

**Meeting of the Executive Members for  
Housing and Adult Social Services and  
Advisory Panel**

11th September 2006

Director of Housing and Adult Social Services

**Housing Revenue Account Service Plan - Monitor 1**

**Summary**

1. To provide the Executive Member with updates and progress on HRA Service Plan agreed from April 2006. A separate report details the Housing General Fund.

**Background**

2. The Executive Member agreed Service Plans for the following areas in February 2006
  - Housing Revenue Account
  - Housing General Fund
3. The process and structure followed guidelines set out by the Corporate Centre. It was agreed that the Executive Member would receive monitoring reports later in the year. It was also acknowledged that both the creation of service plans and the method of monitoring were an evolving process.
4. This report covers the following areas:
  - Achievements since April 2006
  - Updates on the Critical Success Factors (CSFs)
  - Areas for improvement identified throughout the year
  - New external priorities or demands identified
  - Significant organisational issues
  - Performance on Key Performance Indicators (KPIs) (attached as Annex 1)
5. There are many aspects of the service plan for functions in the Corporate Services element of the Adult Social Services plan that relate to housing. Rather than repeat what is included in another report on the agenda the Executive Member is referred to the companion report for Adult Social Services. However, the following issues are particularly pertinent to housing.

- **Supporting People Programme** - the first round of Supporting People Service Reviews were completed in March 2006 and they identified where funding for services was ineligible or poor value for money. Retraction plans for removing the funding will be in place by September. The Commissioning Body has agreed priorities for any future investment, and spending remains within budget. The grant allocation for 07/08 has been announced and the reduction is smaller than previously anticipated at 2%.
- **Organisational Development** – training in PRINCE2 project approach has been delivered to key staff, and a toolkit for smaller projects, using PRINCE2 principles is now in development, with housing represented on the group developing the toolkit.

## **Consultation**

6. As this report is for information only no consultation is required.

## **Options**

7. This report is an overview of progress against agreed objectives and a report on the projected expenditure for 2006/7. Specific options are not being recommended to the Executive Member as part of this report.

## **Analysis**

### **Achievements since April 2006**

8. There are also a number of specific achievements during the period:
  - The Tenant Compact has been redrafted with a work shop held for tenants in June and a further one planned for August to finalise the document
  - A solution design day to develop mobile working technology has been held and staff are currently finalising the contract with the supplier with a view to the introduction in the autumn.
  - New allocation system using 'bands' went live in May, with a choice based element for harder to let properties. This has resulted in 17 properties being let via choice based lettings since its introduction.
  - A corporate approach to debt has been developed with joint working between housing, and revenue and benefits on a Debt Strategy. Housing staff are also represented on the corporate Anti Poverty Strategy Group
  - HRA Business Plan has been updated with minor revisions and will be submitted to Government Office to be assessed as 'fit for purpose'

## **Critical Success Factors (CSFs)**

### **Remain on Target to meet the Decent Homes Standard by 2010**

9. The service remains on target to meeting the decent homes target by 2010. As at 1<sup>st</sup> April 2006 14.79% of the council housing stock is non decent by 1<sup>st</sup> April 2007 of 12.78%. It is envisaged that this target will be met.

### **Improved Performance across all landlord functions**

10. There are a number of improvements in the performance of the service which should be highlighted; the average re-let time has reduced to 26.75 days from 32 days at last years outturn, average time to complete a non urgent repairs is down from 13.9 days to 7.68 days and the proportion of non decent homes continues to fall.
11. The voids process review is now complete and due to report back in August, and improvements implemented from October. Although the voids turn round time continues to fall it is hoped that the review will result in performance closer to the 21 day target. The first quarter performance on repairs is improving in most areas. Urgent repairs are on average taking 3.01 days compared to 3.86 days last year, non-urgent repairs are being completed on average in 7.68 days compared to 13.9 days last year. The percentage of repairs being completed within the target times is also increasing with 86.64% of emergency repairs being completed within target compared to 76.12% last year, 71.63% of P1's are being completed in target compared to 55.67% last year and 89.51% of P2's are being completed in target compared to 82.15% last year. The one area where performance has not improved is in carrying out repairs that are categorised as 'right to repair' Performance in this area has slipped from 72.64% to 67.75%. Work is being undertaken to identify why this area of work is showing an opposite trend to all other areas.
12. Performance on reduction of current rent arrears is on target to achieve the £150,000 cash reduction. Performance figures for 2006/07 are not directly comparable to performance from previous years as a result of moving from a fortnightly collection cycle to a weekly collection cycle.

### **Improve tenant satisfaction and opportunities for participation**

13. Following the 2005/06 Annual Housing Services Monitor a number of areas for improvement were identified. This has resulted in a review of the Tenant Compact and exploring ways to include tenants in the monitoring and development of the repairs partnership. A report is to be discussed at September EMAP about various ways that the council can reward its loyal customers this has been to the Federation and has met with their approval.

## **Areas for Improvement**

14. As identified in Paragraph 9 some of the repairs performance is disappointing, however this is an area of the service which will be subject to a detailed review in the autumn. It is anticipated that as changes to working practices and the IT system are established within the Repairs Partnership all areas of this service will benefit from improved performance.

## **New External Priorities**

15. None

## **Significant Organisational Issues**

16. None

## **Corporate Priorities**

17. The service plan reflects many of the council objectives and priorities, and many of the actions related to council objectives and initiatives. Specific links can be made to the following:

### **“Outward facing”**

- Improve the actual and perceived condition and appearance of city’s streets, housing estates and publicly accessible spaces
- Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York
- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city
- Improve the quality and availability of decent affordable homes in the city

### **“Improving our organisational effectiveness”**

- Improve our focus on the needs of customers and residents in designing and providing services
- Improve the way the Council and its partners work together to deliver better services for the people who live in York

## **Implications**

18. Financial Implications

	Approved Budget £'000	Variation £'000	Variation %
Repairs and Maintenance Jobs General			
Brickwork - average job costs have increased, however overall demand for work has decreased causing an overall reduction in predicted expenditure	169	-66	-39.05
Electrical - average job costs have increased, however overall demand for work has decreased causing an overall reduction in predicted expenditure	288	-78	-27.08
Empty Home Repair - the numbers and costs of Scenario 3 voids- requiring extensive works- is continuing to rise	468	+51	+10.90
Joinery - the demand for work has increased slightly however average job costs have reduced causing and overall reduction in projected expenditure	677	-29	-4.28
Plastering - although the average job cost has decreased there has been a significant increase in demand for works causing an increase in projected expenditure	109	+94	+86.24
Plumbing - the average job cost has increased and there has been a significant increase in demand for works causing and increase in projected expenditure	345	+191	+55.36
Roofing	121	+33	+27.27
Other variations	<u>2,118</u>	<u>-19</u>	-0.90
	4,295	+177	+4.12
Decoration Allowance – saving due to decreased number of voids and lower customer take-up.	101	-22	-21.78
General Management			
Housing Operations – savings due to staff vacancies (-£40K) and transport,	2,357	-38	-1.61

	Approved Budget £'000	Variation £'000	Variation %
mainly scratch cards, (-£5k) offset by additional expenditure on SX3 consultancy (+£7k)			
Asset Management – saving due to staff vacancies	489	-17	-3.48
Sheltered Housing – saving due to staff vacancies (-£11k), lower utility usage than forecast (-£15k) and saving on cleaning (-£5k)	674	-31	-4.60
Peasholme Hostel – increased employee costs due to sickness cover (+£10k) and increase in food/cleaning (+£9k)	400	+19	+4.75
Temporary Accommodation - savings due to vacant support worker posts (£38k) offset by increase in cost of repairs (£48k) and increase in utility costs (£6k)	617	+16	+2.59
Grounds Maintenance - saving due to lower level of day to day gardening work	352	-12	-3.41
Lifts – due to a number of high value repairs above the standard maintenance contract	38	+13	+34.21
Housing Subsidy Payment – decrease in subsidy receivable due to lower than forecast interest rate	4,874	+54	+1.11
- offset by reduction in loan interest payable	1,109	-50	-4.51
Capital Charges			
An increase in interest charged due to the increase in value of HRA assets	15,921	+190	+1.19
This is reversed out in the AMRA account to leave actual interest charged	-15,921	-190	-1.19

	<b>Approved Budget £'000</b>	<b>Variation £'000</b>	<b>Variation %</b>
Rents – additional income due to:- reduction in RTB sales £44k reduction in income loss from voids £40k increase in income from stock not used as temp accom £62k Increase in rents from Peasholme Hostel £13k Offset by reduction in income from temporary accommodation £57k	-22,860	-102	-0.45
Supporting People – contingency for reduction in income not required in 2006/07.	-852	-121	-14.20
Internal Interest – increase mainly due to higher balance brought forward from the previous financial year.	-167	-136	-81.44
Other Minor Variations	4,005	+5	+0.12
<b>Net change in working balance</b>	<b>-4,568</b>	<b>-245</b>	<b>-5.36</b>
<b>Variation in Turnover</b>	<b>92,351</b>	<b>+842</b>	<b>+0.91</b>

- a) Summary Position - The original 2006/07 budget reported to members on 6<sup>th</sup> February 2006 had a working balance of £4,513k. After a number of budget adjustments, including the allocation of recharges and insurances, the balance on the HRA is now estimated to be £4,568k.
- b) The net variations of £245k together with the budgeted balance of £4,568k now give a total estimated balance on the HRA of £4,813k.
- c) Growth and Savings - As part of the budget process members agreed growth items of £66k and savings of £244k. A review indicates that all growth is currently on target. The savings relating to the repairs partnership (£20k) are being closely monitored to ensure they can be achieved by the end of the financial year.
- d) Virements - The Director has been given delegated authority to transfer available resources of up to £100k from one budget heading to another within the agreed delegation scheme. Individual budget holders use these virement

rules so that any avoidable overspends can be met by identifying, or curtailing expenditure within other budget heads. Virements to report within this quarter are as follows:

	Description	Variation £'000
i)	Allocation of carry forwards agreed as part of the 2005/06 outturn report	
	a) Increase in repairs tendering budget	+6
	b) Increase housing operations expenditure (tenant DVD)	+10
	c) Increase in recharges (annual housing monitor)	+3.8
	d) Reduction in the available HRA balance	-19.8
ii)	Movement of Estate Managers between tenancy and income management teams	
	a) Reduction in staffing budget on tenancy teams	-52
	b) Increase in staffing budget on income management	+52
iii)	Slippage of revenue contribution to capital from 2005/06 to 2006/07 as approved as part of the 2005/06 outturn report	
	a) Increase in the revenue contribution to capital	+1,510
	b) Reduction in the available HRA balance	-1,510
iv)	Incorrectly coded post within asset management teams	
	a) Decrease in staffing budget on capital programme team	-32
	b) Increase in staffing budget on responsive repairs team	+32
	c) Increase in charge to HRA	+17
	d) Decrease in revenue contribution to capital programme	-17

19. There are no Human Resources (HR), Equalities, Legal, Crime and Disorder, Information Technology (IT), Property or other implications

## **Risk Management**

20. The most significant risks that have to be managed during the year are:
- increasing budget pressures and the overall financial position



## Recommendations

21. The Executive Member is asked to

- Note the progress and achievements made in delivering the HRA Service Plan during the first quarter of 2006/07

Reason: To inform the Executive Member on progress on the service plan and progress against objectives

### Contact Details

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Report Approved  Date 30/08/06

Bill Hodson  
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Report Approved  Date 30/08/06

**Specialist Implications Officer(s)** Finance as above (co-author)

**Wards Affected:** *List wards or tick box to indicate all*

All

For further information please contact the author of the report

#### Background Papers:

***All relevant background papers must be listed here.***

HRA Service Plan 2006/07  
HRA Service Plan Outturn Report 2005/06 – June 2006 Housing and Adult Social  
Services EMAP

#### Annexes

Annex 1 – HRA Key Performance Indicators