



THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA

# Review of Void Council Properties in the Royal Borough of Kensington and Chelsea

*August 2011*

## Chairman's Foreword

The purpose of the Sub-Committee was to look into how void properties, i.e. council properties which have been vacated by previous tenants, were dealt with by the Tenant Management Organisation (TMO). The Sub-Committee were given specific criteria to look at: to see if the current approach minimized the time that the property is empty; whether it met tenants' requirements; whether it maximized the use of scarce housing stock; and if the cost associated with the void both in terms of repairs and revenue loss could be looked at for areas where efficiencies could be achieved. We had to consider the above against a changing background of policy context in that the Royal Borough adopted a new allocations policy in May and nationally the Localism Bill has removed the concept of "homes for life" and created the possibility of greater void frequencies. The impact of these policy changes on void properties could be investigated at a later date.



In undertaking our review the Sub-Committee went on a very informative visit to void properties. We had a seminar on the Home Connections website (the chief tool used for letting properties to tenants). We also requested a considerable amount of information from the TMO and housing officers regarding national and local benchmarking figures.

The number of voids per year is relatively small averaging 262 per year over the past five years. Properties are advertised on the Home Connections website and viewed while works were being undertaken, thus shortening the time that properties were left vacant. In terms of the time that void properties were vacant in the Royal Borough, the Sub-Committee was provided with the Audit Commission's Best Value Indicator to assess how the TMO fared nationally. The indications were of great improvement with an average of 26 days vacant during the financial year 2010-11 as opposed to an average of 32.9 days vacant the year before. Although the situation had improved, this left the TMO's performance in the third quartile of the national HouseMark benchmark just above the median of 25 days. However, over the past eight months the TMO scored below the median in six of those months. The TMO also compared very favourably with the City of Westminster and local housing associations.

As far as improving standards is concerned, the Sub-Committee felt that there were some properties where it would be justified to spend a little extra money to make those properties more attractive to tenants. It was also felt that the budget for decoration could be relaxed so that money could be spent on items other than paint.

It follows that reducing the time that properties are vacant and improving the standard at which they are let will help to maximize the use of housing stock. This will also lead to greater efficiencies. Again the TMO has shown great improvement in the percentage of rent lost to the TMO through voids being

empty. During 2010-11 it was .71 percent as opposed to 1.32 percent in 2009-10. This places it above the median of the national HouseMark benchmarking.

Overall, compiling this report has been a very positive experience with the TMO improving steadily against all parameters. The Sub-Committee would like to see further improvement and has set out a list of recommendations. I am particularly keen to see the TMO reach the top quartile of the benchmark for the times voids are left empty and our recommendations should help to achieve that aim.

I would like to thank my colleagues on the Sub-Committee, Councillors Charles Williams and Emma Dent Coad and the officers who have given us sterling support throughout this process.

**Councillor Marie-Therese Rossi**  
**Chairman, Sub-Committee on Voids**  
**August 2011**

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Chairman's Foreword

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## **1 Background**

- 1.1 When Council homes are vacated by the previous tenant they are known as 'voids' and works are undertaken to bring them up to a standard for letting. This paper is a response by the Housing and Property Scrutiny Sub-Committee on Void Properties to the issues associated with: reducing the time void properties remain empty, to improve standards and to find greater efficiencies.
- 1.2 Void properties arise due to a number of reasons. These may include: the death of the previous tenant, the previous tenant finding accommodation with another landlord or buying their own home, abandoning the property or being evicted, temporarily/ permanently decanted to another property or simply transferring to another property owned by the same landlord.
- 1.3 Whether the Borough's housing stock is empty for a short or long time period, it presents a challenge to both the Tenant Management Organisation (TMO) and the Royal Borough as a strategic housing authority. The cost of empty properties is not just financial, but can risk increased antisocial behaviour, low demand, poor perception of areas and of the performance of the Tenant Management Organisation. The Sub-Committee's conclusions are presented in the context of the Royal Borough's new Housing Allocation Scheme and of proposed new housing related legislation.

## **2. The Shifting Policy Context**

- 2.1 Both local policy changes in how the Royal Borough allocates housing and proposed national housing policy announcements have been made recently. It is important that, where appropriate, conclusions reflect these changes and proposed changes as far as possible.
- 2.2 Locally, a new housing Allocation Scheme was implemented on 4 May 2011, explaining the options available for those looking for a home in the Royal Borough of Kensington and Chelsea (RBKC), and in particular setting out which groups of people are priorities for Council assistance.
- 2.3 The new Scheme limits the number of bids an applicant can make for housing to three per week, and suspends applicants from bidding for six months for various failures to engage in

the bidding process. The Sub-Committee notes that the idea behind these changes to the bidding process is to reduce the number of failed viewings that may often lead to properties remaining empty for an extended period of time.

- 2.4 The new Scheme also facilitates the use of direct offers of accommodation, designed to help a household find permanent housing if they need to do so urgently, or have been unable to find a home themselves. The Sub-Committee notes that making direct offers facilitates moves, depending upon the supply of accommodation. It also means that some properties particularly suitable to the circumstances of some households can be offered to them directly, often reducing the length of time those properties remain empty.
- 2.5 The Sub-Committee recommends reviewing the effectiveness of the new Allocation scheme and providing a progress report to Scrutiny Committee after at least 6 months in operation.
- 2.6 The Localism Bill, currently going through Parliament includes changes to social housing policies which will end the automatic 'home for life' for council tenants and enable the Royal Borough to offer new flexible tenancies for a minimum of two years. Whilst this may optimise the use of stock, it does create the potential for the frequency of void instances to increase due to increased tenancy turnover. The Sub-Committee understands that work to develop a Strategic Tenancy Policy commenced in May 2011 which will consider this issue further.

### **3. The Sub-Committee Findings: reducing the time void properties remain empty**

- 3.1 Information on average void times was presented to the Sub-Committee. For purposes of comparison, the amount of time voids are left empty is generally measured by the Audit Commission's Best Value Indicator BV212. The table below shows the monthly performance during the financial year 2010-11. This excludes major works voids.

No of days empty	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	39.1	30.7	26.4	25	22.6	27.3	22.7	24.2	22.8	25.1	23.2	23.2

- 3.2 The Sub-Committee noted the Tenant Management Organisation's achievement in the steady improvement on 32.9 average calendar days empty in the financial year 2009-

10 to reach an average of 26 calendar days empty during the financial year 2010-11, within their target of 28 days. This puts the TMO in the third quartile of the national HouseMark benchmarking which has a median of 25.0 days.

- 3.3 Stages within the voids process were investigated by the Sub-Committee. During the past six months, an average of 6.1 calendar days was taken for work to start on a property after a tenancy had ended.
- 3.4 The following table shows the average number of days taken for work to be completed, broken down by property size (number of bedrooms).

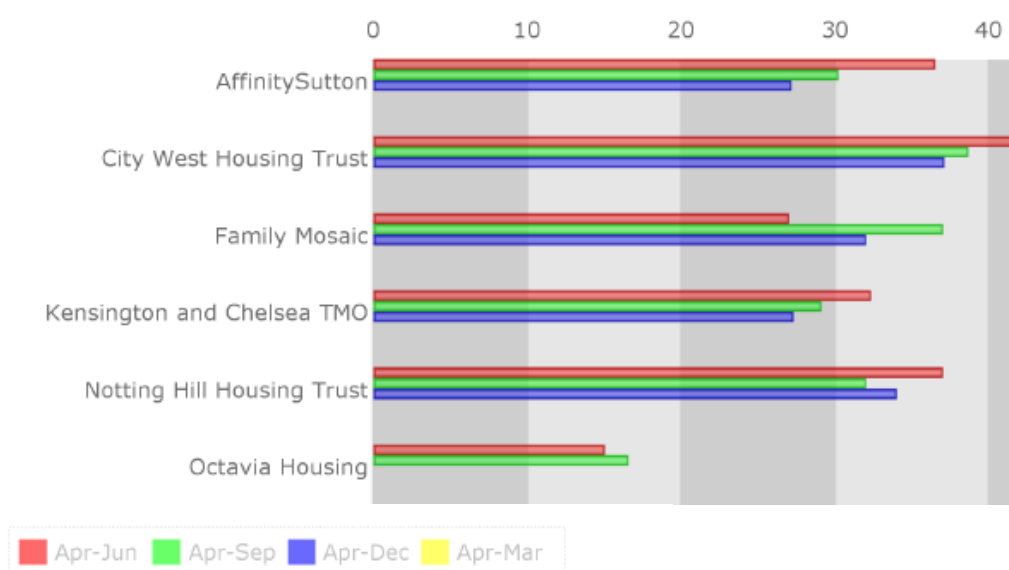
No of bedrooms	Number of calendar days
0	15.9
1	18.1
2	19.1
3	18.6
4	17.5
5	28.0

- 3.5 The Sub-Committee notes that these figures are taken from the TMO's raw data currently available and is pleased to note that the TMO has proposed adapting its internal monitoring process to capture the time taken for particular elements within the voids process, which may serve as valuable information in future performance monitoring.
- 3.6 On average, a new tenancy starts 18.5 days after void works have ended; without taking into account exclusions (capital improvements such as kitchen replacement, or full electrical rewiring). The Sub-Committee clarified that this is due to overlapping and the remainder of the advertising period which starts whilst void works are being carried out.
- 3.7 The following table shows the average number of days between the advert being placed on Home connections and the tenancy start date, broken down by property size (number of bedrooms).

No of bedrooms	Number of calendar days
0	21
1	21
2	28
3	28
4	28
5	25

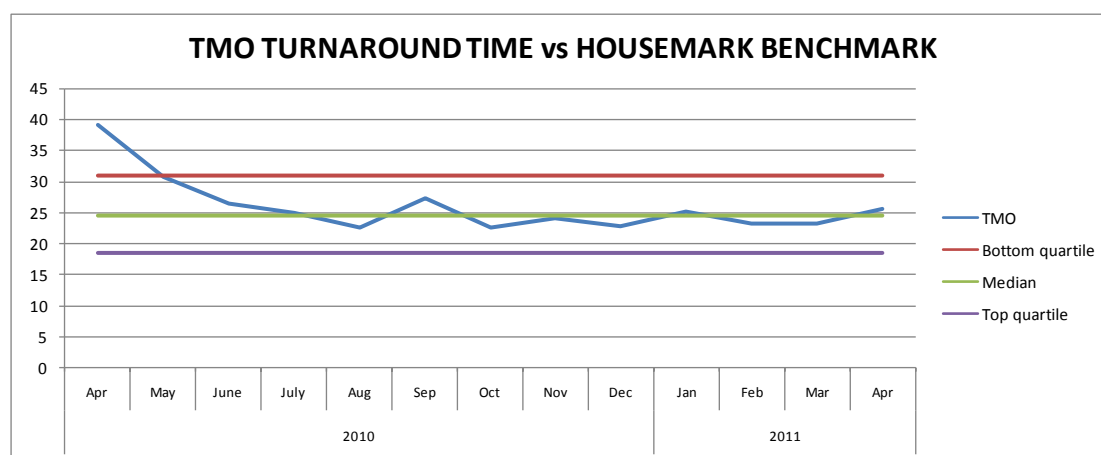
These figures include a seven day advert period on Home Connections, with viewing dates normally two days after the bidding closes. The Sub-Committee noted that the above figures exclude properties requiring major works and requested a list of these 'long term' voids from the TMO. The TMO has therefore produced a weekly voids progress report detailing the individual void reasons and other information including: key dates of inspections, keys returned and works completed.

- 3.8 HouseMark is an organisation offering a benchmarking service for the social housing sector. The Sub-Committee requested benchmarking information to compare the Borough's performance against LB Hammersmith & Fulham, City of Westminster and the top five Registered Providers in the Borough.
- 3.9 The HouseMark table below shows the average number of days that properties remained empty for the first three quarters of 2010-11. Figures for LB Hammersmith & Fulham and Kensington Housing Trust were not available.





- 3.10 The Sub-Committee is pleased to note that Kensington and Chelsea TMO's performance has improved throughout the year, with performance from April to September (blue/ bottom bar) averaging approximately 27 days compared to 37 days for City West.
- 3.11 The Sub-Committee is encouraged with the TMO's performance which compares favourably to our neighbouring provider in Westminster and the main providers of social housing in Kensington and Chelsea.
- 3.12 The Sub-Committee enquired as to how the TMO voids performance may move up from the third to the second quartile. The national HouseMark benchmarking covers over 200 organisations of all types and sizes. The graph below shows the most recent figures available are for April 2010 – March 2011, to which 234 organisations have now reported.



The quartiles are at 18.4, 24.4 and 31.0 days. The TMO's figure of 26.7 days for that period places them at position 136, in the third quartile. In order to move into the second quartile, the time would need to reduce to less than median, 24.4 days (ignoring any movements which may take place in the figures of the other organisations). In fact this level has been achieved in six of the past eight months, and in both the most recent quarters (taken individually they returned 23.2 and 23.8 days). The major contribution to the relatively poor performance last year was from the first quarter (with a figure of 32.3 days).

- 3.13 The Sub-Committee were keen to investigate major works voids in more detail due to the greater length of time that these units remain empty. The TMO advised that this issue is currently being addressed, with performance improving and undertook to provide more detailed information on the

progress of all void properties. A new weekly voids report is now produced. This details the property address, size, floor level, key dates, type of void works (major or minor) and commentary to update progress. Due to the sensitive nature of this information, the report has not been appended

#### **4. The Sub-Committee Findings: to improve standards**

- 4.1 The Sub-Committee is keen to ensure that void properties are of a good and acceptable standard before being let to a new tenant.
- 4.2 During the review, the Sub-Committee accepted the suggestion from TMO Officers to update the TMO's Lettable Standard document and notes that this has been done. The document shown in **Appendix C** sets out the standard required for a void property to be considered ready for letting and covers: utilities, floors, stairs, doors, windows, kitchen, bathroom, walls, ceilings and other miscellaneous areas.
- 4.3 The Sub-Committee discussed the issues in respect of varying lettable standards between properties and noted the TMO's offer to investigate any individual case brought to their attention.
- 4.4 Members of the Sub-Committee wished to visit some void properties; particularly a 'before and after' example and also a long term void.
- 4.5 Members agreed that the escorting TMO officer (Ms Macdonald) had been very competent and knowledgeable and a good mixture of void properties had been viewed.
- 4.6 The Trellick Tower flat was impressive. There were issues relating to the occupant having received a prison sentence and delayed possession of the flat. The Sub-Committee requested clarification from the TMO on arrangements for seeking possession in circumstances such as persons receiving prison sentences or abandoning properties. The TMO reported that prison absence cases are quite rare; however if arrears start to mount up, they engage the tenant via any known solicitor representation or prison advice workers to prevent arrears accruing. If the TMO know that a sentence is long and the rent payments are likely to be in jeopardy and the property may not be adequately maintained, they may advise the tenant to consider terminating the tenancy before problems occurred, to prevent unnecessary Court

proceedings. The tenant would be advised to take independent legal advice on this first. A Notice to Quit may not be served on non occupation alone, as the tenant may have an intention to return to the property upon release. The TMO's possession procedure is currently being revised in order to reflect best practice and new legislation.

4.7 The Bruce House flat was also of a high standard. The Manchester Drive flat was on the ground floor and offered to a couple, one of whom was disabled. Cllr Dent Coad considered the standard of decoration there as mediocre. Cllr Williams observed that this was a premises where a small amount of expenditure (on cleaning etc) would have made a big difference.

4.8 The Sub-Committee agreed that some people were more capable of undertaking decoration works than others and that some properties may warrant extra money being spent on them for things such as window cleaning, garden weeding or extra paintwork in order to make them more attractive. A small amount of extra expenditure in some cases may make a new tenant's life much easier. The TMO undertook to consider this further, alongside considering how policy on decorating allowance may be made more flexible for tenants to buy decorating items they need, rather than just paint. Whilst increased flexibility in this area may be beneficial, the Sub-Committee noted that the TMO carried out a survey in 2010 which identified that the two main reasons why flats were turned down were (i) too high up; and (ii) too small.

## **5. The Sub-Committee Findings: to find greater efficiencies**

5.1 The Sub-Committee is keen to highlight that not only is an empty property a wasted resource that could be meeting someone's housing need but it is also an asset, that whilst empty is failing to make best return on.

5.2 The percentage of rent lost by the TMO through dwellings being vacant during 2010-11 was 0.71 per cent, which represents a considerable improvement on 1.32 per cent in 2009/10.

% rent lost	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	0.80	1.08	0.75	0.68	0.80	0.86	0.50	0.53	0.67	0.57	0.61	0.68

This places the TMO outside top quartile performance of the national HouseMark benchmarking (0.47% for Apr- Mar), but better than the median (0.87%).

- 5.3 The Sub-Committee was advised that under the Tenant Services Authority, landlords must provide a repairs and maintenance service that is cost effective, responds to the needs of residents and offers choice to tenants. Part of that service involves voids re-servicing costs.
- 5.4 TMO data presented to the Sub-Committee showed the direct cost of responsive repairs and voids re-servicing works. This included direct works costs, direct non pay costs, direct employee costs, the 'clientside' management and administration functions and the TMO direct spend. Overhead costs were excluded.
- 5.5 The direct responsive repairs and voids re-servicing costs per TMO property were £740 in 2008-09 and £824 in 2010-11. This cost is for standard voids work, sufficient to meet the lettable standard (please see Appendix C) The increases are due to two main factors including change of contractor Connaught to Morrison and works that are being specified for individual properties, representing an average increase of £84 per void dwelling. Works to each void vary due to the condition of vacated properties and whether investment or improvements works were carried out whilst occupied.
- 5.6 Some work to individual voids falls outside of the above scope of standard voids works. This additional work includes capital investment work that some properties may require such as: plastering, removal of asbestos and electrical upgrades; thus increasing the average void spend to £1,215.28.
- 5.7 The Sub-Committee questioned outgoing tenant's liability in respect of damaged properties. As part of the tenancy agreement, there are certain repairs which are a tenant's responsibility to carry out. However, there are circumstances where it is in the TMO's interest to undertake certain repairs that are then recharged back to those responsible for the damage, repair or neglect. The sub Committee notes that the TMO operates a recharging policy to collect payments wherever possible and to help act as a deterrent to those wrongly denying responsibility. Payments are pursued in the same way as rent arrears.

- 5.8 Members of the Sub-Committee wished to see the Home Connections service; the Borough's choice based letting scheme. A demonstration of the computer based service was provided.
- 5.9 Overall, the Sub-Committee found the choice based letting scheme to be a rapid process, although agreed that people who do not have access to the Internet are at a disadvantage. As such, there is a probable need to give greater help to the most vulnerable people. The Sub-Committee understands that a review of the choice based lettings procedure is due to take place later in the year with one aim being to try to make things simpler.
- 5.10 The Sub-Committee questioned why properties were not advertised in the local press and was advised that this no longer happens due to the high cost of advertising. The TMO suggested making property adverts available at the TMO Hub, the Town Hall and the Worlds End Estate. Currently, adverts are produced in a printable format and so this should be relatively easy to introduce.

