 Overview & Scrutiny Committee 6 February 2018		Agenda Item No. 5
Title	HEART project progress report	
For further information about this report please contact	Lisa Barker Head of Housing Services Email: lisa.barker@warwickdc.gov.uk Ken Bruno Housing Strategy and Development Manager Email: ken.bruno@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	28 th September 2016 - Executive Minute no. 49	
Background Papers	None	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	18/01/2018	Bill Hunt
Head of Service	05/01/2018	Lisa Barker
CMT	17/01/2018	Chris Elliott
Section 151 Officer	19/01/2018	Mike Snow
Monitoring Officer	18/01/2018	Andrew Jones
Portfolio Holder(s)	18/01/2018	Councillor Peter Phillips
Consultation & Community Engagement		
None.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report informs the Overview and Scrutiny Committee of current operational and financial performance with the new countywide Home Environment Assessment and Response Team (HEART) shared service.

2. Recommendations

- 2.1 That Overview and Scrutiny Committee notes the performance of HEART as set out in appendices one and two.

3. Reasons for the Recommendations

- 3.1 The HEART service began operating across the whole of Warwickshire on 1st April 2017. Appendix One to this report provides an update for members on the transition, progress and performance for the first two quarters of 2017/18 while Appendix Two provides a financial report for the same period.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all. Housing needs for all met. Impressive cultural and sports activities. Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces. All communities have access to decent open space. Improved air quality. Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy. Vibrant town centres. Improved performance/productivity of local economy. Increased employment and income levels.
Impacts of Proposal		
The HEART service enables people with physical disabilities to meet their housing needs and remain in their own homes for longer.	None.	None.

Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained. All staff have the appropriate tools. All staff are engaged, empowered and supported. The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs. Continuously improve our processes. Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets. Full cost accounting. Continued cost management. Maximise income earning opportunities. Seek best value for money.
Impacts of Proposal		
None.	None.	None.

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies. The Council adopted the current Housing and Homelessness Strategy in April 2017. This includes an objective of supporting people to sustain, manage and maintain their housing and an action of implementing, monitoring and evaluating the new HEART service.

4.3 **Changes to Existing Policies**

Not applicable – this is a progress report on a shared service.

4.4 **Impact Assessments**

An impact assessment has not been completed because this is a progress report on a shared service.

5. **Budgetary Framework**

5.1 The HEART project has now been set up as a countywide shared service and has its own revenue budgets. The capital funding previously provided to Warwick District Council from central government to provide Disabled Facilities Grants is passed directly across to the HEART project for the same purpose.

5.2 Specific financial information is included in Appendix Two.

6. **Risks**

6.1 Not applicable – this is a progress report on a shared service.

7. **Alternative Option(s) considered**

7.1 Not applicable – this is a progress report on a shared service.

8. **Background**

8.1 On 28th September 2016 Executive resolved that Warwick District Council should participate in the countywide Home Environment Assessment and Response Team (HEART) shared service for the future delivery of its home adaptation responsibilities for a period of five years from 1st April 2017.

- 8.2 This followed a previous pilot project, the Housing Assessment Team or HAT, which had been running across the south of the county since 2010.
- 8.3 The transition into HEART went ahead according to timetable and the service is up and running.
- 8.4 Nuneaton and Bedworth Borough Council (NBBC) hosts the service and provides all of the infrastructure and administrative support. Operational management is provided by an officer from NBBC seconded to the post of Head of Home Environment Services. The "on-the-ground" service locally is delivered from Warwick District Council's offices at Riverside House.
- 8.5 Strategic management is provided by a Management Board consisting of the Heads of Housing (or equivalent) from each of the five district and borough councils and senior managers from relevant services within Warwickshire County Council.
- 8.6 The Management Board meets quarterly and receives reports enabling it to monitor operational and financial performance as well as issues around the strategic direction of the service. Appendices one and two are the second-quarter reports received by the board and are the most recent at the time of writing.
- 8.7 While members will find both reports useful, attention is drawn in particular to the following sections of the Performance Report in Appendix One:
- Section three shows demand for the services with some accompanying commentary;
 - Sections five and seven give the number of major adaptations funded by a Disabled Facilities Grant (DFG) approved, completed and closed for the quarter and the average cost;
 - Sections eight and nine show end-to-end times for the quarter and the trend over time;
 - Section 10 shows the average time taken to carry out key stages of the process;
 - Section 12 shows the time taken and average cost for each type of major adaptation in the south of the county;
 - Sections 14 to 16 cover customer satisfaction with the service and with contractors, including compliments and complaints;
 - Section 17 has the Head of Service report for the quarter.
- 8.8 The HEART Head of Service, Paul Coopey, will attend the meeting to assist with answering any questions that members may have on the progress of the project.



