

Tower
Hamlets
Homes

Business plan

2018/19



Business Plan 2018/19

Introduction	1
Context	4
Housing and Welfare Policy	4
London Borough of Tower Hamlets (LBTH) Priorities	4
Delivering Our Vision	
Our Vision and Mission	6
Our Performance.....	8
Our Residents	10
Our Staff	11
Business Transformation Programme	13
Programme Governance	17
Appendix 1: Resources	18
2018/19 – Management Fee	18
Medium Term Financial Outlook.....	19
Indicative Capital Programme	20
Appendix 2: Our Achievements in 2017/18	21
Appendix 3: 2018/19 Service Improvement Plan	25
Appendix 4: Business Critical Indicators (BCIs)	29

Introduction

Foreword

2018 marks the third year of 'Working Together' our business plan for 2016-19 where we launched the new vision for Tower Hamlets Homes:

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

We reach our 10 year anniversary in July 2018 and there is much to celebrate. We have fulfilled our original purpose in meeting Decent Homes targets and with strong Board governance, and focused and effective leadership, we have come a long way in improving the services we provide for residents.

Two years ago we committed to further improve customer satisfaction; results from the Councils Annual Residents Survey confirm that we have, with the number of residents who positively rate the service rising 11 percentage points in the two years to 2017. Going back to 2007, the year before Tower Hamlets Homes was established, the increase equates to 19 percentage points. Results from our independently conducted surveys also show that resident satisfaction has grown significantly since launch.

Preventing and tackling ASB has been and remains one of our top priorities. With the help of partners, including the newly recruited police teams, security patrol service and outreach work with young adults whose behaviour is blighting the lives of some residents; we have begun to turn the corner. We have a part to play, not least in response to the introduction of welfare reforms, in supporting residents to secure work and increasingly we are seeing success in this area. Through our newly launched employment programme we have so far helped over 30 residents find jobs this year and other initiatives such as the childcare training programme, from which over 100 residents have qualified, and apprenticeships where we are making a positive difference.

In the wake of the tragic events at Grenfell Tower fire safety became of urgent concern to residents. Fire safety has always been of paramount importance; we reacted quickly to assure residents about their safety and worked closely with the London Fire Brigade to provide advice and reassurance. Fire risks assessments were and remain fully up to date and form the basis for prioritising work through our £32.7m fire safety programme.

We have made the transition from Decent Homes to Better Neighbourhoods. We recognise that the delivery of Decent Homes was not always as good as it could have been. We have learnt from this experience and as a result we have adopted a programme that can be realistically delivered, visibility of planned works is much improved through on-line publication of the programme and pre-scheme consultation has been enhanced. Customer satisfaction ratings have risen to above 90% for schemes completed last year.

Our transformation programme, which last year focused on laying the foundation for ongoing service improvement through service restructures, the start of implementing our Digital Strategy to provide residents a choice in accessing services on line and work with staff through our People Strategy, is at the forefront of our work plan for the year ahead. This comes at a time when customer expectations are also transforming, following the advance of digital technology and the revolution in smart devices. As a result, many customers are increasingly expecting accessible, responsive and

Introduction

efficient service delivery as the norm. Moving beyond good to great is our clear ambition.

We believe we could have more to offer the Council and welcome an opportunity to explore how we may assist in meeting the Boroughs strategic aims. We would especially welcome this where there is a direct benefit to the residents whose homes we manage or where there might be a potential role for us to extend an area of good practice for the wider benefit of LBTH.

Our track record shows how far we have come and we are enthusiastic to continue to rise to the challenges ahead.



Susmita Sen
Chief Executive
Tower Hamlets Homes



Ann Lucas
Chair of the Board
Tower Hamlets Homes

Introduction

Our Organisation

Formed as an Arm's Length Management Organisation (ALMO) in 2008, Tower Hamlets Homes (THH) is a not-for-profit company responsible for the management, maintenance, and improvement of over 21,000 homes owned by the London Borough of Tower Hamlets.

Our Shareholder

Our sole shareholder is the London Borough of Tower Hamlets (LBTH).

Our Board

THH is governed by a Board of 12 directors. The Board consists of four resident members, four councillors, and four independents.

The Board oversees the delivery of our vision and objectives. They also work closely with the Mayor and the Lead Member for Housing, through monthly bilateral meetings and quarterly Mayor's Housing Meetings, to ensure that our work helps to deliver Mayoral priorities.

The Business Plan

This Business Plan explains the context in which we work and provides an update on our plans as we continue to work towards our vision. This includes the continuation of business transformation through our newly launched Customer Access and Experience Programme and our 2018/19 Service Improvement Plan.

Context

National and Local Context

Housing and Welfare Policy

Since we first published the three year Business Plan for 2016-2019 the Government has announced a number of measures to promote home ownership and increase levels of housebuilding in England. The Housing and Planning Act 2016, which has now received Royal Assent, holds a number of reforms which impact on LBTH's Housing Revenue Account (HRA).

Whilst introduction of 'Pay to Stay' was dropped, the threat of the requirement for councils to sell higher value voids remains. No date for the introduction of this requirement has been announced. At a time when councils are faced with growing housing need and additional challenges in response to fire safety, the financial uncertainty this creates is unhelpful.

The Act requires that the majority of new council tenancies are offered on a fixed term. The Council is intending to offer the maximum period of tenancy allowed (10 years) and longer term the need to review these will create additional administrative costs.

In addition the yearly one percent rent reduction over four years, introduced in the Government's 2015 Spending Review, remains in place until 2019-20. 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

The challenges created by the phased roll-out of Universal Credit (UC) and delayed payment is starting to impact on rent collection levels which have historically been comparatively good.

