

Draft Rent Service Business Plan 2007 / 8 to 2011 / 12



NOTTINGHAM



Draft Rents Service Business Plan

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Executive Summary

Section 1

1.1 This Business Plan sets out the vision and key objectives for the service and gives the detailed work plan for this year at section 10. The Plan sets out predicted budgets and expenditure for the service for 2007/8 and 2008/9. It also projects our position with regard to rental performance over a five year period.

1.2 We aim to:

- ✓ Provide a financially viable Rents Service by maximising rental income and continuing to reduce rent arrears year on year by collecting in excess of the rent due.
- ✓ Have Top Quartile performance in BV66a (the collection of rent and arrears) by 31st March 2009.
- ✓ Continually improve BV66b (the percentage of tenants owing 7 weeks or more) towards Top Quartile performance in 2012 or as soon as practicable thereafter by concentrating resources on preventing arrears rather than reacting to them.
- ✓ Reduce the number of secure tenants who have received a Notice of Seeking Possession due to rent arrears (BV66c) towards Top Quartile performance by 2012 or as soon as practicable thereafter.
- ✓ Dramatically reduce the number of tenants evicted for rent arrears (BV66d) towards Top Quartile performance by 2012 or as soon as practicable thereafter.
- ✓ Be actively seeking ways of providing better Value For Money and making cost savings in line with Gershon once arrears levels have become under control.
- ✓ Learn from best practice and be innovative in our service delivery.

1.3 The Plan is written at a time when the service has undergone a restructure to centralise management of the service through the Head of Service for Income Management and one team with responsibility for rent collection.

1.4 The Plan recognises the drivers of:

- Improving the amount of current and former tenancy debt that we collect to achieve top quartile by 2008/9
- Value for money – achieving efficiency savings whilst improving customer satisfaction outcomes
- Partnership working for debt management – through Protocols with City Council agencies such as Housing Benefit, Social Services, Housing Aid and the voluntary sector such as the St Anns Advice Centre and the Citizens Advice Bureau.
- Sustaining tenancies by ensuring that existing tenants have the necessary support to successfully claim benefits they are entitled to and that new tenants have the affordability of their tenancy assessed before sign up
- Tenant involvement and the continuous development of the Tenant Rents Panel and Tenant Inspection Team
- Quality assured performance management arrangements for rents management staff

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- Learning from best practice by continued involvement in benchmarking clubs of high performers
- Ensuring that the service can meet the test of the 4Cs of Comparison, Consultation, Challenge and Competition

1.5 We carry out extensive benchmarking and we intend to widen the scope of this by looking at organisations managing services in areas of similar deprivation. Our membership of Housemark informs us about our unit costs and relative efficiency.

1.6 Our consultation on rents will increase this year by the use of rolling monthly customer satisfaction surveys. However we go beyond consultation by actually involving tenants in service development. The Tenant Rents Panel is involved in reviewing and developing our service. Our Tenant Inspection team will be involved in checking service outcomes for customers.

1.7 Our Tenant Rents Panel and our Tenant Inspectors also provide us with challenge and we have ensured further challenge by the programmed HQN Mock Inspection in October 2007. We also use benchmarking Clubs for peer review and challenge.

1.8 In terms of competition we are exploring procurement opportunities available from joint purchasing of debt collection by forming a consortium with other ALMOs.

Section 2 Introduction

- 2.1 Nottingham is the 7th most deprived area in the country and there are accordingly, higher incidences of low pay and low educational achievement and literacy. A partnership approach to sustaining tenancies is therefore essential. The service improvements for this year and next are set out in the Service Improvement Plan which has been drawn up on the basis of identified shortfalls against the Audit Commission's Key Line of Enquiry number 4 "Income Management".
- 2.2 The Project sponsor for this Improvement Plan is the Head of Service and the Project Manager is the Rents Manager. The Rents Manager has been given day to day responsibility for the staff resource which was previously distributed around the City's nine Area Housing Offices. Having the staff resource located under one overall Operational Manager is designed to bring the necessary step change to performance on both rent collection and on the advice and support to tenants facing problems meeting their rental obligations.
- 2.3 Much progress has been made in reducing current tenancy arrears from £10.3 million in July 2003 to the £3.6 million at the end of 2006/07. The structural change is our response to the challenge of moving performance to top quartile level. The staff in the new Rents structure are committed and they have played an active role in setting up the new performance management systems and targets.
- 2.4 We have introduced three new Financial Inclusion Officer posts into the structure. They are to be experts on income and benefit maximisation providing customers with effective advice and assistance to prevent indebtedness. This will in turn improve rent collection rates and help to reduce evictions. Financial Inclusion Officers will have close links with the Council's Benefit Service, the voluntary advice and financial sectors and be an expert resource taking referrals from colleagues.
- 2.5 Debt Advice is provided by a contracted partner; the St Anns Advice Group. Surgeries are held in all local Housing Offices, at the City Finance office, at the Homeless Families Unit and an advisor attends Rent Possession hearings at the County Court. Between 150 and 180 appointments are available each month, with booking rates well in excess of 90%. Arrears management procedures have had debt advice embedded and all Rents staff are able to book appointments for customers. Satisfaction with the service is high.
- 2.6 The Tenant Rents Panel was formed in 2004. The Panel review current policies and procedures and continue to give us valuable feedback and challenge to proposed changes. The Panel have consistently brought forward new suggestions for change. The current arrears procedure has been developed in partnership with the panel.

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Aims and Objectives

Section 3

3.1 To reduce current debt owed and former tenant debt.

Our aim is to achieve top quartile performance by the end of 2008/9, whilst minimising the number of evictions. The Rents team will achieve this by:

- maximising income collection by providing pre tenancy and “in tenancy” advice and support to maximise benefit entitlement
- ensuring that staff achieve the performance outcomes agreed in their individual performance frameworks
- providing opportunities to take professional debt advice for those that are having difficulty in paying and establishing repayment plans based on the customers ability to pay
- promotion of payment options that provide value for money for the Company whilst meeting the needs of tenants
- use new technology to improve services for customers
- considering the use of non possession action enforcement and evaluating it's success
- maximising the payment of Housing Benefit by greater local knowledge of customer circumstances and compliance with the revised Benefits Protocol
- ensuring that the number of transfers of existing tenants, with rent arrears is minimised
- exploring the options to incentivise payment methods and clear rent accounts

3.2 To involve tenants in reviewing and developing services. This will be achieved by:

- continuing work with the Tenant Rents Panel in reviewing outcomes and developing service plans
- the use of information from regular customer surveys to develop services and improve satisfaction levels
- regular reports to Tenant and Leasehold fora
- working according to our 3 Star Rents Protocol to ensure that customers receive a joined up service by all Company staff
- monitoring of the effectiveness of the Debt Advice Service
- monitoring of the effectiveness of the Financial Inclusion Officers
- carrying out audits of the service with the Tenant Inspection Team
- collecting and updating customer profile information when contacting tenants

3.3. Develop partnership working to promote financial and social inclusion and value for money by:

- Continued representation on Agency working projects dealing with Income maximisation and tenancy sustainment
- Continuous development of inter agency Protocols such as the Corporate Debt Policy and those with the Council's Benefits Service, Social Services and the Advice Agency Debt Protocol

