



## Report to:

Northwards Housing Board  
22<sup>nd</sup> May 2008

## Item No:

# 8b

<b>Title:</b>	Void position update and targets for 2008/09		
<b>Date:</b>	22 May 2008		
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<b>Confidential:</b>	No		
<b>For:</b> (Please tick action required)	<b>NOTING</b> √	<b>DISCUSSION</b>	<b>APPROVAL</b> √
<b>PURPOSE OF REPORT</b>			
To update Board on the current void position and to seek approval for void targets for 2008/09			
<b>RECOMMENDATION</b>			
For Board to note the report, the current void position and approve new targets for 2008/09.			
<b>IMPLICATIONS</b>			
<b>Equality &amp; Diversity:</b>	All voids are let in line with the Allocations Policy of Manchester City Council.		
<b>Financial:</b>	There is a direct financial benefit to MCC as we let voids quicker and reduce the amount of voids that we have empty.		
<b>Staffing:</b>	There are a number of teams involved in the voids process and their focus on the process is critical.		
<b>Decency Target:</b>	Some voids are currently having Decent Homes carried out. This has now been reduced to the minimal amount which allows new tenants to choose their own fittings and minimises time empty.		
<b>Governance:</b>	The performance management of this work is a key area of monitoring for the board and its committees.		
<b>Risk Assessment:</b>	The void performance was highlighted by the 2006 inspection as an area that needed improved performance.		

**Equality & Diversity Implications** (Please tick where relevant):

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

**Consultation/Consideration:**

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

**1.0 Background**

1.1 Board will recall that the void review that took place in April and May 2007 and was commissioned to enable a thorough review of all processes involved in the re-letting of properties.

1.2 Since the consultants have left site a number of changes have been put in place to improve processes and these are reported through the Property and Procurement Committee at regular intervals. The last report to this Sub Committee was in February 2008.

**2.0 CURRENT VOID POSITION.**

2.1 In June 2007 the number of voids that the Company managed stood at 356.

2.2 There has been an increased focus on the voids process and letting properties and the overall void figure stands at 208 as of the 12<sup>th</sup> May 2008. This equates to 1.67%. Performance has dipped slightly since year end when there were just 188 voids, equating to 1.5% of stock.

2.3 A target was set last October for the 30<sup>th</sup> December 2007 of 250 voids, or 2% of the total stock. The year end figure at March 2008 was substantially better than this figure at 1.5% and was an outstanding performance by staff involved across the process.

2.3 The breakdown of the current management voids as of the 12<sup>th</sup> May can be seen in the table below along with the targets for 30<sup>th</sup> September 2008 and 31<sup>st</sup> March 2009.

	CHEETHAM HILL	MONSALL STREET	WHITE MOSS RD	SHOUT TMO	AVRO HOLLOWES	TOTALS
12 <sup>th</sup> May 2008	50	82	41	2	N/A	175
Target 30.09.08	39	64	30	1	5	139
Target 31.03.09	35	60	24	1	5	125

2.4 There are also a number of “other voids”, those that are not currently available for re-letting. Many of these are voids that are having major works (eg. After fire, structural stability work), carried out or are being used as decant properties while tenants are having work done on their own homes.

2.5 There has been significant step forward in dealing with these longer term voids and as of the 12<sup>th</sup> May there are just 33 voids in this category. The office breakdown is as follows:

OTHER VOIDS	CHEETHAM HILL	MONSALL STREET	WHITE MOSS RD	TOTAL	TARGET 30.09.08	TARGET 31.03.09
12 <sup>th</sup> MAY 2008	9	4	20	33	28	25

2.7 There are also a further 16 voids that are awaiting disposal to a Housing Association who have accessed Housing Corporation money to refurbish them. This should take place in 2008. These 16 properties are not included in the above figures.

**2.6 Board is therefore asked to approve the targets for numbers of voids of 167 for the 30<sup>th</sup> September (1.25%) and 150 (1.2%) by 31<sup>st</sup> March 2009.**

### **3.0 RENT LOSS POSITION AND TARGETS.**

3.1 The rent lost on voids for 2006/07 was 2.9%. An aim of the void review was to reduce this substantially over a three year period.

3.2 The rent loss position at the end of 2007/08 was 2.4%, or £928,865. A 0.5% improvement here means that the end of year target of 2.5 % was surpassed.

3.3 The targets for rent loss for 2008/09 have been set at 2% and for 2009/10 at 1.35%. This is median quartile performance. Top quartile performance for ALMO's is 1.14%.

3.4 The approx rent roll for Northwards for 2008/09 is £40 million. Therefore a 2% rent loss is approx £800,000, a saving of approx £128,865 from 2007/08.

3.5 If a 4% rent increase is assumed for 2009/10 then the rent roll would be approx £41,600,000. A 1.5% rent loss would equate to £561,000, a further saving for the City Council of £239,000 over the course of the 2009/10 year.

3.6 When the 1.35% target is hit this will mean an approximate 50% improvement on performance over a three year period. There is no reason why this is not a realistic target.

**3.7 Board is asked to approve the 2% for 2007/08 and 1.35% target for 2009/10. These targets can be reviewed should performance improve further over the course of this year.**

#### **4.0 Average re-let time (BVPI 212)**

4.1 This target was part of the Comprehensive Performance Assessment (CPA) for the City Council in 2007/08 but this is no longer the case from 2008/09. It remains though a key indicator of how the ALMO is performing.

4.2 The 2006/07 end of year figure for this indicator was 72 days and there has been a 6 day improvement to an end of 2007/08 outturn of 66 days.

4.3 While this is an improvement, this is still bottom quartile performance and there is some way to go to get to a position where performance is of an acceptable level.

4.4 Four quarterly targets have been set to take Northwards to top quartile performance by March 2010. These are as follows:

	September 2008	March 2009	September 2009	March 2010
Targets	55 days	42 days	34 days	26 days.

**4.5 Board are asked to approve these stepped targets to take Northwards to top quartile performance in 2 years.**

#### **5.0 CONCLUSION.**

5.1 It can be seen that the focus on the letting of empty properties is now high on the agenda for Northwards and the numbers of empty properties has reduced by 145 (40%) in the last 11 months. The focus is now on reducing this figure further and to focus further on reducing the average re-let time to hit top quartile performance in 2 years.

5.2 Board is asked to agree the targets for void numbers, void rent loss and average re-let time. A further paper will be brought to Property and Procurement Sub Committee in October to discuss the half year position.