



Joint Report to:

Northwards Housing Board
19th July 2007

Manchester Working Ltd Board
17th July 2007

Item No:

8c

Title:	Void Process Review		
Date:	11 th July 2007		
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Confidential:	No		
For: (Please tick action required)	NOTING √	DISCUSSION	APPROVAL
PURPOSE OF REPORT			
To inform the Board of the process and outcomes of the recent review of the void repair and re-letting process that has taken place. To share the recommendations and the project plan for improving performance with the Board.			
RECOMMENDATION			
That the Board notes the report, considering the challenges and opportunities for both organisations in improving performance and to agree that the Procurement & Property Services Sub-Committee and the Neighbourhood & Quality Services Sub-Committee receive regular progress reports on behalf of Northwards on the implementation of the recommendations.			
IMPLICATIONS			
Equality & Diversity:	In lowering the time it takes us to re-let properties we can help those applicants that are currently in need more quickly.		
Financial:	There will be significant savings to be made in rent loss on the improvement of performance. There are also possible implications for the cost of the current void process and areas where costs of void work may be reduced.		
Staffing:	Staffing structures are to be reviewed in key areas of the void process and recommendations from the report will be evaluated and brought to Sub-Committees for approval.		
Decency Target:	There are recommendations from the void report around how Decent Homes work is carried out on voids.		
Governance:	Good governance will drive performance management.		
Risk Assessment:	There are risks in continuing to not perform to our potential in this area of the business of continued rent loss and a breakdown of trust between organisations. There will also be risks involved in making some changes and these will need to be evaluated and assessed as we move the project forward.		

Equality & Diversity Implications (Please tick where relevant):

BME	<input checked="" type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input checked="" type="checkbox"/>
Gender	<input checked="" type="checkbox"/>	Single Parents	<input checked="" type="checkbox"/>
Age	<input checked="" type="checkbox"/>	Domestic Violence	<input checked="" type="checkbox"/>
Disability	<input checked="" type="checkbox"/>	Alcohol/Drug Mis-users	<input checked="" type="checkbox"/>

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:			
Area Panel:			
Task Groups:			
Ward Councillors:			

1.0 Introduction.

1.1 In the Audit Commission Inspection carried out in June 2006, the empty (void) property process was seen to be an area needing improvement. This is seen as a critical area of business of both organisations and it is therefore important that we improve our joint processes and aim to achieve top quartile performance.

1.2 Our performance on the void process has a number of implications for both businesses. If properties are left empty for long periods of time it can cause deterioration on our estates and the Council loses rent for every day a property is standing empty. The standard of an empty property when a new tenant moves in is also important as this is often the first time that a new customer will have had contact. Therefore how we perform here may shape the way a new tenant views both organisations thinks of us as a Company and shape their trust for the future. Getting it right matters.

1.3 This report summarises the recent work carried out with Enterprise PLC as consultants to improve the void process and highlights the main recommendations that have arisen from that work. The report also informs the Boards of the next steps that we need to take and timescales for doing so.

2.0 Background.

2.1 There are currently two main ways that we are judged on performance in letting empty properties. This is by BVPI 212 – the time it takes to re-let an empty property and the Performance Indicator measuring the percentage of rent loss. BVPI212 is also an integral part of the Comprehensive Performance Assessment as to how the City Council is judged as a whole.

2.2 When we look at our neighbouring ALMO's in these two areas of our business we can see the challenge that we have ahead of us. Our performance is clearly weaker in these areas than that of similar organisations.

Overall top quartile performance for ALMO's at the end of 2006/07 was 27.17 days.

<u>Organisation</u>	<u>BVPI212 – The average time it takes to re-let a Local Authority home. (2006/07)</u>	<u>% Rent Loss</u>
Northwards Housing	71.6 days	3.2%
Bolton At Home	45 days	2.3%
Derby Homes	32.16 days	2.33%
Golden Gates, Warrington	31.1 days	
Kirklees Neighbourhood Housing	34.65 days	1.73%
Leeds West	25.8 days	1.63%

2.3 It was felt important to get an objective view of the challenges that we faced so Enterprise PLC, a consultancy firm with experience in this area, was employed to help us. They were given a very clear and defined purpose to:

- Carry out a root and branch review of void management and letting processes
- To identify current inefficiencies and determine potential efficiencies in the process
- To provide a priority order list of recommendations
- To document formal processes
- To review management information and monitoring arrangements for both current system and the new Civica system.
- To help set Initial stepped targets by geographical area, Local Area Panel and Ward and by stages in the overall process.

