



Report for: Scrutiny Committee

Date of Meeting:	28 October 2024
Subject:	MID DEVON HOUSING VOIDS
Cabinet Member:	Cllr Simon Clist Cabinet Member for Housing, Assets and Property and Deputy Leader
Responsible Officer:	Simon Newcombe – Head of Housing and Health
Exempt:	Not Applicable
Wards Affected:	All
Enclosures:	Annex A – Standard, Major and Decent Voids (as at 7 October 2024) Annex B – Development Voids (as at 7 October 2024)

Section 1 – Summary and Recommendation(s)

This report is provided at the request of the Committee in order to provide a snap shot breakdown of voids by ward with related information. The data was valid on 07 October 2024 and since then ongoing asset management activity by Mid Devon Housing (MDH) will have resulted in some changes with new properties becoming void and others being completed and returned for allocation. This reflects the fact that voids management is an ongoing priority and an integral part of the wider management of council housing.

In accordance with the adopted MDH Voids Management Policy, void properties only relate to residential dwellings within the MDH stock. Therefore it does not relate to garage/land plot assets or leasehold non-residential properties which are nonetheless still part of the wider asset management responsibilities for housing.

The report follows an internal briefing provided to all Scrutiny members in September 2024. This set out the legal and policy framework for voids management together with a link to the wider voids performance reporting provided to the Homes Policy

Development Group on a rolling quarterly basis. This information has been summarised below given it forms important contextual information to support an understanding of how voids are managed and why.

Additional information is provided within this report on voids specifically used as temporary accommodation together with long-term development voids and some potential disposal properties as part of the wider voids picture.

Finally, a performance update is included on the latest overall housing occupancy position across the entire MDH housing stock.

Recommendation:

1. To note the report

Section 2 – Report

1 Introduction and Background

- 1.1 Void properties are an integral part of the overall asset management of our council homes by MDH.
- 1.2 Voids management requires a careful balancing act between meeting the pressure of social housing demand and ensuring safe, well maintained homes that meet legal standards where tenant/resident welfare is prioritised.
- 1.3 There are further opportunities for property decarbonisation and retrofitting together with potential development sites for new, additional Council homes at properties sited on large plots which can often only be accomplished when properties are empty. Delivering on these opportunities makes a significant contribution toward meeting several core objectives for the Council within our Corporate Plan and Housing Strategy.

2 Legal Framework

- 2.1 The Housing Act 1985 applies with regard to the management of Council housing. The relationship with tenants is set out in our Tenancy Agreement. This details the rights and responsibilities of both parties and covers a range of considerations including property condition.
- 2.2 Other legislation is also relevant to the safety of our properties (e.g. gas, electrical, asbestos and water safety) as well as construction/design and management regulations which are all applicable in the context of inspecting and undertaking works to void properties.
- 2.3 As a Registered Provider of housing, we must also comply with the mandatory Decent Homes Standard and the consumer Safety and Quality Standard set by the Regulator of Social Housing (RSH).

- 2.4 This legislation and associated mandatory standards cover what social landlords must be achieving in all their properties in respect of decency, modernisation, repair and safety.
- 2.5 The consumer Transparency, Influence and Accountability Standard also set by the RSH forms a further part of the regulatory framework for social housing and is relevant to the standards the Council sets and publishes for re-letting its properties and what incoming tenants can expect.

3 Definitions and Voids Management Policy

- 3.1 In general terms, “voids” are properties which are currently empty because a tenancy has ended and a new tenancy has not yet started. Voids may arise due to formal termination of a tenancy, abandonment of a tenancy, the tenant transferring to another tenancy, eviction of the tenant or the tenant's death or entering into long-term care. These also occur when there is a change of occupancy for a property used for temporary accommodation.
- 3.2 More specifically, the current Voids Management Policy (2022) defines voids as:

A property for which there is a current rent account, but for which no current tenancy exists. In line with guidelines the “void period” is the period which commences the first day there is no rent debit and ends on the day before a new rent debit is raised.

- 3.3 For management purposes, and in accordance with the policy, voids are categorised as set out below. Whilst every void is unique, this categorisation supports effective planning and resourcing and is largely defined by the level of works required and the priority given to turnaround.

Standard - works carried out but not limited to: gas and electrical safety checks, removal of all items internally / externally and cut garden, lock changes, routine repairs, minor decoration and cleaning

Major – standard works plus gas or electrical safety repairs, pest control treatments, major repairs (doors, windows and structural repairs), major redecoration (more than one room or major area)

Decent – standard or major works plus Decent Homes works (kitchens, bathrooms, heating upgrades, decarbonisation works, asbestos removal, legionella works)

Development – long-term properties scheduled for demolition and/or subsequent replacement through redevelopment that may not be re-let with a

secure tenancy whilst plans, studies and planning permissions etc are sought. These may or may not be returned to stock depending on the outcome of feasibility and subsequent planning process. If a property is confirmed for removal from stock with a demolition order in place or is not suitable for temporary accommodation then it no longer meets the void definition and will be removed from void reporting.

