

**SCRUTINY COMMISSION
4TH APRIL 2022**

Report of Finance and Performance Scrutiny Committee

ITEM 11 KEY PERFORMANCE INDICATOR KI 11 - % RENT LOSS FROM VOID PROPERTIES.

Purpose of Report

To provide further details to the Commission regarding the Finance and Performance Scrutiny Committee's consideration of Key Performance Indicator KI 11 - % rent loss from void properties prior to requesting the Commission schedules the topic for further scrutiny.

Action Requested

That the Scrutiny Commission schedules further scrutiny of the Key Performance Indicator KI 11 - % rent loss from void properties.

Reason

Members of the Finance and Performance Scrutiny Committee were concerned that this matter was not being given significant priority and wished for further detailed scrutiny on this topic.

Policy Justification and Previous Decisions

At four meetings of the Finance and Performance Scrutiny Committee members have scrutinised the Key Performance Indicator 'KI 11 - % rent loss from void properties' and have sought clarification and responses from the attending Cabinet Lead Member and Head of Service. Members became increasingly concerned by the lack of progress to resolve matters identified and wished further scrutiny to take place. Having been notified by the Chair of Finance and Performance Scrutiny Committee that the Scrutiny Commission welcomed suggestions of topics for scrutiny to further balance the work carried out by both committees, it requested that the Commission be asked to scrutinise this matter further.

In consultation with the Chairs of the Scrutiny Commission and Finance and Performance Scrutiny Committee, it was agreed that the scrutiny previously performed regarding this Key Performance Indicator be shared with the Commission to ensure it had clarity of the concerns raised by the Finance and Performance Scrutiny Committee prior to its scheduling.

Implementation Timetable including future decisions

This report has no implementation timetable

Report Implications

Financial Implications

There are no identified financial implications associated with this report

Risk Management

There are no identified risks associated with this report

Equality and Diversity

No implications

Crime and Disorder

No implications

Sustainability

No implications

Background Papers: minutes of the Finance and Performance Scrutiny Committee:

June 2021 - [Minutes Template \(moderngov.co.uk\)](#)

September 2021 - [Minutes Template \(moderngov.co.uk\)](#)

November 2021 - [Minutes Template \(moderngov.co.uk\)](#)

March 2022 - [Minutes Template \(moderngov.co.uk\)](#)

Appendices: Appendix A - KI 11 Additional narrative provided to the Committee at its meeting on 1st March 2022

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Part B

1. The Finance and Performance Scrutiny Committee was created following a report submitted to the Scrutiny Commission at its meeting on 8th March 2021 recommending its formation. The first meeting of the Committee was held on 22 June 2021. At each meeting as part of its remit the Committee has scrutinised performance monitoring reports and consistently highlighted performance concerns with Key Performance Indicator KI 11 - % rent loss from void properties.
2. The Head of Strategic and Private Sector Housing has attended every meeting of the Committee and the Cabinet Lead Member for Housing has attended two meetings to aid the Committee in its consideration of performance monitoring.
3. Minutes extract 22nd June 2021 (minute 4/2021-22 refers)

the key performance indicator for number of void properties indicator noted as red before and during the pandemic with approx. 10% of the Council's housing stock void. The reasons for properties being void was complex; some were in the process of being renovated, some under major works, properties unsuccessfully advertised, repeat adverts, no business placed or short lists exhausted. The Charnwood Lettable Standard for voids and the renewing of bathrooms and kitchens was not a limiting factor in letting properties, although it was easier to replace when the properties were empty. The Council operated a choice based letting system which allowed prospective tenants to bid for properties and they were encouraged to consider properties across the borough. Some properties and areas were less popular.

4. Minutes extract 7th September 2021 (minute 13/2021-22 refers)

With respect to KI 11 % rent loss from void properties, concerns were raised regarding the loss of rent, the average void of 126 days before returning to use, the number of homeless people and the types of houses available. There were several reasons why the situation was as indicated in Appendix B. the Voids performance had continued to be impacted by the COVID pandemic and related restrictions, which had affected customers, staff and services. In addition with staff vacancies, both the reviews on the Council housing stock for sheltered and age designated had been delayed. Planning advice had been sought for options for the Sheltered Housing and would be presented to the Sheltered Housing review Board prior to submitting a report to Cabinet. Once the vacancies were filled the data already collated for age designated properties will be analysed to determine whether the age restrictions should be lifted.

