

BRIEFING PAPER

LETTABLE STANDARD PILOT

1. Background

- 1.1 At present Nottingham City Homes operates a lettable standard which has been inconsistently applied often relying on the judgement of the Void Inspector's interpretation of the standard of properties when they are made ready to let. Cleaning standards of properties and maintenance of gardens has been ad hoc resulting in properties often being allocated in poor condition. The standard and quality of repairs undertaken in empty properties has also been inconsistent and repairs have not been to a consistently high standard.
- 1.2 In order to address these inconsistencies and to improve levels of customer satisfaction a review of the lettable standard was commissioned at the same time as the formation of the new Voids and Lettings Team, in July 2007. The review process was to identify best practice in other 2 star+ performing ALMO's, establish a staff focus group, consult with Tenant Inspectors and engage with Board members, Executive Management Team, elected members, Senior Officers and our partners in the City Council, and including other stakeholders such as Support and Voluntary Sector Agencies, to establish what standard our properties should be prepared to prior to letting.

2. Recommendations

Members are asked to:

Approve the proposed Lettable Standard and review the average void costs and budgetary implications of work undertaken to vacant properties to the end of December 2007
Note the pre-termination process being introduced
Note that a promotional campaign is to be launched to raise awareness of the new Lettable Standard and to also highlight our more robust approach in tackling homes left in poor condition
Note the Customer Satisfaction Survey programme for new lettings

3. Proposed Changes to the Lettable Standard

- 3.1 Housemark reviewed our lettable standard in 2006 and benchmarked with other ALMOs, however, as customer satisfaction was not increasing and inspections of ready to let properties were identifying significant inconsistencies, it was agreed that the newly formed Voids

and Lettings Team should again review the lettable standard as a key priority.

3.2 A bench marking exercise with recently awarded 2/3 star ALMOs was undertaken. This included Bolton at Home, Derby Homes & Islington and this resulted in the NCH lettable standard being revised with the following key additions:

1. New high standard of cleaning
2. Maintenance of gardens
3. Kitchen cabinets in need of total replacement to be fitted out with Decent Homes Symphony cabinets
4. Where possible a choice of style of kitchen to be offered to the new tenant
5. Replacement bathrooms to be fitted with Decent Homes fixtures and fittings
6. Vinyl floor coverings to be used in kitchens and bathrooms instead of floor tiles
7. Carpets to be used as an option instead of floor tiles in other rooms
8. Redecoration of rooms in a poor state of décor or stripping of wallpaper and preparing walls ready to receive new paint or wallpaper
9. Introduction of a Quality process to guarantee consistency and quality of repair
10. External communal areas to be in a good state of repair and cleanliness, free from rubbish and graffiti.
11. Inclusion of NEAT, FAST and Highwood House properties.
12. Testing of care alarms in sheltered and non-sheltered accommodation and arranging repair where required prior to letting.
13. Toilet seats to be replaced in all empty properties
14. Painting of front doors

4. Show Homes

4.1 Following consultation with Tenant Inspectors, a staff focus group and the Repairs and Maintenance (Tenants) Forum, three properties were prepared to the proposed Lettable Standard to allow us to evaluate what the proposed standard would look like, turnaround time and the cost of the work.

4.2 The three properties were selected entirely at random with the only stipulation being that they were as close together as possible to facilitate any training and viewings, and that they were three different property types. The pilots were a three bedroom house, a one bedroom flat and a two bedroom bungalow.

4.3 The three bedroom house and the one bedroom flat were in a poor condition and required significant repair including the replacement of the kitchens, floor coverings bathroom fixtures and fittings and some replacement windows. Both of these properties were partially decorated and had wallpaper stripped from other rooms ready for redecoration by the new tenant. The two bedroom bungalow was in

better condition and with the exception of statutory gas and electrical tests met the proposed standard.

- 4.4 The average turnaround time from receipt of keys to completion of works was 10 working days.
- 4.5 When work was completed on the pilot show homes, officers, Tenant Inspectors, members of the BME forum, elected members, Board members and partners from the voluntary sector and Senior Officers from the City Council were invited to visit and comment on the lettable standard. The broad view of everyone attending so far is that the standard was good and reflected a significant improvement, and, that the pilot standard should be rolled out across all properties immediately. There were views that additional redecoration would further improve these properties as stripped or unpainted walls were unattractive and potentially off putting to prospective new tenants but, there was an acknowledgement that this would come with a cost which may not be affordable.

