

# Challenge for Change

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*Scrutiny Report Vacants*







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# 1. Introduction and Background

- 1.1 Four years ago, following approval from the then Board of the Council Housing Service, a customer scrutiny panel was established. Recruitment was open to tenants, leaseholders and customers. One of the main roles of the group was to review different parts of the Council Housing Service and make suggestions for improvement. It was decided to call the group Challenge for Change. Throughout this report, the scrutiny group will be called C4C.
- 1.2 The initiation of the project during Summer 2014 was completed by four main scrutineers: Linda Moxon, Max Richardson, Ian Alexander and Tony Watson. Help was also provided by Michelle Cook, Richard Bailey and Tony Merrygold.
- 1.3 C4C decided to focus on the Vacant Property Service as their topic. At the Community Engagement Partnership Group other topic suggestions were put forward to the group for scrutiny. These were Lettings and Anti-Social Behaviour. However as these were under review by their respective departments, the group decided to look at these at a later date. Vacants was chosen because the longer a house is empty, revenue is lost to the Council.
- 1.4 C4C considered many factors in its decision to scrutinise the service and the policy and procedures of Vacants. It had a clear remit to identify if it could make recommendations to improve the service from a tenant's point of view and to help the Council to be able to let vacant properties quicker so that they are not left empty and therefore losing revenue from rent collection.
- 1.5 In this report, C4C have detailed the findings following its investigations. C4C have spoken to all departments involved in Vacants.
- 1.6 C4C have additionally spoken to tenants and customers to gather their views and opinions on where Vacants could be improved.
- 1.7 C4C reviewed the Property Shop website and relevant leaflets to analyse whether the service is working and providing good value for money.
- 1.8 C4C have made several recommendations based on its findings, which can be found at the end of this document.
- 1.9 The overall purpose of the project was to examine the Vacants service to look at ways of improving turnaround time for the Council to save it money and improve the service from a customer's point of view.

## 2. Objectives

2.1 From C4C's initial research into Vacants, it identified the following objectives for this project.

- To understand how the co-ordination of all involved parties work, and what the issues are.
- To look at the Vacants Standards to assess how inspections are carried out by monitoring them and checking if standards are being met.
- To look at how much is spent on Vacant properties and in what capacity e.g. maintenance, repairs
- To review the policy for carrying out work on the external areas of vacant properties.
- To assess if the external appearance of a property affects whether a property is accepted or not.
- To review the turnover times to compare how they differ between areas and with other housing organisations.
- Understand the reason why some properties are difficult to let.
- Look at the policy on letting and see if this is flexible enough.
- To understand why some properties are being refused by tenants
- To understand the policy on furnishing properties.
- Are there incentives and how are they being used.
- The bidding process - what support is given to people of all ages.
- What advice is given to prospective tenants on the cost of living in an area, and the chances of getting the property.
- To understand how council housing is advertised, and how this affects the length of time a property is vacant.



### 3. Findings

3.1 C4C conducted a number of activities to help them understand the service and see in practice how many aspects of it are carried out. These were as follows:

- Review of the lettable standard, performance and satisfaction information
- Review of the Property Shop website and the bidding process
- Discussions and interviews with managers and staff across all parts of the service
- Visits to actual vacant properties
- Conversations with customers

C4C also called upon the first-hand experience of one of its members who during the course of this review was rehoused

3.2 C4C came to the opinion that the Lettable Standard is not of a high enough standard, particularly for hard to lets. C4C came to this conclusion through on site viewings, looking at the number of refusals from performance reports, and from conversations with staff.

3.3 Vacant properties ready for letting do not compare favourably with the private rented sector for the same property types. The impact this has is that it makes properties harder to let, which creates more refusals, increased rent loss and does nothing for the image of an area.

3.4 C4C considered the inspection sign-off of vacant repairs is not rigorous enough.

3.5 C4C visited a number of vacant properties that were ready for letting and found outstanding issues in some of the properties. These were issues that were easily identified. Externally materials left by Kier were not always cleared when work was completed.

3.6 C4C considers that this contributes to refusals and leads to unnecessary repairs. It does not help the reputation of SCC as a landlord.

