

NOTTINGHAM CITY HOMES

REPORT OF THE CHIEF EXECUTIVE

THE BOARD
23 JULY 2009

THE CHIEF EXECUTIVE'S UPDATE REPORT

1 SUMMARY

- 1.1 Attached is an appendix (1) outlining progress against key projects and bids for funding. The remainder of the report addresses other current and developing issues.

2 FINANCIAL POSITION AS AT 30 JUNE 2009

- 2.1 The NCH management fee budget for 2009/10 is £35m. NCH management fee expenditure and income are in line with profiled budgets as at 30 June 2009. At this stage there are no significant variances which have been identified that could affect the management fee. The pay award for 2009/10 financial year has yet to be agreed, but NCH budgeted for this at 2.5% across all staff and at this stage it looks extremely unlikely that the pay award will be settled at such an amount. The Housing Public Sector Capital Programme budget for 2009/10 is £57.6m of which £48.1m is managed by NCH as a delegated budget.

- 2.2 The first quarter figures are showing pressure on the budgets for the work done on void properties both within responsive repairs and the capital budget. Staff from across the company are working together to identify the reasons for these pressures and to bring the budgets back into line, or identify additional budget resources before the end of the financial year. In other areas of the budget expenditure is projected to be in line with budget.

- 2.3 Detailed budget monitoring information for NCH management fee and the housing public sector capital programme will be presented to Performance & Regulatory Committee on 11 August

2.4 Rent Collection

- 2.4.1 A good start has been made to the first quarter of the new financial year. At the end of June 2009 arrears were £1m lower than they were two years ago. May and June saw in month collection rates exceed 100% with arrears regularly dipping below the £3m level.

3. SUBSIDY REVIEW

- 3.1 On 30 June 2009 the new Housing Minister announced the Government's intention to "dismantle the HRA subsidy system". The key points of the statement are:

1. A commitment to the complete replacement of the subsidy

system with self financing

2. Councils to retain all RTB receipts in future
3. Redistribution of debt across all authorities
4. A commitment to the decent homes programme and capital being made available for this.
5. Ensuring sufficient funding to complete improvement to common areas on estates
6. A hint at reconsidering treatment of public sector spending rules
7. A hint at including incentives for high performers
8. A commitment to ALMO's having a strong role in the future
9. Four-fold increase (from 900) in plans to build new Council homes

3.2 A consultation paper outlining more detailed proposals is expected in week commencing 20 July, with a 2 month consultation period. Primary legislation will be required to achieve the necessary changes. This will not be presented to Parliament until after the next election which presents serious risk to both timing and to eventual content.

3.3 Critical to success of the proposal is the intention to redistribute housing debt across all local authorities. This has long been advocated by the NFA but is likely to be the most contentious issue.

3.4 We have already discussed with the city the need to jointly review the Nottingham HRA and the long term implications of the governments proposals; this will be particularly important if the "dismantling" arrangements incorporate a bidding process. This could probably best be achieved with external support. We will be better able to judge this once the consultation paper is available.

4. EXPLORING NEW OPPORTUNITIES

4.1 The first ALMO's were set up in April 2002. Whilst there was initially a fair degree of healthy scepticism about the concept they have proved a highly successful vehicle for improving service delivery and delivering decent homes.

4.2 The hybrid nature of ALMO's means, however, that their operation still falls within Government capital controls for local authorities and within Government's rent control regime.

4.3 There is a range of complementary activity which falls outside our core business but which could make a valuable contribution to achieving Nottingham's broader vision, whilst supporting service delivery for our tenants. This would encompass:

- Regeneration
- Refurbishment of street properties
- Support in the private sector during the period of recession
- Developing new forms of tenure particularly in the intermediary market place

- Supporting the range of new affordable homes
- Accessing a range of grant funding that may be available including from the HCA.

We have been exploring mechanisms which might help both ourselves and the City to fill some of these gaps.

4.4 The shape of any new concept still needs to be developed. We have, however, reached the point where we would need to commit resources to assessing options in more detail and developing business plans where appropriate. Government proposals for changes to HRA subsidy would also need to be properly taken into account in considering any options and it may be possible to link this with the Joint Review of the HRA Business Plan outlined in Section 3 above.

