



## CAERPHILLY HOMES TASK GROUP – 11TH DECEMBER 2014

**SUBJECT: HRA STAFF TURNOVER REPORT 2013/14**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151 OFFICER**

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### **1. PURPOSE OF REPORT**

1.1 In response to Cllr L Ackerman's request at the CHTG meeting of the 18th September 2014 for a breakdown of the salary savings that was reported in the Housing Revenue Account (HRA) Outturn report 2013-14.

### **2. SUMMARY**

2.1 The Housing Revenue Account Outturn Report which was presented to CHTG on the 18th September shows the final outturn for the HRA for the 2013/14 financial year. As part of the overall underspend it was noted from the report that £597k represented salary savings. The report also noted that "...there are a variety of reasons for this given the volume of staff, but the main causes are staff turnover £400k, and other savings such as long term sickness, opted out pension savings and vacant posts, offset by standby overtime..."

2.2 Cllr L Ackerman requested that a more detailed breakdown be presented at the next available opportunity.

### **3. LINKS TO STRATEGY**

3.1 The content of the HRA Outturn Report is in accordance with the budget strategy considered by the Council at its meeting of 27th February 2013. Cabinet approved the HRA estimates on the 5th February 2013. This report is an extension of the HRA Outturn Report.

3.2 Budget management itself is in accordance with the corporate theme of 'Delivering the Strategies'.

### **4. THE REPORT**

#### **4.1 Introduction**

4.1.1 The following paragraphs explain the breakdown of the salary underspend of £597k achieved in 2013/14. It is worth noting that the total salary budget for the HRA (excluding capitalised salaries) is £9.1m so the underspend of £597k represents about 6.5% of the budget.

#### **4.2 Staff Turnover (£427k)**

4.2.1 Staff turnover includes the delay in filling budgeted posts, covering of staff who are absent (either on maternity or sickness) and the consequence of staff moving internally between

departments. This is the main reason of the salary savings achieved in 2013/14 and represents 71% of the total underspend.

- 4.2.2 The main areas of service that experienced the highest level of underspend due to staff turnover was the Sheltered Housing Service £123k and the Housing Repairs Operations £140k.
- 4.2.3 The Sheltered Housing Service employs 35 staff, the majority of which are Sheltered Housing Officers (previously wardens). Members of the CHTG will be aware that this service has experienced a full review as part of the promise to tenants contained in the Councils Housing Stock transfer offer that was accepted during the ballot in February 2012. The aim of the review was to establish ways of developing an improved service to tenants in sheltered housing and to other older tenants living outside of the sheltered schemes.
- 4.2.4 The review recognised amongst other things, that the sheltered housing service delivered a traditional service which did not meet the high quality standards required by stakeholders. Therefore a cluster based service delivery model was recommended which subsequently allowed for certain roles to be absorbed within the cluster model and also for natural wastage via retirement. The service has seen a reduction in 10 posts over the past year. This has resulted in a saving of £123k with further savings expected in 2014/15. The service has also benefitted from the appointment of 4 Floating Support Officers and an Activities Coordinator, all of which is funded by Supporting People Grant on fixed term contracts.
- 4.2.5 The Housing Repairs Operations Service employs over 145 staff and this was the first year of operating under the HRA regime since its merger from the DLO trading account in April 2013. To operate a demand led service requires constant adjustment to the staff resources to ensure efficiency and tenant satisfaction is maintained. Therefore a high turnover of staff is inevitable in particular employing agency workers on short term contracts to meet demand. In the 2013/14 financial year budget provision was made for agency trades which were not utilised. This has resulted in a saving of some £140k although this was offset by overtime offered to existing staff to maintain service delivery (see 4.4 below). Customer satisfaction levels have remained high and the backlog of repairs has been maintained.

### **4.3 Vacant Posts (£300k)**

- 4.3.1 This relates to posts that were budgeted for but were not filled. A breakdown over service area is as follows
- Strategy & IT Performance £71k
    - Strategy Manager £62k - *on hold pending structure review*
    - IT Information Assistant (50%) £9k - *subsequently deleted from the structure*
  - Allocations £40k
    - Senior Allocations Officer - *subsequently appointed*
  - Public Sector Housing £147k
    - Specialist EMO £40k - *on hold pending structure review*
    - Assistant Manager £40k - *subsequently absorbed within area restructure*
    - Area Maintenance Officer £36k - *subsequently deleted from structure*
    - 2 x Clerical Officers £31k – *1 subsequently appointed and 1 absorbed within area restructure*
  - Housing Repairs Operations £22k
    - Clerical Officer – *utilised resource via Passport scheme*
  - WHQS Support £20k
    - Clerical Officer - *utilised resource via Passport scheme*

#### **4.4 Overtime - £146k Overspend**

- 4.4.1 Overtime was an additional cost within the Housing Repairs Operations service as a consequence of addressing service delivery with the current staff resources. As explained in 4.2.6, this was funded by the underspend on those budgets not utilised. Overtime working is used in order to address increases in demand and the winter months of 2013/14 were the wettest recorded for many years which resulted in an increased number of repairs reported.

#### **4.5 Other £15k**

- 4.5.1 As mentioned in earlier reports, the HRA has a variety of reasons for staffing variances due to the high volume of staff within the service. The main reasons have been outlined above. The remainder of the underspend in 2013/14 is down to smaller savings mainly attributable to budget adjustments (variance on SCP points once appointed), a reduction in working hours or opting out of the pension scheme.

### **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

### **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications as this is an information report. However it is worth mentioning that any underspends from the HRA are retained within the service and re-invested back into housing stock as part of the WHQS initiative.

### **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications.

### **8. CONSULTATION**

- 8.1 There are no consultation responses, which have not been included in this report.

### **9. RECOMMENDATIONS**

- 9.1 Members are requested to note the contents of this report

### **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To address the request of Cllr L Ackerman as noted in 1 and 2 above.

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Background Papers:

HRA Closing File 2013/14, Housing Finance, Cherry Tree House