In the wake of catastrophic events at Grenfell Tower, fire safety has become a higher priority. THH responded, and will continue to respond, quickly and positively to residents' concerns with regular written and face to face communication. Our up to date Fire Risk Assessments for the 900 blocks we manage meant we were on firm ground to speedily put in place a programme to address required fire safety work in the nine blocks with a substantial risk rating.

During the life of this Business Plan we will see the publication of Dame Judith Hackitt's recommendations from the independent Review of Building Regulations and Fire Safety. Also anticipated is the publication of the Social Housing Green Paper which will not only look at the safety and quality of social housing but also management and the rights of tenants. Our Business Plan will be reviewed in light of these publications.

London Borough of Tower Hamlets (LBTH) Priorities

Just as the national policy scene came into focus during the period, so did the priorities of our sole shareholder: London Borough of Tower Hamlets.

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

- A Great Place to Live
- A Fair and Prosperous Community

Context

- A Safe and Cohesive Community
- A Healthy and Supportive Community

In addition to the Community Plan, in December 2016 the Council published its 2016-21 Housing Strategy. The plan sets out the Council's vision for housing in the borough to ensure that:

- There are housing choices for all sections of our diverse community
- The homes people live in are in a decent condition, warm, and weather-tight
- The most vulnerable people's housing needs are met in a fair and inclusive way
- All homes are in safe, prosperous, and thriving neighbourhoods
- That LBTH's response to housing issues is measured and achieves value for money.

So far we have made a major contribution to assuring the Council meets its commitments to achieving decent homes and improving neighborhoods. In the year ahead we would welcome an opportunity to explore with the Council how we could contribute more. We would especially welcome this where there is a direct benefit to the residents whose homes we manage or where there might be a potential role for us to extend an area of good practice for the wider benefit of LBTH.

HRA Savings Requirements

In addition to delivering services in line with the Council's vision, THH is a key partner in mitigating the risks to the HRA posed by national housing policy. The Council set THH a five year savings target, starting in 2017/18, of £6m. While the required savings target has been identified for 2018/19, significant budget pressures have been identified that result in an increase to the overall management fee compared with the base for 2017/18.

The savings are from a variety of sources with the most significant being the reduced office accommodation cost as a result of moving to a new location. Within delegated budgets savings are accruing from below inflation indexation on the repairs contract and full year savings from business transformation are to be realized.

2018/19 Savings Generated	£,000	£,000
Management Fee		
Office Accommodation (net)	580	
Full year business transformation	166	
Management fee savings		746
Delegated budget		
Repairs contract renewal	123	
Establishment of commercial manager	132	255
Delegated budget savings		
Total Savings generated		1,001

Delivering Our Vision

Our Vision and Mission

In April 2016 we launched, ***Working Together***, our 3 year Business Plan for 2016-19. In it we set out a new Vision and Mission:

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

We will continue to work with residents, partners and the Council to:

- Deliver Organisational Excellence
- Maintain Homes and Neighbourhoods to be Proud of
- Provide Excellent Customer Service

Our goals, established in year one of our Business Plan, remain relevant and hold firm. An additional goal concerning safety has been included this year to highlight our focus on this important area of service.

Deliver Organisational Excellence

- Create a more efficient and accountable operating model – avoid duplication, clarify staff responsibilities and make processes simpler
- 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 subtenants to provide better services and communication
- 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, re-let homes more quickly, 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

Delivering Our Vision

Maintain Homes and Neighbourhoods to be Proud of

- Keep residents safe - maintain up to date fire risk assessments and deliver planned programme of fire safety and other safety works
- Maintain cleaner and greener neighbourhoods – work with residents and partners to improve the look and feel of the public realm
- Make neighbourhoods feel safer – work with partners to tackle ASB
- Build resilient communities – work with partners to help residents into work and manage the impact of welfare reform
- 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
- Invest strategically in the assets we manage – take a planned approach to longer term investment programmes that give good value for money
- Work with the council on regeneration – assist with the design and handover of new builds
- Manage contractors more effectively – work with contractors to reduce complaints and hold them to account

Provide Excellent Customer Service

- Place customers at the centre of what we do – staff focused on delivering excellence for residents
- Make our customer offer 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 so they remain supported in their homes
- Treat customers with respect – keep customers up to date with what's going on and treat them fairly

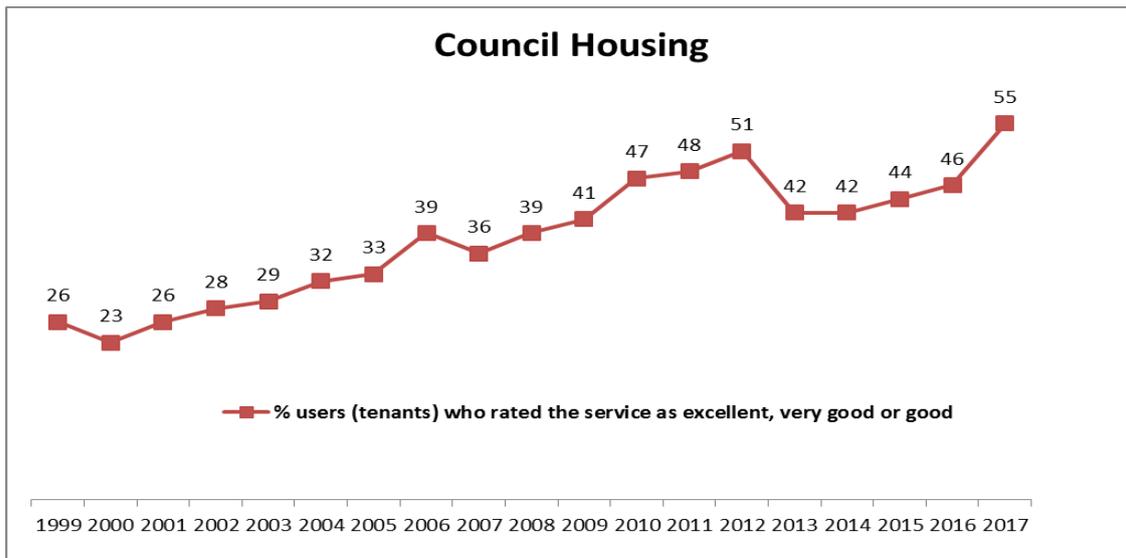
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Our Performance

Since Tower Hamlets Homes was created in 2008 we have achieved significant improvement across the range of services we deliver and resident satisfaction has risen as a result.

