets are excluded – as allowed for under official PI definitions.

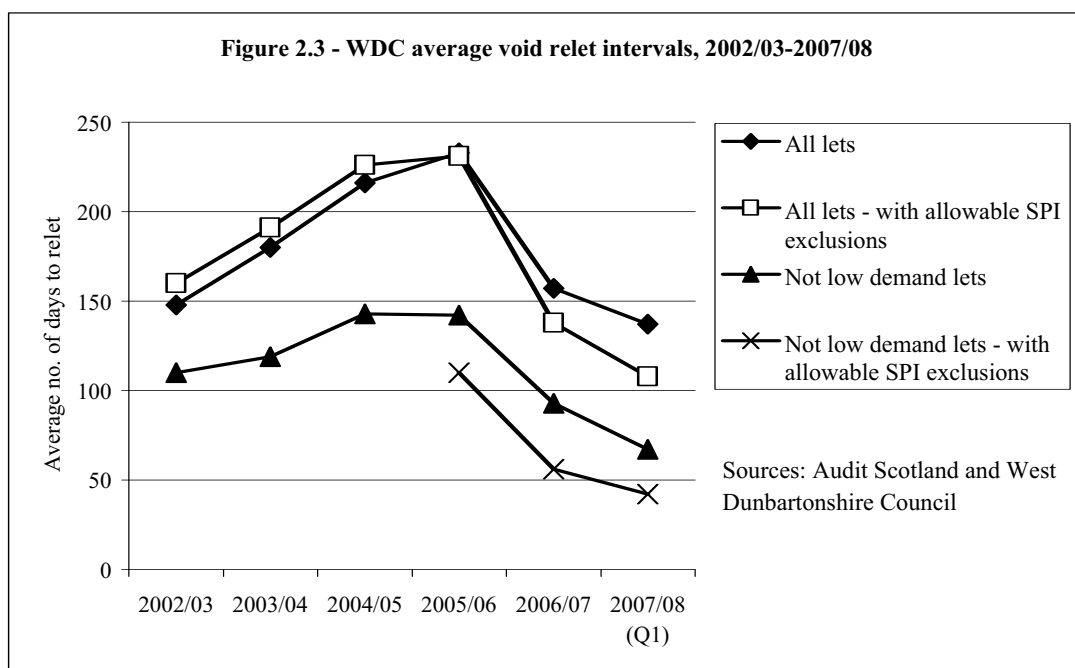
It is important to note that the definition of the ‘average relet interval’ performance indicator makes it very difficult for a social landlord reducing its *void rate* to demonstrate concurrent performance improvement on speed of reletting. This is because reducing the void rate implies ‘eating into’ a stock of ‘old voids’ and because the average relet interval calculation is based on properties let in the previous year (rather than, for example, focusing on how quickly the landlord relets newly arising voids).

Table 2.7 – WDC void management performance in a national context

Void category	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Not low demand – WDC	-	-	-	110	56	42
<i>Not low demand – Scotland</i>				51		
Low demand – WDC	-	-	-	425	290	212
<i>Low demand – Scotland</i>				86		
All voids – WDC	160	191	226	231	138	108
<i>All voids – Scotland</i>	68	68	64	53		

Sources: WDC and Audit Scotland

Table 2.7 sets WDC’s recent performance trend on void reletting in a national context. These figures, which discount lets involving properties which have been subject to major works, suggest that in relation to ‘not low demand’ (NLD) lettings, WDC has now succeeded in achieving a speed of reletting similar to the national norm. Hence, NLD properties let in Q1 2007/08 were vacant for an average of 42 days as compared with the most recently available national median figure of 51 days (for 2005/06).



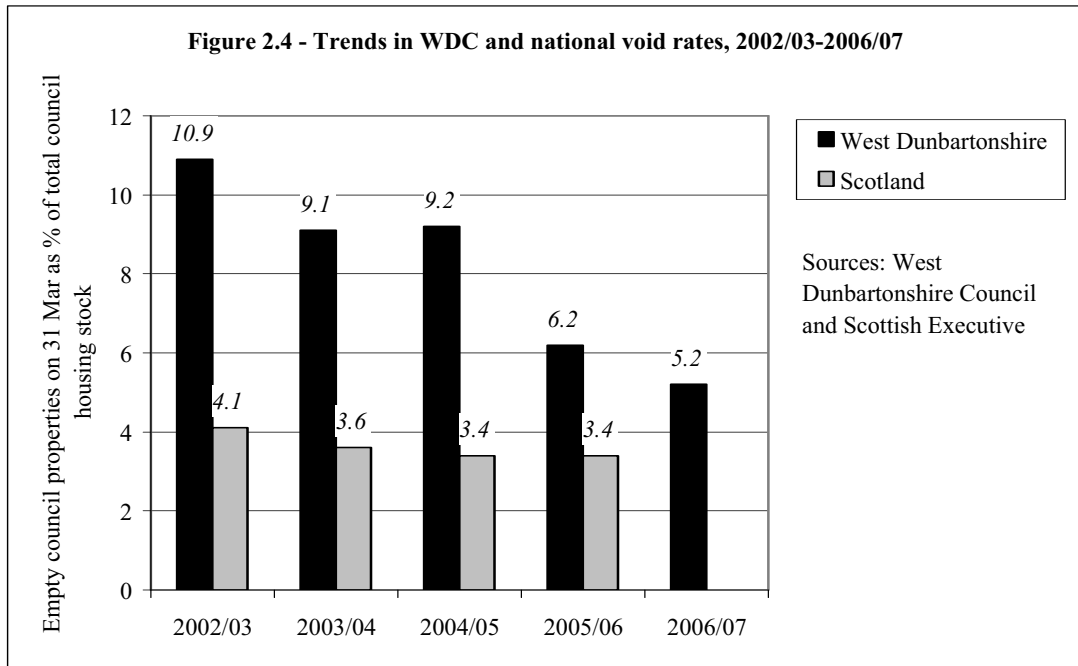
In relation to low demand (LD) lets, however, there remains a large performance gap between WDC and the Scottish norm. And, because LD lets continue to account for a substantial proportion of total lets (39 per cent in Q1 2007/08) the Council's 'all lettings' relet interval figure (108 in the same quarter) remains relatively high.

Contrasting adjusted and unadjusted statistics for recent years, Figure 2.3 illustrates trends for all lettings and for NLD lettings. Again, these trends appear encouraging.

By March 2007 the number of empty properties had been cut to 605. However, whilst the void rate had been halved since 2002/03, it remained somewhat above the Scottish average (see Figure 2.4). It seems likely that the void rate reductions were initially achieved largely through demolitions of hard to let dwellings, with more recent progress being realised mainly through faster processing empty properties. Staffing changes also contributed to the improvement. These included:

- Establishment of new posts in the housing allocations team (to speed up matching of ready-to-let properties with suitable applicants)
- Transfer of Voids Maintenance Officers from Housing Management (Development) to Tenancy Services (to speed up the initial inspection of new voids and the specification of necessary works)
- Increasing the number of DLO staff dedicated to void property repairs.

It should, however, be noted that at least some relevant 'new posts' are currently established only on a temporary basis until March 2008.



Of the 600 voids recorded at the end of 2006/07 the vast majority (85 per cent) were LD properties – see Figure 2.5. NLD voids had been reduced to around 100 (under one per cent of total stock – in Dumbarton, far lower than this).

Remaining empty properties are largely concentrated in a small number of areas. Some 432 (71 per cent) were clustered on just five estates with overall void rates in excess of 15 per cent – those listed in Table 2.8. The majority of these voids were earmarked for demolition under the Council’s proposed Early Action Fund application. However, progress here has been halted as a result of WDC’s unsuccessful application for a place on the national Community Ownership (stock transfer) Programme.