3.7 C4C is of the opinion that first impressions of the external areas are very important when viewing a property. C4C identified when they visited properties as part of their investigations that both properties and gardens were not always up to the standard of other letting authorities. C4C found properties with dirty curtains in windows, graffiti and rubbish left on gardens which soon becomes a dumping ground for other people's rubbish. This could dissuade potential tenants and lead to fly tipping. C4C consider that this sets a poor example to incoming prospective tenants.



- 3.8 Cost of repairs – percentage of properties that are easy to let and require few repairs is balanced with hard to lets that need more work done on them.
- 3.9 Turnover times are average for the sector so there is some room for improvement to improve rent loss.
- 3.10 We recognised that there are hard to let properties, but few that have been vacant for more than 12 weeks and most require extensive work.
- 3.11 C4C, using information from a report which outlined the refusal reasons, found that how areas are perceived by tenants has an effect on why a customer may refuse to accept a property. Other issues identified in the report were transport links, schools, shops and local amenities. C4C consider that more could be done to “myth bust” by utilising promotional material, social media and local residents as ways to help create positive images of an area.
- 3.12 C4C scrutinised the Property Shop website and formed the opinion that it does not provide enough detail of the property itself, such as room sizes, which was identified in the report several times as a reason for refusal. It is considered that the website is not fully utilised to the extent that other social landlords using the same system website application appear to do. It is basic and unattractive and may be a cause for why customers are disappointed when they bid for a property as it does not meet their expectations based on the information on the website.
- 3.13 On reading the refusal reasons, C4C consider that maybe they are not always real and genuine as evidence was identified that tenants were bidding for a property in an area and then saying they did not want to live in that area. C4C feel that not all tenants genuinely want to move and that some are just exploring the system. This is time wasting and slows the process down for those genuine applicants.
- 3.14 Housing + has the potential to make for an improved and more joined up service e.g. staff could utilise their more detailed local knowledge. Better use of local knowledge could be used by all accompanied viewers; this could help reduce refusals.
- 3.15 Lack of understanding that there is flexibility on bedroom sizes for tenants not reliant on Housing Benefit restricts options for the elderly and disabled, which reduces downsizing and in turn the availability of larger desirable properties.
- 3.16 The furnished policy is reasonable and seems to work well.
- 3.17 The SCC “offer” does not always compare favourably in cost and quality terms with other providers. This could lead to potential applicants looking at other options, and brings into question SCC as a landlord.
- 3.18 The support provided in Area Housing Offices and the Property Shop varies from excellent to examples where advice given is not always accurate or sufficient; this could lead to customers being confused or misinformed.

## 4. Summary of Reality Checks

### 4.1 Furnished Accommodation.

We looked at the costs of furnishing properties annually and any associated issues that might run alongside this. We found that overall the average cost is about £1.6m annually, which covers the cost of the furniture, the administration and transport costs which go with this. In total, there are about 2000 furnished properties in Sheffield and approximately 100 temporary lets. The bands are bronze, silver and gold in terms of the packages that are available. Rules have been relaxed slightly in regards to the criteria in the South East - this has been done to assist Housing + Officers and tenants in this area. The Furnished Scheme is seen as a valuable tool and helps to bring vulnerable tenants out of furniture poverty and reduces the need for such tenants to take out high interest loans, which can lead to further tenancy issues. The cost of furniture was discussed: if a person is on benefits, often the cost is covered completely by this, and if they are still on benefits after four years, the furnishings are given to them completely free as it is felt that after four years, the cost of these items has been completely recouped. Furnished accommodation is not as hard to let and on visiting the warehouse, it was unbelievable the amount of stock that was there.

### 4.2 Property Shop, Advertising and Marketing

We visited the Property Shop to try to gain a better understanding of any issues that may face prospective tenants when they visit. Overall, the experience was a favourable one and it was found that properties are clearly advertised. Assistance is available when prospective tenants are bidding on properties, pointing out any barriers, for example, any steps for an elderly or infirm person. They do try to exceed customer expectations. It was felt that in order to improve the service, perhaps flats and maisonettes could be called apartments. It has been found that there is not enough demand for 60+ properties. Properties are advertised as soon as the keys come back in to avoid any lengthy vacant spells. The adverts that are placed are designed using a template and this could potentially infringe an officer from providing a more informative description of a property. It is generally felt that prospective tenants do not always read adverts; this has been an ongoing issue.

