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| LONDON BOROUGH OF CAMDEN | WARDS: All |
| REPORT TITLE Update from Cabinet Member for Better Homes | |
| REPORT OF Cabinet Member for Better Homes | |
| FOR SUBMISSION TO Housing Scrutiny Committee | DATE 14 November 2023 |
| <p>SUMMARY OF REPORT</p> <p>Here Councillor Meric Apak, Cabinet Member for Better Homes, provides an update to the Committee, including on rents, voids, and repairs.</p> <p>Local Government Act 1972 – Access to Information</p> <p>The following documents have been used in the preparation of this report:</p> <p>No documents that require listing have been used in the preparation of this report.</p> <p>Contact Officer:</p> <p>Gavin Haynes, Gavin.Haynes@camden.gov.uk Director of Property Management & Glendine Shepherd, Glendine.Shepherd@camden.gov.uk Director of Housing London Borough of Camden 5 Pancras Square London N1C 4AG</p> | |
| <p>RECOMMENDATIONS</p> <p>That the Committee note and comment on the report.</p> | |

Signed:



Date: 2 November 2023

1. Update Regarding Rent Arrears

As outlined in the Housing Performance Update, rising rent arrears remains a key challenge for the Council. A combination of factors has meant that tenants are increasingly struggling with their finances; rising heating charges and overall cost of living means that we are seeing tenants are less able to pay rent.

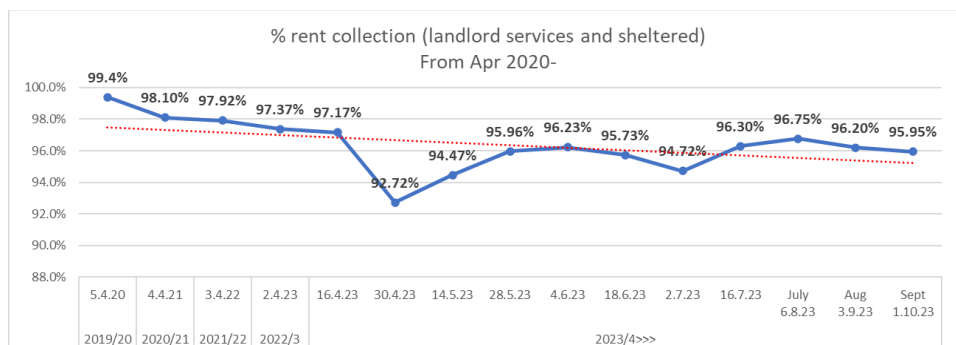
During the pandemic, there was a shift in expectation and culture around rent collection, due to the ban on eviction notices outlined in the Coronavirus Act that was in place from October 2020 to June 2021. This in combination with the impact of covid on the implementation of our generic model of tenancy management meant that rent collection did not have a focussed approach.

Approximately one year ago, the Council set up a pilot to trial a specialist rent collection team. With the recent addition of the Head of Leaseholder Services and Housing Income as well as to align with the Housing Transformation Programme, this pilot has been extended to the end of the financial year.

The Council is clear that whilst it wants to be an empathetic and caring landlord, the level of arrears is not sustainable, and rent recovery needs to be prioritised and implemented.

Performance

Rent collection is around 96% but arrears are still increasing and at the end Sept were £17.4m



Key Affecting Arrears Recovery

Impact of rise in heating charges April-Oct 2023

Tenants paying a communal heating charge: 42% (4308) were in arrears at week 52, compared with 55% (5658) at week 26. Arrears for this cohort rose by 79%, or £2.3m, the average increase being £658.

Delays with Evictions

Delays from the Court Bailiffs meant that scheduled evictions were not carried out from around April to July 23. As a result, 29 Bailiff appointments were delayed with combined arrears of £535k.

Delays in Court Applications

Court applications were on hold due to issues with Particulars of Claim that came to light during a hearing on 9 August 23, with 58 applications delayed. A revised process has been established with Legal Services and we are now clearing the backlog.

Actions

Along with the extension of a specialist rent team, a rent arrears improvement plan was created by the service and includes a thorough approach to reviewing how the Council can implement a proactive but supportive approach to rent collection.

These actions are grouped under the following themes:

- Ensuring tenants have access to the support they need
- Improving the systems that support rent collection
- Reviewing the services' internal rent collection policies and processes
- Establishing a rent-first, performance driven culture across teams
- Reviewing roles and responsibilities within the rent collection process

The actions in this plan will help the Council to ensure cases that 'can't pay' are supported to maximise their incomes quickly, but will also enable teams to have access to enforcement measures that means tenants who 'won't pay' are encouraged to do so more quickly.

Key Activities and Outcomes

Payment System

From October 23 officers in the rent team are able to take payments over the phone from customers – previously these would have been transferred to another team or automated system for payment with a greater risk of these not being made.