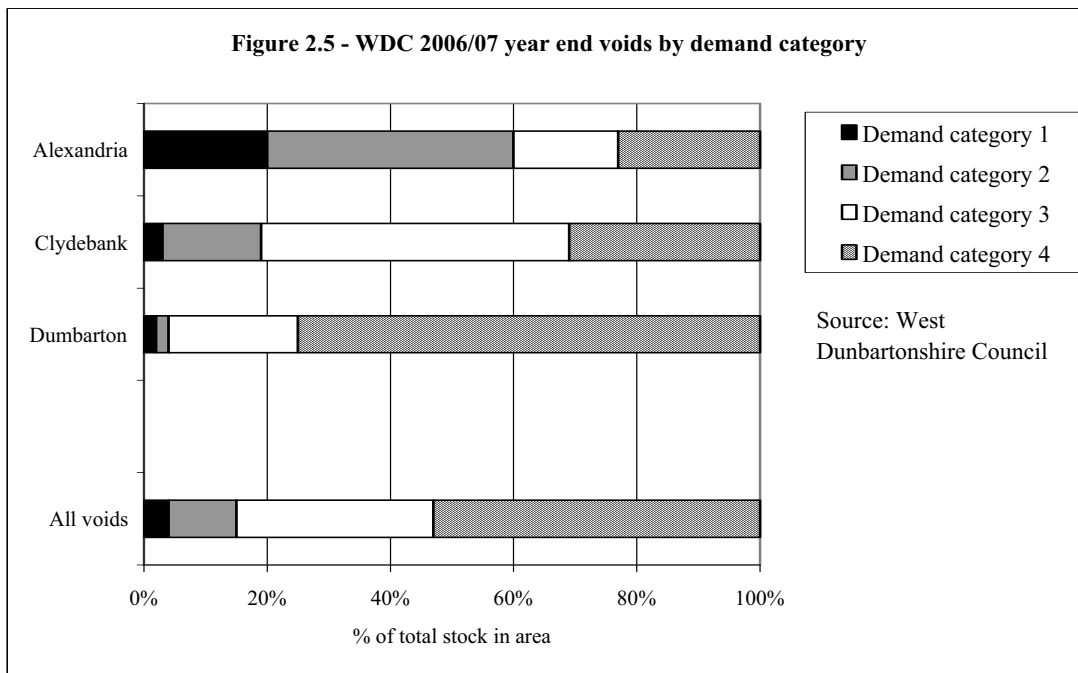


Table 2.8 – Highest void rates by estate (as at March 2007)

Estate	2apt	3apt	4apt	5 + apt	Total
Castlehill West	0%	24%	0%	2%	15%
North Mountblow	30%	12%	21%	43%	21%
Glenside	40%	22%	20%	13%	22%
Clydebank East	13%	26%	58%	13%	24%
Bellsmyre	75%	58%	0%	0%	54%
All WDC	3%	7%	4%	6%	5%

Source: West Dunbartonshire Council

2.4 Tenancy Offer Outcomes

Void relet intervals are, in part, a function of tenancy offer outcomes. Where tenancy offers fail to result in lettings this causes delays which extend void periods whilst second or successive offers are made and considered by housing applicants. Whilst West Dunbartonshire has substantially improved its void management performance, tenancy offer refusals remain relatively high. In 2006/07, for example, only 35 per cent of offers resulted in lettings (WDC's annual SHBVN benchmarking submission records 3,733 offers resulting in 1,324 lets)⁶. The comparable Scotland-wide SHBVN norm is 53 per cent. In some areas – probably those containing significant numbers of LD properties – offer acceptance rates are even lower than this. For example:

- Jamestown – 13%
- Central Renton – 20%
- Glenside – 25%

Even if LD lets are excluded from the calculation, the Q1/2 2006/07 figure for the NLD cohort was only 45 per cent. We would see this as suggesting further scope for reducing the period taken to relet (as opposed to repair) voids.

Analysis of recorded 'refusal reasons' is not very illuminating because of the large proportion (47 per cent) classed as 'application withdrawn, no response, change in circumstances or personal reasons'. If applications withdrawn or tenancy offers generating no response are numerous this may suggest that applicant data held on the Housing Register is often out of date or otherwise inaccurate – perhaps because the rolling review process is not sufficiently rigorous or ruthless (e.g. in deleting entries for applicants failing to respond to requests to re-confirm their housing need).

⁶ Whilst the Council has queried whether it is appropriate to include both offers withdrawn and offers explicitly refused here, both scenarios are liable to result in extended void periods. In the research team's view, therefore, this analysis is meaningful. Moreover, calculating the 'allocations success rate' in this way generates a statistic properly comparable with the SHBVN benchmark.

2.5 Customer Satisfaction with the Allocations Process

A potential strength of WDC's approach to lettings is the Council's appreciation of customer perspectives as gained through its new tenants survey. Key findings for 2006/07 included:

- 96 per cent of customers got their keys at the promised time
- 78 per cent were given list of non-essential repairs at start of tenancy
- 50 per cent stated that repairs were completed within the two week target time after moving in
- 78 per cent were satisfied with quality of repair work

Cleanliness of the house was rated as good by only 20 per cent (63 per cent said it was fair, 16 per cent poor). And a third of respondents reported that gardens had not been cleared as part of the reletting process.

The validity of such data is, of course, dependant on the way it is collected and the extent to which the results can therefore be treated as 'representative'. The Council has already recognised the need to review its approach to satisfaction surveys as part of its CharterMark Improvement Plan. On the face of it, however, some of the statistics cited above suggest relatively high rates of customer dissatisfaction. The Council needs to develop procedures to ensure that such findings trigger action to improve relevant services.

2.6 Performance Monitoring and Management Issues to be Addressed

Inconsistencies in data drawn from different sources

Significant anomalies were found in respect of figures drawn from different data recording systems. Examples included numbers of applicants joining the housing waiting list, housing stock breakdown, recorded reasons for terminations.

Routine monitoring framework and activity

Regular reporting of statutory performance indicator statistics to the Council's Social Justice Committee is a significant strength of current housing department practice. Similarly, the commitment to feeding back such data to operational staff (e.g. through fortnightly team briefing sessions and 'one to one' meetings) exemplifies good practice. It is clear that there is a genuine drive to embed target-driven performance culture into day-to-day working practices, evidenced by front line staff's knowledge about turnaround times. We identified mechanisms in place for staff to suggest change such as process/procedural reviews, team briefings, surveys and staff suggestion boxes. However, whilst interviews confirmed that front line workers had ideas and opinions about what could be improved, there was no evidence that these suggestions had previously been raised, encouraged or taken up. The research team would also question whether performance data analysis routinely informs service development. We were assured that most of the operational data suggested as essential for effective monitoring of void management is, in fact, recorded on the Council's IT systems.

Indeed, the Housing Department has recently introduced Saffron V6, a new information system which will enhance the scope for generating performance data.

At present, however, the Housing Department appears to be handicapped by limited analytical capacity and a reliance on some rather unsophisticated approaches to monitoring. In particular, there is a need to make greater reference to performance statistics expressed as ‘rates’ (e.g. lets as a proportion of tenancy offers, early tenancy terminations as a proportion of lets), and to present more analyses separately for ‘low demand’ and ‘not low demand’ categories (e.g. in respect of tenancy offer refusal rates and reasons, present use and future use of voids). The Department has recognised this issue and is addressing it through staff training.

A related issue is the apparent disjunction between strategic and operational staff within housing which results, for example, in the citation of inconsistent figures on tenancy termination reasons and may explain other statistical anomalies – e.g. in relation to stock numbers.

Measuring performance on specific segments of relet procedure

Recent progress in speeding up the reletting progress is evident. It was, however, frustrating that the Council was unable to generate statistics breaking down overall relet intervals into constituent elements or provide reports showing exceptions – i.e. individual instances where turnaround targets were missed. In particular, it appears that existing systems do not permit the routine calculation of the average time taken to undertake void repairs (as distinct from the initial ‘awaiting inspection’ period and the final ‘available for let’ period). In calculating such ‘repairs turnaround’ figures it is important to be clear on whether ‘completion date’ reflects handover to the client or acceptance by the client. The lack of data here is a significant gap in the current performance monitoring framework.

3. Housing Access and Allocations

3.1 Chapter Scope and Structure

This chapter draws mainly on our evaluation of procedure documents, interviews with housing managers and focus group discussions with new tenants and housing staff. The first part of the chapter concentrates on the way the Council handles housing applications and interacts with applicants in the letting process. We then move on to discuss allocations policies and practices as these relate to the void management function.

As in the presentation of initial findings to WDC management, the chapter is structured in terms of ‘strengths’ and ‘weaknesses’ identified by the research team. These judgements are calibrated against the relevant Communities Scotland performance standards and the ‘good practice’ criteria developed by HQN in the course of the company’s extensive inspection work across the UK. In summary the standards used in our assessment were challenging and based on our view of what a landlord seeking a high grading should be achieving.

