

Appendix A

Adjusting Cost and Recharging Tenants for Cleansing Upon Leaving City of Lincoln Council Property

Proposal for Adjusting Costs and Implementing Recharges for Cleansing Services upon Tenant Departure

1. Introduction

This initial report considers a proposal to implement an increased cost structure and more straightforward documentation for tenants vacating City of Lincoln council properties. The goal is to ensure properties are kept and left in a clean and habitable condition, thereby reducing the council's financial burden, maintaining Property standards throughout the tenancy, and ensuring relets can be achieved effectively and timely, reducing void rent loss.

2. Background

Currently, the City of Lincoln Council incurs significant costs in cleaning properties after tenants vacate. This puts demands the council's internal resources and specialist contractors who undertake this work while increasing the relet times of Void properties. Changing the documentation and introducing a fair and relative cost would help improve the issues experienced while maintaining the core protections for the most vulnerable tenants.

General lets data

Month	Number of Re-Lets	Number of Re-Lets with Cleansing	Number of Cleansing with Needles	% of Re-Lets with Cleansing	% of Cleansing with Needles
April	39	14	4	35.90%	28.57%
May	49	20	6	40.82%	30.00%
June	51	20	3	39.22%	15.00%
July	45	24	5	53.33%	20.83%
Aug	34	18	4	52.94%	22.22%
Sept	47	22	3	46.81%	13.64%
October	33	15	4	45.45%	26.67%
November	42	23	3	54.76%	13.04%
December	32	13	1	40.63%	7.69%
January	30	11	0	36.67%	0.00%
February	31	14	3	45.16%	21.43%
March	33	9	2	27.27%	22.22%
Total	466	203	38	43.56%	18.72%

The table above shows the general let properties breakdown for Years 23-24, showing that 43.56% of properties cannot be pre inspected because they require some form of cleansing requirement.

This is mainly due to:-

- Tenants' belongings and furniture etc remain in the property at cessation,
- Fleas in the property,
- Body fluids in property,
- Generally, in a poor and unhygienic condition posing a risk to the workforce
- Needle risk (Recorded as a separate figure due to the high level of risk)

Currently the council has an agreed process for charging tenants for void rectification , but it is arguably not tenant-friendly and does not reflect the costs currently incurred by the Council.

I have included the cleansing extract of the information provided.

Updated recharge list as of 27/03/2019						20% on top	
(item value column indicates pre 2019 prices)							
Description	UOM	Item value	VAT Value	Total Value	V7 Item	V7 VAT	V7 NET
Cleansing							
Clear out dwelling complete	Item	£71.40	£14.28	£85.68	£79.41	£15.88	£95.29
Clear out roof space	Item	£76.10	£15.22	£91.32	£82.08	£16.42	£98.50
Clear garden of debris	Item	£41.00	£8.20	£49.20	£49.54	£9.91	£59.45
Clear shed of debris	Item	£38.51	£7.70	£46.21	£43.24	£8.65	£51.89
Skip and labour (Item removed from recharge list and broken down into dwelling and garden for v7)	Item	£378.68	£75.74	£454.42	N/A	N/A	N/A
Skip and labour (Dwelling)	Item	No Cost Prior	No Cost Prior	No Cost Prior	£175.20	£35.04	£210.24
Skip and labour (Garden)	Item	No Cost Prior	No Cost Prior	No Cost Prior	£301.73	£60.35	£362.08
Fridge/Freezer	Item	£38.31	£7.66	£45.97	£25.00	£5.00	£30.00
TVs and Computer monitors	Item	£19.05	£3.81	£22.86	£5.00	£1.00	£6.00

Cookers	Item	£30.45	£6.09	£36.54	£8.00	£1.60	£9.60
Gas Bottles	Item	£26.39	£5.28	£31.67	£28.57	£5.71	£34.28

Current Costs

The Actual cost to the council for undertaking pre-inspection cleansing works based on a calculated average of 177 properties is £214,056.15. These range from £55 – £4,634.39 (Average per prop £1,054.46)

Currently, the information provided to the tenant at the start of the tenancy and the pre-termination visit is often lost in the amount of information supplied, which is complex for officers and outgoing tenants. This information is interpreted, calculated, and explained differently, making recharging and cost recovery difficult. It is, therefore, often due to this difficulty, tenant recharges are dropped or reduced to the dwelling clear-out complete cost of £95.92 due to lack of clarity or evidence, meaning a potential difference of £197,078

NOTE: The information provided is also based on version 7 of the National Housing Federation Schedule of Rates (NHFSOR), released in 2016. This is now on Version 8, released in 2024 and therefore does not consider increases and changes in waste charges and environmental legislation.

3. Objectives

Property Standards: To maintain high standards of cleanliness and habitability for incoming tenants.

Financial Sustainability: To recover the costs associated with cleaning vacated properties.

Accountability: To encourage tenants to leave properties in an acceptable condition.

Efficiency: To streamline the process of preparing properties for new tenants, reducing turnaround times.

4. Proposed Changes Considered

Financial

- Move to NHF v8 charging structure

To be reviewed when a new version of NHF Version is issued (est. every three years)

Documentation

- Introduce a new cleansing recharge document

Description	Cost	Inc Vat	
Dwelling			
Dwelling clear out - no skip required	£117	£140.40	
Dwelling Clear out + Small Skip (vehicle maybe used instead of skip)	£254	£304.80	Per Skip
Dwelling Clear out + Large skip (vehicle maybe used instead of skip)	£350	£504.00	Per Skip
Garden			
Garden + Small Skip (vehicle maybe used instead of skip)	£254	£308.80	Per Skip
Dwelling Clear out + Large skip (vehicle maybe used instead of skip)	£350	£504.00	Per Skip
Loft			
Loft Clearance + Small Skip (vehicle maybe used instead of skip)	£257	£308.40	Per Skip
Loft Clearance + Large Skip (vehicle maybe used instead of skip)	£353	£423.60	Per Skip
Shed			
External Shed (council provided)	£43	£51.60	Per shed
External shed removal	£214	£256.80	Per shed
Environmental waste			
Landfill taxable items (such as gas bottle, car tires, tv, paint cans, or the like)	£5.00	£6.00	Per item
Whitegoods (cooker, freezer, washing machine or the like)	£25.00	£30.00	Per Item
Small Upholstered items (Chairs, or the like)	£10.00	£12.00	Per Item
Large Upholstered items (Sofa, mattress or the like)	£25.00	£30.00	Per Item

Recharging Policy

No amendments to the current recharge policy are required, maintaining the core values and protections in place in this policy.

5. Implementation Strategy

Communication

LTP have already been consulted and are happy with the proposed documentation and charging prices.

Inspection and Assessment

- Develop a standardised checklist for property inspections to assess cleanliness.
- Train staff to conduct fair and consistent inspections.

Evidence

This will be achieved by gathering and recording the following information.

- Photographs of:
 - Household waste
 - Needles/ Drug Paraphernalia
 - Flea
 - Environmental waste
- Recording of:
 - Waste transfer notes
 - Skip Receipts
 - Labour time

All the above can be evidenced and provided to the tenant upon their request.

Collection

Collection of recharges will be through our existing recharge policy, offering protection for the vulnerable and those in need of support.

Appeals Process

Appeals will be dealt with through our recharge policy appeals process.

6. Impact

Financial Implications

While changes in potential revenue from recharges are difficult to quantify due to the process of encouraging tenants to undertake work themselves the implementation of version 8 NHFSOR and clear documentation will allow the council to recover more of the cost that is currently incurring, along with reducing rent loss as tenants will hopefully undertake clearance work before ending their tenancy, reducing the property void time for this work being undertaken, which currently stands at eight days.

Property Condition

Hopefully, this will encourage property conditions to be maintained in line with the current tenancy agreement throughout the tenancy due to the awareness of the financial implications at the end of the tenancy.

7. Risk Management

Tenant Dissatisfaction: Mitigate through transparent communication and support.

Disputes: Address through our existing process and fair inspection procedures.

Operational Challenges: Ensure adequate training and resources for staff to adjusted policy.

8. Monitoring and Review

Reports: Monitor the financial and operational impact of the adjusted policy.

Feedback Mechanism: Collect feedback from tenants and staff to identify areas for improvement.

Annual Review: Conduct a yearly update to LTP to assess the effectiveness and discuss any necessary adjustments.

9. Conclusion

Implementing increased cleansing costs and a recharging policy for tenants vacating council properties is necessary to ensure financial sustainability and maintain property standards. This policy can significantly benefit the council and its tenants with careful planning and transparent communication.

10. Recommendations

Approve the proposed increase in cleansing costs.

Ensure thorough communication and support for tenants regarding the new policy.

Regularly monitor and review the policy to ensure its effectiveness and fairness.