



Report to:

Northwards Housing Board
14 June 2006

Item No:

10e

Title:	Business Plan 2006 - 2016		
Date:	30 May 2006		
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Confidential:	No		
For: (Please tick action required)	NOTING	DISCUSSION	APPROVAL √

PURPOSE OF REPORT

To present a Business Plan 2006 - 2016 for consideration by Board.

RECOMMENDATION

The Board are asked to approve the Business Plan for 2006-2016.

IMPLICATIONS

Equality & Diversity:	The Business Plan will need to define how the Company will develop its strategy on Equality and Diversity, and will need to show how that will be resourced
Financial:	The plan will set out how the Company's resources are to be allocated in order to achieve the Board's priorities
Staffing:	The effective use of staffing resources is a major factor in achieving priorities and high standards of service. In addition staff should be involved in setting those priorities and standards. Development of the Business Plan will help to achieve both of those objectives
Decency Target:	The plans for achieving Decent Homes will be included within the Plan
Governance:	The Business plan will set out the key ambitions of Northwards Housing; the Board will need to monitor achievements compared to those ambitions, as part of its governance of the Company
Risk Assessment	The business plan sets out a summary of the key risk areas

Equality & Diversity Implications (Please tick where relevant):

BME	<input checked="" type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input checked="" type="checkbox"/>
Elderly	<input checked="" type="checkbox"/>	Single Parents	<input checked="" type="checkbox"/>
Young	<input checked="" type="checkbox"/>	Domestic Violence	<input checked="" type="checkbox"/>

Disability



Alcohol / Drug Mis-users



Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Yes	Resource & Governance	23 May 2006
Area Panel:	Yes	All Area Panels	25/26 April 2006
Ward Councillors:	N/A		



BUSINESS PLAN

2006 – 2016

May 2006

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1. Introduction

- 1.1. This Business Plan is a programme of objectives and targets which address the Mission and Values of Northwards Housing, within the constraints of available resources, both staff and finance.
- 1.2. The purpose of the Business Plan is to provide a framework that everyone can follow to ensure that:
 - We work with our customers, partners and staff to develop a vision of where we want to go
 - We set ourselves clear and challenging goals to help us get there
 - We forward plan to meet decision-making timetables
- 1.3. In preparing this Business Plan we have had regard to best practice guidelines and examples from other Arms Length Management Organisation's (ALMOs) who have prepared plans already. We have though shaped the Plan to fit our own particular priorities and requirements so it is responsive to the services that we provide and the communities that we serve.

- 1.4. The framework of the plan is in six sections summarised as follows:

- our community
- our organisation
- our service
- our performance
- our resources
- our future



- 1.5. The Business Plan should be read in conjunction with other relevant documents: in particular, the Management Agreement between Manchester City Council and Northwards Housing, and the Delivery Plan and Performance Management Framework which are agreed annually with the Council which set out specific performance targets and the methodology to be used in monitoring the organisation's actual performance.
- 1.6. The Business Plan is reviewed on an annual basis and revised where appropriate. Together with the Delivery Plan, it forms the leading documents for the organisation both reflecting and leading the direction of Northwards Housing.
- 1.7. All staff – as individuals, team members and working party members - are encouraged to make contributions. Board and Sub-Committee members are encouraged to make contributions and tenants, by way of the Area Panels and other forums, are also encouraged to participate.
In this first year the full business planning cycle has not been followed

because of time constraints. It is therefore a foundation for future business planning cycles, although as much consultation as was possible in the time has taken place in this first year.