Process

Analysis of arrears recovery activity is being undertaken. We have reduced timescales getting cases to enforcement stages where appropriate and have a focus on ensuring all cases are at the correct stage of recovery. We are planning a targeted drive to increase the level of home visits.

Systems

The escalation policy built into Northgate has been amended to ensure it aligns to the reviewed processes.

We are speaking to suppliers of IT systems that help to prioritise and target resources to make the maximum impact using specialist software and algorithms to set case load in a more comprehensive way than traditional housing management systems.

2. Update Regarding Voids

The Council is currently undertaking a comprehensive repairs improvement programme which includes a dedicated workstream on void improvement performance.

As of 1st October 2023, the Council had 876 general need void units of which 491 are expected to be returned for re-letting purposes, the other 385 are mainly on regeneration sites.

| Void Status | Number of units |
|---|-----------------|
| Pre-Repair Stage (awaiting or in progress survey, work specification; asbestos survey/removal etc) | 117 |
| Repair Works in Progress Survey & works specification completed/works in-progress | 213 |
| Lettings Stage In process of advertising, CBL, viewing, offer verification or direct offer | 161 |
| Held voids Reasons for Held voids include HS2 voids, regeneration, legal reasons, etc | 385 |
| Total | 876 |

Data correct as of 1st October 2023

Breakdown of Void Property by Size

The table below provides a breakdown of the void properties due to be returned for reletting purposes by bed-size.

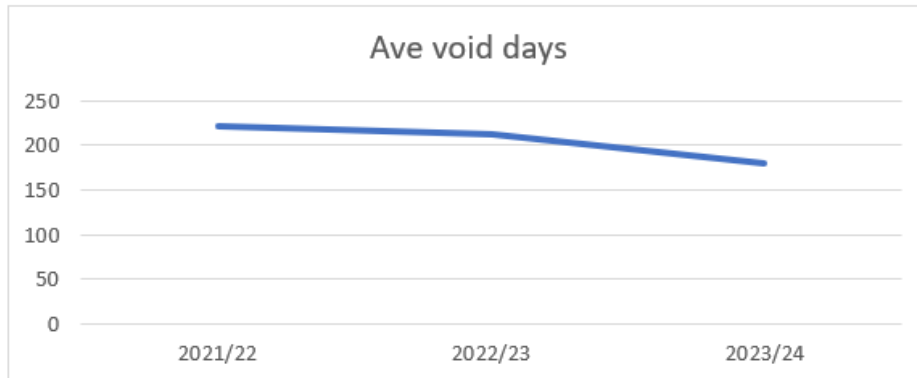
| Bed Size | % |
|------------------|-----|
| Studio/1 Bedroom | 56% |
| 2 Bedroom | 28% |
| 3 Bedroom | 12% |
| 4 Bedroom + | 4% |

Void Turnaround Times

The average turnaround time for voids is reported against a target of 100 days in the corporate performance data dashboard.

Whilst the average full key to key time has improved, from 221 days in 2021 to 180 in 2023, and 25% of voids are now completed within 100 days, much improvement is needed to consistently reduce the average to below 100 days. Please note that the Council continues to review and bring back long-term void properties and this is reflected within the average end to end times.

It should be noted by members that many performance indicators 'stop the clock' for major repairs on voids. Therefore, benchmark data, including that submitted by the Council, can show lower turnaround times that exclude this type of work from the calculation. The table below shows the trend for average full key to key time for void properties.



Key issues impacting void turnaround times

- **Root Cause Analysis**

Detailed work is being undertaken by the housing and property teams to examine processes and identify any remaining issues that are slowing down the key-to-key time. Speeding up end to end times is one of the highest priorities for the housing transformation programme.

- **Systems and Data**

There are knowledge gaps across the services regarding how voids are captured, categorised, and managed within the IT system. The current void module requires further development introducing a span of control and guidance to ensure consistent practice across the services. Further data cleansing is also required to ensure clearer and accurate reporting.

- **Accountability and Tracking**

There is a requirement for clear procedures and accountability across the various teams involved in the process, along with a mechanism to clearly track and report on individual works/voids against agreed target times.

- **Actions to deliver Improvements**

Key areas of focus in the weeks ahead are:

- Improvements to works delivery whether by the in-house team or supply chain support. The new Head of Repairs & Operations is looking at this with the team with the time for void repairs ranging between 56.3 days in quarter 1 of this year and 72 days in quarter 2.

- The redesign of the Allocations and Lettings service, with the aim to streamline the work of the service and improve service delivery across the key collection, allocation and relet process.

