



# Voids Improvement Plan



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## Version Control

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*The most recent version of this strategy is available on the Barnet Homes website.*

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## What are we trying to achieve?

In Barnet Homes we are fundamentally committed “to delivering excellent services for all our customers”<sup>1</sup> As a social housing landlord the ability to quickly and efficiently manage the re letting of empty properties as they routinely arise is one of a handful of core tasks by which an organisation’s performance can be judged.

**When the activity of void management is performed at its best it enables those in housing need the ability to access more suitable housing of their choice at the earliest possible opportunity, maximising the use of the housing asset and minimising the rent loss and re servicing costs to the organisation.**

That is what we are aiming to achieve through the implementation of this strategy, complementing and reinforcing the work of the Council through its Lean Systems review of the re housing process.

## Background and wider context

### Pre 2009/10

Since Barnet Homes was established in April 2004 void performance has been a challenge producing results that have shown little significant improvement. In order to achieve even these results has required disproportionate effort and micro management by both ourselves and our key partner the Council. This in itself in some instances has masked some of the issues that we face today.

**Table 1 - Barnet Homes void performance 2004 onwards**

Year	Total lettings	Void performance (BV212)	Top quartile performance London Council's	Barnet Homes performance by quartile
2004/05	922	28.9 days	31 days	Top quartile
2005/06 <sup>2</sup>	975	30.1 days	29 days	Second quartile
2006/07	875	27.4 days	26 days	Second quartile
2007/08	777	27.9 days	25 days	Third quartile
2008/09	780	28.44 days	25 days	Third quartile
2009/10	794	52.4 days	Not known	Likely to be bottom quartile

**Table 2 - Barnet Homes outstanding voids performance 2006 onwards**

Year	Total voids outstanding	Average time the voids have been empty
2006/07	71	20 days
2007/08	72	27 days
2008/09	100	21 days
2009/10	152	98 days

<sup>1</sup> Barnet Homes Five Year Business Plan 2010 - 2015

<sup>2</sup> Change in BV212 definition

Effectively during 2009/10 void management performance has “fallen off a cliff”. In order to understand the reasons for this we need to understand both the wider context of housing supply as well as understanding the different elements that make up void performance itself.

### Housing Supply – the wider council context

Void management for Barnet Homes relates to the management of the Council's own housing stock. But the Council's own housing stock makes up only one strand of its available portfolio of properties to meet housing need within Barnet.

**Table 3 - The Council's property portfolio to meet housing need**

<b>Property type</b>	<b>Key attributes</b>
<b>Council owned general needs housing stock</b>  Contributes to Barnet Homes void turnaround times	Circa 11,000 properties offering in the main permanent re housing on secure tenancies or in the case of the regeneration estates non secure tenancies for those where an accepted housing duty has been identified. Generally rents on these properties are lower than those in non council owned parts of this property portfolio. We will deal with this stock in more detail below.
<b>RSL nominations</b>  Does not contribute to Barnet Homes void turnaround times	These properties are owned by Housing Associations [RSLs] within the borough and to which the Council will have nomination rights for new build or ongoing casual vacancies. These vacancies will normally be filled through choice based lettings on permanent assured Tenancies or in some case Assured Shorthold Tenancies.
<b>Hostels</b>  Contributes to Barnet Homes void turnaround times	Hostels are used as emergency and short term temporary accommodation mainly for those immediately threatened with homelessness who are accepted or likely to be accepted a housing duty. There are just under 170 units owned or leased by the Council. The 90 units owned by the Council are on lower rents than the nightly purchase accommodation described below. The leased units are self contained studios but are on higher rents than those above.
<b>Housing Association Lease Scheme [HALS]</b>  Does not contribute to Barnet Homes void turnaround times	Provided in partnership with Housing Associations [RSLs] who have leased private properties within Barnet. LBB supplies direct nominations to the RSL from the Housing Register where there is an accepted or likely to be accepted homelessness duty. HALS is long term temporary accommodation with a minimum tenancy period of twelve months, though this tends to average 3 years and can be renewed periodically.  Once a nomination request is received LBB are liable for void penalty charges on the HALS properties and these can be substantial without close management. If a property is not let successfully LBB have the option to serve a six month hand back notice period, however void penalties are still incurred for this time.  This housing option is generally unsuitable to those who are ineligible to claim full housing benefits as the weekly rent is on average £300 for a 2 bed property.