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- Benchmarking unit costs and exploring joint procurement with club members
 - Learning from good practice by reviewing current Inspection reports and good practice web sites
 - Continued attendance at existing Benchmarking Clubs and seeking new opportunities to develop learning partnerships
 - Set up an East Midlands income management benchmarking group and seek to benchmark performance and cost with housing organisations in areas of high deprivation
 - Developing and maintaining effective working relationships with the County Court
 - Being members of the Rent Income Excellence Network
- 3.4. Continuous development of staff that customers value and who deliver value for money and service with high satisfaction levels.
- Continually develop performance management frameworks by reviewing their effectiveness
 - Develop Key Competencies for all front line Rents team positions
 - Ensure that one to ones and Performance Development Reviews for all staff are carried out to timetable and that staff are surveyed on their effectiveness
 - All Rents staff trained on welfare benefits and the financial inclusion agenda
 - Monthly staff focus groups to review the effectiveness of current approaches that promote innovation and deliver value for money
 - Good staff performance rewarded by awards schemes and letters of congratulation
 - Staff to hold joint discussion workshops with Tenant Inspectors and the Tenant Rents Panel
 - Managers to track the effectiveness of “Magic Tools” techniques
 - All suggestions about changes to processes and policies suggested by staff and tenants tracked and fed back at team meetings and the Tenant Rents Panel
 - Best practice shared between teams and with other housing management disciplines
 - Development of ISO 9001: 2000 compliant procedures

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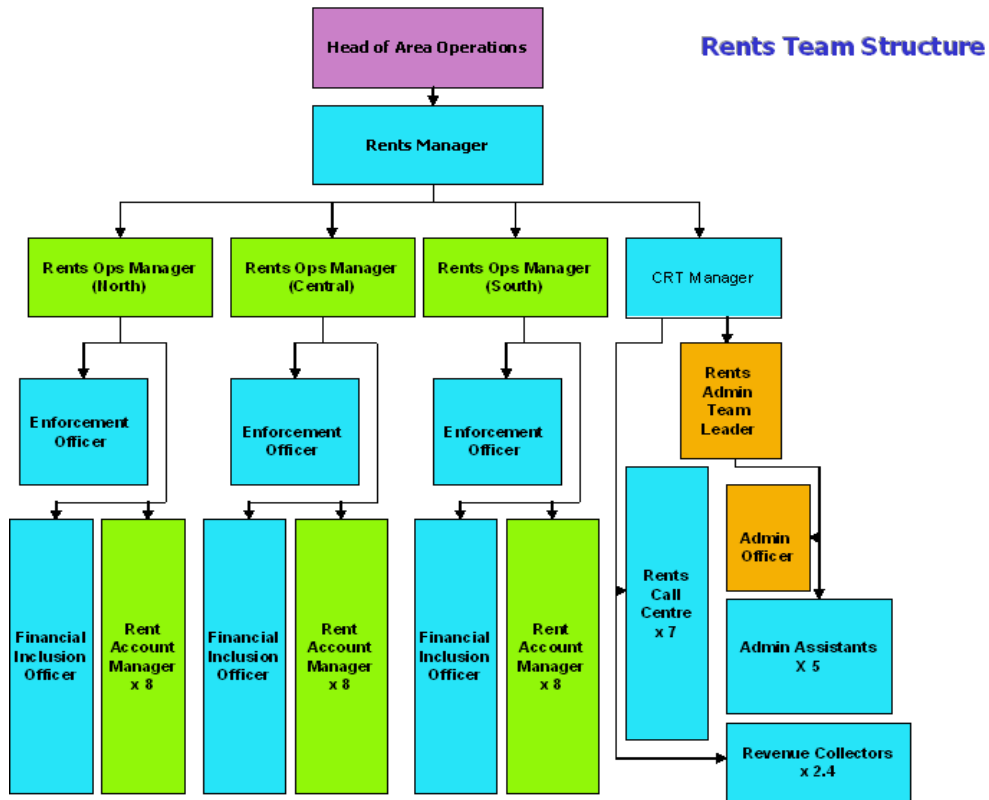
Section 4 Stakeholder Involvement

- 4.1 We encourage the views of tenants through a range of mechanisms; surveys, complaints, comments and compliments. We use the information received to inform us on how we can develop the service.
- 4.2 Customer views, 3C information and satisfaction survey results will be discussed at the monthly Rents Service Business Review Meeting attended by the Head of Operations, Rents Manager and Operational Rents Team Managers. All views are welcomed and considered as opportunities to develop services to meet customer need.
- 4.3 A programme of rolling Customer Satisfaction Surveys have commenced in September 2007, seeking the views of customers who have sampled an aspect of the service in the previous month. This may have been the receipt of a letter or statement, a telephone made to a Rents Call Centre or an Account Manager, a home visit or simply by making a payment. The results will be reviewed on a monthly basis, used to inform and shape future service provision and published on the Company website and in the Tenant Newsletter at regular intervals.
- 4.4 A Tenant Rents Panel has existed since 2004 and has been instrumental in our consultation process. The panel has scrutinised, amongst others:
- Rent setting policy and decisions
 - Understanding transaction costs
 - Arrears escalation procedures
 - Arrears policies
 - Arrears letters
 - Payment incentives
 - Publicity campaigns and marketing
 - Quarterly rent statements
 - Rents team structures
- 4.5 Customers who receive assistance through the Debt Advice Service will be surveyed for their views on the effectiveness of the service and how it could be improved. The St Anns Advice Group (contracted providers of the service) survey all customers and results are provided at the bi-monthly SLA review meetings. In addition, NCH survey a sample of customers, including those that failed to attend or cancel their appointment. Results are shared at the bi-monthly SLA review meetings and are presented quarterly at the Rents Service Business Review Meeting.
- 4.6 The effectiveness of the Financial Inclusion Officer positions will be monitored monthly and customers views will be vital in shaping this new service.
- 4.7 The views of voluntary sector and statutory stakeholders will be sought on at least an annual basis and the results considered and published as in (4.3) above.

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Section 5 Service Characteristics

5.1 The Rents Team is responsible for the collection of an annual rent debit of £80million. The average weekly rent is £56. We brought forward £3.6 million arrears into this financial year and we need to collect an additional £1.34 million in addition to the debit, in order to meet our target of collecting 97.35% at the end of 2007/8.



5.2 There are 51.5 staff are in our Rents Team at a salary cost of £1.46 million (see Section 14; Management Costs). Rent charges and service charges are set by the Retained Housing Function. Rent and other payments to Nottingham City Council are taken at 9 Area Housing Offices. See the table below in 5.9 for the breakdown of cash taken. A cost benefit analysis of the cost of cash receipting operations is part of this year's Service Improvement Plan.

5.3 The Rents Team was brought together in mid July 2007 and consists of a Central Rents Team which is responsible for, amongst other things, producing the bulk of letters and documents, administering the household contents insurance scheme & direct debits, administering Former Tenant Arrears & court proceedings and managing the Rents Call Centre.

5.4 The Rents Call Centre within the Central Rents team has six staff who take an average of 1000 calls per week with 78% being answered within the 18 second Company standard in 2006/7. The Call centre have taken in excess of £1.1 million in rent payments annually since 2005/6. The staff complement within the Call Centre is to increase by one so that working hours can be extended to 8.00 a.m. – 6.30 p.m.

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from the current 8.30 a.m. – 4.50 p.m. Total cost of the Rents Call Centre in 2007/8 is £130 thousand. The Customer Focus review will consider the future provision of call centres with a view to providing better value for money.

