

Melton Borough Council

**Independent Review of Housing
Revenue Account Repairs**

Improvement Plan

Report Para	Service Area	Improvement	Action	Target/Outcome	Target Date/ Priority	Progress @ 16 August 2010
24	Works Orders	Works orders are being raised retrospectively for out of hours calls but not recorded on the system, resulting in incomplete and untimely recording of committed expenditure.	Embed process with standby officers to record and complete all repair actions agreed out of hours.	All out of hours work is recorded on the Northgate system the next working day after the call out was made. This should be included within documented procedures	High	Requests have been made to standby officers to ensure call out sheets are given to repairs staff – this is being monitored. Complete although delay in some getting to repairs team.
27	Variations	No information is currently recorded to support reasons for the variations between Job Valuation Sheets and original Works Orders and to confirm that the Council has formally agreed and approved the variation	Agree process of variations with current contractor and full details to be provided prior to ageing variation.	Variations are supported by information detailing reasons for the variation and the officer responsible for authorising the work. This should be included in documented procedures	High	All VO requests are dealt with by repairs staff only – all e-mailed documentation is attached to the original works order and/or handwritten

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						depending on the request. Completed
30	Variations	The Council may wish to consider the appropriateness of current skills and experience of staff within the Repairs team and whether current practice to allow all staff to approve requests to vary works order is also appropriate	The Council should consider the appropriateness of the skills mix within the Repairs team and identify ways to bridge any gaps identified.	Review of structure and existing staff skills in order to ensure appropriately qualified and experienced staff in place to authorise works and analyse supporting data in order to inform future repair works	High	Review of Housing Repairs team being undertaken to ensure adequate skills are in place. Report to mid of Aug to MT
33	Variations	At present the Northgate system does not have the facility to generate a report detailing Variations to works orders, making the effective tracking of variances difficult.	The Council should pursue the possibility of obtaining reports from the Northgate system to identify variations from works Orders as other users at other sites have this capability	Reports being provided through the Northgate system that will provide effective tracking of work orders.	Medium	On –going. Weekly reporting showing minimum variations.
34	Variations	The Contractor breached the limit for un-approved variations on several occasions identified in the sample	The Council should remind the Contractor of the contract obligations and consider further controls in this area to monitor future compliance.	Contractor is aware of the limits set within the variation process and systems are in place to monitor this.	High	Contractor has been made aware to the variation limit and agreed process is in

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						place, monitored regularly. Actions have rectified previous issues. Completed
35	Segregation of Duties	Lack of segregation of duties in the repairs process increases the risk of fraud to Melton in the Council	Review tasks and roles within team, however, conscious of the size of service/organisation Due to the small size of the repairs team it is recognised that an ideal separation of duties will not be attainable and as such this risk will be recognised on the risk register	As a minimum, duties are segregated between raising works orders, the authorisation of works orders and the signing off of job valuation sheets within the Repairs team. Risk identified and regularly reviewed as part of service plan risks	High	Housing repairs Team being reviewed to ensure relevant skills are in place. To include roles. On-going related to size of organisation – Report to mid of Aug MT
36	Policies & procedures	A lack of documented policies or procedures for the Repairs function	Need to look at what is currently documented and update/replace as required including guidance on tenants responsibilities	Procedures are documented that guide both the Customer Services team and the Repairs team. These should be effectively communicated to all relevant staff members.	High	Being progressed. On-going. Draft policies agreed. Voids Lean work

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						being progressed.
38	Policies & procedures	The Council may wish to consider whether it is appropriate for a member of Contractor staff to conduct pre-inspection works	It may be more appropriate for the Council to use an appropriately skilled member of Council staff to pre-inspect works.	As 35	High	As 35
39	Policies & procedures	The customer services team calls the contractor directly for all urgent or emergency works alongside raising a works order but not necessarily informing the Repairs team.	Suggest getting a customer service advisor to come into repairs to take all calls etc	All works undertaken by the Contractor are directed from the Repairs team only.	Medium	Started week beginning 7 June. COMPLETED
41	Policies & procedures	Verbal orders have been raised in the past, leading to orders being placed without due process and without being recorded on the Council's financial systems.	Cease all verbal orders and make staff/contractor aware of this. Every instance identified to be logged and followed up by a senior officer	Policies and procedures clearly document that verbal ordering is not allowed and that the implication on the organisation of doing this is clearly communicated to staff members.	High	All relevant staff told via e-mail not to instruct verbal orders - but this needs to be clearly laid out in policy. Completed no verbal orders (except emergencies /standby)

