

NOTTINGHAM CITY HOMES

REPORT OF THE CHIEF EXECUTIVE

THE BOARD
24 SEPTEMBER 2009

THE CHIEF EXECUTIVE'S UPDATE REPORT

1 SUMMARY

- 1.1 This report provides a brief update on some of the key issues currently ongoing in the organisation

2 RECOMMENDATION

- 2.1 It is recommended that the Board note the report.

3 REFORM OF COUNCIL HOUSING FINANCE – CONSULTATION PAPER

- 3.1 The above consultation paper was issued on 21 July and responses are required by 27 October. NCC and NCH have jointly procured Tribal Consulting to undertake a piece of work modelling the HRA figures for Nottingham and to assist in preparing a response to the consultation paper. A presentation from Tribal will be given before the Board meeting on 24 September. A number of consultation events have been arranged for the autumn to keep tenants and other stakeholders informed and to gather their views.

4 FINANCIAL HEALTH OF THE COMPANY

4.1 Financial Year 2009/10

- 4.1.1 With effect from the next Board meeting there will be a standing item on the agenda from the Director of Finance, ICT & Governance which will report on the financial health of the Company.
- 4.1.2 At the current time projected income and expenditure are in line with budgeted income and expenditure for the NCH management fee.
- 4.1.3 The element of the NCC Housing Public Sector Capital Programme which is managed by NCH is forecasted to spend the budget of £47m.
- 4.1.4 NCH manages the repairs budget within the Housing Revenue Account. The major area of concern at this time is expenditure on repair of void properties. This has been recognised very early in the financial year as a pressure point and an action plan has been implemented to reduce the level of expenditure on void repairs. A further impact of increased volumes of work being completed on void properties has meant that we have had more void properties because the repair work was taking longer, this was impacting on the level of rent income within the HRA.

4.1.5 The action plan for void properties will also address the number of lettable void properties. In addition to all of this a LEAN system review has been completed on the voids process and the initial results from this review are being reported during September.

4.1.6 Detailed financial information will be presented to Finance & Audit Committee in November.

4.2 **Budget 2010/11**

4.2.1 NCH is required to submit a budget request for NCH Management fee to NCC by 31 October. Work is ongoing to prepare a budget bid by 31 October and this will be discussed with the Board at their away day on 15/16 October.

4.2.2 It is difficult to estimate the level of resources which will be available within the HRA for 2010/11 due to a number of factors

- Anticipated negative levels of RPI for September 2009
- The late change in Government policy on rent levels for 2009/10
- An anticipated consultation paper on rent formula and
- The current housing consultation paper on Housing Finance

A number of consultation events have been arranged during autumn to keep the Board, Tenants and all other Stakeholders informed of developments and to seek their views.

5 **WORKLESSNESS UPDATE**

5.1 Nottingham City Homes is supporting the Government's Worklessness agenda which aims to keep people within reach of the job market during recession.

5.2 There are a number of Apprenticeships and Trainees currently working in and around the company including:

- 32 Construction Trade Apprentices
- 29 One In A Million Apprentices employed by business partners
- 10 Pathway to Work – Business Administration Trainees

5.3 NCH will also be submitting bids for funding under The Future Jobs Fund, a £1 billion Government initiative which aims to generate jobs for "those in greatest need", particularly young people, and also in areas of high unemployment. The fund is being co-ordinated by the City Council and is supported by funding from One Nottingham. The target group (set by the Government) is 18-24 year olds that have been unemployed for 9 months or more. NCH has submitted a proposal to recruit three Financial Inclusion Assistants within the Rents Team under the scheme and is looking for similar openings in other areas of the business including the Call Centre, Reception Desks and Housing Offices.

6 **FIRE SAFETY**

6.1 NCH has been working with the Fire Brigade to assess and address the

fire risks contained in its high rise properties following the fire at Lakanal House in Camberwell earlier this year.

6.2 Risk Assessments for all NCH high rise properties have been reviewed in light of the Camberwell fire. Plans are now in place to ensure the outcomes of these reviews are implemented in full. These may have an impact on funding from the Capital Programme. Discussions on this are currently being held with the Council.

6.3 NCH has also constituted a Fire Safety Management Group to oversee this work. The Group will ensuring that effective procedures and monitoring systems are in place for fire safety in high rise properties in future. The Group is chaired by a Director of the company and has invited a Fire Brigade representative to attend its meetings

7 STAFF SURVEY

7.1 The results of this year's staff survey have now been published. They show a significant improvement on last year's findings and demonstrate that we are continuing to build good relationship with our employees. Some highlights compared to last year's survey are shown below

- Morale has improved (68%; up by 11%);
- 65% feel senior managers provide strong leadership;
- An increase of 23% (now 52%) of employees feel NCH is viewed positively by customers;
- A 10% increase in people who agree that NCH represents its values;
- 18% increase (to 62%) in people who feel that training and development are taken more seriously;
- An increase of 28% in returnees who are more satisfied with their pay and benefits;
- 67% are satisfied with their present job (up 10% from last year).

7.2 352 employees completed the survey, equating to 33.5% of the company. While accepting the positive side of the survey, efforts will be renewed to develop staff morale in certain areas.

7.3 Plans are already in place to address the outcomes of both the survey and the IIP assessment undertaken earlier this year.

7.4 A full copy of the 2009 Staff Survey can be obtained from George Pashley, Director of Organisational Development on 0115 9157354 or at George.Pashley@nottinghamcityhomes.org.uk.

