

Working Together: Tower Hamlets Homes Business Plan 2016/17- 2018/19

Contents:

Introduction	2
Context	5
National Housing and Welfare Policy	5
London Borough of Tower Hamlets (LBTH) Priorities	6
Tower Hamlets Homes in 2016	8
Our Performance	8
Our Residents	9
Our Staff	10
Our Vision for 2019	12
Our Vision	12
Our Mission	12
Our Strategic Aims	12
Delivering Our Vision	15
Project Management.....	15
Service Improvement Projects	16
Customers Stream.....	17
Property Stream.....	18
Organisation Stream.....	19
Appendix 1: Resources	22
2016/17 – Management Fee	22
2018/19 – Medium Term Financial Outlook	23
Capital Programme Overview	25
Appendix 2: Our Achievements in 2015/16	26
Appendix 3: 2016/17 Service Improvement Tracker	33
Appendix 4: Business Critical Indicators (BCIs)	34

Introduction

Foreword

This a time of change for Tower Hamlets Homes. National welfare and housing policy is reducing our resources and affecting the lives of our residents. Our managing agreement with London Borough of Tower Hamlets is up for renewal in 2018 and we are being challenged to improve customer satisfaction, expand our service offer, and strengthen our partnership with the Council.

With a new executive management team in place, we have a unique opportunity to rise to these challenges. Now more than ever we need to be quick on our feet to embrace change, improve our services, and deliver genuine value for money to reduce costs. Over the next year we will be involving residents, leaseholders, and stakeholders in consultation on a new operating model to launch in April 2017.

To start this process, we have consulted with residents and stakeholders to compose a brand new vision for Tower Hamlets Homes in 2019:

Thriving, safe, and sustainable neighbourhoods where residents can be proud of their homes, respect one another, and realise their potential.

Our business plan sets out how we will achieve this vision. We know that we can't do it alone. To get to where we want to be in 2019, we have to *work together*. Over the next three years, we will work with residents, partners, and the council to:

- Provide excellent customer service
- Maintain homes and neighbourhoods to be proud of
- Deliver organisational excellence

As a social landlord, our first responsibility is to our residents. We have listened to them in constructing our vision and we are committed to delivering the improvements they have asked for.

We want to build communities that are resilient. We have to play our part in making sure residents are in good health, in work, and financially secure. We will invest strategically in the assets we manage to ensure residents are not only proud of their individual homes, but also their wider environment. With the help of partners, we will make neighbourhoods safer by becoming more agile and responsive to our residents' needs, for example when targeting ASB.

To bring about the change that our residents want, we have to work more intelligently. We are already challenging assumptions about the way we do

things. We have adopted a fresh approach to project management to ensure that residents will feel the benefit of our work. We are an information rich organisation and going forward we will do more with that information to develop services that residents can use as and when they need.

There is more change to come and we will involve residents and stakeholders at every step on the way. By listening and working together, we will ensure a sustainable future for our residents and for Tower Hamlets Homes.

Susmita Sen
Chief Executive

[Picture and signature to follow]

DRAFT

Our Organisation

Formed as an Arm's Length Managing Organisation (ALMO) in 2008, Tower Hamlets Homes (THH) is a not-for-profit company responsible for the management, maintenance, and improvement of the 22,000 homes owned by the London Borough of Tower Hamlets.

Our Shareholder

Our sole shareholder is the London Borough of Tower Hamlets.

Our Board

THH is governed by a Board of 12 members. The Board consists of four resident members, four councilors, and four independents. At the time of writing, the Board is in the process of recruiting to three vacant positions: two residents, one independent.

The Board oversees the delivery of our vision and objectives. They also work closely with the Mayor and the Lead Member for Housing to ensure that our work helps to deliver Mayoral priorities.

Our Vision for 2018/19

Thriving, safe, and sustainable neighbourhoods where residents can be proud of their homes, respect one another, and realise their potential.

The Business Plan

This Business Plan explains the changing context in which we work, how we composed our vision for 2018/19 and how we will achieve it over the next three years through a fundamental review of our services at all levels.

Context

Our last business plan was composed in 2013-14. The Housing Revenue Account (HRA) was increasing and our ambitions increased with it, as we looked to widen the scope of our services beyond the core functions of housing management.

Since that time the national and local political picture has changed dramatically. National policy is shrinking the HRA and changing the profile of our residents, more and more of whom are leaseholders. A new Mayor and Cabinet have brought with them new priorities: community investment, increasing aspiration, protecting the vulnerable and reducing ASB.

This section explores the background to these changes, all of which have informed our new vision and service improvement plan.

National Housing and Welfare Policy

The Conservative government elected in 2015 has made a number of policy announcements that present new challenges for housing providers nationwide. Cumulatively, these policies reflect a conscious and dramatic shift in the government's understanding of the purpose of affordable housing, away from affordable rental and towards affordable ownership.

1% Rent Reduction

The government's first budget of July 2015 provided for a reduction in social housing rents by 1% per year for the next four years. This represents a loss to the HRA of £24m in rental income over four years and a loss in excess of £400m over 30 years, including inflation. Without mitigating action, the Council will be unable to fund anticipated capital works needed over this 30 year period, with a projected shortfall in the region of £130m.

Transition to Affordable Ownership

Further policy moves signal that the government's intention is to focus their housing policy on increasing ownership-occupation, rather than affordable rentals.

The Pay to Stay policy will require tenants earning more than £40,000 in London to pay rent at market rates. This policy may increase rent arrears as tenants struggle to pay and could also increase tenancy turnover, as tenants are priced out. Monitoring household incomes to successfully enforce the policy will require additional administrative resources, while any additional revenue raised for the local authority by the policy will have to be returned to the Treasury.

Of the 400,000 new homes promised in the 2015 Autumn Spending Review, fewer than 15% will be affordable rentals and all of these homes will come from existing agreements. The enforced sale of high value voids

will reduce affordable rental stock and continuing Right to Buy purchases are projected to reduce our rental stock by 250 properties a year.

Welfare Reform

From 2018-19 the government will cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit. Social tenants may be required to pay more rent from their own earnings and this could lead to an increase in rent arrears if tenants are not properly prepared and supported.

