

NOTTINGHAM CITY HOMES

REPORT OF DIRECTOR OF STRATEGY AND PARTNERSHIPS

THE BOARD
23 JULY 2009

KEY STRATEGIC POLICY DEVELOPMENT & DEVELOPMENT OF THE 2010/11 DELIVERY PLAN

1 SUMMARY

- 1.1 This report sets out a number of key national and local developments which inform the future of Nottingham City Homes and the proposed planning timetable to engage tenants and staff in the development of our next Delivery Plan.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board note the contents of this report.

3. REPORT

3.1 Background

- 3.1.1 The last few months have seen a number of key policy changes, both at a national and local level, which impact on the future of Nottingham City Homes.

In brief, these include:

- The recent announcement of the Housing Minister, John Heeley
- The Tenant Services Agency
- Nottingham's new Sustainable Communities Strategy.

- 3.1.2 In addition, it is widely acknowledged that the impact of the recession will have substantial impact on public sector finances.

- 3.1.3 Nottingham City Homes roles and remit is currently set out in our "management agreement" and the current management agreement initially ran to 2011 but in September 2013 was extended to 2013 to cover the full term of the Decent Homes programme. As part of this management agreement we have been required to submit a Delivery Plan to Nottingham City Council by 31st October each year

- 3.1.4 This year we are proposing that we work jointly with Nottingham City Council to review and develop a new management agreement and develop a 3 year business plan which sets out how Nottingham City Homes meets its ambition of delivering 3*, excellent housing services whilst reducing its costs and supports the Council deliver some of its wider housing objectives.

3.1.5 The key contextual policy developments are summarised below:

3.2 **More homes, fairer lettings, reforming council housing finance: announcement by Rt Hon John Healey, Housing Minister**

3.2.1 The Housing Minister's recent announcement broadly divides into three main areas: Building more homes; providing fairer lettings; and reforming council housing finance.

3.2.2 **Building new homes.** By providing funds in the Prime Minister's *Building Britain's Future* plans (£1.5 billion), including up to £250m of direct development by local authorities of around 3,000 new homes (in addition to the £100m announced in the Budget). Funds are distributed via the Homes and Communities Agency, and Nottingham City Homes together with Nottingham City Council is bidding for funds from this in the current bidding rounds (July and October 2009). Increased investment will also aim to help prepare public sector land for building new homes.

3.2.4 **Fairer lettings.** This part of the announcement indicates that changes to the rules (statutory guidance changes) will be made for allocating social housing, and new anti-fraud measures to tackle illegal subletting. The Minister says *"When people see these new homes being built in their communities they need to believe that they or people they know have a fair shot at living in them. That's why I'm bringing in changes to the councils lettings system, to protect people's security as tenants but allow councils to give greater preference to local people, and those who have spent a long time on a waiting list.*

3.2.5 **Reforming council housing finance.** A consultation will determine whether councils should become self-financing and free to manage the needs of their housing stock and provide more efficient services for tenants, with proposals to allow councils to keep all of their rental income "and gain the freedom to manage their housing to meet local need". Newly built council housing will be excluded from the HRA subsidy system, so the rent and capital receipts from these homes will be retained in full.

3.2.6 The Minister said: *"These announcements signal my intention to get local authorities involved in delivering more housing that their local area needs. Councils haven't built significant numbers of housing for a long time, but with this extra cash and an overhaul of the council house funding system I am giving councils the green light to start building more homes in their area. And we are putting our money where our mouth is to fund new Housing Association developments, get mothballed housing projects back on track, and free up public land for more affordable homes."*

3.2.7 Importantly, the Minister also said: *"we see a strong future role for ALMOs which are valued by tenants. We would expect ALMOs to continue to develop their housing management capacity and to look for opportunities to extend the range of services they offer, including to other landlords, where this would improve efficiency and effectiveness."*

3.3 Tenant Services Authority – New Regulatory Framework

- 3.3.1 The Tenant Services Authority (TSA) will become the regulator for all of the social housing sector in April 2010. At the start of 2009 the TSA initiated a 'National Conversation' with tenants and landlords to identify their priorities for service provisions, and regulation. NCH and NCH tenants and leaseholders participated in that 'conversation'.
- 3.3.2 Tenant's priorities revolved around key aspects of service delivery: Repairs and maintenance, safety and security, reasonable, affordable rents and quality of accommodation. There were also priorities around the way in which services were delivered: These included, clarity on what choices can be offered, flexible appointments, better opening hours, more choice over home improvements, improved means of communication including use of technology, more flexibility on rent levels (to include or exclude certain services) and the ability to select an alternative landlord if current the one is performing badly.
- 3.3.3 Landlords indicated that they wanted to support more tenant and leaseholder involvement, improve areas where choice could be provided, and make tenants more integral to decision making.
- 3.3.4 The TSA aims to move to a new regulatory framework with a degree of self-regulation by landlords, supported by tenant scrutiny and external validation. Those social landlords that can demonstrate successful performance can expect lighter touch regulation. Conversely, those where there are concerns about performance, either from tenants and residents or from an assessment of performance against national standards, can expect more intensive scrutiny.
- 3.3.5 There is a new emphasis on certain issues, including diversity, and tenants with care and support needs. This includes standards of supported housing, as well as standards of care and support.
- 3.3.6 The TSA sees this as a 'co-regulatory' framework of partnership between the TSA, tenants and leaseholders and landlords. This will be made up of the direct regulation assessed against national standards, self regulation of local standards agreed between tenants and their landlord, and independent external accreditation / verification (such as a Housemark accreditation scheme for example).
- 3.3.7 The implications of the TSA will be included in the Performance Management review of Nottingham City Homes to ensure the outcome of the review are reflected in the new plans for NCH.