3.2 Access, Customer Care and User Focus

Strengths

Management of the housing waiting list features a ‘rolling review’ procedure. This should help to maximise the accuracy of the list by facilitating the removal of applicants no longer seeking housing and the correction of outdated information about registered households with a continuing need for a move. However, evidence from the file checks and statistical analysis revealed a substantial number of offers being withdrawn which suggested that the effectiveness of the review procedure should be examined.

Everyone is offered a prospects interview at application stage – people with disabilities are offered a home visit. Potential applicants are provided with information on the location and availability of council housing. There is a regular mail out to applicants of no fixed address to highlight housing opportunities. Again, approaches of this sort should help to enable people seeking accommodation to make informed decisions about whether to register for council housing and, if so, what preferences to state. However, the file checks and interviews suggested that prospects interviews were, in reality, restricted in scope. Staff had not been trained to fully explore the range of housing options available and some staff voiced concerns about their skills to market opportunities and persuade applicants to consider these.

The Council operates a systematic process for obtaining references and checking on eligibility (e.g. in relation to previous ASB) and a joint agency approach to risk assessment for particularly vulnerable applicants. The researchers did not, however, succeed in determining whether there are appropriate area based staff involved in such processes.

Accompanied viewings are carried out by voids maintenance officers and usually attended by support worker where the applicant has agreed.

The recent introduction of a defined relet standard is potentially beneficial but, again, there are shortcomings around specification and/or implementation (see Chapter 4).

The tenancy sign-up process is guided by a checklist but only limited local information is provided and service standards – e.g. 2-week target for non-essential repairs – are not specified. The recent move to involve arrears staff in sign-ups is positive, but room for improvement remains here (see weaknesses).

The routine procedure of ‘new tenancy visits’ is a sound approach, as is the establishment of a file check procedure. However, there are issues about the implementation of these routines (see ‘areas for improvement’).

Alongside new tenancy visits a number of other procedures have been established to promote resettlement and longer-term tenancy sustainment:

- Homeless households generally receive support whilst in temporary accommodation (if assessed as requiring) to prepare for permanent tenancy (includes Fabpad, Preparation for Life, floating support)
- Referral arrangements with specialist agencies being formalised through protocols
- Resettlement support is offered to all homeless households moving to permanent tenancies
- Provision of Starter Packs, Home from Home

Offered to new tenants qualifying for welfare benefits, the Home from Home package provides five pieces of assorted furniture (including bed and sofa) at a price of just £25. The Council plans to expand the package to include white goods.

Starter Packs, funded by the Church of Scotland, provide new bedding, pans, dishes, cleaning equipment, low energy light bulbs, with the exact package being tailored to family composition. Households benefiting under the scheme pay a flat fee of £10. Open to anyone on low income or benefits, the scheme was described as ‘really excellent’ by one staff member interviewee.

On the down-side, however, interviews with tenancy management staff revealed variable awareness about all of the initiatives described above. Similarly, whilst it was reported by the Department that new tenants defined as ‘elderly or infirm’ can be referred to schemes offering decoration help, operational staff interviewed by the researchers failed to mention this.

In compliance with Best Value principles, the Council has been developing a range of customer satisfaction measures. Recent examples have included their use to assess customer views of homelessness services, allocation policy, post allocation processes and area office services.

Areas for Improvement

The relatively small proportion of tenancy offers which lead to lettings raises some doubts as to the actual management of the waiting list review procedure (because

‘failed offers’ are frequently the result of inaccurate or outdated information held on the Register). Similarly, we would see the testimony of a local housing association that only half of nominations lead to lettings as again calling into question the accuracy of WDC waiting list information. In the Council’s view, however, ‘nomination failures’ are more commonly the result of associations rejecting nominees (as in insufficient need) rather than due to nominees failing to accept tenancy offers.

Whilst the ‘prospects interview’ procedure for prospective housing applicants is potentially beneficial, practice on the ground here leaves room for improvement. Staff involved in such meetings are not trained for the purpose and the design of housing application forms does not encourage discussion. The approach cannot be described as a personal housing planning approach. (It is understood that, whilst this weakness is recognised by Tenancy Services staff, earlier proposals to address it were not approved).

Although involvement of arrears officers in tenancy sign-ups is positive, this does not involve any routine financial/income assessment which might trigger referral to advice on welfare benefits or debt management, potentially crucial in helping tenants avoid incurring rent arrears. This is relevant to void management since the excess incidence of ‘early tenancy termination’ (which swells void numbers) may to some extent reflect tenants abandoning properties due to their inability to manage their arrears.

The new tenancy visit procedure has significant shortcomings:

- The checklist does not include a financial/income assessment (potentially beneficial in preventing the subsequent accumulation of rent arrears)
- Tenants’ testimony suggests that outstanding (‘non-essential’) repairs typically take up a large proportion of discussion (a view corroborated by housing staff)
- File check evidence suggests that recording of visits and issues covered is inadequate – record of NTV relies on a ‘checklist’ recording system with limited room for extended details/comments
- Matters coming to light in the course of new tenancy visits are not recorded in such a way as to potentially inform service development.

As regards resettlement of vulnerable new tenants, staff point to shortages in the availability of specialist support and accommodation for people with addictions and mental health issues. Similarly, interviewees commented that some households would benefit from a longer stay in (supported) temporary accommodation and/or a longer period of support, once rehoused. No allowance (even by introducing a subsidised as opposed to a free decorating service) is made for the special needs of disabled, vulnerable or elderly new tenants in terms of providing void repairs to an enhanced standard (e.g. in relation to decoration).

Also relevant to the issue of resettling vulnerable tenants, there is apparent inconsistency in awareness and skills amongst tenancy services staff in terms of:

- Identifying vulnerability
- Signposting or referring appropriate residents to services
- Recording information about vulnerability/action taken.

Other potential shortcomings in relation to resettlement matters include:

- Weaknesses in ‘handover’ arrangements for ex-homeless cases when, as new tenants, they ought to become the responsibility of Enforcement (housing) Officers.
- Variable awareness among Enforcement Officers in relation to available resettlement and support services
- File checks suggested a lack of any consistent approach to information sharing between teams/agencies in relation to new tenant support needs (in one case an Enforcement Officer had recorded ‘no access’ for a new tenant visit – however, the tenant was deaf and unable to hear the doorbell).
- No monitoring or review that systematically assess the schemes’ use and effectiveness

More broadly, the Council has yet to develop a coherent approach to maximising tenancy sustainment which specifies clear and measurable objectives and designates responsibility for pro-sustainment measures to relevant staff. The extent to which tenancies are subject to ‘early termination’ has only recently begun to be monitored and there are doubts as to current procedures here (see Chapter 2). This is a relevant issue because some early terminations may be ‘preventable’ and success in this area would reduce void rent losses and void repairs expenditure.

Properties being returned to the Council in poor condition detrimentally affects void turnround times. However, end of tenancy procedures do not incentivise outgoing tenants to leave properties in good shape and free of refuse (although transfer eligibility is conditional on this). In terms of exemplifying good practice, Kirklees Council is an authority known to have robust end of tenancy procedures.

Possibly to a disproportionate extent, policy and practice has recently been driven by the aspiration to reduce void turnround times. This is understandable given the significance attached to the relet interval indicator as a critical measure of housing management performance. Nevertheless, the single-minded focus on speeding up reletting may have impacted negatively on resident satisfaction/tenancy sustainment issues, e.g. in relation to:

- The extent to which repairs identified as required at the start of the void period are classed as ‘non-essential’ and therefore deferred until after commencement of tenancy
- The reported failure to complete many post-tenancy repairs on time

- An absence of any assistance with decorations – even where new tenants are clearly unable to afford or carry out
- The lack of time allowed for new tenants to move in (file checks showed the gap between sign up and tenancy was usually three days)
- The failure to change locks – even when only one set of keys or particular needs identified.

3.3 Allocations Policies and Procedures

Strengths

The Council operates according to a reasonably comprehensive allocations policy document which provides scope for officers to respond to local challenges.

Allocations procedures are mapped in a flowchart. This facilitates efficient and effective processing of lettings activities (e.g. undertaking accompanied viewings, making tenancy offers). The policy also incorporates an effective appeals process which, as reported by staff, provides complainants with a ‘swift and fair response’.

A ‘property shop’ has been established as a means of promoting lets of low demand dwellings. However, because the Council rejected some of the property shop’s proposed functions the initiative is rather a limited, low key venture by comparison with similar operations in other local authorities.

Procedures are in place for ‘pre-allocation’ – i.e. where suitable applicants are asked to express interest (rather than sign-up) prior to the completion of essential void repair works.

