

NOTTINGHAM CITY HOMES

REPORT OF DIRECTOR OF STRATEGY &
PARTNERSHIP

THE BOARD
18 SEPTEMBER 2008

2008/09 DELIVERY PLAN AND BUDGET PROGRESS REPORT AND 2009/10 DELIVERY PLAN AND BUDGET PREPARATION UPDATE.

1 SUMMARY

- 1.1 This report presents an update of NCH performance against the 2008/09 Delivery Plan for the period 1 April 2008 to 31 July 2008.

The report also appraises the Board of our progress to develop the 2009/10 Delivery Plan and Budget.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board receives the report for information.

3 REPORT

Background

- 3.1 The 2008/09 Delivery Plan was approved by the Board at its meeting held on 13 March 2008 and Nottingham City Council's Executive Board on 18 March 2008.
- 3.2 Progress on the implementation of the Delivery Plan and the performance targets agreed (please refer to appendix 1 and 3) are monitored as part of NCH Performance Management Framework.
- 3.3 Data to update the Delivery Plan is extracted from the Service Improvement Plans (SIPs) which have been completed for each service area. In addition to updating the Delivery Plan, the data collected from the SIPs and performance results are collated by the Business Improvement team and monitored monthly by the EMT and service meetings. This includes the Performance Liaison meeting which is attended by both NCC and NCH senior managers.
- 3.4 On this occasion, information included in the Self Assessment document required for the Audit Commission Inspection in November has also been used to inform the progress report.
- 3.5 The framework for implementing the Delivery Plan (Please refer to appendix 2) is highlighted in section 8 of the Delivery Plan and is called 'NCH Model for Change'. The model includes short, medium and long

term aspirations for NCH and the principles of the Model for Change framework underpin the Delivery Plan.

4 AN OVERVIEW OF PROGRESS AGAINST 2008/09 DELIVERY PLAN 2008/9 AND PERFORMANCE INDICATORS FOR THE PERIOD 1 APRIL 2008 TO 31 JULY 2009

4.1 The progress report includes a total of 42 service priorities. Our performance so far indicates the following:

- 15 (36%) service priorities are completed (green)
- 27 (64%) service priorities are on target (yellow)
- 0 (0%) are areas of concern (red)
- 0 (0%) are not started (blue)

4.2 A simple analysis of the figures show approximately 50% of our targets should be completed by 30 September 2008 and out turn to 31 July 2008 indicates we are well on our way to achieve this.

4.3 Completed outcomes should, ideally, be evenly spread over the course of the year and by the end of the second quarter (30 September) we should have a better picture of what our end of year performance will look like. Monitoring our performance closely will become even more critical by the end of the third quarter when we should, ideally, expect at least seventy five percent of our anticipated outcomes to be completed. If not, it may suggest that a substantial number of outcomes will need to be delivered during the last quarter of the year which may place an unnecessary burden on staff workloads.

4.4 Performance Indicators

Our performance indicators to 31 July 2008 include 46 indicators of our performance in the following areas:

- Access and Customer Care
- Value for Money
- Equality and Diversity
- Organisational Development – workforce information
- Lettings and empty property management
- Housing Income Management
- Leasehold and Recharge Management
- Tenancy and Estate Management
- Resident Involvement

4.5 The performance results to 31 July 2008 indicate that we are maintaining our performance and the majority of our services are improving. Four performance indicators require further attention. Our plans to improve performance in these areas is presented below: .

4.6 **Telephones answered in target**

We have developed a good practice approach and service standard around telephone answering. Monitoring performance has proved difficult over recent months due both to system defects and office accommodation moves. In particular, the Call Centre has been plagued by 'ghost' calls which have made monitoring particularly difficult. We have had lengthy discussions with the City Council who provide the service to us and have an agreed action plan which will deliver an improvement of service over the next 2 months.

4.7 **Repairs completed within target**

The Board will know that we had been delivering upper quartile performance across a range of repair targets up until the commencement of the new repairs contract. Whilst mobilisation for the contract has gone according to the project plan, there has been some disruption to service and monitoring as a consequence of the introduction of both the new schedule of rates within the contract and a new IT package, required as a consequence of and to manage the contract. The new package has now been successfully implemented and we would expect to be able to measure performance more effectively at the end of September.

4.8 **Number of empty lettable properties**

The Board again will know that the new specialist voids and lettings team have made very considerable progress in reducing the number of empty lettable properties. Although the numbers have increased slightly over the last 2/3 months the position is still considerably better than at the same period last year and we have in place an action plan which will see improved results at the end of September monitoring period.