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44	Planned Capital Costs	Contracted capital works are not recorded on the Northgate system; as a result the systems do not appear to provide a comprehensive assessment of commitments.	Suggest that not all capital money is placed on Northgate to enable certificate payments to be made and have a clear record of the payments & works done on each capital contract. Capital orders to be raised through the Oracle purchasing system to be replaced with I-Procurement. This system can also be updated with variations. In addition a spreadsheet to be maintained documenting capital commitments to be used to reconcile to? Oracle financials when undertaking budget monitoring	The Oracle purchasing system will enable a record to be maintained of all commitments entered into and will update the financial systems with these commitments enabling more robust budget monitoring.	Medium	On-going – works that are not ordered on Northgate and now ordered on Oracle COMPLETE
46	Planned Capital Costs	The Council may wish to review the appointment and activities undertaken by the external consultant used to assist with tendering and inspection work.	Independent review to be undertaken of role and work of consultant. Tenders to be sought for professional services that cannot be performed in house	Ensure value for money and effectiveness of the post and provide exit strategy.	Medium	Architect consultancy now stopped. Technical support in place 2 days a week to assist with capital works

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						and to fill a gap in the skills of the team. COMPLETE
53	Budget Monitoring	Budget monitoring processes for capital and revenue housing repairs requires improvement, Particularly for revenue expenditure.	We recommend that budget holders review adequate management information including financial commitments and attend all budget monitoring meetings providing robust explanations for overspends and detailed information on projected expenditure for future months in the year. Management information to include an analysis of the repairs data.	Weekly monitoring to be undertaken and all relevant staff to meet at least monthly to go through all aspects of budgets. Financial information is supported by service data enabling more robust budgets to be set and monitored and variations to be clearly related to the underlying data. This is in accordance with the budget protocol for complex high risk budgets.	High	Currently have a weekly report and monthly review. Future process will be keeping accountant up to date with relevant budget issues and communicating more. On-going
53	Budget Monitoring	There has been an absence of timely and accurate information provided by the Repairs team to the Finance Team and there is a need for individuals to take greater ownership of responsibility for monitoring processes.	Budget holders review adequate management information including financial commitments and repairs data and attend all budget monitoring meetings providing robust	As above	High	Acting Repairs Team Leader has attended all budget meetings and will do so in future as a priority – has

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			explanations for overspends and detailed information on projected expenditure for future months in the year.			developed an open communication with the repairs team and with finance in relation to budget monitoring. Complete. Further action identified around informing budgets more proactively.
NA	Northgate Rent Accounts & Tenant Charges Responsibilities	No responsibility or accountability for income and tenant account set-up	Set out full procedures showing where responsibilities lie when for example; setting up tenants accounts, actioning new charges, amending tenants accounts, notifying tenants of changes, ensuring charges for tenanted properties are paid by the correct parties (eg water rates) and ensuring communication over	Tenant Accounts are set up correctly and relevant utility companies and Council Tax are notified of change. New tenant charges are set up on the system in a timely manner as appropriate and all affected tenants are notified in advance. Where tenants accounts are incorrectly set up they are amended in a timely manner and the tenant immediately notified as appropriate.	High	On-going. Neighbourhood regeneration Mgr/Citizen well-being mgrs joint responsibility through regular monitoring meetings.

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			converted and sold properties.	Where properties are sold/converted all utility providers and council tax are made aware.		
NA	Business Objects reporting and Budget profiling on Northgate	Only one member of staff trained on how to do reporting on business objects to produce budget reports and also to profile budgets on Northgate system for repairs	Training for other members of staff to ensure cover during absences.	Good practice to ensure continued service on this area.	High	Training Plan in place and phased 'handover' taking place. Part of the examination of structures below HoS review..
Internally the Council has Identified a Number of Improvements/Actions						
	Capital contracts	Long term contracts that were entered into for capital schemes are coming to an end	Revisit contracts in place in conjunction with the HRA Business Plan and seek to retender any that have reached the end of their term and also bridge any gaps that may exist between existing contracts and future planned work	VFM obtained from long term contracts and increased in house efficiency by not having to go through the tendering process each financial year	High	Contracts for 2010/11 are based on DHS failures. Once Stock condition survey is in place, then longer term contracts will be procured. Stock condition