Home Environment Assessment & Response Team

Appendix One - Performance Report

Quarter 2
1st July 2017 – 30th September 2017

A colour code has been used to identify the North and South Teams within HEART service.

Colour Key

North

South

Introduction

HEART was fully established from 1st April 2017 and has been undergoing considerable change and development since as we have worked to implement NBBC systems and procedures within the South Team working practices. Recruitment to vacant posts has taken longer than expected and there has been some periods of sickness within the teams.

Housing Authorities have adopted a harmonised financial assistance policy to provide consistent services across all of the local authority areas. This policy requires significant changes to existing procedures and systems and is a major ongoing piece of work during Q2 and in to Q3.

It is unlikely that all of the development work to fully implement the services will have completely finished until April 2018.

It is within this context that the Q2 report is provided and will help to explain the figures being reported.

A benchmark has been added to the majority of the datasets based on the outcome from 2017/18, this is further split in to the quarterly benchmark to allow easy comparison with current quarterly figures.

1 Customer Outcomes – number of each outcome achieved through DFG funded major adaptations.

Care Act Outcomes	Outcomes applied to HEART	North Total number of cases closed within Qrt	South Total number of cases closed within Qrt	Quarterly Total	Quarterly Benchmark	Annual Benchmark
1. Managing and maintaining nutrition	Able to prepare drinks/food	0	0	0	0	0
2. Maintaining personal hygiene	Provision of facilities (modified/new) Maximise ability in activities of daily living Maintaining dignity and respect	49	21	70	117	470
3. Managing toilet needs	Able to use the toilet	31	12	43	58	232
4. Being appropriately	Able to dress /undress	24	12	36	51	524

clothed						
5. Being able to make use of the home safely	Able to use existing facilities within the property Able to access principal rooms within the property	53	24	77	131	0
6. Maintaining a habitable home environment	Improved condition of the property Provide comfort security & safety	0	0	0	0	0
7. Developing and maintaining family or other personal relationships	To reduce isolation, maximise ability. To maximise participation in family roles and work and social activities.	2	0	2	6	25
8. Accessing and engaging in work, training, education or volunteering	Facilitate working from home	0	0	0	0	0
9. Making use of necessary facilities or services in the local community, including public transport, and recreational facilities or services	Able to go in/out of property to access home, garden, community	2	0	2	51	22
10. Carrying out any caring responsibilities, the adult has for a child.	To minimise risk to person, carer or relative	0	0	0	1	3

NB: The above outcomes relates to major adaptations only.

During Q2 the service contributed towards 230 Care Act Outcomes for Warwickshire residents. This is lower than Q1 and lower than the quarterly benchmark figures. Although the North service has maintained throughput of cases the South service has reduced outcomes due to the reasons highlighted in the introduction.

2 Customer Goals

	Goal Set (all enquiries)	Percentage achieved	Percentage Exceeded (by providing a greater range of solutions)
North	243	96 (39.5%)	33 (13%)
South	137	45 (33.5%)	4 (2%)
Quarterly Total	380	142 (37%)	37 (9%)
Quarterly Benchmark	326	46%	7%
Annual Benchmark	1305		

The number of customer goals set has increased and reflects a general increase with enquiries both within the North and South service areas by 20% and 11% respectively. Development work is still required to accurately record the outcomes of customer goals and expand them to all the service types including preventative advice and other forms of financial assistance. This will be carried out as part of the work to implement the new financial assistance policy during Q3.

