



**Are the current re-let standards good enough or
are they too high?**

November 2018

This report has been prepared by:

Albert Brydon

Evette Callendar

Tony French

Ashleigh Fullwood

Paul Minchella

Karen Pelham

Andrew Perks

Jo Shaw

Paul Wharrier

Jargon Buster

BCE	Building Commercial Enterprise, a company owned by the Council to maintain council housing
Decent Homes Standard	A standard set by government in 2006 which states the condition all social homes should be in
HRA	Housing Revenue Account – money paid by tenants in rent
NCC	Newcastle City Council
SIFT	Scrutiny, Involvement for Tenants
Termination	When a tenant ends their tenancy
Void	An empty property waiting to be re-let
VRL	Void rent loss – the amount of money lost to the Housing Revenue Account because a tenant is not occupying the home
YHN	Your Homes Newcastle

Contents

	Page Number
Jargon Buster	2
Acknowledgements	4
Summary	5
1. Introduction	6
2. Scope of the Scrutiny Exercise	6
3. Methodology	6
3.1 Service Briefing	7
3.2 Desk top review of performance information	9
3.3 Desk top review of published policies	9
3.4 Benchmarking	10
3.5 Visits to Void Properties	11
3.6 Focus Group of Tenants	14
3.7 Telephone Survey	17
4. Findings	17
5. Recommendations	19

Acknowledgements

Members of SIFT would like to thank the following people for their help and co-operation in compiling this report.

From Your Homes Newcastle

Ian Gallagher

Joanne Hughes

Si Taylor

Michael Adams

Kevin Newton

Graham Tonge

Paul O'Sullivan

From Newcastle City Council

Fiona Dodsworth

Gary Murphy

... and ...

All tenants who participated in contributing their views

Summary

Members of Scrutiny, Involvement For Tenants (SIFT) carried out a scrutiny exercise to assess whether the current re-let standards of properties are good enough or are they too high?

SIFT used a number of scrutiny tools to gather evidence for the scrutiny exercise, for example surveys and Mystery Shopping, and followed key lines of enquiry.

The main findings include:

- YHN discontinued using a re-let standard some time ago and now focus on leaving the property safe and secure and clean and tidy.
- YHN and BCE sometimes have to work in very difficult circumstances and largely turnaround voids to a good standard.
- Tenants have no way of knowing what to expect of the standard of their new home.
- Tenants are not asked if they are satisfied with the standard of their new home, nor is the satisfaction level monitored.
- Sheltered accommodation properties are routinely redecorated before being let. General needs properties and bungalows allocated to elderly or disabled people are not routinely redecorated.
- Paint packs are allocated at the discretion of the Housing Officer.
- Not all new tenants know that the paint packs can be delivered to their home.
- Window lock keys are not always given to new tenants.

SIFT's main recommendations are:

- A checklist of what a new tenant should expect of their property should be developed and left in the property for the tenant to check.
- YHN should consider adding the question about satisfaction on the condition of the property to the 'Follow up Visit' form staff complete during the three week post occupancy visit.
- Elderly or disabled people and people with small children should be able to have paint packs delivered if needed.
- More information should be offered about paint packs and the ability to have them delivered.
- Estate based staff should inform BCE if a disabled person will be allocated the property. The property should then be considered for redecoration.
- Some analysis of 'refusals' of properties are currently undertaken however this is being refined by staff.
- The Council should consider passing the ownership of furniture packs to tenants after a period of time.
- The Council is investigating if it can set up an arrangement with utility companies to expedite work to void properties, and this should be pursued to a satisfactory conclusion.

1. Introduction

This second scrutiny report of the Financial Year 2018-19 was produced by the Tenant-led Scrutiny Pool supported by an Independent Tenant Advisor Service, Engage Associates. Engage Associates' role is to help deliver effective, practical support to tenants and leaseholders who are involved in scrutinising the performance of Council housing services in Newcastle.

The Scrutiny Pool's name is SIFT – Scrutiny, Involvement For Tenants – which accurately describes what they do, that is, sifting through information to look for evidence from which to analyse Housing Revenue Account (HRA) activity and recommend, where appropriate, change.

2. Scope of the Scrutiny Exercise

The scope of the scrutiny exercise is to investigate whether the current re-let standard is good enough or too high.

The purpose of this scrutiny exercise is to:

- Assess tenant satisfaction with re-let standards and what has been offered, for example decoration standards and allowances, cleaning standards and repairs
- To consider the impact the current arrangement has on re-let times
- To assess what can be done to encourage tenants to leave their homes in good order
- To recommend a reasonable and cost effective standard.