<p><b>Housing Association Lease Direct [HALD]</b></p> <p>Does not contribute to Barnet Homes void turnaround times</p>	<p>In essence the HALD scheme is similar to HALS but benefits from lower rents, different leasing arrangements, no void penalties and is more of a prevention option or alternative to temporary accommodation.</p> <p>The properties are only available to those whom LBB have an accepted or likely to be accepted housing duty.</p> <p>This housing option is generally suitable for all income types as the rents are indexed to the Local housing Allowance, although the rents are higher than for social rented accommodation.</p>
<p><b>Private Sector Leasing [PSL]</b></p> <p>Does not contribute to Barnet Homes void turnaround times</p>	<p>PSL properties are procured from private landlords and are signed into a fixed term leasing period of three years upwards. LBB would directly manage the property until lease end. The landlords are offered a guaranteed rental figure for the duration of the lease.</p> <p>The properties are only available to those whom LBB have an accepted or likely to be accepted homelessness duty. LBB is liable to guarantee the rent from the date of first "let" or two weeks after handover, whichever is the earliest – potentially therefore a penalty charge unless carefully managed.</p> <p>This housing option is generally suitable for all who are eligible for Housing Benefit, although the rents are higher than for social rented accommodation.</p>
<p><b>Home Choice [HC]</b></p> <p>Does not contribute to Barnet Homes void turnaround times</p>	<p>These properties are procured from private landlords and estate agencies. LBB inspect, refer, negotiate and set up the tenancy. The management of the property, and therefore tenancy, would rest with the landlord, or their agent. Properties are accepted under the premise that the landlord, or their agent, will accept tenants who claim Local Housing Allowance.</p> <p>These properties are available to everybody in housing need and is primarily used to prevent homelessness. As an incentive to landlords LBB offer an insurance package (circa £5000) to cover against malicious damages – this is at a cost of £125. LBB incur zero void penalties on HC properties.</p> <p>This housing option is generally suitable for all income types as the rents fall within Housing benefit rules, although the rents are higher than for social rented accommodation.</p>
<p><b>Nightly purchase</b></p> <p>Does not contribute to Barnet Homes void turnaround times</p>	<p>These properties are owned by external hoteliers and accredited landlords and are used more for emergency re housing. This represents a high cost option to LBB and in response to this numbers placed in this accommodation type are falling and prices re negotiated.</p>

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The key issues to note when looking across the whole property portfolio available to the Council is as follows:

- The Council's own housing stock is only one part of a large and varied portfolio of property available to meet housing need
- Avoidance of penalty costs from some of these property sources will be a significant driver for the Council when considering matching applicants to available empty properties
- Affordability for applicants will also drive the matching of applicants to empty properties
- Changes in Government policy can have a significant impact on this area such as a target led drive to reduce the use of temporary accommodation by Local Authorities

**Ultimately for there to be a good fit between the various forms of housing supply the Council need to be able to:**

- **match applicants efficiently to the various elements of the property portfolio is crucial if void management is going to work effectively.**
- **accurately predict its housing needs in advance given the long term nature of some of these agreements to provide alternative forms of accommodation.**

#### **The Lean review of re housing function – the wider context**

The Council have fully recognised that both the matching of applicants to appropriate property and its ability to understand housing need has been problematic. In September 2008 the new Head of Housing Pam Wharfe, in consultation with Barnet Homes, agreed to procure a Lean Systems Review of the whole re housing experience from initial application to sign up of tenancy.

In July 2009 Habanero consultancy were appointed to undertake the Lean review work and then commenced work in September 2009. As part of this ongoing work two members of Barnet Homes' staff were seconded full time to the project team.

What the Lean review has so far identified in summary is:

- The Housing Register with its 17,000+ applicants is an unsound and fundamentally flawed method of assessing live and real housing need
- Choice Based Letting and direct allocation in their current form do not produce effective and customer focused matching of applicants to available property
- That the preparation of empty properties based on the industry standard one size fits all basic standard by Barnet Homes does not effectively meet the needs of new applicants nor does it best show case our stock for re letting
- The current arrangements for managing the whole re housing process is characterised by unnecessary "hand offs" between staff and organisations that results in waste and poor service to customers

These findings are significant when further considering the issues of void performance.

In response to this the Lean review will result in:

- Re writing the Council's allocation policy and reviewing the Housing Register
- Developing and testing a new means of assessing housing need and matching applicants to properties based on individual holistic assessments
- Letting a portfolio of empty properties for re housing purposes which includes our 'difficult to let properties' on the regeneration estates and in sheltered housing
- Developing a future organisational structure that will support the new ways of working

Initially the draft proposed revised allocations policy will be reviewed at the Council's Cabinet with the aim of seeking approval to go out to public consultation. The outcomes of that consultation are likely to be reported to the Cabinet in September 2010 alongside a recommendation to proceed to implementation after any amendments have been made from the comments received.

### **Void Performance – Understanding what has happened**

Void performance within Barnet Homes can best be understood by breaking it down to a number of key elements that make up the overall average turnaround time.

**Table 4 - Void performance broken down by key elements and their proportions**

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
<b>Major Works lettings [all]</b>	8.7 days [21%]	2.3 days [24%]	7.3 days (26%)
<b>Regeneration lettings [routine]</b>	40.1 days [24%]	47.9 days [27%]	134.7days (20%)
<b>Hostel lettings [routine]</b>	21.9 days [18%]	24.3 days [20%]	41.8days (18%)
<b>Choice Based Lettings [routine]</b>	34.1 days [37%]	34.4 days [30%]	44.7days (37%)
<b>Overall [BV212]</b>	<b>27.91 days</b>	<b>28.44 days</b>	<b>52.4 days</b>
<b>Average lettings per month</b>	65	64	66
<b>Sheltered Housing*</b>	29.4 days [7.0%]	21.5 days [7.6%]	81.0 days [5.7%]

\* Sheltered Housing is shown "below the line" because it will in fact be captured within both routine Choice Based Lettings and Major Works

This table establishes the essential drivers for void turnaround performance and we will now examine each in turn.

## i) Major works lettings

- **Background**

Major works voids currently make up a significant proportion of total lettings and arise where properties require more extensive work while they are empty. They create low turnaround times as only the period when they are ready to let 'counts' towards the industry Best Value Performance Indicator [BVPI]. This enables the extended period of time when the work is taking place to be used to match an applicant without the time pressure of the 'clock ticking' producing very low turnaround times. In 2009/10 78% of major works voids produced a zero day turnaround time and 85% 14 days or less. The matching of major works voids is in the main achieved through Choice Based Lettings.