Residents Feedback

Each year the Council takes part in the Annual Residents Survey. In the ten years Tower Hamlets Homes has managed housing on behalf of the Council the percentage of tenants who positively rate the service has risen from 36% to 55% - a rise of 19 percentage points.



(Source: Annual Residents Survey 2017)

In addition, resident satisfaction is surveyed each month by an independent company. Since THH was established the trend in satisfaction has been positive. By the end of December 2017 tenant satisfaction, measured as the percentage of tenants who rate the overall service we provide as excellent, good or fair, hit an all-time high of 87%. Leaseholder satisfaction stands at 71%, holding fairly steady despite a more robust approach to income collection and some large major works bills.

A range of more service specific measures sit below this headline, all of which are tracked independently through our resident surveys:

Measure of Satisfaction	Launch	Q3 17/18	Trend
Repairs completed right first time	73%	88%	
Satisfaction with repair	81%	93%	
Satisfaction with caretaking	81%	86%	
Satisfaction with gardening	83%	88%	
Neighbourhood is a good place to live	81%	86%	
Condition of home	83%	88%	

Those taking part in surveys have the opportunity to give additional feedback. The increase in satisfaction can be illustrated by some of the things residents had to say recently about the reasons for their satisfaction:

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“Have had a lot of work done in the property and it's all been excellent.”

“Each time I've had a problem or query it's been dealt with very quickly and efficiently and the staff I've dealt with have always been very nice.”

“Whenever you place a repair order, the people come and do the job efficiently. Estate cleaning service is also pretty great.”

“I like how safe the area is – we have CCTV and patrols”

(Source: Kwest Survey April- Dec 2017)

The positive trend in resident satisfaction is further supported by a drop in the number of residents who have cause to complain. By the end of Q3 2017/18, we received 34% less complaints compared to the same period last year. We also saw significant improvements in meeting our target response time for responding to complaints going from 79% to 86%.

Performance Indicators

In our 2016/17 Business Plan, year one of the current plan, we committed to driving up standards and improving services. The Business Critical Indicators (BCIs) agreed with the Business plan were designed to measure progress, which is demonstrated below:

BCI	2015-16 Q4	2017-18 Q3	Trend
Gas safety	100%	100%	
Repairs RFT	77%	88%	
Repairs satisfaction	90%	93%	
Short term relets (days)	30.4	23.8	
Long term relets (days)	105.9	44.1	
Rent collected	99.7%	98.2%	
Service charge collected*	104%	98%	
Major works charge collected	106%	112%	
First time resolution	89%	92%	
THH does what it says	77%	78%	
Satisfaction with caretaking	84%	86%	
Satisfaction with major works	77%	96%	
Voids rent loss	0.7%	0.40%	
Overall satisfaction	79%	82%	
% homes non Decent	13.11%	12.80%	

* Target collection amount higher in 2017-18 – cash collected broadly equivalent between years

For a full breakdown of our performance against all Business Critical Indicators to quarter 3 2017/18 (BCIs) and our targets for 2018/19, see Appendix 4.

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Our Residents

LBTH is a diverse borough, with residents of over two hundred different nationalities and the lowest percentage of over 65s of any borough in the UK. Residents have the second highest average salary in the UK but conversely, 39 per cent of children in Tower Hamlets live in income deprived families, the highest level nationally.

THH's residents reflect the ethnic diversity of the borough but there are differences in other demographics:

- Nearly 60 percent of residents are from a BME background
- Approaching a quarter of tenants are over 65
- 20 percent of THH households have yearly income below £15,000
- Close to half of the homes we manage are owned by leaseholders
- We estimate half of leaseholders are non-resident landlords
- Almost 10 percent of 16 to 24 year old residents are unemployed

With such a diverse profile of residents naturally comes a diverse range of needs. In 2015, to ensure that our vision for 2019 accurately reflected 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 also expanded our outreach to include online engagement.

In 2017 we again consulted with residents. Our Executive Management Team offered the THH Residents' Panel and all THH Tenants and Residents' Associations (TRAs) and other engaged residents an opportunity to hear and feedback on our ongoing plans for Business Transformation through a number of focus group sessions.

Thanks to the active participation of residents, a number of themes emerged as priorities for inclusion in our ongoing improvement plans:

- Response to welfare reform and supporting residents
- Leaseholder sub-letting and our relationship with the tenants of leaseholders
- Safe homes
- Communal repairs
- ASB, rights and responsibilities and our offer for leaseholders

Delivering Our Vision

Our Staff

We recognise that our organisational and people capabilities drive the performance of our services and enable our strategic aims to be achieved. Therefore, in 2016 we launched our People Strategy, through which we aim to ensure our people are performing at their best. Our strategic people aims are:

1. To raise the standards of performance of our workforce;
2. To remove obstacles which get in the way of high performance;
3. To develop leadership excellence;
4. To engage, attract and manage a diverse talent base;
5. To stabilise the workforce and manage their well-being;
6. To embed a customer-centric learning culture where excellence in customer service is delivered consistently.