- 1.8. **The result is a living document, owned by the people who use it.**

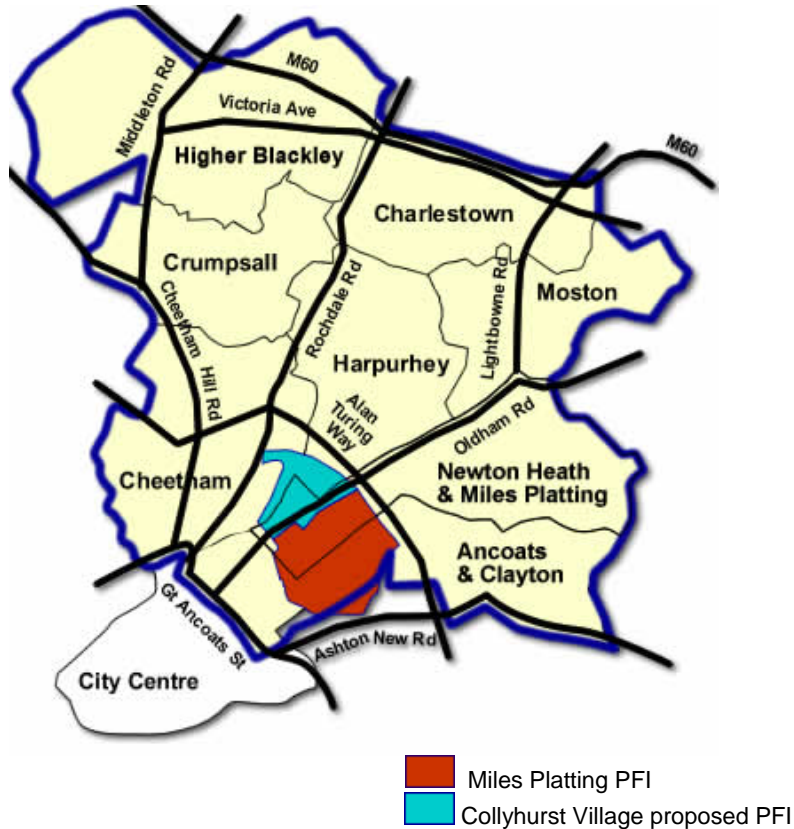
2. Our Community

- 2.1. **This section focuses on the establishment of Northwards Housing, our area of operation, the context in which we work and our relationship with Manchester City Council.**



- 2.2. Northwards Housing is an 'Arms Length Management Organisation' - or ALMO - that took over management of 12,900 Manchester City Council homes in North Manchester in December 2005. Northwards Housing was created by tenants' representatives and Manchester City Council to deliver quality housing and neighbourhood services.
- 2.3. Council tenants in the area voted overwhelmingly for the change through a ballot in September 2005. The **four key promises** made in offer to tenants mean bringing all the properties up to at least the Government's "Decent Homes Standard". The promises were as follows:
- get uPVC double glazing on all your single-glazed windows - except in 'listed' buildings such as Victoria Square (we will use wooden frames in conservation areas);
 - have the choice of a brand new kitchen OR a brand new bathroom (if it is at least five years old);
 - benefit from any repairs and improvements needed to bring your home up to certain standards set by the government - the "Decent Homes Standard";
 - see the benefit of huge improvements to the local environment – such as lighting and security, boundaries around homes, open spaces and the foyers of multi-storey blocks.
- 2.4. Consultation showed that local tenants wanted Northwards to be:
- custom-made for the tenants of North Manchester;
 - an equal partnership of tenants, Manchester City Council and others with business and legal knowledge;
 - not-for-profit and shaped by tenants' priorities and Values.
- 2.5. These aspirations are reflected in the Mission, Values and Objectives of Northwards Housing which were approved by the Board in February 2006.

- 2.6. Northwards **operates** across eight wards in the north of the City of Manchester between the city centre and the M60, with the exception of Collyhurst Village and Mile Plating areas. These two housing investment areas are Private Finance Initiative (PFI) projects.
- 2.7. The area covered by Northwards is as shown below:



- 2.8. The **population** of North Manchester is 102,388 in 86,000 households. The area has a lower proportion of people working in senior management or professional occupations than the city as a whole; 3.6% compared to 6.9% and conversely, more people in elementary and process routine occupations (12% compared to 9.4%) (2001 census).
- 2.9. Around 12.4% of the area's population is from black and minority ethnic (BME) populations, the principal communities being those in Cheetham Hill and Crumpsall. This percentage is lower than the average of 16.9% across the city. The main BME community in the area is Pakistani, although the population has become more diverse with the recent influx of asylum seekers and refugees.
- 2.10. **Demand** for housing has been increasing for several years, giving rise to pressures which previously tended to be experienced mainly in the south of the city. The number of empty homes has reduced year on

year, and upward pressure has been experienced on rehousing queues and waiting times across the whole Northwards area.