3.4 Nottingham's Sustainable Communities Strategy

- 3.4.1 Nottingham has now agreed its Sustainable Community Strategy (SCS) which is at the core of delivering a vision of the sort of place Nottingham should be in 2030, with strategic priorities to be achieved by 2020.
- 3.4.2 The priorities set out in the strategy are:

- Develop Nottingham’s international standing for science and innovation, sports and culture
- Transform Nottingham’s neighbourhoods
- Ensure that all children and young people thrive and grow up to achieve in education, training and employment
- Tackle poverty and deprivation by getting more people into good jobs
- Reduce crime, the fear of crime and anti-social behaviour
- Improve health and wellbeing

3.4.3 There are cross-cutting aims:

- Aspiring ...Raising aspirations
- Green ...Achieving environmental sustainability
- Fair ...Promoting fairness and equality of opportunity

3.4.4 Nottingham City Homes will have a key contribution to make to the Transforming Nottingham’s Neighbourhoods priorities, but there will also be ways in which we can contribute to the other priorities, by complementing the work of our partner agencies.

3.4.5 The Sustainable Community Strategy is the overarching plan for promoting and improving the well-being of Nottingham and its citizens. The Local Area Agreement (which includes targets that NCH will contribute to delivering) will be refreshed to become the delivery plan for the Strategy. Other Plans, such as the Housing Strategy will be aligned to the SCS and set out to deliver the SCS priorities.

3.4.6 Having been involved in the consultation and discussion around the SCS, NCH will now want to ensure that it can contribute constructively to delivering SCS priorities. This will increasingly influence NCH’s work in the future, as we seek to deliver the SCS alongside our partners in the City.

4. PROPOSAL

4.1 In early discussions with Nottingham City Council we have agreed that there should be a review of the management agreement to establish a longer term future of Nottingham City Homes. Nottingham City Homes would be seen as a “key strategic partner” to the City Council, one which would go beyond the delivery of key housing management services but be able to contribute to a wider role in delivering the aims of the Sustainable Communities Strategy.

4.2 The review of the management agreement is to be undertaken alongside the development of the next Delivery Plan for Nottingham City Homes, furthermore, it is proposed that this Delivery Plan should be a 3 year plan which sits alongside a new Housing Revenue Business Plan. As set out in the Chief Executive’s report, once the Government’s consultation paper on the future of Housing Finance is available a review of the implications for Nottingham’s HRA will be undertaken. Nottingham City Homes next 3 year plan will require

4.3 As part of our objective to be an efficient and excellent organisation, we are committed to developing a planning cycle which enables proper and

timely engagement of tenants and leaseholders, managers and employees, other stakeholder and partners and the Board.

4.4 This year this engagement will include an opportunity for briefings on the key policy issues in order to facilitate a more informed debate about the future for NCH. As set out in the Chief Executive's update report, NCH is exploring opportunities beyond its core housing management, repairs and delivery of the Decent Homes functions. It is envisaged NCH will also have a role to contribute to additional housing activities as well as explore its role in wider agenda's such as worklessness, financial inclusion, and sustainability agendas.

4.5 Key consultation dates include:

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|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 2009 | <ul style="list-style-type: none">• TLC away day• Status survey commences• Employee survey results |
| September 2009 | <ul style="list-style-type: none">• Status survey results• Briefings on key strategic issues• Consultation with Tenants Forums |
| October 2009 | <ul style="list-style-type: none">• Self Assessment• Board Away Day• Area Panel consultation• Indicative Budget submission• Employee conference |
| November 2009 | <ul style="list-style-type: none">• Area Panel consultation continues• Board receives draft• Equality Impact Assessment on draft Plan |
| December 2009 (or earlier) | <ul style="list-style-type: none">• Final subsidy determination• Draft Plan submitted Nottingham City Council |
| Spring 2010 | <ul style="list-style-type: none">• Target setting following 3rd quarter outturn• Final 3 year Delivery Plan submitted to Board and Nottingham City Council |

5 OTHER OPTIONS

5.1 Not applicable.

6 FINANCIAL & RISK IMPLICATIONS

6.1 No specific implications pertaining to this report. The risk and financial planning will be included in the development of the delivery plan.

7 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

7.1 The Delivery Plan sets out how we aim to achieve our objectives.

8 VALUE FOR MONEY & EFFICIENCY ISSUES

8.1 A key objective of our Delivery Plan is: “to be an excellent, efficient organisation which has high quality leadership and management and delivers value for money” and this supported by our value for money strategy.

9 EQUALITY & DIVERSITY IMPLICATIONS

9.1 NCH provides services to a wide range of customers with different needs. A key objective in the Delivery Plan is “to value the diversity of our customers and ensure our services are accessible” and has a specific section on how NCH will work towards this objective.

An Equality Impact Assessment will be carried on the draft plan. It will also contain our 3 year EIA rolling programme.

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

10.1 Nottingham City Homes Delivery Plan 2008/09

10.2 Parliamentary Written Statement 30 June, Communities and Local Government

10.3 Nottingham

Building a new regulatory framework, a discussion paper, Tenant Services Authority

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DATE: 16 July 2009