

Summary of Voids scrutiny June/July 2018

During June and July 2018, we undertook a Scrutiny of PA's Voids Management across the Midlands and London & South East Regions, in particular to consider to the extent that PA is restoring revenue as quickly as possible and maximizing the availability of homes.

This report sets out the background to our work, the methods used, what we found, conclusions reached and recommendations we wish to make to Resident Council.

Overall, we conclude the evidence from our Scrutiny indicates that at both Bede Island and Case House, there are sound and effective arrangements for Void Property Management. This results in satisfactory performance, although there are a number of issues that require attention. Our conclusions highlight a series of matters that we feel should be addressed. Specific recommendations are made at the end of this summary.

Context of the Service

Voids Management is a crucial area of PA Housing's business as it is central to its Income Management, seeking to minimize unnecessary loss of revenue. It is also central to its social purpose, to provide as many homes as possible. There are wider aspects to Voids Management as well, such as ensuring that localities are as fully lived in as possible, so as to reduce to risk of vandalism and other forms of anti-social behavior (ASB).

It is worth noting that each region operates in quite different housing economies, which impacts upon the context for Void Management.

We called for a number of documents that were considered useful as background and detail for Scrutiny. These included an Internal Audit Report Voids Maintenance, a Voids Flow Chart Considered Value for Money.

The question of Value for Money (VFM) came up in several of our considerations. Clearly the basis for this is different in the two regions, with their different approaches to pricing void work. It is possible to undertake a more focused consideration of Value for Money. This would be based upon comparing inputs to Void Management and the outcomes achieved. For example:

- Inputs
- Staff costs (salary, National Insurance, pension contributions);
- Office costs;
- IT Costs;
- Contractor costs;
- Other;
- Outcomes;
- Time taken to relet;
- Percentage of stock vacant;

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- New tenant satisfaction;
- Cost per unit;
- Benchmarked performance.

Plus, any metrics sent to the Regulator, if not included above. Bede Island Maintenance Policy (February 2018) includes a statement on the Lettable Standard and Tenant Recharges Policy.

Of particular note is the Internal Audit Report as this was a comprehensive consideration of some of our scope. Their conclusions stated that there are many differences in approach between Bede Island and Case House. It was expected that these would be included in the Policy review and Phase 2 of the integration process. Both services demonstrate systems of control and the vast majority operate as intended as are reasonable. We did note that the report indicates differences that can occur between contractor's and identified initial and eventual costs.

Interview with Deputy Head of DLO & Senior Surveyor

- The DLO covers 2209 properties, general needs and voids;
- Outside contractors are paid under the schedule of rates;
- More vacant property management efficiency implemented "slicker at the front" getting keys back, meters read and electrical certification obtained;
- No pre-void survey undertaken, this is done once the property is empty;
- The uneven flow of voids per year is a challenge;
- Outside factors that impinge upon voids performance can include anti-social behaviour, weather, travel, installing new supply of gas and electricity heating systems, lift breakdown, keys and fobs not being returned;
- At this time there are 17 voids outstanding and it was reported that general repairs do take priority over voids;
- Interview with Voids Another idea for improved performance is to create two separate teams, one for major and one for minor Voids;
- The target for Voids to be returned is 13 days. As earlier mentioned, currently it is nearly 17 days;
- Outside factors slow down the process, for example electrical companies, scaffolders and suppliers of parts.

Voids Surveyor (London) and Contractor (Axis)

- It is considered that the Voids process works quite smoothly at the moment. Coordination between PA and Contractor could be better.
- Challenges include emptying properties quickly and getting to properties before they are squatted. Also, the issue of pre-payment meters. Keys are sent to the contractor's manager's home because of experience of keys getting mislaid at the PA office.
- All contents are disposed of, regardless of condition.

Interview with Voids Manager Bede Island

- The Voids Manager manages the Voids Team and Contractors but not the DLO, plus monitoring the performance data;
- Challenges facing the processing of Voids include poor condition of the properties returned. This can include infestations, damage caused by previous tenants and drug paraphernalia.

Briefing with Independent Living Manager Bede Island

- The Manager deals with sheltered, extra care and supported housing. This includes planning viewings. It is considered important that her team undertake this, as they know the properties and can determine if the 'fit' is right for the prospective tenant.
- Most Voids come from deaths and people moving into nursing homes. It was commented that decorations should be undertaken to re-lets.

Interview with Void Surveyor Case House

- Some minor void works are signed off at desk top, with the use of photographs. This does not always give the full details of a property, on site would be better.
- The Surveyor does visit 30-40 higher value Voids per month for sign off;
- As with the other PA surveyors, there is a desire to meet other PA Surveyors to discuss and agree better working methods.