The roll out of Universal Credit (UC) from 2016 could have a major impact on rental income streams. It will also result in increased operating costs to cope with the change from dealing with housing benefit departments to Job Centre Plus offices.

London Borough of Tower Hamlets (LBTH) Priorities

Just as the national political scene has changed since 2013-14, so has our sole shareholder: London Borough of Tower Hamlets.

Labour Mayor John Biggs was elected in June 2015. He and a new Council Cabinet have new aims for the borough, including but not limited to housing, that we must work together to achieve.

The Tower Hamlets Partnership Community Plan 2015 sets out the Council's vision for Tower Hamlets as:

- A Great Place to Live
- A Fair and Prosperous Community
- A Safe and Cohesive Community
- A Healthy and Supportive Community

The Community Plan is underpinned by the Council's Strategic Plan 2016-19. The Strategic plan lists the following Mayoral and Cabinet priorities:

Priority 1: Creating opportunity by supporting aspiration and tackling poverty	Priority 2: Creating and maintaining a vibrant, successful place
1.1 A dynamic local economy, with high levels of growth benefiting us	2.1 An improved local environment
1.2 More residents in good-quality, well-paid jobs	2.2 Better quality homes for all
1.3 Young people realizing their potential	2.3 Less crime and anti-social behavior
1.4 More people living healthily and independently for longer	2.4 Engaged, resilient and cohesive communities
1.5 Reducing inequality and embracing diversity	

Through direct consultation, Mayor Biggs has also conveyed his commitment to making the best use of resources, challenging underperforming Registered Social Landlords (RSLs), and managing the continuing shift from tenancy to affordable ownership.

Almost half of our properties are leasehold. According to Council Tax information, 57% of leaseholders sublet. This can cause disruption to tenants when some bad landlords leave repairs unaddressed, cause ASB, make unauthorised alterations, and encourage multi-occupancy. Mayor Biggs intends to combat this by taking action against rogue landlords and exploring the possibility of setting up a private lettings agency.

DRAFT

Tower Hamlets Homes in 2016

Composing and delivering our vision for 2019 requires more than understanding changes to the national and local policy context. Things have also changed within THH since 2014. We have a new Chief Executive and a new Executive Management Team. Our Board has changed too, with two new Independent members and four new Councillors appointed by the council in 2015.

A new Executive Management Team and a new Board present a unique opportunity for THH to transform and deliver a new vision. Before we look to the future we have to understand where THH stands in 2016. Where are we performing well and where can we improve? What is the profile of our residents and what are their priorities? How motivated and well equipped are our staff?

The answers to these questions are integral to the formation and delivery of our vision and service improvement plan. This section takes a data-driven approach to answering these questions.

Our Performance

Since THH was established in 2008 we have achieved a great deal. We have:

- Improved resident satisfaction with our overall service from 58% to 77%
- Delivered this improvement at an ever lower cost – adjusted for inflation, our capital management fee has decreased every year since our foundation
- Generated a net surplus of £8m for the HRA
- Received an audit commission rating of 2 stars in 2012
- Delivered over 6744 Decent Homes [update monthly]
- Become the first housing provider in London to achieve Customer Service Excellence in December 2012
- Ranked in the top 10 in Stonewall's Workplace Equality Index for two years running

While we have much to be proud of, we know that we can do better. To better understand where we can improve, we commissioned a HouseMark Benchmarking report comparing our performance to ten of our peers in our sector. This data-driven report has helped us better understand the areas where we most need to improve:

- ASB – we spend more on tackling ASB than our peers but resolve fewer cases successfully
- Repairs – we complete fewer repairs on the first visit than our peers and our residents are less satisfied with our repairs service
- Neighbourhood Satisfaction – our residents are less satisfied with their neighbourhoods as places to live

- Customer Access – we resolve fewer enquiries on first contact than our peers

Our Residents

Our records let us capture our diverse profile of residents:

- Nearly 60% of residents are from a BME background
- 68% of tenants receive housing benefit
- One in five tenants are vulnerable
- 49% of residents on the housing register are overcrowded
- 23% of tenants are over 60
- 44% of our properties homes are leasehold
- Over half of leaseholders are non-resident
- Almost 10% of 16 to 24 year old residents are unemployed

With such a diverse profile of residents naturally comes a diverse range of needs. To ensure that our vision for 2019 accurately reflects the priorities of all of our residents, we held in person engagement sessions with representatives from four key groups: leaseholders, vulnerable tenants, BME women, and young people.

We know that some residents prefer not to engage with us through traditional, face-to-face meetings. To encourage broader representation of residents' views in our new vision, we also ran a four-week social media campaign inviting residents to comment on our priorities and share their priorities with us.

Together, our online and in person engagement efforts reached over 2000 [subject to increase following establishment of final web figures in week beginning 22 Feb] residents and showed us what matters most to them:

Safe and Cohesive Communities

Residents told us that they are concerned about ASB. They want their communities to feel safe, connected, and respectful so that residents of all backgrounds can thrive.

Quality Repairs and Major Works

Residents want to be proud of their homes. They told us that they want contractors to deliver high standard works, whether they are fixing a leak or installing a new kitchen.

