

# **Achieving Excellence**

## **NCH Three Year Business Plan 2010-2013**

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# ***Foreword***

Welcome to Nottingham City Homes Business Plan.

This year we are celebrating the fifth anniversary of NCH. We are proud of how much we have achieved and how the organisation has been transformed as we continue on our journey to excellence.

Our successful inspection by the Audit Commission in November 2008, achieving 'two stars and excellent prospects for improvement' proved that we are a good organisation; however we want to be even better.

In achieving excellent prospects, the Audit Commission recognised the company as being self aware of the changes required to go on to deliver excellence. We recognise that the next three years will be exciting and challenging times for the company, our employees and our customers as we respond to the challenges of recession, customer satisfaction, ever changing customer needs and delivering three stars.

This Plan sets out our ambition for the next three years. We will continue to maintain strong strategic links with Nottingham City Council and our partners to deliver the benefits our tenants and leaseholders deserve.

**Chris Langstaff, Chief Executive**

**Janet Storar, Chair of the Board**

# Context

## About us

NCH is the Arms Length Management Organisation (ALMO) created in April 2005 by Nottingham City Council (NCC) to manage its housing stock. We employ over 1,000 people and manage approximately 29,000 homes of which 16,000 are houses, 10,000 are flats and 3,000 are maisonettes and bungalows.

Our core business includes management of the waiting list, re-letting empty homes, rent collection and arrears recovery, tenant and leaseholder involvement, sheltered housing, tenancy and estate management, caretaking services and repairs and maintenance.

We are also responsible for providing services to approximately 1,000 leaseholders (mainly living in flats). We also manage the City Council's homelessness hostel for families.

We are a non-profit making organisation run by a Board of non-executive directors made up of councillors, tenants, leaseholders and independent members chaired by a tenant Board member. All our properties are still wholly owned by Nottingham City Council.

The development of our ten year management agreement represents a landmark in NCH's journey. Within this agreement NCH is seen as a key strategic partner to the Council, and is positioned to undertake a broader role within the housing sector, and wider public services arena than simply our core business of improving and managing properties.

Our ambition is to be an excellent organisation which delivers our vision of homes and places where people want to live.

## About this plan

This is our 3 year Business Plan which sets out our vision, objectives and priorities for the medium term within the context of our 10 Year Strategy and 30 Year Housing Plan.

This Plan replaces our Annual Delivery Plan as we have worked with NCC to review and develop a new ten year management agreement which establishes a longer term future for NCH.

This Plan has been developed with input from staff, Board members and most importantly our tenants and leaseholders.

This Plan will be reviewed on an annual basis and updated where appropriate. The Plan will be supported by a one year Action Plan that will set out further detail on the actions that will be taken to work towards Business Plan priorities. This will be refreshed on an annual basis to set out detailed plans for the forthcoming year.

## **Local and national context**

Our 10 Year Strategy sets out our place against the national and local picture and sets this in the context of the emerging agenda for the future role of ALMO's. Since this time there have been key developments, in particular the creation of the Tenant Services Authority (TSA) and the review of housing subsidy arrangements. A general election in 2010 will result in an incoming government developing its policy agenda. All of this, is set in the wider context of the recent economic challenges felt keenly by both those who provide services and those who receive them.

We see a strong future for the role of ALMO's and for NCH as a strategic partner in the city which is supported through the City's commitment to a new 10 year management agreement.

We welcome the launch of the new TSA and the creation of a tenant focused regulatory framework intended to drive up standards in social housing and promote greater choice. We look forward to building a strong relationship with the TSA.

Our Business Plan has been developed against the backdrop of the economic downturn and pressure on funding means that we will be seeking to improve services against a backdrop of further efficiencies and savings.

We need to secure a viable future for the organisation through securing new business, exploring alternative ways of working, developing new funding routes and making the most of the resources we have.

We recognise and embrace our responsibility as being the largest provider of landlord services in Nottingham to contribute to the wider aspirations of the city's residents as set out within the Sustainable Community Strategy.