- **Performance and risk**

For Barnet Homes this has had the beneficial impact of producing very low turnaround times. The high numbers of major works voids reflect the significant work being undertaken through the Decent Homes programme. **The low turnaround times have had the affect of significantly subsidising lesser performance in other areas that contribute to the total void turnaround time. The extent of this subsidy will be reduced once the decent homes programme completes in early 2011.**

- **Recent reductions in performance**

**Table 5 - below follows the performance of major works during the course of this financial year.**

	Year End 08/09	Qtr1 09/10	Qtr 2 09/10	Qtr 3 09/10	Qtr 4 09/10
<b>Major Works</b>	183 (24%) 2.3days	60 (32%) 2.2days	119 (31%) 6.1 days	163 (29%) 8.8days	203 (26%) 7.3 days

The letting of five sheltered properties has added 3.6 days to this total and further lettings of more difficult to let regeneration and hostel major works voids added a further 1.9 days. As we will see below these property types are presenting specific challenges in their own right and without their inclusion the void turnaround time comes down to around 3.3 days.

- **Conclusion**

Over the next year we need to maximise the benefits of the significant number of major works voids through continued and enhanced close management whilst the actions of this plan and the lean review seek to address the more fundamental issues of void turnaround times in the other areas.

**We need to develop an end to end measure for the full period of time that major works properties are empty. This will form a base line measure for ensuring that we monitor and improve on the whole period these properties are empty and not potentially as may happen now with just the final period when the property is ready to let.**

## ii) Regeneration lettings

- **Background**

Almost 25% of our stock is situated on estates earmarked for regeneration by Housing Association [RSL] partners of the council. These estates are acknowledged as being places that residents do not live in by choice and as a result are not fit for purpose. Over the next 15 years or more they will be redeveloped as mixed tenure communities with the existing accommodation demolished and replaced with new homes managed by the RSLs. The schemes have not proceeded as quickly as would have been hoped due in large part to the change in the economic circumstances of the country.

In view of the limited life of the stock and the future need to be able to decant tenants to allow the scheme to proceed tenancies are currently offered by direct allocation on a non secure basis.

This stock is stigmatised, it has the highest turnover with the most diverse and vulnerable customer base. Significant decanting has commenced on two of the estates increasing the turnover and availability of essentially unattractive stock. Between April and June 2010 we anticipate 60 regeneration voids arising on Stonegrove estate as a result of decanting there. This will have performance and cost implications for Barnet Homes. Such 'abnormal' patterns of supply will continue to arise over the coming years as the schemes proceed.

Barnet Homes adopted a comprehensive "Managing Regeneration Estates Successfully" strategy in August 2009 to ensure that we respond proactively and effectively to the challenges presented in managing these locations.

- **Performance issues**

The most significant changes in void management performance have occurred in relation to the regeneration stock.

**Table 6 - Regeneration letting performance first three quarters 2009/10**

	<b>Year End 08/09</b>	<b>Qtr1 09/10</b>	<b>Qtr 2 09/10</b>	<b>Qtr 3 09/10</b>	<b>Qtr 4 09/10</b>
<b>Regeneration Routine</b>	204 (27%) 47.9days	27 (14%) 54.2days	49 (13%) 67.9days	65 (12%) 78.2days	157 (20%) 134.7days

Table 6 not only shows a serious reduction in turnaround times in 2009/10 but also a reduction in lettings as a proportion of the total lettings made. At the end of the third quarter of 2009/10 only 65 lettings had taken place to regeneration voids compared with 204 in the full year for 2008/09. The direct implication of this problem was that by December 2009 there were 137 regeneration properties empty at an average of 139 days. This accounted for 72% of all our empty properties and 91% of the total outstanding time for empty properties.

In the period April 2009 through to December 2009 only 17% of regeneration voids were subject to offers, offers that were not necessarily accepted by the applicants.

**During this time period the Council were unable to identify suitable**

**applicants for the empty properties on the regeneration estates. The wider context outlined on pages 4–6 of this strategy help us to understand why this would be the case.**

Performance has started to improve in quarter 4 as a direct result of responsibility for letting these properties being given to the Lean review team, although there remain significant issues.

**Table 7 - Regeneration letting performance fourth quarter 2009/10**

	Lets	Average days to let	Total voids outstanding	Average days outstanding
January 2010	12	135.3 days	177	111 days
February 2010	40	173.0 days	147	96 days
March 2010 <sup>3</sup>	21	241.6 days	152	93 days

As a result of the Lean team’s intervention there have been more lettings in the first 10 weeks to the middle of March than in the first three quarters of the financial year 2009/10.

**Table 8 - Regeneration voids as a proportion to the total average outstanding voids**

	Regeneration voids outstanding (% of total outstanding voids)	Average days	Total voids outstanding	Average days
March 2009	56 (46%)	25 days	121	23 days
June 2009	82 (46%)	68 days	177	63 days
September 2009	91 (58%)	108 days	158	84 days
December 2009	137 (72%)	139 days	190	110 days
January 2010	123 (70%)	148 days	177	111 days
February 2010	101 (69%)	130 days	147	96 days
March 2010 <sup>4</sup>	99 (65%)	132 days	152	93 days

**From the table above we can see that regeneration makes up 65% of outstanding voids by number and 92.5% of the time outstanding at the end of the second week of March 2010.** In December 2009 the figure was 72% and 91% respectively.

**If regeneration voids were stripped out of the average then the average outstanding time for routine non regeneration voids would be 19.6 days.**

**Of the outstanding voids 55% are one bedroom properties on regeneration estates and even with the intervention of the Lean review team these currently remain difficult to let.** More than half of these are on the Grahame Park estate which continues to have the most voids outstanding and the highest void turnaround rates.

