

TENANT PANEL REVIEW OF VOID PROPERTIES

Report of Derby Homes' Tenant Panel

1. SUMMARY

This report shows the findings of the Tenant Panel's review of Local Offer 4, in addition to presenting recommendations.

2. RECOMMENDATION

To note and comment on the information and approve the recommendations as detailed in Appendix 1.

3. MATTER FOR CONSIDERATION

- 3.1 As part of the Tenant Panel's continuing voluntary work, their most recent review looked at Derby Homes' Local Offer 4: We will make sure newly let homes meet agreed standards of repair.
- 3.2 The Panel carried out this review using various methods, including 15 property visits, staff interviews and performance information.
- 3.3 Rather than simply looking at void property repair work in isolation, the Tenant Panel took into account the whole process of void management.
- 3.4 Their findings are in the attached report (Appendix 1) and are broken down into:
 - "Lettable" standards
 - Escorted viewings
 - Allocations
 - Recharges
- 3.5 The Panel have made five recommendations where they feel improvements could be made. As previously agreed, we have included relevant manager's responses to these recommendations as part of this report.

The areas listed below have no implications directly arising from this report:

Consultation
Financial and Business Plan
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None
Supporting Information: None

TENANT PANEL REPORT



The panel was brought together in April 2012 by inviting people from tenant involvement groups already in existence. The following members took part in the review:

| | |
|---------------|------------|
| Gill Young | Chair |
| Bob MacDonald | Vice Chair |
| Arthur Baba | |
| Lyn Gadsby | |

Local Offer 4 : Make sure newly let homes meet agreed standards of repair

Purpose of review

The purpose of this review was to look at the standard of void properties and ensure they come in line with the services provided by Derby Homes. The review was carried out over a 4 month period from November 2013 to February 2014

What we did

We went to visit a total of fifteen properties covering all five areas of the city. The properties visited were a mixture of flats, houses, bungalows and maisonettes.

Five of the properties were looked at as soon as they had become vacant. We then inspected them again once the voids team had done the repairs and inspections.

Ten of the properties were visited on completion of void works and were deemed to be of lettable standard.

To ensure we looked at the service as a whole we spoke to a number of staff who are involved with the whole process of void management from the receiving of keys to reletting.

The staff we spoke to were:

Errol Harriot - Voids Manager
Paul Thompson – Allocations Manager
Ian Smith – Surveyor
Housing Officers from each local housing office
Jackie Durham – Head of Income Management and Advice

Areas we felt needed to be looked at included:-

- Lettable Standards
- Escorted viewings
- Allocations/Advertisements/Reasons for refusals/Pre Vacancy Inspections
- Recharges

Lettable Standards

We looked at the lettable standard as a guide to work from during their viewing of properties prior to and after the voids final inspections. Out of the fifteen properties looked at we felt that although in theory they met the lettable standard, the actual standard was very basic and could be improved on.

The ten properties that the panel viewed which were at the ready to let stage. Out of these, one was not acceptable to us:

Property on Thorndyke Avenue – Property was very dirty, smelly and in poor state of repair.

The next five properties were visited on receipt of keys and again when ready to let.

Out of these there was one property which did not require a return visit as it had been left in a fabulous state by the previous tenant.

These properties were of the same basic finish as the previously viewed voids. However, we acknowledge that the voids team do a thorough job in bringing properties to the lettable standard from the condition most of the properties are left in by former tenants.

We discussed with allocations and housing officers the poor standards of decoration in the properties we looked at, and enquired how and when decoration vouchers were offered to new tenants. This varied from office to office but the general line was £25 per room maximum.

Escorted Viewings

Some escorted viewings happen before the properties are classed as ready to let. Housing officers feel this can be detrimental as often the personal possessions have not been cleared and this does not give a clear view of the property.

Housing officers reported that feedback from customers on escorted viewings reflected badly on the current lettable standards.

Allocations/Advertisements/Reason for refusals/Pre-vacancy inspections

During 2012/2013 there were a total of 768 properties let, from April 2013 to December 2013 there were 1008, the difference in the figures has been attributed to the implementation of the under occupancy charge.

We looked the allocations policy and noted that the property adverts are checked and processed by the allocations team. On talking to housing officers we found that the officers did not think the adverts were clear enough. When we looked at refusal of property reasons this seems to indicate that this could be a possible reason.