- 5.5 There are currently three area teams based in each of the Operational Units at Area Housing Offices in Bilborough, Lenton and Southglade. Each team has a Manager, an Enforcement Officer to manage our relationship with the County Court and to deal with Possession Orders and evictions and eight Rent Account Managers each with around 1200 properties. Each team has a Financial Inclusion Officer, a welfare benefits expert, whose role is to ensure that benefit entitlement is assessed for new and existing tenants and that housing benefit in particular is paid from the first week of the tenancy. This officer also provides advice on bank accounts, credit and savings, home contents insurance and budgeting. The teams are focused on making early face to face contact with those in arrears and ensuring that non payment is followed up immediately. Arrangements to clear debt are based on tenants' income and expenditure assessments and their ability to pay within a prioritization of debts.
- 5.6 All Rents staff operate in accordance with an appropriate performance management framework and to set and agreed targets. The framework and Policy emphasises:
- Preventative advice, support and information
 - High quality information about the help and support available
 - Focusing resources on the areas with the most arrears issues
 - Involving tenants
 - Working together with internal teams and external partners
 - High quality management information about arrears
 - Value for money
 - Learning & Innovation
- 5.7 Collection of Former Tenant debt is managed in house then outsourced to an external partner, Moorcroft Debt Recovery Limited on a "no win, no fee" basis. Commission is charged on a scale dependant on whether a forwarding address is supplied or not. Recovery on former tenant debt was at 6.6% in 2006/07 which we aim to improve year on year.
- 5.8 The Household Contents Insurance scheme, in conjunction with Norwich Union and AON, provides tenants with a no claims excess policy at very competitive rates starting at £1.38 per week (50 weeks) for £12K worth of cover. Accidental damage can be added for a small additional premium. In administering the scheme, NCH receive commission at the rate of 15% of premiums charged. In 2006/7, this amounted to £35K.
- 5.9 Customers are able to pay their rent by the full range of payment methods, Direct Debit, (weekly or monthly), cash payment at Area Offices and the Guildhall, automated telephone payments, via the Intranet, by credit card and at the many Paypoint outlets all over the City. We have 2.4 full time equivalent rent collectors who collect from vulnerable customers.

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- 5.10 Rent is due weekly in arrears. New tenants are given payment cards when they sign for their tenancy, but are encouraged to pay by Direct Debit where possible.
- 5.11 Nottingham is the 7th most deprived area in England * and around 60% of tenants receive Housing Benefit.

* Source: *the English Indices of deprivation 2004 (revised)*

Overall Deprivation Indices		Employment Index	Income Index
1	Liverpool	Birmingham	Birmingham
2	Manchester	Liverpool	Liverpool
3	Knowsley	Manchester	Manchester
4	Tower Hamlets	Leeds	Leeds
5	Hackney	Bradford	Sheffield
6	Islington	Sheffield	Bradford
7	Nottingham	Newham	Sunderland
8	Easington	Tower Hamlets	Wirral
9	Kingston Upon Hull	Hackney	Wigan
10	Midlesborough	Nottingham	Newcastle
11	Newham	Sandwell	Wakefield
12	Salford	Leicester	Nottingham

The overall deprivation indices combine the key factors of Income, Employment, Health & Disability, Education, Skills & Training, Barriers to Housing & Services, Living Environment and Crime.

Partnership

- 5.12 The Rents teams work in partnership in accordance with the Corporate Debt Policy and with Agency Protocols in order to seek to sustain tenants in their homes. New tenants are assessed using the Company “Needs assessment form” which allows staff to form a judgment of an individual tenant’s need for floating support.
- 5.13 We sponsor the St Anns Advice Group to run Debt Advice surgeries at all of the Housing Offices at a cost of £88k in 2006/7. This provides 2 full time debt advisors and full time administrative support. The City Council’s Council Tax division fund an additional advisor & part time administration. An average of forty appointments per week are offered, with up to 95% of appointment slots being filled each month. General satisfaction is measured by St Anns Advice Group and the Company and feedback on the service is very positive. The impact of debt advice on rent arrears levels is monitored and used to inform future service delivery.
- 5.14 Our relationship with the Housing Benefit Service is of critical importance. We work closely with Benefits staff to ensure that our tenants supply the information required for them to assess or review claims. We work together to plan joint Benefit take up campaigns. The HB contribution to our rental income is around

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£50 million per annum. We review the success of the agreed Protocol with the Benefits Service at quarterly Liaison Meetings. There is additional opportunity to discuss operational performance and synergies at the Benefit Service' monthly Business Review meeting.

- 5.15 We liaise with the City Council on maintaining compliance with their Corporate Debt Policy. Joint working protocols are being developed with the City Council's Housing Aid Service and Children's Services to ensure that we jointly minimise the risks to children and families arising from debt recovery action.
- 5.16 We have an Advice Agencies Debt Protocol that prescribes how the Company and the City Council will work with voluntary sector agencies in the city where customers are receiving debt advice. The following agencies have signed up to the protocol:
- Bestwood Advice Centre
 - Bulwell Advice Centre
 - Citizens Advice Bureau
 - Clifton Advice Centre
 - Meadows Advice Centre
 - Nottingham Law Centre
 - Shelter
 - St Anns Advice Group

We plan to carry out satisfaction surveys with these agencies to seek views of our performance in discharging our responsibilities and protocol review meetings are held half yearly.



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Section 6 Risk Management

6.1 The Rents Risk Management Plan (work in progress) identifies key risks to the service and the controls in place to minimise the risk. The plan will be reviewed at the monthly Business Review meeting.

6.2 Risk matrix (draft):

No.	Risk	Likelihood	Impact	Score
1	Failure to meet year on year BVPI targets	4	5	20
2	Failure to meet year on year local targets	4	4	16
3	Insufficient people resources to meet need	3	4	12
4	Failure to meet required Quality Standard	3	4	12
5	IT systems failure	2	5	10
6	Failure to maintain team motivation	2	5	10
7	Insufficient other resources to meet need	3	3	9
8	Failure/ inability to reduce costs & provide VFM	4	2	8
9	Failure to adhere to effective PMF	2	3	6
10	Managing potential fraud	1	5	5
11	Failure to learn from own & others experience	1	5	5
12	Failure to understand business costs & drivers	1	4	4

		IMPACT 				
LIKLIHOOD 	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5

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Section 7 Developing the Service

7.1 Once top quartile performance has been achieved, it is our intention to look for new business opportunities to increase income to provide essential services.

Extending services

7.2 It is our intention to evaluate the marketing of services to other housing providers in the following areas;

- Rent arrears management services; current and former tenant arrears, rechargeable repair billing and recovery, benefit and debt advice.
- Rents Call Centre; reactive and pro-active call handling, card payments, chasing of former tenant debt, providing benefit advice and assistance.
- Financial Inclusion Officers; short-term floating tenancy support, budgeting and low level debt advice, benefit claim assistance.

Extending hours of operation

7.3 The Rents Call Centre will be extending hours of operation from the current 8.30 to 4.50 to 8.00 to 6.30 Monday to Friday in the third quarter of 2007/8. In addition, the local Rents teams will pilot extending hours into the evening on designated days each month.

7.4 The feasibility of extending hours further in local teams to include late evenings and Saturday mornings will be investigated in 2008/9.

7.5 The likely amalgamation of Company call centres will provide additional opportunities for customers to contact us at a time to suit them.

Payment Incentive Scheme

7.6 A development bid has been submitted incentives as follows;

- A quarterly prize drawer for those paying on time and keeping to arrangements
- Those paying by Direct Debit; our preferred payment method
- A free introductory period of Household Contents Insurance to promote take up.