<sup>3</sup> First two weeks only

<sup>4</sup> First two weeks only

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- **What have we done so far in response to this problem?**

In partnership with the Council we have introduced secure tenancies through Choice Based Lettings for retained stock and properties in the latter stages of the redevelopment on Grahame Park. By the end of March 2010 this had resulted in 23 regeneration voids having been let out of 28 cases advertised. However, it should be noted that there is a limit on the number of properties that can be let in this way given the needs of the regeneration schemes themselves to maintain flexible tenancies. Creation of further secure tenancies could create further financial liabilities for the developers as well as potential problems in securing vacant possession – particularly when decanting will be required in the foreseeable future.

The Lean review team have taken responsibility for letting the non secure tenancies on regeneration estates with as we have seen some positive results for stock sized two bedroom or greater in particular.

We have made an application with the Council to the Department of Communities and Local Government [CLG] for permission to introduce a pilot project to introduce Assured Shorthold Tenancies [AST] on Grahame Park estate to enable properties to be offered to non priority applicants with housing needs. This is likely to be formally considered by CLG after the May 2010 election.

The Council have agreed to introduce in April 2010 referrals to house non priority clients in one bedroom regeneration void properties. Housing Action in Barnet will be co-ordinating and assessing all referrals for the pilot project. The referrals will have low to medium support needs, be actively seeking or engaged with work/education/training and have no history of violence or on going severe substance misuse. The nominations will total 15 and come from HAB, the Winter Shelter and Threshold/Foundation who will have 5 each. The council will aim to extend this pilot if successful.

- **Future performance risks**

We anticipate that around 60 regeneration voids will arise on Stonegrove & Spur Road estate alone in the first quarter of 2010/11. This will be as a result of decanting activity with further movement expected on West Hendon and Grahame Park during this year. In addition some of the existing lettings recently made to the regeneration stock have been short term to help facilitate some major works for a local Housing Association. These lettings will re appear as empty properties in the first six months of the year. Finally, at the second week of April 2010 there remained over 50 one bedroom regeneration flats empty with the majority being on Grahame Park. These factors all present serious ongoing performance risks for 2010/11.

- **What else can be done?**

We need to consider whether or not some of this stock such as the one bedroom properties will not be let in which case we will need to consider taking them out of management, trickle transfer to the RSL partners and in some cases consolidating parts of the stock and early demolition. This will require a detailed business case to ensure there is no demand given the impacts on both future income and subsidy.

As the regeneration schemes proceed on site it should become easier to anticipate and plot some of the ebbs and flows of supply across the regeneration estates. By closer working with the Council's Housing Options team and by considering the need

to move non secure tenants across schemes it may be possible to let regeneration voids more effectively.

### iii) Hostel lettings

- **Background**

Historically hostels have had a significantly positive impact on void turnaround times. Hostels offer rapid turnover of stock with minimal works required to normally one or two room properties. Hostels are let by direct allocation as a form of low cost temporary accommodation to the applicant.

**Table 9 - Historic hostel letting performance**

	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
Average days turnaround time	33 days	65 days	17 days	18 days	21 days	23 days	41 days
Total lettings	116	173	196	203	158	150	143

**There has been a decline in the turnaround times achieved for hostel accommodation over the past three years.** As with regeneration this was particularly marked in the first three quarters of the current financial year when letting performance dipped markedly. Again it would appear that the issues outlined in pages 4 – 6 of this strategy on the wider context are likely to part of explanation for this position.

**Table 10 – Hostel voids outstanding 2009/10**

	Hostel voids outstanding (% of total outstanding voids)	Average days	Total voids outstanding	Average days
March 2009	18 (15%)	16.6 days	121	23 days
June 2009	<b>46 (26%)</b>	81.0 days	177	63 days
September 2009	17 (11%)	43.7 days	158	84 days
December 2009	17 (9%)	38.0 days	190	110 days
January 2010	18 (10%)	26.4 days	177	111 days
February 2010	16 (11%)	16.6 days	147	96 days
March 2010 <sup>5</sup>	17 (11%)	28.4 days	152	93 days

Even though the position on outstanding hostel voids has improved the fact that almost 10% of the hostel stock is vacant at any one time is clearly not sustainable.

- **What has been done?**

We have continued to try to micromanage this area through regular meetings with the hostels team in LBB with some levels of success.

- **What else can be done?**

As part of the Lean review we need to be able to judge if the hostel stock has a role as part of the future provision of low cost temporary accommodation in its current form alongside the other types of property available to the Council.

<sup>5</sup> First two weeks only

iv) **Choice Based Lettings [CBL]**

- **Background**

CBL is the method by which the majority of permanent housing in the Council's own stock is let. This involves the advertising of properties in local newspapers and on the Homeseekers website of properties available to let. Applicants can then use their assessed points as currency to bid for properties. Short lists of the highest bidders are then created who can then view the property and decide if they wish to accept it. The principle is to introduce an element of choice and transparency into the process resulting in more satisfied applicants than has been the case under the more traditional process of direct allocation by council officers.

One of the bi products of choice in Barnet was a minimum "dead period" in the process of at least 21 days for every property before it could be let. This was caused by the minimum time for advertising, producing short lists for applicants and arranging viewings. In reality the period was likely to be longer as a result of the need to verify successful applicants to ensure their allocated points were correct. It was also potentially due to some highly pointed applicants effectively clogging up the system with multiple bidding.

