

FINANCE, AUDIT & PERFORMANCE COMMITTEE

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: HOUSING REPAIRS REVIEW

1 PURPOSE OF REPORT

To provide members with an update on the progress made against the Action Plan produced in response to the review of the Housing Repairs Service.

2 RECOMMENDATIONS

That members:

- Note and endorse the progress made to date.

3 BACKGROUND TO THE REPORT

- 3.1 In response to two independent reviews and a further internal financial review by the Head of Finance, an Action Plan was developed to address the issues identified within the Housing Repairs Service. Delivery against this Plan is being closely monitored by senior management.
- 3.2 This Plan was reported to members at the previous meeting and it was agreed that updates and significant variations to the plan would be reported back. This report will therefore set out some of the key areas of progress made to date.
- 3.3 Backlog
The historical backlog of work completed has now been cleared successfully through the Housing Repairs system. This has resulted in more meaningful reporting of work in progress within the system.
- 3.4 Finance Review
The budgets for both “client” and “contractor” have been fully reviewed and revised accordingly. This has included a cleansing exercise for some erroneous codes and also new budget lines have been created to enable more detailed financial reporting.

A new methodology for budget monitoring has also been developed between the service and the Finance Team which will include a more accurate forecast position. This also includes Finance Surgeries involving more representatives from the service to increase awareness

and accountability. Specific targets are also being set, such as target cost per void property. Any variations from these will be challenged accordingly.

3.5 Processes, Procedures and Controls

Day to day procedures have now been reviewed, updated and implemented. This includes prompt closure of jobs on the system based upon new procedures adopted by the engineers. The review has also identified additional policies that are required, such as Acceptable Vehicle Usage.

3.6 Performance Management

We have identified the performance indicators for the service, based upon those we will report as part of our membership of Housemark. These include:

- % of urgent repairs completed within target time
- 5 of routine repairs completed within target time
- Repairs categorisation - P1 repairs as % all responsive

Training on the reporting tool to enable performance reporting is due to take place early June. Once a benchmark of current service provision is obtained, future targets will be set.

3.7 Review of Structure

This is underway and will be presented to staff and consulted upon end May / early June. It is being done to address potential resourcing / capacity issues, and is not expected to deliver any savings, although will enable more efficient ways of working..

3.8 As work continues to deliver this Plan, it is likely that it will continue to be amended to reflect new issues or requirements that are identified.

3.9 Much of the work undertaken has also been to try and minimise the risk of overspend. Once the decision had been made to bring the service back in-house, significant savings had been built into the budgets. It is therefore important to recognise that the service is still costing overall less than when it was delivered by an external contractor.

4 FINANCIAL IMPLICATIONS (KB)

The total capital programme for the HRA is forecasting an over commitment of £177,372 based on an approved budget of £2,610,330. Of this amount, £290,102 relates to over commitments on Housing Repairs scheme. This is due to the backlog of “work in progress” held on the Orchard system in 2011/12 that was not accrued for in 2011/12 or has been adjusted in a manner that impacts the “surplus” on the trading account. The full cost of these works has been processed in 2012/13 creating significant over commitments on voids and kitchens as detailed below. This will be funded through a transfer from the Housing Repairs

revenue balances, with any additional need financed from borrowing. It should be noted that these amounts in reality reflect a reduction in the level of savings anticipated following the return of the Repairs Service in house, and the in house service continues to make revenue savings compared to the previous outsourced provision.

Housing Repairs scheme	Budget £	Actual £	Under (Over) spend £
Adaptation Of Dwellings	357,150	351,434	5,716
Major Void Enhancements	624,150	845,583	-221,433
Programmed Enhancements	318,730	352,238	-33,508
Electrical Testing/Upgrading Windows : Single to Double Glazing	184,110	162,934	21,176
Re-Roofing	9,000	25,075	-16,075
Kitchen Upgrades	32,910	32,795	115
Boiler replacement	438,210	604,086	-165,876
Low maintenance doors	402,620	334,262	68,358
Housing Repairs Software System	31,160	16,939	14,221
	70,000	32,795	37,205
Total Housing Repairs Capital	2,468,040	2,758,141	-290,102

5 LEGAL IMPLICATIONS (AB)

None raised directly by this report.

6 CORPORATE PLAN IMPLICATIONS

The Housing Repairs Service significantly contributes to the delivery of “Decent, Well Managed and Affordable Housing”

7 RISK IMPLICATIONS

It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision/project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report/decision were identified from this assessment:

Management of Significant (Net Red) Risks)

Risk Description	Mitigating Actions	Owner
Variances to Housing Repairs Account	An improvement plan for the service has been developed.	Julie Kenny

8. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

None.

9. CORPORATE IMPLICATIONS

By submitting this report the author has taken the following into account:-

- Community Safety Implications
- Environmental Implications
- ICT Implications
- Asset Management Implications
- Human Resources Implications

Background Papers: None

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