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

11th December 2006

Director of Housing and Adult Social Services

Housing Revenue Account (HRA) Service Plan - Second Monitor

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 at agreed periods throughout 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 June 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 issue is particularly pertinent to housing:
 - **Supporting People Programme** – Following service reviews funding has been withdrawn from a number of housing schemes not strategically

relevant for Supporting People. Resources from elsewhere within the HRA had already been allocated to meet this reduction so there are no further implications of this loss of funding .

Consultation

6. 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 and improvements underway during the period:
 - A review of the rechargeable repairs process is underway, key objectives include maximising income and improving information to customers
 - The introduction of reward schemes through a prize draw and the introduction of the 'End of Tenancy Incentive Scheme'
 - Development of the DVD for new tenants, outlining tenancy rights and responsibilities, is underway
 - The introduction of regular pre-tenancy training for homeless families
 - Housing Services has agreed its improvements to be launched on the council's new website during December 2006
 - Partnering Arrangements have been signed to deliver the Tenants Choice and separate Central Heating Replacement programmes as the main vehicles to deliver the Decent Homes Standard over the next 4 years
 - The remodeling of unpopular bedsit accommodation into 1 bedroom accommodation at a housing sheltered scheme is underway
 - A more joined up and co-ordinated approach is being developed in partnership with Children's Services to address issues affecting young people and children. Launched with a seminar in October, the initial focus will be on improving communications and a joint response through the Nuisance Action Group

- The 'Respect' standard for housing management has been launched nationally. A landlord who signs up to the standard is making a public commitment to deliver good services to prevent anti-social behaviour and create a culture of respect. Initial work has been undertaken within Housing Services to identify appropriate actions for York and actions required to sign up for the standard
- EMAP approval for the adaptations contract for council homes to join the Repairs Partnership- between Housing Services and Neighbourhood Services was obtained on the 30th October

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 1st April 2006 14.79% of the council housing stock was non decent. By 1st April 2007 this is expected to be 12.78%.

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 24.85 days from 32 days at end of 2005/06
 - the number of non decent homes continues to fall
11. **Voids review-** The 'check' and 'plan' stages of the voids review process are now complete and the findings will be reported to the Repairs Partnership Board on 15th November. The new voids procedure will be the vehicle to improve performance against this key target.
12. **Repairs-** Urgent repairs are on average taking 1.95 days to complete compared to 3.86 days at end of 2005/06, non-urgent repairs are being completed on average in 8.37 days compared to 13.9 days at end of 2005/06.
 - The percentage of repairs being completed within the target times is also increasing with 89.39% of emergency repairs being completed within target compared to 76.12% at end of 2005/06. 73.67% of P1's are being completed in target compared to 55.67% at end 2005/06 and 86.90% of P2's are being completed in target compared to 82.15% at end 2005/06.
 - Performance has improved significantly in carrying out repairs that are categorised as 'right to repair' Performance in this area has improved to 83.46% from 72.64% at end of 2005/06.

Improve tenant satisfaction and opportunities for participation

13. The revised Tenant Compact is in draft form.
- The Repairs Partnership Board are considering ways to involve tenants in the monitoring and development of the repairs partnership.
 - The Mature Partnership Agreement between Neighbourhood Pride Unit and Housing Services has been agreed in principle and a work plan, to underpin this, is being jointly developed to be agreed in January 2007. This will ensure the development of tenant participation across the service.

Areas for Improvement

14. Repairs performance is improving as shown in paragraph 12. The Repairs Partnership Board and Repairs Partnership Operations Group continue to meet on a monthly basis to drive forward service improvements.

New External Priorities

15. None

Significant Organisational Issues

16. None

Corporate Priorities

17. The service plan reflects a number of the councils objectives and priorities found in the '13 Improvement Statements' . 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			
Anti-Condensation works– lower than forecast unit installations	13	-9	-69.23
Brickwork – lower average job value	115	-13	-11.30
Under Occupation – phased development of the scheme to release under occupied housing resulting in reduced uptake.	48	-30	-62.50
Damp Proof Work – lower number of units fitted and alternative lower cost options than full damp proofing utilised	22	-12	-54.55
Decoration – only low value works have been required.	8	-7	-87.50
Plumbing – increased number of jobs at a higher average value	387	+133	+34.37
Roofing – increased number of jobs	113	+74	+65.49
Rubbish Clearance – reduction in the number of jobs	57	-7	-12.28
Other variations	<u>3,532</u> 4,295	<u>+3</u> +132	<u>+0.08</u> +3.07
Decoration Allowance – saving due to decreased number of voids and lower customer take-up.	101	-19	-18.81
General Management			
Housing Operations – savings due to staff vacancies (-£77K) offset by	2,357	-71	-3.01

	Approved Budget £'000	Variation £'000	Variation %
additional use of temporary staff (+£19k). Savings on transport, mainly scratch cards (-£5k), office equipment/stationery (-£10k), computer software (-£8k) offset by additional expenditure on printing (+10k)			
Asset Management – saving due to staff vacancies (-£33k) offset by lower recharge (+£19k)	517	-14	-2.71
Sheltered Housing – saving mainly due to staff vacancies (-£7k), lower equipment purchase requirements than forecast (-£8k) and saving on cleaning (-£4k)	674	-23	-3.41
Energy Costs – billing problems which have now been resolved have led to the payment of a number of outstanding invoices	44	+46	+104.55
Peasholme Hostel – mainly increased employee costs due to sickness cover (+£10k) and increase in cleaning costs (+£3k)	400	+13	+3.25
Temporary Accommodation - savings due to vacant support worker posts (-£18k) offset by increase in cost of repairs (+£61k)	637	+43	+6.75
Caretaking – saving due to handyperson vacancy	179	-15	-8.38
Lifts – increased repair costs due to ageing passenger lifts	38	+8	+21.05
Rent Rebate Subsidy Limitation – due to changes in the formula rent, HRA rents are within the housing benefit limit rent and no contribution to the general fund should be required in 06/07.	66	-66	-100.00

	Approved Budget £'000	Variation £'000	Variation %
Housing Subsidy Payment – decrease in subsidy receivable due to lower than forecast interest rate	4,874	+28	+0.57
- offset by reduction in loan interest payable	1,109	-30	-2.71
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
Rents – additional income due to:- reduction in RTB sales (-£36k) reduction in income loss from voids (-£31k) increase in income from general stock not used as temp accom (- £123k) Increase in rents from Peasholme Hostel (-£5k) Offset by reduction in income from general stock used for temporary accommodation (+£123k)	-22,880	-72	-0.31
Shops – occupancy level higher than forecast	-231	-11	-4.76
Supporting People – contingency for reduction in income not required in 06/07 but may be needed in future years	-852	-121	-14.20
Internal Interest – increase mainly due to higher balance brought forward from the previous financial year.	-167	-151	-90.42

	Approved Budget £'000	Variation £'000	Variation %
Revenue Contribution to the Capital Programme – increased contribution to capital for discus bungalow adaptations (refer to housing capital second monitor report elsewhere on this agenda)	1,996	+20	+1.00
Other Minor Variations	2,303	+8	+0.35
Net change in working balance	-4,540	-295	-6.50
Variation in Turnover	92,419	+792	+0.86

FINANCIAL SUMMARY

19. Summary Position - The original 2006/07 budget reported to members on 6th 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 £4,540k.
20. The net variations of £295k together with the budgeted balance of £4,540k now give a total estimated balance on the HRA of £4,835k. This is an increase of £22k since the first monitoring report that went to the executive member on 11th September 2006.
21. 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 saving (£10k) relating to communal electricity will not be achieved due to previous year billing issues that have resulted in outstanding bills being paid in 06/07. This situation should not recur in future years. 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.
22. 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)	Creation of budget for Discus Bungalows Project Manager	
	a) Increase in salaries budget	+34
	d) Reduction in the available HRA balance	-34
ii)	Incorrectly coded handy person post	
	a) Decrease in estate improvement budget	-18
	b) Increase in caretaking salaries budget	+18
iii)	Change of post in asset management team – senior maintenance surveyor to maintenance surveyor	
	a) Decrease in asset management salaries budget	-6
	b) Increase in the available HRA balance	+6
iv)	Creation of Holgate Road Hostel Budget	
	a) Increase in HRA Expenditure	+19.6
	b) Increase in HRA Income	-19.6

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

Risk Management

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

Recommendations

25. The Executive Member is asked to
- Note the progress and achievements made in delivering the HRA Service Plan.

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 20/11/06

Bill Hodson
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Report Approved Date 20/11/06

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

HRA Service Plan Monitor Q1 2006/07

Annexes

Annex 1 – HRA Key Performance Indicators Q2 2006/07