- **The Lean review and CBL**

CBL in Barnet when operating close to maximum efficiency delivers performance of around 34 days average turnaround time. The argument prior to the Lean review was that the extended time was a price worth paying if it gave better outcomes for applicants.

The Lean review has fundamentally questioned this conclusion given that it found CBL to be confusing for applicants and with only limited bidding by those theoretically in the greatest need.

- **CBL performance**

**Table 11 – CBL performance 2007 – 2010**

	2007/08	2008/09	2009/10 Qtr 1	2009/10 Qtr 2	2009/10 Qtr 3	2009/10 Qtr 4
<b>CBL [routine]</b>	34.1 days 285 [37%]	34.4 days 232 [30%]	39.5 days 74 (40%)	39.9 days 149 (39%)	44.4 days 226 (41%)	44.7 days 291 (37%)

Information in table 11 indicates that performance has deteriorated during 2009/10. However, if 22 sheltered housing lettings at an average of 141 days each are removed from this figure then the average turnaround time falls to 36.7 days, much closer to the figures for previous years in terms of average turnaround times. As we shall go onto to see the performance of sheltered housing lettings has in itself fallen for separate reasons and this has had an important impact on the CBL figures reported here. **CBL as implemented in Barnet will not produce top quartile turnaround times but the negative impact of sheltered housing can make it significantly worse.**

- **What has been done?**

Highly pointed cases such as trade downs are being now 'hand held' through the CBL system to avoid clogging up the system.

Difficult to let sheltered schemes have been taken out of CBL and are being let by the Lean team [see below].

- **What else can be done?**

In the short term the voids and lettings team need to continue to work on minimising the dead period to maximise the lettings performance of vacant properties under CBL.

The Lean team need to complete their experimentation with the holistic assessments of applicants alongside the development of a new allocations policy for matching housing applicant needs for permanent housing within the Council's housing stock.

#### v) **Sheltered lettings**

- **Background**

Barnet has around 430 sheltered units across 17 schemes within the borough. In the main these are supported by traditional resident sheltered housing officers providing excellent services that are well received by existing residents. Between 2004 and 2009 around £9m was invested in the sheltered stock under the decent homes programme [DHS]. This has amongst other things ensured that there are no longer any studio flats with shared facilities remaining within the stock. Alongside this the overall amount of stock has been reduced with the closing of five schemes during the same time period.

During 2009 the council consulted residents on the removal of the resident sheltered housing officer service and its replacement with a more modern floating support service. The proposals were unpopular with existing residents and for now have been blocked by Judicial Review.

- **Performance**

**Table 12 – Comparison of sheltered housing letting rates pre and post decent homes investment**

Year	Total lettings	Lettings with zero turnaround times	Overall average turnaround times
Pre Decent Homes 2003/04	48	2	<b>61.6 days</b>
During Decent Homes 2007/08	54	10	<b>29.4 days</b>
During Decent Homes 2008/09	59	26	<b>21.5 days</b>
Post Decent Homes 2009/10	53	6	<b>78.6 days</b>

**The performance in letting sheltered housing through Choice Based lettings has deteriorated over the past year.**

- **Why has the performance deteriorated so much in 2009/10?**

During the period of time that DHS work was on site a large number of major works decants took place to enable the works to proceed on site. These turned into zero turnaround time lettings thus bringing down the average void turnaround times for sheltered properties.

This cross subsidy gave the impression that there was not a significant issue in letting sheltered housing. This was not an unreasonable conclusion to draw given the investment that had taken place. In fact this was effectively masking an issue that in real terms was no better than pre decent homes in 2003/04, indeed it was worse.

- **Why is sheltered housing proving difficult to let despite the investment and the reduction in overall numbers of sheltered units available?<sup>6</sup>**

There is no one simple answer to this but the likely causes are as follows:

**a) Studio flats**

Whilst DHS works has resulted in all studio flats being made self contained they remain significantly less attractive in letting terms than one bedroom properties.

**Table 13 – Comparison of letting rates for studio and non studio sheltered flats**

	<b>Studio flats</b>	<b>1 bedroom flats</b>
Number let 2009/10 <sup>7</sup>	22	20
Average re let time	113 days	57 days

This table indicates that up to mid February 2010 sheltered studio flats take twice as long to let as one bedroom flats. 38% of the sheltered stock is made up of studio flats located across 9 of the 17 schemes. Five of these schemes are all or almost all studio flats.

**b) Property preparation**

A common finding of the Lean review is that the one size fits all approach to void standards does not work. This is particularly the case in sheltered housing given both the nature of the applicants and the high proportion of studio flats involved as outlined above. The existing basic void standard presents a clean but bare minimum approach which can appear barren and unattractive to the applicant.

Feedback from the Lean team suggests that more innovative preparation of properties to demonstrate how you can maximise space etc. could help make properties more attractive. Basic furnishings and carpet may form part of this response as may the use of existing occupied properties as show homes.

<sup>6</sup> Spencer House, Goodwin Court, Wendover Lodge, Garth House and Sarnes Court have all been decommissioned in this time period

<sup>7</sup> Figures to 16/2/2010

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**c) Need and demand – matching applicants**

Fundamentally the issue of letting sheltered accommodation relies on there being sufficient applicants with need to fill the vacant properties available, both now and in the future. The Sheltered Housing Panel was established to identify those who had a need for sheltered accommodation and the additional support it provides.