Simple Services that are Right First Time

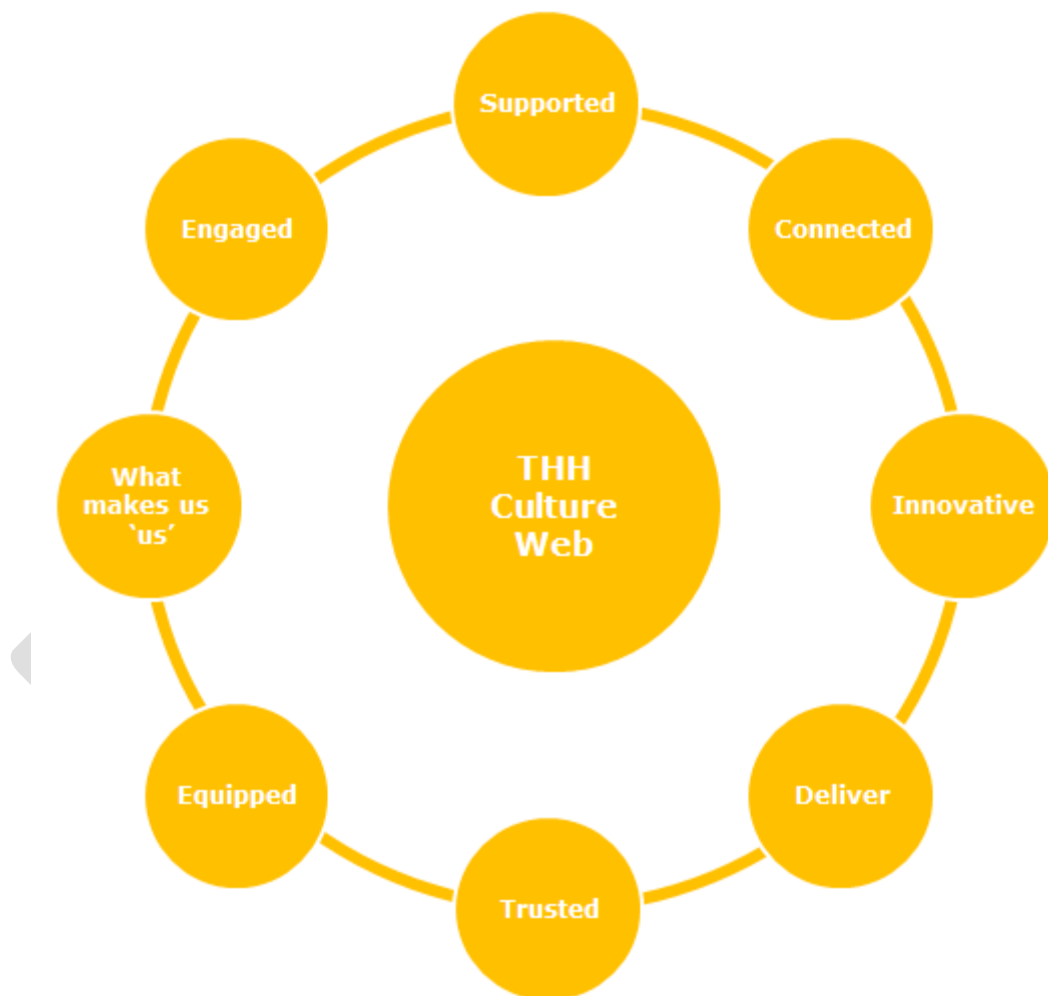
Residents want our services to be easier to use. They want to know where to reach us and be sure that we will get it right when they do.

Our Staff

Our staff are our most valuable asset: our service depends on their skills, energy, and good will.

We employ just over 560 staff, of whom 135 live in the Borough. 49 of our staff are also THH residents. [Not latest figures] We're proud to be in the upper quartile for staff retention among our HouseMark sector peers.

While we know they are loyal, fully understanding how our staff feel about their work is crucial to our implementing our vision. With that in mind, in 2015 we conducted a staff survey. The survey consisted of 41 questions divided into eight themes that collectively make up the THH Culture Web:



The staff survey has enhanced our understanding of our present culture and how staff feel about working for THH.

Staff highs include:

- My work contributes to the success of THH
- People I work with are willing to help each other
- Residents are at the heart of what we do

- My manager trusts me to do my job well
- Confidence in the decisions made by my manager

Where we can improve:

- Keeping staff informed about matters affecting them
- Giving staff resources they need
- Making it easy for staff to get things done
- Learning from our mistakes
- Giving staff opportunities to contribute their views

DRAFT

Our Vision for 2019

In light of all of the above factors – the changing national and local political context, our performance, our residents’ priorities, and our staff culture – we have put together a new vision for 2019.

Our Vision – Where we want to be in 2018/19

Thriving, safe, and sustainable neighbourhoods where residents can be proud of their homes, respect one another, and realise their potential.

Our Mission – How we will get there

With resources dwindling, we can’t deliver this vision on our own. To realise our vision, we need to improve collaborative working between us, our residents, our partners, our contractors, and LBTH.

Realising our vision means *Working Together*. Over the next three years, we will work with residents, partners, and the council to:

- Provide excellent customer service
- Maintain homes and neighbourhoods to be proud of
- Deliver organisational excellence

Our Strategic Aims – What we want to achieve

To carry out our mission and deliver our vision, we have established a set of strategic aims that define what we want to achieve over the next three years:

Excellent Customer Service

- Place customers at the centre of what we do – staff focused on delivering excellence
- Make our service standards clearer – help customers know what they can expect from us
- Clarify and enforce rights and responsibilities – ensure tenants and leaseholders fulfil their obligations
- Provide a new deal for leaseholders – let leaseholders know what we can do for them and expand our offer
- Offer help to customers who need it most – work with partners to assist vulnerable residents and help them remain supported in their homes
- Treat customers with respect – keep customers up to date with what’s going on and treat them fairly

- Make neighbourhoods feel safer – work with partners to tackle ASB
- Build financially strong communities – work with partners to help residents into work and manage the impact of welfare reform
- Invest in thriving communities – work with residents and partners to create cohesive communities where residents are proud to live

Homes and Neighbourhoods to be Proud of

- Maintain cleaner and greener neighbourhoods – work with residents to drive standards up
- Increase customer satisfaction in repairs and major works – work with contractors so repairs and planned works are right first time and faults are rectified quickly
- Maintain homes that customers can be proud of – homes that are warm and energy efficient, with reliable facilities
- Invest strategically in the assets we manage – take a planned approach to longer term investment programmes that give good value for money
- Regeneration – work with the council on new builds
- Manage empty homes more efficiently – let homes quicker to minimise lost rent
- Manage contractors more effectively – work with contractors to reduce complaints and hold them to account

Organisational Excellence

- Provide right first time services – work across teams to provide responsive services that meet residents' needs and are easy to use
- Know our customers better – collect and use information about tenants, leaseholders and their tenants to provide better services and communication
- Create a more efficient operating model – avoid duplication, clarify staff responsibilities and make processes simpler
- Maximise efficiency through better use IT – staff making better use of systems and increased digital access for customers
- Maximise income streams – increase rent and service charge collection and explore opportunities for new business
- Increase staff ability to get things consistently right – clear

guidance in place for everything we do and responsibilities understood

- Develop our workforce – drive improvement through our People Strategy
- Drive up and recognise staff performance – manage performance better through our appraisal system

DRAFT

Delivering Our Vision

Delivering our vision for 2019 with decreasing resources cannot mean just doing more of the same. It requires a fundamental review of our services and operating model, along with an overhaul of our project management framework.