The excuses that are fed back as to why people do not accept a property vary; some are just not serious about moving, others have a far too high expectation. It was felt that although the cost of any major change to the template would be a barrier, perhaps where there is scope to display information in different ways, more could be done, for example the use of bold or capital letters and colour.





### **4.3 Accompanied Viewing Staff**

We discussed with them the actual role, which is to assist prospective tenants by discussing with them the utilities, any repairs or redecoration that may be needed and how to sign up. It is felt that this is not a selling role, merely an advisory role to let the prospective tenant make the decision based on the information provided. It is felt that the base standard is not high enough, and that gardens could be improved to make life easier as first impressions count. It is felt that not everyone reads the advert correctly or researches an area. It is widely felt that the external appearance needs to be improved, as this could potentially help to let properties, as often people are put off if the exterior is in poor repair. We discussed with them the issue of timewasters and more needs to be done to deter people, such as removal from the list if they really are not serious about moving. Changing a property from unfurnished to furnished also was seen to be a problem, with the process seen as a lengthy one. It is felt that more needs to be done regarding placements, for example, why place an elderly couple in a downstairs property, with a young person above - this could potentially spell trouble. Overall, it is felt that a lot of people have far higher expectations than the properties that are available.

### **4.4 Personal Circumstances of a Tenant requiring a move**

It was found that the council were really helpful and that every assistance was given with the request, which although was initially declined, options and alternatives were offered and discussed. It was felt that not much more could have been done by the council to assist as the tenant in question felt that the council had been more than helpful. With regards to the actual property that they eventually moved to, it was a prime example of the poor standard of some properties and it was easy to see why some people would be put off taking the property owing to the state of it. It had clearly not been cleaned for some time and the décor was disastrous, with only limited funds given by the council to assist with this, which actually only covered one room. The tenant was pleased with the potential of the property and has made substantial decorative improvements to the property in the short time that they have lived there and are very happy in their new home.

### **4.5 Housing Plus and SE Area Staff**

The general purpose of this interview was to gather information as to how the Housing + officers are involved in letting properties and to gain a better understanding of the role that they have. It was discussed as to what the role entails and it is seen as a major step forward in improving the relations between tenants and officers as they are a single point of contact and this often assists prospective tenants in deciding if they want to take up the offer of the property. Sometimes this can be achieved by a second viewing of a property if a prospective tenant feels it is required and where resources allow for this. Housing + officers however do feel that their role is different to that of a letting agent in the private sector as they do not feel that they are “selling” a property, only providing useful information to a prospective tenant. Social landlords are distinct from the private rented sector. They also feel that furnished properties is a complex area and regularly work with external agencies such as St Vincent de Paul to assist where a prospective tenant has no or little in the way of furniture. A further part of the role is to help tenants sustain their tenancy.

## 4.6 Vacants Manager Meeting

We spoke to the Vacants Manager. We began by asking him if tenants were consulted on the change to the vacants standard, which he confirmed that they were. We then asked him how properties are inspected following any work that was required following a property being vacated. He informed us that random checks are undertaken, as part of the new Kier Contract, since October 2014. A 360 degree photographic view of every room is taken and this has proved to be very useful. Further to this, all accompanied viewing officers undertake further checks to ensure that the property is fit to let and nothing has been overlooked that needs to be completed prior to the uptake of the property. He went on to tell us that only stock photos are used when advertising a property due to concerns about the advertising standards authority and potential accusations of false advertising. Where a property is refused, it is sometimes felt that a prospective tenant uses excuses rather than the real reasons. Perhaps more needs to be done to explore the real reasons behind refusals. At present there are around 35 properties that have been vacant for 3 months or more and more needs to be done to reduce this; annual turnover is around 10%. He feels that as a social landlord, they are not really selling properties as often people have an urgent need of housing. However, there is an element of trying to get appropriate people into properties to reduce turnover. He does feel that more needs to be done to improve letting standards. With the increased cosmetic work that is being undertaken, this is deemed to be improving standards. Where a property is in a particularly poor decorative state, then financial help is available in the form of B&Q vouchers. Externally, not much is done, other than tidying gardens; maybe more can be done to improve appearances.