Interview with Lettings Negotiators and Allocations Assistant Bede Island

- These are office based staff who do not actually see the properties. Yet the sign up is by someone else, i.e the Visiting Officer. This can also delay matters as the Officer may not be available when required. The Officer may find that works are required to the properties, who have to then liaise with the Letting Team who then have to deal with the Voids Team.
- From when the key is handed in to when the property is re-let, there is a 30 day target. However, a new tenant could be ready from three to four days, making it difficult to explain to prospective tenants any delays. Since January, overall, 28 days on average is being achieved.
- Local Authorities only send one nomination for a vacancy. Work continues to improve relations with Local Authorities, including in some cases arranging open viewings and making available decorating vouchers. The availability of rent free days when the letting

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was later in a week, has just ended. This is projected to save £30,000 per year.

Interview with Head of Property Services @ Bede Island and Case House

- Void property management is effective but there are areas that require addressing e.g. turnaround time. Stock condition issues can hold matters up and give rise to not such good value for money;
- There is a significant investment planned for midlands properties but a challenge is the distance between stock.
- Work is being undertaken to ascertain the costs of having a DLO against an outside contractor;
- PA is a lean organisation and VFM is always considered, with a £140k saving on the renegotiation of the Fortem contract.

Interview with the General Manager @ Fortem

- Ensures effective service to PA and that the lettable standard is followed and achieved and kept to core price.
- PA's lettable standards are in line with recommended standards but also higher than others;
- It would be helpful to check meters at pre-void stage to avoid delays.

Interview with Executive Director's London & South East and Midlands

- The regions still operative separately with an integration programme underway;
- Maintenance policy which includes empty properties and lettable standards has been revised to be common across the business as standards need to be the same in both regions;
- The midlands region has a number of very difficult to let properties; and VFM is considered on the viability of re-letting such a void property.

We Considered practice at another Provider and Good Practice provided by the Chartered Institute of Housing

We studied the report of the Housing Scrutiny Commission (an elected member body) at Leicester City Council on Housing Voids (March 2017). Of particular note was a recommendation that Neighbourhood Housing Officers should routinely inspect homes to ensure structural and other standards are maintained by tenants and officers inspect decorative works three months after a tenancy commenced. An analysis as to why offers of homes were refused was to be undertaken.

Conclusions

- We are pleased to note the overall outcome of the Internal Audit report;
- On first examination, we suspected that the cost of the DLO seemed measurably higher than that of external contractors. However, further information received indicates that progress is being made to address this, with savings already having been made;
- It is a concern that the new Lettable Standard is lower than previously it was with the former Paragon, although it is acknowledged that for former asra it is an improvement;
- It is apparent that there is an issue with both pre-payment meters and the role of utility companies in delaying the processing of Voids. In addition to other means that might address this, using a fee based Void Management Service might provide a more professional approach;
- The Void Operatives covering general repairs as well as Voids if there is a shortage of operatives is a concern regarding Voids management performance. Further advice received indicates that these repairs are for emergencies;
- Improved performance is to create two separate teams, one for major and one for minor Voids, may have some merit;
- We were pleased to hear complimentary comments regarding the quality of the work of the DLO and their positive relationship with Independent Living tenants;
- Bede Island could consider storage of furniture that could be recycled, along the same lines as Case House;
- There is a concern that tightening targets and following the new procedures may lead to lesser standards, undue pressure on the workforce and reduced staff morale;
- We were impressed by Bede Island's participation in local benchmarking and consider that Case House benefit from a similar local activity;
- Inflation linking the value of Decoration Vouchers, as practiced at the other Provider when visited, is identified as good practice;
- We support PA's discussions with Kingston Community Furniture Project to work with PA;
- The concern regarding inconsistent interpretation of the Lettable Standard needs addressing;
- Communication between Lettings and Voids staff at both offices has been constrained by the teams being separated. We consider that this does not help the effective processing of voids;
- In former asra stock, the lack of an asbestos survey may hold up the voids process;
- Vacant property keys being sent to Contractor Manager's home addresses is a concern from both an audit and time delay points of view;
- It was noted that Fortem's General Manager considered PA as being quite 'brave' with the contractor undertaking the Void inspection. We wonder if this may be a factor with the difference between the inspection identified costs and the eventual cost, as indicated in the Internal Audit Report in our review of documents;
- We support the employment of apprentices by Contractors, under PA Contracts;
- It may help to reduce refusals on voids if the location choice given is more local than at present, albeit it is acknowledged that this is an aspect of the lettings process 5.23. We were unable to undertake the Value for Money exercise with a lack of some data within

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the time constraint. However, this could be undertaken by the organisation and reported to Resident Council and Customer Service Forum;

- The CIH Good Practice advice that we studied is worthy of consideration by PA when it is developing Void Management processes as a part of the integration programme.