3 Demand

	North	Average Per Month	Average Per Working Day	South	Average Per Month	Average Per Working Day	TOTAL within / at end of quarter	Qrt Benchmark	Annual Benchmark
Total number of enquiries in period	241	80	3.7	198	66	3.0	439	408	1632
Total number of Telephone Assessments in period	242	81	3.7	204	68	3.1	446	402	1611
Total enquiries on Intake list with no telephone assessment at period end	2	N/A	N/A	3	N/A	N/A	5	N/A	N/A
Total number on list waiting for face to face visit	84	N/A	N/A	126	N/A	N/A	210	N/A	N/A

at period end									
Total number that had face to face visit at period end	242	81	4	73	24	1	315	314	1259
Total number closed within period	245	82	4	137	46	2	382	429	1717
Number of cases closed within period that had received a visit	187	N/A	N/A	60	N/A	N/A	193	275	1375

Demand for the service has increased as mentioned previously. Both North and South are able to keep up with this demand in terms of carrying out telephone assessments. This is considered a priority to speak with the customer as soon as possible after they contact the service. There are no waiting lists for telephone assessments which has improved over previous quarters.

The data shows that the North service is making headway to the waiting list for visits with a reduction in those waiting for a visit of 51% from Q1 to just 84 customers.

The South has been having difficulty processing cases once they have been assessed via the telephone which has resulted in the number of customers waiting for a visit increasing from Q1 to Q2 by 44%. The number of cases visited fell by 25% from Q1 to Q2.

There remains 2 vacancies within the South Housing Assessment Team and there has been an extended period of sickness which will reduce capacity to deliver.

4 HEART service Interventions

	Interventions	North	South	Quarterly Total
Finance Support	Charity support	0	0	0
	Direct payment – social care	Code Required	Code Required	0
	Maximising income - Benefits	14	26	40
	DFG Means Test	28	0	28
Energy Efficiency	Energy Efficiency Advice	0	0	0
	Energy efficiency survey	Code required	Code required	0
	Energy efficiency referral	Code required	Code required	0

Falls and Safety	Falls prevention assessment	Code required	Code required	0
	Falls prevention works carried out	Code required	Code required	0
	Home safety survey	0	0	0
	Home Safety works carried out	0	0	0
Housing Hazards (statutory)	Full Housing Hazards Assessment	Code required	Code required	0
	Housing Hazards Identified	Code required	Code required	0
	Housing hazards removed – grants / loans	0	0	0
	Social housing repairs	2	0	2
	Social Housing Fast Track	10	22	32
Advice	Information & Advice – Health promotion / prevention	Code required	Code required	0
	Information & Advice – Housing related	1	2	3
	Information & Advice – general	0	1	1
Activities of Daily Living	Major Adaptations Assessments – Private Sector Housing (DFG Visit forms produced)	132	44	176
	Major Adaptations Referral – Council Housing	NWBC 17 NBBC 37 RBC 12	WDC 8	74
	Minor Adaptations – ICESS	93	25	118
	Minor Adaptations – other	Code required	Code required	0
Alternative Accommodation Support	Rehousing support	Code required	Code required	0
	Suitability of property	Code required	Code required	0

	assessment			
	Specialist Professional support – self funding adaptations	0	0	0
Referrals	Referral to Social care	Code required	Code required	0
	Referral to Health	Code required	Code required	0
	Referral to Housing – Private Sector	Code required	Code required	0
	Referral to Housing - Allocations	Code required	Code required	0
	Referral to CAB	5	0	5
	Referral to Personalisation	0	0	0
	Refer to Handy Person	0	0	0

Progress on developing the systems to collect all interventions has been delayed due to transferring the HEART South on to NBBC computer systems and operational procedures. This work has been programmed in to the financial assistance policy implementation project and will be completed during Q3.

5 Major Adaptations funded by a Disabled Facilities Grant (DFG)

	Total number of DFG's approved within quarter	Total number of DFG Major Adaptations where the works were completed within quarter	Total number of DFG Major Adaptations – cases completely closed within the quarter
North	38	40	36
South	26	12	17
Quarterly Total	64	52	53
Quarterly Benchmark	72	70	66
Annual Benchmark	291	282	265

Following on from Q1 the North has remained relatively consistent with the number of DFG's approved, works completed and cases completely closed. There was an increase of 25% for works completed. The South shows a significant reduction in works completed and cases closed although there has been a 30% increase on Q1 in DFG's approved. This is lower than average in the previous year but shows movement in the right direction.

6 Referrals for Council House Major Adaptations

	Total number of Major Adaptation Referrals for Council Housing referred within quarter	Number of Council Properties	Percentage of total properties receiving referral
North			
NWBC	18	2691	0.66%
NBBC	43	5780	0.74%
RBC	12	3798	0.31%
South			
WDC	14	5985	0.23%
SDC	N/A	N/A	N/A
Quarterly Total	87	18254	0.47%

There has been a significant increase in the number of council adaptations being referred within NWBC and NBBC. The number of enquiries from tenants from those 2 local authorities has increased by 11% when comparing the first 3 quarters of 2016 and 2017 calendar years.