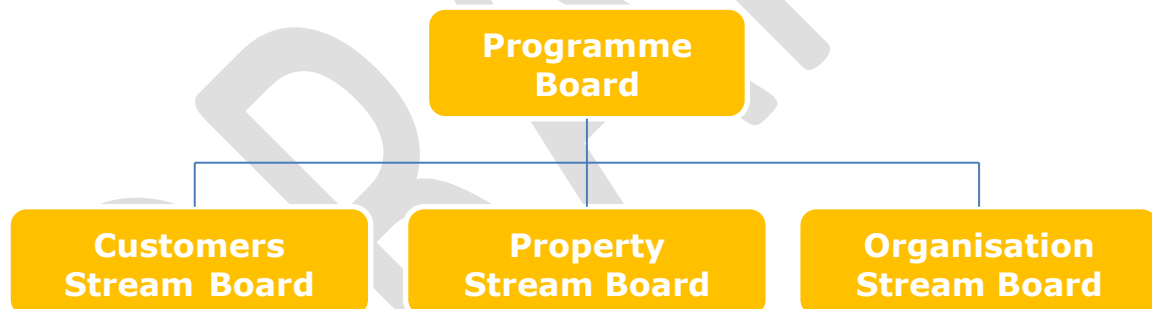
To reach our vision we also need to articulate how we will manage the delivery of our aims, what success will look like, and how we will measure that success.

This section explains our programme delivery framework and outlines the ten service improvement projects we will carry out in 2016/17 to move towards our vision.

Project Management

Internal Governance

To ensure that our service improvement projects are properly managed and monitored, we have implemented a new delivery framework. The framework consists of three work streams – Customers, Property, and Organisation – supporting an overarching Programme Board:



The three stream boards have composed service improvement plans consisting of a number of projects that are tailored to meet our Strategic Aims and the Council's Priorities in 2016/17.

To ensure that major milestones and phase outputs are met, the service improvement plans will be tracked by the Programme Board in monthly meetings over the coming year.

The Programme Board will also monitor project risks and ensure that appropriate mitigating actions are available for high risk projects.

New service improvement plans will be agreed in each financial year to 2019 and delivered through the same framework.

Board Governance

The Board has ultimate responsibility for the governance practice of Tower Hamlets Homes. The Board's central role is to direct the organisation's work — that is to determine strategic direction, deliver the terms of the management agreement, and approve overall expenditure and policies.

In 2015 the Board commissioned an independent review to ensure that our governance practices are fit for purpose. The recommendations of that review will be implemented over the course of 2016/17.

Resident Governance

In addition to our internal delivery framework and board governance, a number of residents groups will continue to monitor our performance.

Chief among these groups is the Residents' Scrutiny Panel. The Panel consists of residents who have applied for membership and meets bimonthly. The Panel reviews our performance against customer service performance indicators, challenges under-performance, commissions in depth scrutiny of service areas on an ad hoc basis, and makes recommendations based on these scrutiny exercises.

In addition to the Residents' Scrutiny Panel, we host five Service Development Groups (SDGs). SDGs also consist of residents who successfully applied and meet every six to eight weeks. They monitor performance and advise us on ASB, Environmental Services, Leasehold Services, Repairs, and Customer Access respectively. All Tower Hamlets Homes residents can attend Service Development Groups as observers, even if they are not members.

Service Improvement Projects and Strategic Links

The Programme Board will ensure the delivery of three work streams totaling ten projects for 2016/17.

The project goals, titles, and links to our Strategic Aims and the Council's Priorities are listed below. For more details on each project, including measures of success and milestones throughout the year, see Appendix 3, the 2016/17 Service Improvement Tracker.

We want to keep residents and stakeholders informed of how we're doing throughout the year. In addition to our existing resident governance set up, in October we will write an open review and update to the Council to show our progress through six months of the year.

[The number and goals of projects listed below are subject to revision following completion and sign off of the service improvement plan tracker in March]

Customers Stream:

ASB

We know that for the Council and for many of our residents, tackling ASB is priority number one. Reducing ASB is key to making neighbourhoods safer and fostering an environment of mutual respect between our residents.

In 2016/17, we will establish a holistic approach to tackling ASB. We will re-engage partners in the borough and coordinate on a targeted approach to tackle ASB hot spots. We will also raise awareness among residents and partners of how we can help.

THH Strategic Aims:

- Make neighbourhoods feel safer
- Offer help to customers who need it most

Council Priorities:

- Less crime and anti-social behavior

Community Investment

Thriving neighbourhoods are not only safe, but also look and feel vibrant. In 2016/17 we will carry out a visible programme of environmental improvement to ensure that neighbourhoods are cleaner and greener. We will form and leverage relationships with new private sector partners from Canary Wharf and the City to transform communal areas and create opportunities for residents.

THH Strategic Aims:

- Invest in communities
- Build financially strong communities

Council Priorities:

- An improved local environment
- Engaged, resilient, and cohesive communities

Vulnerability

Some residents need more support than others and we want to make sure that no one is left behind. We are reworking our 'Getting to Know You' assessment process and reassessing our vulnerable tenants to make sure that our information is up to date. We are also working with our partners Look Ahead and Social Services to understand and improve the outcomes of our vulnerability referrals.

THH Strategic Aims:

- Offer help to customers who need it most
- Treat customers with respect

Council Priorities:

- More people living healthily and independently for longer

- Reducing inequality and embracing diversity

New Deal for Leaseholders

As the proportion of our properties that are owned by leaseholders continues to grow, we have to grow our leasehold service offer. We have already begun consultation with leasehold groups to understand the priorities of leaseholders ahead of launching a new deal.

