

Report to Customers and Communities Committee

11 September 2014

Title: TALISMAN – Review of Voids

Report of: TALISMAN – Tenant and Leaseholder Independent Scrutiny

Management Panel

Purpose of Report

1. The purpose of the report is to inform the Committee of our review into how The Gateshead Housing Company manages Voids and to make any recommendations that we as a panel consider will improve service delivery.

Background

- 2. Having completed the first two reviews, the Panel chose to review voids. The criteria used for this choice were: -
 - KPI's and Service Standards in Red Not meeting targets
 - Knock on effect of under-occupation rules
 - Potential loss of income due to properties being vacant longer
- 3. TALISMAN have used the following tools to collect evidence and to put together the report into voids, particularly in respect of the knock on effect of the under-occupation rules. Having looked at the Position Statement (shown in Appendix 1) to see what the service standards were, TALISMAN then looked at the following to check whether these standards were being met: -
 - Presentation from TGHC Voids Manager and Mears Voids Manager
 - Focus group with Mears Voids Team
 - Focus group with TGHC voids team
 - Meeting with Liz Simpson, Performance Officer to review KPI's & comparisons with other ALMOS
 - Site visits to three vacant properties before and after work is done
 - Review of TGHC and Mears websites
 - Lettable Standard
 - Satisfaction information from Lettable Standard Questionnaire
 - Review of previous reports to board and committees re Voids
 - Further requests for information
- 4. The Panel were assisted by the Governance and Risk Officer and the Voluntary Independent Mentor on this review.

- 5. Overall findings showed the enthusiasm and adaptability of both Mears and TGHC Voids Teams, which was welcomed by TALISMAN. We were very impressed by the willingness of both sides to work together to improve their service to tenants.
- 6. There is a range of positive practices identified which are shown in the Appendix 2.
- 7. The panel extensively scrutinised a range of evidence and identified a number of recommendations detailed in Appendix 3.
- 8. The following sections outline the work undertaken by TALISMAN to gain a broad perspective of the service and how they have arrived at their final recommendations.

Presentation from TGHC Voids Manager and Mears Voids Manager

- 9. The panel received a presentation from the TGHC Voids Manager. In particular, this covered the Lettable Standard, void relets, what TGHC does, performance, service standards, current and future challenges and areas for improvement.
- 10. The panel also received a presentation from the Mears Voids Manager. In particular, this covered, void categories, the life of a void, daily/weekly monitoring, performance, the void process, what they do well and ongoing challenges.

Focus group with Void Officers from TGHC and Mears

- 11. Two separate sessions were held with officers representing TGHC and Mears. The sessions were run as questions and answer sessions to get more information about how things are currently delivered and how they could be improved.
- 12. The panel was very impressed by the enthusiasm and commitment of the officers, in particular their desire to work more effectively with each other to improve performance and efficiency.
- 13. Whilst there were some areas where there were differing opinions between the two organisations, the officers all highlighted some fundamental improvements to the way the service was delivered with the potential for improved value for money or efficiency.
- 14. It was identified that annual visits would provide a key role in asset management by gaining access to properties to ensure they were being maintained in line with the tenancy agreement or to identify any issues. This would also potentially reduce the significant recharge costs arising when properties become empty as a result of poor upkeep or unauthorised DIY.
- 15. In addition to this, the focus groups identified that where tenants had gained permission to carry out works in their properties themselves, a follow up visit should <u>always</u> be carried out to ensure that this has been done to an acceptable standard.

Meeting with Liz Simpson, Performance Officer to review KPI's & comparisons with other ALMOS

- 16. A meeting was held with the performance officer to review performance for the last 12 months in both service standards and KPIs. Information was provided on quartile performance from Housemark.
- 17. In particular, when reviewing the Housemark information, although TGHC performance had decreased, this was not to the extent of some of the other organisations and therefore had actually improved in the ranking. This would suggest that although welfare reform has hit the Company hard, it was actually being dealt with more effectively than some of the other organisations.

Site visits to three vacant properties before and after work is done

- 18. Two members of the panel visited recently void properties to assess their condition at the start and end of the process.
- 19. It was agreed to select as wide a range as possible with regard to the work required. Three properties were put forward by the Voids Manager:
 - 1 bedroom bungalow in Winlaton
 - 3 bedroom adapted house in Lobley Hill
 - 3 bedroom house in Leam Lane
- 20. The report at Appendix 4 provides the summary of the findings. The photographs of the properties have been posted on the Board Members Website.
- 21. In particular, the visits to the properties highlighted the recommendations around the need for annual inspections and a review of TGHC approach to decoration, particularly for vulnerable tenants.