5. TENANT SERVICES AUTHORITY (TSA)

5.1 The TSA was launched on the 1st December 2008 (taking over from the Housing Corporation) as a result of the 2008 Housing & Regeneration Act. The TSA are the new regulatory body for all social housing providers, with a 'goal to raise standards of services for housing tenants across RSL's ALMO's and local authorities.'

5.2 The TSA remit is to be the 'champion for tenants' standing up for their interests and aspirations and putting tenants' needs first' The TSA in June published a consultation paper 'Building a new regulatory framework' which looks at setting national standards across England, covering the following 6 key areas identified from phase 1 of the national conversation it held with tenants;

- The services offered to tenants, quality of accommodation, choice & customer service, repairs & maintenance, neighbourhood & estate management, anti social behaviour and security.
- Tenant empowerment & involvement, includes empowerment, complaints & cooperation between landlords in local areas.
- The tenancy agreement, including rents, tenure, and allocations
- Governance
- Viability
- Value for money

5.3 NCH are planning to hold their own conversation event with tenants in August to enable us to prepare an NCH response to the consultation document by the deadline of the 8th September

6. ALLOCATIONS REVIEW

6.1 Nottingham City Homes has now taken the lead in undertaking detailed analysis in order to support recommendations for amendments to the Allocations Policy as part of the Allocations Review. The analysis is focused on comparing the profile of applicants on the waiting list with the stock, turnover and letting of property. The analysis will be completed

by the end of July and recommendations will be made to the City in early August.

- 6.2 Early indications show that making some changes to the priorities of particular groups of applicants and having a more stringent eligibility and occupancy criteria will result in better use of stock, which in turn will support families and sustainable communities. Consultation with representatives of the community and stakeholders is being carried out at the same time as the analysis in order to ensure that any recommendations are made in partnership with our customers. A full equality impact assessment will take place when the analysis is complete.

7. PROPERTY SERVICES

7.1. Modern Living – Tender process for £100m internals package Decent Homes – Kitchens/Bathrooms etc)

- 7.1.1 The Invitation to Tender for the above is due back Friday 17th July 2009 with the assessments to be undertaken throughout August. This will include site based reality checks. The interviews will be conducted with contractor's week commencing 7th of September 2009. To maintain impartiality the procurement exercise will continue to be led by Savills with support from officers within NCH and NCC along with tenants reps from the Residents Procurement Group who have been part of the full process. Savills are also completing the pricing assessment from the tender submission. A recommendation to Board/EMT will be made in the autumn.

7.2 SOR Dispute – Schedule of Rates negotiations with trade unions following a formal dispute raised in July 2008

- 7.2.1 Following a long process of negotiation, agreement has been reached between the NCH management team and the trade union representatives on the implementation of a new SOR book which will incorporate the codes relating to the new R&M tender which commenced in July 2008. The new rates will be voted upon by the craft workforce on July 21st 2009 and unions will be recommending acceptance by their members.

- 7.2.2 The negotiation process has been undertaken with a spirit of openness and mutual understanding by both parties and it is now essential that this new working relationship is utilised to help to modernise the repairs service

7.3 Current NCH Property Services Schemes/Bids at July 2009

- 7.3.1 Property services are currently working on a number of 'non portfolio' projects and bids which are outside but complimentary to the standard workings of Repairs and Maintenance and Asset Management services. These projects are covered in the 'Current NCH Property Services Schemes/Bids at July 2009' and include:-

- Aspley/BEST regeneration/worklessness project
- Bid to build new council homes
- Carbon reduction project/bids

8. EQUALITY AND DIVERSITY ANNUAL REPORT

8.1 This report is for noting and attached as Appendix 2.

9. NEW BUSINESS ADMINISTRATION APPRENTICESHIP SCHEME

9.1 On 14th July the NCH Human Resources Committee received an update report on key initiatives being delivered in response to the current economic recession via the Nottingham City Homes' Tackling Worklessness Strategy.

9.2 This is an update on one such initiative; the Pathway to Work Business Administration Apprenticeship Scheme.

9.3 Outreach Work

Outreach work is being undertaken to particularly encourage inner city Black and Minority Ethnicity (BME) and Disabled people to apply for apprenticeships and other roles with NCH. Both these groups are currently under-represented in our workforce. This outreach work includes liaison with specialist support agencies, community groups and schools, targeted advertising and work experience. For more info about work experience see the attached file note.

