

**Democratic Services**

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To: **OUNCILLOR EDDIE LAVERY
CABINET MEMBER FOR RESIDENTS SERVICES**

**OUNCILLOR JONATHAN BIANCO
CABINET MEMBER FOR PROPERTY, HIGHWAYS
AND TRANSPORT**

c.c. All Members of the Property, Highways & Transport Select Committee
c.c. Gary Penticost / Liam Bentley – Place Directorate
c.c. Perry Scott, Corporate Director of Place

Date: 27 October 2022

Non-Key Decision request**Form D****ENHANCEMENT OF THE VOID MINIMUM LETTABLE STANDARDS IN VACANT PROPERTIES**

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such, the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Friday 04 November 2022** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Neil Fraser
Democratic Services Officer

Title of Report: ENHANCEMENT OF THE VOID MINIMUM LETTABLE STANDARDS IN VACANT PROPERTIES

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

Signed Date

Cabinet Member for Residents Services / Cabinet Member for Property, Highways & Transport

ENHANCEMENT OF THE VOID MINIMUM LETTABLE STANDARDS IN VACANT PROPERTIES

| | |
|----------------------|--|
| Cabinet Member(s) | Councillor Eddie Lavery Councillor Jonathan Bianco |
| Cabinet Portfolio(s) | Cabinet Member for Residents' Services Cabinet Member for Property, Highways & Transport |
| Officer Contact(s) | Gary Penticost / Liam Bentley – Place Directorate |
| Papers with report | Appendix An Example of void condition and finish provided Appendix B Priority resettlement groups |

HEADLINES

| | |
|-----------------------------|---|
| Summary | To seek Cabinet Member approval for the enhancement of the minimum lettable void's standards. |
| Putting our Residents First | This report supports the Council objective of <i>Strong Financial Management</i> . |
| Financial Cost | <p>This report seeks the approval to enhance the minimum lettable voids standard. The estimated additional costs for voids redecoration and £368k to introduce an enhanced void minimum lettable standard for specific vulnerable tenants.</p> <p>Overall, these additional costs can be funded from existing 2022/23 budgets (HRA revenue and HRA capital works to stock).</p> |
| Relevant Select Committee | Property, Highways and Transport. |
| Current Electoral Ward(s) | All wards. |

RECOMMENDATIONS

That the Cabinet Member for Residents' Services and Cabinet Member for Property, Highways and Transport approve the enhancements to the minimum lettable voids standard (MLS) as set out in the 4 recommendations below and the report:

1. To agree the immediate amendment of the MLS to include the full decoration of the void property where needed, as detailed in the report.
2. To agree the replacement of Kitchens, bathrooms, boilers, and windows at the major voids stage if they are already listed as scheduled for planned replacement or

beyond reasonable repairs, where this can be contained within the current 20-day turnaround target.

- 3. To agree the assessment of properties in line with PAS 2035 for the installation of energy saving measures to increase the energy rating of the property.**
- 4. To introduce an enhanced void standard for specific 'priority resettlement groups' as set out in Appendix B and reflected in the report.**

Reasons for recommendations

To enhance the MLS (minimum lettable voids standard) will improve the stock condition and where possible, deal with the backlog of works associated with "Planned works" and "energy performance requirements" whilst the property is void. Currently around 4 in every 10 voids fall into the major works / essential works categories, therefore the opportunities present to undertake essential and necessary works while the property is void. (Recommendations 1 and 2)

In some instances, the improvements to the energy rating of the property may need to be undertaken after the property has been let, however at the voids stage the property could be assessed, in line with the PAS 2035 requirements, to confirm all suitable and appropriate energy saving and carbon reducing measures, i.e., external wall insulations, solar PV, and air to air heat pumps, all as part of a "whole house retrofitting strategy". (Recommendation 3)

Properties could also be assessed to confirm if they are suitable to be extended to increase the number of bedrooms and living space, if appropriate, then recommended for major works or development as part of a separate report, with funding from the existing HRA capital internal development budget.

Works are also linked to introduce three priority resettlement groups; these groups would attract an enhanced voids standard. (Recommendation 4). The proposed groups are set out below and reflected in Appendix B which are:

- single person households entering general needs accommodation (excluding care leavers who receive financial support at the point of access to permanent accommodation),
- Where the reason for letting is in association with domestic abuse
- and young families based upon an early assessment of exceptional need.

Alternative options considered / risk management

Carry on with the current MLS which will not improve quality of properties for vulnerable residents.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

The current MLS allowance only provides funds for statutory compliance certificates, such as Gas, electrical and asbestos management certificates and minor renovation works such as overhauling/repairing interior items.

The MLS assumed that all voids are equal and that they will need a minimal amount of works to be relet. In fact, vacant properties require various levels of work which will be dependent on the condition the property when it is returned to the council, in some instances the kitchen, bathroom and windows need to be replaced due to the asset coming to the end of its useful life. As above, currently around 40 % of voids require major works.

In some cases, an “**enhanced void standard**” is needed to let the property, where decoration and carpets are fitted for certain targeted void sub-groups such as “**Hard to Let properties**” which are usually offered to residents who are downsizing.