Review of TGHC and Mears websites

- 22. A review of void information on both organisations websites was undertaken. This found that the Mears website had more information and was more user friendly than the TGHC website. It is suggested that TGHC follow the approach of Mears.
- 23. A review of the TGHC website was carried out to look at reports previously posted from Board and committees re voids. In particular, this found the website made a number of references to the word void which a number of tenants may not understand. Therefore, it is suggested that for public information they are referred to as 'empty' or 'vacant properties'.

Lettable Standard

24. It was noted that the lettable standard leaflet was reviewed and re-published in February 2014. However, this was the first review since 2008 and the Panel felt that this should be reviewed at least every two years.

Satisfaction information from Lettable Standard Questionnaire

- 25. TALISMAN reviewed the results of the Lettable Standard questionnaire issued to prospective tenants after they have viewed the property.
- 26. 375 responses were reviewed and this showed that 363 (97%) of customers were satisfied with the overall standard of the property in line with the lettable standard, which is above the target set for the year of 95%. Satisfaction also was higher than at the same time last year.
- 27. Out of the 375 responses, this showed that 13 people had refused the property they were offered. Out of these, 2 were refused on the grounds of the decoration of the property. In addition, another batch of original responses was also reviewed and this highlighted 9 refusals on the grounds of decoration of the property. This supports the recommendation to review the current decoration scheme.
- 28. A copy of the questions and breakdown of responses are provided at Appendix 5.

Further requests for information

- 29. As a result of reviewing the information in the above methods, a number of further requests for information were made to clarify areas.
- 30. This included positive practice around undertaking 'Maintaining Decency' work whilst the property was vacant.
- 31. In addition to this, further information gained regarding one of the empty properties visited identified a recommendation regarding the process for references for former tenants when they moved to properties not managed by the Company.
- 32. A further recommendation found there was the need to produce regular updates around properties which are taking longer to let, for example 2 bedroom flats and what the company is doing to tackle this issue.

Summary

- 33. TALISMAN conducted this review in 8 months and used all resources available to ensure sound and accurate evidence was collected. It should be stressed however that the review would have been completed sooner if there hadn't been delays in receiving the presentations from TGHC and Mears Officers and also delays visiting void properties when work carried out was completed.
- 34. It should also be noted that some information regarding Mears' schedule of rates was refused due to it being considered as commercially sensitive information.
- 35. Overall, the review has highlighted 7 areas of positive practice covering both TGHC and Mears involvement in this work.
- 36. There have also been 23 recommendations which if implemented could result in improved asset management, potential cost savings and a better service to tenants.

37. TALISMAN would like to thank all employees who were involved in this scrutiny review from both TGHC and Mears.

Link to values

- This report relates to the following company values: -
 - Being a listening and learning organisation
 - Being honest, accountable and transparent
 - Being customer focused, innovative and professional
 - · Caring and respecting

Impact on tenants

- 39. TALISMAN's focus has been to drive forward service improvements in this area of customer service delivery. It is envisaged that recommendations made will improve the lives of customers.
- 40. Tenants and leaseholders are likely to be more satisfied where they feel they have had the opportunity to influence service provision. Regular publicity will inform the wider tenant population of the company's willingness to progress and learn from the findings of the TALISMAN's reviews.

Risk Management Implications

41. Not achieving the agreed Lettable Standard for voids or not achieving in required timescale has been identified as a medium operational risk and the implementation of the recommendations could reduce this risk.

Financial Implications

- 42. here are no financial implications directly arising from this report. However, there could be significant financial implications if some of the recommendations are implemented and these would need to be included in the Officers Action Plan.
- 43. The Panel also considered that the withholding of certain cost information prevented them from identifying potential financial implications.

Equality and Diversity Implications

- 44. TALISMAN's code of conduct includes specific expectations around equality and diversity. They have undertaken training to ensure that scrutiny activities conducted and recommendations made are accessible and inclusive to all.
- 45. One of the key recommendations to come out of this review was to look into the potential of Mears decorating properties before they are ready to let, but in particular for vulnerable tenants.