8 ACCOMMODATION PLAN UPDATE

8.1 Negotiations on the lease for Hounds Gate are continuing. NCH has commissioned a structural survey of the building in order to determine the risks of entering into a full repairing lease and also to determine the square meterage of useable floor space which will inform the total cost of the lease.

- 8.2 NCC has confirmed that they require vacant possession of the Harvey Road site as soon as possible and are working with NCH to identify alternative sites for the Property Services operation. So far only one site of suitable size has been identified and an option appraisal of the site is currently being undertaken.
- 8.3 The Lenton, Bilborough and Victoria Centre Housing office are now open part time and discussions have commenced with the NCC on the future of the housing offices and cash collection.

9 REVIEW OF ALLOCATION POLICY

- 9.1 NCH has undertaken a review of the Allocation Policy. Extensive analysis of the Housing Register and lettings data has been undertaken to inform the review. The draft Policy has been submitted to NCC for their comments and approval. A draft copy of the Policy will be circulated to all Board members.

Gedling, Broxtowe and Rushcliffe submitted a successful bid to the CLG to develop a sub regional choice based lettings scheme (CBL). They are now looking for an allocation scheme which will administer the CBL. NCH Homelink has been invited to submit a bid by 24th September 2009. Work is already well underway and NCH will be in a position to submit a competitive tender by the required deadline. Board members are asked to give delegated authority to the Chief Executive to submit a tender for sub regional CBL on behalf of NCH.

10 NOTTINGHAM, WIDECOMBE LANE – NEW COUNCIL HOUSE BUILDING BID

- 10.1 On 9th September Nottingham City's bid to build new council homes was approved by the Homes and Communities Agency and announced by Communities and Local Government. This was the first round of bidding for money made available by the Government earlier in the year, there is a second round of bidding in October 2009 and it is our intention to submit a further bid.
- 10.2 The bid was submitted by Nottingham City Council on behalf of a joint project team made up of Nottingham City Homes and Nottingham City Council staff.
- 10.3 Eight family homes on a former garage site on the Clifton estate will be built; the site is derelict and currently attracts anti-social behaviour. Construction must be completed by March 2011. Clifton has an acute need for social rented family housing, with very long waiting times. Due to the estate's popularity, levels of Right to Buy have been very high.
- 10.4 The contractor Bramall Construction Ltd. will be able to offer Nottingham City Homes' apprentices the opportunity to have some new build experience on the site.
- 10.5 The code for Sustainable Homes level 4 will be achieved (with level 6 being the maximum level).

10.6 The last new homes built by Nottingham City Council were constructed in 1995 (on Kildare Road and Dooland Drive, Mapperley Ward).

11 THE TSA AND THE NATIONAL CONVERSATION A NEW REGULATORY FRAMEWORK FOR SOCIAL HOUSING

11.1 The TSA is the new regulator for social housing. Its objective is to raise the standard of services for tenants. It aims to achieve this by championing tenants, promoting choice, shaping standards and challenging landlords.

11.2 The interests of leaseholders are not represented by the TSA and NCH has commented to the TSA that it believes this is a very significant gap.

11.3 Tenants and landlords have been invited to participate in a 'national conversation' with the TSA to establish the standards and comment on the proposed regulatory framework. This is being carried out in 3 phases:

11.4 Phase 1

11.4.1 This phase took place earlier this year, January to March. Through a range of means the TSA says that 300,000 people, tenants and landlords, contributed to the conversation. The priorities for tenants were repairs and maintenance, decent homes, tackling anti-social behaviour and being consulted by their landlord.

11.5 Phase 2

11.5.1 This phase asked tenants and landlords for a response to the TSA's discussion paper that reported on the outcomes of phase 1, the proposals for the new regulatory framework and the draft new standards.

11.5.2 NCH has forwarded its comments, including those that were raised at a TLC Away Day, where presentations were made by representatives from the TSA and the National Tenants' Voice.

11.5.3 NCH is largely in agreement with the TSA's proposals on co-regulation. This is a partnership approach that involves tenants, landlords and the regulator working together to achieve national as well as locally agreed objectives. A concern was raised about the current lack of detail around the proposals. For example, 'local' needs to be more clearly defined.

11.5.4 NCH's response included:

- Full agreement that tenants must be involved in decision making. We suggested a menu of opportunities for involvement that allowed tenants to choose the level they feel is right for them.
- The TSA should seek ways to encourage landlords to improve services to leaseholders and involve them in decisions.

- We recommended a National Standard or establishment of an external accreditation scheme for the handling of complaints.
- Tenants' perceptions of excellence often focus on "softer" indicators rather than hard PIs and targets, and we asked how the TSA will reflect this.
- The TSA should be mindful of the context in which a landlord operates and the impact of deprivation levels on satisfaction outcomes.
- Security of tenure is critical for most tenants.
- The TSA should compare landlords that operate in the same area and promote peer reviews.
- Tenants can be empowered by having a role in regularly checking and assessing the services being provided.
- Performance information must be clear and easy to understand. It must be linked to standards agreed with local communities.
- We emphasised that improving front line services and performance that matters to tenants is key.
- We supported the need for a grading system. This must be simple and transparent. It can help identify good performing peers and improve learning and sharing best practice. We suggested that an overall grading could be comprised from an assessment of each of the 6 themes or 14 standards.

11.5.5 ALMOs are not mentioned as registered bodies with the TSA. It seems that this will be the parent local authority. We believe this undermines the accountability of ALMOs and fails to take account of their unique position. Some are acquiring their own portfolio of properties, managing them on behalf of owners other than the local authority or even owning them directly.

11.6 **Phase 3**

11.6.1 This phase begins in November when the TSA publishes its revised proposals and standards following the national conversation.

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