

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

**Venue: Town Hall,
Moorgate Street,
Rotherham. S60 2TH**

Date: Monday, 2nd September, 2013

Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Declarations of Interest
4. Housing General Fund Budget Monitoring 2013/14 (Pages 1 - 3)
5. Housing Revenue Account Budget Monitoring 2013/14 (Pages 4 - 10)
6. Year End Performance Monitoring (Pages 11 - 16)
7. Date of Next Meeting
 - Monday, 7th October, 2013 commencing at 10.00 a.m.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday, 2nd September, 2013
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring 2013/14
4.	Directorate:	Neighbourhoods and Adult Social Services

5. Summary

This Budget Monitoring Report provides a financial forecast for Neighbourhoods General Fund within the Neighbourhoods & Adult Services Directorate to the end of March 2014 based on actual income and expenditure for the period ending July 2013.

The forecast for the financial year 2013/14 is an overall balanced budget against an approved net revenue budget of £2.345m.

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.

7. Proposals and Details

The table below shows the summary forecast outturn position against the approved Net Revenue Budgets:-

SERVICE AREA	Net Budget	Forecast Outturn	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Safer Neighbourhoods	1,187	1,200	+13	+1.10
Business Regulation	198	195	-3	-1.52
Housing & Communities	239	235	-4	-1.67
Strategic Housing & Investment	186	188	+2	+1.08
Housing Options	226	226	0	0
Central	309	301	-8	-2.59
TOTALS	2,345	2,345	0	0

The main variations against budget can be summarised as follows:-

7.1 Safer Neighbourhoods (+£13k)

The main budget pressure is in respect of staffing cost pressures due to lower than expected staff turnover within Community Protection. Some savings are being made through vacancy management but there is also a pressure on income due to reduced EPA applications, leaving a forecast under spend of -£5k. Also, essential health and safety work on Landfill Sites is resulting in a forecast overspend of £18k.

7.2 Business Regulation (-£3k)

Overall Business Regulation is projecting a minor under spend of -£3k. Pressures on staffing costs within Health and Safety, Food and Drugs and Animal health budgets are being offset by additional income from Dignity contract and savings within Trading Standards due to vacant posts.

7.3 Housing & Communities (-£4k)

This service area is projecting an overall under spend of -£4k due to forecast under spends on Supplies and Services as a result of the Council wide moratorium on non-essential spend.

7.4 Strategic Housing & Investment Service (+£2k)

The SHIS team budget has an overall pressure of +£2k as a result of a small shortfall on the staffing budget.

7.4 Central (-£8k)

At this stage a small under spend is forecast due to savings on supplies and services.

7.5 Agency & Consultancy

To date there is no spend on either Agency or Consultancy within Neighbourhoods General Fund Budgets.

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of July 2013. The forecast outturn is dependent on delivery of planned management actions being achieved and thus effective and tight financial management practices remain essential including holding monthly budget clinics with the Service Director and senior managers.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2013 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Report to Cabinet 20 February 2013 – Proposed Revenue Budget & Council Tax 2013/14.

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

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ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 2nd September 2013
3.	Title:	Housing Revenue Account Budget Monitoring Report 2013/14
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

This budget monitoring report presents the forecast outturn position on the 2013/14 Housing Revenue Account (HRA) based upon actual income and expenditure to the end of July 2013.

The overall forecast is that the HRA will outturn on budget with a transfer from working balance (reserves) of £2.438m which is a reduction of £161k against the approved budget.

6. Recommendations

- **That cabinet member receives and notes the latest financial projection against budget for 2013/14.**

7. Proposals and Details

- 7.1** This budget report is based upon actual income, expenditure and known commitments as at the end of July 2013 forecast to the end of the financial year to give a projected outturn position, compared to budget.
- 7.2** Appendix A of this report provides the Budget Operating Statement for 2013/14 which shows the various income and expenditure budget lines which make up the net cost of delivering the service. The latest forecast net cost of service is £5.974m which, together with Revenue Contribution to Capital (RCCO) costs of £8.437m and interest received (-£25k) will result in an overall deficit of £2.438k to be transferred from Working Balance.
- 7.3** Within the Operating Statement are several budget heads which are either year end adjustments (for example debt management costs £222k) or are subject to external influence and therefore outside direct control (for example cost of capital charges £14.602m).
- 7.4** Budget Monitoring is therefore focussed upon expenditure and income which is within control, i.e. income of £78.904m, the repair and maintenance budget of £17.996m and supervision and management of £20.065m. Other budget heads as seen within Appendix A are currently being forecast to outturn in line with budget.