Our new deal will include more lenient major works repayment options and increased consultation with leaseholders about changes we make to their homes. We are also exploring the feasibility of setting up a private lettings agency which will offer the benefits of an accessible repairs service and competitive rates.

THH Strategic Aims:

- Make our service standards clearer
- Enforce rights and responsibilities
- Treat customers with respect

Council Priorities:

- Engaged, resilient and cohesive communities
- Private lettings agency

Customer Offer

Delivering excellent customer service requires staff and residents to understand what to expect from each other. In 2016/17 we will relaunch our customer offer to clarify our service standards and residents' rights and responsibilities.

THH Strategic Aims:

- Make our service standards clearer
- Enforce rights and responsibilities
- Treat customers with respect

Council Priorities:

- Engaged, resilient and cohesive communities

Property Stream:

Major Works

We want all of our residents and leaseholders to be proud of their homes. That means investing in individual properties but also in blocks and neighbourhoods. We are composing a new Asset Investment Strategy that will adopt a more planned approach to asset management. Going forward, we will take the look and feel of whole blocks into account, as well as single properties.

For this year, we are working with contractors to improve their performance and value for money. To make sure residents and

leaseholders are happy with the changes we will make to their homes, we are starting consultation on major works earlier in the process.

For a home to be a source of pride, it also has to be safe. In 2016/17 we will make sure all of our properties have health and safety work plans and that all high risk Fire Risk Assessment works are complete.

THH Strategic Aims:

- Maintain homes our customers can be proud of
- Increase customer satisfaction
- Invest strategically in the assets we manage
- Manage contractors more effectively

Council Priorities:

- Better quality homes for all

Organisation Stream:

Future Operating Model

This will be a year of major transformation for Tower Hamlets Homes and no project reflects that more than the Future Operating Model. In consultation with residents and stakeholders, we will design a new operating model. The new model will deliver significant improvements to the overall customer experience across all of our service areas, from initial point of contact to fulfilment. The new model will also deliver the savings necessary to protect the HRA bottom line.

To deliver tangible and sustainable results for our residents, considerable change is required. Change of this scale should never be taken lightly, and we will be sure to involve residents and the Council at every step of our decision making as we prepare to launch our new operating model in April 2017.

THH Strategic Aims:

- Create a more efficient operating model
- Provide right first time services
- Maximise efficiency through better use of IT
- Increase staff ability to get things consistently right

Council Priorities:

- Challenging underperforming RSLs
- Making best use of resources

People Strategy

Our new operating model will be supported by a People Strategy that raises the profile of Tower Hamlets Homes as a place to work and ensures staff support and drive business improvement. We want to recognise and reward success among our staff and help them work together across service areas more effectively.

A healthy organisational culture also includes mutual trust between staff and senior management. We will launch a number of exercises and workshops to increase the visibility of senior leaders and help those leaders understand the work that frontline staff do.

THH Strategic Aims:

- Place customers at the centre of what we do
- Increase staff ability to get things consistently right
- Develop our workforce
- Drive up and recognise staff performance

Council Priorities:

- Challenging underperforming RSLs
- Making best use of resources

New Business Opportunities

With our managing agreement up for renewal in 2018, we need to strengthen our partnership with the Council. Solidifying that relationship requires us not only to improve value for money and performance in our core services, but also to expand our service offer.

We have already agreed to take on management of temporary accommodation on behalf of the council going forward, and this agreement will come into effect in 2016. We are also exploring the feasibility of a number of new business ventures, including marketing and delivering our services to other local RPs and taking on management of LBTH community buildings.

THH Strategic Aims:

- Maximise income streams

Council Priorities

- Challenging underperforming RSLs
- Making best use of resources

Customer Access

We receive 22,000 front desk visitors and 230,000 calls to our service centres each year. These figures are far in excess of what is expected for a provider of our size. We want to make it easier to access our services and ensure that residents are served correctly at the first point of contact.

To that end, we are composing a new Customer Access and Digital Strategy. The strategy will migrate low effort interactions online and skill up our service centre staff so that they are better able to deal with the calls they receive. It will also provide for us to make better use of customer data, creating services that are targeted to residents as and when they need them.

THH Strategic Aims:

- Provide right first time services

- Increase customer satisfaction
- Know our customers better
- Maximise efficiency through better use of IT

Council Priorities:

- Challenging underperforming RSLs
- Making best use of resources

DRAFT

Appendix 1: Resources

2016/17 - Management Fee

	2015-16	2016-17
Income		
Management Fee	35,116,000	33,376,000
	<u>35,116,000</u>	<u>33,376,000</u>
Expenditure		
Salaries	22,672,284	21,486,094
Agency Staff	549,845	600,556
Other Staff Costs	299,500	256,056
Non Staff Costs	5,330,503	4,456,926
SLAs	6,413,868	6,576,368
	<u>35,266,000</u>	<u>33,376,000</u>
Surplus/(Loss)	- 150,000	-

Our management fee next year will be £33m and will enable the business to continue to manage delivery of housing management services, repairs and maintenance and capital works. The management fee is our single source of income and comes from the HRA which itself is predominantly financed by tenant rents and leasehold service charges.

As part of our ongoing collaboration with the Council we also manage a significant delegated budget for repairs and maintenance (£15m in 2016/17). The repairs and maintenance service was procured in under a five year contract and has been extended for one year, with procurement of a new contract expected for 2017/18.

2018/19 - Medium Term Financial Outlook

Housing Revenue Account	2016/17	2017/18	2018/19
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
INCOME			
Dwelling & non dwelling rents	(70,929)	(70,282)	(71,061)
Tenant & Leaseholder service charges	(19,655)	(19,841)	(20,199)
Investment Income received	(222)	(202)	(122)
General Fund contributions	(115)	(115)	(115)
GROSS INCOME	(90,921)	(90,440)	(91,497)
EXPENDITURE			
Repairs & Maintenance	22,540	22,702	22,997
Supervision & Management	23,285	26,181	24,342
Special Services, Rents rates & taxes	15,429	15,271	15,419
Increased/(Decrease) provision for bad debts	600	600	700
Capital Financing charges	19,318	20,333	21,312
Savings assumed in the MTFP		(2,000)	
Sale of High Value Voids levy	8,400	8,820	9,261
Pay to Stay levy	-	1,600	1,629
GROSS EXPENDITURE	89,572	93,507	95,660
NET COST OF HRA SERVICES	(1,349)	3,067	4,163
Appropriations			
Revenue Contribution to Capital Outlay (RCCO)	2,000	3,000	-
NET POSITION	651	6,067	4,163
Balances			
Opening balance	(23,844)	(23,193)	(17,126)
(Surplus/ Deficit on HRA	651	6,067	4,163
Closing balance	(23,193)	(17,126)	(12,963)

Future management fees are determined annually in consultation with the Council. Recent Government initiatives to reduce tenant rents by 1%, sell high value void property assets and charge market rents to high earners will all add pressure to the HRA to remain sustainable in the medium and long term. The full extent of these pressures has not yet been determined and is not reflected in the above HRA projections. We are working with the Council to understand the impact of new government policy and the detail of some of these changes has yet to be set out. This will feed into a comprehensive picture of the extent of savings to be found over the medium term and over the HRA 30 Year Business Plan.

We will be challenged to achieve savings through VfM, efficiency and modernisation over coming years. As outlined in the service improvement

plan, a comprehensive review of the business's operating model to capture new ways of working will maximise our business potential and financial resources going forward.

Value for Money and Efficiency

[draft VfM statement to be completed by Finance in week beginning 22 Feb]

Risk Management

An assessment of strategic and operational risk forms the cornerstone of our planning process and enables us to focus our resources on Council and resident's priorities. Risk is assessed through a methodical process based on business intelligence, stakeholder engagement and where necessary lessons learned within the industry. Risks that pose a challenge to our objectives and stakeholder satisfaction are assessed and prioritised. Identified risks are assessed and prioritised and a process of mitigating risk is completed.

Procurement

At present, our membership of the EU brings a responsibility to procure in line with EU legislation. This is particularly evident in the procurement of large repairs and maintenance and capital works contracts. However, the UK government is committed to holding a referendum on membership of the EU, quite probably in 2016-17, which could mean the UK breaking away and requiring new procurement rules to be enacted. At present, though, it is impossible to predict the outcome, timescale or impact of such a change. Notwithstanding, we continue to monitor the situation and prepare the business for change should it be required.

Capital Programme Overview

Works	Estimated Programme Cost	Capital Estimate Provision Sought	Comment
Decent Homes Backlog Blocks	6,100,000	0	Already approved
15/16 M&E Programme	6,700,000	0	Already approved
Decent Homes Newly Arising Need	11,000,000	10,000,000	£1m from unused approved budget
16/17 M&E Programme	3,428,700	3,428,700	-
FRA Works	3,700,000	3,700,000	-
FRA Assessment, Survey, and Monitoring	300,000	300,000	-
Stock Condition Survey	100,000	0	Funded from unused budget
Priority Blocks	1,980,834	1,980,834	-
Total	33,309,534	19,409,534	-

15/16 M&E Programme

This programme was originally approved by LBTH in Autumn 2014 but has yet to be delivered. Protracted procurement of a new delivery framework has seen significant delays to the programme. Lift and door entry contractors are now in place but lengthy lead-in times will result in the programme substantively being delivered in 2016/17.

Decent Homes Programme

At the time of writing, the Decent Homes Programme is in its fifth and final GLA-funded year. The total anticipated spend for 2015/16 is £49m. This will leave £6.1m of the original £187m Cabinet approved budget to be carried forward into 2016/17 for backlog works. Between backlog works and newly arising need, the Decent Homes programme will cover 115 blocks in 2016/17.

Appendix 2: Our Achievements in 2015/16

This section summarises our progress against our roadmap for 2015/16.

[This section continues to be populated by Sarah Pace in liaison with service heads]

Building One Great Organisation

Roadmap	Achievement
<p><u>Improved Performance Management</u></p> <ul style="list-style-type: none"> ▪ Ensure there is a common understanding of what we mean by performance management and all areas of the business have a clear performance management framework; ▪ Maintain focus on embedding a thorough approach to PM ▪ Improve the quality of performance discussions – agree the vital elements from Here to Help and focus on their implementation; ▪ Introduce 360 degree feedback: include feedback as part of the mid-year MAP review 	<p>Performance management workshops have been run for all managers to ensure there is a common understanding and consistency of approach and all appraisals due at the six month point have been completed.</p> <p>Here to Help continues to be reinforced through the Leadership Team and results from the cultural audit show 62 % staff feel that they have put learning into practice. Training for all new starters is scheduled to take place in March.</p> <p>An organisation wide cultural audit has been undertaken and team feedback sessions are being used as the foundation for our People Strategy. 360 feedback was not introduced in the period, with priority being given to the cultural audit.</p>
<p><u>Using Our Systems Better</u></p> <ul style="list-style-type: none"> ▪ Establish a clear map of the systems we have and any priority of usage; ▪ Identify how our systems can promote flexible working which connects both with the culture of the organisation [manage by productivity not attendance] and work/life balance; ▪ Continue to embed systems use in performance management conversations ▪ Move from system usage to data enquiry: asking intelligent questions across the business 	<p>Lean service reviews of rent collection and service charge collection have been undertaken- both have resulted in a more streamlined process and teams equipped to manage on going performance improvement. BCI targets for both services are on track to hit end of year targets</p> <p>An additional lean service review of void management has also been undertaken. A more streamlined void process has been introduced which is already leading to improved turnaround times.</p>

Roadmap	Achievement
<ul style="list-style-type: none"> ▪ Use information to inform improved productivity through 2 'lean' reviews of rents and service charge collection ▪ Ensure our systems support the Vibrant objective to refresh offer that meets residents' additional needs and encourage staff's curiosity in using our systems and interpreting our data. 	<p>Data enquiry has been used to tailor our offer to vulnerable residents, help support those impacted by welfare reform, establish neighbourhood plans and a community investment strategy based on insight, as well as piloting a segmented repairs service and supporting vulnerable residents through the delivery of Decent Homes.</p>
<p><u>A Workforce That Better Reflects the Community</u></p> <ul style="list-style-type: none"> ▪ Continue to invest in the diversity in the workplace project and talent management approach ▪ Ensure our approach to recruitment reflects our values – recruiting for attitude and potential – by reviewing some key organisational JD and PS ▪ Ensure we are clear how we manage for attitude ▪ Review the induction process experience based on feedback ▪ Evaluate the talent pool and the appetite for career progression amongst staff ▪ Look at whether we are clear with staff in developing a career pathway for them and that we start to make use of career grades to support this objective; 	<p>Outcomes from our Diversity Workforce project have been positive with an additional 55 women and 82 BME staff being employed by the end of June 15.</p> <p>Our work in this area was cited for distinction by the Diversity Network during our accreditation and we have maintained our top 10 ranking in the Stonewall Workplace Equality Index.</p> <p>Staff in the Talent pool are benefitting from coaching from internal qualified coaches and mentoring from a range of senior staff from across the housing sector through the Diversity Network.</p>
<p><u>Stepping up staff engagement</u></p> <ul style="list-style-type: none"> ▪ Consistently champion our purpose to increase pride in what we do ▪ To reach out to every corner of THH through a more accessible and segmented staff communications; ▪ Be clear about what outcomes we want to achieve from engagement for the business and for staff ▪ Support our staff forum to become more focused in what they achieve; 	<p>THH has consistently stated that we are here for residents and in the Cultural Audit 68% of staff positively agreed that residents are at the heart of what we do.</p> <p>The 2015 Here to Help Staff Conference engaged every member of staff in a range of activities to promote team work and staff communications continue to evolve to engage staff across the organisation.</p> <p>The Housing Diversity Network</p>

Roadmap	Achievement
<ul style="list-style-type: none"> ▪ Look at the various networks we have in place and ensure we consider their role in staff engagement; ▪ Develop an offer for THH volunteering and work/life balance; ▪ Maintain focus on social activities; ▪ Consider running more of the fairness and respect workshops 	<p>accreditation, achieved this year, highlighted our range of staff networks as good practice.</p> <p>The Volunteering scheme is set to launch and THH's flexible working offer has been promoted to encourage and support staff in maintaining a positive work/life balance.</p> <p>A number of social activities have been held including a Bowling night, an LGB Network Christmas Social, and several successful charity events for Cancer Research, Children in Need and Text Santa's Christmas Jumper Day raising over £1,000 so far.</p>

Delivering Consistently Brilliant Customer Services

Roadmap	Achievement
<p><u>Embedding our approach to the customer: 'Here to help'</u></p> <ul style="list-style-type: none"> ▪ Identify and monitor the vital few customer service behaviours that are distinct and transformational for THH; ▪ Consistently and persistently use our customer service language and tools as a common thread across all parts of THH; ▪ Continue to embed Here to Help in performance management conversations; ▪ Transform our approach to complaints – a golden opportunity – to become best in class; 	<p>THH identified four of the 26 Key Elements of the Here to Help method to focus on in 2015/16 – Positive First Response, Positive First Response Template 1>2>3, Progress Reports and Follow Up. The latter two elements are reflected in our commitment to 48 hour call-backs.</p> <p>Internal communications included the establishment of the Here to Help zone on the intranet, the development of a film promoting real-life applications of Here to Help and the 2015 Staff Conference. A broader programme of embedding activities has been developed for implementation in 2016 and beyond.</p> <p>The Here to Help method is integrated into the appraisal guidance and managers are trained on coaching methods to reinforce the learning at 121 meetings.</p>

Roadmap	Achievement
	<p>THH has introduced a preliminary stage for complaints called 'Getting It Sorted' which aims to resolve issues when they first arise, and the introduction of iCasework is helping to improve management and co-ordination of responses.</p>
<p><u>Improving services through a tailored offer to residents</u></p> <ul style="list-style-type: none"> ▪ Build on segmented service offers for repairs and vulnerable residents based on data analysis; ▪ Review and refresh customer access channels by service area segments; ▪ Continue to improve the quality of how the Housing Service Centre and the rest of the business work together; ▪ Use real time performance information to direct intervention in areas of potential poor customer performance, and learn from areas of good performance; 	<p>As a legacy of the lean service reviews, of income collection, we have introduced 'lean foundation' a method of real time performance management. This method is now also being used within the repairs service.</p> <p><i>Further content to follow</i></p>

Supporting Vibrant Neighbourhoods

Roadmap	Achievement
<p><u>Help manage the impact of Welfare Reform</u></p> <ul style="list-style-type: none"> ▪ Continue preparing for direct payments; ▪ Link financial inclusion work to neighbourhood planning approach; 	<p>Universal Credit preparations have included preparing front line staff to identify financial vulnerability and refer the tenant to the appropriate channels ensuring intervention as early as possible. Bespoke 'Hard Times' training along with a new referral process has been developed and delivered to front line staff.</p> <p>Specialist financial inclusion support is offered to residents who are financially vulnerable and work in this areas has contributed to maintaining rent collection levels this year.</p>
<p><u>Improved Neighbourhood</u></p>	<p>Our work to establish 27</p>

Roadmap	Achievement
<p><u>Planning and Community Investment</u></p> <ul style="list-style-type: none"> ▪ Implement 2015 neighbourhood plans and use as springboard into 2016/17 Business Plan; ▪ Embed the role for Neighbourhood Champions and formalise continuing professional development within role; ▪ Deliver the Community Investment Plan based on neighbourhood plan analysis of where residents who need help live, what they need and then focusing on help that no one else is providing; ▪ Introduce social impact measurement into business and review for 2016 neighbourhood plans; ▪ Address neighbourhood specific concerns with anti-social behaviour through targeted intervention including, employment initiatives, improved communication, community cohesion and physical change 	<p>neighbourhood specific plans provided the insight to develop our new Community Investment Strategy that was agreed by Board in July 2015.</p> <p>A wide range of local community projects, including money help and advice sessions, have been delivered across the neighbourhoods we manage. We are in dialogue with the Council about how we can complement and benefit from the refreshed approach the council is taking to employment and the role community investment can play in tackling ASB is being integrated into our new ASB Strategy.</p> <p>In February 16, we were regional TPAS award winners for our work to establish a community hub in the Locksley Neighbourhood.</p> <p>The model of neighbourhood champions is to be evaluated early in the year to assess this approach within the context of delivery our new Business Plan.</p>
<p><u>Refresh vulnerability offer</u></p> <ul style="list-style-type: none"> ▪ Re-establish the case for the focus on vulnerability with staff ▪ Introduce and consolidate new processes for vulnerability in Neighbourhood services, based on the segmented approach proposed in Q2 2014/15 ▪ Build the links between the Ageing Inquiry action plan, neighbourhood plans, Repairs Project and Asset Management Strategy 	<p>Significant emphasis has been placed on ensuring staff are developed to recognise and respond the needs of residents Programmes of Vulnerability Awareness, Safeguarding and Domestic Violence training have all been delivered.</p> <p>Our Getting to Know You Process, designed to offer support to those residents who need our help the most, has been strengthened and we are currently part way through visiting all residents 'flagged' as vulnerable to improve our knowledge of their needs and better target support.</p>