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Section 8 Value For Money

- 8.1 Value for Money is a key aspect in the delivery of the Rents Service for the period 2007 to 2012. Nottingham City Homes' aim to provide an excellent rents service at a cost that compares favorably with similar organisations and at a price that tenants are prepared to pay.
- 8.2 Value for Money is discussed in the monthly Rents Business Review meeting and in EPDR's and monthly one to one's with all Rents staff.
- 8.3 The Service Improvement Plan contains actions to better understand unit costs and effectiveness for all aspects of the business, including transaction costs and the cost effectiveness of incentive schemes and of the Call Centre.
- 8.4 Members of the Rents Team sit on the Company's Value For Money group.
- 8.5 Achievements to date:
- Improvement in collection rates from 2003 to date. BV66a has risen from 86% in March 2003 to 95.5% in March 2007.
 - Improvement in current tenancy arrears from 2003 to date; £10.3m in July 2003 to £3.6m in March 2007.
 - Reduction in evictions of 30% at March 2007 when compared with 2004/5. Cost savings to be calculated.
 - Fewer arrears cases progressing to legal proceedings leading to a court cost saving in excess of £100k at March 2007 when compared with 2004/5.
 - Analysis of transaction costs for 2006/7 (see 5.9) and full cost/ benefit analysis to be undertaken by 31st December 2007.
 - Promotion of the Direct Debit scheme, including a free prize drawer incentive in April to June 2007 when weekly payments were introduced.
 - Promotion of the Tenants Home Contents Insurance scheme and effective procurement resulting in £35k per annum commission.
 - Charging for Mortgage references (April 2007) will generate income of £7 to £9k in 2007/8 that will be used to fund financial inclusion initiatives.
 - In house design of Debt Advice leaflets, including a Self-Help pack and posters (2006).
 - Development of an in-house Debt Awareness course (2006).
 - Joint procurement of former tenant arrears partner with Nottingham City Council (2005) resulting in a competitive rate of commission.
 - Writing out of debt that is uneconomical to pursue.
- 8.6 Costs and value for money are benchmarked with Housemark members and benchmarking group ALMOs.
- 8.7 Housemark data (provisional 2006/7 figures) show that Nottingham City Homes are towards the top end in the cost of the management of rent arrears when

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compared to broadly comparable organisations, despite a generally higher outstanding debt. The following table provides a sub-set of comparators taken from the 2006/7 Housemark cost benchmarking data;

Organisation	No. of properties	Cost per property	No. properties per employee	Current arrears as % of rent due
Nottingham City Homes	30,100	£80	660	4.0%
Gateshead Housing Company	22,116	£58	654	No data
Kirklees Neighbourhood H	23,650	£81	526	2.6%
Sheffield Homes	48,348	£88	452	5.1%
Solihull Community Hsg	11,038	£75	677	3.5%
Tristar Homes (Stockton)	11,368	£77	480	No data
Wigan & Leigh Housing	23,206	£83	428	1.4%
Your Homes Newcastle	30,852	£49	774	4.8%
NCH ranking (all comparators)		16/ 24	10/ 24	15/ 18

8.8 When arrears and collections are better under control, the staffing structure will be reviewed to ensure that costs reflect a value for money service.

8.9 Future plans;

- Amalgamation of Company call centres will extend the service of the Rents Call Centre and deliver cost savings.
- Implementation of Possession Claims On Line with the Court Service to reduce court fees charged and passed onto the customer.
- To consider joint procurement of former tenant debt with the Northern Benchmarking Group for economy of scale.
- To procure in-house tracing methods to enable more debt to be recovered direct, and/ or pay less commission to collection partners.
- To ask all staff to bring forward at least one VFM suggestion per quarter.

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Gross Cost/ Benefit analysis of Payment Methods for 2006/7.

Office / Payment Type	Rent		Council Tax		Other NCC		Total		Total Cost	Gross Cost		Average Rent Transaction
	No.	Value	No.	Value	No.	Value	No.	Value		Per Trans	Per £1k	
Aspley	26,461	1,866,144	14,837	1,024,616	1,945	154,539	43,243	3,045,298	72,814	£1.68	£23.91	£70.52
Bestwood	23,941	1,594,605	13,498	1,036,995	2,324	275,745	39,763	2,907,346	75,650	£1.90	£26.02	£66.61
Bilborough	23,579	1,496,409	14,588	1,114,588	2,230	175,223	40,397	2,786,220	81,490	£2.02	£29.25	£63.46
Bulwell	38,630	2,668,260	28,565	2,156,763	3,691	353,296	70,886	5,178,319	87,651	£1.24	£16.93	£69.07
Clifton	31,866	2,096,768	21,877	1,601,477	2,897	263,929	56,640	3,962,174	104,512	£1.85	£26.38	£65.80
Lenton	9,135	705,425	6,283	559,786	1,258	193,048	16,676	1,458,259	56,529	£3.39	£38.76	£77.22
Radford	11,918	958,176	9,037	686,018	1,674	135,280	22,629	1,779,474	70,779	£3.13	£39.78	£80.40
Southglade	4,616	367,606	2,167	150,093	238	13,312	7,021	531,011	56,185	£8.00	£105.81	£79.64
St Anns	21,644	1,402,960	10,288	675,603	2,179	189,386	34,111	2,267,950	73,684	£2.16	£32.49	£64.82
Total Office Values	191,790	13,156,352	121,140	9,005,939	18,436	1,753,760	331,366	23,916,050	679,292			£68.60
Average Office Values	21,310	1,461,817	13,460	1,000,660	2,048	194,862	36,818	2,657,339	75,477	£2.05	£37.70	
City Finance	57,337	4,649,103							NA			
Direct Debits	32,437	3,846,359							18,300	£0.56	£4.76	£81.08
Standing Orders	23,359	1,655,832							2,803	£0.12	£1.69	£118.58
Post Office	14,658	821,212							6,596	£0.45	£8.03	£70.89
Pay Point	4,987	283,483							1,945	£0.39	£6.86	£56.02
Internet Debit Card	3,850	422,907							770	£0.20	£1.82	£56.84
Internet Credit Card	370	49,889							877	£2.37	£17.58	£109.85
24 Hour Line Debit Card	4,972	553,552							845	£0.17	£1.53	£134.84
24 Hour Line Credit Card	646	70,871							1,163	£1.80	£16.41	£111.33
Call Centre Debit Card	10,778	1,369,663							9,366	£0.87	£6.84	£109.71
Call Centre Credit Card	549	87,241							1,531	£2.79	£17.55	£127.08
DWP Deductions (arrears)	22,651	255,358							1,502	£0.07	£5.88	£158.91
Payroll	1,618	113,487							NA			
Rent Collectors	13,285	716,625							49,705	£3.74	£69.36	£70.14
Totals	383,287	28,051,934	121,140	9,005,939	18,436	1,753,760	522,863	38,811,632	774,696	£2.02	£27.62	£81.32

Notes:

Costs for local offices are based on TMS info. provided to the Best Value Team and include staff & overhead costs as a percentage of the total based on time spent. Direct Debits & Standing Order costs are based on staff costs (where applicable) plus bank charges at £0.015, but not overhead costs. No new SO's are created. Card payment costs are based on staff costs (where applicable) plus transaction charges of £, bank charges estimated at £0.015, but not overhead costs or commission. Call Centre card payments are based on 15 transactions an hour @ £10.56 ph, plus transaction & bank charges totalling £0.169 & 1.208% commission for Credit Cards. Internet Debit Card transactions attract a £0.20 bank fee. Internet Credit Card transactions attract 1.6% commission, plus the £0.20 fee. Telephone Debit Card transactions attract a £0.169 bank fee. Telephone Credit Card transactions attract 1.208% commission, plus the £0.169 fee.