The Choice based lettings bidding system was effective; when an applicant was accepted on to the Housing Register they would be notified of their band and the properties they were eligible for. It was

noted that tenant aspirations had changed and that the types of properties available did not match these. The Council had 400+ properties to allocate yearly and nearly 2000 to be housed, there was not enough stock available. The policy of allowing three refusals of properties before the Council could state that it didn't have a duty to house people had been agreed as part of the consultation exercise when the Allocation Policy had been introduced. A review was planned during this financial year and this approach would be reconsidered.

Members considered that it was not acceptable as a Council, that there were high numbers of housing void, high numbers of people homeless and significant % rent loss. The Committee wished to highlight the difficulties facing the Strategic and Private Sector Housing Service to its Cabinet Lead Member portfolio holder suggesting that additional support was urgently required.

5. Minutes extract 30th November 2021 (minute 23/2021-22 refers)

The Chair and Vice-chair had identified the following principal topics/focus for this item:

- % rent loss through void properties (red indicator);*
- Sheltered schemes – where are we on progress?*
- Age criteria for acceptance into certain properties.*

Timeline needed for when sheltered schemes review would be completed, had been delayed for some time. Additional narrative agenda page 51 useful. Refocus needed. Needed to update properties so that provided what tenants needed, perhaps switch focus of capital spending from purchasing properties to updating properties so could be let. Income to Council being lost and not housing as many people as could otherwise do. Funds available in HRA as not spent on repairs over last year. In response, had been increase rent loss, less voids end of quarter, decrease in terminations, starting this quarter in better position. Had been increase in re-advertised properties, linked into previous comments made re: sheltered schemes/age designation, had been more offers made. Longstanding nature of sheltered schemes review outlined, also schemes completed to date, agreed standard, assessment/work undertaken and plans moving forward, in particular timeline for next scheme, Thurmaston and report to Cabinet on that and prioritisation of remaining schemes. Considerable work had been undertaken. However, progress had been impacted by Covid. Also, by staff leaving. Updates on sheltered schemes review was provided to Housing Management Advisory Board. Recognised that had been delay, apology for that including to affected residents. Funds from Right to Buy being used to purchase properties could not be used for refurbishment costs.

Clarified that void rent loss, review of sheltered schemes, age designation all within remit of Head of Strategic and Private Sector Housing.

Regarding age designation, project had commenced, past changes looked at, currently 1,079 45+ properties, approximately 5% void. Progress on plan affected by available staff resources, work to recruit and position in that respect outlined, had been difficult, also staffing to assist turnaround. Analysis of age designation changes made previously and practice elsewhere indicated that there had not been a problem with management/additional anti-social behaviour, which had been the main concern. Housing Management Advisory Board to consider, possibility of pilot blocks initially. View expressed that age criteria had become barrier, removal supported.

6. Minutes extract 1st March 2022 (minute 32/2021-22 refers)

KI 11 – the additional narrative was welcomed, but still significant concerns regarding the % rent loss and number of voids; there didn't appear to be a sense of urgency and action was needed. If non-sheltered accommodation and sheltered accommodation data were separated into two indicators, it was clear that sheltered accommodation turnaround times was impacting on the overall target and that general needs at 2.99% would be within tolerance. Challenges included age designation criteria, residents' preferences and staff resources. The Sheltered Housing Review Board and project plan had been set to decide on the future of the schemes and what works were required to bring them up to a 'fit for purpose' standard.

was the Housing Strategy still appropriate? Consider selling off sheltered accommodation? In response the Board had a vision for future accommodation to meet the changing demographics and aspirations of residents of the Borough, with 14 current schemes under review on demand basis. A report would be submitted to the Cabinet outlining the review, the prioritisation of schemes and for the Thurmaston sheltered scheme. The delays were currently caused by lack of resources with posts currently out for recruitment. Age designated criteria work had begun, and any changes to current designations would require Cabinet approval. The matter had been added to the workplan of the Housing Management Advisory Board as part of the consultation process.

views expressed that assets no longer seemed fit for purpose and tasks should be outsourced if no internal resources available. Would cost of renovation prevent activity even if resources available? Noted all HRA investment possibilities were being considered, following completion of a stock condition survey later this year. Recognised properties not fit for purpose and that sensitivity was required around review and renovation

costs of homes, the Charnwood Decent Homes Standard impacted costs but was considered valuable to retain. A report would be submitted to Cabinet and funding was potentially available from Homes England and Landlord Services. Financial modelling around sheltered accommodation improvements was included in HRA Business Plan and financial assumptions would be checked and updated later in the year (following the stock condition survey).

reference was made to £787K rent loss and that this had steadily increased each year. If action had been taken sooner to recoup the losses, the Council could have been able to renovate properties by now. A member noted there seemed to be no political will to deliver.

