

Guildford Borough Council

Report to: Housing Operations Board

Date: 25 September 2024

Ward(s) affected: All

Report of Strategic Director of: Housing, Communities & Environment

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Status: Open

Key decision: No

Voids Management – Progress Report

1.0 Executive Summary

- 1.1 The report provides members of the board with background relating to the status of void ¹properties and sets out the actions taken to reorganise the management of voids following the loss of staff and contractors in September 2023.
- 1.2 Providing safe good quality homes to residents in housing need is fundamental to the Council. The housing team's ability to deliver this service was severely impacted by the loss of staff and contractors last year.
- 1.3 The report details the current position regarding the increased number of voids that have arisen and describes the approach that will be undertaken by Housing Services to reduce this number and to reduce the average number of days that properties are vacant over the next twelve months.

¹ The time period when a council property is unoccupied, following the end of one tenancy and the commencement of another.

- 1.4 The report also recommends that the Board should receive regular updates to monitor the progress made by officers to manage and reduce the level of voids.

2.0 Recommendation to Housing Operations Board

That the Housing Operations Board resolves:

- 2.1 To note the contents of the report and to support the approach that is being taken by officers to reduce the number and turnaround times of void properties.
- 2.2 To identify any areas for comment or further exploration.
- 2.3 To make any recommendations to senior management or the Portfolio Holders for Housing.
- 2.4 To receive progress reports in relation to the performance of reducing void numbers, turnaround times and tenant satisfaction.

3.0 Reasons for Recommendations

- 3.1 The Council has a duty to effectively manage and maintain Council homes.
- 3.2 The reduction in void turnaround times is a key driver to meeting housing need and maximising rental income to support the delivery of services.

4.0 Status of Report

- 4.1 This report is an open report.
- 4.2 For the purpose of transparency, the activity within the report is 'live' and any data offered will vary weekly, if not daily. Any information offered within the report is based on data available from 2 September 2024.

5.0 Strategic Priorities

- 5.1 The management of the void process relates to the Council's Corporate Strategy 2024-2034 in a number of ways. There is the contribution to a well-managed Council that delivers decent and affordable homes as part of a resilient well managed council that contributes towards the sustainable, prosperous, and inclusive borough.
- 5.2 The effective management of the Housing Revenues Account (HRA) Housing Stock, contributes to the Council's wider Housing Strategy in meeting the Borough housing needs, alongside having a direct impact on the cost associated to homelessness.

6.0 Background

- 6.1 Delivery of the HRA empty homes (voids), from their becoming empty to being relet, is a cross functional activity embracing a number of teams within the housing function, with the Housing Property team playing a key role within the delivery of the process.
- 6.2 Following the investigations into the alleged Housing Fraud, a number of the Housing Property staff were released from the council's employment. Part of the duties of those released was the management of the voids process. After this initial action, further staff within the property team left the organisation, resulting in there being no link to any of the previous Void service activity within the property services team.
- 6.3 Subsequent investigations into the activities of these staff led to the termination of the service contract in place to deliver both Planned and Void works.
- 6.4 Further qualitative and quantitative assessments of the works that had been undertaken under this contract, exposed serious concerns of both inferior and on occasions, unnecessary works. It was revealed significant issues where some empty properties had kitchens and bathrooms removed, together with central heating systems for no

apparent reason, leaving these units in a poor state of repair and requiring extensive works to bring them to a lettable standard.

- 6.5 Investigations into the processes used by those under investigation, exposed that other third-party suppliers were operating out of contract, and on occasions, the works undertaken had either not been completed or done to a poor standard. As a result of these investigations, all relationships with third party suppliers undertaking void works under the auspices of the previous members of the property team were ceased.
- 6.6 Following the investigation the housing team's initial focus was to ensure the health and safety of current tenants. Resources were focused on assessing and arranging compliance works to meet legislative and regulatory requirements.
- 6.6 The above actions, led the Borough Housing Repairs Team (BHRT), better understood as the Direct Labour Organisation (DLO) of the council, being the only vehicle available to deliver void works. Under its present operating structure, the BHRT's directly employed workforce is supplemented by several specialists subcontracted Small to Medium Enterprises (SMEs) to support the day-to-day service. These subcontractors were asked to increase their capacity to enable them to take on further works and assist in the delivery of the void process. To date this support continues and the BHRT has been able to deal with a variety of minor and medium sized voids and working closely with the remaining and new members of the Property Services team, have provided a steady throughput of properties available for letting.
- 6.7 It was also identified that whilst the BHRT have performed admirably in sustaining a steady delivery of homes available to let over the last six months. To avoid any long-term impact on its primary purpose of delivering the day-to-day responsive repair service, an external contractor was needed to work alongside the BHRT to support and deliver a number of voids presently held, with a focus on some of the properties requiring significant works.
- 6.8 In recognition of this immediate and urgent requirement, a short-term piece of procurement has taken place, engaging a contractor for 12 months with a contract value of £700,000. Regrettably this

process has taken longer than anticipated due to internal capacity challenges. The newly engaged contractor will commence void delivery in October following a mobilisation period to agree the approach and strategy.