The Lean team have established that whilst there are applicants that have been assessed as having a need for sheltered housing it does not necessarily follow that they want or demand that type of accommodation. Indeed when those with sheltered housing points were contacted only a very small proportion<sup>8</sup> were actually actively interested in the sheltered housing vacancies available.

This does not mean there is no interest in the accommodation but that interest is not based on an absolute need for sheltered accommodation and the service. It is more often based on need for accommodation where older people are based or property of a particular size for older people. This may still result in a future need for sheltered support but not necessarily an immediate one.

**d) Sheltered housing – the brand**

The recent consultation on changing the approach to providing resident sheltered housing officer support has demonstrated that the existing service is extremely valued by the existing residents of the schemes and their families. This is not least because the service is a high performing and an extremely effective one.

However, as we have shown under c) this does not necessarily mean that this service model is what new applicants always aspire to or need. The Lean team have uncovered some interesting anecdotal views of sheltered housing that vary from “I’m only 70, I’m not old” to “that’s where my mother went to die”.

Overall, there is a lack of understanding of the service and also possibly a problem of brand. Recent adverse publicity may not have helped this but what is clear is that the service will need to evolve and adjust to the new environment.

- **What have we done?**

We have taken difficult to let sheltered accommodation out of CBL and they are now being dealt with by the Lean review team.

As a pilot we are to carpet and furnish some studio flats within sheltered housing schemes to assess if this makes them more attractive to applicants.

- **What can be done?**

In the modern age even well appointed, self contained studios may be unattractive to applicants. There appears to be a case for reducing the numbers and this may be achieved by a combination of conversions, de designation of schemes and disposals. We will review with the council the current sheltered portfolio taking account of the potential for the development of a new service model outlined below.

The holistic assessment approach developed by the Lean team has demonstrated that there is a level of demand for this stock when a more flexible approach is taken. This approach is based on demand more than need and again pre supposes a more

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<sup>8</sup> 1 applicant out of 115 with sheltered housing points

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flexible service delivery model as outlined below. Existing sheltered housing staff will need to become a more integral part of the holistic assessment approach when this is rolled out further.

The existing service is strongly supported by its existing customers and rightly so given its strong performance. However, it appears questionable as to if there is a continuing need for the service in its current format for new applicants. This is based on the issues identified in matching applicants in strict need for the service and who want it. It is also dictated by a wider pressure to maximise the impact of public spending on older persons including those who need support in their own home and who currently do not live in sheltered housing.

There is a case for reviewing the nature of the existing service with other models such as 'hub and spoke' or providing a menu of services enabling the ability for a more flexible service to be provided to a wider group of people alongside other services such as floating support or enhanced housing management. When this is combined with a review of the property portfolio, and the implementation of holistic assessments of new applicants then this becomes a more rounded and sensible approach.

### **Tenancy termination, empty property preparation, cost and void loss**

#### **Tenancy termination**

It is a requirement of the tenancy conditions that a tenant must give 4 weeks written notice when wishing to end their tenancy. However there are a number of situations where it is not in the organisations interest to apply the notice period, examples of this are:-

- (1) Where a tenant is applying for a transfer. The taking of 4 weeks notice is not appropriate as it would either delay the letting of the property for 4 weeks or charging the transferring tenant rent on each property which would result in financial hardship. Transfers make up over 30% of all voids.
- (2) Where a tenant has died and the family/next of kin are arranging for clearance of the property. It is the case that when a tenant passes away, any benefits that they may have been receiving cease and full rent becomes payable. It is clearly in the familys interest to empty the property as soon as possible to prevent the build up of rent arrears. It is policy not to apply 4 weeks notice as this would significantly increase the former tenants debt with minimal hope of recovery
- (3) Where a tenant has been evicted by the Courts for failure to pay their rent.

There are a number of benefits of sensibly applying the 4 weeks notice period, the following are examples:-

- (a) It provides an opportunity to visit the outgoing tenant and remind them of key tasks to do before moving home. This could be getting post redirected or meters read. Where appropriate it also provides an opportunity to thank the tenant for the conduct of their tenancy.
- (b) It provides an opportunity to inspect the property prior to their leaving, pointing out work that may be required and reminding them to clear the

property, thereby avoiding any recharge costs. The inspecting of the property beforehand gives Connaught an opportunity to plan for and execute the void works more quickly when the property actually becomes void

- (c) Where appropriate it can provide an opportunity to advertise the property on Choice Based Lettings in advance of the property becoming vacant.

It is the case we have not tightly enforced the giving of 4 weeks in the past and this is an area where any improvement will help contribute towards performance. As part of this strategy we will seek to implement pre termination visits and assess their impact.

### Empty property preparation and cost

When a property becomes void our contractor Connaught carry out a void inspection to identify what works are required. The scope of the works to be considered are set out in the Void Standard document. A simplified version of this document is provided to tenants as part of the sign up process.

Following the sign up process, we undertake a satisfaction survey of tenants seeking their views on the whole re letting experience. Part of this seeks the new tenants view on the property condition, which in 2009/10 was rated at 89% against a target of 90%.

The Lean systems review has involved many officers new to the viewing experience and has shown that we need to adopt a more flexible approach to the industry void standard that we have been producing. This flexible approach needs to be more tailored to the new tenant's requirement rather than delivering the same product irrespective of the type and/or size of the property. This in essence could mean doing more, less or even providing the new tenant with an allowance to do some of the work themselves. The flexible approach is particularly more relevant when dealing with properties that have historically been harder to let.