2.11. This general picture covers a range of significant variations;

- pockets of low demand (eg walk-up flats in some areas and multi-storey flats in the Victoria Avenue East area);
- areas of acute over demand, for example for family-type properties in Cheetham related particularly to the popularity of the area amongst BME applicants;
- higher demand outer areas:- Cheetham, Blackley, Charlestown, Moston and Newton Heath;
- lower demand areas:- Harpurhey, Lightbowne and the Collyhurst Village PFI area;
- higher demand for family-type properties and properties on the edge of the city centre (in particular the Smithfield Estate).

2.12. Two neighbourhoods, Harpurhey and Cheetham Hill are priority areas for regeneration as designated in the North Manchester Strategic Regeneration Framework.

2.13. The property mix in North Manchester is close to that for the city as a whole; but there are proportionally more houses and bungalows and sheltered housing units and lower rise flats. The proportion of non-traditional accommodation, including maisonettes and high rise flats reflects the Citywide average at 19.2%.

2.14. The **tenure** pattern in North Manchester compares to the city as a whole with 29.5% of homes being Council owned. However, the proportion of Council tenancies varies considerably within North Manchester from 29.5% in Harpurhey to 5.6% in Crumpsall.

2.15. In order to address the needs of these communities in the North of the city, Northwards is working closely with partner agencies and the City Council.

2.16. Manchester City **Council** vision is *Manchester as an exciting, diverse city of national and international significance, where people choose to live, work and play and in which companies want to invest; a City where everyone has equal access to opportunity, employment and prosperity.*

2.17. Its Mission is as follows:

Manchester City Council is a public service organisation that recognises public service is a vocation, with the core purpose of improving the quality of life of our citizens by working with them to promote and support sustainable communities

2.18. The City's Corporate Housing Strategy sets out Objectives as follows:

- delivering quality and choice in the public sector;
 - creating safe and sustainable communities;
 - reducing inequalities;
 - delivering modern public services.
- 2.19. Northwards' Mission, Values and Objectives are designed to be consistent with and support the Vision, Mission, Objectives and Values of Manchester City Council.
- 2.20. To deliver this, **partnership** working is the key to success, both with the Manchester City Council and other agencies such as Greater Manchester Police, Primary Care Trusts, MANCAT (Manchester College of Arts and Technology) etc. Northwards contributes to the Local Strategic Partnership (LSP) which brings together the main public service providers in the city. The Partnership seeks to deliver dramatic service improvements by focussing on inequality between communities in the city and between Manchester and the rest of the country.
- 2.21. Alongside the LSP are local partnerships; the most relevant of which for Northwards is the North Manchester Regeneration Partnership which oversees the Strategic Regeneration Framework for North Manchester.
- 2.22. The overall aim is to create and sustain neighbourhoods in which people choose to live by "tackling environmental concerns; designing a safer city; renewing the housing market; improving neighbourhood services and facilities; engaging with local communities so that change is relevant and sustainable".
- 2.23. Northwards is also a key member of the North Manchester Public Agencies Forum which is chaired by the Council's Deputy Chief Executive and which aims to identify key issues and to develop shared programmes of action to address them. We are an active participant in the Ward Coordination meetings and the Local Area Partnership meetings with the Police, the Council and local residents which meet bi-monthly.
- 2.24. Partnerships with other stakeholders will be developed over time, although some work has already started in particular areas to improve consultation and deliver service improvements (eg leaseholders, colleges, disability networks).

3. Our Organisation

3.1 **This section sets out the Mission, Values and Objectives, details of the Board and Area Panels and outlines our staff and team structures.**

3.2 In November 2005, the Northwards Housing Shadow Board, Area Panel Members, tenants, leaseholders, residents and staff



held a Vision Day with a view to shaping the Mission, Values and Objectives of the newly formed organisation.

3.3 The **Mission Statement** of Northwards Housing is:

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Northwards Housing – the tenants' choice

Brought to life by the resounding YES vote of North Manchester's council tenants in Autumn 2005, we are here to build on their trust by delivering the excellent standard of housing service residents deserve and desire.

Our service will be successful, responsive to tenants and driven by our can-do outlook. It will win us the extra funding needed to improve tenants' homes, and the wider environment by 2010 – up to and beyond the 'Decent Homes' Standard.

We share this commitment to the future of social housing in North Manchester with our residents and the Council, as we work in partnership to make our communities safe and sustainable.

We respect each other -- tenants, staff and partners, celebrating the diversity of our communities and workforce. Together we will help to renew North Manchester.

3.4 The **Values** of Northwards are:

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- **Top Class Customer Service**

We will provide an excellent and accessible level of service to all of our customers.