This report details the findings and recommendations of this scrutiny exercise, which took place during September, October and November 2018.

3. Methodology

There are a variety of tools which can be used to scrutinise services, performance and governance. The tools selected on this second scrutiny exercise included:

- A briefing by the Service Head
- A desktop review of policies and performance, including the Home Standard, Decent Homes Standard and YHN's Service
- Visits to void properties
- A new tenants' focus group
- A telephone survey.

The Key Lines of Enquiry SIFT members pursued included:

- Regulator of Social Housing's Home Standard
- The Decent Home Standard (section 5)
- YHN's Service Standard
- Other social landlords' Re-let Standard
- Information given to new tenants at sign up
- Information given to tenants vacating homes
- The number of voids for 2017/18
- The average length of time properties are void in 2017/18
- The cost of bringing the voids for that period up to the standard, including time and quality
- Desktop review of relevant policies and performance, including void inspection policy and satisfaction levels
- Benchmarking other organisations' re-let standard
- Visits to void properties at the point they become vacant and once they are considered fit to re-let
- Focus group of new tenants
- Conducting a telephone survey of new tenants.

3.1 The Service Briefing

Ian Gallagher, Assistant Director Operational Property Services, Si Taylor, Lead Contract Manager (Voids) and Joanne Hughes, Senior Manager Housing Services delivered a presentation informing SIFT of the procedures and practices they follow in the void property process.

Ian stated that in September 2018 a 'transformation programme' had been put in place so that YHN and Building Commercial Enterprise (BCE) became co-located and worked much more closely together. The programme should help improve the time properties are void and improve services.

Ian explained that in 2017/18 there were 2,110 terminations, which is about eight percent of the stock. The average re-let time over the same period was 64.7 days (as of 26 August 2018).

Ian went on to explain that YHN no longer has a re-let standard in place as the old brochure which described what tenants could expect to find in the property at the point it was allocated to them was misleading, and therefore the standard was discontinued. He stated, however that the following works were always carried out:

- Property made safe and secure
- Wind and watertight
- Clean and tidy
- Locks changed
- WC seat changed.

Ian explained that YHN have two categories of void, Standard and Non-standard Voids.

Standard Voids are properties that do not require major work to take place before they can be re-let. The average cost of these types of voids is £2,366. The average time to complete works to Standard Voids is 13 days.

Non-standard Voids are properties that require major work to take place before they can be re-let. The average cost of these types of voids is £7,059. The average time to complete Non-Standard Voids is 24 days.

Si described some of the varying condition properties were left in. An Empty Homes Initiative had previously been in place as an incentive to outgoing tenants to leave their homes clean and tidy. However this had produced no fundamental change in behaviour and it was difficult to enforce for YHN staff, as it was largely subjective in judging if the property was clean. Therefore the scheme was halted due to operational difficulties and limited outcomes.

The way that work on voids is assessed is that the Inspectors identify all the work that is needed to bring the property up to the safe and secure, clean and tidy level. Mostly that means that anything that is damaged and needs renewing is replaced or anything that is, or could become unsafe, is replaced. The Housing Officer and Inspector discuss and agree the work required in the void, considering demand and other local issues. For example, demand for an area may influence whether the property is considered for redecoration.

Joanne explained that customers newly occupying their homes are visited three weeks after commencement of their tenancy. She stated that there is no specific customer satisfaction measure for voids so new tenants were not asked for their views on the standard of the property. SIFT members felt that not measuring customer satisfaction was a missed opportunity and that perhaps YHN should consider adding the question to the 'Follow up Visit' Form staff complete during the visit.

The conversation then broadened into a discussion about whether or not properties should be fully decorated before letting, or whether paint packs should be issued.

Not all SIFT members knew that the paint packs could be delivered to the tenant's home. They felt that elderly or disabled people and people with small children should be able to have the packs delivered. They also felt that more information should be offered about this opportunity.

The staff explained that all sheltered accommodation properties were routinely redecorated before being let, SIFT members thought this was a good policy to have in place and perhaps should be extended for people with disabilities.

3.2 Desktop Review of Performance Information

In the Council's Delivery Plan for 2016/17 a target of 53.3 days void turnaround by 31st March 2017 was set, and the average re-let time for non-Walker multi storey void properties should not exceed 28 days by the same date.

The re-let target does not now appear in the Council's Delivery Plan. Instead YHN have been set a Void Rent Loss (VRL) measure for performance. VRL measures the gross rent lost each year (April – March) based on a property being empty, and this helps NCC understand the impact on the Housing Revenue Account.

Void re-let time is a measure that calculates the total time a void is empty. This means that if a property was void two years ago and re-let this year, then all of that time the property is void is counted in this year's performance figure.

