

Title: Business Planning Preparations for 2011 -12 and Service Improvement Plan 2010 -11 Delivery Update	Meeting: Board	
Report authorised by: Jamie Carswell - Director of Strategy and Performance	Date of the meeting: 9 November 2010	Item No: 10
Report author: Sarah Pace - Service Improvement Team Manager	Classification: Open	Report type: Information
Business Plan Objective The Service Improvement Plan is designed to deliver all Business Plan objectives.		
Financial Implications: There are no financial implications arising from this report. The Service Improvement Plan is resourced and is being delivered within existing budgets. Business planning for next year will be informed by the level of resources available.		
Risk Management The strategic risks that apply to this report are: <ol style="list-style-type: none"> 3. Making a difference - Ensuring that achievements recognised internally or externally make a difference to residents. 4. Financial sustainability - Securing decent homes funding and ensuring robust financial management. 5. Organisation coherence - Ensuring that approved strategies, policies and procedures are adhered to in practice. 		
Linkages to Strategies This report specifically relates to the following strategies: <ul style="list-style-type: none"> Diversity Vulnerability Resident Engagement Financial Inclusion Anti-social behaviour Asset Management Customer Access People 		
Summary This report provides an update on the work we are doing to develop next years Business Plan and specifically the steps we are taking to engage residents in establishing strategic priorities. This report also shows the progress made in delivering the Service Improvement Plan that underpins the current Business Plan, The Will to Win.		
Recommendations That the Board note the report and comment accordingly.		

1. Introduction

- 1.1 The Will to Win, our current Business Plan, established a clear approach to driving service improvements and to secure funding to invest in delivering decent homes. As we approach our third year the time is right to examine our purpose and move towards a more ambitious agenda that reflects the growing aspirations of residents and keeps pace with emerging national policy.
- 1.2 Our Service Improvement Plan (SIP) for 2010/11 was developed to deliver the Business Plan, setting out 27 clear deliverables and associated success measures against the four overarching commitments of:
 - **Residents first** - insight, diversity, engagement and influence
 - **Excellence first** - delivering great customer care
 - **Homes first** – delivering decent homes and neighbourhoods
 - **THH first** - building partnerships, capability and spending wisely

2. Business Planning Preparation

Context

Tower Hamlets Homes has commissioned the Chartered Institute of Housing to conduct a review of the current political, policy and economic context for ALMOs, and give advice on future opportunities and threats. They presented to the THH Board in October in two parts, and covered:

1. The latest (pre-CSR) policy context, the key proposals and changes since the new government was elected, and some trends and issues which will affect all social housing providers, especially those in London.
2. The specific issues for ALMOs, the likely passage of HRA self financing, the impact on decent homes funding and the ranges of options ALMOs are looking at in terms of taking their business forward.

The key areas for focus in the general context were around benefit reform, changes to regulation and inspection, decent homes and investment generally. The key areas around ALMO future focused on the potential role in the 'Big Society' and the experiences of other ALMOs looking at future options.

This context will be reported formally in December, and sets the context for our business planning process in 2011/12.

2.2 Resident Engagement

Work to engage residents in helping to establish strategic priorities commenced through the Residents Conference held last month. Using the 'wishing tree' technique groups of residents worked as paired neighbourhoods to identify the things they felt to be important in creating great neighbourhoods. Participants, with the help of staff, were asked to write up their thoughts and aspirations on leaves that were then pinned to the branches of a large tree.

Work is currently being undertaken to cluster residents' ideas into common themes from which a set of strategic objectives will be developed. The proposed objectives will be taken back to a sub-set of residents who attended the conference for further consultation before going to each of the resident service improvement groups for input. This further state of consultation will conclude by early December.

2.3 Process

The business planning process for the current year has served us well and it is therefore intended that this approach be extended to the 2011/12 planning cycle to ensure that the 'golden thread' can continue to be traced down from top level strategic objectives set by the Client, Board and residents, through the service improvement and team plans and the objectives of every member of staff.

The Management Agreement requires that we submit for the approval of the Client an annual Delivery Plan that comprises:

- Business Plan;
- Business Critical Indicators;
- Capital Programme;
- Core Budget Report;
- Service Improvement Plan;
- Service Review Programme; and
- Performance Report.