NCH manages homes in some of the most deprived parts of the City. Many tenants are amongst the most disadvantaged groups. It is clear the city faces significant challenges around health, worklessness, community safety and environmental sustainability. Housing has a clear link to all these issues with NCH playing a pivotal role in regenerating sustainable and cohesive neighbourhoods and communities.

NCH is committed to delivering solutions which assist in the reduction of the carbon footprint of both the housing stock as well as our operational activities.

## **Our customers**

We deliver services to an increasingly diverse customer base. Understanding our customers is essential to providing services that meet their needs and fundamental to providing excellent services.

In 2010 our customer profile is:

- We have 1,035 leaseholders
- 17% of tenants are from black, minority and ethnic (BME) backgrounds
- 25% of tenants are over 60
- 25% of the occupants of our homes consider themselves as having a longstanding illness or disability
- 57% of tenants are women
- 67% of tenants receive housing benefits

(NB. figures based on main and joint tenants)

This pattern is changing with two thirds of new tenancies created in 2009/10 to people aged under 40, over a quarter to people under 25, and over a third to people from a BME background.

These changes demand that we continue to develop services for different groups of people with ever changing needs and expectations. We are yet to know whether they will remain our long term customers but if they do then our tenant profile by the end of this Plan in 2013 will be different from what it is in 2010. However we also expect many of our long standing tenants to still remain users of our services over the long term.

(NB. figures based on main and joint tenants)

## **Customer satisfaction**

Our customers are increasingly satisfied with our services. By 2009 80% were satisfied overall – compared to just 60% in 2007.\*

There have also been significant improvements in satisfaction with individual services, particularly repairs, and satisfaction with the condition of tenants' homes is up to 75%. This figure should continue to rise as we modernise our services and the Secure Warm Modern programme continues through the life of this Plan.

As our customer profile changes, we must continually develop our understanding of our customer base. We must then use that understanding to develop new and innovative ways of working to meet their individual needs.

\*Source: STATUS surveys 2007, 2008, 2009

# ***Our business priorities***

Our strategic objectives are set out within our 10 Year Strategy:

- To deliver excellent customer focused services
- To engage customers in influencing the shape and quality of housing services that we provide
- To be a key partner in the delivery of safe and sustainable neighbourhoods
- To be a key partner in the transformation of Nottingham's neighbourhoods
- To be an excellent organisation

Our Business Plan is focused on delivering excellent, cost effective services.

We are passionate about our communities and ambitious for our tenants and leaseholders. We want to be recognised as a best practice housing provider by delivering excellent services and delivering and maximising the impact of our Decent Homes Programme. We are proud to be a professional partner of Nottingham City Council and to play a key role in the regeneration of our communities.

Understanding our customers' views and priorities is key to providing services that meet their aspirations and we have involved customers in developing our priorities through our annual 'Aiming for Excellence' exercise and a programme of consultation in late 2009.

Top customer priorities include:

- the successful completion of the Decent Homes programme
- providing a high quality repairs service with a focus on 'getting the job right first time'
- tackling community concerns such as anti social behaviour
- more investment in tenant involvement
- minimising the time properties are empty
- support to vulnerable tenants

It is essential that expenditure is focused on the key areas of importance for our customers, with investment in our homes the top priority.

Over the next three years we will deliver on our strategic objectives and meet customer need in the following ways:

## **Delivering excellent customer focused services**

### 2013 Outcomes:

- ✓ Three star services with top quartile performance in most indicators
- ✓ Top quartile customer satisfaction across all six equality strands
- ✓ A Major Push on Equality and Diversity
- ✓ A modernised repairs and local housing management service
- ✓ Development of a customer service centre supported by home visits, surgeries and mobile working
- ✓ Improved housing management support service to tenants living in sheltered housing
- ✓ Developed IT capabilities to facilitate improved on line customer access
- ✓ Expenditure focused on the key priorities for our customers