As of the end of August 2018, the void re-let time for NCC stock was 64.86 days; this is higher than the position at the same point last year (where it was 50.60 days). If you measure voids that only became void this year then re-let time would be 29.85 days; this is an improvement from last year when performance was 33.63 days.

There may be two main drivers for increasing re-let times: it is partly driven by allocating properties which became void in a previous year. The other driver will be the end to end void processes (from termination to viewing/sign up). For example, there may be multiple refusals for some properties despite early advertisement.

SIFT was informed that there is some analysis of 'refusals' however staff want to refine this so that the reasons can be understood and remedial action taken or changes of practice introduced.

3.3 Desk Top Review of YHN's published Policies available for Tenants

In the Benchmarking exercise (see overleaf) it was found that most social landlords publish a lettable standard which they have developed with tenants. As previously stated YHN do not publish a re-let standard, therefore new tenants are unable to check the condition of their new home when moving in against a list of items they would expect to find, for example clean, swept floors to all rooms. In a search of YHN's website SIFT members could not find any information about the condition of properties as tenants move to a new home.

The 'Full Sign Up' pack used by staff when letting a property contains much useful information, for example a list of gas and electricity suppliers. It also contains a check list of furniture items which the new tenant may want to rent in a 'Furniture Pack.' SIFT members cannot understand why tenants may pay continuously for the Packs without ever owning them. Other social landlords who offer the Pack state that after, for example two years, the tenant owns the furniture.

3.4 Benchmarking

SIFT members explored the re-let standard of nine social landlords to compare and contrast their practices against the activity of YHN and BCE. Rather than name the organisations members picked out those practices they felt were good and those that they felt were not so good.

Good Practices	Poor Practices
A lot of work goes into voids to bring them up to meet the Decent Homes Standard	Void re-let standard no longer issued to customers
Decorating pack given if a possible tenant could be discouraged from renting due to poor decoration	Customer satisfaction is not monitored after the three week visit is complete on start of a tenancy
Re-let standard leaflet issued to tenants, which gives a lot of useful information including all contact details, office addresses, email addresses and website address	
Provides photos of what is deemed a lettable standard so new tenants can judge and hold landlord to account	
Asbestos and Polystyrene removal plans in place	
Smoke detector systems will be pre-installed in properties	
Ground floor windows will lock and all other windows will have appropriate safety locks and keys	
Carbon Monoxide detectors will be in place	
Monitor works progress by taking photos at the start and when complete	

3.5 Visits to Void Properties

SIFT members visited a number of void properties as part of the scrutiny exercise's methodology. During these visits members were looking for any of the 29 hazards listed under the Housing Health and Safety Rating System. Members initially met with Si Taylor who gave a brief tour of the depot office, explaining how voids are divided out between contractors and how they are managed.

Members met with the leading Health and Safety Officer who gave a briefing on how to stay safe throughout the visits. We then met with the crews responsible for attending the properties to inspect, clean and bring them back up to standard ready to be re-let.

We were informed that each job in a property attracted the following level of payment:

- £183 to complete the clearance and maintenance of front and back garden
- £43 to complete a loft clearance
- £191 for a large clear (internal space)
- £143 for general cleaning up to a lettable standard.

It was explained that these payment levels were set when the contract was let in 2006; however the payment was reviewed in 2010/11 and have had an inflationary increase applied annually.

Members were divided into three small groups and taken out to properties by the staff. We visited a number of voids with different levels of disrepair and varying levels of cost to bring back up to standard.

Property One

This was two houses converted into one five bedroom property. The property was believed to have been used as a cannabis farm. It was categorised as a 15 day void, but this could be delayed due to the property needing an asbestos team to investigate behind a fire surround that was not fitted as standard.

The contractor explained that light switches and plug sockets are checked for discarded hypodermic needles. This occurs when a previous occupant places the needle into a light switch housing then proceeds to break it off to cause harm to someone trying to switch on the light.

There was some damp in the bathroom. The staff member explained that this will be looked at to identify whether this was caused by water from the loft or a extractor fan not working efficiently.

Property Two

This was a property suitable for people aged over 55. The property was left in a fairly decent standard by the elderly occupant. There was some damp present in the bathroom and toilet. Again the staff member explained that he will check logs by other occupants in the block for any request for service regarding leaks. If this was the case he would then enquire why the property below was not checked for damage. The damp will be rectified ready to re-let the property.

Property Three

This property had severe damage after a serious fire. The approximate cost to bring this void back to standard would be £30,000.

The neighbouring properties, both owner-occupied also suffered fire and smoke damage.