7.5 Budget Monitoring

- 7.5.1** Appendix A, column B demonstrates the projected outturn based upon activity to the end of July 2013.
- 7.5.2** Overall it can be seen that the net cost of service (before RCCO and interest received) is forecast to be £5.974m, a surplus of £161k as shown in the table below.

	Budget £000	Forecast £000	Variance £000
Expenditure	73,090	73,042	-48
Income	-78,903	-79,016	-113
Net Cost of Service	-5,813	-5,974	-161

- 7.5.3** Several of the budget lines within income and expenditure are forecasting to outturn with a variance to budget. The table below highlights these budgets

	Budget £000	Forecast £000	Variance £000
Housing Repairs	17,996	17,940	-56
Supervision and Management	20,065	20,073	8
Income	-78,903	-79,016	-113
Net Variance			-161

7.5.4 It can be seen that the forecast over spend on supervision and management of £8k, is being offset by an increase in income of £113k together with an under spend on the repairs budget.

7.5.5 The balance of this report will focus on the main variations to budget.

7.6 Expenditure

Column B of Appendix A demonstrates that based upon expenditure and commitments to date, total expenditure is forecast to outturn at £73.042m compared to a budget provision of £73.090m, a decrease in spend of £48k. The main variations are as follows:

7.6.1 Contributions to Housing Repairs

Appendix A demonstrates that the forecast year-end spend on Repairs and Maintenance is currently forecasting an overall slight under spend of £56k against a budget of £17.996m.

7.6.2 The empty homes budget is difficult to forecast as this is a very responsive service. The original budget has been set around an estimated 1,500 minor voids in year. At the end of quarter 1 there were 16 more completions than budgeted.

There is an overall forecast overspend at this stage on cyclical works mainly around fixed wire testing and gas servicing. This is offset by forecast under spends within Responsive repairs and Planned works budgets. Fluctuations in overhead costs due to additional capital works during the year is also resulting in a forecast under spend within revenue repairs budgets.

7.6.3 Supervision and Management

Column B of Appendix A demonstrates that based upon expenditure and commitment to date, total expenditure is forecast to outturn at £20.073m, a forecast overall over spend of £8k.

The main variance is a minor over spend of £8k mainly due to lower than expected staff turnover..

7.7 Income

7.7.1 Column B of Appendix A shows that based upon income received to date the total forecast income collectable is £79.016m an increase of £112k above the approved budget of £78.903m.

7.7.2 Dwelling rental income is projected to over recover by £86k, after allowing for 2% loss of income. However, non-dwelling rents are forecasted to under recover against budget by £5k due to lower income on way leaves and garage plots.

7.7.3 Income from charges for services and facilities are forecasting an outturn of £3.589m, an under recovery of income of £12k. This is mainly due to reduced income from clients using Sheltered Neighbourhood Centres services as tenants opting out of the laundry charge due to having their own facilities.

7.7.4 Other fees and charges is forecasting an over recovery of income of £44k against budget, which relates to additional unbudgeted income in respect of the sale of Tenants contents insurance and from utility companies for use of solar panels.

7.8 Summary

In summary it can be seen in foregoing paragraphs 7.6 and 7.7 that the variance to budget of £161k when comparing the forecast net cost of service against the budget of £5.813m is due to variances within the Housing repairs budget together with over recovery of income.

8. Finance

Impact on Working Balance - The report identifies that any deficit or surplus arising from the net cost of service will be transferred to the Working Balance which is reflected through the Appropriations section of the Operating Statement at Appendix A. Any forecast increase/decrease will be added to the budgeted sum shown under transfer to reserves.

Based upon the current forecast out-turn position on the net cost of service, the forecast transfer from balances will reduce from £2.599m up to £2.438m, an reduction of £161k. The reduction in contribution from reserves is a result of an increase in the level of income anticipated.