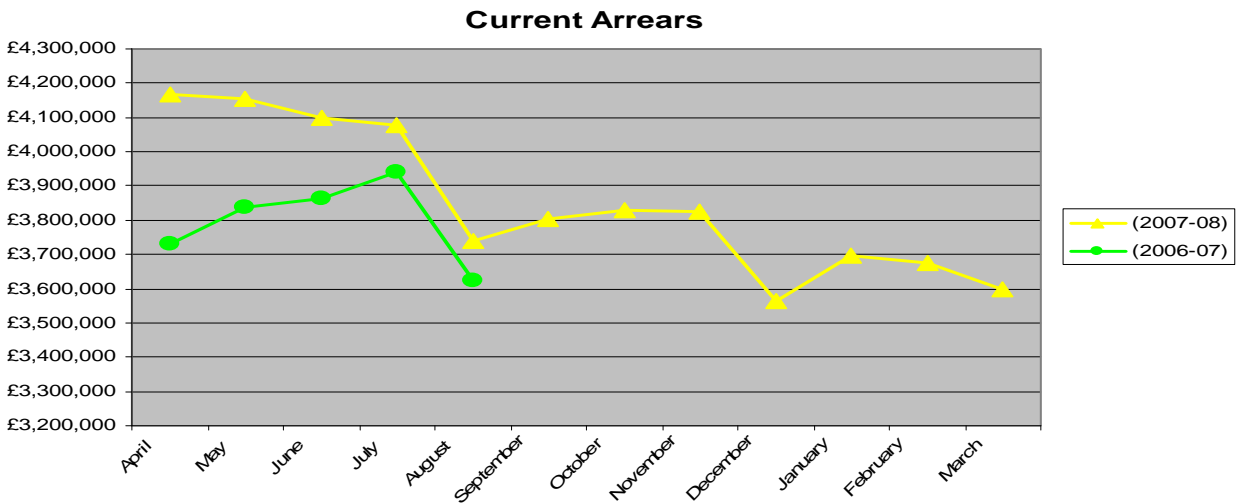
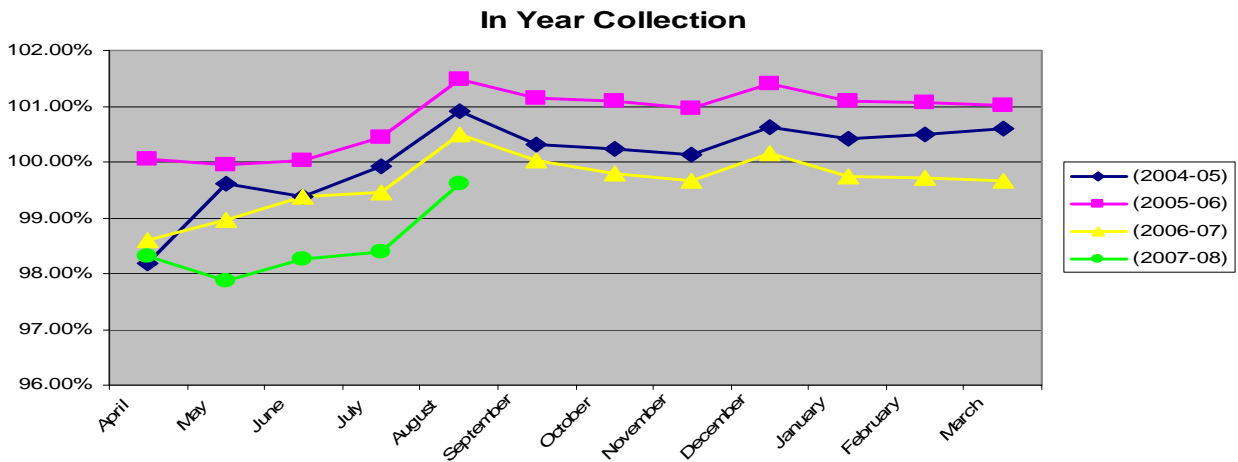
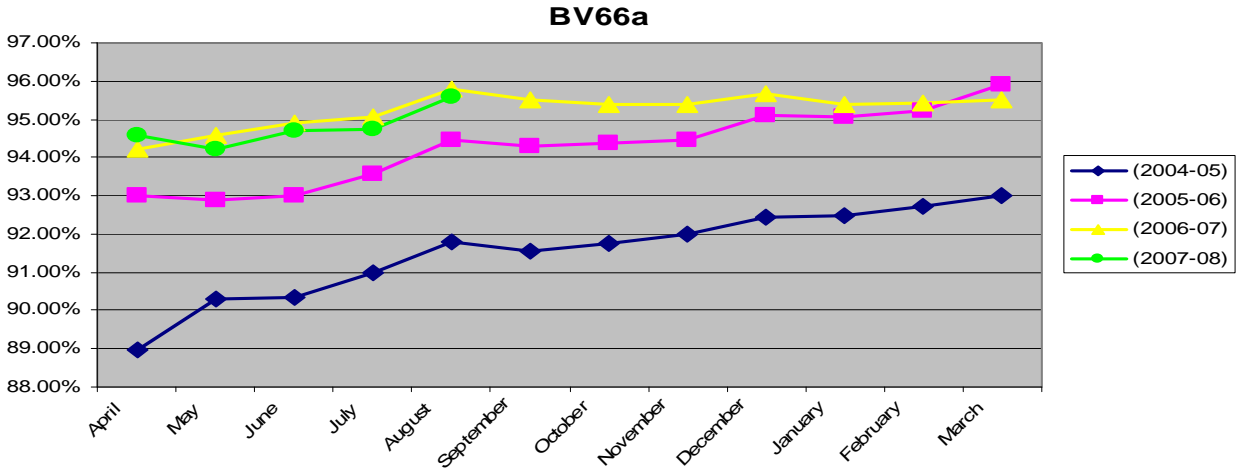
Section 9 Achievements To Date

9.1 Achievements to date:

- Improvement in collection rates from 2003 to date. BV66a has risen from 86% in March 2003 to 95.5% in March 2007.
- Improvement in current tenancy arrears from 2003 to date; £10.3m in July 2003 to £3.6m in March 2007.
- Reduction in evictions of 30% at March 2007 when compared with 2004/5. Overall cost savings to be calculated.
- Money advice service which is highly rated by customers
- Fewer arrears cases progressing to legal proceedings leading to a court cost saving in excess of £100k at March 2007 when compared with 2004/5.
- Number of tenants owing more than 7 weeks rent (BV66b) has reduced from 16.7% in March 2005 to 10.12% in April 2007.
- Number of tenancies owing more than 52 weeks have dramatically reduced from more than 200 in March 2005 to just 30 in July 2007.
- Successful implementation of the new dedicated Rents Service structure in July 2007.
- Introduction of the Joint Working Protocol with advice agencies on debt.
- Increased number of Direct Debit payers & introduction of weekly profile in April 2007.
- Increased commission from the Home Contents Insurance scheme.
- Successful Tenant Rents Panel.
- A track record of benchmarking and applying the learning locally
- Extensive payment options available to customers
- Increasing development of unit cost knowledge
- Rents surgeries in local Housing Offices