Recommendations

- The work being undertaken, which we support, to address the differences between DLO and contractor costs, be reported to the Resident Council and Customer Service Forum;
- Case House reclaim VAT on recharges;
- The Value of Decoration Vouchers be inflation linked;
- The issue with both pre-payment meters and the role of utility companies in delaying the processing of Voids be resolved;
- To reduce refusals on voids/lettings, the location choice given be more local than at present.

Appendix 1 Phase 1 & 2

Appendix 2 Scrutiny Process

Appendix 3 Action Plan

Scrutiny is in two parts Phase 1 and Phase 2

Phase 1 is described as the nuts and bolts of the scrutiny.

Generally what happens is the team reviews paperwork, conducts interviews with managers, admin staff, resident's and staff from other agencies, depending on the Scrutiny that is taking place. Visit properties, and when necessary visit other housing associations. In conclusion Phase 1 examines the day to day workings of the area being scrutinised.

A final report of findings is then prepared and submitted for consideration of Phase 2.

Phase 2

The report from Phase 1 and Policies and Procedures and KPI's (key performance indicators) are examined closely. Benchmarking against other Housing Associations. Senior staff members such as Executive Directors and Heads of service are interviewed.

A final report is then prepared taking into consideration the report from Phase 1, interviews conducted, and the close examination of other information provided.

There are further stages, a Roundtable discussion takes place with managers to discuss the report, Resident Council approves the report and the Customer Service Committee discuss and note and follow recommendations.

An Independent Advisor assists the teams at various stages and during report writing. The work and conclusions are undertaken without any influence from PA Housing, however we do rely on PA to make appointments for any visits and interviews, arrange meeting rooms and provide any paperwork that is necessary.

Scrutiny Process

1. Choose a service / subject e.g. This is done through a review and planning session
2. Grounds Maintenance, Cleaning, Independent Living etc. Areas of interest are on a forward rolling plan.
3. Decide on the membership of Phase 1 & 2 and agree the appropriate leads. Discuss strengths and weaknesses of the teams.
4. Scope the chosen Scrutiny (what are the important factors relating to the scrutiny area).
5. Training and mentoring on scrutiny will be provided including for scrutiny projects.
6. Management briefing to all members of the relevant scrutiny project (The relevant manager will outline their role and those of staff in their department(s)).
7. Call for documents with the relevant Head of Service will be discussed (The scrutiny team can request any relevant paperwork that may be helpful to the project).
8. Staff briefing (The scrutiny team will inform staff involved to inform them what, when and how the scrutiny in their area will be carried out). With particular emphasis that this is confidential to the scrutiny team and nothing personal but about the process.
9. Phase 1 team will commence scrutiny. (after the first week and at the end of the phase 1 process, the lead of phase 1 will update the phase 2 lead of the report)
10. Who do we need to interview?
11. What questions should we ask?
12. Interviews; (staff and outside agencies, local councils, charities, citizens advice etc. During interviews and focus groups as much information as possible needs to be written down. Only note written down can be used as evidence when the report is written.
13. To avoid staff or outside agency members attending twice for interviews; Phase 2 members may sit in on interviews held during Phase 1.

Gather information –

- Focus Groups (talk with residents)
- The use of surveys
- Mystery shoppers.

- Benchmarking (comparison with peer and other businesses).
 - document folder.
 - Key performance indicators (KPI's).
 - Any other relevant data (website searches etc.).
 - Visit relevant sites and offices.
 - Report writing (carried out with an independent advisor).
14. The Phase 1 report, including conclusions, recommendations and evidence file is then presented to the Phase 2 Team by the lead of Phase 1 Team. All written notes will be added to the scrutiny box for future proofing and a constant reference.
 15. Phase 2 begins by examining the report and evidence file supplied by Phase 1 Team. Phase 2 will then carry out the same programme as Phase 1 but will interview more senior staff and will look at the scrutiny in a more strategic way (what are the plans going forward). Consider Value for Money (VFM). And include good practice (gathered from CIH, Tpas etc.) which we will be included in the appendices to the report. The good practice is generally sourced by the Independent Advisor.
 16. After the first week and at the end of the report writing stage, the lead of phase 2 will contact the lead of phase 1 to update on the project.
 17. When Phase 2 have completed their final report, it is then passed on to the Executive and Managers of the department to prepare a Roundtable discussion. **(At this stage the report is for scrutiny members and Senior staff only, it remains confidential).**
 - The Roundtable (1) is made up from:
 - Executive of Department
 - Managers of Department
 - Resident Involvement Manager
 - Scrutiny Leads from Phase 1 & 2
 - This is to discuss the finding of the final report and make and agree any obvious changes and agree to right any incorrect information; but the fabric of the report remains intact.
 18. Once approved the report is then presented to the Customer Forum and Resident Council for their approval; together with the Action Plan set by Management to meet each and everyone of their recommendations in the report.
 19. Finally the report is presented to the Customer Services Committee (CSC) by the Phase 2 lead. The CSC is made up of Board Members, Senior Management and residents.
 20. Roundtable (2) The Leads of the scrutiny, Resident Involvement Manager and the relevant Dept. Manager(s) will meet within 6 months to review the action plan.