Other examples of improvement work which the service is currently delivering include:

- The service has fully re-introduced face-to-face viewings for all viewings, more than 300 since February 2023.
- To offset high numbers of refusal or non-attendance at viewings, up to ten households are shortlisted to attend each property viewing.
- A dedicated team, Moving Homes Team (MHT) has been created to act as the single point of contact to oversee the re-letting process. The MHT team has improved the acceptance rate from 45% to 93% at the first viewing. Although further improvements are required, the number of days comprising the lettings stage has been reduced by 40% in last 12 months.
- Void properties are normally viewed when works have been completed. The letting stage of the process is currently being reviewed with a pilot in place to commence the lettings stage at a much earlier stage and before works are completed.
- A working group made up of data and business colleagues has been established and work has started to interrogate and update the system void data across all of the void stock.
- A new void procedure has been drafted which sets out clear accountability across the various teams involved in the voids process. Reporting mechanisms to monitor progress are currently being developed.

3. Update Regarding Repairs

As noted elsewhere in the agenda, the repairs service is managing a very high volume of orders within a challenging environment. The market wide issues on labour availability and contractor capacity are affecting all London boroughs and the Council is fortunate to have a well-established in-house team.

Officers have also made sure that despite these increased volumes residents can contact the service in the most convenient way for them, and the benefit of this is that we can handle the volumes we receive in the most efficient way. Further work is also underway on the website's "front-end" for repairs – this will make it even easier to raise repairs quickly.

The financial pressure on the repairs budget is significant – our proactive work on damp and mould has generated over 5,000 mould surveys and a projected £2.8m worth of works this financial year. Disrepair cases continue to climb due to very aggressive marketing by private solicitors and the additional financial pressure from

claims this year is projected to be £2m. Much of the financial impact from disrepair is due to solicitors' fees with residents seeing very little compensation. We need to do all we can to make sure we work with residents to resolve problems quickly and minimise the fees paid to private companies out of the Housing Revenue Account (HRA).

More broadly I need to remind the committee that there are structural financial issues affecting the HRA. The fallout from the Government mandated rent reductions that have reduced our rental income by £105m since 2016 and the absence of funding for new burdens on building safety that are costing £4.5m per annum. Allied to this we have seen £208m in Council capital resources diverted to fire and building safety works since 2017. All of this widens the gap between the investment we would like to make to our homes and the resources available.

The Council will have to act soon to make sure it can manage these pressures and minimise their impact on the reserves of the HRA. This will look at:

- Strict control on any discretionary work undertaken (such as decoration)
- Resource levels within the repairs team and the diary wait times – making sure we prioritise the most urgent works but lengthening the time for non-essential works
- Making sure we target our capital resources at the most urgent works and do fewer large repairs on a reactive basis (e.g., kitchen replacement, roof renewal)

I will be reviewing the detail and options regarding the above in the weeks ahead and will brief the Housing Scrutiny Committee and the District Management Committees on the recommended approach.

Repairs Update Concerning Lifts:

The Council has invested significantly in its lifts over the past decade with 361 replaced and a further 21 due to be replaced next financial year. This has been a priority area of investment, and the Council has seen a marked improvement in performance as the older lifts have been removed from the housing stock. The Council has a bespoke specification for its lifts that help them to cope with the wear and tear experienced in busy housing blocks.

The Council services its lifts monthly or bi-monthly depending on their age and performance is very strong on the servicing regime. Our insurer also checks the Council's lifts on a strict programme to make sure that the Council is compliant with the HSE's Lifting Operations and Lifting Equipment Regulations (LOLER).

Sometimes when lifts go out of service, they take some time to repair if specialist equipment is required or if there is a hard to detect fault such as water entering the shaft or lift pit. There are so many types of lifts holding all spares is not practical, however, officers make sure that commonly used items are retained locally by the contractor Apex. I have worked with officers on how we communicate with residents when we have problems with our lifts – making sure residents are kept up to date.

I recently asked for information on how our lifts perform in terms of call-outs and the results are interesting. We have a small number of lifts with a very high number of call-outs – typically in our taller buildings – and a large proportion of lifts with a small number of call-outs each year. Of course, when any lift is out of service it causes significant inconvenience – so we have to remain very focussed on contractor performance – however we can also see that many lifts operate as we would expect, and this is thanks to the investment we have made and the bespoke specification we have put in place:

| Number of call outs 1/11/22 to 31/10/23 | Number of lifts | % of lifts |
|---|-----------------|---------------|
| 35 - 45 call outs | 3 | 0.5% |
| 30 - 34 call outs | 3 | 0.5% |
| 25 - 29 call outs | 6 | 1.1% |
| 20 - 24 call outs | 12 | 2.1% |
| 15 - 19 call outs | 32 | 5.7% |
| 10 - 14 call outs | 40 | 7.1% |
| 5 - 9 call outs | 154 | 27.5% |
| 1 - 4 call outs | 233 | 41.6% |
| 0 call outs | 45 | 8.0% |
| Out of contract (e.g. being replaced or under warranty) | 32 | 5.7% |
| Total | 560 | 100.0% |

Looking ahead officers will continue their close contract monitoring and also the utilisation of remote monitoring to detect faults before residents report them. I will also ask officers to continue prioritising investment to address any remaining lifts with recurring problems – also getting third party advice from specialists when needed.

REPORT ENDS