

Report for:	Housing and Communities Overview and Scrutiny Committee
Date of meeting:	1st July 2020
Part:	Part I
If Part II, reason:	

Title of report:	Empty Homes Review
Contact:	Margaret Griffiths, Portfolio Holder Housing Fiona Williamson, Assistant Director Housing
Purpose of report:	To provide an update to members of the work that has been undertaken to review the empty homes process and identify improvements to reduce the key to key time.
Recommendations	1. That the Committee consider the empty homes review and provide comment on the recommended improvements.
Corporate Objectives:	The empty homes review contributes to the following corporate priorities: <ul style="list-style-type: none"> • Providing good quality affordable homes, in particular for those most in need • Delivering an efficient modern council
Implications:	<u>Financial</u> The preliminary review work was undertaken using the budget for the new normal change programme, so contained within base budget. Once the improvements have been implemented it is anticipated that the improved rental income achieved through reduced key to key time will offset some of the consultancy costs and will have ongoing benefits to the Council.
Value For Money Implications'	<u>Value for money</u> The external consultants were appointed following a competitive tender process to ensure value for money and the review considers any efficiency gains that can be achieved through the re-engineering..
Risk Implications	Increased key to key times has a negative impact on the rental income and the high demand for social housing present a

	reputational risk of council owned properties being empty for long periods of time.
Equalities Implications	The review considered the existing process, which has been assessed for any equalities implications in line with the allocations policy.
Health And Safety Implications	Health and Safety is one of the key criteria when assessing work to be undertaken, both in terms of contractors and CDM and the tenants occupying the homes.
Consultees:	Mark Gaynor Director of Housing and Regeneration Linda Roberts Assistant Director, Projects Performance and Innovation Natasha Beresford, Group Manager Strategic Housing Jason Grace, Group Manager Property and Place Layna Warden, Group Manager Tenants and Leaseholders Oliver Jackson Team Leader, Supported Housing Lesley Jugoo, Empty Homes Lead Officer Tracy Vause, Strategic Housing Team Leader
Background papers or appendices	Appendix A Key to Key times Appendix B Empty Homes Report by Category Appendix C Sopra Steria Business Process Review
Glossary of acronyms and any other abbreviations used in this report:	Faithorn, Farrell and Timms FFT

1. Introduction

- 1.1 The key to key times for the turn-around of empty homes has seen an increase over the past two years. A number of factors were identified in contributing to this reduction in performance, but a wholesale review of the service had not been undertaken.
- 1.2 As part of the Council's "new Normal" change management programme, empty homes were identified as a complex process, which could benefit from a reengineering review as proof of concept pilot scheme.
- 1.3 Following a procurement process a firm of consultants, Sopra Steria were appointed to undertake a process review and identify any quick wins which would reduce the key to key time.
- 1.4 In addition the Council were reviewing the allocations policy and demand for all types of housing but specifically, supported housing, which is known to prove more challenging to let.
- 1.5 The report provides an oversight of the findings of the review and identifies a number of interventions, some which are designed to derive "quick wins" and

others which will form part of an ongoing investment strategy in the housing stock.

2.0 Background

- 2.1 The council is committed to providing good quality homes for people at social rent and it is essential that properties are empty for the minimum periods to maintain rental income and address the high demand for these properties.
- 2.2 The performance of empty homes is tracked and measured against a number of key performance indicators, which are reported monthly and included in the quarterly report to HCOSC.
- 2.3 The performance indicators are separated out into three categories, general needs, sheltered and adapted properties as each has individual targets. The allocations process for general needs and adapted properties is predominantly using choice based lettings, whereas a number of adapted properties are let on a direct offer basis, due to the specialist nature of some of the adaptations and the preference to reuse rather than replace.
- 2.4 The empty homes process is complex and has a number of statutory elements that must be completed in all properties, including asbestos survey, domestic home energy survey to produce an Energy Performance certificate, electrical safety test and gas safety test, requiring a number of specialist trades as well as the main contractor to undertake the void works.
- 2.5 Appendix A provides the key to key times since 2014, during which Osborne commenced the Total Asset Management contract in July. The initial trend was an improving reduction in Key to Key time, from 40 days in June 2014 to 19 days in two months, August and September in 2016.
- 2.6 The positive trend was due to a number of factors including the performance of the contractor and the consolidation of all of the internal housing teams into one empty homes team.
- 2.7 Since 2016 there have been some changes to the reporting methodology for empty homes, whereby a move to measuring working days rather than calendar days and the inclusion of all major works properties were agreed.
- 2.8 Generally throughout the social housing sector, the average empty homes key to key data removes those properties requiring major works, as these can take a disproportionate amount of time to complete, especially if a period of structural monitoring is required in order to determine appropriate works. Therefore it is not possible to undertake like for like benchmarking with external social landlords. In years where there are a high number of properties requiring major works this can impact on the ability to achieve the targets.
- 2.9 Appendix B provides the number of properties that were completed in each of the empty homes categories, which are based upon the amount of work required and corresponding financial value. Those properties identified as category 4, i.e. requiring most work, would be classified as Major works and not included in other social housing benchmarking figures.