Property Four

This was a six bedroom property adapted for use by a disabled tenant. This property will also cost in the region of £30,000 to bring back up to standard.

Property Five

This was a three bedroom property that was left in a very dilapidated state. The approximate cost to bring this property back up to standard would be roughly £15,000.

The staff member explained that two crews would need to attend the clean up and it should take about one working day to complete. If there were any pest control issues they would stop work and call in environmental health to remove the risks before work continued.



Some of the difficult issues the Void Team have to deal with.



Additional Information about Voids

SIFT were informed that sheltered housing are always redecorated and painted before they are re-let.

It was explained that utility companies can cause delays in re-let times as they are not contracted by YHN and YHN may often have to wait for new meters to be fitted or supply brought into a property.

Delays in void turnaround can also be caused by labour shortages. Si explained that 162 staff are directly employed by BCE and other labour was supplied by agency workers. Agency workers however will try to secure work which pays a good rate. For example BCE pay painters £11 per hour, whereas some building companies will pay around £20 per hour for painters. He explained that there is a lot of building work taking place in and around Newcastle and therefore he could not always get agency workers, which in turn meant that the property was void for longer periods of time.

3.6 Focus Group

A focus group was organised so that tenants who had signed up to their tenancy in the last 12 months could tell SIFT about the condition of the property as they moved in. YHN's Resident Involvement Team kindly contacted tenants to ask them if they would like to participate in the session. In total six tenants took up the offer.

Question: How long ago did you move into your property?

Answers: Occupancy ranged from nine months ago to five months, with three people moving in six months ago.

Question: Did you think the condition of the property was satisfactory?

Answers: One person was satisfied; the other five had a number of issues with the condition.

A young, inexperienced tenant had no hot water for six months: when questioned about this they replied that they had approached the Housing Office to ask staff to do something about the person next door whose cigarette smoke was leaking into their home. They felt that the staff member had dismissed the request for service out of hand and therefore felt that there was no point in reporting the boiler. SIFT members informed the tenant that they should report the broken boiler and that it would be treated as a priority.

Another tenant said that when she moved in all the repairs had been completed however she felt that the kitchen worktops and the cupboard fronts were badly damaged.

She asked for them to be replaced. An Inspector agreed to this, but later when she asked when the work was to be done there was no record of the Inspector agreeing. She had to chase up the work a number of times before eventually it was carried out.

A fourth tenant said that when she moved in there were live insects on the bathroom floor and the property was generally dirty.

Another tenant said that her property had storage heaters installed but that she did not use them because they are too expensive to run.

One person said that the keys to her property were sent to the wrong office and she had to trail across town to collect them.

Question: If you thought the condition was unsatisfactory what else should have been done to it?

Answers: The tenant had not been offered a paint pack and she described the kitchen as having salmon coloured doors, a blue floor and dark red walls. She had asked for a paint pack but had been refused.

Question: If you have a garden did you think the condition of the garden was satisfactory?

Answers: Only one person's property had a garden. She stated that the condition of the house was perfect but the garden was not. Under the grass she pulled out lots of rubbish, including an old bike, parts of a laminate floor, knives and forks, etc. Also in the garden the Council workers had left old wallpaper and paint tins which had been used redecorate the house. She was given a skip for two days and a box of gloves and bin bags to help her clear the garden herself.

Question: Did you think there were any safety hazards in the property or garden?

Answers: One person stated that the garden waste was hazardous. Another said that when she moved in with her small child there were wires hanging out of some of the walls.

Question: How did the condition of the property compare to any other property you had previously moved into?

Answers: One person stated that the last NCC property was much better than her current home when she first moved into it. Another said that she had to decorate throughout the property. A third stated that the whole property had been redecorated and she was very pleased with it, but all of the rooms were painted in shades of brown, which she has since repainted.

Question: Were all of the repairs completed before you moved in?

Answers: Four out of the six people had outstanding repairs to the property.

Question: If there were still outstanding repairs how long did you wait for them to be done?

Answers: Some people are still waiting for repairs to be carried out. Two people said that they had spoken to the Inspectors on a number of occasions and felt like they had to chase people up.

Question: Was the property decorated to a reasonable standard or were you given a paint pack?

Answers: One person said that they would have liked a paint pack, but when they were shown the property they had too much to think about so they forgot to ask for one.

Another person said that she couldn't pick out the colours she wanted easily online so she had gone to the outlet in the Team Valley to get a brochure to choose the colours from.

Question: If you received a paint pack was it delivered to your home?

Answers: One person had a paint pack delivered.

Question: Did you receive two sets of keys to the property?

Answers: All six received two sets of keys.

Question: Did you receive any window lock keys if there were locks on the windows?