- **Local Services**

We take pride in being based within North Manchester and delivering local services to our customers.

- **Embracing Equality and Diverse Communities**

We will treat everyone fairly and with respect, and we will embrace diverse communities and identities.

- **Tenant Focused**

Tenants are at the heart of everything we do. We will involve tenants in our decision making, consult and listen to them to develop and improve services.

- **Committed to our Employees**

We will value and support our employees to develop and retain a highly skilled and motivated staff team.

- **Accountable**

We will be open with and accountable to tenants, employees, the Council and partners in of our dealings.

3.5. Our **Objectives** are:

● **Warm, Safe and Affordable Homes**

To provide warm, safe and affordable homes for all our tenants through advice, support and a multi million pound investment programme, that will create jobs for local people.

● **Successful Communities**

To contribute to the regeneration of North Manchester, and work with partners to help develop successful communities.

● **Quality Services**

To work with customers to develop and deliver excellent services that satisfies their needs and aim to meet their aspirations.

● **Value for Money**

To provide sound financial management, and to ensure that we offer excellent Value for Money to our customers.

● **Safer places to live**

To work with partners and local communities in helping to reduce crime, fear of crime, and anti-social behaviour.

● **An Attractive Environment**

To help develop a safe and attractive environment within North Manchester, that contributes to the pride and well-being of local communities.

● **Promote Equality and Diversity**

To understand the needs and aspirations of the diverse communities of North Manchester, and to work with partners to address inequality and to meet the needs of vulnerable people.

3.6 Northwards established a voluntary **Board** prior to the creation of the ALMO and this group has taken ownership of the Mission, Values and Objectives of the organisation.

3.7 The Board comprises four Tenants, four Council and four Independent Members.



Ade Alao, Chair



Richard Lockwood, Vice Chair

Tenant Members

Michelle Blakeley
Joan FitzGerald
Richard Lockwood
Sue Ratchford

Council Members

June Hitchen
Eric Hobin
Fionnuala Stringer
Anna Trotman

Independent Members

Ade Alao
Martin McKeivitt
Harvey Norton
Vacant post

- 3.8 The Board is committed to the delivery of high quality housing services to its customers, and its objectives embrace the key principles of good governance. That is openness, inclusiveness, integrity and accountability.
- 3.9 The Board continues to work at improving its overall governance arrangements. It has agreed to benchmark its performance against the Langlands Report and is working on Board Member competencies and appraisal systems with an external facilitator. The Board also has a Governance Development Plan to assist improvement.
- 3.10 In order to better carry out its responsibilities, the Board has established four **Sub-Committees** with appropriate terms of reference to carry out work on its behalf in particular areas:
- Human Resources & Equality
 - Performance & Quality Services
 - Procurement & Property
 - Resources & Governance
- 3.11 Each Sub-Committee has its own work plan and makes recommendations to the Board following review of matters within its area of responsibility. In addition, the Board is beginning to ask the Sub-Committees to look at particular areas of work on its behalf. It is envisaged that this working relationship will continue to evolve over time.
- 3.12 In addition to the Sub-Committees, Northwards has three **Area Panels**:



Wilton Panel; Cheetham, Crumpsall and Higher Blackley

Fourways Panel; Charlestown and Moston Wards

Riverways Panel; Harpurhey, Miles Platting and Newton Heath, and Ancoats and Clayton

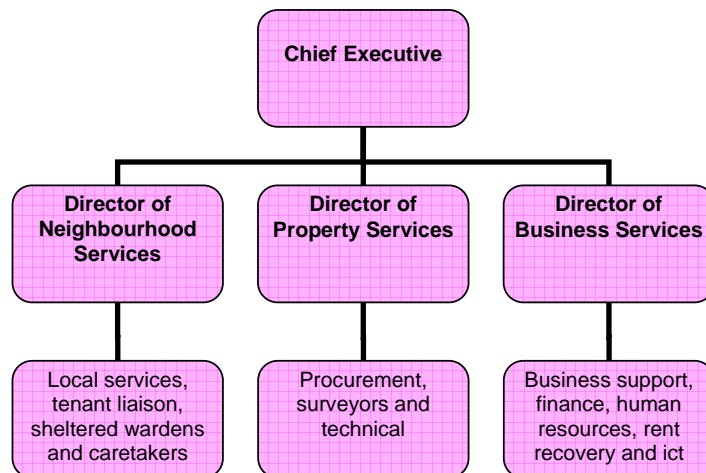
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- 3.13 Through these three representative groups, who report back to the Board, customers are engaged in consultation on repairs and maintenance and the capital programme, reviewing performance and

making decisions about priorities. The Area Panels also have some budget responsibilities for certain lines of environmental expenditure and can make recommendations to the Board. One of the Area Panels is chaired by a Tenant Board Member.