Value for Money Implications

46. TALISMAN have a remit to consider value for money within the scrutiny activities they conduct. Recommendations made will help improve customer satisfaction whilst encompassing the value for money regulatory standards.

47. The Panel considered withholding cost information an obstacle to scrutiny of 'value for money' in this report.

Health Implications

48. There are no health implications directly arising from this report.

Environmental Implications

49. There are no direct environmental implications as a result of this review.

Consultation carried out

50. There has been extensive consultation carried out with TGHC and Mears Voids managers, employee focus groups, the visits to empty properties and the use of satisfaction data to gather valuable evidence for this review.

Recommendations

- 51. The committee is recommended to:
 - note recommendations attached and review positive practise;
 - request a formal response to TALISMAN's recommendations from the Voids Service Area to be presented to the next committee and subsequently to report this response and action plan to TALISMAN.

Contact :TALISMAN via Stuart Gibson, Governance and Risk Officer Tel: 0191 433 5308

Position Statement for Annual Report

Service Area:	Voids
Completed by:	Philip Hogg / Mark Charlton
Head of Service S	ign off:Kevin Johnson

Section 1 - Background/Setting the Scene

The Void team was set up in 2005 in an aim to improve the direct control of void properties, reduce void rent loss, improve void turnaround performance and ensure a consistent delivery of the Lettable Standard. We have a dedicated Void Repair Partner in Mears who deliver all works to void properties on behalf of TGHC.

The aim of the Lettable Standard and Void team is to ensure that all properties let by TGHC are safe, secure, clean and in a good condition.

The nature of a void property means that the customer journey will fall into various service areas. Local Housing offices are involved in the terminating of tenancies and the passing of keys to the voids team. The Voids team arrange all necessary works to bring the property to the Lettable Standard and the Lettings team advertise and allocate the property, providing relevant information to prospective customers.

The Void team consists of 7 employees including a Repair Service Manager, a Void Manager, 4 Void Officers and a Void administrator. The Void Officers cover all areas of Gateshead, notifying Mears of all new voids, raising orders and visiting properties to agree specification of works and costs. Upon completion of the relet works by Mears the Void Officers will check 100% of properties to ensure the Lettable Standard has been achieved.

The level of work required in the property will dictate the category and timescale for the relet. Categories include:

- Minor Work Void = 2 days (make safe works)
- Relet 1 = 5 days (minimum Lettable Standard works)
- Relet 2 = 8 days (minor additional works, eg internal doors, worktops, radiators)

- Relet 3 = 16 days (elemental replacement, eg kitchen or bathrooms)
- Major Work = 33 days (structural works)

We are currently devising a Relet 4 category to bridge the gap between the Relet 3 and Major Work. Elements such as dampness have previously sat in the major work category at 33 days. Upon introduction of a Relet 4 we are able to complete dampness works in a shorter timescale of 21 days.

On average 1,600 voids are completed per year across a total stock of just over 20,000 properties. During the first 6 months of 2012/13 we have seen an increase in void levels, partly due to welfare reform and the expectation of void levels by year end could be in the region of 1,900 voids.

The Void Team operates as a support service to both Local Housing offices and the Lettings team while at the same time do operate in a customer facing role. Void Officers can visit new customers to explain works, answer enquiries and support the customers successful move into their new home.

The Voids Team has the following service standard:

Satisfaction with the condition of the property offered in line with the lettable standard

At the half year stage performance stood at 97.77% against a target of 95%. This is an improvement against the previous 2 years results.

Section 2 - What did the Service do in 2012/13?

The main objective for 2012/13 was to launch the new repair contract with Mears.

This contract focused on the delivery of a consistent service and the development of further service improvements. Throughout the delivery of the contract we had additional focus on value for money and customer service via delivery and communication.

During year one of the contract the Voids Team were working with a new repair partner, a revised works specification, new Schedule of Rates and all new working procedures.

94% of customers surveyed said that they were satisfied with the properties offered to them in line with the Lettable Standard. Although year one of the contract was successful, we would look for even higher satisfaction in year two.

One challenge we had not anticipated was the severe flooding in June, August and September which greatly increased the workload of our repair partners. In addition to the standard incoming voids, we had approximately 100 voids to complete from the previous contract with Morrison and then the added pressure of the floods. Voids resource was utilised by in all areas of the contract with emphasis placed on repairs and maintenance to ensure the level of service to customers was maintained.

Section 3 - Key Strengths of the Service

Our service standard to customers relates directly to the condition of the properties we offer to let. Throughout the delivery of approximately 1600 voids we ended 2012/13 with a satisfaction level of 94%. At the half way stage of 2013/14 with over 900 voids let we have achieved 97.77% satisfaction level. While we are currently working with Mears to review procedures in an aim to further improve performance by making properties available faster it is a real positive that our satisfaction levels have increased.

The Gateshead Housing Company's published Lettable Standard was developed with customers and has been mystery shopped on numerous occasions. Throughout previous visits to Ready to Let properties we have received positive comments from our customers about the standard. The mystery shopping has also allowed us the opportunity to implement further service improvements. Examples of service improvements include the painting of newly installed bare timber and the securing of loose TV/phone cables.

Since the implementation of the team there has been significant improvement in both performance and budget control.



Review of Voids (Empty properties)

Positive Practice		
Focus Group Findings	The level of co-operation and enthusiasm shown by both Mears and TGHC staff has been noted by Talisman.	
	There appears to be encouraging movement towards co-operation between both teams to meet more regularly and improve working practices.	
	Wherever possible locks are recycled by Mears.	
Website Review	Mears provide an excellent website with valuable and useful information. The panel suggest that TGHC adopt a similar approach to their website which displays little information on voids but are aware that this may sufficient as tenants are not involved in the voids procedure.	
KPIs/Benchmarking	Benchmarking – when comparing TGHC quartile performance, it was noted that whilst our performance had declined, this was not to the extent of some other organisations and so had actually improved in our ranking.	
Request for further information	Lettable standard questionnaire results – After reviewing all 375 responses in the third quarter, satisfaction was 97% which is very positive. Satisfaction was also higher than the same time last year. TGHC take the opportunity to carry out maintaining decency work when the property becomes void, reducing impact for ingoing tenant who may otherwise have been subject to the disruption of the work whilst living in the property.	



Review of Voids

Recommendations for Improvement		
Scrutiny findings	Recommendation	
Position St	tatement	
At the start of this review, no position statement for voids had been written and this was then written after the presentation by the TGHC Voids Manager.	To reiterate that position statements should be written for every service area as soon as possible at the start of the financial year.	
Website	Review	
It was felt that tenants and leaseholders may not understand the word void.	The term voids be replaced, suggest 'Empty or vacated property'. This may clarify the term for tenants.	
It needed to be made clear to tenants the standard of property expected when tenant leaves the property.	Produce a property standard leaflet for new and transferring residents. To be drawn up, monitored and reviewed with residents. To be issued to a tenant when they put in their four weeks notice.	
	Groups	
The current process for inspecting properties when they become vacant involves an initial visit by Mears Voids Officers following which there is a joint visit with the TGHC Voids Officer. It was felt that this delayed the process and the initial visit should be a joint visit.	First visit to all vacated properties by both TGHC and Mears representatives and a relet category agreed.	
The Company currently doesn't always post inspect work where a tenant has had permission for improvements or alterations.	Ensure that inspections are carried out to make sure work has been done correctly to avoid remedial works when the property becomes empty.	
The Company currently doesn't inspect all properties before tenant leaves during four week notice period.	Aim to visit all outgoing tenants' homes before the end of their tenancy to encourage them to leave the property in a reasonable condition in accordance with the tenancy agreement, to leave it in a good decorative order, clean and safe conditions.	
The Company currently doesn't always recharge for damage caused by previous tenant.	Rechargeable work agreed and invoiced before tenant vacates the property and photographic evidence to be taken.	