Short Term Lets are normally given to homeless families, and the enhanced voids standard plus the supply of white goods are applied to these void types.

Current void Standard definitions:

1. Standard void (MLS)
2. Non – Decent void
3. Major works void
4. Hard to let void.
5. Short term let void.

Proposed amendments to the current MLS:

The implementation of the MLS + standards will improve the lettings process; it will also improve the condition of the housing stock and help to increase the numbers of “Planned works” and “energy performance requirements” within the borough.

Full decoration of a void property (Recommendation 1).

- (I) Where properties require a new bathroom or kitchen, then the whole property should be decorated - walls and woodwork.
- (II) Properties with “high nicotine” staining throughout, the whole property to be painted. These properties are already highlighted with a priority of Non-Decent Void (NDV) and Major Void (MV) (see appendix A examples).
- (III) The cost for the full decoration of void properties is estimated to be £190k for 2022/23, based on 132 properties with an average unit cost of £1.4k.

Planned replacement of Kitchens, Bathrooms, Windows, and Boilers when necessary. (Recommendation 2)

- (i) Where necessary and if the existing kitchens, Bathrooms, Windows, and Boilers are beyond economic repair or they are already scheduled for planned replacement, they would be replaced at voids stage. This will enhance the condition of the property and help to reduce the backlog of planned replacements currently required.
- (ii) The costs for the planned replacement of Kitchens, Bathroom, Windows and Boilers are included within the current HRA Works to Stock planned programme capital budget under their specified workstreams and are due to be completed as part of those workstreams, however due to the property being vacant it gives the opportunity for those planned works to brought to the forefront of the programme. By undertaking the works while the property is void would lead to time, labour and cost efficiencies compared to completing the separate streams of works in several stages.

Assessment of energy performance of property. (Recommendation 3)

- (I) To agree the assessment of properties in line with PAS 2035 for the installation of energy saving measures to increase the energy rating of the property to a minimum "C" level EPC (Energy Performance Certificate), e.g., External wall insulation, Air to Air heat pumps, heat recovery ventilation systems, solar PV panels, wind turbines etc.
- (II) This assessment will then inform future investment programs associated with Carbon reduction

Specific vulnerable groups. (Recommendation 4)

The table below summarises the estimated costs, which total £368k, for introducing the three priority resettlement groups under a revised MLS which is similar to short life accommodation standard.

Table 1: Minimum Lettable Standard Costs for Specific Vulnerable Groups

| Specific Vulnerable New Tenants | Estimated Households/ cost per property | £'000s |
|--|--|---------------|
| Group 1 - Single person vulnerable tenants | 125 households @£1.8k (Note 1) | 225 |
| Group 2 - Domestic Abuse tenants | 3 households @ £2.7k (Note 2) | 8 |
| Group 3 - Young Families | 50 households @ £2.7k (Note 2) | 135 |
| Total | 178 households | 368 |

Note 1: This includes full redecoration, carpets, fridge freezer, cooker

Note 2: This includes full redecoration, carpets, fridge freezer, cooker, locks, fencing

Cost projections associated with proposed changes to the MLS have been brought forward based upon the average annual number of re-lets over a three-year period for group 1 and 2 priority resettlement groups.

Whilst there is a degree of certainty regarding the potential annual number of relets associated with the proposed group 1 and 2 categories, the proposal associated with group 3 [young families] is linked to a tailored approach based upon an early assessment of exceptional need.

Total numbers, therefore, are less certain for this category and given that the approach would be delivered via a menu of options rather than a 'one size fits all', potential cost projections would be more challenging. Based upon work undertaken by front line staff groups working with new tenants, the total number of annual lettings within group 3 could be in the order of 50. It should also be noted that any support via a tailored menu of options would be in addition to any practical and financial support which is currently available from several agencies, charities, and statutory bodies.

The resettlement needs of new single person households are clear and reflect the specification which is in place for 'short-life' accommodation. This standard specification includes floor coverings, redecoration and provision of a fridge / freezer and cooker. The average unit costs for one bedroom short-life accommodation based on the schedule of rates from the north and south area void contractors are set out below. It should be noted that these costs exclude any routine voids resourcing costs.

The resettlement needs of survivors of domestic abuse can vary widely but could include one or more elements of the short-life specification in addition to improve locks / window locks and boundary fencing. Using a two-bedroom property by way of example, the short-life standard and improved locks and fencing i.e., all elements of the menu on offer would come to a total of £2.7k

The numbers of potential cases relating to priority re-settlement group 3 [young families] is more difficult to quantify and the extent of support required via enhancements to the MLS are likely to vary from case to case. Key here will be an early assessment of exceptional practical support measures to ensure timely resettlement without impacting upon re-let times. To secure this outcome a workstream has been initiated to explore the potential for identifying these needs via the ['upstream'] verification process and as part of preparing households to address their resettlement needs. This will have real potential to bring forward a tailored resettlement plan which can be kept up to date and used to better inform additional works required to specific void properties from a menu of costed options.