**Table 14 Average void costs 2008/09 – 2009/10**

Area	2008/09	2009/10
Grahame Park	£4028	£3094
Other Regen	£3582	£3960
Non Regen	£1999	£2273

From the table the following observations can be made:-

- (a) The average void costs differ between regeneration and non regeneration properties by between 50-100%. There are several factors which contribute towards this difference, the key two being the fact that regeneration properties tend to be larger particularly the kitchens and crucially the fact that regeneration properties haven't been subject to Decent Homes work
- (b) Void costs at Grahame Park have reduced by £1k over the last 12 months. This is slightly misleading in that the reason for this is that we have been holding void works particularly on 1 bed properties until we have let 1 beds where works have taken place
- (c) That generally void costs have increased between 2008/9 and 2009/10. This is primarily the result of changes in electrical regulations which has seen a

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cost increase even in properties which have been subject to Decent Homes work

It is the case that void expenditure has for the last 2 years exceeded the budget available and this cannot be sustained in the longer term. It should be noted that an additional £300k has been allocated to the budget in 2010/11 to offset the increase in electrical costs.

### **Void loss**

The deterioration in voids performance has also resulted in a reduction in the amount of rental income received by the Council.

**Table 15 Void loss 2007/08 – 2009/10**

<b>Year</b>	<b>Void loss sum</b>
2007/8	£535,048
2008/9	£667,592
2009/10	£1,088,608

The above clearly demonstrates how the deterioration in voids performance since quarter 4 in 2008/9 has impacted on void rent loss. The effect is particularly noticeable in 2009/10 with an increase rent loss of over £400k. When the void loss is combined with average void cost increases this creates a combined position of real concern for the Housing Revenue Account (HRA).

As part of this strategy we aim to:

- To develop with residents a variable void standard that will assist in tackling hard to let properties
- To pilot a project to undertake the specification of void works within BH to see if this will result in reductions in void spending and to help implement the variable standard based on a holistic assessment of the property and potential applicant
- To undertake a Lean review of the void repairs process to maximise efficiency of operations and reduce waste

The outcome of this work will result in the establishment of a more sustainable voids budget (not necessarily lower), reduced void loss costs and more satisfied new tenants.

### **Partnership arrangements**

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Managing void property effectively cannot be achieved in isolation and requires high levels of efficient partnership working. The main partnerships are between Barnet Homes, the Council and our partnering contractor Connaught PLC.

However, there are also wider partners and stakeholders who influence this area of work including the Council's regeneration partners, RSL providers and managers of differing forms of permanent and temporary accommodation and private sector landlords. This makes up the wider and more complex landscape of housing supply in which void management must be considered.

Finally, although most importantly, there are the new and existing customers or applicants for whom the service is provided and whose needs and aspirations must be met.

### Consultation

As indicated earlier it is the council's intention to rewrite a new allocation policy which will need to be subject of initial Cabinet approval and borough wide public consultation during the summer months.

In addition, we propose to hold a number of focus groups with tenants who have recently been re housed and future applicants likely to be rehoused. This will seek their input into our proposals regarding a variable void standard in the context of a reducing budget.

Our voids performance will also be the subject of performance by the Barnet Homes resident led Performance Advisory Group (PAG).

### Initial Equalities Impact Assessment

Secure tenancy lettings through CBL <sup>9</sup>		Non Secure tenancy lettings through direct allocation <sup>10</sup>	
<b>Ethnicity</b>			
White British	42%	White British	18%
White Other	14%	White Other	17%
Black/Black British: Caribbean	5%	Black/Black British: Caribbean	3%
Black/Black British: African	14%	Black/Black British: African	25%
Black/Black British: Other	6%	Black/Black British: Other	4%
Asian/Asian British: Other	6%	Asian/Asian British: Other	5%
Total BME	41%	Total BME	63%
<b>Age of head of household</b>			
Under 24 years	14%	Under 24 years	13%
25 – 45 years	38%	25 – 45 years	60%
60 – 69 years	8%	60 – 74 years	3%
70 years plus	10%	75 years plus	1%
<b>Disability</b>			
Member of household a wheelchair user	5%	Member of household a wheelchair user	3%
<b>Source of referral to current housing</b>			
Statutory homeless (owed main duty)	44%	Statutory homeless (owed main duty)	100% <sup>11</sup>
Internal transfer	36%		

This information which represents the key data is not strictly a like for like comparison. The CBL data is based on one year's lettings data. The direct allocation information looks at a satisfaction survey outcome of regeneration non secure tenants who have been housed by direct allocation over approximately a six year

<sup>9</sup> Source LA Core Report 2008/09

<sup>10</sup> Non secure tenants STATUS compliant satisfaction survey February 2010

<sup>11</sup> Assumed

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period. Only indicators have been included here where some form of reasonable comparison can be made.

However, even taking this into account there are some apparent differences in outcome for applicants most notably by age and ethnicity. In short it would appear that both BME and younger residents are more likely to end up as non secure tenants on regeneration estates by direct allocation than as secure tenants in the council's main housing stock through CBL. This also reinforces the widening gap between the demography of the regeneration estates and the main retained council housing stock. This may be significant given that housing can have significant impacts on life chances with particular reference to the regeneration stock where the direct allocations were made to.

Part of the difference will be due to the impact of just over a third of lettings through CBL going to internal transfers from the existing housing stock. Their demography is more geared to older and White British residents. **It will be important to examine the impact of the Lean review team's proposal for matching applicants to available property to ensure that no form of preventable disadvantage or discrimination is introduced.** This will be achieved through the undertaking of a further Equalities Impact Assessment as part of the Lean implementation project.