3.14 The **Executive** Management Team was established after review to reflect the needs of the organisation and to provide sufficient flexibility to meet the challenges ahead. The Executive Management Team provides the executive support to the Board, its Sub-Committees and the Area Panels.

3.15 The structure of the Executive Management Team and the supporting staff structure is as follows:



3.16 The full establishment of Northwards is almost 300 staff. As a partial ALMO a new staffing structure was devised in order to properly reflect the way that the organisation intends to deliver its Mission, Values and Objectives. The structure will be regularly reviewed to ensure it supports the service delivery of the organisation.

3.17 All staff previously working for the Council delivering 'front-line' housing services (in the three local housing offices) and other staff (who previously delivered services that had been delegated to Northwards) transferred to the new organisation on 12th December 2005 under TUPE (Transfer of Undertakings Protection of Employment). A process to complete the establishment has taken place since with a number of posts being filled following a major recruitment exercise.

3.18 Northwards has honoured the terms and conditions of staff at the time of transfer and will ensure that all new staff are employed on the same terms and conditions as existing staff to ensure that there is not a two-tier workforce. In addition, Northwards is a Scheduled Body of the Local Government Pension Scheme and as such new employees will be eligible to join.

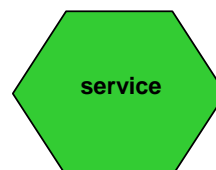
- 3.19 As a service organisation, the quality of our business is based on the quality of our largest assetour **staff**. The staff of Northwards is committed to the organisation and to delivering the Values and Objectives.
- 3.20 In order to respond positively to our staff we aim to provide:
- a safe working environment that meets all accepted standards;
 - a fair working environment in which our staff reflect our community and where all possible barriers to discrimination are removed;
 - a supportive working environment in which staff can receive support when they need it;
 - training and development opportunities that the staff and the organisation need to meet the challenges ahead;
 - a culture of openness in management.
- 3.21 We are developing our Human Resources Strategy linked to the Values of the organisation and drawing upon the results of a staff survey in April 2006 to ensure teams are motivated and that we focus on employee retention.
- 3.22 Team working is a major feature of the organisation, both within and between directorates. The teams are recognised as a key place for communication. Other Project or Theme Groups have been established across teams and involving some external partners to address particular topics. Some of these will continue, whilst others are time limited for the duration of a project.
- Customer First
 - Communications
 - Equality and Diversity
 - Procurement
 - Regeneration
 - Value for Money
- 3.23 It is believed that the teams established at the outset reflect the specialist skills needed to deliver the various elements of an effective and quality housing service. However, reviews of the staffing structure will continue to ensure that the structure remains effective and efficient to deliver the Mission, Values and Objectives.
- 3.24 There is an agreed scheme of delegation to staff at all levels. This is reviewed on an on-going basis and formally approved by the Board once a year.
- 3.25 The organisation is committed to **training and development** for staff and both time and resources are being committed to ensuring that a proper training programme is available for all staff to engage in.
- 3.26 A system of staff appraisals further enhances the training and development programme. Part of this system is a scheme of core

competencies which is used to identify staff development needs and which also forms part of the recruitment process for new staff.

- 3.27 The organisation welcomes the formal structuring of relations with the staff in the Joint Consultative Committee Agreement with the Trade Unions and sees this as a partnership of sharing concerns and opportunities.
- 3.28 Central to our Values, staff and services is the promotion of **equality and diversity**. Northwards recognises that equality will lead to:
- culturally sensitive services that are responsive to the needs of communities;
 - a workforce that is representative of the community;
 - a commitment to participation by all.
- 3.29 A Comprehensive Equality Policy sets out our overall commitment. This links the policy for service provision with that for employment.
- 3.30 The Board and Executive Management Team have both appointed Equality and Diversity Champions and a specific Project Group made up of frontline employees helps to raise issues and develop good practice.
- 3.31 And throughout the organisation, **communication** is key. A suite of communication standards is being drawn up and a number of staff have been appointed to act as Communication Champions to help the flow of information around the organisation.