21. Periodically the Customer Forum and Resident Council will revisit the action plan to ensure that any recommendations have been carried out to total satisfaction.

Voids Management - June to July 2018 (Action Plan updated April 2019)					
No.	Recommendation	Action	Owner	By When	Progress to Date
6.1	For Future Scrutinies one person, the lead of each Team or delegate, be responsible for the call of documents and their organisation	<ul style="list-style-type: none"> Agreed that this will happen at future scrutinies. 	SM/ITA/Scrutiny Team	For Autumn 2018 Scrutiny	Plans in place
6.2	To reduce the amount of travel, for future scrutinies there be one block of time at Bede island, one at Case House with best use of Skype be ensured.	<ul style="list-style-type: none"> We are working towards this – it will become more likely as we build the team in the Midlands. Skype was used successfully during the scrutiny part of this project. Update 8 August 2019: The use of SKYPE is still a work in progress. However – meeting in Northampton seems to be working for the team. We will review this after the current scrutiny in September 2019. 	SM/ ITA/ Scrutiny Team	Immediate	Plans in place
6.3	For future Scrutinies planning should consider the impact of the volume of activities on achievability and impact on report writing time.	<ul style="list-style-type: none"> This already happens and forms part of the discussion for the Team during the planning stage. We will build in review time to remind members of the main focus of each project. 	SM/ITA/Scrutiny Team	Already happening	Completed/Ongoing
6.4	The work being undertaken, which we support, to address the differences between DLO and contractor costs be reported to the Resident Council and Customer Services Forum	<ul style="list-style-type: none"> A project brief is in the process of being draw up to achieve job costing i.e. to understand costs in greater detail for a repair or a void. To do this we require changes to be made to our IT systems. We are awaiting a date for the supplier to engage with us to achieve this. The first step is to sign off the project which 	LB	April 2019 (project brief)	Project live and final IT system developments taking place. We anticipate we will start phase 1 reporting in March 2020

		will include timescales for delivery of the project.			
6.5	Case House reclaim VAT charges	<ul style="list-style-type: none"> We will aim to have this in place for Quarter 4 of this financial year, when the revised recharge procedure is in place for Case House. The revised recharge procedure is taking longer than expected due to some changes within the structure. We will aim to have this in place by the end of Quarter 1 2019/2020 	MF	April 2020	The PA recharge procedure was approved recently by EMT. We have to finalise the procedural paperwork which will be complete by March. New arrangements fully in place across PA April 2020
6.6	The value of decoration vouchers be inflation linked	<ul style="list-style-type: none"> This will be budgeted for in 2019/2020. Amendments will be made from 1 April 2019. The maintenance policy will be updated to reflect the increase 	MF/LB	April 2019	Done
6.7	The issue with both pre-payment meters and the role of the utility companies in delaying the processing of voids be resolved.	<ul style="list-style-type: none"> We have met with a company who provide a total utility solution for voids. We are in the process of setting up the company to use across all of PA Voids in the future. A trial with a new utility provider is underway 	MF/LB	Nov 2018	In place
6.8	To Reduce refusals on voids/lettings, the location choice given be more local than at present	<ul style="list-style-type: none"> We will investigate with Locator and our partners if it is possible to include more detailed information on the location of properties advertised for Letting. For example, central Walton or and the cost of doing this. We are able to add a link on locator and therefore we are able to design a property fact sheet giving more detail of the localised area. As 	CF	Oct 2019	

		part of the Lettings service being aligned the design and testing of this property fact sheet will be designed and implemented.			
6.9	The Value for Money exercise set out in section 4 be undertaken and reported to the Resident Council and Customer Services Forum.	<ul style="list-style-type: none"> We will aim to do this at the end of the financial year and include it in a report on performance in 2018-2019 to Customer Services Committee. A report of progress will be available in May 2019 as agreed when forming the action plan. 	MF/LB	May 2019	Changes to the Assets Head of Service Structure commenced in April 2019. As a result of this there have been alignments to the structures across assets. In addition to this the structure within Home Moves has changed and may undergo further re-alignments in the future. Joint working across Home Moves and Assets has taken place and a revised void process has been developed which will be consistent across PA. I.T. are currently working on the reporting framework within Northgate to be able to report on the performance of every aspect of the

				<p>void process. The new process and reporting will be in place across the business from April 2020/ We will then be able to provide regular reporting to Customer services Committee on void performance across PA.</p> <p>A full review of the end to end process has been done and a report to Board setting out what we are going to do to improve void turnaround times.</p> <p>The aim is to get to a re-let time of 21 days by the end on 2020/2021</p>
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