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						survey starting June 2010. Draft received Aug 2010. informing capital programme.
	Tenants responsibilities	Review the current responsibilities and ensure enforcement of these	Highlight and enforce the tenants' responsibilities and extending these and be firm on what the council will pay for. Determine a charging mechanism. Liaise with TFEC on way forward	Budget is not concentrated on a small number of tenancies. More challenging tenants behaviour is changed resulting in lower level of repairs	Medium	On-going. Tenants handbook being revised and will incorporate tenant repairs obligations/re-charging. New conditions of tenancy being written and ready to go out for consultation.
	Non Urgent Repairs	Repairs categorised as 28 days to be reviewed by repairs teams	Repairs team review non urgent repairs to examine both the need and also to identify efficiency through grouping repairs into type of work and geographical area in order to achieve	More efficient and cost effective delivery of non urgent repairs		Routine repairs now dealt with through planned works with contractor.

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			efficiencies.			Works being phased in geographic areas with Jeakins Weir. 5% discount on programmed works. Completed
	Budget Control – Capital & Revenue	<p>Unsure of commitments and projected spend within housing repairs</p> <p>All day-to-day work still on-going</p> <p>”</p>	<p>Gained control on where the budgets were in terms of spending, commitments and potential commitments to ascertain current position.</p> <p>Communication channel set up between finance and repairs team.</p> <p>All non-essential works put on hold.</p> <p>Budgets on Northgate</p>	<p>Budgets were profiled for remainder of the year to project over spend in advance and enabled some planning on how to cover that.</p> <p>Enable the accountants to be kept fully up to date and plan ahead if major works were needed - fortnightly meetings on Revenue spend. Monthly on Capital.</p> <p>Prevented over-spend getting out of control and enabled officers to re-look at what work we actually do in properties.</p> <p>Work is up to date in terms</p>	High	<p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Complete</p>

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			“increased” to allow payments to go through. Team told not to sit on large invoices.	of invoice payments		
	Inconsistency of decision making	<p>Team require on-going daily supervision to ensure variety of work is effective...</p> <p>Agree simple but effective communication system with Jeakins Weir.</p>	<p>Developed concise instructions for Repairs Team, Customer Services & Jeakins Weir on how the service will function under circumstances.</p> <p>Having line management in place to make the “major” decisions as team were worried about making the “wrong decision” and the outcome of this.</p> <p>Jeakins Weir have a point of contact to query work etc. The repairs team are told not to “sit” on issues they need advice on or large invoices</p>	<p>Clearer communication between all parties which has helped deliver a service under very difficult circumstances</p> <p>Moral in the repairs team has improved, the team are happy to “bounce” ideas round, which has enabled some changes in processes, be developed in preparation for 2010-11. Working relationships are much improved.</p>	High	Complete
	Back log of verbal/invoices not paid	Old claims being made 6-7 months after work being done.	Spreadsheets obtained from Jeakins Weir to ascertain what they were “owed”. These were cross referenced with Northgate	Ensures we do not pay “old” year work by getting everything as up to date as possible. The costs on the spreadsheet enabled the	High	Complete – 2010-11 has very little from “old” year

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			<p>and Repairs records anything not duplicated, paid or cancelled was raised for payment to be made.</p> <p>Introduced a simple admin procedure to “book in and out” invoices and JW valuations to ensure a record is kept of what is received.</p> <p>JW to be asked after 1st April 2010 to provide their “outstanding” spreadsheet on a monthly basis</p> <p>From 1st April 2010 – JW works orders to be monitored closely. Once a job goes over its target date then JW will be chased for invoice or explanations will be asked for.</p>	<p>budgets to be “prepared” for what we owed.</p> <p>Prevents “losses” of invoices and valuations so that claims for old work cannot be made. Suggest that a cut-off time is introduced to state if invoice not received within a set time after work done then no payment will be made.</p> <p>Will allow records to be kept up to date no backlog to be developed.</p> <p>Closer monitoring of contractors - will show more accurate performance figures.</p>		<p>outstanding final figure given to finance June 2010</p> <p>Complete</p> <p>Complete</p> <p>Complete</p>