Since the launch of our strategy, we have achieved a great deal, putting in place an “Excellence Competency” model that sets out how we expect staff, managers, and senior managers to behave. This consists of five core competencies:

- Customer Excellence – We put the customer first
- Working Together for Excellence – We work together
- Planning and Prioritising Excellence – We plan our work
- Delivering Excellence – We take responsibility
- Striving for Excellence – We find better ways to do things

These competencies are being embedded through all of our people management practices, to ensure that we recruit, develop and retain talented individuals, and develop strongly-performing teams, who deliver the best services to our residents.

Over the coming year, we will continue to implement our Strategy and this will include delivery of a number of projects and organisational development interventions designed to drive change in staff behaviour and organisational culture. We will:

- Embed and further refine our staff appraisal process, ensuring staff are clear about what’s expected of them;
- Enable better ways of delivering services through clear guidance and support around new technology and remote working;
- Strengthen our employee offer, including a new approach to training and attractive staff benefits, to help attract and retain the best new talent;
- Optimise use of our apprentice levy funding, ensuring we have an active talent pipeline for the future;
- Create a step change in our management of sickness absence, ensuring that we have a proactive approach to staff health and wellbeing as well as the right tools to take action where absence is a concern.

To enable us to monitor our progress in delivering our Strategy, we have undertaken regular short “pulse” surveys with staff. The results have shown steady and positive progress as we deliver work around the Strategy. During the next year we will seek external accreditation of our progress towards being an excellent employer and high-performing organisation.

We aim to have a workforce which reflects the community we serve, as harnessing the diverse experiences and skills of our staff will help us engage with, understand and respond to the needs of our residents. In our workforce of 485 staff:

Delivering Our Vision

- 52% are BME
- 22% are over 55
- 6% are under 25
- 35% are women
- 3% identify as non-heterosexual
- 3% have declared a disability

Over the coming year, we will look to develop our workforce profile through our new apprenticeship and graduate programmes, and also in developing existing talent to enable all employees to fulfil their potential.

Delivering Our Vision

Business Transformation Programme

LBTH set a management fee savings target for THH of £6m over five years, with £2m in savings in 2017/18 and a further £1m each year for the following four years. Last year, to deliver our vision with fewer resources and meet rising customer expectations, we set about fundamentally changing how THH operates to improve efficiency.

Much has already been achieved in building a sustainable delivery model that is fit for the future and our improving trend in performance and rising resident satisfaction is a strong indication that we are getting it right.

Programmed Reviews

To minimise disruption to services, we adopted a phased approach to review, prioritising back office savings to preserve front line service provision and to keep our commitment to maintain named neighbourhood housing officer patches. Over the last year we have reviewed, consulted and implemented new structures for:

- Business Development, Resident Engagement and Complaints Resolution
- Communications
- Finance
- Health and Safety
- Human Resources and Organisational Development
- Neighbourhood Management Phase 1 (management)
- Neighbourhood Management Phase 2 (staff)
- ASB
- Repairs
- Executive Support

Through 2018/19, we will deliver further reviews, covering the following services:

- ICT and Business Analysis
- Environmental Services
- Leasehold Services
- Asset Management Services
- Rental Income Collection Services

Digital Strategy

Delivering improved services on a smaller budget means doing more than reorganising staff and last year we launched our Digital Strategy to modernise our service offer through the more effective use of technology. In the first year of implementation we have launched our new online portal, MyTHH, which allows customers to access a range of services 24/7 including:

- Viewing up-to-date rent and service charge statements;
- Reporting repairs and viewing previously reported ones;
- Maintaining their personal and contact details;
- Logging a range of different service requests from reporting bulk rubbish to changing a tenancy from sole to joint or vice versa which directly integrates with our core customer service solution;

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- Giving notice on a tenancy or licence agreement.

Since its launch in June 2016 over 1,600 residents have registered for MyTHH.

We have also started development of a new mobile working solution which will improve efficiency within core services. The initial focus is on improvements to the raising of repairs after a property inspection and streamlining estate inspections. Further business activities will be rolled out during the next financial year.

The next phase of development will be to enhance MyTHH and its integration with mobile working through a new workflow solution configured to support business processes, so that customer requests are routed directly to the right member of staff.

We are adopting the Mears Appoint scheduling tool in our contact centre to improve the reliability of the repairs appointments we arrange for customers and will be looking to integrate this with the online repairs reporting as part of our work programme in 2018/19.

Another key area of work has been preparing THH for the introduction of the General Data Protection Regulation in May 2018.

Customer Access and Experience Programme

With the bulk of structural changes complete and the implementation of our People and Digital Strategies well underway, we will take forward our work on transformation through our comprehensive Customer Access and Experience Programme.

Technology; organisational culture; performance management; a knowledgeable and trained workforce, and informed and engaged residents all play a major role in the continuation of our transformation journey. Joining together these essential elements for improvement, through our Customer Access and Experience Programme will be a major focus for the year ahead.

The next stage of transformational change includes the further development of the online offer. Through a programme designed to move services and transactions online we will address the MyTHH elements, the process design and the automation of each of these processes. This will build a solid, consistent and effective set of services that can be accessed by customers from their homes relieving other access points such as the Housing Service Centre (HSC) and face to face meetings.

The Customer Access and Experience Programme will bring together the components for sustainable improvement, ensuring each step is planned, complementary to each other and reflective of agreed priorities.