6.9 The fundamental review of the existing voids revealed a number of properties subjected to major works in various stages of completion. The approach agreed to legislate for properties within this category is to treat them as legacy voids requiring major works. These properties will be batched and procured as a single project piece to avoid the diversion of labour away from General Need voids.

6.10 A further long-term voids contract is currently in development, for 2025 onwards and will be subject to the normal procurement process. In addition, a further procurement to undertake the substantial works required to the 15 properties mentioned in 6.7 above is also being progressed.

6.11 Contextual Data

Number of Lettings

The table below provides an overview of lettings and types of letting over the past two years and the performance 2 September 2024.

Year	Secure lettings ²	Non-secure lettings ³	Housing Association lettings ⁴	Annual total
2022/23	241	31	153	425
2023/24	148	25	176	349
01/04/24 to 02/09/24	71	11	33 (70 nominations waiting tenancy start dates)	185

Whilst this report focuses on the delivery of the empty properties owned by GBC for relet, it should be noted that the Allocations team nominate and offer properties to let from other housing providers. Having a reasonable supply line from these suppliers, the council

² Permanent council homes let on introductory, flexible and/or secure tenancy.

³ Temporary accommodation to homelessness or decant applicants.

⁴ Council has nomination rights to affordable housing developed in the borough.

have been able to maintain a steady delivery of housing to our client base.

- 6.11 There are several factors that affect the volume of voids let in any one year, but anecdotally the average number of lets for GBC stock is circa 230 units a year. This does indicate that during the period under investigation, there was a short fall of properties being made available to let. Appendix 1 indicates the duration the pre properties have been void, with evidence that there were a significant number of properties void at the time of the original staff dismissal.
- 6.12 Based on a 'normal' volume of GBC properties let in any one year, we would expect to see approximately five properties a week managed through the lettings process. The present staffing structure is designed for this volume and as can be seen in appendices the numbers of properties pipelined and forecasted as being ready-to-let, far exceeds this established capacity. Whilst this resourcing issue has been identified and efforts are being made to increase the present resources, attracting suitably skilled staff to meet the demands of this level of workflow is proving extremely challenging.

7.0 CURRENT POSTION

- 7.1 In identifying the present position of the voids within the HRA housing stock, it is important to offer some context of the data and the numbers being offered.
- 7.2. The council's transfer policy facilitates the aspirations of our tenants to occupy a property that is suitable for their needs, and this level of mobility often leads to the letting of an empty property, by creating another. This is what is colloquially referred to as the "resultant voids' and makes projecting future void numbers challenging.
- 7.3 It can be difficult to the expected number of empty homes. Tenancies are ended for a variety of reasons including moves to another tenure, move to another social home, move to care homes or when the tenant passes away.
- 7.4 As of the 2 September 2024 the total number of voids 278 reported in appendix 1 are identified in three classifications: -

- **Voids waiting occupation.**
- **Operational Void works**
- **Structural, long term or Strategic voids**

7.5 In line with the investigations outlined above in section 6, it has been established that there were several properties already void before the officers previously connected to the service were removed from their posts. Whilst some of these properties have subsequently been progressed and let over the last nine months, it has resulted in an excessive number of properties appearing as void at this moment in time. These are now often referred to as legacy voids, but for the purpose of the report, these have been amalgamated into one of the above categories.

7.6 The subsequent analysis detailed in appendix 1 relates to those voids categorised as 'voids waiting occupation 'or 'operational void works only as described in 7.4.

7.7 Appendix 2 provides the board with the proposed timeline for future works delivery with Appendix 3 providing commentary on the resultant void projections.

8.0 Future Approach

8.1 Given the implications of the housing investigation into the alleged fraud and the termination of the contract with the principal contractor providing the previous work stream, the housing service has had to adopt a short, medium, and long-term approach to the management of voids.

8.2 The minor works voids have to date been undertaken by the DLO, while a short-term voids contractor was selected through a procurement exercise. This has taken longer than expected.