The number of referrals for RBC and WDC council adaptations has remained stable.

7 Average Cost of a Private Sector Major Adaptation for Quarter

Authority	Average Cost
NWBC	£4,930 (9 cases)
NBBC	£9,921 (19 cases)
RBC	£14,848 (14 cases)
WDC	£4,873 (6 cases)
SDC	£5,878 (6 cases)
Warwickshire	£9,356 (54 cases)
Warwickshire Benchmark	£7229

The average cost of adaptations has increased on previous quarters and the average for the previous year. This is due to RBC having 4 conversions or extensions within the quarter and a relatively low number of completions to balance this out.

The average cost of adaptations is likely to increase within the coming months as the discretionary assistance within the financial assistance policy will increase the amount of financial assistance available.

8 End to End Time and the 8 Key Stages

The End-to-End time for the DFG is the overall time from initial contact with the HEART service to completion of the adaptation works. It does not include the time taken to close the case.

The data concerns Private DFG cases where works are completed within the quarter.

HEART Service DFG End to End times

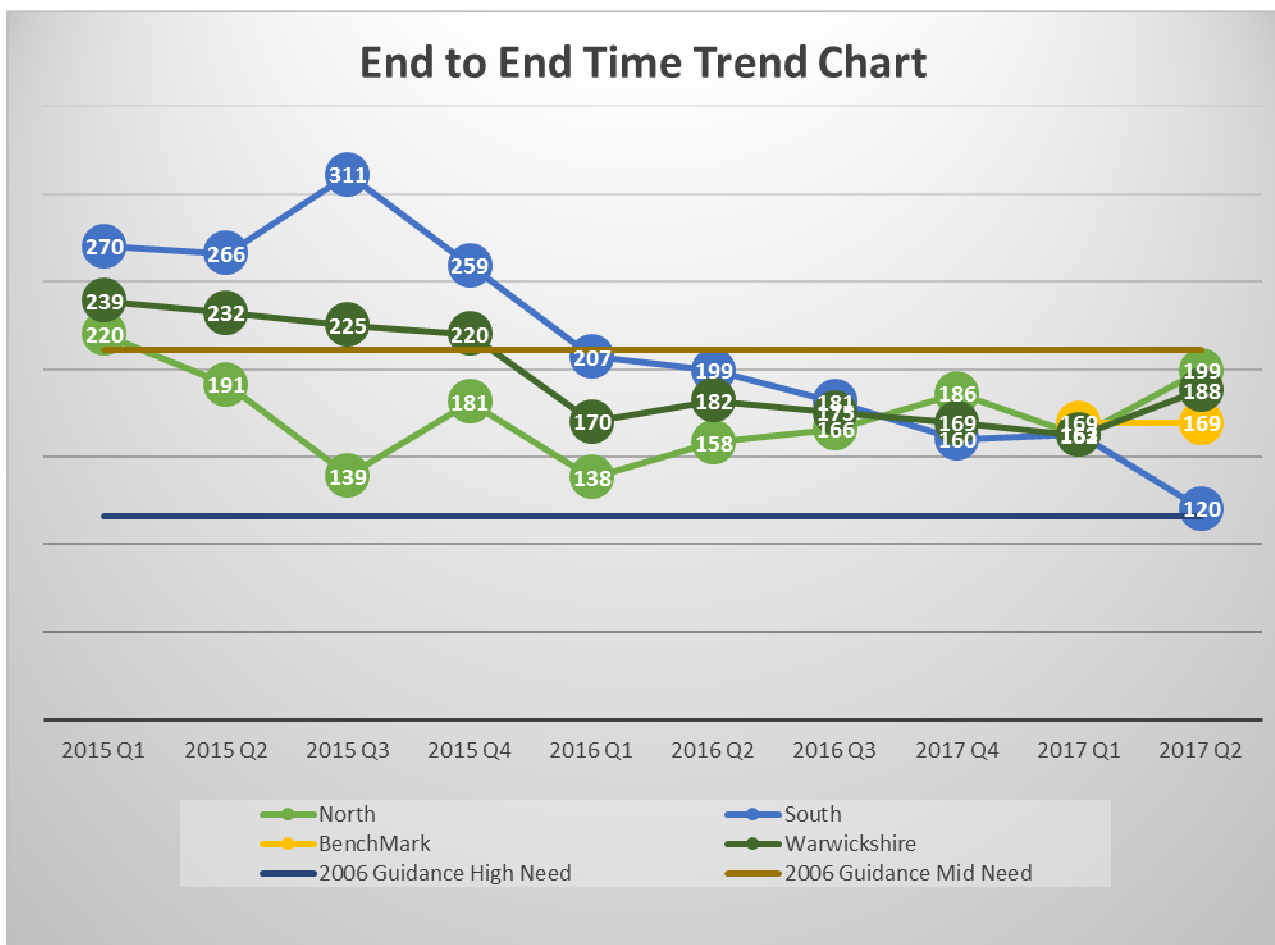
North Average	South Average	Warwickshire Average	Warwickshire Benchmark
199 Calendar days (148 Days if excluding works that were delayed)	120 Calendar days	188 Calendar days	169 Calendar days