This programme will involve a prioritised and phased review of services to make sure the following components are in place across all services we provide:

- Easy and convenient access for customers to the services we provide
- Streamlined processes that focus on what's important to our customers and deliver services in as few steps as possible

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- Clear roles and responsibilities for staff – the right person, doing the right job, in the right way
- Knowledgeable staff who are supported with appropriate training and, access to policy/procedures
- Knowledgeable customers who know and understand the right access channel to use
- Staff who demonstrate behaviours in line with our competency framework
- Good technology that is easy to use by customers and staff
- A performance management framework that measures the right things and gives visibility of performance to managers to manage

The continued delivery of the *Digital Strategy* and *People Strategy* will run in tandem with this programme. The first phase planned to complete in 2018/19 includes:

- Communal Repairs
- Responsive Repairs
- Parking
- ASB

This phase will include:

- Improving the online service experience with a fully integrated repairs ordering and appointment booking solution
- Increasing customer assurance through the use of proactive electronic confirmations and reminders e.g. of repair appointments
- Enabling mobile working for THH staff to provide more service delivery in residents' homes and on estates,
- Core system enhancements to improve and consolidate the view of the customer so that all customer interactions are accessible to all staff, wherever they are, to ensure continuity and consistency of service.

Delivering Our Vision

2018/19 Service Improvement Plan

This year, in addition to improvement driven through our Customer Access and Improvement Programme, we will direct resources to deliver three new projects. All three projects have been prioritised as a result of stakeholder feedback gained through organised events, complaints analysis and wider insight gained from our regular customer surveys.

The 2018/19 Service Improvement Plan is set out as Appendix 3.

Better Neighbourhoods and Safer Homes

In conjunction with our Better Neighbourhoods Programme we will continue to put the safety of residents at the forefront of what we do and this includes our approach to fire safety. We will continue to deliver the proposed £32.7m fire safety works identified through our rolling programme of Fire Risk Assessments which are carried out in line with best practice, our estate inspections with residents, our estate improvement works and through our partnership work with stakeholders including the London Fire Brigade, London Borough of Tower Hamlets and our Tenant and Resident Associations. The campaign to raise awareness on fire safety amongst residents will continue through our communications programme, residents meetings and face to face engagement with residents through door knocking by our specially convened Neighbourhood Fire Safety Team. There will be particular emphasis on providing new tenant fire safe front doors and frames to flats in blocks and working with leaseholders to ensure they have fire safe doors to improve fire safety.

Neighbourhood Improvement

We will deliver a programme of small scale estate curtilage works that will improve the look and feel of neighbourhoods. We know from feedback just how important this is for residents and this will be delivered through an estate by estate planned maintenance programme of £800k per year that will include improvements such as fencing, bollards, painting and refuse bin corrals.

Welfare Reform

As part of a wider rents improvement project, we will continue to identify those residents impacted by welfare reform and target either direct or referred support to those residents who are or risk being adversely affected. Through the ongoing implementation of our Community Investment Strategy we will look to strengthen our offer to residents to help secure employment and gain financial help and advice for both tenants and leaseholds to avoid falling into arrears or manage existing debt.