9. Risks and Uncertainties

- **Inflation – Non Contractual** –The 2013/14 budget was formulated around an inflation assumption of nil (except on utilities); if inflation rises costs may exceed budget provision. It should be noted that the inflationary increase on the repair and maintenance contract is locked in for the financial year at 2.6 % and this has been provided for within the budget set.
Mitigation: Ongoing monitoring
- **Vacancy Factor**
Salaries budgets assume various levels of vacancies. If vacancies do not arise this could lead to salary costs in excess of budget.
Mitigation: In depth monitoring and forecasting of salary budgets.
- **Repair and Maintenance Voids.** Whilst the current empty home forecast is considered to be a prudent projection based upon 1,500 minor voids, it should be noted that the final number of voids received and completed in year could change. Any change in numbers or values will impact on expenditure.
Mitigation: Ongoing monitoring and triangulation with contractors. Any forecast increase in expenditure will be offset by a reduction in planned revenue works.
- **Rental Income**
Net rental income has been calculated on the basis of 2% void loss. Any increase / decrease on the actual levels of voids will impact on the level of income achieved.
Mitigation: Ongoing monitoring.
- **Impairment of Fixed Assets**
HRA Self Financing legislation has resulted in the costs of impairment/revaluation of non-dwellings becoming a real charge to be met by the HRA. This figure cannot be calculated until year end after the asset register has been fully updated. In 2012-13 the impairment charge was £646k.
Mitigation: Action is being taken to review the management of expenditure on non-dwellings assets to minimise the risk of impairment charges to the HRA. Advice is also being obtained via CIPFA as this is a real issue affecting many other local authorities.

10. Policy and Performance Agenda Implications

- 10.1 The HRA supports the new Corporate Plan Priorities and is central to the long term strategy:
- Making sure no community is left behind.
 - Helping to create safe and healthy communities.
 - Improving the environment.

11. Background Papers and Consultation

- Budget and Council Tax Setting Report (2013/14) to Cabinet February 2013
- Director of Finance and Director of Housing and Neighbourhood Services have been consulted on the preparation of this report.

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Housing Revenue Account - Budget Operating Statement July 2013

Narrative	2013/14 Full Year Budget £	2013/14 Projected Out-turn £	Variance £
<u>Expenditure</u>			
Contributions to Housing Repairs Account	17,996,000	17,939,733	-56,267
Supervision and Management	20,065,000	20,073,025	8,025
Rents, Rates, Taxes etc.	174,000	174,000	0
Provision for Bad Debts	742,500	742,500	0
Cost of capital Charge	14,602,200	14,602,200	0
Depreciation of Fixed Assets	19,288,734	19,288,734	0
Debt Management Costs	222,000	222,000	0
Expenditure	73,090,434	73,042,192	-48,242
<u>Income</u>			
Dwelling Rents	-74,245,061	-74,331,399	-86,338
Non-dwelling Rents	-792,280	-787,280	5,000
Charges for Services and facilities	-3,601,649	-3,589,182	12,467
Other fees and charges	-213,800	-257,546	-43,746
Leaseholder Income	-50,910	-50,910	0
Income	-78,903,700	-79,016,317	-112,617
Net Cost of Services	-5,813,266	-5,974,125	-160,859
Interest received	-25,000	-25,000	0
Net Operating Expenditure	-5,838,266	-5,999,125	-160,859
Appropriations:			
Revenue Contributions to Capital Outlay	8,437,000	8,437,000	0
Transfer to Reserves	-2,598,734	-2,437,872	160,861
Surplus/Deficit for the year	0	0	0

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	2nd September, 2013
3.	Title:	Housing and Neighbourhoods Year End 2012-13 - All Wards Affected
4.	Programme Area:	Neighbourhoods and Adult Services

5. Summary

This report outlines the 2012/13 Key Performance Indicator (KPI) results for the Housing and Neighbourhood Service elements of the directorate; the report also shows a comparison of the performance from year end 2011/12.

There are sixteen indicators managed by Housing and Neighbourhood Services; Of these **15 (94%)** were rated as on target and 1 (6%) as off target at year end 2012/13.