File checks demonstrate that pre-termination inspections to identify rechargeable repairs are routinely carried out.

Areas for Improvement

The allocations policy document is long and not very accessible from a customer perspective (a recently-viewed example of a succinct, accessible allocations policy document was that produced by Orchard Grove LHO, Glasgow). The WDC one contains relatively little information about the kind of advice which should be offered through housing options interviews. Neither does it specify service standards (e.g. prescribing the time allowed for tenants to move into their new home). If greater reliance could be placed on the contractor handing back property on time and in good condition then it would be possible to give prospective tenants more notice and thus more time for them to arrange removals.

Efforts to market low demand properties are relatively limited and unsystematic. Whilst plans are already in hand to improve presentation of available dwellings referred to the ‘property shop’, consideration could be given to other marketing techniques, perhaps by examining property shops elsewhere that have had more success in attracting applicants (e.g. Dundee, Salford). Similarly, it appears that more could be done to explore the potential for developing area-specific lettings plans.

Few mechanisms are in place to incentivise the acceptance of tenancy offers involving low demand properties. For example, whilst fast-track installation of new kitchens are seen as an inducement to accept a tenancy it is not clear that this is specific to low demand properties.

Where policies to incentivise acceptance of low demand offers exist more could be done to promote and publicise them (e.g. permitted underoccupation is not publicised upfront). Whilst other measures of this kind have been reportedly trialled in the past, they have been dismissed as ‘ineffective’ without objectives or success criteria having been established or formal evaluation being undertaken.

The allocations policy incorporates relatively limited consumer choice – largely restricted to identifying aspirations on application form. The officer-controlled nature of the tenancy offer process leads to some potential problems:

- Inspection suggested some of the documented by-pass ‘reasons’ don’t really explain such decisions. No-one on site mentioned that codes could be obtained. How is it known that an applicant ‘might not want’ a property and should, therefore, be by-passed?
- Publicity about stock availability is limited, thus discouraging applicants from making hard decisions (i.e. facing up to the unrealistic nature of aspirations for specific areas)
- Potentially interested applicants could be missed.

Although pre-allocation procedures are in place (see ‘strengths’) very few properties are, in fact, subject to this, the acceptance being more of an ‘expression of interest’. Viewings by potential new tenants are generally scheduled only after ‘essential works’ have been completed.

With few properties being ‘pre-allocated’ tenancy offer refusals usually extend void periods (which would not necessarily be the case if the matching process was undertaken before works completion). Given the relatively high incidence of refusals – even in relation to ‘not low demand’ properties (see Chapter 2) this is an important issue. We would see pre-allocation as having some potential to further reduce typical relet times. The Council accepts that there is a case for a phased expansion of such procedures.

Related shortcomings in current practice include:

- Voids Maintenance Officers feel ill-equipped to ‘sell’ properties (and do not have the means to incentivise applicants)
- Reasons for tenancy offer refusal are not fully explored – such analysis could form a basis for designing marketing strategies.
- Exit interviews with tenants are not used to find out exactly why they have terminated

- Very limited information is provided to prospective tenants about each property's attributes (including disabled adaptations) and the local neighbourhood facilities in advance of any viewing. Information provided at sign up is also limited.
- Tenants involved in research appear to be unclear about who was responsible for their tenancy, when repairs should be done. The Enforcement Officer role was particularly poorly understood.
- Tenants and staff mentioned certain estates being stigmatised because of ASB and drugs issues and that demand might be stimulated if these problems were demonstrably tackled.

4. Void Property Repairs

4.1 Chapter Scope

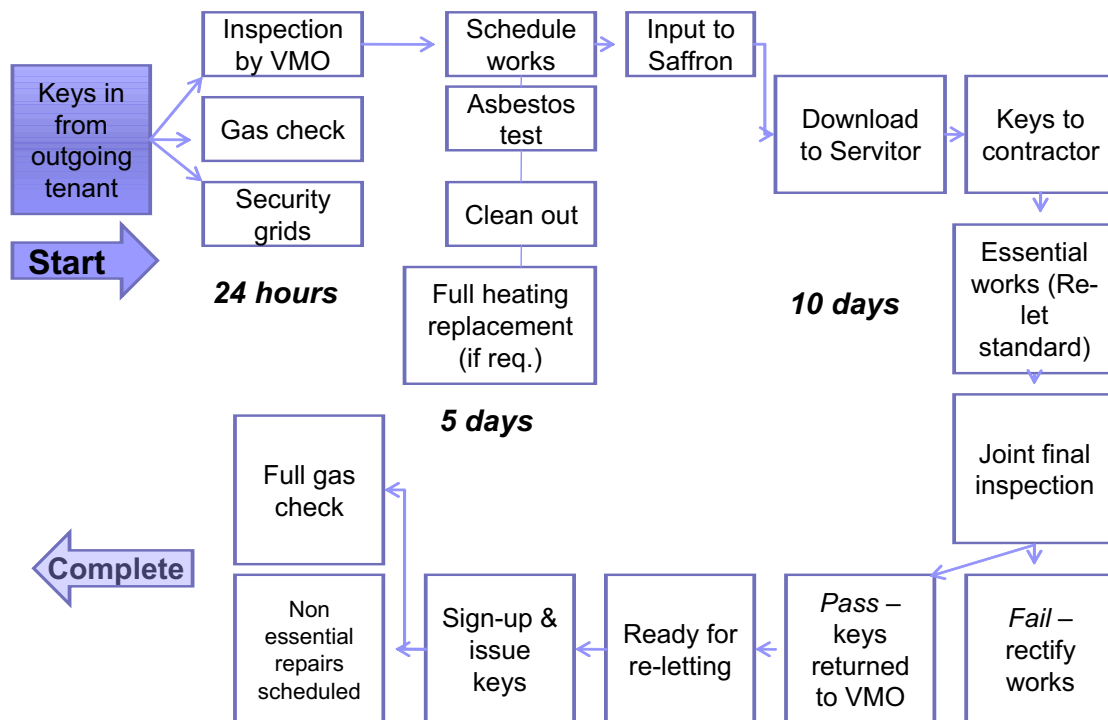
This chapter draws on the interviews undertaken with DLO and housing staff, on visits to void properties and on analysis of data and documents provided by the Council. First, we set out a flow chart illustrating the void property repairs process and repairs expenditure figures. Then, as in the preceding chapter, current practice is evaluated in terms of strengths and weaknesses.

4.2 Organisational Context, Overview of Procedures and Timescales

Repairs to void properties are undertaken primarily by the Council's Direct Labour Organisation. This arrangement has recently been reconfirmed through a voluntary competitive tendering exercise for the entire housing repairs operation, with the new contract coming into operation from June 2007. However, external contractors are also involved in undertaking specific functions in the 'pre-works' phase.

The new repairs contract differs substantially from its predecessor. Unfortunately, however, because this change was only a very recent development at the time of the fieldwork it was too early to assess its practical implementation.

Void property repairs processes



Target timescales for void repairs

Security	- 24 hrs
Clearout/draindown	- 5 working days
Gas safety check	- 24 hrs
Gas extra works	- 10 working days
First inspection category 1 and 2	- 24 hrs
First inspection category 3 and 4	- 48 hrs
Asbestos survey	- 24 hrs
Asbestos removal (no notification required to HSE)	- 3 days
Asbestos removal (notification required to HSE)	- 15 days
Essential repair works/electrical work	- 10 working days
Final	- 24 hrs

The 10-day target for essential repairs compares favourably with social landlord practice elsewhere – as observed in HQN inspection activity. It was reported by WDC contractor staff that the target has been ‘consistently achieved’; i.e. that since June 2006 keys have been returned to Tenancy Services within 10 days with all snagging works completed. According to TS staff, however, keys ‘often’ have to be returned to the contractor as works are found to be incomplete (whether or not this reflects inadequacies in initial ordering). Similarly, as explained in Chapter 5 there appears to be an unresolved and important issue as to the proper scope of the ‘10-day target’.

Unfortunately, figures on instances of properties being returned to the contractor for additional works repairs turnaround times or ‘exceptions’ were not available.

4.3 Void Repairs Activity

In total, repairs service expenditure data shows 1,669 properties as having been subject to void works in 2006/07. This is somewhat greater than the number of terminated tenancies as recorded by the Housing Department – 1,224 – or the recorded number of lets – 1,325 (see Table 2.4). The apparent discrepancy between ‘void properties repaired’ and ‘void properties let’ probably reflects the fact that the repairs data includes some records for properties let in late 2005/06 but which had non-essential works undertaken early in 2006/07.

