

Select Committee on Environment – 24th June 2010

Report of the Director of Adult, Community & Housing Services

LA Housing Void Property Review

Purpose of Report

1. To scope the remit and agree a process of scrutiny.

Background

2. Public Sector Housing is sometimes described as a social business and key to our business aims are minimising void costs and void loss or conversely maximising our income through letting voids as quickly as possible and increasing customer satisfaction.
3. Void performance can be measured in a number of ways and up to April 2009 measurement was against Best Value Performance Indicator 212 (Routine Void Turnaround). Our decision to move away from this indicator was based on the fact that it was not a true reflection as, for example, major work voids were excluded from the calculation.
4. The current indicator is the potential rent receipts lost through properties standing vacant. This covers all properties on which a rental income is not being received.
5. Members of this Select Committee already have a scrutiny role through the quarterly performance reports and did note that the target for rent loss was not achieved and did explore the reasons behind our failure to hit the target.
6. In addition, and because of the importance of the indicator, the Cabinet Performance Sub Committee has considered the performance as part of the exceptions monitoring process. Understanding the business imperative attached to the indicator the Cabinet Performance Sub Committee has directed this Select Committee to have a more in depth scrutiny role.

Scope of Scrutiny

7. As Members will expect, officers have already been working to identify issues and possible solutions. In particular it has been agreed that an end-to-end review of the whole void and lettings process should be carried out jointly by Housing Management and Building Services, with some external support which it is expected will be partially funded through Efficiency & Improvement West Midlands (EIWM).

In preparation for the review we are already examining the accuracy and

usefulness of management information we receive in respect of void performance, and we are receiving support from Adult Services in examining some apparent discrepancies between data that is derived from different IT databases. Initial scoping has identified that relatively small percentage improvements in efficiency and value for money could deliver significant savings, some of which may be cashable or available for reinvestment, whilst others would correct budgets that are currently overspent. It is proposed that the outcomes and action planning from this exercise should form part of the scrutiny process.

8. Although rent loss was the initial driver for the scrutiny process and for the end-to-end review, there has also been an emerging issue of major significance in respect of high cost voids. Increasing numbers of properties are requiring extensive remedial works prior to reletting, which has put considerable strain on available budgets. Typically these are family house where older tenants have, over the years, declined improvements and these now have to be picked up on voids following the tenant's death or move to residential or family care. Decisions will need to be taken on the future of some of these properties, and scrutiny will be helpful in determining a way forward.
9. Members may well have other issues/areas of concern that should also be included in this scrutiny process.

The Scrutiny Process

10. Members will no doubt wish to receive regular reports on all aspects of void performance, which will in turn prompt debate and may lead to more detailed examination of particular issues. Given that decisions will need to be made and implemented quite quickly to secure performance improvements this year it may be most efficient for the CBL Working Group to carry out the more detailed work and report back to Select Committee at each meeting.

Finance

11. This report in itself has no financial implications.

Law

12. This report in itself has no legal implications.

Equality Impact

13. This report in itself has no equality impact implications.

Recommendations

14. It is recommended that:-
 - Members confirm the scope for this scrutiny exercise.
 - Members agree that the Working Group is the vehicle for the in depth scrutiny of Void Property Performance and that reports from the Working Group are received at each Select Committee.



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