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REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	3 <sup>RD</sup> FEBRUARY 2005	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF COMMUNITY SERVICES	OPEN
MEMBERS' CONTACT POINT:	Bob Ledger	DOC:
SUBJECT:	Preparation for the Audit Commission Inspection and the HRA Business Plan	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE: HCS(ALL)

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1. **Purpose of report and recommendations**

1.1 To appoint consultants to assist the Council in preparing both for the Audit Commission inspection of the Housing Service in June 2005 and the production of an HRA Business plan on the same timescale.

2. **Detail**

2.1 As members are aware the Repairs and Maintenance function of the Housing Service is to be inspected by the Audit Commission in June 2005. In itself preparation for this would become the central focus for the organisation in the next six months given the importance of the assessment and rating for the organisation's morale and status including officers, members and our customers. On the same timescale however the Council is also required to produce an HRA Business Plan which although a requirement of Government is urgently needed to give the service strategic and financial direction in the light of the retention decision.

2.2 Given the importance of the inspection regime it is becoming standard practice amongst housing organisations to seek external, specialist assistance in the preparation.

2.3 An HRA Business Plan is required to fully outline the opportunities and pressures on the service, to give strategic direction and to project the business into the future. Although no fixed deadline has been set by the Government office for submission of the Business Plan a timescale of 'the first half of 2005' has been agreed. The Council's last HRA Business Plan was written by Pennington consultants in 2002/3 i.e. external assistance was employed.

- 2.4 It is likely that even if the Housing Service was fully staffed that external assistance would be required in preparation for these two critical pieces of work to reflect the significant additional workload, the specialist nature of the work and the need to keep abreast of good practice in the sector. However at the time when the workload will be at its height there will be a number of key posts vacant in the Housing Service including Improvement Manager (new appointee due in post 21.3.5), Repairs Manager (post currently advertised) and Performance Manager (post currently advertised). There are two additional vacancies in the Repairs and Improvement team of Project Officer and Foreman (both posts also currently advertised). In the key posts of Performance Manager and Repairs Manager, given the level of seniority involved, applicants are likely to be on two months notice periods and therefore neither post is likely to be occupied until mid-May at the earliest and therefore neither of the new postholders will have any meaningful impact on the Inspection or Business Plan preparation.
- 2.5 The situation is further compounded by the prolonged sick leave absence of the Housing Strategy Manager. Although this post is based within the Environmental Health Division given the importance of the tasks it would inevitably been heavily involved in the Inspection preparation of the Housing Service.
- 2.6 Given the importance of the two projects that need to be completed and the key vacancies that exist on the same timeframe it is proposed to buy-in consultancy support. It is recommended that a consultant be employed to assist in the preparations underway for the Inspection process and that this be upto 4 days a week until the inspection is upon us and that a consultant be employed to assist in the preparation of the HRA Business Plan. Committee has already appointed a member's steering group to oversee and steer both processes.
- 2.7 In addition it is proposed to fill the Housing Strategy Manager post on an temporary agency basis given the fact that the postholder has been on extended sick leave since October and is unlikely to return in the next three months.

### **3. Financial Implications**

- 3.1 The current market rate for good consultants working in the proposed areas is £475-£550 per day plus expenses. It is proposed that budget of £45,000 be approved to fund the two appointments although significant savings, of around £20,000, will be made from the three principal officer posts which will be vacant for all or most of the preparation period. It is proposed that the shortfall on costs be funded from HRA balances.
- 3.2 The work in preparation for the business plan is likely to involve 20-25 consultancy days support.
- 3.3 The work on preparing for the Inspection process is likely to involve around 50 days work at the rate mentioned in 3.1. The Council's standing orders require that work to a higher value than £25,000 should go to tender and this will be borne in mind in the appointment.
- 3.4 Filling the Housing Strategy Manager post on an agency basis for the next four months is likely to cost in the region of £17,000. This cost would be divided between the HRA and General Fund as they are for the substantive post.

#### **4. Corporate Implications**

- 4.1 Achieving at least a fair rating in the Audit Commission Inspection regime is an important issue not only for the Housing Service but also for the Council. The rating reflects on the standing of the Council in all its business whether that be with customers or partners. It also significantly affects the morale of employees and members.
- 4.2 The Council need an up-to-date HRA Business Plan to inform the planning decisions that need to be made in the medium and long-term particularly in the light of the retention decision.

#### **5. Community Implications**

- 5.1 An effective and well regarded housing service with an effective business plan would further improve the service provided to customers.