The volume of void repairs activity appears to have increased significantly in 2006/07. This is illustrated by the sequence of figures shown in Table 4.1 which shows the number of void lines (jobs) issued was over 20 per cent higher in the last financial year than in the preceding year. This is largely a reflection of the number of jobs involving post-tenancy works. Numerically, such jobs now exceed void works,

whereas they were previously far less numerous in both absolute and relative terms. This is illustrated by Figure 6.1.

Works have been deferred until the post-tenancy phase following the adoption by the Social Justice Committee in October 2005 of a minimum relet standard. Clearly, such practices can help to reduce relet intervals and may have played a significant part in the observed improvement in performance on this measure (see Chapter 2). However, inspection experience on the part of HQN staff confirms that other Scottish authorities have succeeded in cutting relet times without reclassifying void works as in WDC. Examples of such positive practice include City of Edinburgh and Renfrewshire.

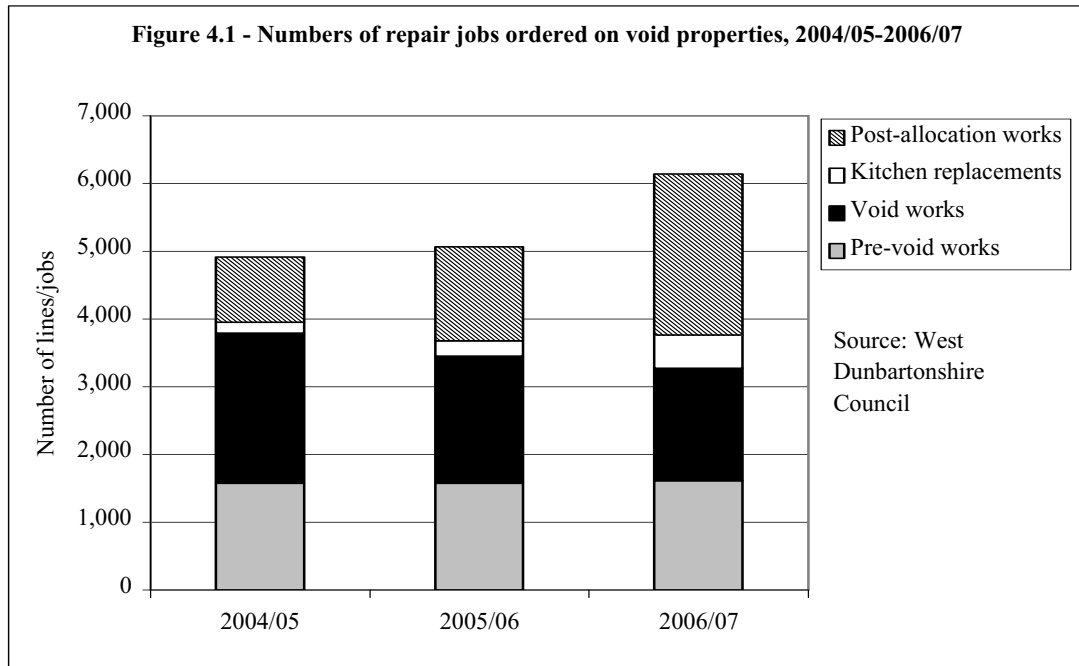
There is also a concern that ‘performance improvement’ achieved in this way may come at some cost both in terms of tenant satisfaction (because of the disruption involved in having repairs undertaken post-occupation) and efficiency (because it may be more difficult for operatives to carry out works when tenants are in residence). File checks and tenants’ testimony suggests that many incoming tenants do not, in fact, move into their new homes immediately after the start of their legal tenure. For some, this may reflect reluctance to take entry until outstanding works (albeit officially defined as ‘non-essential’) are complete. This can come at some price to those concerned because they may find themselves being expected to pay rent on two properties at once.

Table 4.1 – Number of void repair lines issued, 2003/04-2006/07

	O5s	Pre-void works	Void works	Kitchen replacements	Post-allocation works	Total
2003/04*	70	1,867	3,693	64	-	5,694
2004/05	49	1,577	2,213	165	964	4,968
2005/06	42	1,575	1,875	233	1,383	5,108
2006/07	23	1,615	1,661	490	2,376	6,165

*Source: West Dunbartonshire Council. *Post-allocation works included in void works for 2003/04.*

Another recent trend evident from Table 4.1 has been the increasing number of voids where works have included kitchen replacement. This could reflect implementation of the Scottish Housing Quality Standard (SHQS). We understand that it is also a consequence of the fact that 2006/07 lets included a larger number and proportion of ‘low demand’ properties than in previous years and that this may have been achieved in part by the offer of new kitchens as an incentive for prospective tenants. Assuming that jobs recorded under this category are generally comprehensive for each property (resulting in a one to one relationship between jobs issued and properties concerned) it would appear that well over a quarter (29 per cent) of all void properties passing through the repairs process are now subject to kitchen replacement. Perhaps not surprisingly, such works are relatively costly, with 2006/07 expenditure under this heading equating to £2,091 per job line as compared with £1,718 for void works job lines, and £445 for post-allocation works.

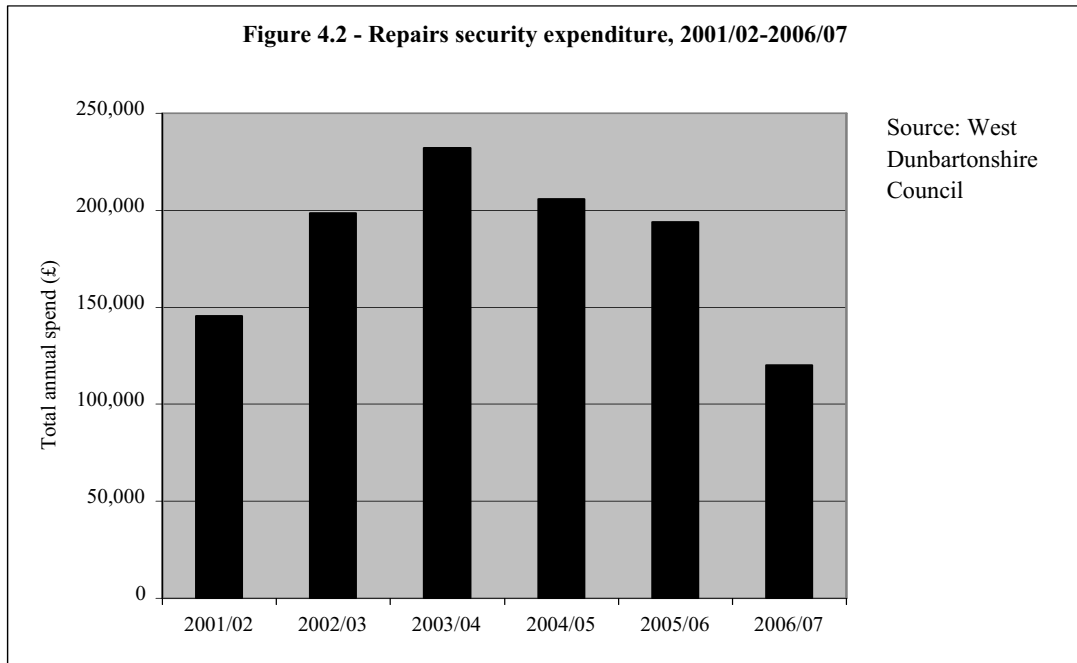


Data provided by the Council to the research team shows void repairs expenditure in 2006/07 totalling £5.3M. This breaks down as follows:

- a) pre-void works - £0.35M
- b) void works - £2.85M
- c) post-tenancy (non-essential) works - £1.06M
- d) modernisation – kitchens replacement - £1.02M

It is difficult to reconcile these figures with the ‘void works expenditure’ figure submitted by the Council in its Scottish Housing Best Value Network (SHBVN) benchmarking return for 2006/07. Here, total spend (net of kitchen/bathroom modernisation) was reported as £1.02M, with the total number of properties concerned being cited as 600. Doubts about the consistency of these figures undermine the potential for comparing WDC with other Scottish authorities in this respect (e.g. in relation to unit cost of void repairs).

Ideally, we would like to be able to compare the expenditure figures above (listed as (a)-(d)) with similar figures for earlier years. Unfortunately, however, such figures have not been obtained. Theoretically, reference could be made to historic data submitted under the SHBVN benchmarking regime. Unfortunately, though, the major discrepancy between the SHBVN 2006/07 figure and 2006/07 figures provided direct to the research team (see above) seems to weaken the credibility of the former.