Investing in Homes to be Proud Of

Milestone	Achievement
<p><u>Deliver the Decent Homes Programme</u></p> <ul style="list-style-type: none"> ▪ Deliver the fifth year of the Decent Homes programme and GLA outcomes ▪ Agree and pilot a model for block signoff after external DH works complete ▪ Implement the Asset Management Strategy Action plan ▪ Prepare and consult on a 2016/17 transition plan and 5 year investment plan (2017/2022) based the new THH Standard in homes and neighbourhoods ▪ Agree the contracting strategy and start the procurement for the 5 year Investment Plan (2016/2022) ▪ Start testing the viability and contributions of the assets we manage ▪ Deliver an aftercare service to tenants who received internal DH works ▪ Refresh usage of core systems – Keystone, SX3 and Contact Manager ▪ 	<p>Work to ensure a more strategic approach to investment post deliver of decent homes has been completed. Stock condition data has been improved, a THH investment standard has been drafted and work has commenced to model the viability of the stock we manage.</p> <p>The 16/17 transitional programme is set to be agreed by Cabinet in February 2015 and work has commenced to assemble a 5 year investment programme running from 17/18.</p> <p>Preliminary work on the 5 year programme is being used to inform decision making on future procurement strategy.</p> <p>We have fundamentally reviewed our procedures and systems to ensure that current and future programmes are delivered through an enhanced consultation process and improved project controls.</p> <p>Our keystone stock condition database is up to date and informs our strategic direction for investment. It will also inform the Council's development strategy.</p>
<p><u>Improved Repairs</u></p> <ul style="list-style-type: none"> ▪ Launch our new repair service - Mears flag-ship service based on a segmented customer offer ▪ Refresh repairs contract channels and review opportunities for migration ▪ Review customer service framework for operatives and fit to Here to Help ▪ Review the SX3 / MCM systems usage to improve asset insight and customer service 	<p><u>To follow</u></p>
<p><u>Tackling Condensation</u></p> <ul style="list-style-type: none"> ▪ Evaluate our range of 	<p><u>To follow:</u></p> <ul style="list-style-type: none"> ▪ <i>DH improvements</i>

Milestone	Achievement
<p>interventions to alleviate condensation and fuel poverty</p> <ul style="list-style-type: none"> ▪ Review the emerging technology to monitor fuel poverty and condensation in homes and make recommendations for low-cost solutions in the future 	<p><i>including CWI and EWI</i></p> <ul style="list-style-type: none"> ▪ <i>UKPN project</i>
<p><u>Delivering New Homes</u></p> <ul style="list-style-type: none"> ▪ Prepare to manage and maintain new homes at Dame Colett, Watts Grove, Ashington East and Bradwell Steet ▪ Start construction of homes on Locksley and Hereford Estates ▪ Develop and appraise a viable development pipeline for the Council 	<p>The management of the new homes developed on Bardwell Street was passed to THH earlier this year and work is ongoing to prepare for the successful handover over other developments.</p> <p>Responsibility for new development moved from THH to London Borough of Tower Hamlets during the period.</p>

DRAFT

**Appendix 3:
2016/17 Service Improvement Plan Tracker**

[This service improvement plan tracker will be added following the launch of the programme board in March 2016]

DRAFT

Appendix 4: Business Critical Indicators

BCI No.	Business Critical Indicator	Current target	Current performance	London ALMOs upper quartile	London ALMOs median	Target 16/17	Target 17/18	Target 18/19
1	% issues resolved at first point of contact	80%	88%	-	-			
2	% of residents who say we do what we say	77%	76%	-	-			
3	% of 48 hour call backs made	80%	82%	-	-			
4	% of Social Deliverables achieved	NEW	NEW	-	-			
5	% rating caretaking as excellent, good or fair	85%	85%	-	-			
6	Rent collected as % rent of due	98.5%	99.7%	-	-			
7	% service charge collected	106%	108%	-	-			
8	Improvement works charges collected	£3.09m	£2.79m <i>(126% of target amount to 31.1.16)</i>	-	-			
9	No. homes made Decent	917	421 <i>(to 31.1.16)</i>	-	-			
10	% homes non-decent	10%	<i>To be calculated</i>	-	-			

BCI No.	Business Critical Indicator	Current target	Current performance	London ALMOs upper quartile	London ALMOs median	Target 16/17	Target 17/18	Target 18/19
			<i>at year end</i>					
11	% of residents rating capital works as excellent, good or fair	75% (Currently Decent Homes work)	77%	-	-			
12	% residents rating repair as excellent, good or fair	92%	90.5%	97.67%	92.00%			
13	% gas safety	100%	100%	100%	99.98%			
14	% of repairs completed right first time	75%	77%	89.85%	87.43%			
15	Average re-let time							
	a. short term (days)	35	31	18.98	23.61			
	b. long term (days)	100	105					
16	Overall satisfaction with THH	NEW	NEW	-	-			
17	Voids rent loss (%)	NEW	0.81%	0.82%	1.24%			
18	Average cost of management	NEW	NEW	-	-			
19	Major works invoices issued to leaseholders to timetable	NEW	NEW	-	-			