There was an increase in the average end to end times during Q2 from 162 days in Q1. There were a few notable cases where work was delayed with three requiring charitable external funding to assist with the costs.

These cases will be less likely to be delayed in the future due to the new discretionary grants and loans of the new assistance policy.

The South reported 120 days for the 12 completed cases which is a best ever average duration for any particular quarter.

9 DFG End-to-End Trend Chart



10 DFG Stage Times

There are 8 key stages in the HEART Service pathway. The following table reports the average stage time for the adaptations where works were completed within the quarter.

DFGs closed in the quarter.

Stages	North Average Stage Duration	South Average Stage Duration	Countywide Average Stage Duration	Quarterly Benchmark
Enquiry to Telephone Assessment (all cases)	1 days	7 days	4 days	3.5 days
Telephone Assessment to Face to Face Assessment (all cases)	39 days	58 days	48.5 days	38.75 days
Face to Face Assessment to Contractor visit	34 days	14 days	24 days	38.5 days
Contractor visit to Quotation	15 days	5 days	10 days	11.5 days
Quotation to DFG Approval	9 days	24 days	33 days	21.75 days
DFG Approval to Start of Works	37 days	38 days	37.5 days	41.5 days
Start of Works to Completion of works	24 days	13 days	37 days	21.5 days
Completion of works to Case Closure	39 days	42 days	40.5 days	52.25 days

Generally the data shows that the North is improving the stage times when compared to Quarter 1 and the benchmark for last year. Although the South has a similar overall time, the length of time for visit to take place is 20 days longer which reflects the difficulties being experienced in the South.

11 Time Frame & Cost for Each Type of Major Adaptation - North

Type	Number	Average Duration	Shortest Time	Longest Time	Average cost	Comments
Stair lift	9	153 days	34 days	421 days	£3,066	Funding offset against larger works, which was delayed due to the customer having insufficient funding at the time the grant was awarded.
Ramp	2	143 days	143 days	143 days	£4,003	Both took 148 days.
Level Access Shower	17	144 days	75 days	209 days	£4,465	
Ground Floor Extension	4	489 days	245 days	614 days	£18,459	8084 –Delays in obtaining charity funding and original builder pulling off the job. 7882 – Delays in obtaining charitable funding. 7533 – Family delayed due to desire to larger than require extension.
Ground Floor	2	173	171	176	£7,185	

Conversion		days	days	days		
Steps/Half Step	0	n/a	n/a	n/a	n/a	
Through Floor Lift or Step Lift	0	n/a	n/a	n/a	n/a	
All (Including adaptations not included above)	36					

NB. Where more than one adaptation was provided in one property the average duration for that adaptation type may include the associated works.

12 Time Frame & Cost for Each Type of Major Adaptation - South

Type	Number	Average Duration	Shortest Time	Longest Time	Average cost	Comments
Stair lift	5	92 days	34 days	123 days	£4,159	
Ramp	1	248 days	248 days	248 days	£1,900	
Level Access Shower	7	115 days	78 days	138 days	£4,349	
Ground Floor Extension	0	n/a	n/a	n/a	n/a	
Ground Floor Conversion	0	n/a	n/a	n/a	n/a	
Steps/Half Step	0	n/a	n/a	n/a	n/a	
Through Floor Lift or Step Lift	0	n/a	n/a	n/a	n/a	
All (Including adaptations not included above)	14					

The time delays in the North were generally outside of the control of HEART. The new financial assistance policy should help to avoid the funding delays as we have the ability to award discretionary assistance.