8.3 The DLO will collaborate with the appointed contractor and will focus on minor works voids whilst the contractor will undertake works to voids requiring major works. It is anticipated that based upon the average cost of each of the major works void that the contractor will be able to turnaround circa 75 voids within the contract sum, whilst

the DLO will deliver the balance of the remaining voids over the same duration.

- 8.4 The future strategy is to appoint a long-term Voids contractor over a five-year period, with built in review periods that will be managed under a performance management framework. At the same time, the 15 properties where complete refurbishment will be required will be subject to a separate procurement exercise.

9.0 Consultation

- 9.1 There has been significant consultation with members following the housing investigation into the alleged fraud and the members are being kept updated on the actions emanating from the Housing Improvement Plan that has been developed following the recommendation of the SOLACE report.
- 9.2 As part of the future long-term delivery of the voids, (TEG) Tenant Engagement Group will be asked to assist with the development of the 'void standard' and a new tenant satisfaction survey.
- 9.3 In future regular progress reports will be presented to this board to review and track the trajectory of progress.

10.0 Key Risks

- 10.1 Loss of rental income – this will impact on the delivery of the day-to-day services to tenants and leaseholders.
- 10.2 Failure to deliver void properties within agreed targets – this will have an impact on meeting housing need that will impact ability to tackle homelessness and moves for tenants requiring larger or smaller accommodation.
- 10.3 Empty properties are at risk of attracting Anti-social behaviour and risk of squatting.

10.4 Reputational risk of not meeting the Corporate Strategy objectives - The 2024- 2034 strategy has a particular focus on the council providing decent and affordable homes.

11.0 Legal and Governance Implications

11.1 The Council has a legal obligation to ensure that the housing it provides meets health and safety requirements.

11.2 All contracts required to deliver on the recommendations in the report will be procured in accordance with the Council's Contract Procedure Rules and robust contract management will be put in place.

12.0 Financial Implications

12.1 The effective management of void properties contributes to the Housing Revenue Account Business Plan in terms of maximising income and making effective use of capital and revenue resources to maintain and improve the Council's housing stock.

13.0 Human Resources Implications

13.1 There are no specific Human Resources implications as the proposal is to use external contractors and this will have a positive impact on the current DLO.

14.0 Equality and Diversity Implications

14.1 An EIA is not considered to be required at this time however, as the project progresses, an EIA will be completed and submitted as part of on the ongoing review of voids performance to the Board.

15.0 Climate Change and Sustainability Implications

15.1 The council as part of the Corporate Strategy is committed to reducing Net Zero Carbon and within the Housing Revenue Account

Business Plan, Housing Services will be setting out the approach to meeting central government targets by 2050. As this plan evolves and the scope of how this will be achieved becomes known, the void period for remedial works may again become more protracted as further upgrade works are needed to meet these targets.

- 15.2 The incoming contractor is striving to contribute towards the corporate targets and demonstrated support initiatives on other non-Guildford contracts in relation to recycling, reducing carbon emission and community projects. The DLO is working to the corporate requirements meet the commitments in relation to the delivery of its service.

16.0 Next Steps

- 16.1 As part of the Housing Improvement Plan the review of the void management process will lead to a more streamlined process that will reduce the respective times within the elements of the process. This will be in conjunction with the weekly Voids and Allocation meetings to monitor and track progress of void properties, together with the ongoing meetings with the DLO and the short-term contractor to ensure that there is effective communication with all parties.

- 16.2 The procurement of the long-term Operational Void works contract is a key component of the strategy to reduce void numbers as there is a return to the traditional number of void properties post the implications of the fraud. In tandem will be additional procurement of the Structural, long term or Strategic voids. Further progress reports will be provided to this Board to track progress and to review and challenge as appropriate.

- 16.3 Work with TEG on Void Standard and new tenant satisfaction survey.

17.0 Appendices

Appendix 1 – Outstanding Number of Void Properties Analysis

Appendix 2 - Proposed timeline for future works delivery

Appendix 3 - Resultant void projections

Report clearance progress:

Your report will not be published by democratic services unless the below is completed and there is evidence of the correct clearance process.

This box must not be deleted and will be published with the report.