### **The service improvement plan**

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The projects to deliver this ambition are attached in the service improvement plan at Appendix 1.

### **Making it happen**

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Given the strategic importance of this area of work a project board will be established to oversee the implementation of this action plan. Headline performance targets are monitored by the Barnet Homes Board and its Standards and Asset Management Sub Group. The Sub group and our resident led PAG will also receive regular updates on performance against the actions in this strategy. Finally colleagues from a high performing ALMO in this area will be invited to give critical scrutiny of the action plan to ensure that the plan is robust.

**Appendix 1**

Theme	Actions to Address/Who	Milestone	Status	Latest Update / Evidence of Completion	Measure of Success
<b>Lean review of re housing function</b>	To support and contribute to the LBB Lean review of re housing to develop a more efficient and effective means of matching applicants to available housing resources [CM]	Sept 10	IP		LBB report agreeing clear road map for implementation of changes
	To implement the agreed findings of the LBB Lean review [DR]	April 11	NS		Agreed project plan with milestones for delivery of changes
<b>Major works voids</b>	To maximise the benefits of the significant number of major works voids through continued and enhanced micro management [JJ]	Mar 11	IP		Average turnaround time achieved of 2.5 days
	To develop an end to end measure for the full period of time that major works properties are empty and to use this as a baseline for reducing turnaround times in future [JJ]	June 10	NS		Baseline figure established and plan to improve agreed
<b>Regeneration lettings</b>	To review the impact of the existing actions listed on pages 11 of this strategy [KT]	Sept 10	NS		To achieve average void turnaround times for regeneration voids 50 days March 11
	To plot and anticipate forthcoming decant implications from the regeneration schemes for void management over the next 18 months and to develop an agreed response with the LBB Lean review team [KT]	Sept 10	IP		Approval received from CLG
	To develop two show flats that will double as emergency accommodation [CM]	Aug 10	NS		Show flat in place
	Subject to CLG determination to of our request to introduce ASTs on regeneration estates to develop a project plan for implementation by a nominated	Dec 10	IP		Project plan agreed

	<p>project officer [KT]</p> <p>To consider the business case with LBB for taking parts of this stock out of management, trickle transfer to the RSL partners, consolidating of stock and early demolition [DR]</p> <p>To consider the merits of a local lettings scheme for difficult to let properties [CM/GA]</p>	<p>July 10</p> <p>June 11</p>	<p>NS</p> <p>NS</p>		<p>Business case presented for consideration to LBB/BH Regeneration Task Force</p> <p>Business case presented for consideration to LBB/BH Regeneration Task Force</p>
<b>CBL</b>	To maximise the lettings performance of vacant properties under the existing CBL system through micromanagement [JJ]	Sept 10	IP		Average CBL turnaround time 34 days
<b>Hostel lettings</b>	To continue to micromanage this hostel lettings with the LBB temporary accommodation team [JJ]	Mar 11	IP		Average hostel turnaround time 18 days March 11
<b>Sheltered lettings</b>	<p>Develop a pilot project to carpet and furnish studio flats within sheltered housing schemes to assess if this makes them more attractive to applicants [CM]</p> <p>To review the number of studio flats in sheltered housing with the potential for reducing numbers by a combination of conversions, de designation of schemes and disposals taking account of the potential for the development of a new sheltered support model outlined below [DR]</p> <p>To ensure that existing sheltered housing staff become a more integral part of the Lean review teams holistic assessment approach for vacant sheltered properties [CM]</p> <p>To review the current sheltered housing service provision model with other models such as 'hub and</p>	<p>June 10</p> <p>Mar 11</p> <p>June 10</p> <p>July 10</p>	<p>IP</p> <p>IP</p> <p>IP</p> <p>IP</p>		<p>Average turnaround times 45 days March 11</p> <p>Pilot project on furnished sheltered tenancies report with proposals</p> <p>Report and proposal on sheltered housing accommodation and service provision prepared for LBB</p>

	spoke' or providing a menu of services enabling the ability for a more flexible service to be provided to a wider group of people [SRO]				
<b>Tenancy termination, empty property preparation and cost</b>	To undertake analysis of the outcomes of pre termination visits and mainstream the process [JJ]	Sept 10	NS		To develop a benchmark of levels of pre termination visits and their impact
	To undertake a focus group of new tenant and likely new tenants to establish their views on the void standard [JJ]	March 11	NS		To reduce void loss to £800k by March 2011 and £550k by March 2012
	To develop a variable Void Standard that will assist in tackling hard to let properties [KT]	July 10	IP		Variable Void Standard in place Oct 2010.
	Pilot project to undertake the specification of void works within BH? [JJ]	Sept 10	NS		New tenant satisfaction - 90% March 2011
	To undertake a Lean review of Void Repairs process [CM/JY/ CPLC]	March 11	NS		Sustainable forward voids budget established March 2011
	To develop a business case for an appropriate level of voids budget relative to reduced void loss [KT]	Oct 10	NS		
<b>Equalities</b>	To undertake a detailed Equalities Impact Assessment [EIA] with LBB of the impact of the Lean review team's proposal for matching applicants to available property to ensure that no form of preventable disadvantage or discrimination is introduced [JY]	Sept 10	NS		EIA completed and arising action plan developed for implementation with LBB

**Key**

DR = Derek Rust, KT = Kevin Turnpenney, CM = Caroline Mudd, JJ = Jo Joannou, GA= Graham Ambler SRO = Sheila Oliver, JY = James Yurky, CPLC = Connaught PLC