The context in which planning is being undertaken is more complex than last year and there are several constraints that the timeline has to work within and manage:

- **Inspection:** The amount and importance of the work needed to prepare for inspection considerably reduces the ability of all parties to dedicate time to Delivery Plan work prior to the end of the inspection in early December 2010.
- **Inspection outcome:** The Delivery Plan 11/12 needs to take full account of the outcome of the inspection but this will not be known until the end of January 2011.
- **Budget setting:** Budgets for 11/12 have dependencies on a number of external factors not least the inspection result and implications arising from the Comprehensive Spending

Review.

To make the timings work it is necessary for both THH and the Client to undertake the majority of work on the presumption that 2* will be achieved, prior to knowing the outcome of the inspection. A high level outline timetable for the development and agreement on the Plan is set out below:

Date	Action
Oct/Nov	SMT/Board/Resident discussion about strategic priorities
Mid Nov	Identify aspects of components within the Delivery Plan on which preparatory work can start prior to knowing the outcome of the inspection
Mid December	Joint THH/Client Away day in December to agree the principles that will inform the Delivery Plan 11/12 Board discussions on Policy context (CIH commission) and organisational purpose
Mid Dec to Early Feb	Draft documents
Early to Mid Feb	THH and Client Governance
Mid Feb early March	Finalise documents
Mid March	THH and Client Governance signoff

2.4 Financial planning and budget process

In the light of this timetable, it has been recognised that our financial planning for 2011/12 needs to be driven by our emerging business model rather than our existing structure, and the anticipated requirement for significant management fee savings. Five cross cutting savings themes have been agreed to encourage financial planning for 2011/12 across teams and directorates:

- Standardised, purposeful, insightful support services.
- Leaner and more flexible clienting of repairs and major works.
- Close to the customer, standardised customer access.
- Autonomous neighbourhood working.
- Co-produced resident responsibility.

These five themes each have two members of SMT who will be leading on this work to feed into and support the 2011/12 Business Plan and Service Improvement Plan.

3. Service Improvement Plan – Progress Update

- 3.1 Each SIP deliverable is owned by a member of the Operational Management Team who each provide monthly progress updates for the Strategic Management Team and the Client. In addition SIP progress was adopted as a Business Critical Indicator for the current year and therefore performance at a high level is considered monthly by Performance Management Committee.
- 3.2 Day to day delivery of the SIP is managed through more detailed team plans, which give progress milestones for each SIP deliverable. In turn individual staff targets are assigned from team plans through the My Appraisal and Plan process, completed at the beginning of the year and reviewed in October. The full SIP showing status updates is shown at **Appendix 1**.
- 3.3 Clear ownership, close monitoring and integrated risk and issue management have all played a key role in ensuring planned improvements have been delivered. All deliverables due for completion by September 2010 were delivered on time. In the same period performance, as measured by the business critical suite, was showing significant improvement on the previous year - the overriding measure of success being the positive movement of 14% points recently demonstrated through the local STATUS survey.
- 3.4 The remaining deliverables for the year due between October 2010 and March 2011 are assessed as being on track. Monthly monitoring will continue and a further update will be provided to Board at year end.

4. Equalities and Diversity Implications

- 4.1 The current SIP underpins our strategic aim to deliver services that are inclusive, accessible and fair. Specific equality and diversity commitments included in the plan include:
- meeting level 2 of the Equalities Framework;
 - reduction in the disparity of satisfaction between BME and non-BME residents;
 - additional support offer for vulnerable residents;
 - support for overcrowded families; and
 - delivery of the financial inclusion offer – money, help and advice.
- 4.2 Business planning for next year will continue in the context of our Diversity Strategy and improvement activities will build upon those already identified by the nine strategic equalities impact assessments undertaken this year.

5. Implications

- 5.1 VFM Implications – Value for Money targets established by the SIP are on track to deliver this year.

5.2 Legal implications – The Management Agreement requires that we have in place an agreed Delivery Plan before 1st April each year.

6. Conclusion

6.1 Progress in delivering the Service Improvement Plan the period April to September 2010 has been good with all deliverables in place by planned dates.

6.2 Preparations for 2011/12 business planning cycle are underway. Strong engagement with residents is being achieved ensuring that strategic priorities are being informed by residents.