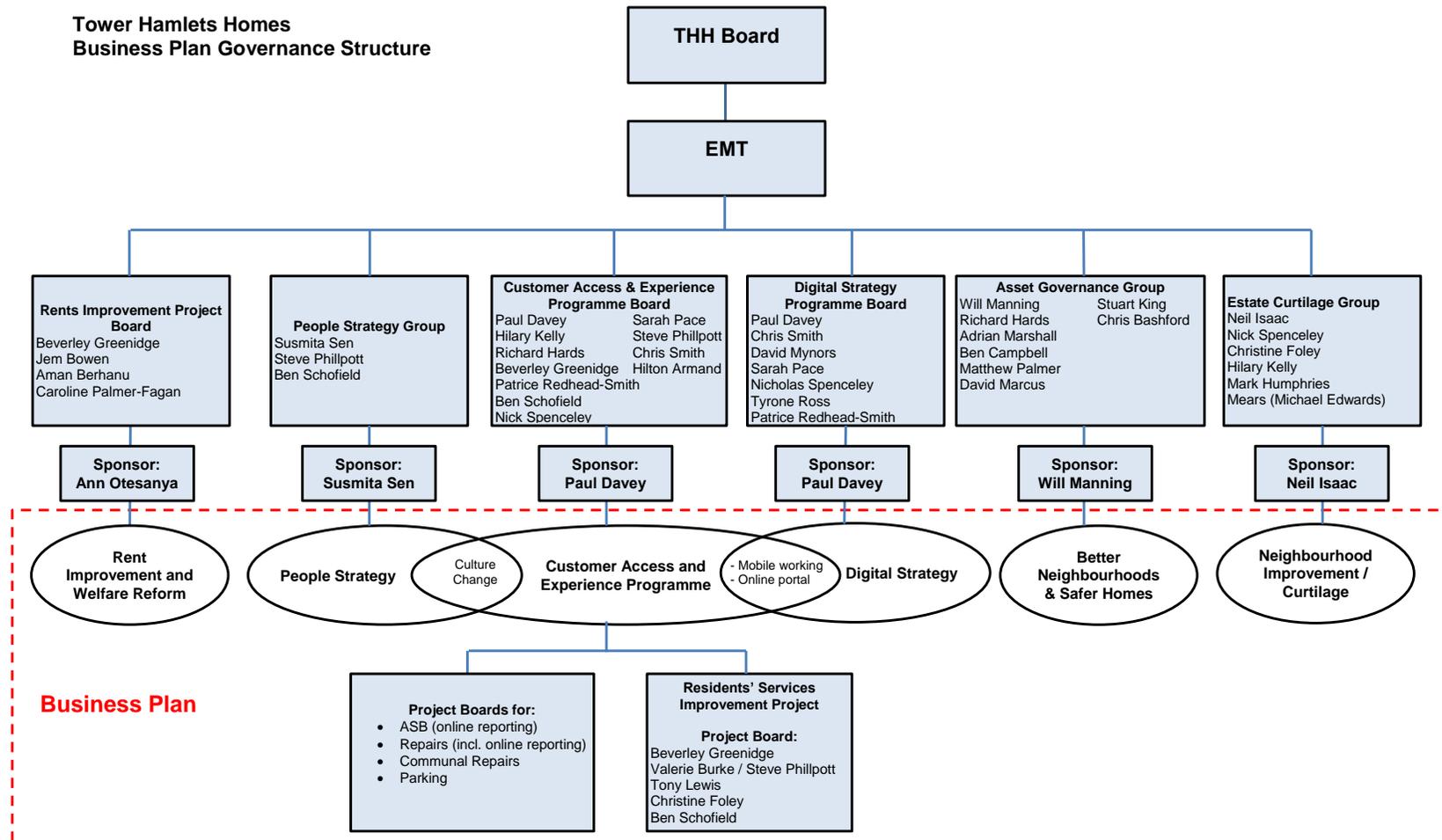
2017/18 Service Improvement Plan

Last year, in addition to the Transformation Programme and Digital Strategy, we committed to a 12 month Service Improvement Plan consisting of 7 projects across a range of service areas. For a full update on our progress against this plan, see Appendix 2.

Delivering Our Vision

Programme Governance

To ensure we deliver the commitments of our Business Plan we have revised our internal governance structure to mirror our 2018/19 Programme. Each Board has an Executive Management Team sponsor and the membership of each Board will reflect the cross organisational nature of the objectives to be achieved. Business improvement, primarily to achieve Business Critical Indicator (BCI) targets, beyond the Programme, will be managed through line management arrangements.



Appendix 1: Resources

MANAGEMENT FEE 2018/19

2017/18 £k		2018/19 £k
	Income	
-31,946	Management Fee	-30,979
-213	Other Income	-318
-32,159	Total Income	-31,297
	Expenditure	
21,176	Employee Costs	20,518
720	Agency Costs	488
350	Other Employee Costs	357
3,873	Non Salary	5,261
6,040	SLAs	4,649
32,159	Total Expenditure	31,297
0	Total	0

Our management fee for 2018/19 includes significant additional resources largely for fire safety and other safety issues, procurement, SLA increases and leasehold enforcement. There are reductions arising from the savings delivered by THH and charging the capital works teams direct to the capital programme. Our management fee of £31m will enable the us to continue managing delivery of housing management services, repairs and maintenance, and capital works and an enhanced safety programme.

Appendix 1: Resources

MEDIUM TERM FINANCIAL OUTLOOK INDICATIVE HRA BUDGETS

Housing Revenue Account	2018-19	2019-20	2020-21	2021-22	2022-23
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
INCOME					
Dwelling & non dwelling rents	(68,790)	(68,935)	(71,396)	(72,781)	(73,818)
Tenant & Leaseholder service charges	(20,842)	(21,446)	(22,002)	(22,442)	(22,928)
General Fund contributions	(115)	(115)	(115)	(115)	(115)
GROSS INCOME	(89,747)	(90,496)	(93,514)	(95,339)	(96,861)
EXPENDITURE					
Repairs & Maintenance	22,719	23,041	23,496	23,856	24,293
Supervision & Management	25,167	25,021	25,244	25,373	25,397
Special Services, Rents rates & taxes	15,732	15,797	15,284	15,467	15,654
Increased/(Decrease) provision for bad debts	600	700	700	700	700
Capital Financing charges	18,530	18,589	19,347	20,597	21,330
Sale of High Value Voids levy	0	8,400	8,820	9,261	9,724
GROSS EXPENDITURE	82,746	91,548	92,891	95,254	97,099
NET COST OF HRA SERVICES	(7,001)	1,052	(623)	(85)	238
Investment Income received	(1,240)	(692)	(470)	(378)	(316)
Appropriations					
Revenue Contribution to Capital Outlay (RCCO)	0	35,450	12,700	0	0
NET POSITION	(8,241)	35,810	11,607	(463)	(78)
Balances					
Opening balance	(54,278)	(62,519)	(26,709)	(15,102)	(15,565)
(Surplus)/ Deficit on HRA	(8,241)	35,810	11,607	(463)	(78)
Closing balance	(62,519)	(26,709)	(15,102)	(15,565)	(15,643)

Appendix 1: Resources

INDICATIVE THH HOUSING CAPITAL PROGRAMME

Budget Areas	2018-19 (£'000)	2019-20 (£'000)	2020-21 (£'000)	2021-22 (£'000)	2022-23 (£'000)
Better Neighborhoods Programme	13,547	16,534	15,346	11,577	10,372
Fire Safety	7,265	8,909	5,107	3,875	1,672
Estate Improvements/Curtilage	100	100	100	100	100
Lifts	3,041	2,747	3,155	3,119	2,960
Door Entry	2,100	915	2,025	2,423	75
Door Entry New Install (G/Floor)	750	750	-	-	-
Mechanical (Boosted Water, Communal Vents, Water Tanks)	350	350	350	350	350
Communal Heating	1,000	3,007	3,030	2,086	1,035
Electrical Heat metering	100	100	100	100	100
Aerials/IRS	90	90	90	90	90
Planned Domestic Boiler Replacement	1,467	1,467	1,467	1,467	1,467
Emergency Domestic Boilers	200	200	200	200	200
Compliance Surveys	200	100	50	50	50
Communal Play Areas	50	50	50	50	50
Capitalised Voids	1,450	1,450	1,450	1,450	1,450
Aids & Adaptations	500	500	500	500	500
Overcrowding Initiatives	100	100	100	100	100
Contingency	500	500	500	500	500
Project Management fees	3,636	3,636	3,636	3,636	3,636
Total	36,446	41,504	37,255	31,672	24,706
Over Programming (30%)	(10,934)	(12,452)	(11,177)	(9,502)	(7,412)
Revised Total	25,512	29,054	26,079	22,171	17,295

Appendix 2: Our Achievements in 2017/18

This section summarises our progress against our Service Improvement Plan for 2017/18. The plan comprised of 7 projects, each with a number of individual milestones.