Recommendations	for Improvement	
Scrutiny findings	Recommendation	
Collection of keys – Currently Mears have to collect keys from all local housing offices on a daily basis.	 Collection of keys to be centralised and limited to two collections per day. Suggest that this should be linked to delivery of internal post. 	
Apart from the initial settling in visit after a tenant moves into a property, no further visits take place to check condition of property until the tenant leaves the property regardless of how long they have lived there.	 All residents to receive an annual visit to check on the state and upkeep of the property. This is a fundamental requirement of asset management, both TGHC and Mears officers agreed with this approach. Identify and prioritise visits to at risk tenants, e.g young and first time tenants, single parents and residents from out of the area without references. 	
There was a contradiction between TGHC and Mears regarding criteria for failing properties.	 Collect and collate failure information over areas of dispute e.g washing machine plumbing holes. Look at reasons for failing lettable standard as this leads to delay and loss of income – identify if there could be a case for more flexibility such as doing some remedial work after tenant has moved in. 	
There could be more co-operation between TGHC and Mears Voids Officers.	 TGHC and Mears voids officers to have regular joint meetings. A list of priority jobs to be shared weekly between TGHC and Mears. 	
Void relet times.	 Review the definition for Void relet times and consider some exclusions from this calculation e.g renewal of kitchens where parts take 10 days or more to come into stock, or properties with damp issues requiring remedial works. There is a case for looking at problems caused by dampness and old heating systems on a larger scale as this comes up frequently as the cause of most work required bringing property up to lettable standard. 	
Visits to Properties		
Dulux products are expensive with the vouchers being charged at the most expensive rate of a three tier scale, sometimes being 35% more than other groups. Due to the prices, it is impossible to decorate a room for £25.	 Redecoration voucher scheme to be reviewed and alternatives considered to see if it could offer better value for money for the company and tenants. Currently relies of the tenants' DIY skills being adequate. Suggest that would be more cost effective if Mears could apply one coat of emulsion in one colour to all walls and one coat of undercoat and gloss to all woodwork. This 	

Recommendations for Improvement		
Scrutiny findings	Recommendation	
KBl/a/Panal	would ensure a good visual effect. Consider that Mears should decorate all sheltered, elderly and vulnerable tenants properties and consider redecorating all relet, not least to set the standard showing how properties should be left by tenants.	
KPI's/Benc	nmarking -	
The narrative in the performance report for KPI for average number of days from when the tenancy is terminated to when a new tenancy begins currently gives a breakdown of the number of days taken to make property ready to let and the number of days to let the property once it was handed over. There aren't however, targets for each of these.	Local performance targets for time taken to make property ready to let and to let property once it is handed over.	
Lettable	Standard	
Although the Lettable Standard leaflet was reviewed in February, prior to this it hadn't been reviewed since 2008.	To review the Lettable Standard leaflet every two years.	
Requests for Fu	irther Information	
A request for further information regarding one of the empty properties visited identified that the local housing offices do not keep copies of references given to other housing providers when a former tenant moves out of the borough. The former tenant had been recharged for poor quality DIY work carried out to the property, however it was not possible to check whether the housing provider had requested this information as part of the reference.	All requests for references from other housing providers be recorded by a Senior Lettings Officer and details be held on file.	
The Panel had noted that as a result of Welfare Reform, some property types were not being advertised due to their current difficulty to let, for example 2-bed flats.	Produce regular updates around properties which are taking longer to let and what the company is doing to tackle this issue.	

Two members of the panel were elected to visit recently void properties to assess their condition at the start and end of the process.

It was agreed to select as wide a range as possible with regard to the works required and three properties were put forward by the Voids Manager.

These were a bungalow in Winlaton, an adapted house in Lobley Hill and a House in Leam Lane.

The bungalow, Winlaton - termination reason (unable to manage) – Tenancy start date 22.05.2006 end date 12.01.14, required very minimal work. Only two internal doors needed re-hanging due to being removed to uplift laminate flooring. It was in good decorative order. It was returned ready to let 20.01.2014.

The Lobley Hill house – termination reason (medical) – Tenancy start date 08.01.2001 end date 12.01.14, had been adapted for a tenant in a wheelchair. It had a removable metal access ramp at the front of the property and a full wheelchair lift installed internally. It was indicated that if possible the adaptations would be left in the property with a view to letting to a tenant with similar needs. However, that may not always be the case and they might have to be removed and scrapped. Repairs had to be made to the tiled floors but because of the presence of asbestos, disturbance was kept to a minimum. Ceilings and walls were filled and sanded but not painted. Doors that had been removed for access were replaced and vent apertures above bedroom doors filled and plastered. Otis had to attend to repairs to the lift and give it a clean bill of health. On examination of the loft at a later date, it was found that extensive

clearance was required. No repairs were made to the boundary fence in the back garden. It was given a target date of 04.02.2014 for return to let. It was actually returned on 10.02.2014 and let on 20.02.2014.