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	Verbal Orders	Orders from all areas being given to Jeakins Weir therefore no commitments made on budget.	<p>Immediate stop to “verbal orders” – put this in writing to relevant officers/contractors.</p> <p>All day to day (rev) work to be raised through Northgate on Works Orders where necessary</p>	<p>Verbal orders have since stopped (although there are still a few odd ones that have been made – this instruction needs senior management to reiterate to all sections). This has enabled better control of expenditure.</p> <p>This is a clear instruction to be taken into the new financial year. Suggest Jeakins take this on to the level that if a verbal order is taken then no payment will be made.</p> <p>Gives Repairs Team a control over what work gets done (e.g. if a verbal is given it could be an element of tenants responsibility and something we would not normally carry out – actual works orders being printed and checked over gives more control over what work is done)</p>	High	All relevant staff told via e-mail not to instruct verbal orders - but this needs to be clearly laid out in policy. Complete

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	Extensive Variations to works	At present the Northgate system does not have the facility to generate a report detailing Variations to works orders, making the effective tracking of variances difficult.	Jeakins Weir VO limit reduced to £75 per order. Repairs Team ensure all VO's are dealt with ASAP and evidence and paper trail followed.	Better control over work that is being done. Puts a stop to large variations, which makes it difficult to budget for. Good for audit purposes but also stops "questions" being asked when an invoice is received which can delay payments having an effect on budgets. Keeps Jeakins Weir under an element of control, as they must not do more work without authorisation. JW are questioned on every "anomaly" and this helps to strengthen that control.	High	Complete
	High-Cost voids	There are a number of empty properties awaiting major repairs; this is affecting rent income and the supply of affordable housing.	Re-visited the void properties & re-planned work based on low budgets and a bare essential re-let. Suggestion - Transfer criteria should be strengthened. Maybe offer a financial incentive to	Enabled a full list of costs per void to be developed and reduction in void costs will eventually be seen over the coming years – suggest the voids policy is re-written – although MBC still has a commitment to Decent Homes – it is not possible to maintain that with the voids	High	A strategy to deal with all voids is in place and a meeting with Property team to discuss the potential all disposable is taking place

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			tenants who leave properties in re-let condition (i.e. painted, cleaned etc)	standard to due to high number of voids currently. Tenants will leave a better standard of void – cost MBC less to re-let – this is an initiative that Rockingham Forest HA run very successfully.		on some high cost voids. Properties identified for auction 2010. Voids phased in alongside what can be allocated the quickest so we can get rental income sooner . Lead process dealing with Voids.
	Priority of works	Some replacements carried out where items were not very old. (Communal doors)	Works needed checked against the decent home database to ascertain age of element. Some incorrect info has been found and updated as and when. Decent homes database re-done and now being updated in a methodical manner by the Repairs Team.	Ensuring the resource is spent in the right areas and on the right elements. Keeping up to date info on our properties.	High	A planned and co-ordinated approach is in place to deal with the service from 01/04/10. Stock condition survey will provide information on

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						demand for investment. Stock condition survey started June 2010. Drfat report Aug 2010.
	Northgate Capital money	<p>Double counting as some done on certificate payments and some done on works orders</p> <p>Capital commitments on Northgate not taken into consideration when budget monitoring</p>	<p>Got to grip with what was committed and put works on hold until new financial year – negotiated supply costs where possible.</p> <p>Suggest that not all capital money is placed on Northgate to enable certificate payments to be made and have a clear record of the payments & works done on each capital contract.</p>	<p>Gained more control over the capital budget giving accurate figures on where the money was being committed and this will then help to plan works for new year in terms of carrying on some commitments that were on hold.</p> <p>One form of payment on major capital works will help monitor the budgets and keep records relevant and up to date. A simple process to do this.</p>	High	<p>Being progressed and all capital works tracked.</p> <p>Capital works ordered through oracle</p>
New						

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		Although all sheltered schemes are compliant with the Disability Discrimination Act (DDA) and all other blocks with communal areas also have level thresholds, MBC has not undertaken a full compliance survey and it acknowledges that there may be issues with specific blocks that will need to be addressed				
		Information for tenants is not comprehensive. Although the website mentions the 5 year capital programme, it is not published in any format in detail and tenants therefore do not know when works are likely to be undertaken.				
		IT is limiting capacity. The Northgate system is limited in its application to support DH understanding as it is unable to				

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		accurately age components. MBC has set up a separate spreadsheet to overcome this.				