Finance	Louise Kolmar	19 September 2024
Legal & Governance	Claire Beesly	19 September 2024
Human Resources	Ali Holman	18 September 2024
Equalities	Francesca Chapman	18 September 2024
Strategic Director	Julian Higson	19 September 2024

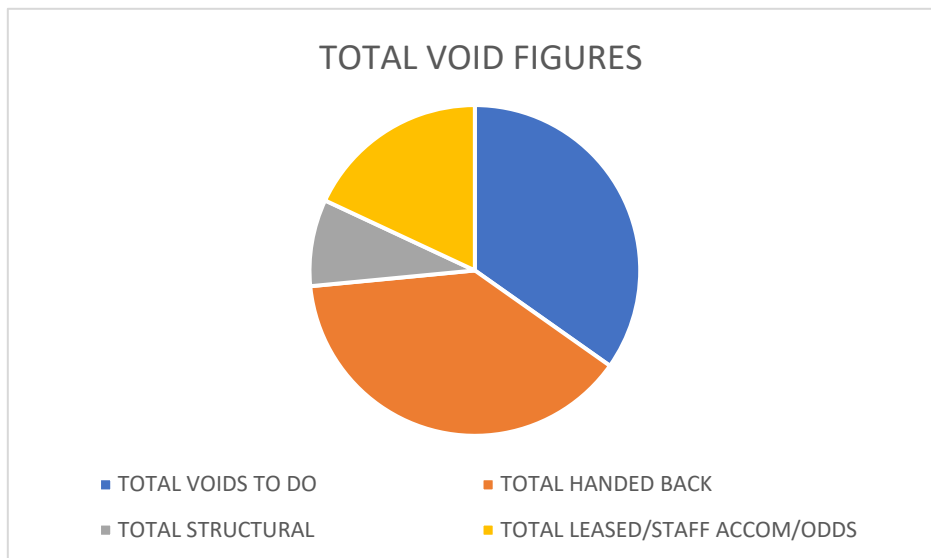
Appendix 1

Outstanding number of void properties

The following data is all taken as a snapshot in time from a base data on the 2 September 2024. As the activity of void management is a responsive and continuous activity, subsequent use of comparative data may not be appropriate.

The following offers the present void status in line with the commentary offered in item 7.4.

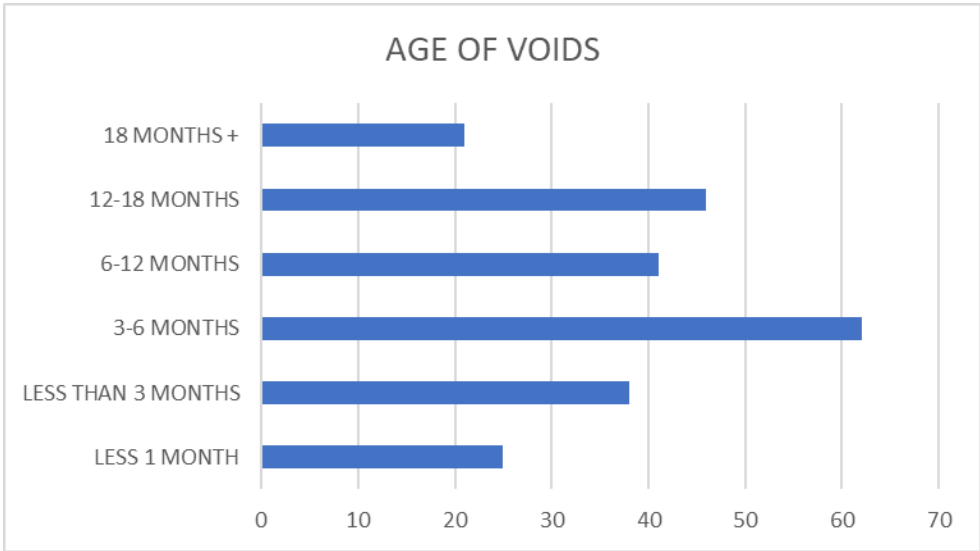
Operational Void works	Voids waiting occupation	Structural voids	TOTAL
165	68	[45]	233 [278]



Time void

The length of time the 233 properties identified within the categories **Operational Void works** and **Voids waiting Occupation**, can be broken down as follows –

LESS 1 MONTH	LESS THAN 3 MONTHS	3-6 MONTHS	6-12 MONTHS	12-18 MONTHS	18 MONTHS +
25	38	62	41	48	21



From the above, 69 of these properties or 29%, were void prior to September 2023.

Appendix 2

Proposed timeline for future works delivery

As part of the need to forecast volumes and resources, the future time required to complete voids works for the those in the category of **Operational Void works**, has been analysed with the following result.

Target of lets per period.

1 month	3 months	6 months	12 months	Longer
6	85	42	8	24



Whilst it is assumed the short term targets will be delivered within the present contracted resources, the longer term issues need to be addressed through the future procurements outlined in item 8.4. Within these targets it shows that there will be a reduction of nearly 50% of those voids presently defined as **Operational Void works**, to the status of being ready to let and passed to the Allocations team for allocation.