There was a **12%** reduction in the number of complaints received during the year. The decline in complaints suggests the service is learning from the customer experience to improve services. At the same time there has been a **47%** reduction of complaints progressing to stage two, this appears to reflect improved investigation of complaints and communication skills.

100% of complaints were responded to within the target timescales compared to **89%** in 2011/12.

6. Recommendations

- **Cabinet Member notes the Year End position and recognises the improvement in performance from Year 2011/12 to 2012/13.**

7. Proposals and Details

It has been a very successful performance year for HNS. Significant progress has been made in the last 12 months in respect of providing quality and customer satisfaction with only 1 of the key performance measures declining.

The following 15 KPI's achieved their year end targets and improved on last year's performance:

NAS 54 - % of repairs completed right first time

- Cumulative year end performance of 95.39% against a 92% year end target
- This indicator is measured from 2 of the questions on the repairs satisfaction survey completed by customers following the completion of their repair. Both questions must receive a positive response to register as right first time
- Performance has improved on the year end outturn in 2011/12 of 93.57%

Areas of improvement include:

- Improving information and better diagnostic skills set at first point of contact
- Quality assurance working with partners to reduce the number of minor defects

NAS 55 - % of gas safety certificates outstanding

- Performance of 99.91% equates to 19 properties with a gas safety certificate outstanding. The best ever performance in this area
- In 2011/12 the year end outturn was 99.19% (37 properties with certificates outstanding).
- Over the last 2 years performance has shown significant improvement. Back at the start of 2011 there were 472 properties without a valid certificate
 - This has reduced costs of enforcement through gaining legal access

NAS 57 - % of all repairs completed within target

- Year end partnership performance of 99.01% against a 99.00%
- This has improved significantly on last year's performance in 2011/12 of 96.95%

Improvements include:

- Providing a quicker response to gas repairs - end of the next day not working day
- Re introduction of pre work inspections for damp and plastering has resulted in plastering work being carried out more efficiently

NAS 58 - % of repairs appointments made and kept

- Partnership performance of 98.52% meeting the target of 98.50%

- The year end outturn performance has improved slightly when compared with 98.50% in 2011/12

This has been achieved by:

- Keeping customers better informed about their appointments – by text and phone
- Working with partners to ensure that they are not penalised for arriving early (with the customers prior consent)
- Operatives phoning customers direct out of hours to arrange a mutual time

NAS 59 - % of tenants satisfied with the repairs service

- Cumulative performance at year end saw satisfaction levels of performance at 99.75%
- This has improved on last year's performance of 99.63% in 2011/12. The highest satisfaction levels since the start of the contract in 2010

An area of improvement:

- Increased levels of RMBC inspections and monitoring is driving up quality and this is supported by the low level of complaints

NAS 65 – Food establishments broadly compliant with the food hygiene law

- Performance at the year end was 87.00% against a target of 85.00%
- Performance on this indicator has improved when compared to the year end position in 2011/12 of 84.91%

Improvement action:

- All non-compliant premises are being targeted to improve compliance
- Carrying out quality audits of inspection files/reports and correspondence frequently

NAS 66 – Satisfaction of business with food health and safety services

- Satisfaction of 98% against year end target of 95%
- This has improved on last year's performance in 2011/12 of 84.91%

Improvement action:

- Quality assessments and inspections continue to be carried out regularly on high risk premises

NAS 76 – Rent collected as a percentage of rent owed

- The year end performance outturn was 100.30% exceeding the year end target of 100.27% - for this indicator higher is better
- This has improved on last year's performance in 2011/12 of 96.95%

- The equivalent income collected during 2011/12 stood at £65,363,741 (using the same calculation method) meaning that £6,984,047 of additional income was collected during 2012/13 (representing a 10.68% increase)

Action that has contributed towards improvement in rent collected:

- Carrying out audits on new lettings and affordability checks to address concerns regarding customers unable to meet rent payments
- The income team have increased the take up of customers paying by direct debit by almost 300

NAS 77 – Current tenant arrears as a percentage of the annual rent debit

- The 2013 outturn of 1.59% exceeded the year end target of 1.70% - for this indicator lower is better
- Performance has improved on the year end outturn in 2011/12 of 1.81%

Improvement action includes:

- Carrying out quality assessments on rent accounts and linking the outcomes to individual management targets i.e. ensuring early intervention and regular support is maintained throughout the period the account is in arrears
- The Income team have increased contact with customers making more telephone calls and carrying out more visits

NAS 79 – Percentage of ASB Cases resolved

- Case resolution at year end was 95.45% against a 93% target, this compares extremely favourably against upper quartile performance in HouseMark
- The performance on this indicator has shown improvements when compared to the year end position 2011/12 which was 90.85%

Areas of improvement include:

- Having a dedicated ASB officer working closely with Housing Champions and local Police in every Assembly area
- Ongoing quality assurance, customer surveys and inspections
- Enhanced scrutiny by Performance and Quality with regard to ASB casework management
- The number of ASB Housing long standing cases reduced by more than 50% during the last 6 months of the year

NAS 17 – Average re-let time

- The cumulative average re-let time performance for year end was 28.89 days
- Performance has significantly improved on the year end outturn in 2011/12 of 39.49 (lower is better)

Areas of further improvement work include:

- Improving the gas/electric testing process
- Implementing a new utilities procedure to improve performance and minimise the use of rent allowances

- Reviewing rent allowances and aiming to reduce the use of these by completing more within the void period
- Ongoing quality assurance checks of pending voids

NAS 78 - % of rent loss through dwellings being vacant

- Void Rent Loss performance for the year end was 0.80% against a target of 0.9%
- Performance improved on the year end outturn in 2011/12 of 1.08% (lower is better)
 - This is linked to the reduction in the number of vacant properties and the significant service improvement in the turnaround time of properties

NAS 82 – Number of households living in temporary accommodation

- In March 2013 the best performance of 2012/13 was achieved of 23 households in temporary accommodation
- Performance has improved on 2011/12 of 31 (lower is better)
- 839 households have been prevented from becoming homeless

This has been achieved by:

- Improving relationships with partners working closer to ensure that alternative accommodation is available as soon as possible for customers
- Providing support and advising citizens in particular on the welfare reform changes that affect them especially in relation to concerns regarding under occupancy
- Working with relatives, mediating with friends and securing both public and private sector accommodation

NAS 80 – Number of high risk premises due for trading standards inspection that are inspected within the required timescale

- Performance at the end of March was 100% against a target of 100%
- This was a new indicator for the year

Improvement Actions include:

- A training schedule was produced for staff on the system for entering data and analysing information
- Producing step by step guides to assist staff

NAS 81 – Satisfaction of business with trading standards services (Business and Consumer)

- Satisfaction was 98% at the end of the year against a target of 95%
- This has improved on last year's performance in 2011/12 of 84.91%

Action to improve feedback included:

- Reviewing the satisfaction survey and using customer feedback

The following KPI did not achieve its year end target:

NAS 34 – Average length of time waiting for major adaptations from assessment to work beginning (Weeks)

- The year end outturn of 12.25 week's fell 1 week short of the target of 11.25. This was due to the back log of work remaining consistent throughout the year
- Performance in 2011/12 was 11.89 weeks
- When benchmarked with Barnsley MBC our performance is much better; BMBC's average performance last year was 43.75 Weeks

Actions for improvement include:

- An improvement plan to monitor the processing of all 2012-13 applications by September 2013
- Carrying out a review of the indicator to make sure that it is monitoring the process from the initial enquiry stage through to work being carried out; this will add to the overall time of the process but will monitor progress more accurately

8. Risks

With the introduction of the Housing Benefit under Occupancy in 2013 it should be noted that more than 2500 tenancies are affected by the bedroom tax and this will pose significant risk on income collection. The introduction of Universal Credit is also planned to commence late 2013, although specific dates and numbers of people initially affected are not yet known.

To help address these issues, approval has been given for the Housing Income Team to recruit additional staff and they will be operating at a reasonable level by the end of the calendar year.

9. Background Papers and Consultation

The report has been discussed with Neighbourhoods and Adult Services Directorate Management Team. Appendix 'A' contains the performance results for the Year End of 2012/13. The indicators rated 'on target' are shown as a star and those that are rated 'off target' are shown as a triangle.

The Performance and Quality Team continue to actively monitor and help resolve risks and support the operational management arrangements within Housing and Neighbourhood Services.

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