

Decoration Allowances for Void Housing Properties

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Contents

Background
Decoration Allowance Budget
Average Costs
New Homes Team Achievement
Suppliers
Recommendations

Background

In April 2013 the New Homes Team was created to manage the Voids Process in a joint initiative between Housing and Building Services. The whole process of void management was reviewed at length and new processes were developed. One of the more significant changes was the move away from a set Void Standard to a more flexible approach of meeting the ingoing tenant's needs. Each tenant is dealt with on a case by case basis and the New Homes Team Officers are trusted to negotiate and order remedial works to meet the individual needs of the tenants. The Decoration Allowance forms an important part of this service as the decoration of, or the ability to decorate, their new home has proven to be very important to new tenants.

Decoration Allowance Budget

The control of the Decoration Allowance Budget was only passed across from Housing Services management to the Property Maintenance and Construction Division in October 2015. The approved budget has risen over recent years from £50k in 2012/13 to £100k in the current financial year, driven by a large overspend in the last financial year

Average Costs

As at the end of January 2016, 465 Decoration Allowance Vouchers had been processed at the cost of £64k. The average spend per property is therefore just over £135. Taking into account Vouchers in the system and the total number of properties let this year it would indicate that there are 150 properties that were let without decoration allowances.

In some cases decoration is carried out whilst the properties are void. This usually occurs because the property is in poor condition or occasionally when the ingoing tenant does not have the capacity to physically carry out redecoration works. The cost of redecorating a home, based on current Schedule of Rates elements would be in the region of £3,500.

The average void cost of a non-capital works void is estimated to be in the region of £2,700. The Decoration Allowance is a very useful tool in controlling the overall void cost.

New Homes Team Achievements

Whilst keeping overall expenditure amounts comparable with pre 2013 spend, the New Homes Team has reduced Rent Loss through void periods by around £500k over three years. It has also seen customer satisfaction rise to a level where 99% of new tenants rate the service they received as good to excellent. 85% of new tenants have awarded the Team a 10 out of 10 rating.

Suppliers

For several years, the only firm which Housing Services worked in partnership with were Wilko's (previously Wilkinsons). The incoming tenant is given an appropriate Allowance at the discretion of the New Homes Team Officer. The voucher can be used to purchase decorating materials (paint, brushes, wallpaper) at any Wilko's store within the County.

During the 2013/14 financial year we also entered into an agreement with Dulux Decorating Centres but this has not proven to be popular with Tenants and take up on this particular scheme has been low. There has been some take up from people who have no transport as this scheme does have the option of a home delivery service.

We have now had the opportunity to investigate whether the Contractor Framework suppliers (LBS and Travis Perkins) are able to meet the demands of our Customers.

An appraisal based on cost, customer choice and ease of access to our customers has been undertaken and the findings are outlined below.

Accessibility

Most of the framework suppliers' stores and depots are located out of town on industrial estates, therefore making it difficult for customers reliant on public transport.

The Wilko stores are predominantly located within Town Centres so have a greater accessibility for members of the public.

Customer Choice

Whereas the choices of paints and decorating equipment are comparable, there appears to be a far greater choice of wallpaper/wallcovering available within Wilko's. Bearing in mind the age of most of our homes it is often wallpaper which is the most suitable choice for many of our customers.

Cost

Below is a comparison of a number of items that are regularly collected by our customers.

Product	Wilko	Travis	LBS
9" paint tray	£1.50	£1.45	£3.73
Extending pole roller	£5.00	£7.95	£5.90
Paint roller kit	£3.00	£6.75	£3.06
White matt emulsion trade 5lt	£10.90	£21.16	£13.50
Dust mask pack of 3	£1.75	£7.38	£4.32
Sand paper sponges pack of 3	£2.00	£6.54	£2.61
Dulux matt coloured mix (CHIC SHADOW)	£16.40	£18.96	£22.67
4" Paint brush (no loss)	£5.00	£9.50	£5.95
Wall paper adhesive	£3.00	£4.50	£1.86
Painters caulk	£1.00	£1.29	£1.04
Dulux gloss per litre	£12.95	£8.95	£9.64
25 x 50 mm masking tape	£1.50	£1.55	£2.47
White spirit 750 ml	£1.50	£1.17	£1.99
Trade undercoat 2.5 lt	£6.75	£18.96	£18.08
Silk magnolia trade paint 5 lt	£12.00	£26.75	£14.99
	£84.25	£142.86	£111.81
PLUS VAT 20% TOTAL	£101.10	£171.43	£134.13

Recommendations

This report clearly identifies the benefit of maintaining the services of Wilko's.

Approval is sought to:

- Continue with the current practice of providing decoration Vouchers, based on Officers discretion as part of the overall Void service
- Wilko's and the Dulux Decorating Centre to be formally added to list of authorised suppliers because of the options they offer our customers
- LBS and Travis Perkins be used to satisfy specific customer requirements if necessary via the existing Framework