9.4 Recruitment

- 92 inner city (and or disabled) candidates applied for the Business Administration Apprenticeships.
- 42% of these applicants were BME.

The 'on-merit' recruitment process consisted of:

- Screening applications.
- Literacy and Numeracy tests (conducted free by the college).
- Interviews by representative panels, including members of the Ethnic Minority Employee Forum.
- Of the top 10 appointable candidates 6 are BME (60%) which exceeds the aspirational 40% target.
- 7 of the top 14 candidates are BME (50%).
- All appointable candidates live within the Nottingham City Boundary.

9.5 Number of posts

- 10 NCH Business Admin Apprentices will start work in September 2009.
- A bid has been made to the Future Jobs Fund for 4 further posts to start at around this time.

9.6 Placements

- The apprenticeships will last for 2 years:
- First year: 3 admin placements lasting 4 months, for a broader experience.
- Second year: 1 administrative placement specialising in a single team.
- Placements will include corporate services as well as operational activity

9.7 **Qualifications**

- In the first year apprentices will achieve NVQ2 in Business Admin (Equivalent to 4 GCSEs at grade A*-C), plus Key Skills at level 1 and a Technical Certificate in Administration.
- In the second year they achieve Key Skills level 2, and NVQ3 in Business Admin (equivalent to 2 A-levels).
- The NVQs are vocational qualifications, with work place assessments
- This means they relate closely to on the job performance and the competency to undertake administrative roles effectively.
- Distance learning and 'E-Portfolios' mean that down-time spent at college will be minimal.

9.8 **Support and mentoring**

Apprentices will receive support in their roles/ achieving their qualifications:

- NCH mentors trained for free by New College Nottingham.
- Learning and Development Team mentors and 'of-line managers.'
- Professional academic and pastoral support from New College Nottingham

9.9 **Progression and retention**

- Throughout the two years candidates will be strongly encouraged and supported to apply for positions within NCH.
- Recruitment application and interview skills training will be available to support apprentices to progress within the company.
- More than 95% of apprentices who have completed NCH apprenticeships to the required standard have been offered and accepted positions within the company. We aim to maintain this success with this new initiative.

9.10 **Overview of all NCH Apprenticeships and worklessness initiatives**

- 18 Construction Apprentices are currently in post of whom 5 complete in September 2009.
- 13 Construction (Trade) apprenticeships to be recruited September 09. Interviews are currently underway.
- 5 potential further Construction apprenticeships in September 09 – a bid to the Future Jobs Fund has been submitted.
- 50 in total, including the new Business Admin Apprenticeships if all bids are successful.
- 38 'One in a Million' apprentices (as at 31st June 09) recruited by

- our suppliers, agreed as part of the procurement process.
- All new apprenticeships will be from within Nottingham City Boundaries.
 - New tenants in the Bestwood area are referred to a job club operated by a local community organisation, Bestwood Directions. The initiative is designed to promote local job opportunities to unemployed tenants, to signpost unemployed tenants to training opportunities and to encourage sustainability of tenure by promoting local, community based support.
 - NCH is working in partnership with Stephenson College to provide 50 inner city people with 13 week placements in Property Services over an 18 month period. The initiative is partly funded by the Learning and Skills Councils
 - NCH supports a range of city schools with works experience. For example in the past 12 months 77 young people have benefited with placements from 2 to 4 weeks plus. Furthermore, NCH is working in partnership with Learning Works to provide train to gain students with work experience. **Appendix 3** provides more detail on work experience activity within NCH over the last 12 months

10 SWINE FLUE

- 10.1 NCH is currently in the process of making preparations for the possibility of a Swine Flu pandemic. A Group of senior managers has been set up to identify how critical front line services might be affected by a pandemic, and the actions and resources required to ensure that NCH continues to provide these services. The Group will meet every Monday morning and report to EMT every Thursday morning. Progress will be reported to Board as and when required.

CONTACT OFFICER: Chris Langstaff
Chief Executive
Tel: 0115 9157351
E-mail: chris.langstaff@nottinghamcityhomes.org.uk

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