- 2.10 Irrespective of the methodology, there has been a net increase in the key to key times and therefore the further reviews undertaken internally by officers and by Sopra Steria, have identified a number of interventions to improve the overall performance.

3.0 Review findings – Sopra Steria

- 3.1 Sopra Steria were commissioned by Dacorum to undertake a business process review of the empty homes process. Sopra Steria are a consultancy firm based in Hemel Hempstead who design, develop and deliver technology solutions and work across both private and public sector to deliver transformation programmes.
- 3.2 In January 2020, Sopra Steria conducted a review of the “as is” by holding a number of workshops with all involved staff, including those working for contractors involved in the empty homes process. The workshops enabled them to map the process and consider what elements could be changed to reduce the key to key times.
- 3.3 Appendix C provides the summary details of Sopra Steria’s business process review. The review identified a number of key issues effecting performance which were divided into three categories, operational, service and policy and technology.
- 3.4 Each area was considered in further detail to identify options to improve or deliver processes concurrently and also how the systems and operational approach would need to change to enable efficiencies to be derived.
- 3.5 The process review was nearing completion when the Coronavirus pandemic resulted in a lockdown of business as usual activity across the Country. As a result of the restrictions initially imposed, the teams had to adapt the empty homes process to address any terminations or lettings that were deemed essential and to respond to the need to get “everyone in” and ensure street homeless were accommodated.
- 3.6 Due to social distancing or infection control measures, a number of the revised ways of working required elements of the process to be changed to enable contactless or limited contact with tenants terminating or commencing tenancies.
- 3.7 The requirement to work remotely has ensured the migration of historically paper based surveys to be undertaken on laptops and reduced the timescale for information to be provided to contractors or tenants.
- 3.8 There are a number of “quick wins” that have been outlined in the summary provided by Sopra Steria and whilst in the longer term, these will have a positive effect on the key to key timeframes, this will be offset in the short to medium term by the impact of the lockdown
- 3.9 . The nature of the initial lockdown restrictions on house moves, resulted in all empty properties that were in the process during the week commencing 23rd March being subject to long delays

- 3.10 The need to maintain social distancing and have COVID secure sites, require less trades to be on site at any given time, and a shortage of some materials, will negatively impact the works time scales. The need to leave properties for 72 hours when keys are returned, to reduce the risk of infection, before surveyors can specify work, is also adding time to the process. Additionally some people in the higher risk groups are reluctant to move and the sign up process requires a change to reduce contact and ensure identities are verified.
- 3.11 There is also a backlog of Category 2 (communal facilities) sheltered properties that have become empty during the pandemic and in order to minimise the traffic in communal areas to reduce infection risk, works to these properties have been delayed.

4.0 Review findings – Internal projects

- 4.1 To supplement the work undertaken by Sopra Steria, the strategic housing team did some analysis of the level of demand for certain categories of property.
- 4.2 The two tables below provide details of the percentage of properties let after the first advertising cycle for both general needs and Sheltered Housing Properties, for the current and past two years.

Table 1 - General Needs

Year	Advertising cycle let on								Total
	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8+	
2018	260 (97.7%)	6	0	0	0	0	0	0	266
2019	192 (95%)	6	3	0	0	1	0	0	202
2020	69 (93%)	4	0	1	0	0	0	0	74

Table 2 - Sheltered Housing Cat 1 and 2

Year	Advertising cycle let on								Total
	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8+	
2018	65 (45.4%)	26	21	9	6	5	3	8	143
2019	56 (46.2%)	29	15	4	4	7	2	4	121
2020	32 (61.5%)	7	5	2	1	3	0	2	52

- 4.3 The data shows that the majority of general needs properties are let after the first advertising cycle, with over 90% being recorded in all years. The position differs greatly when compared to the percentages let after first advert in sheltered schemes.

