



## Hinckley & Bosworth Borough Council

### FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

EXECUTIVE 13 February 2018

WARDS AFFECTED: ALL WARDS

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### COUNCIL HOUSE VOIDS EXPENDITURE

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#### Report of Director (Community Services)

##### 1. PURPOSE OF REPORT

- 1.1 To inform Members of the pressure on the Voids budget and to seek approval for a supplementary to the budget.

##### 2. RECOMMENDATION

- 2.1 That the Executive notes the increase in demand on the voids budget.
- 2.2 That the Executive approves a supplementary budget of £45,000 to ensure sufficient funds are available to continue bringing empty properties up to a lettable standard for the remainder of the financial year.

##### 3. BACKGROUND TO THE REPORT

- 3.1 The Housing Repairs and Investment Team are responsible for the repairs, maintenance and investment for the Council's housing stock. The service has five main work-streams with individual budgets assigned to each:
- Responsive repairs in tenanted and empty properties
  - Cyclic contracts
  - Aids and adaptations
  - Planned investment works
  - Asset Management
- 3.2 The budgets for each of the work-streams are monitored on a monthly basis and control measures are in place to ensure compliance with financial rules as defined within the Constitution.

- 3.3 Work that is completed in voids (vacant properties) is to ensure that they are safe, clean and in a good state of repair ready for the next tenant to move in. This work is predominately completed by our 'In-house Repairs Team' and supported by two external contractors.
- 3.4 The budget for this year to undertake the work is £543,000 and although current spend is being managed within available budget, we have received 165 void properties to the end of December and there is a risk if demand increases that the budget will not be sufficient. Although it is possible that demand may remain manageable, there is a risk that it will be higher based on past history. Therefore a supplementary is requested to remove the risk of unauthorised overspends.
- 3.5 This is a responsive service and therefore difficult to predict workflow precisely, but it is clear that if void numbers were to increase again to levels seen in previous years, the budget will be insufficient.

#### 4 REASONS FOR PRESSURE

- 4.1 Over the past three years, the average length of a tenancy pre void is 6 times longer than in previous years. Trends show that longer tenancies prior to a property becoming void require more work to bring them back up to standard. This can be for a number of reasons;
- tenants not wanting to take time off from work for non essential repairs
  - tenants not wanting to redecorate after repairs
  - tenants happy to put up with minor disrepair
  - tenants don't know that there is a problem needing rectification
  - tenants undertaking sub standard work themselves
- 4.2 Since 2015 the amount of void properties that were of solid wall construction has trebled, when compared to the three years prior. Solid wall constructed properties are some of the oldest within our stock and are known to be problematic in terms of thermal efficiency and damp. This being the case we have seen a growth in the cost of certain types of work undertaken to:
- treat and prevent damp/mould from re-occurring
  - replace defective plastering to the walls (usually following major works)
- 4.3 The reason for a property becoming void also has a direct impact on the amount of rectification work required. If for example a tenant becomes unable to look after themselves, their home can also fall into a state of disrepair. More than three times the amount of properties became empty in the last three years due to Social Services moves or death.

Reason for termination	2012-2014	2015-2017
Death of Tenant	27	75
Social Services/Care	6	39
Average length of tenancy	1.57 years	10.87 years

- 4.4 Actions have been put in place to minimise the likely-hood of any potential overspend throughout the 2<sup>nd</sup> half of the year which include the following;

- Reduce the amount of preventative and aesthetic works in voids for a temporary period. All health and safety and statute requirements to continue, as will elemental renewals under the planned investment programme. Other works will be limited to where an item is failing or missing (this could potentially have an impact on responsive repairs budgets).
    - 'In year' budget management between similar sub codes
    - Options to be reviewed with regard to the future of high cost voids on an individual property by property basis by Senior Management.
- 4.5 If void levels for the remainder of this financial year remain at levels below the normal average, it is anticipated that the budget management controls that have already been put in place should ensure that the budget is sufficient. However, should void numbers in the last quarter return to average levels then there would be an over-spend on the budget and therefore a supplementary budget of £45,000 is requested.
- 4.5 To alleviate any shortfall for future years, the budget has been reviewed and an increase in provision has been accounted for within the 30 year business plan. Further work will be undertaken to look at the void specification and to consider the asset management of void properties going forward.
- 5 EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES
- 5.1 The report is to be taken in open session.
6. FINANCIAL IMPLICATIONS [AW]
- 6.1 Based on the changing length of tenancies and increase in works required as mentioned above, it is estimated that additional resources will be required in the current and future years. The current year's budget is £543,000. The position has been managed in year, but there is an expectation that a further £45,000 will be required to meet demand to ensure voids are returned to rent as soon as possible.
- 6.2 The Executive are therefore requested to authorise a one off supplementary of £45,000 to fund the increase in demand. Officers will continue to monitor the voids specification to ensure that only essential works are completed.
- 6.3 From 2018/19 onwards, based on expected void activity, the budget for works will be increased by £57,000 to £600,000 to reflect the ongoing increase in demand.
7. LEGAL IMPLICATIONS [AR]
- 7.1 None arising directly from this report
8. CORPORATE PLAN IMPLICATIONS
- 8.1 Actions detailed within the report specifically support two key objectives;
- make our neighbourhoods safer
  - improve the quality of existing homes
9. CONSULTATION
- 9.1 None

## 10. RISK IMPLICATIONS

- 10.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 10.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 10.3 The risks associated with this report/decision are contained within the Community Services Risk Register and do not present a Net Red Risk

## 11. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 11.1 The Repairs Service undertakes work to the whole of the Council housing stock and therefore impacts on the entire Borough including rural areas. If the recommendation was not approved it could potentially impact on the availability for any person(s) seeking Council Housing within the Borough.

## 12. CORPORATE IMPLICATIONS

- 12.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
  - Asset Management implications
  - Procurement implications

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Background papers: None

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