- 3.4 Development voids were a relatively small proportion of voids historically, however, numbers have been increasing as MDH proactively develops its 5-year rolling new build programme in order to achieve our Corporate Plan and Housing Strategy ambitions for new Council homes. Whilst properties are no longer fit for any use but are awaiting demolition orders ahead of redevelopment (typically with a net uplift in property numbers) these are still counted as voids under the definition above and have a disproportionate impact on overall voids reporting.

4 Voids and Temporary Accommodation

- 4.1 Voids includes all Housing Revenue Account (HRA) properties used for residential purposes, therefore those let to tenants whether on an introductory, flexible or secure tenancy which is the vast majority of the stock. Just over 1% of the stock (circa 35 properties) are retained as dedicated temporary accommodation (TA) for homelessness purposes and used under licence by the general fund Housing Options team who allocate the properties and where rent is fully covered by the homelessness budget and recovered by the team from those in the accommodation at affordable Local Housing Allowance rates.
- 4.2 TA properties owned by the HRA have a regular, much more frequent turnover and consequently generate a significant level of void points where inspection, checks and repairs still have to be managed by MDH under a service level agreement as the landlord. These are treated as standard voids as described in 3.3, and consequently are set the highest priority/shortest turnaround targets.
- 4.3 Performance reporting for voids including the overall occupancy rate comprises both regular MDH properties (with an occupancy rate of just over 97%) and dedicated TA properties (which average an 85% occupancy rate) resulting in an overall occupancy of around 97.0% presently. To place this in context, a MDH tenancy may change and become void on average once or twice per decade compared to weekly or monthly occupancy changes at TA properties.
- 4.4 The same legal standards, safety checks and wider asset management requirements apply to all properties. Consequently, the management of voids at TA properties places a disproportionate and specific resource pressure on MDH to an extent that isn't captured in the overall stock occupancy rates. This

activity is nonetheless very important in terms of having a very high, positive impact on achieving our strategic housing aims which include minimising homelessness and reducing the level of inappropriate TA in hotel or B&B accommodation.

5 Wider Asset Management and Objectives

5.1 Within this legal framework, definitions and context set out above, the Voids Management Policy aims to ensure that properties which become void are re-let as quickly and efficiently as possible, with due regard to the needs and requirements of outgoing and incoming tenants (or TA occupants) and the need to maintain our properties to the agreed, safe lettings standard whilst retaining a sustainable stock and a balanced HRA.

5.2 The policy is therefore set in the placed to support the delivery of our overall asset management requirements. A summary of these requirements and policy objectives is given below:

- ensure compliance with our regulatory framework and that our properties are safe
- properties are re-let to an appropriate standard and minimise disrepair/possible legal claims
- balance the need for minimum void re-let times with the needs of tenants
- ensure our void periods are used as part of an overall asset management approach that is as efficient as possible to deliver works required as cost-effectively as possible
- enable new Council homes to be built and support with the provision of temporary accommodation in line with our overarching Housing Strategy and Corporate Plan
- minimise void rental loss, void periods and void repair costs through effective coordination of housing management, maintenance and redevelopment operations to re-let properties within agreed target times
- ensure effective, efficient and accountable management of properties
- have effective monitoring and reporting of void management and service delivery
- ensure that tenants are aware of their tenancy obligations in relation to ending the tenancy
- ensure that repairs to properties are undertaken to enable MDH to re-let to the lettings standard
- make effective use of void periods to carry out upgrading, decarbonisations works or major repairs as appropriate and to co-ordinate with the major repairs and modernisation programme with regard to avoiding decanting tenants and statutory home loss payments

- make effective use of void periods regarding the HRA rolling 5-year development programme and building of new Council homes
- achieve high levels of tenant satisfaction with the condition of properties on re-letting

5.3 As an addendum to the Voids Management Policy, as required by consumer standards transparency requirements, we have a published lettable standard. This standard sets out the minimum standard our properties will meet when they are let to new tenants or TA occupants. This ensures our void properties prepared for letting are safe, clean and in a good state of repair where residents can begin to enjoy their new home or temporary housing straight away.

6 Current voids

6.1 As a snap shot of the current position (as at 07 October), on a ward by ward basis, those voids within the Standard, Major or Decent Homes categories are set out in Annex A. Long-term Development voids are set out in Annex B, of which 22 out of 28 are expected to be demolished shortly, many within 4-6 weeks of this report. Once demolished these properties will make a noticeable difference to the overall performance data and enable several development schemes to proceed.

