

## **Void property management review findings and overview of issues and complexities.**

---

### **Summary of the report:**

This report provides a review of the issues identified when looking to improve the management of void properties. It was commissioned three months after the Project Initiation Document was first created to record a more accurate description of the complexities, risks and issues of void management and the actions which led to a deterioration of performance, loss of income and a reduction in customer satisfaction.

The purpose of the report is to inform interested parties of the situation so recovery can be made as well as providing a reference guide (along with the improvement action plan) to avoid a similar situation occurring in the future.

Some of the complexities that have been included will exist in any void management process in any organisation - but have been found to exist in Croydon Council Services. The contents of this report reflect the position when the review was undertaken between July and October 2022. The issues will be resolved by the collaborative work of the Project Group, resident representatives, stage leads, Governance and the many other staff and stakeholders involved in the process.

The report does not evaluate the decision making that led to the finding nor is it designed to criticise but simply record the position as found.

### **RECOMMENDATIONS:**

That readers of the report note the issues and complexities and use this for future reference in effective management of void properties.

### **Issues and complexities**

1. There were limited compliance and governance frameworks surrounding the delivery of void management. This means the complex process is disjointed, there is no oversight and it is not being managed effectively end to end. No one person or team is responsible for operational oversight. Operational and Strategic Groups specifically on void management have been produced and more reporting to governance bodies including residents has been implemented. The Programme Office will complete work around providing assurance that compliance with agreed processes is in place.

2. Whilst the policy, procedure and process maps appear to be functional, and whilst legend states reviews have taken place, where staff are using guidance documents, they are from 2014. This means the underpinning guidance documents are likely not to reflect good practice.
3. It appears that no good practice review has taken place for around a decade meaning the service is unlikely to know what good looks like.
4. Similar to policy and good practice review, the Lettable Standard has not been reviewed since 2014. The Scrutiny Panel are advocating changes.
5. Linked to this, previous resident reviews and suggestions have largely been ignored. It is universally agreed that informed and involved residents make service delivery stronger - resident reps have not been central to improvement activity.
6. Resident influence and feedback from those receiving the service has been missing - with no satisfaction, customer journey or quality of void evaluation taking place.
7. Systems used for managing properties is problematic in that users state the lack of data fields and limited reporting do not provide clarity in status of properties or the stage they are in the void process. The system lends itself to errors by users who have freedom of operation and is reliant on manual intervention as well as lacking control or automation.
8. Users have set their own system reports to extract data and some are not updated or checked for accuracy. Reports being used dated back to 2005 meaning that they will not pull data on property categories added to the system since that date which are likely to include void properties.
9. It had become custom and practice not to enforce the contractual four week notice period where it should apply which immediately causes a loss of income, extended void periods, the loss of the opportunity to start the void process and to provide residents with guidance and information on expectations.
10. A landlord should have a strategy in place for identifying the live tenancies that may become void through failure or choice and it seems this isn't a feature of operations at Croydon.
11. A lack of investment and previous poor decision-making results in a larger investment at void stage. Some properties require complex and expensive works to be undertaken such as removal of telecommunications masts before works can commence.
12. Performance reporting is problematic and relies on manual processes and analysis of difficult to extract data and data not readily available. Reporting that provides performance information on voids received more recently is being developed. This will be useful in understanding if improvement activity is having the desired effect without the position being masked by backlogs, insurance, investment or previously poorly managed voids.

13. Management information reports that would aid improvement was under-developed. Awareness, data management and benchmarking information is limited to the few and benchmarking data is scant and can be annual and so its value is diminished as it dates.
14. Targets in performance is leading to some confusion with overall relet target being cited by resident representatives as 20 days, by staff 25 days and in reports 40 days. Stage targets were not known, even if they did exist and service areas didn't set targets themselves.
15. The evaluation process on asset value and return on investment for works required has delayed voids being disposed of or identified as repairable. Now decision have been made, these properties carry with them several years worth of void time which significantly add to the performance indicators collected and reported on.
16. Similarly, operational issues and contractor capability were not dealt with quickly enough and has led to a backlog of voids. As this backlog is cleared, longer void periods are added to the cumulative figures and this is an unrecoverable position to meet the targets agreed.
17. Delays to works and uncertainty around ready to let dates was a common problem. This disrupts the letting and aligning those most in need of a home, missed opportunity for bidding on other properties, negatively impacting on the customer journey and creating dissatisfaction and complaints. Uncertainty of a firm ready to let date caused nervousness in pre-allocating or advertising of properties which added to the void period.
18. Some voids involve insurance process and decisions which inevitably delay investment decisions and void times.
19. Some voids are delayed by unintended events such as complex left in possession cases, probate requirements, reliance on non-tenants to return the void etc. Voids can be further delayed by squatters, utility issues and waste/damage that would contravene the tenancy agreement.
20. Categorising voids to the right status was not accurate so some empty properties were being overlooked and not being managed as a void property causing delays to relet.
21. Some properties were not identified as being void as processes broke down or were caused by human error.
22. There was limited detailed understanding of the processes involved in the handover of the void property between stages along with limited agreement of who needed what information and at what point. Liaison arrangements were sporadic. Stage activity was often only started when the stage before was completed - in good operational models the activity is often triggered when the void is in the stage before.
23. There was limited detail around the newbuild handover process to assist speedy letting, clarity of responsibility, setting of expectations and providing guidance to staff.