We asked him if he felt that making properties furnished would make them easier to let; it is felt not as this would put off some tenants who have their own possessions and do not need assistance in this area. Fixtures and fittings are being made available for the most vulnerable, which is definitely helping, but not everyone wants them. It has been found that with the hard to lets, relaxing criteria, to allow smaller families into larger properties, have assisted in letting them and also by decorating hard to let properties. This has also assisted in letting them. The upcoming review of age bandings is expected to assist with hard to lets as more people will potentially become eligible for them.

We asked what work is done to a vacant property. Kier use the minimum lettable standard as for all vacants under a cost ceiling of £3K. Any work required over that amount has to be approved by a member of the council. A lot of work has been undertaken between the council and Kier to improve communications and to ensure that vital work is not missed.

We asked about the removal of rubbish that KIER leave outside a property after a vacant repair. There have been some examples where a few days have passed after the work has been completed before the rubbish is removed – but there is no backlog.

## 4.7 Vacants Visits

We visited several vacant properties with officers from the Vacants team. We were shown a variety of property types at different locations across the city. Our general view

was that the properties we visited were in a lettable condition though we did note that there were some outstanding works and that the properties were undecorated and in general needed a good clean. At one property we found an old fashioned high level bathroom cistern which we were advised would be replaced after the tenant had moved in. We also found that a water stop tap had been boxed into a cupboard. One of the properties was still undergoing work and the staff told us that this was due to the fact that it had been substantially damaged. Another property that had been passed on inspection had a loose wall mounted radiator and an untidy communal garden. At an older persons flat we found a shower unit that would not switch off because it had been incorrectly wired.

## 5. Conclusions

- 5.1 Challenge for Change feel that the lettable standard may not be high enough and it is suggested that it needs reviewing with the involvement of tenants
- 5.2 The external appearance – gardens, property and vacant repair rubbish – is not satisfactory. This is creating bad first impressions and particularly dissuades potential tenants. It also sends a bad message to other residents about garden tidiness
- 5.3 The Property Shop website could be clearer, more attractive and more informative. This would help people make more informed choices and cut time wasting
- 5.4 Challenge for Change feel that the Housing + model has the opportunity to deliver a more joined up and improved service. This will help to create more sustainable tenancies
- 5.5 Greater effort needs to be made to promote areas in a more positive way by establishing better working relationships with all local media. The furnished offer is a good one and the service works well. It should be maintained and better advertised
- 5.6 The furnished offer is a good one and the service works well. It should be maintained and better advertised
- 5.7 Challenge for Change feel that efforts need to be made to achieve a better understanding of reasons for refusal

***The photos below show a Council property before and after occupation by a new tenant***



## 6. Recommendations

- R1.** Look into the costs of cutting grass/clean net curtains/washing windows/painting neutral colours and then target Hard to Let – areas or properties.
- R2.** Review the lettable standard in consultation with service users
- R3.** Introduce a more thorough inspection process both pre and post repair
- R4.** Agree a minimum garden standard as part of a lettable standard
- R5.** Learn more from what the best landlords do
- R6.** In Touch and The Bridge could be utilised to advertise hard to let vacants and promote areas and better use could be made of Area Housing Offices to advertise properties locally
- R7.** Adverts need more tailoring rather than stock advert – with more detailed and better information on local facilities. More use of positive / happy images
- R8.** Promote good things about an area to counter negative publicity, promote activities within the area that are appropriate for the age profile – lunch club, toddler groups. Use all Council services in a multi-agency approach
- R9.** Explore idea of using “estate champions” and TARA produced information leaflets. Encourage better press and PR to promote areas
- R10.** Use both external and internal photos and video tours / You Tube to show prospective tenants an idea of the style of the property
- R11.** Use clearer names to describe the area where properties are and more localised advertising
- R12.** Provide more information on the property and garden e.g. room sizes /steps
- R13.** The website could be more attractive with better use of photos
- R14.** Ask for refusal reasons a week after refusal as some customers may have provided an “on the spot” answer that is not genuine. Make better use/analysis of refusal data
- R15.** Talk to multiple bidders about their needs to help them bid more appropriately and make it clearer that you don’t have to bid for 3 properties per week
- R16.** Manage tenancies in a way that limits damage caused in properties including the use of annual tenancy visits
- R17.** Ensure that information about flexibility and discretion about bedroom sizes is made available to applicants
- R18.** Retain furnished accommodation as an option
- R19.** Look at how private landlords are letting properties in Hard to Let areas and think and act more like a letting agent
- R20.** Training of frontline staff could be enhanced to give them more property knowledge and FAQs should be produced for them

## 7. Budget

7.1 C4C were allocated a budget for the duration of the scrutiny project and spent well within it. Expenses were incurred as follows for the period from April 2014 to March 2015.