6.2 Two long-term voids are being held pending potential disposal. One at Morebath is in an area of exceptionally low social housing demand where MDH no longer have any other properties. The second property is at Wordland Cross where a wider redevelopment project is underway, how this specific property is distinct from this development scheme and is attached to an adjacent property privately owned under right-to-buy provisions whilst also being low EPC, pre-fabricated concrete 1950s construction where significant modernisation costs would need to be incurred at what is an end-of-life property. The decision to dispose of these properties will be made by the Capital Asset Strategy Group shortly and all capital receipts will be ring-fenced to the HRA for potential reinvestment in the wider development programme.

7 Overall performance

7.1 As set out in the Voids Management Policy there are separate working targets for each type of void. The overarching target is for a rolling 97% occupancy rate as described above for all homes irrespective of tenancy type. It therefore excludes garage/land plot assets or leasehold non-residential properties.

7.2 Since the occupancy rate target was agreed and implemented from 01 April 2023, then the following performance has been achieved which demonstrates the target is being met consistently.

2023/24 outturn:	97.2%
Q1 2024/25:	97.1%
Q2 2024/25:	97.0%

Financial Implications

There are no direct financial implications as a result of this report, aside from highlighting the ongoing budgeted asset management requirements within the Housing Revenue Account.

Legal Implications

Refer to Section 2 of the report.

From a wider legal perspective, in line with the principles of co-regulation set out by the RSH, Registered Providers are also required to support tenants so that they can shape and scrutinise service delivery and hold the provider to account. As such, the RSH regard councillors as being responsible for overview that providers businesses are managed effectively and that providers comply with all regulatory requirements including that of effective asset management to ensure all homes are safe and meet the relevant legal standards. The adoption of the MDH policies including the Voids Management Policy and related tenancy and building safety policies are a key part of this and set out why voids management needs to be understood within the legal framework and wider policy context as a whole.

Risk Assessment

Failure to have an effective voids and asset management policy in place could put the Council in breach of the regulatory framework, notably with regard to ensuring our homes maintained to safe standard.

Furthermore, if homes are re-let to a poor cosmetic standard and do not meet our lettable standard requirements then this may negatively impact on tenant satisfaction with MDH as a landlord from the outset. Like all other major Registered Providers, we are required to survey and report tenant satisfaction to the RSH through the recently adopted mandatory Tenant Satisfaction Measures (TSMs). As such, a failure to adequately decorate and modernise properties is likely to reduce satisfaction scores in addition to posing safety and welfare risks.

Nonetheless, there is significant pressure on social housing availability where effective turnaround of voids and limiting void periods can support the availability of affordable homes and may reduce rent loss. However, this financial loss is typically more than offset through the avoidance of significant mandatory home loss payments should we need to decant an occupied property rather than utilise a void period for works. There are additional cost-efficiency, safety and practical benefits in carrying out major works

in empty properties. A level of turnover in the occupation of our homes and void periods is inevitable (though challenging to predict) and this directly enables the reallocation of properties to those with greatest housing need.

Poor voids management and a failure to fully utilise void periods can create a wider risk that the Council could fail to meet its legal obligations and corporate priorities with regard ensuring the quality of our homes and building new social housing. In turn, this would have potential greater risks in terms of tenant well-being and meeting housing demand.

Impact on Climate Change

None directly arising from the report.

Equalities Impact Assessment

Not applicable – no new or amended policy or procedure approach with regard to voids management is proposed within the report and the EIA for the previous adoption of the current Voids Management Policy remains applicable.

Relationship to Corporate Plan

Activities undertaken by MDH with regard to voids management directly and indirectly align to the ambitions of the Corporate Plan 2024-28. In particular this activity contributes to the priority of Homes. Specifically, the effective management of our homes both enables and supports the delivery of each of the Corporate Plan Homes objectives as summarised below.

- 3.1 *We will increase the delivery of quality designed, well built homes across the housing market to meet identified needs*
- 3.2 *We will build, promote, and encourage the building of energy efficient and low carbon homes and communities*
- 3.3 *We will invest in our homes*
- 3.4 *We will work closely with our tenants to ensure they feel safe, secure and happy in their homes*
- 3.5 *We will support and respond to people presenting as homeless*

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 15.10.24

Statutory Officer: Maria de Leiburne

Agreed on behalf of the Monitoring Officer

Date: 15.10.24

Chief Officer: Simon Newcombe

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 11 October 2024

Performance and risk: Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 14 October 2024

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Simon Newcombe, Head of Housing and Health or Mike Lowman, Operations Manager for Building Services

Email: snewcombe@middevon.gov.uk / mlowman@middevon.gov.uk

Telephone: 01884 255255

Background papers:

Regulator of Social Housing

Consumer Standards summary and Code of Practice

https://assets.publishing.service.gov.uk/media/65fd42b9f1d3a0001132ad78/April_2024_Code_of_Practice_-_FINAL.pdf

Current MDH Voids Management Policy 2022 (adopted 7 March 2023)

<https://www.middevon.gov.uk/media/355559/void-management-policy-2022-approved.pdf>