- 4.4 Further interrogation of the data has identified a number of schemes that have proved more difficult to let. These include:

Emma Rothschild Court
Compass Point
Elizabeth House

Phyllis Courtnage House
Gilbert Burnet House
Two Beeches

- 4.5 In order to understand these findings in greater detail the Supported Housing service undertook some further analysis of the demand data and a survey of the Category 2 sheltered schemes, by FFT was commissioned to establish the layout and condition of each scheme.

- 4.6 The demand data for the 12 month period between September 2018 and September 2019 was considered and the following detail established:

- Of the 105 properties advertised, 77 were for properties within Category 2 schemes. 28 were for dispersed properties.
- 60% of the dispersed properties were let after one advert cycle. Only 19% of Category 2 advertised were let after one cycle.
- 146 property adverts over the 12 month period received 0 bids – suggesting no demand. 139 of these adverts were for properties within Category 2 schemes, only 7 for dispersed properties.
- The data also identifies geographical trends in relation to demand. Of the 146 property adverts which received 0 bids, 75 were for properties based in Tring – an area which has undergone a demographic transformation since Supported Housing properties were built.
- As well as identifying areas with 0 demand, the data identifies those areas where there is a high demand. All properties advertised in the Adeyfield area received multiple bids for every round of advertisement. All of these properties were also dispersed properties.

- 4.7 It is evident that the nature and location of some of these schemes makes them less desirable than others and further information was collected by carrying out a survey of tenants who were asked the following:

‘Thinking of your supported housing the future, which of the following factors would you consider to be priorities. Tenants were asked to select their top three choices?’

The most popular choice was location (63.6%) ,closely followed by local amenities (53.3%) and public transport (45.5%).

Tenants were asked to select one factor that was most important to them when first applying to supported housing.

The top choice was a smaller more manageable property (33.3%) very closely followed by Closer proximity to friends and family (31%) and Added Security (22.1%).

5.0 Interventions to address low demand

- 5.1 The preliminary findings from the FFT survey of the category 2 sheltered schemes has been reviewed and there is an ongoing project to establish the long term future of those, which performed less well against the location, facilities and layout assessment. The details of the review will be presented to HCOSC in the autumn.
- 5.2 A review of all dispersed Category 1 properties to assess the long term viability and suitability of the properties has been concluded. The review looked at accessibility, proximity of local amenities, public transport links, sizes and layout of properties and identified where there was a mix of general needs and supported housing properties in blocks.
- 5.3 Demand data over the last three year period was considered and factored into the recommendations. The outcome proposed to re-designate 72 supported housing properties back to General Needs and for 39 general needs properties to be re-designated as supported housing, producing a net reduction of 33 supported housing properties.
- 5.4 Tenants have been contacted and where the individual has been willing to move so the property can be re-designated, these cases have been considered by the housing panel. It's worth noting that, significantly more people have been keen to move from supported housing properties that have been identified as not being suitable, than general needs properties that have been identified as being more appropriate as supported housing properties. The reason for this has largely been due to reasons stated above, proximity to local services, public transport links etc.
- 5.5 The savings threshold for applicants applying for sheltered accommodation was increased from £100K to £250K in January 2020, to attract those who may be moving from the owner occupier sector, but to date there has not been any difference in uptake of sheltered properties.
- 5.6 There are improvements in the information and photographs available on the website for sheltered schemes is being developed and the revisions to the Help to Move policy are designed to support those who are considering a move.

6.0 Next Steps

- 6.1 The recommendations from the Sopra Steria and internal reviews will be implemented and the changes to the current process, which have been introduced following the lockdown and have proved beneficial, will be continued.
- 6.2 The impact of the COVID working practice restrictions will be considered and the time impact isolated, to determine if other measures are having a positive impact on the key to key times.
- 6.3 Conclude the category 2 sheltered scheme review and identify options for those with low demand.

- 6.4 Marketing campaign to publicise the benefits of sheltered accommodation in line with the factors that were identified as being important to tenants when choosing appropriate accommodation.