We have, however, obtained trend over time data on repairs security expenditure. As shown in Figure 4.2, very considerable savings have been generated here over the past three years. This is consistent with the reduction in the gross number of empty properties, and the faster reletting of voids over this period (see Chapter 2).

4.4 Void Repairs Procedures – Strengths

Contractual framework

Void property repairs are undertaken under the overarching housing repairs contract which has recently been subject to open market testing. An aspect of the contract is that it offers both general housing repairs and void repairs at 25 per cent less than National Schedule of Rates. Nevertheless, given the interaction of repairs ordering and delivery practices, some value for money matters remain at issue (see below).

Strategic, prioritised approach

There is some segregation of newly arising voids, depending on the volume of demand they are judged likely to evoke. As reflected by existing procedures, there is a rational case for treating ‘in demand’ properties as a higher priority for works than their less popular counterparts.

As in respect of allocations, the existence of clear flowcharts mapping the void repairs elements of the re-letting process is a clear strength. There is a strong focus on managing the throughput of voids, with property files showing substantial evidence of activity to check void progress.

Staffing redeployment

Recent changes in workforce configuration and joint working seem to have been beneficial:

- The establishment of two dedicated teams working on void properties has helped to provide a stronger DLO focus on the void repair function.
- Transfer of Void Maintenance Officers into Tenancy Services has, according to some interviewees, resulted in more client control over the process and has reduced managerial fragmentation. However, whilst this reflects our thinking, other interviewees argued that the new arrangements have introduced an ‘artificial’ barrier between DLO and client officer.
- The weekly client: contractor meeting represents increased contact and is seen as a step in right direction.

Relet standard

A minimum re-let standard is in place and this represents progress as compared with the position at the time of the original Communities Scotland inspection in 2004 (but also see ‘weaknesses’ in relation to observed standard of workmanship/cleanliness of some void properties).

4.5 Void Repairs Procedures and Implementation – Areas for Improvement

Relet standard and its implementation

The relet standard needs to be made more specific and less open to interpretation – surveys from void maintenance officers suggest a lack of consistency in the way the standard is understood in practice. The extent to which works actually meet the standard is not monitored and there is a lack of clarity on the extent to which the standard should be achieved prior to occupation. The lack of tenant involvement in developing the original standard could be remedied in any future review/redraft. Practical interpretation of the standard where this cannot be adequately conveyed in words (e.g. cleanliness) needs to be incorporated within the training of contractor staff. Tenant inspectors who assisted the researchers saw the standard as too modest. Similarly, the Council should consider making the standard (or a simplified version of it) available to potential tenants at viewing and/or sign-up.

Inspection of ‘ready to let’ void properties by the researchers and experiences recounted at the tenant focus group identified poor finishing in a number of cases. These included poorly-sited kitchen units leaving un-useable spaces, broken windows and kitchen unit doors and drawers where the fit was not true. The contractor response to observations on the quality of workmanship is that any shortcomings reflect poor works specification rather than failure to perform tasks as specified. At least as a general rule, our own inspection of void works tended to support this interpretation.

The Housing Department accepts the need for a joint client/contractor review of the relet standard and the ordering of void works. It is understood that this will also encompass consideration of current practice on differentiating void repairs between ‘essential’ and ‘non-essential’ categories. The revised standard might stipulate that all such works are completed whilst properties remain vacant.

Involving tenants

The Council has previously experimented with inviting tenant reps to accompany prospective tenants viewing properties but the procedure was discontinued because it was found that prospective tenants often objected and because tenant reps were not always able to meet the timescales. A related though distinct suggestion is for the Council to look at offering tenant reps a role in void inspections. This could be advantageous to the Council if it promotes trust and enables tenants to better understand how staff specify required works and subsequently assess whether such repairs have been properly completed. Our discussions with tenant reps suggested that there is enthusiasm to play such a role.

Performance monitoring and targets on void repairs

As yet the Council has not analysed the number and types of repairs being ordered by recently-rehoused tenants – a possible means of assessing the effectiveness of relet standard implementation. There is a broader need to enhance the monitoring regime as regards void works to include quality standards and associated expenditure – e.g. in relation to actual times taken to complete ‘essential repairs’, properties remaining in the works phase beyond a given threshold period, unit costs etc. A complicating issue is the significant proportion of voids subject to multiple works orders which can mean that measuring the time taken to complete each individual job can produce a misleading conclusion.

The 10-day target timescale for ‘essential works’ is generally seen as useful and realistic for ‘typical voids’. However, there may be scope (supported by staff in our interviews) for more flexible application of targets to take account of the highly variable extent of such works (i.e. reducing the target for some properties and extending it for others). More importantly, there continues to be conflict between client and contractor on exactly how the ‘10 day target’ should be implemented in practice. It is understood that the main issue revolves around whether the target properly relates to individual repair lines – the contractor’s view – or to all void works ordered for a specific property – the client view. It may be that this reflects a need to agree clearer terminology in the repairs contract.

Currently all voids are being inspected after DLO hand-back. While this may be necessary as a short-term measure it consumes significant client-side time and suggests a lack of confidence in the contractor’s performance in undertaking work to the expected standard. In the future the council could consider whether there is scope to either combine the post-inspection visit with accompanied viewing and/or move to limiting post-inspections to a random sample of voids only. The aim here would be to provide assurance of generally satisfactory contractor performance rather than to vet every single property subject to void repairs. Of course, if any significant proportion of random post-inspections revealed inadequacies in works quality this would trigger re-consideration of a ‘100 per cent scrutiny’ regime.

Post-works cleaning standards and external appearance of voids

Based on our visits to ‘ready to let’ void properties, and also drawing on tenants’ testimony, it would appear that the standard of post-works cleaning is often far from adequate. Whilst this was not true of every inspected void property, exceptions may

have reflected the quality of care by the former tenant rather than the quality of service by repairs contractors and/or external tradesmen. Cleaning is normally undertaken by tradesmen, not cleaning specialists, and without the use of water. While the contractor believes that this task is conducted in accordance with their instructions it raises questions about whether the contract conditions are adequate to ensure delivery of good service standards.

Examples of poor cleaning included:

- Failure to properly remove carpet leaving behind a sticky unpleasant residue
- Areas completely untouched – significantly in kitchens where grease, dirt and old food waste were not removed from corners or at the back of where ovens/ other appliances had been removed
- Windows were frequently grubby and smeared
- Generally surfaces appeared to have received a quick wipe than a proper clean.

The condition of communal areas and the external appearance of ‘ready to let’ dwellings is frequently off-putting to potential tenants (and neighbours). Void property inspections by the research team in a number of instances revealed long uncut grass, sited doors and windows, glaring lack of external painting and rubbish in communal areas (empty bottles, cigarette ends).

‘Non-essential’ repairs

Apparently, works designated as ‘non-essential’ and therefore deferred until after occupation, are not always completed. Staff commented that such job orders were, in some cases, cancelled due to ‘no access’. It is understood that this is not routinely monitored. Tenants interviewed in the research were confused about the ‘28 day rule’ for ‘non-essential’ repairs, some believing that once the responsibility for the properties were handed back to the repairs inspector they had ‘lost their chance’ to have non essential works carried out.

More generally, we see the proportion of void repairs deemed ‘non-essential’ as excessive. Some of these (e.g. plastering) can be highly disruptive to the tenant and do not constitute an efficient way of working. Other examples of works inappropriately deferred until tenants had taken up residence (as identified through inspections) included:

- floor tile repairs
- window security
- removal of paint from bath.

Such jobs could, and should, have been carried out pre-occupation. Lack of confidence that such works will be completed post-letting may in some cases contribute to a new tenant’s decision to abandon their property.

Linkage between void reservicing and SHQS obligations

Whilst a significant proportion of void properties now undergo kitchen replacement, the linkage between void repairs and works required to meet broader SHQS criteria appears weak. There is no routine link back to the Council's SHQS/stock condition database. Similarly, the opportunity afforded by the void repairs process to install carbon monoxide detectors and/or gas appliance limiters is not generally exploited.

5. Value for Money

5.1 Financial Benefits of Improved Performance

From a financial perspective, the Council's recently improved performance on void management certainly has direct benefits. Since 2002/03 annual void rent losses have been halved to £1.4 million and, in the more recent past, voids security expenditure has been sharply cut (see Chapter 4).