## **Engaging customers in influencing the shape and quality of housing services that we provide**

### 2013 Outcomes:

- ✓ Top quartile customer satisfaction with opportunities for involvement
- ✓ Local communities empowered to become involved, make a difference and influence local decision making
- ✓ An effective framework of local standards developed with tenants and leaseholders
- ✓ Resident scrutiny effectively embedded
- ✓ Wider range of opportunities for engaging with all our customers
- ✓ Customer needs and aspirations identified and met through research and feedback mechanisms
- ✓ Robust communications and marketing mechanisms, developed with our customers
- ✓ A key participant in the local, regional and national agenda on tenant involvement to ensure best practice and top quartile performance.

## **A key partner in the delivery of safe and sustainable neighbourhoods**

### 2013 Outcomes:

- ✓ A leading partner in localised service delivery
- ✓ A leading provider in neighbourhood services
- ✓ Working with our partners to improve anti social behaviour outcomes for our customers
- ✓ Enhanced sense of well-being and safety on our estates
- ✓ All estates at a 3 star standard
- ✓ Tackling disadvantage such as worklessness
- ✓ Working in partnership to address social and financial exclusion
- ✓ Supporting vulnerable tenants
- ✓ Effective, sustainable and cohesive communities on our estates
- ✓ Creating a safe environment for people living and working on our estates

## **A key partner in the transformation of Nottingham's neighbourhoods**

### 2013 Outcomes:

- ✓ Completed the Decent Homes programme, making all NCH homes secure, warm and modern
- ✓ A sustainable asset management and investment strategy
- ✓ Actively engaged in neighbourhood regeneration across the city
- ✓ Building 31 new council homes
- ✓ Maximised NCH's contribution to help achieve NCC's and its partners vision for Nottingham
- ✓ Fuel poverty reduced for all vulnerable customers
- ✓ Reduced carbon emissions from our housing stock and reduced environmental impact of NCH activities
- ✓ Developing community links to assist with training and sustainable employment opportunities

## An excellent organisation

### 2013 Outcomes:

- ✓ Accessible, customer focused and cost effective services
- ✓ Be recognised through external accreditation including Investors In People
- ✓ Be an employer of choice with the values of equality and diversity at our heart
- ✓ Achieve Equality 3 in the Equality Framework
- ✓ Deliver 20% efficiency gains
- ✓ A highly skilled and fit for purpose workforce, with the skills and behaviours required to meet our business needs
- ✓ Innovative and creative in service delivery
- ✓ Job evaluation and Single Status complete
- ✓ Develop new business opportunities including managing the new build process
- ✓ Being more flexible and increasing productivity
- ✓ Develop business company model for post Decent Homes period
- ✓ Regulatory compliance consistent with all aspects of best practice for the social housing sector
- ✓ Develop first rate relationships between NCC officers and their NCH counterparts
- ✓ Effective and full use of the skills and expertise developed by NCH for the benefit of NCC, NCH and those who we both serve

# ***Building on our success***

This Plan builds upon our achievements since achieving our inspection rating of '2 stars and excellent prospects for improvement' in January 2009.

We would like to thank our tenants and leaseholders, employees and partners for their support in achieving the following:

## **Delivering excellent customer focused services**

- Customer satisfaction up ten percentage points to 80%
- Commenced modernisation of the repairs service with mobile technology introduced at the end of March 2010.
- Improved performance across our call centres
- We continue to excel at customer care with 97% of complaints answered within 5 days, 96% of enquiries and 97% of member enquiries
- Tenant rent arrears now under £2.5m, an improvement of approximately £1m over 2009/10
- Working in partnership with the Family Intervention Project to support vulnerable families
- Held a Financial Inclusion Roadshow with 50 partner agencies that was attended by over 500 tenants
- Commenced modernisation of the tenancy and estate management service
- Introducing a revised Allocations Policy and improved operation of our CBL scheme
- Rebranded and improved our already popular tenant newsletter and produced our Money Matters magazine
- Successfully bid for Community Volunteer Programme to train unemployed residents as Debt Advisors targeting vulnerable tenants
- Employed a Fraud Investigation Officer through the Social Housing Fraud Initiative to cut down on the number of illegal tenancies across the city
- Pilot organisation with the Ministry of Justice on the Housing Arrears Pre Action Scheme

## **Engaging customers in influencing the shape and quality of housing services that we provide**

- Opened a Tenant and Leaseholder Resource Centre
- Resident scrutiny programme launched
- 2,000 tenants and leaseholders registered on our involvement register
- Satisfaction with decision making up nine percentage points to 68%

- Menu of involvement for customers to get involved
- Successfully held our Getting Involved Week and a key partner in Weeks of Action across our estates
- Recruited tenants to our Block Quality Assurance Team to undertake inspections of our high rise and low rise blocks

#### **A key partner in the delivery of safe and sustainable neighbourhoods**

- First ALMO to be granted accreditation for our work on anti social behaviour, through the HouseMark and Social Landlords Crime and Nuisance Group.
- 90% of our estates rated as 2 stars and above
- 95 % of our high rise blocks rated as 2 stars and above
- Representing the Company at the Social Landlords Crime and Nuisance Policy Advisory Group (PAG).
- The PAG with HouseMark helped to develop the HouseMark / SLCNG Anti-Social Behaviour Accreditation Scheme. NCH became the first ALMO in the country to be successful in achieving accreditation.
- Developing a Working Protocol with the Family Intervention Project, which works intensively with families causing anti-social behaviour to stop anti social behaviour and prevent them losing their home.
- Key partner in multi-agency risk assessment conferences (MARACs) that share information and agree actions to support victims who have been assessed at high risk of domestic violence.

#### **A key partner in the transformation of Nottingham's neighbourhoods**

- Delivered the first full year of the Decent Homes programme
- Achieved (jointly with the city as their partner in new build delivery) PQQ status from the Homes and Communities Agency
- Successfully bid and commenced our Knowledge Transfer Partnership with Nottingham Trent University for a 2 year project assessing the impact of the Decent Homes programme
- High level of tenant satisfaction with the Decent Homes programme
- Existing stock sustainability initiatives – CESP, Retrofit, Pay as You Save
- Our Construction Partners have now engaged 50 apprentices via the One in a Million Scheme.

#### **An excellent organisation**

- Nottingham On Call (NOC) retained accreditation with the Telecare Service Association Code of Practice parts I-III in July 2009. NOC continues to expand and attract new business from RSL's and the private sector.
- Successfully secured twenty trainee positions in partnership with NCC and One Nottingham through the Future Jobs Fund

- Finalist at National Training Awards winning East Midlands Regional Training Award for the partnership programme 'Let's Make the Difference'
- Provided over 90 work experience placements for inner city students
- Award winning apprentice scheme
- Successfully recruited a diverse pool of Construction and Business Administrative Apprentices
- Our Chief Executive was invited to meet the Prime Minister via the TUC as a Champion for our apprenticeships
- 08/09 VFM Efficiencies of £7.74 million reported to the City Council under National Indicator 179 (NI179) )UPDATE FOR 2009/10
- Decent Homes Safe, Warm and Modern programme (2009-13) savings of £3.514m secured through E-auctions for boilers, bathroom suites, kitchen sink tops and taps
- Completed a review of our performance management arrangements
- Implementing a comprehensive culture change programme 'Rising to the Challenge'
- Two managers successfully completed the Black Leadership Programme
- Introduced a mentoring scheme for staff aimed at BME and disabled employees
- Mission, vision and values embedded across NCH as 89% of employees feel they are aware of NCH's vision and purpose and 85% agree that their work contributes to the vision and purpose of NCH (source employee survey)
- ISO re-accreditation for Property Services and Housing Management
- Reviewed our governance arrangements
- NCH returned to a surplus outturn position in 08/09 (£133k returned to the HRA) & is currently forecasting a small surplus in 09/10 (UPDATE FOR 2009/10)
- Enhancements to our ICT, ensuring that office based staff have a modern PC to work on
- Selected by Tunstall to be a host for PNC6 in NOC. The associated costs for the equipment are in the region of £100K and we have been given this free of charge to act as a learning and host organisation for other users.

## Our Finances

The estimated income and expenditure figures for 2010/11 are detailed in the tables below:

	£000's
Employee Costs	38,014
Property Costs	5,773
Transport & Plant Costs	2,433
Supplies & Services Costs	17,847
Administration Costs	2,154
Income	(30,925)
Grant Income	(285)
<b>Total Management Fee</b>	<b>35,011</b>

	£000's
Housing Management	12,742
Property Services	5,125
Support Services	5,594
Central & Recharged Services	5,766
Planned/Programmed Repairs	5,784
<b>Total Management Fee</b>	<b>35,011</b>

The profile of the decent homes funding from the Government is shown in the table below:

	£000's
2008/09	10,000
2009/10	32,000
2010/11	32,000
2011/12	47,900
2012/13	43,100
<b>TOTAL</b>	<b>165,000</b>

We recognise there will be significant reductions in public expenditure in the medium term and have set a target of achieving 20% savings over the next three years. Our front line services, property services and housing management, are undergoing massive modernisation agendas which will not be completed until well into the 2010/11 financial year; thereby not delivering the full year effect of any efficiencies until the 2011/12 financial year. The savings targets for each of the front line directorates in 2010/11 is £200k, this

allows time to modernise the services and much larger efficiencies are therefore expected in the following financial years.

Support services within NCH have been asked to identify 20% savings over 3 years with a minimum of 5% in any one year; this is to recognise the support which is required by the front line services whilst they are delivering their modernisation programmes. Some of the efficiencies will then be delivered much more easily from support services, for example, fewer employees should lead to an associated reduction in human resource activity and reduced levels of invoices resulting in a slimmed down finance function.

We believe the responsive repairs budget in Nottingham is underfunded when compared with other housing organisations. Also a greater proportion of the repairs in Nottingham are delivered on a responsive rather than a planned basis. Planned work can be procured in advance and delivers better value for money. We anticipate that the modernisation of services within NCH and the reduction in support services costs will enable further investment in the stock through the repairs budget and will enable repairs to be delivered in a planned and more efficient manner.

NCH is a member of the HouseMark benchmarking club. Analysis of data for 2009/09 comparing our performance with 24 other ALMO members of the club shows we were 19th expensive in terms of total cost per property and 16th expensive for overheads as a percentage of direct housing management costs.

# ***Risk Management***

We aim to control and manage all risks consistently within an embedded culture of risk management.

We have an impressive record of effective risk management evidenced by achievements such as restructuring the company, successfully tendering for the responsive repairs service and delivering our Decent Homes programme.

Our corporate risk register identifies the range of risks faced by NCH, however those particular to the delivery of this Plan are summarised below:

## **Financial environment**

This plan is set within the context of the economic downturn and at a time of significant challenge for NCH in relation to future funding.

The Government's review of the Housing Revenue Account and subsequent offer to local authorities for a self financing system from April 2011 will have implications for our revenue stream, the future of Decent Homes funding and maintaining decency beyond 2013.

NCH will position itself to take full advantage of the opportunities to plan for the longer term, improve the management of our homes, secure greater efficiencies and improve the quality of service.

We will seek to maximise new market opportunities and become a more efficient organisation realising our target of 20% efficiencies over the life of this Plan.

## **Change of government policy**

The financial futures of ALMOs is far from secure and funding for completion of our Decent Homes programme could be affected following a change in Government.

## **Workforce re-engineering in the Repairs Service**

The delivery of the repairs service will be radically different by 2013, with the implementation of mobile working and a new payments system. We need to ensure the workforce and trade unions are on board with the changes to ensure a successful modernisation programme.