4. Our Service

- 4.1. **This section focuses on the Neighbourhood Service provided to tenants and customers and the work in the community, our Property Services including the procurement of the Capital Programme and internal services like Information Technology that support the organisation.**



- 4.2. Northwards' contribution to the strategies developed by Manchester City Council mainly relate to **housing and regeneration**, but cover a number of other areas also:

- Crime, Disorder and Anti-Social Behaviour
- Economic Development
- Anti-Poverty
- Health
- Social Care / Inclusion
- Homelessness / Tenancy Sustainment
- Allocations
- BME Communities

- Neighbourhood Renewal
- City Council Environmental Campaigns and Initiatives
- Tenant Empowerment
- Energy Efficiency
- Children and Young People
- Child Protection
- Valuing Older People
- Supporting People
- Education

4.3. The organisation plays a full part in a wide variety of forums and partnerships; attending, supporting and contributing to existing and future initiatives, chairing and co-ordinating where appropriate including Local Tasking, Ward Co-ordination and Local Area Partnership meetings, as well as the North Manchester Public Agencies Forum and a number of panels.

4.4. Northwards works, as a minimum, to the Council's Corporate Customer Care Standards including:

- Dealing with Telephone Enquiries
- Dealing with Written and Electronic Enquiries
- Dealing with Face to Face Enquiries
- Dress and Appearance
- Name Badges and Identification
- Corporate Complaints Standard
- Electronic Information
- Equality and Access

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4.5. **Customer** care and service access arrangements are extremely important to Northwards and these are continually reviewed. This is to ensure that customers come first and that all policies and procedures are customer focused.

4.6. Customer representatives are involved throughout the process of such reviews, in specifying and managing the reviews, and agreeing outcomes and action plans, so as to ensure that its customer care standards and practices are customer led.

4.7. One particular focus in achieving fair access to services will be the service standards defined for '**On Call**', the Housing call centre service provided under the terms of a Service Level Agreement (SLA). 'On Call' has very specific and challenging standards and targets for treating all customers fairly and equally. This includes a commitment to providing information in a range of languages and media.

4.8. North Manchester's council estates include diverse **communities**; and as such the organisation's staff will provide a service to reflect the differing needs of individuals and groups within these communities, with particular attention to tenants who have specific needs. This includes working positively and proactively with a range of support

providers and partner agencies, particularly in relation to vulnerable people, for example in the provision of temporary accommodation for both homeless applicants and Asylum Seekers.

- 4.9. The organisation provides a flexible **caretaking service** for all multi-storey blocks and some low-rise flats within the area. Environment Officers work with tenants and residents to arrange clean up campaigns on estates and engage with Council departments to ensure a multi-disciplinary approach to environmental management is adopted.
- 4.10. Environment Officers and Neighbourhood Wardens provide a visible presence on the estates, talking to local residents and picking up on local issues and problems. **Estate** walkabouts are used as a valuable means of feedback about residents' concerns. Sheltered Wardens and Caretakers are highly visible and accessible to residents. Staff also attend residents' meetings and other forums where problems can be aired and issues addressed.
- 4.11. So in a number of different areas our Neighbourhood Services teams working through the three Local Housing Area Offices provide innovative and sensitive housing services to many customers, day by day in a way that is accessible and responsive.
- 4.12. In one specific area, Northwards works with a Tenant Management Organisation (TMO), **SHOUT** on the Shiredale Estate. It is intended that a full review of the service to the tenants and TMO takes place during 2006-07, as well as establishing a Performance Management Framework and set of key performance indicators with them, including action plans to improve performance.
- 4.13. As well as the people though, Northwards is responsible for providing a **repairs** service to customers that is efficient and cost effective.
- 4.14. Northwards is responsible for the repair and maintenance of all the dwellings in management and is required to manage the contractors used to carry out the required services to ensure that all the work is done to a high standard and complies with statutory contractual arrangements.
- 4.15. Customers are engaged in consultation on repairs and maintenance and the capital programme through the three Area Panels and Northwards has published service standards for both capital and responsive repairs. Tenants can report repairs in a variety of ways including telephone, text, directly through the web, e-mail or letter and there is an appointments system. