

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

5<sup>th</sup> June 2006

Report of the Director of Housing and Adult Social Services

**Housing Revenue Account (HRA) Service Plan Monitoring –  
Outturn Report**

**Summary**

1. To provide the Executive Member with an overview of progress on HRA Service Plan agreed in April 2005.

**Background**

2. The Executive Member agreed the HRA Service Plan in April 2005. The process and structure followed guidelines set out by the Corporate Centre. It was agreed that the Executive Member would receive monitoring reports in September & November. It was also acknowledged that both the creation of service plans and the method of monitoring were an evolving process.
3. This report is set out in the following sections:
  - Achievements over the year 2005/2006
  - 2005/2006 performance on Key Performance Indicators (KPI's)
  - Updates on Critical Success Factors (CSF's)
  - New external priorities or demands identified
  - Significant organisational issues

**Consultation**

4. The report is for information and no formal consultation has been undertaken.

**Options**

5. This report is for information and there are no options to consider.

## **Analysis**

### **Achievements**

6. A number of achievements have been made during the year 2005/6:
  - Approval of the Allocations Policy
  - The introduction of the Swipe Card payment system for rent;
  - Introduction of the Repairs Partnership;
  - Increasing the number of properties receiving improvements as part of the Housing Capital Programme;
  - Key appointments within the new Housing Services Restructure (see update on critical success factors);
  - Assimilation of Housing Assistants and Customer Services Assistants in to their new roles with everyone being assimilated into their 1<sup>st</sup> choice;
  - Agreement of a new accommodation plan for Housing Services aimed at supporting the new structure and improving customer services, and the successful move of staff into new offices.
  - The creation of two estate management teams:
    - A specialist income management team
    - A tenancy management. team
  - Successfully achieving key performance targets during the period of change, with improved performance in arrears, voids turn around times;
  - There was significant improvement in performance on arrears with 97.23% of the rent collected as a % of the rent due (target 97.12%). This is due a focus on this element of the service and the established of a dedicated income management team;
  - 10% sample of housing stock has had an asbestos survey;

### **Areas where performance did not achieve expectations**

7. There are a number of key areas where performance did not achieve expectations during the year 2005/6:
  - Performance on average time to complete non urgent repairs shows performance at 13.9 days, performance for the % of urgent

repairs completed within government time limits is only 73%. This poor performance is partly due to the difficulties associated with implementing changes in working practice and IT systems following the establishment of the Repairs Partnership which resulted in a lack of focus in the repairs ordering / sign off process. This has resulted in inaccurate reporting of a significant number of repairs against actual performance, however significant improvements have been made in recent months with April's figures showing an average of 10.27 days to complete non-urgent repairs and 81.68% of emergency repairs being complete in target. The average time taken to complete an emergency repairs has also improved from 3.53 days in 2005/6 to 1.42 days in April. These improvements demonstrate that these issues are being addressed through the Partnership Management teams.

- Due to a period of change, uncertainty in line management arrangements and restructure during 2005/2006 only 46% of staff in housing services had an appraisal during the year. The restructure is now complete with staff in post and the disruption of office moves completed, systems for reporting and monitoring the appraisal process for the new housing service have been established and it is anticipated that 100% performance will be achieved during 2006/2007.

### **Other Areas for improvement**

8. The results of the Annual Housing Service Monitor (AHSM) survey undertaken in Autumn 2005 have been analysed and a number of areas of focus for improvements have been identified:
  - Increasing tenant involvement in the repairs partnership and monitoring repairs performance
  - Developing a Tenant participation strategy
  - Developing estate management action plans
  - Involving tenants in developing a communications strategy
  - Crime prevention and security initiatives
  - Consider expansion of choice based lettings to additional areas
  - Reviewing the complaints procedure
9. Increasing the achieved rate of access to carry out gas servicing, review process and seek best practice.
10. Improving financial control of the responsive repairs service, including refinement of performance reporting and processes.

## **Update on Critical Success Factors (CSF's)**

### Restructuring of Housing Services

11. The recruitment to the restructured department has largely been completed and all the resulting office moves were finished by February 2006.

### Achieving Decent Homes

12. Key to achieving Decent Homes was the Government agreeing our HRA Business Plan which sets out our approach to delivering Decent Homes. At the July EMAP meeting, members agreed the draft business plan and this has been signed off by Government office. The HRA Business Plan will be reviewed on an annual basis to ensure that we are still on track to achieve Decent Homes by 2010/11, 12% of council homes are currently non-decent
13. Tenants choice improvement works are being re-tendered to obtain better value for money, more efficient methods of working and clearer service standards.

### Allocations Policy Review

14. The new Allocations Policy was agreed by members at the September EMAP meeting. Work has been completed on amending the IT and all existing applicants received notification of their position on the list in the middle of April. The website, policy, application form and leaflets have all been updated. The new policy was launched at the beginning of May. Under the new arrangements the Tenancy Team will be responsibly for allocating council tenancies, staff have received comprehensive training. Work is also underway adding customers who have expressed an interest in low cost home ownership properties to the database.

### Introduction of the Repairs Partnering Agreement

15. The repairs partnering agreement for the delivery of the responsive repairs service came into effect on the 1<sup>st</sup> July 2005. An update report, including the Partnering Improvement Plan was approved by the Executive in September 2005.
16. The Partnership has resulted in changes to existing working practises and the introduction of changes to IT systems for recording information. This has resulted in difficulties with the accurate recording of repair jobs carried out and directly comparing performance previously carried out under the R10 contractual agreement. While the amount of time spent on the work by Commercial Services has reduced by approximately 4900 'operative hours' there has been a significant increase in the volume of sub contracted work.
17. As part of the repairs partnership, work is ongoing to carryout process reviews with the aim of improving the service to customers and value for money for the housing service.

### Improved Performance

18. Two key areas of performance were identified as critical to effective delivery of the service. Whilst these two areas are often seen as the most critical they should not be taken as the only important areas of performance. Outlined below is the services current performance against those PI's identified as part of the Balanced Scorecard.
19. A full end to end review of the voids process is currently ongoing. This is aimed at both improving the service to customers and reducing the turnaround times. This is not only a CSF for Housing, it is also seen as a CSF for the repairs partnership, given this a significant joint resource commitment is being dedicated to this review. Once complete, new working practices will be implemented.
20. The pilot working arrangements for income management at the City Office have been evaluated and from January 2006 a specialist income management team was created. The performance of the team has been impressive with the team reaching their target to reduce arrears by £200K by the end of March 2006. The effect means that the arrears as a percentage of rent due has fallen to 2.59%, its lowest figure for 11 years.
21. The new Swipe Card payment system has continued to prove popular with over 44,000 payments being made between its introduction in July last year and the end of March 2006. In January 2006 customers were able to make rent payments via the internet whilst the numbers using the service has started slowly 50 payments in the first three months this does give customers the opportunity to pay their rent 24/7.

### **Key Performance Indicators / Balanced Score Cards**

#### 22. Customer Based Outcomes

<b>Measure</b>	<b>2004/5</b>	<b>2005/6 (targets)</b>	<b>Outturn</b>
Tenant satisfaction with the overall service provided by their landlord (BV 74 i)	80%	88%	78%
Average re-let times for LA dwellings	37days	21 days	32 days (4.61 weeks)
Average time to complete non-urgent repairs	8.1days	8 days	13.9 days
Urgent repairs completed within government time limits	79%	94%	72.64%
Agreement with the statement 'The Council is a good landlord'	87%	Not set	82%
Tenants overall satisfaction with their accommodation	93%	Not set	88%

Number of homes non-decent (BV184a)	1574	1040	1034
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23. Process Based Improvements

Measure	2004/5	2005/6 (targets)	Outturn
Agree new allocations policy	N/A	Sept 05	Achieved
Government sign off of BP	N/A	July 05	Achieved
Review existing procedures	N/A	Ongoing	Ongoing.
Evaluate arrears pilot	N/A	Sept 05	Achieved
Improvement plan agreed by HSMT	N/A	Sept 05	Achieved

24. Finance Based Improvements

Measure	2004/5	2005/06 (target)	Outturn
Balanced HRA	Achieved	Yes	Yes
Rent collected as a % of rent due	95.78%	97.12%	97.23%
Rent Arrears as a % of the rent roll	3.55%	3.37%	2.59%
Rent loss from Voids	1.12%	0.75%	1.08%

25. Staff Based Improvements

Measure	2004/5	2005/6 (target)	Outturn
Staff appraisal in each functional area	100%	100%	46%
Average staff sick days in each functional area (in days/FTE)		At or below council wide average	5.1
Staff turnover		At or below average council average	13.4%
% of new staff who have received full induction programme within 12 months of starting		100%	95%
Attendance of formal training	-	All staff by	

programmed for new requirements of Housing Act		Government deadline	
% of staff expressing satisfaction with their job (figure for Community Services as a whole)	69%	To be established	72%

### **New external priorities or demands**

26. None to report

### **Significant organisational issues**

27. None to report

### **Corporate Objectives**

28. The development of the service plan last year reflected the council objectives and priorities. Many of the specific actions directly related to council wide initiatives.

### **Implications**

- **Finance - budget**

29. The table below sets out the variations in accordance with the financial regulations

	<b>Approved Budget £'000</b>	<b>Variation £'000</b>	<b>Variation %</b>
<u>Repairs and Maintenance</u>			
Jobs General			
Brickwork – no large scale works required	179	-43	-24.02
Customer Compensation – mainly due to delay in introducing scheme to release under occupied housing for which there was a growth bid for additional funds	47	-41	-87.23
Damp Proof work – lower requirement for this type of work	22	-13	-59.09
Electrical – lower number of faults reported due to impact of capital	309	-58	-18.77

	<b>Approved Budget £'000</b>	<b>Variation £'000</b>	<b>Variation %</b>
programme works rewiring properties			
Empty Home Repairs – 31 additional scenario 3 voids completed than in 04/05	495	+173	+34.95
Fire Safety Servicing – no major equipment replacement required only general servicing	27	-15	-55.56
Gas Maintenance – reduced access rate to service boilers reduces expenditure level	820	-26	-3.17
Joinery – increase in cost is being reviewed as part of the Repairs Partnering.	709	+50	+7.05
Heating (non gas) – ageing stock requiring additional works which are outside of the contract.	180	+115	+63.89
Plaster repairs – increase in number of large scale plastering works	118	+62	+52.54
Plumbing - increase in cost is being reviewed as part of the Repairs Partnering.	354	+106	+29.94
Roofing – increase in cost is being reviewed as part of the Repairs Partnering.	128	+26	+20.31
Rubbish Clearance	55	+14	+25.45
Subsidence work – mainly due to two urgent high value projects requiring work.	85	+24	+28.24
Other variations	<u>711</u>	<u>-14</u>	-1.97
	4,239	+360	+8.49



	Approved Budget £'000	Variation £'000	Variation %
Projects – lower number of properties requiring works than originally forecast	941	-113	-12.01
Estate Improvements – several RA's have folded during the year and increasing work completed as part of York Pride has also led to some RA's finding their ideas for expenditure were already in the pipeline.	258	-93	-36.05
Decoration Allowance – lower demand than forecast.	109	-9	-8.26
<u>General Management</u>			
Engineering and Property Services Recharges - decrease in amount chargeable to capital resulting from a reduction in RTB sales	180	+39	+21.67
Housing Operations – £174k saving on staffing due to housing restructure/vacancies offset by £56k expenditure on temporary staff. In addition there is £33k saving on legal fees and £9k underspend on consultancy work for SX3.	2,292	-160	-6.98
Asset Management – £69k saving on staffing due to housing restructure/vacancies offset by £8k expenditure on temporary staff and £8k on car allowances/other transport costs.	467	-53	-11.35
Retendering Jobbing Repairs – underspend due to unused carry forward from 04/05 for works on the repairs partnership.	8	-20	-250.00
Sheltered Housing – underspend due to staffing vacancies £32k and £5k saving on window cleaning contract.	652	-37	-5.67

	<b>Approved Budget £'000</b>	<b>Variation £'000</b>	<b>Variation %</b>
Energy Costs – reduction in electricity costs for communal areas.	41	-22	-53.66
Temporary Accommodation - £78k underspend on staffing offset by £25k expenditure on temporary staff, £66k on repairs and £6k on utilities.	570	+19	+3.33
Grounds Maintenance – underspend due to lower demand for elderly persons garden/day to day service	351	-22	-6.27
Caretaking - saving due to employee vacancies	154	-31	-20.13
Lifts – due to two urgent high value repairs at City Mills.	37	+14	+37.84
Housing Benefit Rent Rebate Subsidy Limitation – the HRA has to fund the ineligible element of rent rebate expenditure not covered by government grant due to our average rents being slightly higher than that allowed within the grant conditions. The funding required is higher than forecast.	118	+50	+42.37
Provision for Bad and Doubtful Debts – £147k due to rent arrears levels, for both former and current tenant arrears, being lower than forecast in the budgeted provision, offset by an increase of £9k required for the rechargeable repairs bad debt provision.	286	-138	-48.25
Housing Subsidy Payment – Sum set aside for changes to grant claim after audit not required, offset by decrease in subsidy receivable due to lower than forecast interest rate.	4,817	-79	-1.64

	Approved Budget £'000	Variation £'000	Variation %
Capital Charges –			
An increase in depreciation charged due to the increase in value of HRA assets from £430m to £455m.	8,609	+617	+7.17
This is reversed out in the AMRA account to leave the major repairs allowance charged to the HRA.	-4,187	-617	-14.74
An increase in interest charged due to the increase in value of HRA assets	15,221	+920	+6.04
This is reversed out in the AMRA account to leave actual interest charged.	-15,221	-920	-6.04
Rents – additional income due to:- Reduction in RTB sales £102k, Reduction in income loss from voids £31k, increased income from Peasholme hostel £18k due to high occupancy levels. Offset by reduction in income from temporary accommodation £37k	-21,798	-114	-0.52
Fees & Charges – mainly due to lower than forecast income from the management of housing association properties	-150	+16	+10.67
Cookers – reduced income due to fewer cookers being rented than estimated.	-135	+12	+8.89
Sheltered Housing Fees & Charges – mainly due to re-designation of Dale/Swann Street as general housing.	-441	+13	+2.95
Leaseholder Administration Charge – increased income due to increased repair work carried out for leaseholders.	-79	-11	-13.92

	<b>Approved Budget £'000</b>	<b>Variation £'000</b>	<b>Variation %</b>
Supporting People – service reviews still being completed and implemented therefore effect of expected funding reductions not realised in 05/06.	-855	-142	-16.61
Internal Interest – increase mainly due to higher balance brought forward from the previous financial year and higher average in year balance.	-79	-251	-317.72
Revenue Contribution to Capital programme – after financing the 2005/06 capital programme not all of the budgeted contribution is required. It will however be required in 2006/07 to support the capital programme.	2,801	-1,510	-53.91
<b>Other Minor Variations</b>	-2,038	-25	-1.23
<b>Net change in working balance</b>	<b>-2,832</b>	<b>-2,307</b>	
<b>Variation in Turnover</b>	<b>89,235</b>	<b>-1,713</b>	<b>-1.92</b>

### **Financial Summary**

30. The original estimated working balance predicted on the HRA at 31<sup>st</sup> March 2006 was estimated to be £1,572k . The 2004/05 outturn reported to the 6<sup>th</sup> June 2005 meeting of the Executive Member Advisory Panel resulted in an increased working balance of £4,901k. Of this sum £1,762k was required to fund slippage on the capital programme in 2005/06 and £48k was required to fund the carry forward requests which left a surplus of £3,091k. The latest monitoring report presented to the Executive Member on 5<sup>th</sup> December 2005 predicted a working balance of £3,567k at 31<sup>st</sup> March 2006.
31. The latest approved estimated balance carried forward of £2,832k has increased by £2,307k to £5,139k at outturn and the main items making up this increase are itemised above. £1,510k of the working balance will be required to fund the capital programme in 2006/07 and £19,800 will be required to fund the carry forward requests in paragraph 31 below leaving a net surplus of £3,609k on the HRA. This is an increase of £42k on the balance of £3,567k forecast in the previous quarterly monitoring report. Members are reminded that this surplus is required in future years to meet the decent homes standard in line with the approved HRA business plan.

32. In order to promote good management, and allow planned 2005/06 projects to proceed, it is proposed to continue the arrangements to permit under spending to be carried forward where the service under spends are due to genuine slippage. The carry forward requests which meet the criteria are as follows:-

	£
i) Retendering of jobbing repairs - carry forward to cover any outstanding training or IT issues associated with the establishment of the repairs partnership and work to investigate the procurement of the adaptations contract as a potential addition to the partnership	6,000
ii) To fund a tenant's DVD, procurement of which commenced in 05/06	10,000
iii) To fund follow up work related to the Annual Housing Service Monitor completed in 05/06	3,800

- **Human Resources (HR)** There are no HR issues
- **Equalities** No implications
- **Legal** No implications
- **Crime and Disorder** No implications
- **Information Technology (IT)** No implications
- **Property / Other:** There are no property or other implications

## Risk Management

33. The most significant organisational risks that have had to be managed during the last year have been :

Budget pressures and financial position  
Staff changes due to Housing restructure

## Recommendations

34. The Executive Member for Housing is asked to

- Note the achievements, and progress that is required in specific areas
- Agree the carry forward requests in paragraph 32 and refer them to the Executive

Reason: To inform the Executive Member of objectives that have been met and service plan delivered within the approved budget

## Contact Details

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### Chief Officer Responsible for the report:

**Report Approved**  **Date** 19.05.06

Bill Hodson  
Director of Housing and Adult Social Services

**Report Approved**  **Date** 19.05.06

**Specialist Implications Officers:** None

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

**All**

**For further information please contact the author of the report**