5. Show Homes (pilot) Costs

- 5.1 In summary, the average void costs for the pilots are as follows:

3 bedroom house	£2,934.68
1 bedroom flat	£2,349.03
2 bedroom bungalow	£ 47.58

The average void cost cumulatively this year is £2,250

- 5.2 It should be noted that the repairs to these properties with exception of redecoration, should have been undertaken to meet the existing Lettable Standard. In addition, the proposed Lettable Standard includes the provision of Decent Homes kitchens and bathrooms, and therefore these costs where incurred have been excluded as they are chargeable to the Decent Homes budget, subject to agreement. The average cost within the void process for a decent homes kitchen is an extra £100 per kitchen. Other works that are usually capitalised such as rewires have also been deducted.
- 5.3 The work to achieve the proposed standard has identified inefficiencies in current working arrangements and methods within the 3 pilots and it is likely that the more properties that receive the revised Lettable Standard, the more cost effective we will become. One example is the use of vinyl floor coverings and carpets. These have resulted in significantly cheaper rates with a more attractive finish than standard floor tiles.
- 5.4 The charges in 5.1 above use the Schedule of Rates and also include overhead costs for each property. These overheads include staff costs, vehicles and administration. The analysis shows that overheads represent approximately 35% of the total cost of each property. If this analysis were to be applied to the minor voids budget of £5.6m,

overhead costs for providing this service annually would equate to approximately £1.96m.

6 Projected Additional Costs to Meet the New Lettable Standard

6.1 The projected expenditure for the additional works within the revised Lettable Standard is shown below:

Replacement toilet seats	£ 27,000
Provision of 2 Air fresheners to each property	£ 3,000
Re-painting of external doors	£ 62,000
Partial redecoration based on bathrooms & kitchens	£150,000 *
Additional costs for Symphony kitchen cabinets	£ 75,000 *
Total	£317,000

*some of the above costs may be chargeable to the Decent Homes budget

6.2 The challenge for the Voids and Lettings team is to achieve the new standard on a cost neutral basis. This should be achieved by reducing the costs of removing rubbish left by previous tenants and rigorously enforcing rectification of tenant damage prior to termination via the pre termination and transfer visit process. A reduction of void properties, average relet times and an increase in rental income will counteract the projected additional costs to meet the new lettable standard.

7. Pre Termination and Transfer Visits

7.1 Historical data indicates that annually NCH spends approximately £1m every year clearing rubbish from properties and gardens left by previous tenants and an estimated £1.5m on repairs to vacant properties caused by tenant damage.

7.2 In order to combat this and reduce costs in these areas a more rigorous pre-termination and transfer visit process is being introduced by the Voids and Lettings Team from 5 November 2007.

7.3 All tenants giving notice to quit or who are to be offered alternative accommodation via the transfer process will be visited and informed of the condition that we expect properties to be left in prior to vacation and any issues in relation to rubbish and tenant damage will be discussed and tenants will be advised that prior to leaving all these matters must be addressed. Where these obligations are ignored by the outgoing tenant then recharges will be applied.

7.4 Any future rehousing request will take account of recharges owing.

7.5 A publicity campaign will take place including posters in local housing offices, on the NCH web site, the tenants Monthly News and promotional literature sent out with all formal correspondence from the Notice to Quit stage. Additional publicity will promote successful cases entered into the County Court where enforcement action is taken to recover recharge costs.

8. Customer Satisfaction Surveys

- 8.1 A new Customer Satisfaction Survey system was introduced in August 2007. All new tenants will be sent a survey asking them to rate their letting satisfaction from registration to sign up. The survey will specifically ask about the condition of the property and the standard of the repairs undertaken.
- 8.2 Rectification Notices will be issued for each score that was poorly rated so that Managers and Officers contact the customer to identify remedial actions or service improvements.

9. Review of the Lettable Standard

- 9.1 A review of the costs and satisfaction rates for new lettings will be undertaken monthly with a report provided at the beginning of January 2008 to establish progress and affordability. This will be submitted to EMT and Board for further consideration.

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