The top three reasons for refusal were:-

Property unsuitable 22%

Area unsuitable 21%

Property size/type 14%

The voids team explained that on pre-vacancy inspections, up to 31% of properties, (where a pre vaco could take place, in reality this equates to around 8%), could not be accessed. Housing officers also told us that a great deal of damage to properties is often caused once a pre vacancy inspection has been made, they suggested a possible post vacancy inspection, this would tie in with tightening of the recharge system which we have also looked at.

Recharges

We asked Jackie Durham, Head of Income Management and Advice questions in relation to recharges and this is her response:-

Background

Derby Homes became responsible for the management of rechargeable repairs from April 2012, prior to this it was the responsibility of Derby City Council.

Q1. How much has Derby Homes managed to collect in recharge amounts during 2012/13 and 2013/14?

| | |
|--------------------|-------------------|
| 2012/13 | £11,365.58 |
| 2013/14 YTD | £33,905.07 |

Initially there was very limited resources available to collect, recognising this, in January 2013 additional resources were made available and the collection rate is continues to improve.

Tenants are contacted and where payments are not being made then debts are being sent to a collection agency. The Income Team are working through the cases and have now sent around £215,000 worth of debts to the debt collection agency.

It is accepted in the collection industry that these are very difficult debts to collect as generally they are disputed so no payments are made until responsibility has been proved and tenants tend to have other debts such as rent arrears (either current tenant arrears or former tenant arrears) depending on their tenancy status and court costs outstanding as well and then due to tenants financial circumstances payments very rarely exceed £5.00 per week, so debts can take a long time to be cleared.

A decision on whether to proceed with taking court action and further costs that we initially have to pay, when compared with the likely hood of getting any payments needs to be made. In the past the council has incurred court costs on

collecting these kind of debts and not really getting a viable return due to the financial status of our tenants as well their constantly changing circumstances.

This said, I intend to review the process for collection of rechargeable repairs during 14/15 in order that Derby Homes can maximise on this income stream.

Q2. What was the total amount of recharges billed for the same periods?

| | |
|-------------|-------------|
| 2012/13 | £606,716.50 |
| 2013/14 YTD | £307,133.27 |

The higher figure of £606,716.50 for year 12/13 for rechargeable repairs raised will have included some invoices from the preceding months prior to Derby Homes actually starting to make attempts to collect the rechargeable repairs.

Q3. When recharges are collected what happens to the money and is it used within the voids service?

Rechargeable repairs are classed as income within Derby City Councils HRA.

Due to the high level of arrears on rechargeable repairs there is a provision for bad debt against the year-end arrears figure.

Any income collected reduces the rechargeable repairs arrears (and bad debt provision). No income is returned to the voids team or Derby Homes in general relating to rechargeable repairs charged or collected. Although not specifically broken down within the management fee, DH receives funding for the void costs associated with “normal” levels of rechargeable repairs. At no stage has a figure been put on “normal” levels. If we are finding that this is an increasing area of spend we will need to record this within the voids service as part of their overspend reasons.

Q4. If the answer to 3 is no, would we be able to introduce this?

Michael Kirk, Head of Finance advises me that he did look into the option of “de-pooling” an element of the management fee for the rechargeable repairs and then for Derby Homes to pick up the rechargeable repair income (as this would more accurately represent the amounts incurred). But based on the low levels of collection (ours are levels are actually higher than most others I’ve spoken to) this would represent a bad debt risk to Derby Homes. Also there are VAT implications if the rechargeable repair service is provided by Derby Homes (it would be classed as a standard rate charge as it is a supply of service), by maintaining it as a service provided by DCC (via DH) we can take advantage of a Local Authority VAT exemption ruling and treat rechargeable repairs to former tenants as outside scope for VAT. (Current tenants are charged standard rate VAT as it is classed as a supply of service because tenants have a choice on who provides it).

Recommendations

1. Review of lettable standard

After visiting a number of ready to let properties, we feel that the current lettable standards could be improved on, and recommend a review is carried out of these current standards.

Managers Comments

The Repairs Team are planning to review the Lettable Standard this year. This is an action in our Work Plan with clear milestones – which will include engaging with tenants and colleagues in Housing Management.