The South service showed excellent delivery times for both stairlifts and level access showers.

13 Dropout Rate

The drop out is defined as when a case closes after a contractor has visited but before the works are completed.

Pre-HEART	North	South	Warwickshire Average	Quarterly Benchmark
35% Warwickshire Average	0 out of 36 0%	3 out of 17 17%	5.66%	3.75%

The drop our rate remain low compared to the pre HEART average but slightly higher than the benchmark

14 Customer Survey

The survey is targeted at all customers and not just solely related to Disabled Facilities Grant. The target number of surveys to be completed per quarter is based on a percentage of the total number of enquiries within each area are with a target rate of 20%.

For 2017/18 his gives an expectation of:

North		Contractor Surveys
NBBC	32	16
NWBC	16	8
RBC	16	8
South		
WDC	18	9
SDC	18	9

There are 6 key themes to the customer survey, which are:

- **Respect and Dignity**
- **Communication**
- **Responsiveness**
- **Reliability**
- **Contractors**
- **Overall experience**

Within each category, there are a number of questions customers are requested to rate from 1 to 6 with a score of 4 being a good service.

The table below shows the overall score for each key theme:

Score of 4 or above as a total percentage

KEY THEME	NORTH	SOUTH	HEART Service
Respect and Dignity	95%	94%	95%
Communication	88%	88%	88%
Responsiveness	88%	87%	88%
Reliability	86%	91%	89%

Contractors	100%	94%	96%
Overall Experience	97%	75%	84%

The low figure of 75% in the South is due to the questions being missed from 9 customer surveys, if the calculations take this in to account the figure is 94%.

The actual number of surveys completed within each area are:

NWBC 10
 NBBC 37
 RBC 16
 WDC 17
 SDC 27

Although the numbers for each area are not quite as targeted overall the number of surveys exceeds the 20% target for both north and south which is an improvement on previous surveys and reflects the task being brought under one team to complete.

The customer satisfaction survey remains high with the majority of customers stating that they rate each aspect of the service as good or better.

Comments include:

- Unable to help, was not offered any other alternatives or other routes for help.
- Communication from contractor was poor and work.
- Customer stated that lead time of 8 to 10 weeks is too long and no temporary short term solution was offered.
- Delighted with service and how quick it was and grateful for how it has made her life easier.
- Advice enabled customer to get resolution for issues.
- From start to finish the whole process was very professional.

15 Contractors Survey

The services major adaptations supply chain is effectively the contractors that deliver the adaptations. Ensuring high quality performance from the contractors is important to the overall delivery and customer satisfaction. From the customers surveyed the following **percentages** were achieved during the quarter.

North

Themes	North % (good and above)	South % (good and above)	HEART Service Score of good or above as a total percentage
Polite and courteous	100%	86%	89%
Cleanliness	100%	86%	83.5%

Quality of work	100%	86%	83.5%
Timekeeping	96%	79%	81%
Choice of materials	100%	86%	83.5%

There was a lower contractor score in the south with comments indicating that a couple of customers were not happy with the time keeping and working hours of the contractor. One customer thought the communication was poor. However in general contractors continue to receive few criticisms.

- Felt confident with them. Left them with keys. Worked hard, even weekend
- xxxxx has gone above and beyond with the work and been understanding
- xxxxx and xxxxx did a great job. Small hicccups but was fixed

16 Complaints & Compliments

The service currently logs complaints and compliments through NBBC Customer Service Team.

There were a total of 2 customer complaints, and 10 customer compliments that were received during the reporting period. The complaints involved:

1. Customer declined recommendations made regarding the installation of a stair lift
2. Customer request for replacement stair lift declined, due to continued operation of current stair lift.

Both complaints have been resolved with no problems with the approach of the Service.

The 10 compliments related to the support and assistance provided by the team members, some examples include:

I just wanted to send you a little message to thank you for yours and Cindy's help with the house adaptations. Having my home adapted for XXXXXX was a big thing for me. It isn't something any parent wants to acknowledge their child needs but you have helped make the process easy. You have been friendly, considerate, communicative and sensitive and XXXXXX life is now much easier. Thank you for talking to me throughout the whole process and allowing us to work together when I had concerns and worries. I really appreciated that. I know other families don't always have a smooth ride with DFG teams but I have so I wanted to acknowledge and thank you guys. Take care and all the best.