People Strategy	
Milestone	Delivery Update
New Performance Appraisal process embedded Q4	Launch of competency and objective based appraisal process is complete.
Competency Model live in HR policies Q4	Probation procedure, and other core HR policies are on track to be completed in Q4.
Implementation of ILM 3 programme Q2	Implementation has been deferred
Launch of Reward and Recognition programme Q4	Task and finish group established - on track to launch before year end
Graduate Scheme live Q3	Four graduate trainees have begun roles in Business Development, Resources, Asset Management and Environmental Services.
Launch of New Talent Management scheme Q4	Talent management to be considered as part of wider succession planning – People Strategy Action due Q3 18/19
360 degree assessment of Management tier Q3	360 degree appraisals undertaken for SMT – used to develop individual development plans
Capital Works	
Milestone	Delivery Update
Complete outstanding 2016/17 Decent Homes Programme Q2	6 outstanding blocks completed.
Consultation on 2017/18 Better Neighbourhoods Programme Q2	Consultation on 17/18 programme commenced on time
2017/18 Better Neighbourhoods works procured through LCP framework Q3	LCP framework used to deliver Better Neighbourhoods programme pending full procurement process 2018
Remaining FRAs completed Q2	Completed by Savills to programme
Remaining fire risk works procured through LCP framework Q3	Works arising from Savills FRAs procured through LCP framework
ASB	
Milestone	Delivery Update
Re-establish ownership and responsibility for ASB across THH Q1	Review of ASB team completed as part of Transformation Programme. Division of responsibility between ASB and neighbourhood team agreed.

Appendix 2: Our Achievements in 2017/18

	Increased staff resources and extended working hours introduced.
Ability to utilise additional security on THH estates where required Q2	Parkguard contracted to provide additional targeted security. Agreement of LBTH to contract 2 Police teams secured. Team 1 commenced work for THH in Q2 and Team 2 in Q4
ASB diversionary project complete and future rollout evaluated Q4	Streets of Growth procured to deliver diversionary project – working with 50 young adults in year 1. Q4 evaluation will inform decision to extend the contract for year 2.
THEO SLA renewed Q4	Decision taken to terminate SLA - contract end date of 31/03/2018.
Community Partnership	
Milestone	Delivery Update
Further develop relationships with corporate CSR partners to deliver enhanced CSR programme Q2	Team restructure compromised extent of progress. Deutsche Bourse Group and Barclays PLC provided through funding and volunteers provided support to gardening initiatives in two neighbourhoods Our contractors, Keepmoat and Mears, also provided a range of support including DIY workshops, sponsorship of community events and materials for small resident led neighbourhood improvements.
Social isolation project complete and future rollout evaluated Q3	Milestone slipped. Project scope to be agreed in Q4.
Design, develop and agree a new co-ordinated CSR programme with THH contractors Q4	Social value clauses agreed with LBTH for inclusion in new framework contracts.
Employability project complete and future rollout evaluated Q4	Contract let to Go Train who are operating from the Residents Resource Centre to deliver training and employment support. 30 residents had secured employment by Q3.
ASB diversionary project complete and future rollout evaluated Q4	Contract let to Streets of Growth to work with 50 young adults in the first year of contract. By Q3 60 young people had been engaged through street outreach work and 41 of the 49 young people referred by our ASB team were actively engaged.
New Deal for Leaseholders	
Milestone	Delivery Update
Mears services to be on offer to leaseholders by April 2017 Q1	Offer live - leaseholders able to purchase gas servicing and water/heating shut down service direct from Mears
Develop and introduce a range of online services for	Online service charge, ground rent, and major works statements available

Appendix 2: Our Achievements in 2017/18

leaseholders Q1	Searchable 5 year capital programme available on-line
Launch new leasehold offer Q1	Launch event held. Ongoing communications campaign in place as part of wider Rights and Responsibilities campaign
Continued development of online services Q2	MyTHH live – phase 1 service charge statement and repairs history. 5 year Capital programme is also available on-line
Deliver Improved management of leasehold portfolio Q3	Review of Neighbourhood team completed as part of Transformation Programme. Consultation extended to enable response to fire safety work over the summer period. Range of policies clarified including, home alterations, approach to major works and
Customer Offer	
Milestone	Delivery Update
Revised service standards drafted - Processes for drivers of complaints revised Q1	Online service standards and rights and responsibilities materials updated to reflect process changes and revisions to THH Customer Offer. Board/Officer Complaints Learning Panel meet 1/4ly to consider drivers of complaints
Rights and Responsibilities re-launch Q2	Ongoing communication campaign 'Rights up my street' commenced
Parking / Traffic Management Orders	
Milestone	Delivery Update
Prepare for implementation of TMOs on THH estates in response to Government ruling: <ul style="list-style-type: none"> • Trial area consultation Q2 • Implementation Q4 	Informal consultation with TRAs has completed. TMO for Watts Grove to be implemented in Q4. Wider implementation to be considered by Cabinet in Q2 18/19.
Improve processing of parking applications:: <ul style="list-style-type: none"> • Review parking space application methodology Q2 • Audit of existing parking database Q2 • On-site inspections of up to 300 parking spaces to validate stock numbersQ2 • Site-specific review 	The review is complete and systems have been evaluated. Audit and on-site inspections also complete. Parking Project part of phase one Customer Access and experience Programme 2018/19.

Appendix 2: Our Achievements in 2017/18

of underground space to reduce under-utilisation Q3	
Apprenticeship Levy	
Approach agreed Q1	Plan to employ 33 apprentices over three years was agreed in May 17.
Account opened and payments in train Q1	Account is live and payments have been made
Six new apprentices commence work in environmental services Q3	Five apprentices employed – sixth apprentice failed to complete pre-apprenticeship training
Four apprenticeship starts delivered across Neighbourhood Services and Communications Team Q4	Communications apprentice in post. Remainder of target to be achieved through leadership skills programme in neighbourhood services.