5.2 Compensatory Losses

Whether there have been any compensatory losses is more difficult to judge. For example, deferring a significant proportion of repair jobs might make the works concerned more expensive to undertake. The absence of data showing 'void repairs' expenditure over a run of years makes it hard to even speculate about these issues.

We would, however, see VfM questions being raised by the unreliable quality of finishing observed in 'ready to let' void properties (whether or not this results mainly from shortcomings on repairs specification/ordering). However, as noted in Chapter 4, efforts to evaluate void repairs activity in VfM terms are hampered by the absence of reliable expenditure data translatable into unit costs against which to compare figures for other social landlords.

Another area where savings in void rent losses might have been offset involves additional staffing expenditure. In particular, as noted in Chapter 2, extra housing allocations posts have been established on a temporary basis. A full VfM analysis of the Council's voids reduction strategy is beyond the scope of this research. However, any such analysis would need to be taken account of this extra staffing in generating new costs to set against reduced void rent losses.

5.3 Void Post-inspection Costs

As noted in Chapter 4 the current post-inspection regime which encompasses 100 per cent of properties subject to void works could be seen as an expensive procedure providing possible scope for savings.

5.4 Tenancy Services Staff Activity

Housing staff responsible for void management have to devote a considerable amount of time to 'low value' tasks – e.g. key chasing, works ordering. The allocations process remains inefficient as measured by the relatively small proportion of tenancy offers resulting in lets (even with respect to properties classed as 'not low demand'). There may be scope for addressing this issue partly through a stronger focus on waiting list data cleansing. More radically, we would see it as appropriate for the Council to assess the possible VfM benefits of adopting a choice-based lettings (CBL) approach.

Switching to CBL would certainly involve incurring start-up costs mainly in relation to ICT development. Running a CBL system would also involve some additional revenue costs in the form of advertising. However, evidence from other social landlords has demonstrated that such additional costs need not be substantial. And,

more importantly, that these can be substantially outweighed by savings. In particular, the reduced void rent losses which can result from cutting out most tenancy offer refusals (because offers are only made to applicants who have registered an interest in an advertised property). Other benefits in terms of more closely matching applicants' preferences with available to let properties also have a financial dimension through the resulting reduction in tenancy turnover (meaning a reduced throughput of voids needing to be re-serviced and relet). Given the finding that a fifth of WDC new tenants terminate tenancies within a year this is highly relevant to local circumstances. Taking account of reduced expenditure due to higher tenancy sustainment and faster reletting, recent Heriot-Watt research for Central Government in England estimated that Sheffield City Council's switch to CBL saved the Council approximately £1M per year⁷.

For the reasons explained above, CBL is a particularly attractive option for landlords contending with relatively weak housing demand (and where, as a consequence, void levels and tenancy turnover are relatively high). Recognition of this reality partly is an important factor underlying Glasgow Housing Association's decision to switch to CBL in 2007/08⁸.

Inviting local housing associations to collaborate on a council-wide CBL system could also be a way of kick-starting the Common Housing Register development process – a common register is perfectly compatible with CBL.

5.5 Impact of Works Order 'Variations'

VfM questions are also raised by figures comparing the 'issued value' and the 'paid value' of void repair works. The issued value of pre-works, void works and post-occupation works in 2006/07 totalled £2.75M. However, the paid value of these works was 55 per cent higher at £4.26M. The difference between these two figures represents 'variations' made to ordered repair jobs. It is reported that such variations are made in respect of 'virtually all' orders. This might suggest shortcomings in the original specification of works. And whilst it could be argued that these findings may not reflect current practice under the new repairs contract, we saw no evidence to suggest that the causes of the problem had been adequately recognised and addressed.

It could be instructive to make separate comparisons of the issued and paid values of each type of void repair work (pre-works, void works, post-occupation works) to see whether the extent of 'overruns' varies in any systematic way. Similarly, it could be relevant to undertake separate analyses for different housing offices (or even housing officers).

⁷ Pawson, H., Jones, C., Watkins, D., Donohoe, T., Netto, G., Fancy, C., Clegg, S. and Thomas, A. (2006) *Monitoring the Longer Term Impact of Choice-based Lettings*; London: Department for Communities & Local Government
http://www.communities.gov.uk/pub/599/MonitoringtheLongerTermImpactofChoicebasedLettings_id1503599.pdf

⁸ See GHA website:
http://www.gha.org.uk/content/default.asp?page=s4_1&newsid=547&newstype=n1_2

5.6 Asset Management Strategy

A broader concern is the absence of an overarching asset management strategy within which void property administration is undertaken. It is essential that decisions on whether to relet voids are set in the context of clear decisions about the future of every block and estate. Otherwise there is a danger that significant sums will be devoted to reservicing properties in buildings liable to be scheduled for demolition within the relatively near future. The Council has recognised that this is an issue and anticipates producing an Asset Management Plan on the back of the currently ongoing housing needs and supply study.

6. Recommendations

- (a). Produce a comprehensive strategic void management plan with clear vision, objectives and action plan to underpin improvements which:
- Is based on a robust analysis of stock sustainability (stemming from the forthcoming findings of the Council's housing needs and supply study (HNSS))
 - Uses existing sources of information to understand motivations/aspirations and needs of potential applicants
 - Identifies the major challenges faced by the Council in further improving void management and shows how these will be addressed
 - Links to team and individual plans and targets
 - Includes a framework for use of management information and clear evidence of how will be used
 - Involves stakeholders in its production – including residents and neighbouring authorities
 - Links to other policy and practice (homelessness, CHR, support, housing management).
- (b). Use the process of void surveys to capture data to inform stock condition database (existing survey of c.15% is low)
- (c). Ensure notice periods are fully utilised for carrying out pre-inspection work
- (d). In consultation with tenants, review the relet standard and associated issues:
- Refer to experience of other landlords (e.g. East Lothian Council, GHA) to ensure standard is comprehensive and tightly specified
 - Establish a clear definition of an 'essential repair' and consider appropriate decoration standard
 - Ensure all essential repairs are included within the ten day contractor target (i.e. avoid duplicate orders per property, record, monitor and report instances where properties returned to Tenancy Services with specified works remaining incomplete/unsatisfactory)
 - Establish closer links between the target relet repair period and value/nature of work
 - If the concept of 'non-essential void repairs' is to be retained, consider tightening the definition to reduce the proportion of void works to be deferred for completion post-occupation. Undertaking works whilst

properties are empty is a more efficient process and less disruptive to new customers

- introduce appointments for outstanding repairs post-occupancy.
- (e). Analyse number and type of repairs ordered by new tenants to test the effectiveness of relet standard in encompassing essential works
- (f). Enhance the standard of final clean post repair
- (g). Ensure that there is a rigorous process of quality control of repair and cleaning standards
- (h). Undertake a comprehensive review of allocations policy and procedures which:
- Stimulates interest and uptake
 - Improves on the currently rather low rate of tenancy offer acceptances
 - Provides housing options advice (as already under consideration by the Housing Strategy Officer)
 - Encourages community/neighbourhood sustainability
 - Examines the scope for greater pre-allocation (i.e. matching void properties and applicants before properties are ready for letting).
 - Introduces or better publicises incentives for harder to let areas (see below)
 - Includes the production of a welcome pack
 - Reviews policy and practice on Housing Register maintenance and rolling review to provide re-assurance that speed of reletting is not unduly compromised by inaccurate data on applicants' needs, preferences and contact details.
- (i). As an integral part of this process, examine the possibility of converting the existing property shop approach into a fully fledged CBL system, noting:
- Link HA already allocate by this method and could share experience
 - GHA, facing some similar challenges, have examined this option and has concluded CBL is likely to offer solutions
 - General nationwide evidence that CBL systems have generated demand for lower demand stock and boosted tenancy sustainment – both of which are confirmed by this research as key issues for WDC
- (j). Consider changes to the policy on empty property viewings:
- Carrying out viewings after safety checks and cleaning completed so decision made earlier (even if works are still required)

- Ensure that staff undertaking accompanied viewings can incentivise take up – e.g. offering longer to move in, showing kitchen options, giving applicants choice of options on works yet to be carried out
- (k). Consider adopting and/or publicising a range of incentives to be offered to stimulate acceptance of low demand voids, e.g:
- rent free weeks (it is acknowledged that, because of being in receipt of Housing Benefit, this would have no attraction for most new tenants. However, it is probable that a significant minority of new tenants are ineligible for HB and could, therefore, see this as attractive)
 - permitted under-occupation
 - decoration allowance
- (l). Provide direct assistance for new tenants in getting utility service connections (This issue was reported as a problem. Whilst utility companies insist on dealing direct with tenants, social landlords can help facilitate such contact).
- (m). Improve performance management including:
- Quality and accuracy checks, e.g. on housing applications, sign-ups, new tenancy visits
 - Measurement of outcomes from policy and practice – particularly tenancy sustainment (see below)
 - Provides an opportunity to discuss and debate at cross section/team meetings
 - Involves residents/customer views – in inspection of voids, using new tenancy visits to recruit potential participants
 - Exception reporting
 - Contract management/compliance issues
 - Void repair costs
- (n). Review monitoring framework in relation to classifications of demand categories, current status of voids, refusal reasons, termination reasons
- (o). Address staffing issues which are currently restricting the development of adequate an performance monitoring framework
- (p). Develop a performance monitoring framework which generates the following indicators:

Name	Description	Breakdown
Stock turnover	Terminations as % of stock	Estate, demand category, type/size

Void rate	Void stock as % of stock	Estate, demand category, type/size
Offers to lets	No of lets expressed as % of offers made	Estate, demand category
Tenancy sustainment	% of LD and NLD lets being terminated within 12 months within each financial year	Estate, demand category, termination reason
Long term voids	Number and rate of LTV	Estate, number of days empty
Void processing times	Average times taken for each stage in the void re-servicing process for properties emerging from that stage in a given period (e.g. month or quarter): (i) initial inspection period (termination date-date property handed to contractor, (ii) contractor works period (date handed to contractor to date handed back to client) (iii) available for letting period (date handed back to client to tenancy date)	LA and housing office
Relet times	Relet times (days)	Housing office, demand category, type/size
Unit costs	Contractor charges per void, broken down by repair type	Housing office, demand category

(q). Look at the concept of quality guarantees to tenants

(r). Prepare tenancy sustainment strategy that:

- Is based on understanding of reasons behind abandonment, tenancy failure – find out from people who return
- Builds on and learns lessons from the work carried out in TA and from an analysis of termination reasons in respect of tenancies ending within 12 months
- Sets out objectives for the new tenancy visits and ensures these are customised to suit individual needs
- Formalises the handover of cases between teams and sections
- Measures success
- Identifies gaps in support and appraises how to address these.

(s). Establish requirement for temporary accommodation – consider:

- 2012 implications
- Purpose – suggestion that in some instances it is being used to prepare people for permanent tenancy – should this be acknowledged and longer term options be offered
- Whether scope for running accommodation schemes to suit specific needs – shared housing, supported tenancies, ‘wet’ hostels
- Designation – length of time, location, conversion issue (alongside stock sustainability issues)

Annex 1 – Supplementary Data

Figure A1.1 – Stock type by demand category

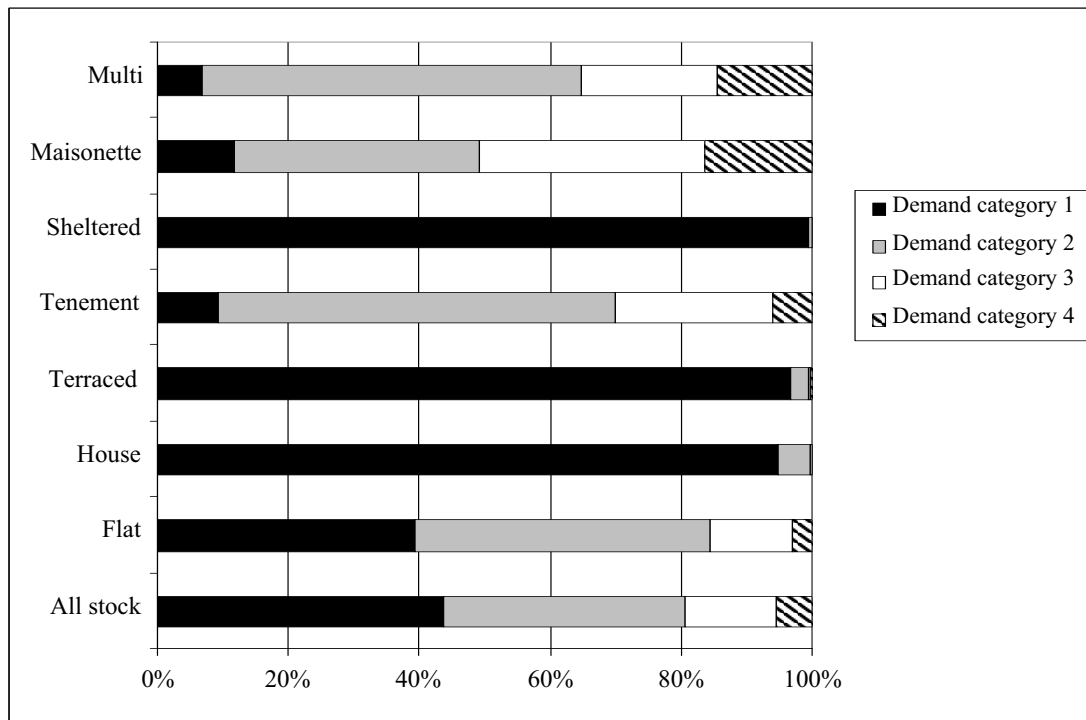


Figure A1.2 – Stock size by demand category

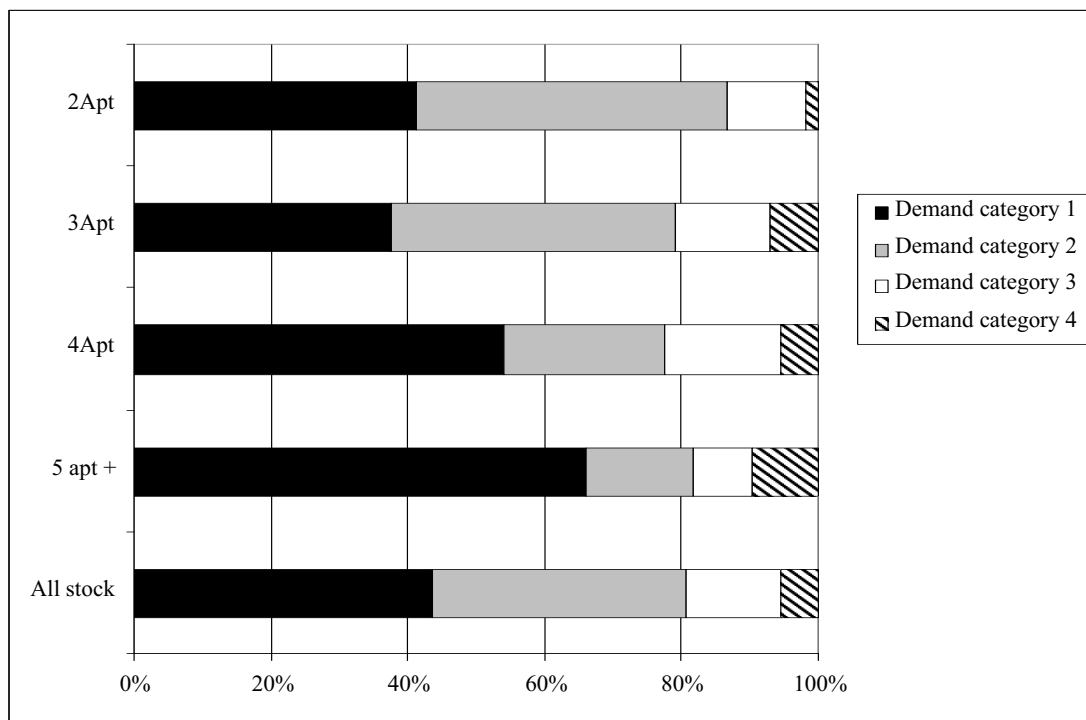


Table A1.1 – Tenancy terminations by reason (alternative classification)

	01/02	02/03	03/04	04/05	05/06	06/07
Notice given	976	1077	596	697	601	580
Abandonment	152	159	162	119	152	141
Death	188	296	274	216	207	192
Eviction	n/a	n/a	0	4	0	10
Regeneration activity	n/a	n/a	n/a	n/a	27	0
Other	n/a	n/a	316	1	12	301
Total number	1,316	1,532	1,348	1,037	999	1,224
% abandonments	12%	10%	12%	11%	15%	12%