Shower chair has arrived today. Thank you so much for all your help, I really appreciate it. It's made a huge difference to mums quality of life, her being downstairs with us now and engaging in conversations etc. She's very happy. It's made a huge difference to my family also as we now get undisturbed sleep at night. Thank you Again

Thank you Annette for putting me in the right direction. Luckily the lady who was on the duty team "Tricia" was the first person who dealt with my bathroom adaptation, so she remembers me and the property. She was very helpful and efficient.

Thank you for making a big problem easier to deal with it's the little things in life that make a difference

17 Head of Service Report

.Quarter 2 has provided an number of challenges but also a great deal has been achieved. Shortly into Quarter 2, the adoption of the harmonised financial assistance policy within the Warwickshire Housing Authorities, caused the service to focus on the systems and process's to allow the policy to be fully delivered. A 5 month project was designed and commenced at the start of September which will result in a complete operational manual and IT systems to deliver the services consistently.

During this time, aspects of the new policy required immediate implementation and thus Warm and Safer Homes grants were being delivered albeit with more manual systems.

The work being under taken to implement the housing assistance policy is also being used as an opportunity to establish the best working practices taking account the different approached in the North and South.

Recruitment to the new posts in the structure continued during Q2. We had successful campaigns for the vacant home improvement officer post in the South and also the Senior OT in the North, however we were less successful with the vacant SHAO post with a second campaign underway. Recruitment is hindered by the 2 year fixed term contracts.

Unfortunately we have parted way with one Home Improvement Officer and a HAO post in the South remains to be filled.

Sickness has played a part in hindering performance during the quarter with an approximate 9% sickness rate for actual operational employees within the South team. The North has suffered a relatively small amount of sickness with 1.3% of days lost. North and South equates to 4.6% on average for operational employees.

However much progress has been made. The launch event took place, all South cases were transferred to NBBC systems and are now able to be effectively monitored and managed. Ordering and payments for building works moved from a paper to electronic system with all staff being trained and contractors moving over to receiving orders and invoicing electronically. A new OT assessment tool was introduced, Systems continued to be developed to managed and report on the multiple services in the 5 housing authority areas.

**Author: Paul Coopey
Head of Home Environment Services**

Date: 2nd November 2017

Appendix Two

Home Environment Assessment and Response Team

Report to: HEART Management Board - 24th November 2017

From: Head of Home Environment Services

Subject: Revenue and Capital Budget Monitoring Report

1 Introduction

- 1.1 This report highlights the financial position of HEARTs revenue and capital budgets at the end of September 2017.

2 Recommendations

- 2.1 That the report is noted.

3 Revenue Report

- 3.1 HEART's revenue budgets consist of a cost centre within NBBC and retained budgets within partners, the details of which feed in to the main HEART cost centre. In this way, where underspends or overspends occur within partners, they are accounted for within the main HEART cost centre. Partner accountants provide monthly updates to feed in to the HEART cost centre.
- 3.2 The table below provides the revenue position as the end of September after 6 months of operating the full shared service.
- 3.3 The overall position is showing there was a surplus of £43,415. This is due to underspends within the salary budget and also underspends within the running costs. There remained 4 vacant posts within the service at the end of September, 2 new HEART posts employed directly by NBBC (SHAO, HIO,) and 2 existing WCC posts (SOT, HAO).
- 3.4 £10,000 has been vired from the salary underspends to be used within the promotions budget as agreed at the May 2017 Management Board meeting. Much of the £10,000 has been committed but expenditure not yet incurred. This totals approximately £8000. So the forecast variance on running costs is not as high as the current figure suggests.
- 3.5 There is currently a deficit in the income line due to fee recovery not meeting the profiled amount of 55% of capital expenditure. There has been a better fee recovery during Q2 than the previous quarter with Q2 being £3.7k under profile. Q1 was £17k under.