3.0 The project and its recommendations.

3.1. Enterprise PLC carried out the project in a very structured way. This started with the collection of information and data and the process mapping of how we currently carry out every part of the void property procedure. This was done by workshops and interviews with over 85 members of staff from both Northwards and Manchester Working Ltd. A focus group was also held with tenants to look at their perception of how we deal with empty properties. Three site visits to other organisations, to look at best practise across the sector, were also carried out.

3.2. Once all relevant information had been collected, Enterprise then looked at how the process could work in the future to ensure that we could re-let properties much quicker. They took each part of the process including Local Services, Surveying Services, Manchester Working and Rehousing looking at

everything we do in re-letting a property. They took out what they saw as wasted time or where there was duplication. They also identified long gaps between stages in the process being carried out and where communication or trust between teams was weak.

3.3. While Enterprise noted a number of areas of good practise, they also highlighted a number of themes that were detrimental and adding significant time to the process. These included a lack of ownership and consistency, limited accountability and responsibility by teams, a large number of people involved in the void process and unclear roles and responsibilities. All of these issues are playing a part in the length of time that it takes to turn a property round.

3.4. Enterprise have offered us comprehensive recommendations for every part of the process and every team involved and have made a number of suggestions about how we can make substantial time savings. Recommendations cover the following areas:

- The organisational structures
- Actual void processes
- Performance management
- Working relationships
- Void standard and categories
- Capital void process
- Surveyor process
- Manchester Working process
- Rehousing process
- Local Services process

The recommendations are attached in full at Appendix 1 of this report.

4.0 Implementation of Recommendations.

4.1 It is critical to get the void process right and this, in the first instance, means bringing stability to the work the teams are doing.

4.2 We need to work towards having processes that deliver right first time outcomes and having quality standards and timescales that are understood and adhered to across all areas of work. It is also important that we bring reliability, consistency and trust by all teams into the process.

4.3 To oversee the implementation of the recommendations a Project Board has been established that will be jointly chaired by Robin Lawler, Chief executive of Northwards Housing and Bill Coghill, the Managing Director of Manchester Working Ltd. The first meeting of this Board took place on the 25th June 2007. Membership of the Board is across directorates and organisations and represents all areas of the void process. It is made up of the following people:

- Anne Duffield – Neighbourhood Services
- Larry Patrick – Property Services
- Steve Finegan – Business Services
- Des Smith – Manchester Working Ltd
- Ian Forshaw – Manchester Working Ltd.

This Project Board will meet monthly until January 2007 and will review and agree the recommendations, develop and monitor a project plan, set up and receive reports from a number of working groups who will carry out the recommendations and determine monitoring and reporting mechanisms.

The Project Board will aim to remove any blockages that are stopping progress and will ensure that teams and organisations can work together with improved communication and joint understanding.

- 4.4 It is vital that all staff involved in the process have a common focus on the end result – a much quicker re-let time. There is an understanding that any processes developed will not work without people being engaged and knowing how what they do fits into the bigger picture and work will need to be done in this area to get staff on board. All new processes that will be implemented need to be jointly owned and delivered and there is little doubt that this will take time, discipline and effort.
- 4.5 There are significant cost savings that can be realised by getting the new processes right and this would realise extra rental income for the City Council. As an incentive to Northwards and Manchester Working Ltd to improve performance, discussions are taking place with the Council for these savings to be given to the organisations for a period of time as incentive payments.

5.0 Summary and Future Monitoring.

- 5.1 In summary, the work that Enterprise have done and the recommendations that they have made has given a fantastic starting point to reduce the re-let time of empty properties. There will now need to be a significant and dedicated piece of work involving a number of people across both organisations that will take time and energy to get right. There are some quick wins that we can implement but many of the recommendations will take time to plan and work towards and we cannot underestimate the work now involved in making the necessary changes.
- 5.2 It is important that we have excellent monitoring mechanisms in place as we take the recommendations forward and it is suggested that regular reports are taken to relevant sub committees. The overall monitoring of the re-let time and property services implications should be taken to the Procurement & Property Sub-Committee and implications for neighbourhood and rehousing should be discussed and agreed by the Neighbourhood & Quality Services Sub-Committee.

6.0 Recommendations

- 6.1 That the Board notes the report, considering the challenges and opportunities for both organisations in improving performance and to agree that the Procurement & Property Sub-Committee and the Neighbourhood & Quality Services Sub-Committee receive regular progress reports on behalf of Northwards on the implementation of the recommendations.