Financial Implications

This report is seeking approval to enhance the voids minimum lettable standard (MLS), with full decoration of properties with an additional estimated cost of £190k and where possible, deal with the backlog of works associated with "Planned works" and "energy performance requirements" whilst the property is void. This report also proposes to introduce an enhanced void minimum lettable standard for specific vulnerable tenants estimated at £368k. Overall these additional costs can be funded from existing 2022/23 budgets, which includes HRA revenue voids budget of £1,703k; HRA revenue redecoration (painting) budget of £500k and HRA capital works to stock budgets relating to the specified planned works of £11,571k. Furthermore, the costs will be kept under review as part of the monthly budget monitoring process and ongoing budget requirements will be reviewed as part of the wider MTFF budget setting process

The redecorations proposal of £190k could be capitalised as part of the wider refurbishment of the void property and contained within the existing HRA Capital Works to Stocks budgets. Where

costs cannot be capitalised, these can be funded from existing 2022/23 HRA revenue repairs budgets e.g., redecoration (painting) budget of £500k.

The £386k proposals relating to vulnerable tenants could be capitalised as part of the wider refurbishment of the void property and funded within the approved 2022/23 HRA Works to Stock capital budget of £31,241k. Where costs cannot be capitalised, these can be funded from the existing 2022/23 HRA revenue voids budget of £1,703k.

The proposals for the improvements for Kitchens, Bathrooms, Windows and Boiler replacements are essential works which are part of the HRA Works to Stock planned programme and would need to be completed as part of that planned programme, even if the property was not void, however due to the property being vacant it gives the opportunity to bring these properties to the forefront of the programme. Furthermore, by doing the essential works in one go when the property is void, this leads to time, labour and cost efficiencies compared to completing the separate streams of works in several stages or later when the property is occupied. There are no additional costs relating to this proposal due to the planned works cost being included within the approved 2022/23 HRA Works to Stock capital budget of £31,241k, of which £11,571k has been allocated for the planned programmes of the replacement of Domestic Boilers and the Kitchen, Bathroom and Window renewals.

The HRA Green Homes Initiatives Programme approved 2022/23 capital budget totals £4,160k, funded through Social Housing Decarbonisation grant of £2,000k and match funding from Council Resources of £2,160k. If the properties meet the grant criteria the appropriate energy saving and carbon reducing measures related works could be met through this funding stream.

The Clerk of Works assessment of the property at the point of becoming vacant will identify the specified works required to the property, which will be the point of clarification of the funding stream, any works that require capital funding will be subject to the capital release protocol.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

The implementation of the MLS standards will improve the lettings process, the condition of the housing stock and help to increase the numbers of planned works and energy performance requirements, ultimately benefiting residents.

Consultation carried out or required

None at this stage.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting that the recommendation for enhancements to the minimum lettable standard. This

will include the replacement of Kitchen, bathroom, boiler and windows dependant on the scheduled planned replacement and current condition.

The holistic assessment of properties will include energy saving measures to increases the energy rating of the property and is in line with commitments for carbon reduction. Properties could also be assessed for suitability for extensions in order to meet current housing demands.

The costs are estimated at £190k and the enhanced void minimum lettable standard for specific vulnerable tenants estimated at £368k. These additional costs can be funded from existing 2022/23 budgets, which includes HRA revenue repairs budgets £500k, HRA revenue voids budget of £1,703k or be contained within the existing HRA Capital Works to Stocks budgets of £11,571k allocated to planned programmes of the replacement of Domestic Boilers and the Kitchen, Bathroom and Window renewals. This will be reviewed as part of the regular monthly budget monitoring process and the ongoing budget requirement will be reviewed as part of the wider MTFF budget setting process.

Legal

Legal Services confirm that by adopting the enhanced minimum lettable standard for its properties the Council will continue to comply with all legal obligations including the Domestic Minimum Energy Efficiency Standard Regulations 2015 (as amended).

BACKGROUND PAPERS

NIL.

APPENDIX A- Example of Void condition and finish provided

Before:



After:





Appendix B - Priority re-settlement groups

Group 1

Recognise new vulnerable single person households entering general needs accommodation for the first time as a priority resettlement group.

This group would include specific transfer cases associated with vulnerability / hardship e.g., Management Transfers but would exclude 'Care Leavers' who receive financial support at the point of accessing permanent accommodation and 'downsizers' who also receive financial support.

Specification to reflect short life standard i.e., floor coverings, decoration, fridge freezer and cooker.

Group 2

Where the reason for the letting is associated with Domestic Abuse, recognise the household as a priority resettlement group.

Specification to reflect a 'menu' which can be offered [subject to the needs of the household] but can include floor coverings, decoration, fridge freezer, additional security works and boundary fencing.

Group 3

Based upon an early assessment of exceptional need, recognise some young families as a priority resettlement group

Early assessment of practical support measures is key to ensuring timely resettlement without impacting upon re-let times. Exceptional needs will be identified 'upstream' during the verification process and as part of preparing households to address their resettlement needs. This has potential to bring forward a tailored resettlement plan which can be kept up to date and used to better inform additional works required to specific void properties from a menu of options.