HEART BUDGET MONITORING 2017-18		MONTH			
			6		
Details	BUDGET 17-18	Budget to Date	Paid to date	Variance to date	Comments
Salary related costs	1,038,820	519,410	471,283	(48,127)	Salary underspends across the partnership
Running costs	51,150	25,575	17,300	(8,275)	Includes the additional 10k budget for marketing much of which has been committed but not yet spent.
Payments to Partners	112,808	56,404	56,405	1	
TOTAL EXPENDITURE	1,202,778	601,389	544,988	(56,401)	Combined salary and revenue budget underspend.
TOTAL INCOME	(1,202,778)	(619,439)	(588,403)	31,036	There is a 21k under recovery of fees contributing to a total of 31k income variance.
NET (SURPLUS)/ DEFICIT on shared service (TO BE SHARED ACROSS PARTNERS/RESERVE)	0	(18,050)	(43,415)	(25,365)	There is a current surplus of £43,415

3.6 Due to the underspends being greater than the reduction in total income the budgets are showing a surplus of £43,415.

- 3.7 As recruitment campaigns are ongoing the growing surplus in the salary budget is unlikely to be maintained through the year. At the end of Q1 there was a forecast deficit of up to £28k by the end of the financial year as posts were filled and the underspends remained static. However as fee income has improved then it is more likely that the budget will balance by the end of the financial year.
- 3.8 If there is an overall deficit at the year-end, it could be funded from the current reserve of £58,764.

4 Capital Expenditure

- 4.1 The capital budgets for 2017/18 are contained in the table 1 below:

Table 1 – Q2 Capital Allocations

Government Allocations (BCF - DFG) 2017/18		Unspent Funding 2016/17 carried forward	2016/17 Allocation committed	Total
Warwickshire	£3,848,420		(£776,745)	£4,317,756
North	£2,374,480	£614,603	(£414,845)	£2,754,763
South	£1,473,939	£450,954	(£361,900)	£1,562,993
NWBC	£596,324	£170,764	(£66,087)	£674,001
NBBC	£1,238,795	£493,228	(£141,233)	£1,590,790
RBC	£539,361	-£49,389	(£207,525)	£489,972
WDC	£750,159	£172,001	(£82,947)	£839,213
SDC	£723,780 + Local Capital	£278,953	(£278,953)	£723,780

In 16/17 RBC had an over commitment of £49,389, reducing the budget available in 2017/18 whilst SDC had provided local capital to cover excess demand meaning that there was no uncommitted capital to carry over.

NWBC, NBBC and WDC carried over uncommitted capital increasing the budgets available in 2017/18 for those authorities.

- 4.2 The fee recovery rate to break even for the year is based on approving 55% of the 2017/18 Government allocations. The out turn at the end of September was as follows in Table 2:

Table 2 – Q1 and 2 approval and fee recovery rate

Government Allocations (BCF - DFG) 2017/18		6 Month Target	Approved values – end of September 2017	Fee Recovery Rate
Warwickshire	£3,848,420	£1,924,210	£1,004,993	52%
North	£2,374,480	£1,187,240	£680,733	57%
South	£1,473,939	£736,969	£324,261	44%
NWBC	£596,324	£298,162	£96,278	32.3%
NBBC	£1,238,795	£619,397	£392,260	63.3%
RBC	£539,361	£269,680	£192,195	71.3%
WDC	£750,159	£375,079	£80,737	21.5%
SDC	£723,780	£361,890	£225,996	67.3%

- 4.3 The data shows that, at the end of September, overall approvals are progressing at a rate just below that necessary to recover fees at 52% when 55% is required. If this is maintained or improved this would ensure that the service breaks even within the year. The North was running at 57% and the South at 44%.
- 4.4 There has been a large improvement in position over Q1 with 3 of the 5 local authority areas showing a rate of approval above that required.
- 4.5 Potentially with the other forms of financial assistance becoming available in late Q2 and into Q3, there will be more opportunities to approve more grants. As DFG's remain the only statutory form of assistance these will receive priority over other forms of assistance.
- 4.6 The above percentages are based on the Government DFG allocations for the year and not the total capital budget as detailed in table 1 above. As discussed at previous Board meetings additional resources are likely to be necessary approve the higher levels of capital spend.
- 4.7 It should be kept in mind that DFG grant for 2018/19 will be higher than the current year at £4.185m. Any under allocated funding from this year will be carried forward and present a larger challenge for next year. At the present approval rate it is expected that this may be up to £2m to be carried forward as unapproved grant capital. Therefor the total capital budget for 18/19 could amount to almost £6.185m. Action should be considered for next year to ensure an adequate level of resources to deliver this amount of spending or the capital is profiled to a more manageable level.

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