- Refreshments £310.24
- C4C members travel expenses £168.50
- Training £1093.20

## 8. Acknowledgements

8.1 The team would like to thank Gary Westwood and Tina Gilbert from Planning and Performance for their invaluable assistance with this project. Without their support, this project would not have got off the ground. They were also instrumental in arranging the manager interviews and other meetings we have been to as part of our investigations.

We would also like to thank the following for their co-operation with our investigations and for allowing us to attend meetings to gather information and also to them for attending our meetings to answer the many questions we raised.

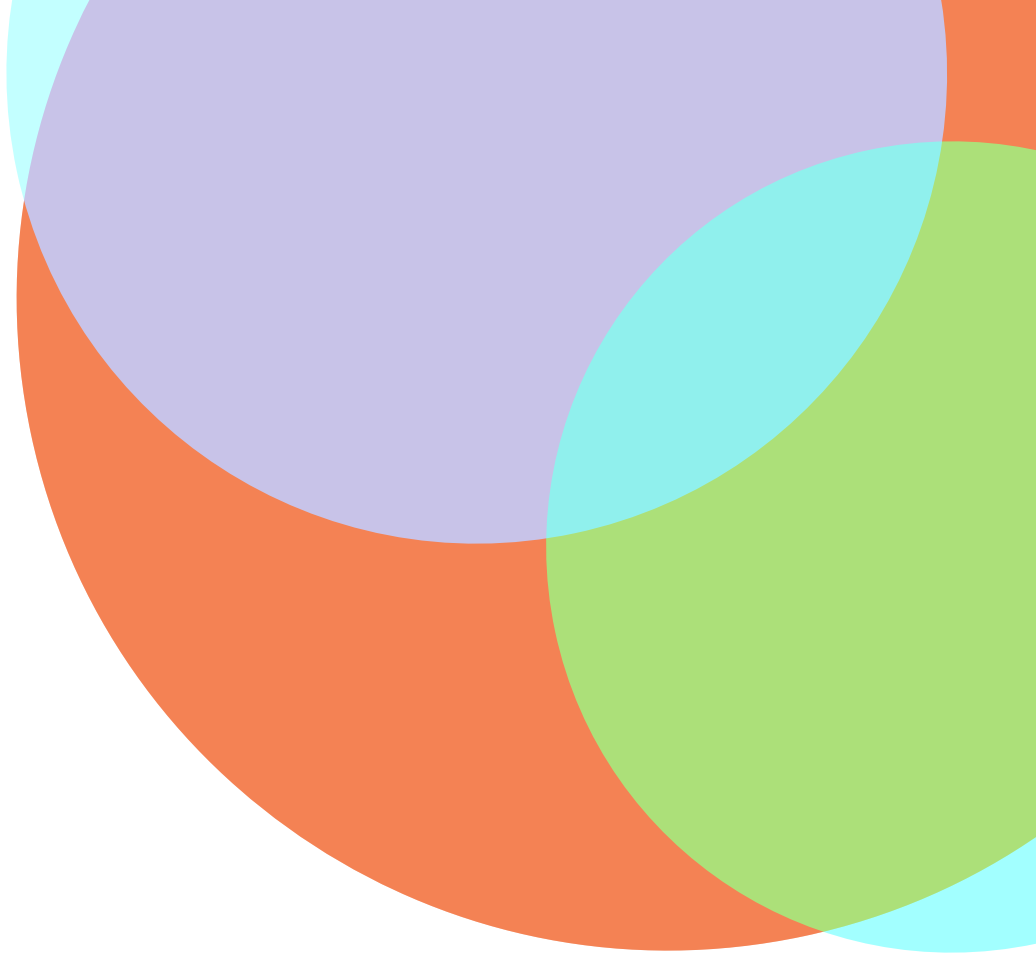
Manager and Assistant Manager - Vacants Team

Manager - Access to Housing team

Manager and Housing+ Officers - South East Area

Staff from the following sections - Furnished Accommodation; Accompanied Views; Advertising and Matching and the Property Shop.





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