Answers: Some of the group's properties had window locks but none had keys to them.

Question: Did you receive a visit from a Housing Officer just after you moved in? Did they ask if you were satisfied with the condition of the property?

Answers: One person received a visit but they were not asked if they were satisfied with the condition of the property.

Question: Have you any other comments to add about the way the property was handed over to you?

Answers: The tenant set up a direct debit to pay their rent the day they moved in. After two weeks they received a letter stating they were in £200 rent arrears. The tenant felt that there should be some form of confirmation that the direct debit had been accepted.

3.7 Telephone Survey

SIFT asked the Customer Involvement Team to send out information requesting volunteers to take part in a telephone survey of tenants who had taken up their new tenancy in the last six months. SIFT wanted to conduct the survey to determine whether the new tenants were happy with the condition of the home upon moving in.

As an incentive a £25 Intu Voucher was offered to those who volunteered to take part. Unfortunately only two tenants volunteered, nevertheless a SIFT member did attempt to contact both tenants.

The questions asked were as follows:

- How long ago did you move into the property?
- Were all of the repairs completed before you moved in?
- If there were still outstanding repairs how long did you wait for them to be done?
- Did you think the condition of the property was satisfactory?
- Have you any other comments to add about the way the property was handed over to you?

Customer One overall was very happy with the service they had received. They indicated:

- They moved into the property in May 2018
- It was a new build property so there were no outstanding repairs
- The property was very satisfactory
- Staff handled the handover very well, the garden was beautiful, very happy with their first YHN managed property and they stated that any issues they raise get resolved very quickly.

Despite attempting to contact Customer Two on a number of occasions she could not be contacted within the timeframe of the scrutiny exercise.

4. Findings

Returning to the scrutiny question, 'Is the re-let standard good enough or too high', it is difficult to judge as there is no published standard.

Without the availability of a published re-let standard new tenants are unable to check what condition the property should be in as they take up residency. This can lead to the tenant using their own, subjective view of what condition the property should be in and may cause the tenant to demand a higher standard than would reasonably be expected. SIFT members feel that a basic checklist should be developed, for example stating that no rubbish should be found in the property or garden, the toilet seat should be new, etc and the list left in the property for the tenant's use.

SIFT members did not know if digital photographs of the condition of the property on allocation could be stored on the 'house file' so that when the tenant vacates the property the condition could be checked against them, and unnecessary recharges be avoided.

Satisfaction levels of tenants with their new home are not gathered or analysed. SIFT felt that this data could easily be collected during the three week visit by housing staff. The data could help YHN analyse what helps to let a property more quickly, reducing rent loss and helping to house people more quickly.

All sheltered accommodation properties are routinely redecorated before they are re-let. Where elderly or disabled people take up a tenancy in a general needs property the Housing Officer could inform BCE of this and the property could be redecorated before the person moves in (if it has been allocated).

Tenants who are provided with a furniture pack may pay for it over a number of years, without ever being able to own and keep it. For example if tenants take the basic furniture pack of 60 points they pay £10.35 a week, which over a year amounts to £519.50. If the person remains a tenant for five years the amount they would pay would be £2,597.50, without having anything but its use to see for it. Other organisations gift the packs to tenants after a number of years and the Council could perhaps consider adopting this policy, or consider a tapering off payment policy.

The void turnaround period could be extended because the utility companies do not prioritise installing meters. The Council and YHN are investigating if it can set up an arrangement with the companies to expedite work to its void properties.

The experience of new tenants with the satisfaction of the standard of their new homes varies if the views of the Focus Group are accurate.

Recommendations – Action Plan

Recommendation	Management Response	Proposed Actions	Timescale	Responsibility
1. A checklist of what a new tenant should expect of their property should be developed and left in the property for the tenant to check.				
2. YHN should consider adding the question about satisfaction on the condition of the property to the 'Follow Up Visit' form staff complete during the three week post occupancy visit.				
3. Elderly or disabled people and people with small children should be able to have paint packs delivered if needed.				
4. More information should be offered about paint packs and the ability to have them delivered.				
5. Estate based staff could inform BCE if a disabled person is being allocated the property (if this is known whilst the void team are still in the property). The property could then be considered for redecoration.				
6. Some analysis of 'refusals' of properties is currently undertaken however this is being refined by staff. Performance could be reported to the Customer Service Committee on a regular basis.				

Recommendation	Management Response	Proposed Actions	Timescale	Responsibility
7. The Council should consider passing the ownership of the furniture pack to the tenant after a period of time.				
8. The Council and YHN should continue their investigation into setting up an arrangement with the utility companies to expedite work to void properties.				