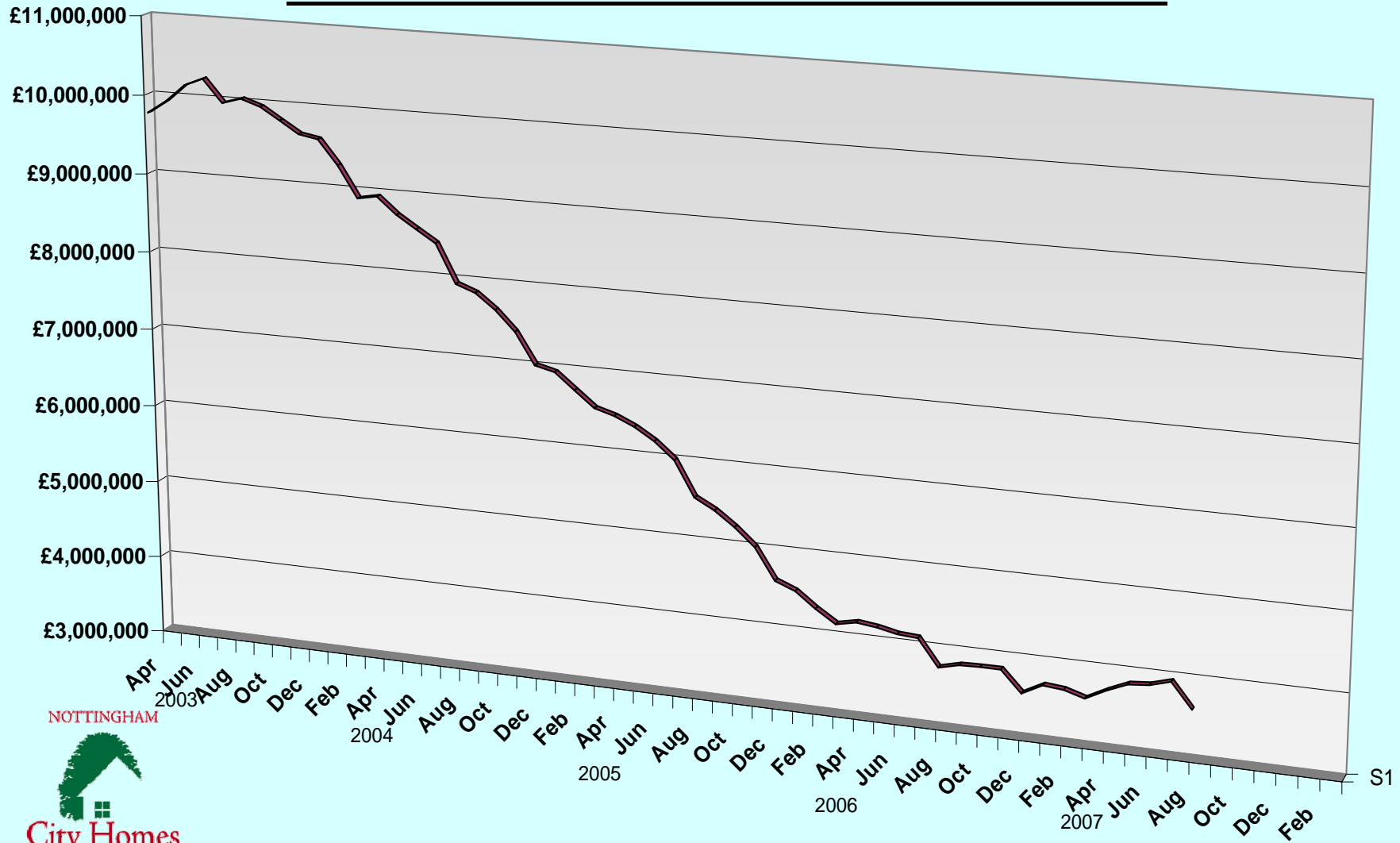
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Rents Monthly Trend Analysis



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Current Tenant Arrears Balances: March 2003 to date



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Section 10 Key Tasks & Targets For 2007/8

10.1 Key tasks for 2007/8 are contained in the Housing Income Management Service Improvement Plan, but can be summarised as follows:

- Improve collection rates
- Continue to reduce evictions
- Implement new dedicated Rents structure
- Implement staff competencies
- Develop ISO 9001; 2000 compliant procedures
- Implement continuous cycle of customer involvement in shaping services
- Implement text messaging service (text to email to text)
- Implement Possession Claims On line with Court Service
- Pilot extending opening hours & mobile working
- Investigate options for the Rents Call Centre
- Implement on-line Welfare benefit calculator
- Implement on-line access to Rent Statements
- Improve rent & debt information on the NCH website & promote email contact
- Complete & review customer profiling. Target resources based on analysis of customer profile & adjust procedures accordingly
- Implement procedure for providing translation leaflets/ alternative media in all system letters where customers have given their preference
- Review all arrears system letters to improve clarity & to add colour
- Implement "traffic light" system on all letters to aid understanding for those with lower literacy levels
- Develop & review procedures & a range of protocols with partner agencies & within NCH
- Increase in-house FTA processing & collection
- Continually develop Performance Management Frameworks
- Lead the development of an inter-agency Financial Inclusion Strategy for Nottingham
- Provide all Rents staff with access to NCC Benefit Service's Document Management System
- Aim for Rents staff to become HB Verification Officers, starting with Financial Inclusion Officers
- Consider the introduction of pre-tenancy classes on financial inclusion & awareness
- Review pre-tenancy/ sign-up/ new tenancy procedures with Voids & TEM teams & ensure they are fit for purpose
- Undertake a full cost/ benefit analysis of payment methods & transaction costs, including the use of incentives
- Explore joint procurement opportunities with other organisations

10.2 Key targets are contained in Section 13.

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Section 11 Key Tasks & Targets for 2008/9

11.1 Key tasks for 2008/9 are contained in the Housing Income Management Service Improvement Plan, but can be summarised as follows:

- Meet collection rate targets
- Continue to reduce evictions
- Demonstrate continuous cycle of customer involvement in shaping services
- Implement agreed options for Rents Call Centre
- Evaluate text messaging service (text to email to text)
- Evaluate mobile working
- Evaluate on-line Welfare benefit calculator & consider
- Improve rent & debt information on the NCH website
- Review customer profiling on a quarterly basis
- Review action taken on diversity in conjunction with stakeholder partners
- Evaluate procedure for providing translation leaflets/ alternative media in all system letters where customers have given their preference
- Review effectiveness of all arrears system letters
- Review the implementation of the “traffic light” system on all letters to aid understanding for those with lower literacy levels
- Evaluate Financial Inclusion posts & consider applying for Supporting People funding
- Formally review protocols with partner agencies & within NCH
- Continually improve in-house FTA processing & collection
- Continually develop Performance Management Frameworks
- Apply for ISO9001; 2000 registration
- Demonstrate the benefits of the Financial Inclusion Strategy
- Aim for all Rents staff to become HB Verification Officers
- Evaluate pre-tenancy classes on financial inclusion & awareness
- Review pre-tenancy/ sign-up/ new tenancy procedures
- Review the delivery of payment methods, including the use of incentives, to ensure VFM
- Evaluate benefits of joint procurement

11.2 Key targets are contained in Section 13.

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Section 12 Key Tasks & Targets for 2009/12

12.1 Key tasks for 2009/12 are contained in the Housing Income Management Service Improvement Plan, but can be summarised as follows:

- Improve/ maintain collection rates
- Continue to reduce evictions
- Review staffing structure to provide increased VFM
- Transfer more staff from enforcement-based functions to preventative-based work
- Demonstrate continuous cycle of customer involvement in shaping services
- Review action taken on diversity in conjunction with stakeholder partners
- Review effectiveness of all arrears system letters
- Formally review protocols with partner agencies & within NCH
- Demonstrate the benefits of the Financial Inclusion Strategy
- Aim for all Rents staff to become HB Verification Officers
- Review pre-tenancy/ sign-up/ new tenancy procedures
- Continuous review the delivery of payment methods, including the use of incentives, to ensure VFM
- Review joint procurement opportunities with other organisations

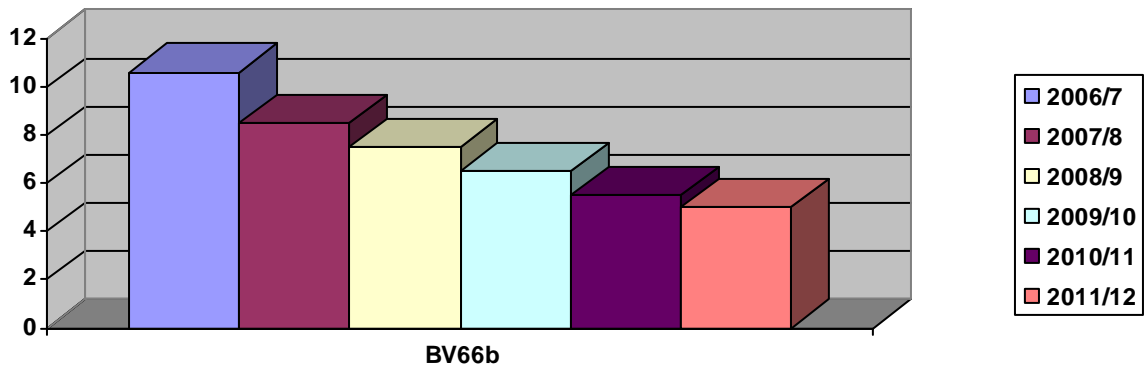
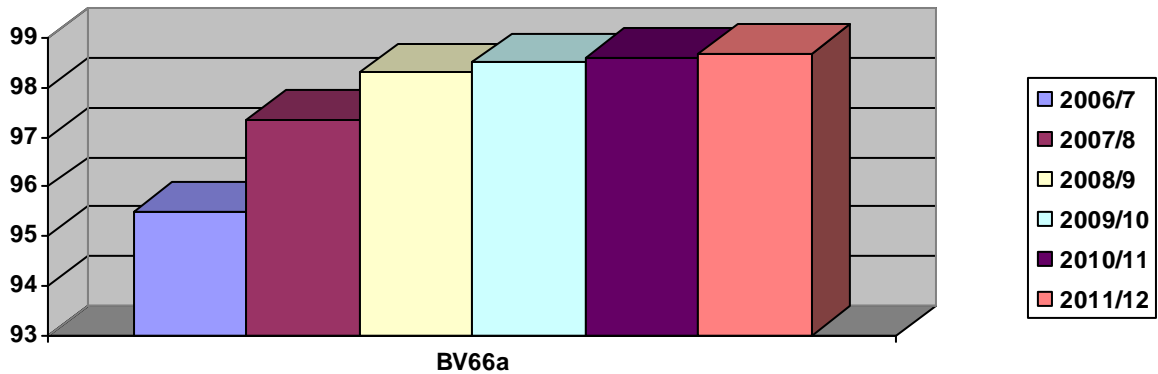
12.2 Key targets are contained in Section 13.

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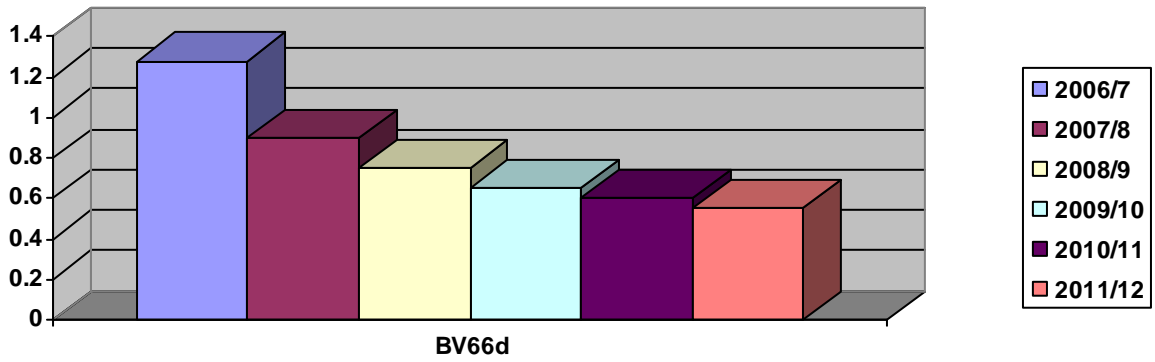
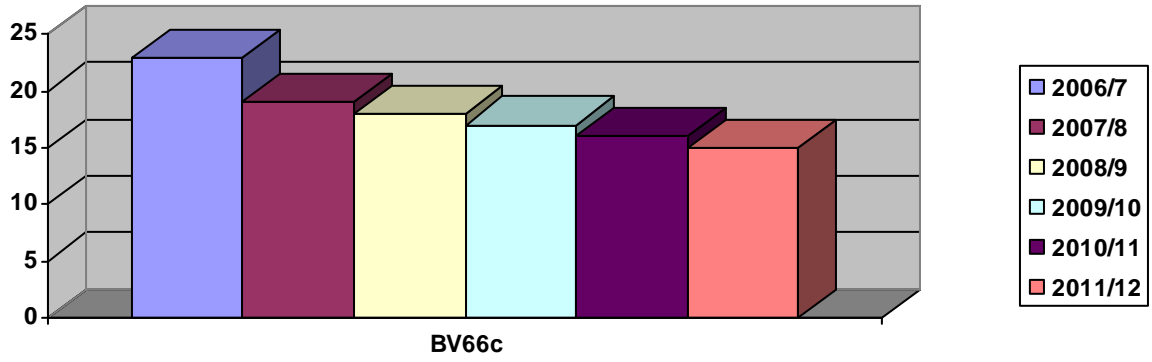
Section 13 Key & Local Performance Indicators

13.1 Key BVPI targets

BVPI	Definition	2006/7 actual	2007/8	2008/9	2009/10	2010/11	2011/12
BV66a	% of rent & arrears collected (highest best)	95.50%	97.35%	98.30%	98.50%	98.60%	98.70%
BV66b	% of tenants owing 7 weeks or more (lowest best)	10.60%	8.50%	7.50%	6.50%	5.50%	5.00%
BV66c	% of secure tenants in arrears who have had a notice to seek poss'n (lowest best)	22.92%	19.00%	18.00%	17.00%	16.00%	15.00%
BV66d	% of tenants evicted as a result of rent arrears (lowest best)	1.28%	0.90%	0.75%	0.65%	0.60%	0.55%