Appendix 3: Service Improvement Plan 18/19

Project	Sponsor	Milestone	Quarter Due
Customer Access and Experience Programme	Head of Business Transformation		
ASB	Head of Environmental Services	Implementation of new recording, case handling and referral process (PDD A2)	Q1
		Implementation of new procedure for NHOs to deal with low level ASB.)PD A3)	Q1
		Design and testing of ASB online reporting system (PDD A5)	Q1
		Implementation of ASB online reporting system (PDD A6)	Q2
		Lessons Learned review (PDD A7)	Q2
		Review of achievement of anticipated benefits (PDD A8)	Q3
Communal Repairs	Head of Repairs		
		Review of communal repairs in partnership with Resident Scrutiny Panel member (PDD B1)s	Q1
		Agree an improvement plan based on the review findings (PDD B3)	Q1
		Implementation of the improvement plan (PDD B4)	Q2
		Lessons Learned review (PDD B5)	Q3
		Review of achievement of anticipated benefits (PDD B6)	Q3

Appendix 3: Service Improvement Plan 18/19

Parking	Director of Neighbourhood Services		
		Analyse the 'As is' process maps and produce new processes for dealing with parking (PDD C4)	Q1
		LBTH Cabinet to give approval to start the consultation on the introduction of Traffic Management Orders (TMOs) and the change to a 'courtyard' system (PDD C5)	Q2
		Introduce online parking bay application / allocation system (PDD C6)	Q2
		Produce new policy and procedure for the allocation of permits (PDD C7)	Q2
		Complete the consultation on the introduction of TMOs for the initial four estates (PDD C9)	Q3
		Roll out resident consultation and implementation of TMOs on an area basis for the four areas (PDD C 10)	Q3
		Review of achievement of anticipated benefits (PDD C11)	Q4
		Lessons Learned review (PDD C12)	Q4
Responsive Repairs	Head of Repairs		
		Begin using automated texts for repairs using THH platform (PDD D4)	Q1 (tbc)

Appendix 3: Service Improvement Plan 18/19

Responsive Repairs (continued)		Produce a business case for introducing Interfinder (to allow online repair ordering for customers) and for integrating Mears Appoint with Northgate (to allow online management of appointments by customers).(PDD D5)	Q1
		Project planning and risk assessment on the introduction of Interfinder and online management of repairs by customers using MyTHH. (Subject to approval of business case). (PDD D6)	TBC (subject to business case approval)
		Work with Agilisys and Northgate to design the Interfinder solution including the integration with Northgate (subject to approval of business case) (PDD D7).	TBC
		Implement Interfinder (subject to approval of business case) (PDD D8)	TBC
		Lessons Learned review (PDD D9)	TBC
		Review of achievement of anticipated benefits (PDD D10)	TBC
Better Neighborhoods / Safer Homes	Director of Asset Management		
		Standardise the resident's engagement across all delivery teams.	Q1
		Circulate the full delivery programme across each services areas	Q1
		Mobilisation plan for the LCP contracts	Q2
		Rollout the BNiP communication plan across all major works going forward	Q2
		Review the residents standard letters	Q2

Appendix 3: Service Improvement Plan 18/19

Better Neighborhoods / Safer Homes (continued)		Review the externals works information handbook	Q2
		Complete the 1 st batch of final account on Keystone	Q2
		Incorporate the wider estate works within the scope of the BNiP	Q3
Rents Improvement and Welfare Reform	Director of Neighbourhood Services		
		Move from fortnightly to weekly escalation in preparation for changes from week housing benefit payments to claimants receiving monthly 'housing payments' in arrears under Universal Credit.	Q1
		Implement Payment Arrangements, which includes recent developments in DD processing, to proactively contact residents and help prevent them getting into arrears	Q2
		Implement electronic payments in preparation of full UC roll out by end of qtr3. (subject to IT approval of work package request)	Q2
		Complete review of partnerships with Money, Debt, Welfare and Employment advice agencies to establish broader referral arrangements.	Q3
Neighbourhood Improvement	Director of Asset Management	Milestones to be agreed March 18	

Appendix 4 – Business Critical Indicators 2018/19

Ref.	Indicator	Freq.	Dec 17 (baseline)	18/19 target
1	% of all repairs completed right first time	M	87.60%	90%
2	% of tenants rating repair excellent, good or fair	M	92.60%	94%
3	% of residents rating Housing Service Centre as excellent, good and fair	Q	90%	90%
4	% of residents who are satisfied with the overall service provided by THH	Q	82.2%	84%
5	% customers who say THH does what it says	Q	78.4%	82%
6	% of properties with a current gas safety certificate	M	100%	100%
7	Average time to relet empty homes - Short term (days)	M	23.8	23 days
8	Average time to relet empty homes - Long term (days)	M	44.1	44 days
9	% rent collected as % of rent due	M	98.19%	99%
10	% service charge collected	M	97.80%	100%
11	% major works charge collected	M	112%	100%
12	% residents satisfied with caretaking	Q	85.70%	85%
13	% residents satisfied with major works	M	96.40%	80%
14	% void rent loss	Q	0.37%	0.40%
15	% homes that are non-decent (baseline is as at 31/3/2017)	A	n/a	12.50%

Appendix 4 – Business Critical Indicators 2018/19

Ref.	Indicator	Freq.	17/18 Result	18/19 target
16	Major works invoices raised – no. of blocks	Q	49 (54%)	100 blocks (100%)
17	Better Neighbourhoods programme spend against profile	Q	101.6%	86%
18	Fire safety : reduce risk on 9 high rise blocks to tolerable	Q	NEW	100%