The contracted delivery of these numbers has been established, resourcing the management process to ensure that the qualitative assessments can be completed to ensure that the required standards are being met, has proved more challenging.

Going forward, if these targets are met, the volume of ready let properties will result in a spike of unprecedented volume and pressure on the Allocations team. It could also unbalance the present letting process, with

clients having a level of choice which could create the false impression of our future capacity in meeting housing demand. Both these factors will need careful management and again, further short term resourcing.

Appendix 3

Resultant void projections

As identified in item 7.2, one of the main aims of the Allocations Scheme is to afford residents a level of mobility as their housing needs change. As a result, in many cases the letting of a home results in the creation of a void, as tenants transfer from one GBC home to another. There are a number of variables that can impact the level of new arising voids making it difficult to predict through any exact process.

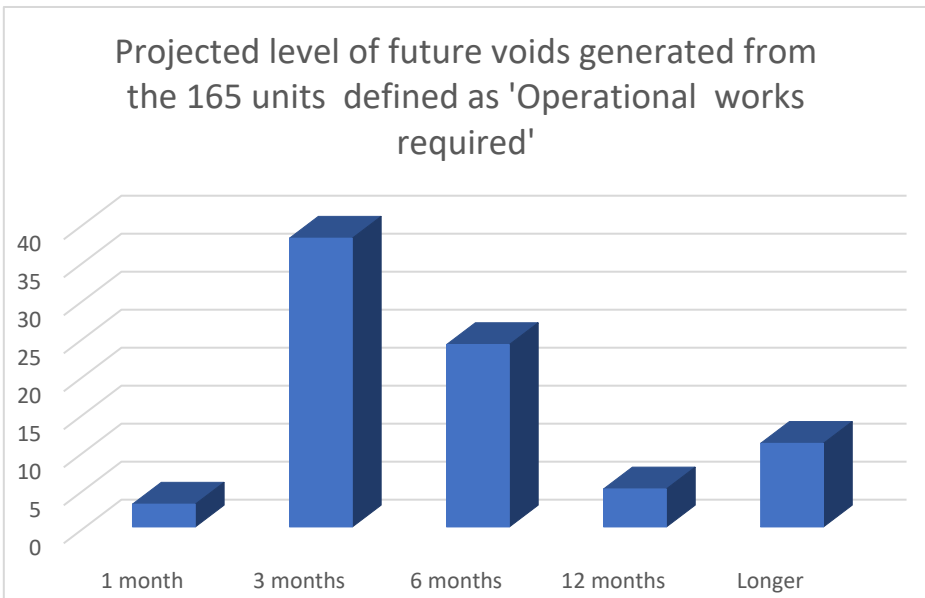
However, to try and offer members some context to this issue, officers have used their experience to apply a factor based on property types to enable some level of forecasting of the 160 units that fall within the operational Void works criteria. For transparency these factors are as follows -

Property type	Factor	Explanation
Bedsit	0%	These general needs properties are normally entry level units where the tenant will originate from the housing register, therefore not generating a new void
Sheltered flats	75%	It is assumed that occupants of a sheltered scheme will be downsizing from a larger property the remaining voids are let to applicants living with family, in private rented accommodation or are owner occupiers.
1 bedroom properties	20%	Whilst the majority of our one bedroom general needs units are normally entry level properties, however ground floor flats and 1 Bedroom bungalows also contribute to meet the need of those looking to downsize or who have disability need.
2 bedroom properties	50%	These can be seen as a step from GBC 1 bed units, but also attract an entry level to our properties for a number of private rented that are looking to move into social housing due to expanding families
3 bedroom properties	100%	Will normally be as result of transfer from another GBC property

4 bedroom properties	100%	Will normally be as result of transfer from another GBC property
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Applying the above factors against the relevant property types within the **Operational Void works** around the of predicted returns the new arising voids will be as follows: -

1 month	3 months	6 months	12 months	Longer
3	38	24	5	11



Reviewing the predicted arising new void level, an anticipated 81 new voids will be the result of letting the 165 units that form the bulk of the backlog of our void properties, or a factor of 50%.

If we were to assume this factor is consistent and apply it to the 68 properties that are defined as awaiting occupation and assume these are let over the next quarter alongside all those predicted a being ready to let, we would expect to generate a further 75 properties as void over the same quarter.

This is whilst looking to let 159 properties. So, whilst projecting reducing the number units from the present void total in the next quarter by approximately 68%, due to the arising new voids factor, it will in fact only be a reduction of 49% in the actual number of voids within the system.