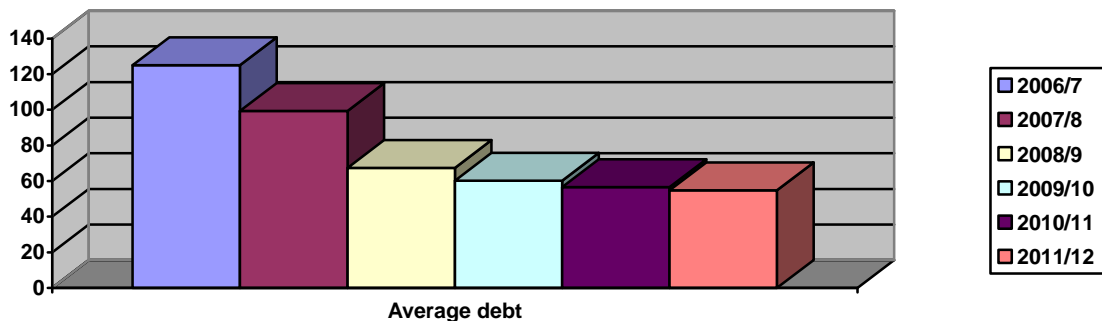
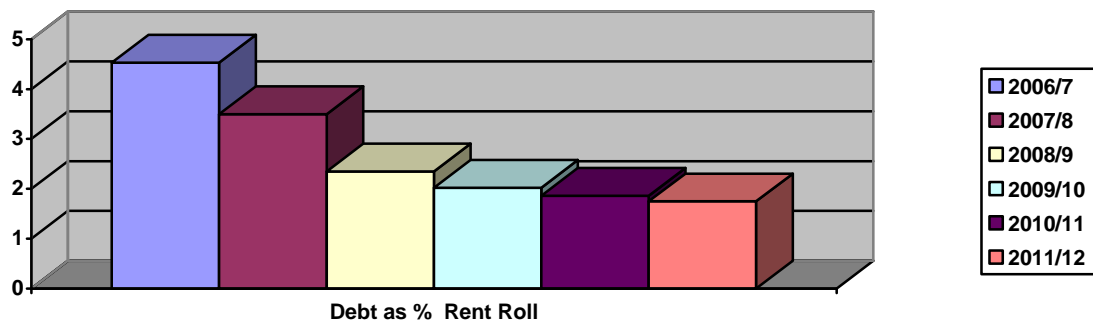
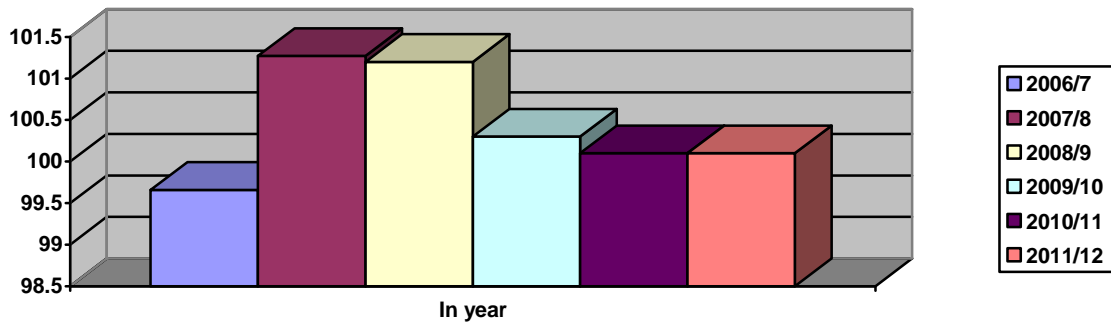
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13.2 Key local performance indicator targets

Local PI	Definition	2006/7 actual	2007/8	2008/9	2009/10	2010/11	2011/12
In Year Collection Rate	% of rent collected against rent due in year	99.66%	101.27	101.2%	100.3%	100.1%	100.1%
Debt as % of rent roll	Current tenancy arrears divided by annual rent & void debit due	4.53%	3.50%	2.35%	2.02%	1.86%	1.75%
Ave. Debt per property	Current tenancy arrears divided by number of properties	£125	£99	£67	£60	£57	£55



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Section 14 Income/ Management Costs

Rents Service Costs: 2007/8

Budget	CRT: Rent Admin	CRT: Rent arrears	CRT Total	North Area	Central Area	South Area	Management	Total
Income	-£42,000	-£300,000	-£342,000					-£342,000
Employee Costs	£198,280	£176,913	£375,193	£314,520	£314,690	£317,225	£134,250	£1,455,878
Overhead Costs			£63,230					£63,230
Running Costs			£26,410	£4,865	£4,865	£4,865	£2,430	£43,435
Central Recharge Costs			£367,697					£367,697
Court Costs		£300,000	£300,000					£300,000
Debt Collection Agency		£20,000	£20,000					£20,000
Quarterly Statements	£39,540		£39,540					£39,540
Rent cards	£17,710		£17,710					£17,710
Photocopying/ printing	£2,000	£4,610	£6,610	£400	£400	£400		£7,810
Debt Advice Service & Financial Inclusion		£100,000	£100,000					£100,000
Incentives	£4,000		£4,000					£4,000
TOTALS:	£219,530	£301,523	£978,390	£319,785	£319,955	£322,490	£136,680	£2,077,300

Note: Full Central Recharge and overhead costs for local teams not yet known. Unit costs will be calculated when these are complete.

Employee Costs include any vacancies & are gross (including on-costs).

Income relates to Insurance commission & mortgage reference receipts in "Rent Admin" & a contra for Court Costs in "Rent Arrears".

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Proposed Rents Service Costs: 2008/9

Budget	CRT: Rent Admin	CRT: Rent arrears	CRT Total	North Area	Central Area	South Area	Management	Total
Income	-£42,000	-£250,000	-£292,000					-£292,000
Employee Costs	£204,228	£182,220	£386,449	£285,447	£285,617	£288,152	£138,278	£1,383,943
Overhead Costs			£65,127					£65,127
Running Costs			£27,202	£11,970	£11,970	£11,970	£2,475	£65,587
Central Recharge Costs			£378,728					£378,728
Court Costs		£250,000	£250,000					£250,000
Debt Collection Agency		£20,000	£20,000					£20,000
Quarterly Statements	£42,000		£42,000					£42,000
Rent cards	£18,500		£18,500					£18,500
Photocopying/ printing	£2,000	£5,000	£7,000	£600	£600	£600		£8,800
Debt Advice Service & Financial Inclusion		£102,790	£102,790					£102,790
Incentives	£10,000		£10,000					£10,000
TOTALS:	£234,728	£310,010	£1,015,796	£298,017	£298,187	£300,722	£140,753	£2,053,475

Note: Full Central Recharge and overhead costs for local teams not yet known. Unit costs will be calculated when these are complete.

Salaries & other costs generally uplifted by 3% on previous years to account for inflation.

1 post cost to be deleted from each area team from April 2008 (@ £28,226) as funding to be sought from Supporting People Team for Financial Inclusion Officers.

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Proposed Rents Service Costs: 2009/12

It is acknowledged that the Rents Service needs to improve collection rates then seek to cut costs and/ or improve income opportunities to provide value for money.

When arrears are under control the following initiatives will be considered:

- ✓ The reduction of Rent Account Manager posts in line with reducing property numbers and debt levels.
- ✓ The reduction of office overheads in line the Company Accommodation Strategy.
- ✓ The consolidation of Call Centres to include the Rents Call Centre to share costs and overheads.
- ✓ Increasing the number of customers on the Household Contents Insurance Scheme and hence the commission received.
- ✓ Year on year reduction of Court Costs spent & recharged to customers accounts.
- ✓ Provision of services to other organisations, Rents Call Centre for example.