24. The tenant's Notice to Terminate was not being recorded in the system. This meant that no useful reports could be (or were) generated from the system to advise on the expected number of voids to enable planning and mobilisation. No other process was introduced to notify repairs of the arrival of the void property.
25. Management transfer decisions and process were not routinely conveyed to teams in the void process which did not enable forward planning. Similarly, the repairs team were not being notified of the transfer outcomes from the good work the Under Occupation team was completing.
26. Not all service areas contributed to the void process build for the NEC Northgate system so expert views on requirements and improvements were not fully developed.
27. Refusal rates and reasons were not being captured, analysed methodically to enable improvement.
28. The Price Per Void (PPV) model impacted negatively on quality and delivery – it provided limited incentive as the main contractor was making limited profit and, more often than not, a loss. Subcontractors were therefore hard to engage. Even a change to Schedule of Rates doesn't guarantee interest, particularly with decoration type works.
29. One main contractor always poses a risk – when there are fluctuations in levels of voids and the contractor introduces competing priorities between repairs, emergencies and voids (which should not happen), when the operating environment is challenging or contractual arrangements can start to have an adverse effect (as in the case of PPV). It can be tricky to add more contractors when a contract has previously been agreed and the existing contractor is quite within their rights to oppose any proposed changes.
30. The existing contract with Axis is quite dated now and limited on incentivising or penalising contractor performance.
31. There were operational issues that delayed payments to contractors for works completed, which in turn reduced contractor willingness to work with Croydon.
32. The relationship with Axis had previously deteriorated which makes an effective service, including void management which required a higher degree of liaison and agreement than day to day repairs, difficult to achieve.
33. Anecdotally, feedback was received that contractors were unwilling to work with Croydon Council for fear of reputational damage given the high publicity cases, the financial situation and the deterioration of the relationship with Axis.
34. Void work quality control was limited as involvement in specifying works, overseeing works in progress and sign-off at completion was variable. Examples of impact would be the changing of expensive suited locks in extra care schemes to yale type locks which excludes the scheme manager access and becomes a hindrance to emergency services and the safety of residents.

35. Processes were applied rigorously in some cases at the detriment of the ability to let or the incoming tenant for example the automatic removals of carpets and curtains in extra care schemes where cleaning serviceable furnishings and covering would enhance the attractiveness of flat.
36. Incoming keys were often not handed to the repairs team and it became routine to order a forced entry/lock change where it would have been simpler to use the existing keys. Fobs and window keys would often therefore not be handed over. All caused additional cost and delay.
37. Use of intelligence that is available was limited such as refusal rates and reasons (to identify if a property likely to be hard to let based on previous experience so enhanced works can be completed) or works being undertaken (so capital planning decisions can be influenced).
38. A number of properties have age restrictions which reduces the number of people who are eligible for them, potentially making letting them more difficult. It appears a review of the age restrictions was last undertaken in 2013.
39. Multiple viewings of properties (where the top few applicants are invited to attend in an effort to speed up the let and avoid rearranging a viewing should the first applicant refuse) had fallen out of operation.
40. There is another set of processes that lead into the nomination of an applicant to the extra care schemes and this brings additional complexities to the lettings. Included in the process are assessments and matching needs to the different types of care packages and levels available. The process involves a number of departments including occupational therapy and external health colleagues. The other end of the process where people move on from extra care can also be complex given the medical equipment and alterations that may be installed and in place.
41. Lettings is a balancing act of resource allocation between statutory responsibilities, creating positive churn for the best use of stock. The 92 or so page lettings policy and procedure is testimony to the complexities and, built into processes is the applicants right for decisions to accommodation to be reviewed.
42. There are many surrounding and connecting things to consider which impact on void management - allocations policy, adult social care nominations policy, repairs and planned maintenance work contract conditions, legislation, disabled facilities grant and aids and adaptations processes.
43. There is no decant policy so no guidance or expectations for residents.
44. There are many stakeholders involved in the void management process

- Voids Repairs Team – managing the process
- Capital Delivery – delivering major void works
- Asset Planning – investment and asset evaluation
- Housing Options and homelessness
- Allocations
- Temporary Accommodation
- Lettings
- Tenancy
- Housing Resident Involvement
- Performance and programme Team – reporting, compliance and project support
- Repairs – surveyors, contract management
- Housing Quality Team
- Disrepair and structure
- Social Care
- Resident Engagement Team
- Service Development Team – policy and procedure
- Housing Improvement Board, Residents Housing Scrutiny Panel, Resident and Leaseholds Panel
- Councillors
- Resident Performance Monitoring Group
- Repairs Procurement Team
- Corporate Procurement Team
- NEC (Northgate IT solution) Implementation Team
- Contractors
- New build Teams and organisations
- Organisations Croydon provides managing agent type activities
- Croydon Planning and Building regulations