The Leam Lane property – termination reason (dislike street) – Tenancy start date 10.02.2003 end date 05.01.2014. This property was in very poor condition both inside and out. Bad DIY was to blame for damage to walls, doors, floors and kitchen. The garden to the front had been raised above damp course level. In the rear garden there were a couple of large poorly erected sheds, a badly made (indeed dangerous) patio, a large hole where there had been a pond and a lot of general rubbish and dog dirt. At the side badly laid flagstones and a lot of dog dirt.

Due to the extensive repairs work required it was not possible to get an exact target date for return to let.

On 03.03.2014 the Voids Manager indicated an estimated cost of £6500 - £7000 for repairs at the property.

The previous tenant had been invoiced for only £3000 and this had been done after the tenant had vacated the property. There were no records of any references kept regarding the tenant.

The property failed sign off on 05.03.2014.

The property also underwent some decent homes work, new windows and external insulation cladding.

It was finally signed off on 14.03.2014 at a cost of £6443 (excluding decent homes costs), 45 days after receiving the keys.

There was a lot of work still to be done to the gardens but it was felt this could be done after the property was let and scaffolding removed (part of decent homes).

A full breakdown of the costs has been requested.

The following reply was received on 03/04/2014:

I understand you have previously received the total cost for the void as well as information about the work that has been carried out to the property. I trust this information assists the review.

With regard to your request for further detail. In accordance with TALISMAN's terms of reference we are unable to provide more details in relation to costs on the basis that this information is commercially sensitive. I can however confirm that costs are calculated using a schedule of rates agreed with Mears.

TALISMAN Review of Voids (Empty Properties)

Analysis of Satisfaction Survey Results

The satisfaction surveys are handed out to tenants after they have viewed a void property. The questions relate to the property they have just viewed, the results are invaluable to TGHC because they have excellent feedback from tenants, are a guide to TGHC as to how void property is managed, how they are performing and gives an indication if there standards are attainable or failing to meet the Lettable Standard. The results of the survey are invaluable and essential.

The surveys are easy to complete with well thought out simple questions with a tick box 'yes' or 'no' answer. There is a space to all tenants to leave a comment.

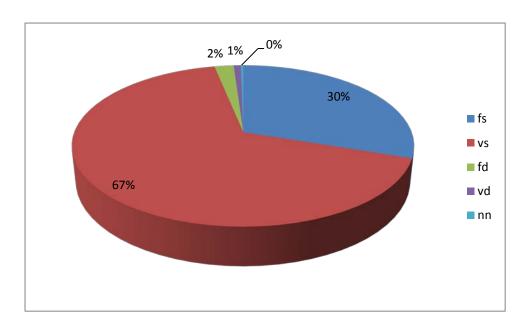
The survey itself is divided into four main questions which cover Lettable Standards, the condition of the property, if they have accepted or refused and were they satisfied with the viewing.

The analysis we carried was of all 375 surveys received for the third quarter of 2013/14 and this showed that 96% of customers were satisfied with the overall standard of the property in line with the Lettable Standard, which is above the target set for the year of 95%. Satisfaction also was higher than at the same time last year.

Out of the 375 responses, this showed that 13 people had refused the property they were offered. Out of these, 2 were refused on the grounds of the decoration of the property. In addition, another batch of original responses was also reviewed and this highlighted 9 refusals on the grounds of decoration of the property. This supports the recommendation to review the current decoration scheme.

A copy of the survey questions with a breakdown of the results for the third quarter is attached.

Question 1 – How satisfied were you with the condition of the property on offer in line with our Lettable Standard?



Fairly Satisfied	113
Very Satisfied	250
Fairly Dissatisfied	8
Very Dissatisfied	3
Neither Satisfied nor	
Dissatisfied	1

Question 2 – Was the property safe, clean, secure and in good condition

	Yes	No	No response
Safe	368 (98%)	7 (2%)	0
Clean	354 (94%)	19 (5%)	2 (1%)
Secure	368 (98%)	7 (2%)	0
Good			
Condition	356 (95%)	19 (5%)	0

Question 3 – Do you wish to accept or refuse the property?

Accept	360 (96%)
Refuse	13 (3.5%)
No response	2 (0.5%)

Question 4 – If you selected to 'refuse' the property, was this due to the property not being to our Lettable Standards?

13 refusals: -

Yes	1
No	12

Reasons for refusals

- Decoration only but know get vouchers. Red walls are terrible to paint over
- Needs full decoration
- Unhappy gates are missing as property was advertised showing this