## **6. Conclusion and Recommendations**

- 6.1 The Sub-Committee is pleased to conclude that overall, the system is working well. There are prospects of further improvement and the Sub-Committee would recommend the TMO setting a target to reach top quartile performance.
- 6.2 The Sub-Committee recommends reviewing the effectiveness of the new Allocation scheme and providing a progress report to Scrutiny Committee after at least 6 months in operation.
- 6.3 The Sub-Committee recommends that the TMO continues with its proposal to adapt its internal monitoring process to capture the time taken for particular elements within the voids process, which may serve as valuable information in future performance monitoring.
- 6.4 The Sub-Committee recommends that the TMO continue to produce a list of 'long term' void properties detailing the individual void reasons and other information including: key dates of inspections, keys returned and works completed.

- 6.5 Given that some people are more capable of undertaking decoration works than others and that some properties may warrant extra money being spent on them; the Sub-Committee recommends that the TMO consider the scope for limited additional works to make properties more attractive, especially ground floor properties possibly for disabled persons, alongside considering how policy on decorating allowance may be made more flexible for tenants to buy decorating items they need, rather than just paint.
- 6.6 Properties may be advertised more widely through hard copy adverts at the TMO Hub and later the new TMO office at World's End to ensure that people less able to use the computer based Home Connections system are not disadvantaged.
- 6.7 The Sub-Committee recommends that the forthcoming review of the choice based lettings system identifies ways in which to simplify the system wherever possible, taking into account the needs of more vulnerable users.

## ***APPENDIX A: SUB-COMMITTEE MEMBERSHIP AND MEETINGS***

### **Members**

The membership of the Sub-Committee comprised:

Councillor Marie-Therese Rossi  
Councillor Charles Williams  
Councillor Emma Dent Coad

### **Officer support**

The main officers supporting the Sub-Committee were:

Laura Johnson - Head of Housing  
Amanda Gill - Head of Housing Needs  
Tony Heavey - Senior Housing Policy Officer

Sacha Jevans – Director of Customer Services, TMO  
Andy Marshall – Assistant Director, Partnering, TMO

Gareth Ebenezer - Governance Services, was the Sub-Committee's Administrator

### **Sub-Committee meeting dates**

The Sub-Committee met three times between March and June 2011. In addition there was an overview session on the Home Connections service plus a visit to view void properties on site.

## ***APPENDIX B: GLOSSARY OF TERMS***

**Choice-based letting:** A way of allocating council housing which requires people on the housing register to select and bid for available properties, rather than waiting for the council to offer them a home.

**Decant:** a temporary move to another property while improvements or major repairs are carried out to the normal home.

**Housing Allocation Scheme:** explains the options available for those looking for a home in the Royal Borough and in particular sets out which groups of people are priorities for Council assistance.

**Strategic Tenancy Policy:** All local authorities will be required to publish and maintain a strategic tenancy policy. This will set out objectives that should be taken into account by individual social landlords when considering granting or reissuing a tenancy.

**Void:** Council homes vacated by previous tenants, awaiting re-letting.



## **APPENDIX C: LETTABLE STANDARD**

### **Lettable Standard**

The following identifies the standard required for a void property to be considered ready for letting. All works to achieve this standard are included in the Flat Rate Pricing Schedules with the exception of the stated exclusions and Major Voids.

#### **Utilities**

##### **1. Electric Checks**

All electrical fittings will be tested to comply with the current safety regulations (NICEIC). Safety certificates will be held by K & C TMO. As a minimum there will be two double switched sockets in each bedroom, one single in the hall and three double sockets in the kitchen. All wiring, fuse board, sockets, switches, heaters and light fittings to be in good working order.

##### **2. Gas Checks**

The gas system will be tested. A valid LGSR (Landlords Gas Safety Record) certificate will be held by K & C TMO and a copy provided to the new resident. Boiler, radiators, thermostat and timer to be in good working order, gas points to be plugged or capped.

##### **Asbestos Checks**

The property will be checked for asbestos during the void period. Details will be held by K&CTMO

##### **3. Plumbing and water system**

This includes all tanks, cylinders, pipe-work, taps, stop valves, drainage, baths, showers, basins, sinks, toilet and cisterns, plugs and chains.

Plumbing and water system will be tested to ensure it is in working order and free of leaks. Cold drinking water from the mains supplied to the kitchen sink. Taps and stopcocks will turn easily, all hot taps will be on the left and cold taps on the right, this will aid the visually impaired.

#### **Floors and stairs**

##### **1. Vinyl flooring**

Clean undamaged washable vinyl flooring or similar is provided in the kitchen, bathroom and WC. Intact, secure, level and free of trip or slip hazards.

##### **2. Floors and skirting boards**

Carpets and carpet grippers (left by/remove) previous tenant will be removed. Clean, secure, free of rot, trip hazards and nails.

3. Stairs

At least one handrail per staircase. Hand rail, steps, balustrades, newell posts securely fitted.

**Internal doors and windows internal doors**

All fire check doors have to have a perko / door closers working with out fault.

The bathroom and WC doors will be fitted with a suitable lock that can be used from the inside. No locks will be provided on other internal doors. Clean, secure, easy to open and close, hinges and catches secure. Door to be free from damage, including glazing.

1. Windows

Security locks to windows on the ground floor. Glazing intact and secure. Window easy to open and close. Keys to be available at letting, window restrictors to be fitted to all casements above first floor level.

**Kitchen**

1. Kitchen units

The number of kitchen units will depend on the size and layout of the kitchen. As a minimum, one unit with a stainless steel sink, one double base unit and one double wall unit. Sound and useable. All drawers and doors open and close without catching, including trim to units.

2. Work top and sealant

Free from damage, Clean and sealed where work top meets the wall and around the sink.

3. Sink

Clean and free of rust and stains. Plug and chain secure. No leaks and free flowing waste.

4. Taps

Clean, easy to operate, marked hot and cold and drip free, hot on the left cold on the right.

5. Tiling

Two rows of tiles on the walls above the work surface and sink. Clean, not loose or cracked. Cooker space to be tiled.

6. Cooker points

Gas - clean and capped off with bayonet removed, ready for cooker to be fitted by Gas Safe Engineer.

Electric - Power points supplied and clean, ready for cooker to be put in.

7. Washing machine

Where there is sufficient room leave a 620mm space with a cold and hot water supply, and waste pipe ready for washing machine to be fitted.

Hot and cold valves clean and easy to open and close. Valves drip free and marked hot and cold. Waste pipe secure and drip-free.

### **Bathroom**

1. Bath

Clean and sealed where bath edges meet the tiling. Secure and free from major chips. Plug and chain secure. Bath panel and frame secure and clean. No leaks free flowing waste.

2. Toilet pan/seat/cistern

Renewed seat, secure pan, clean and easy to flush.

3. Wash hand basin

Secure, free from chips. Plug and chain secure. No leaks and free flowing waste.

4. Taps

Secure, clean, easy to operate, drip free and marked hot and cold, hot on the left cold on the right.

5. Two rows of tiles above the wash hand basin and three rows of tiles above the bath.

Clean, intact, not loose or cracked.

### **Walls and ceilings**

1. Wall and ceilings

Sound, free from damp, graffiti, large cracks, loose plaster, bulges and holes. Polystyrene tiles to be removed from property including residue paste etc.

2. Any room which is in a very poor state of decoration, due to graffiti or mould growth for example will be redecorated.

### **Miscellaneous**

Asbestos - Type 2 to comply with current legislation, check the property for asbestos.

Smoke detectors - In a house, provide one in the hall/lobby and one in the landing. In a flat, provide one in hall/lobby.

Adaptations for people with disabilities - Adaptations will be clean, secure and working.

### **Exclusions**

Any capital improvements must be full replacement, i.e. kitchen replacement, wholesale bathroom replacement, complete electrical rewire.

Asbestos associated works.

Full electrical rewire.