4.9 **Tenants in arrears**

We have a suite of indicators which measure performance on rent collected and arrear levels. As indicated earlier the new specialist team we developed 12 months ago has delivered considerable improvements in both service and performance outcome. Our rent arrears is now at its lowest in 15 years and rent collected for the first 6 months of this financial year is about £0.5m more than at the equivalent period last year. We need to take this into account when considering the increase that there has been in the number of tenants that are in arrears which in part reflects the current economic downturn.

4.10 These figures also suggest the Board and EMT need to consider whether or not the targets that we are agreed for 2008/9 are achievable. This will inform the performance indicators that are agreed for the 2009/10 Delivery plan.

4.11 **Budget 2008/2009**

There are significant pressures on the 2008/09 budget. A detailed forecast of the current year's position is currently being calculated and will be reported to Performance & Regulatory Committee including an update on the current position on the new repairs contract.

5 2009/10 DELIVERY PLAN AND BUDGET PREPARATION

5.1 This section of the report provides an update on the Delivery Plan and Budget preparation for the period 1 April 2009 to 31 March 2010

5.2 **2009/10 Delivery Plan Progress : 'AIMING FOR EXCELLENCE'**

5.3 The deadline for completion of the first draft of 2009/10 Delivery Plan to NCC is 31 October 2008.

5.4 The 2009/10 Delivery Plan is being informed by a number of key factors including

- Nottingham City Council's new Housing Strategy (2008 - 2011)
- LAA targets (Local Area Agreement)
- 10 Year Plan and business plan
- Customer feedback and consultation

5.5 A detailed project plan is in place to complete the Delivery Plan and the Budget. Business Improvement and Finance are working closely with managers to complete the plan in accordance with the agreed timescales.

5.6 A tenants' seminar to involve and consult tenants and leaseholders will be held on 14 October 2008 and will build on the tenant and residents 'Aiming for Excellence' service days held earlier in the year. The aim of the day is to continue discussions with residents about service priorities and choices in light of a possible reduction in the 2009/10 subsidy allocation. Further consultation will take place during the autumn with:

- Area Forums
- The Tenants and Leaseholder Congress (TLC) and
- The City

The Board will then consider both the Delivery Plan and Budget priorities at its away day on 23rd and 24th October.

5.7 **2009/10 Budget Preparation**

5.7.1 NCH are preparing the 2009/10 management fee budget in conjunction with the preparation of the 2009/10 delivery plan to ensure that there are sufficient resources available to deliver the Company's objectives, priorities and service improvements included within the delivery plan.

- 5.7.2 The biggest driver for agreeing the final management fee between NCC and NCH is the amount of resources available within the City's Housing Revenue Account (HRA) budget. The City has a statutory obligation to set and maintain a balanced budget for its HRA and this includes maintaining a prudent level of HRA balances. There is no prescribed formula for the calculation of the NCH management fee which allows us, with the City, to establish best use of the available HRA resources. Work is currently ongoing within NCH to calculate a draft budget figure for submission to NCC.
- 5.7.3 The most significant factor in determining the level of resources available within the HRA is the amount of HRA subsidy that Nottingham receives from government. The HRA subsidy settlement also gives guidance on the level of rent increases that can be set.
- 5.7.4 The receipt of the HRA subsidy settlement was severely delayed in 2007/08 which affected the calculation of the 2008/09 budget. The department for Communities and Local Government (CLG) have indicated that they will return to their usual budget timetable in 2008/09 which means that a draft subsidy determination will be received during November 2008 and the final determination in December 2008.
- 5.7.5 It is anticipated that there will be less resources available within the HRA budget for 2009/10. NCH therefore needs to ensure that it is delivering value for money services in the most efficient ways available.
- 5.7.6 NCH will prepare its 2009/10 budget in consultation with its stakeholders. This process is already underway as finance staff are working with budget holders on the preparation of the draft budget. The Executive Management Team will then consider this draft budget and it will be presented to the Board at its away day in October.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 6.1 It is expected that NCH objectives that were used to complete the Delivery Plan in 2008/09 will be changed based following consultation with tenants and leaseholders.

7 VALUE FOR MONEY AND EFFICIENCY ISSUES

- 7.1 The Delivery Plan and Budget 2009/10 will include efficiency targets in line with NCH 10 year financial forecast.

8 EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 The consultation seminar to be held on 14 October has specifically invited tenants that are 'often not heard'. This includes black and ethnic minority and disabled residents.

An Equality Impact Assessment will be completed on the Delivery Plan 2009/10 and the results will inform the Equality and Diversity Action Plan and will be available on the NCH website.

9. COMMENTS OF THE DIRECTOR OF FINANCE, ICT AND GOVERNANCE

The 2009/10 deliver plan and budget need to be prepared together and in consultation with stakeholders to ensure that there are sufficient resources available to deliver the Company's objectives and service priorities

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None

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Date: 10 SEPTEMBER 2008