Mick Archer, Head of Repairs

2. Housing Inspections by Local Housing Officers

We felt that the reintroduction of an annual internal inspection of all properties would be beneficial both in reinforcing Tenancy Conditions and reducing the possible recharge costs at the end of a tenancy. We also think it could identify problems such as ASB, safeguarding issues and reinforce relationships with Derby Homes.

Managers Comments

We currently gain access to 100% of all managed properties annually to carry out an annual gas safety check; however this does not include an overall property inspection. There are clearly potential merits in carrying out tenancy audits, focussing on internal inspections of properties, identifying potential tenancy breaches, discovering safeguarding issues and tenants who may be in need of some help and support, as well as reinforcing relationships between tenants and housing staff. Tenancy audits are resource intensive and at this stage we do not know how effective they would be. I would therefore like to pilot tenancy audits in one particular geographical area, as chosen by the tenant panel, to understand better the balance between resource and effectiveness, and to bring back a report to the City Board six months into the pilot evidencing resource allocation and outcomes.

Clare Mehrbani, Head of Housing Management

Throughout the year, the Repairs Team will be undertaking an evaluation of how a Property Inspection could work. We will be considering if this should be done in-conjunction with other works, such as the Annual Gas Safety Inspection, the 5 yearly Electrical test or based on property type, geographical area, number of repairs reported, etc.

Mick Archer, Head of Repairs

3. Decoration of Properties

We would like the possibility of either the hallway and stairs, or the main Living Room being painted prior to property being ready to let investigated. We feel that this will give new tenants a sense of the expected standards they will be required

to maintain their property to. We also think that first impressions of the property would be raised.

Managers Comments

The feasibility of Decoration will be explored as part of the Lettable Standard review. If two of the top three reasons for refusal are 'area unsuitable' and 'property size/type'; we need to understand whether decoration help the letting process and at what extra cost.

Mick Archer, Head of Repairs

4. Educating tenants re keeping properties decent

We recommend that an awareness campaign is carried out to show current tenants the right way to look after their home. This could be by way of a special feature in DHN, pop ups on the website, Facebook and posters.

Managers Comments

The Repairs Team would be delighted to assist Housing Management and tenants – in developing an awareness campaign on how to keep your home decent.

Mick Archer, Head of Repairs

This is a very good and constructive suggestion. It is also timely as we are issuing revised tenancy conditions which would form a good basis for such a campaign. In addition, we are looking to re-launch our estate and flat inspection procedures. A team of staff are working on that at the moment.

We already have a procedure, linked to the allocations process, which looks to reduce transfers and rechargeable repair costs by carrying out inspections for any applicants that may be coming up for a transfer. However, we no longer carry out routine property inspections. This is something that could also be reconsidered in the future as the way in which Housing Management resources are organised changes with the on-going introduction of Intensive Housing Management

For now, a publicity campaign would be a quick win. We would also want to continue to build on that as the general effect of good care of properties by tenants has a huge impact on Derby Homes repairs budgets and ability to offer value for money.

Murray Chapman, Neighbourhood Safety and Enforcement Manager

5. Allocations

As the top 3 reasons for refusal of properties were property unsuitable, area unsuitable and property size/type we would like to see the adverts reviewed to make sure these 3 areas are clearly defined.

Managers Comments

When looking at the adverts the screen shot below is the first thing that any applicant will see, as you can see it does state the area in which the property is in, the type and size. There are also links that enable you to gather a whole host of information, including local schools, children centres, volunteering opportunities, crime levels in the area and even the opportunity to take a virtual walk up the street via Google maps.

**CBL Property**Ref: 44986



Front view

[Show on Google Map >>](#)
[Show local services >>](#)
[Show properties nearby >>](#)
[Show full details >>](#)

Property: 44986
Area: Central Derby
Beds: 1
Property Type: Flat / Apartment
Rent: £76.60
Property Letting Cycle: May 17 2014 to May 22 2014





We work closely with Derby City Council, their software provider (Abritas) and the other Social Landlords in Derby who use the system to look at ways of improving it for both our staff and the customer. We should point out that this software is not a bespoke system, however we will gladly take the comments made by the panel to Abritas in order to improve the adverts and help make the customer make a more informed choice on their prospective property. However, we are reliant on agreement from our partners to the changes to the system and inevitably to the extra cost that any changes bring.

Paul Thompson, Allocations Manager