

NOTTINGHAM CITY HOMES

REPORT OF THE CHIEF EXECUTIVE

THE BOARD
19 MARCH 2009

THE CHIEF EXECUTIVE'S UPDATE REPORT

1 SUMMARY

1.1 OVERVIEW OF 2008/9

2008/9 has been a successful year for Nottingham City Homes (NCH). The report on the Delivery Plan later in this agenda provides a fuller appraisal of the year but I would like to highlight just a few of our key achievements:

- 2 stars with excellent prospects at the November Inspection
- winning the 5 year Repair and Maintenance contract which commenced in July.
- Increasing tenant satisfaction by 9 percentage points year on year.
- reconfiguring the Decent Homes programme to deliver tenant priorities of Secure, Warm and Modern
- making significant efficiency gains across the service, in particular on the procurement of the Investment Programme.
- achieving a step change in the culture of the organisation
- undertaking a comprehensive restructure that will make NCH fit for purpose into the future
- triggering a real change in the perception that tenants and stakeholders have of NCH
- achieving real improvements in rent arrear collection and turn round of empty homes.
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2 HOUSING FINANCE REVIEW

- 2.1 Perhaps the most significant factor likely to impact on NCH is the anticipated change by Government into the way Public Sector Housing is financed in the future. The current housing subsidy regime was introduced in 1990 and will therefore have endured for 20 years. Everyone including Government recognise that the system has run its course and is no longer fit for purpose.
- 2.2 We expect a White Paper to be launched at the end of April/ beginning of May setting out proposals (and maybe options) for a new Housing Finance System. If the Civil Service get it right this could be the regime that determines the funding arrangements for the next 20 years.
- 2.3 Nottingham is one of the larger Public Sector Housing providers in the Country. It will be critical that Nottingham collectively seeks to influence the outcome of the 3 month consultation period that is likely to run from May. Key ingredients in this process will be:

- a fundamental understanding of the current HRA system and its impact on Nottingham:
- A realistic appraisal of the likely future cost of running and delivering housing in the city
- Close co-operation between NCH and the City Council
- Full and open engagement with tenants and leaseholder representatives during the review period.

3. **DEVELOPING THE NCH FORWARD PLAN AND BUSINESS STRATEGY**

3.1 Whilst our Delivery Plan sets out the key priorities for service delivery and improvement, we must recognise that NCH interacts significantly in the wider Nottingham arena. The work that we have undertaken to transform the organisation – confirmed by the Housing Inspectors – means that we are much better placed to have a structured approach to the broader Nottingham agenda and in particular, our contribution to :

- Worklessness
- Health (including mental health, teenage pregnancies, alcohol and substance abuse)
- Sustainability including carbon footprint
- Estate Regeneration – including new build where appropriate
- Neighbourhood Management
- Community Improvement and tenant involvement.

4. **INITIATIVE TO SUPPORT STRATEGIC REGENERATION FRAMEWORK (SRF)**

4.1. Board will recall the presentation and debate which we had recently on the City Councils SRF strategy, in particular the SRF consultation for the north and north west sector of the City. Amongst the SRF objectives were Estate Regeneration, tenure diversification, developing skills and work opportunities within existing communities to support long term community cohesion and sustainability.

4.2 To support these objectives we have been working with the City Council and the Broxtowe Education Skills and Training (BEST) to establish a social enterprise based on the City's housing in the Broxtowe area.

This will involve:

- major refurbishment of a proportion of the properties that become empty in the Broxtowe area.
- the use and training of local labour for the refurbishment work
- the opportunity to diversify tenure
- the injection of additional funding to support both capital investment, training and employment initiatives.
- developing a local social enterprise with the capacity and capability of undertaking other work and achieving a sustained improvement for the local community.

- 4.3. We are currently exploring the mechanism and funding opportunities which could deliver these outcomes. Any proposal would of course be subject to agreement by the City Council but at this stage the Board is asked to endorse the concept if it proves possible, to achieve a practical solution we would bring a more detailed proposal to the Board for consideration.

5 2008 PAY AWARD

- 5.1 Board is asked to note a further increase of 0.3% in the 2008/9 pay award. An additional £60,000 will be required to fund the increase.
- 5.2 Other than for craft workers, the company sets its annual pay increase in line with the local government pay awards. A final offer of 2.45% was put to the employers' side in October and implemented over November and December. However, the union side rejected this offer and it was referred to ACAS for final arbitration. ACAS concluded that 0.3% should be added to the original award. ACAS's decision was determined by the social and economic circumstances in place around April 2008, when the award should have been implemented.
- 5.3 Entitlement to the award is enshrined in employees' contracts of employment as transferred over from Nottingham City Council.
- 5.4 Clarification is being sought on whether Chief Officers and Craft Workers are affected by the award.

6. MARKETING & COMMUNICATION

- 6.1. The Marketing and Communications team had a busy start to 2009. Media relations was a big focus in January as the Audit Commission released its Public Interest Report as well as the 'two star' inspection result. In February the team managed the annual Tenant and Leaseholder Conference and the Employee Conference. Both were very positive events, with strong messages about 2008's achievements and plans for the year ahead.
- 6.2 The team also put together a special edition of *News from Nottingham City Homes*, reflecting on plans for the Secure Warm Modern programme. The team is now working on its business planning and Communications Strategy, both internal and external, a brand new Money Matters newsletter, the next edition of *News from Nottingham City Homes* and April's Financial Inclusion Road Show.

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