APPENDIX A

ADDITIONAL NARRATIVE PROVIDED BY THE HEAD OF SERVICE FOR THE MEETING HELD ON 1ST MARCH 2022

KPI 11 - % Rent loss from void properties additional narrative

Void performance continues to be impacted by the ongoing effects of the COVID-19 pandemic and related restrictions which have affected customers, staff, services, suppliers, and contractors.

There is a lower level of demand for some property types, particularly sheltered and non-sheltered age-restricted properties. A review of sheltered and other age restricted properties is being carried out to identify potential options to reduce voids and void times and make the best use of the housing stock. In the meantime, some lower demand properties are being used for decants for existing council tenants and temporary accommodation placements for homeless households.

Performance at end of Quarter 3 was **£787,813 (4.85%)** rent loss against available rent of **£16,241,554**. The rent loss breakdown equates to **£485,821 (2.99%)** for non-sheltered properties and **£301,992 (1.86%)** for sheltered properties.

At the end of the quarter:

321 properties were void. **167 (52%)** of these properties had a 60+ minimum age criteria (146 sheltered and 21 non-sheltered), **51 (16%)** had a 45+ minimum age criteria and **103 (32%)** had no age criteria. **187 (58%)** of these properties were undergoing works (149 under inspection/standard works, 38 under major works). **10 (3%)** of these properties were being used for decants for existing tenants pending major works to their usual properties. **124 (39%)** of these properties were ready to let (90 in the process of being advertised/allocated following advertisement, 11 under offer/in the process of being let, 23 on hold for use for direct matches for wheelchair users/temporary accommodation for homeless applicants/decants for existing tenants).

During the quarter:

- **92** properties became void. **25 (27%)** of these properties had a 60+ minimum age criteria (12 sheltered and 13 non-sheltered), **24 (26%)** had a 45+ minimum age criteria and **43 (47%)** had no age criteria.
- **83** properties were advertised for the first time. **25 (30%)** of these properties had a 60+ minimum age criteria (14 sheltered and 11 non-sheltered), **24 (29%)** had a 45+ minimum age criteria and **34 (41%)** had no age criteria.
- **197** properties were readvertised following unsuccessful adverts where either no bids were placed, or the shortlists of bids was fully exhausted (a total of 1,795 repeat advert instances for 197 properties). **158 (80%)** of these properties had a 60+ minimum age criteria (138 sheltered and 20 non-sheltered), **38 (19%)** had a 45+ minimum age criteria and **1 (0.1%)** had no age criteria.
- **74** properties were offered to applicants (a total of 84 offers for 74 properties). **24 (32%)** of these properties had a 60+ minimum age criteria (10 sheltered and 14 non-sheltered), **16 (22%)** had a 45+ minimum age criteria and **34 (46%)** had no age criteria.
- **42** properties were refused by applicants (a total of 49 offer refusals for 42 properties). **12 (29%)** of these properties had a 60+ minimum age criteria (7 sheltered and 5 non-sheltered), **10 (24%)** had a 45+ minimum age criteria and **20 (47%)** had no age criteria.
- **91** properties were relet. **15 (16%)** of these properties had a 60+ minimum age criteria (5 sheltered and 10 non-sheltered), **30 (33%)** had a 45+ minimum age criteria and **46 (51%)** had no age criteria. The average true void time was **162** days. The average relet time (excluding time spent under major works/decants) was **135** days. The average repairs time was **47** days. The average ready to let time was **116** days. **50 (55%)** of the relet properties were refused at least once before being successfully let.

The Landlord Services and Strategic and Private Sector Housing teams continue to work together to identify, implement and monitor measures to reduce voids and void times, alongside ensuring the best use is made of the housing stock. This includes through the Voids Working Group, Adaptations Review Group and Sheltered Housing Review Board.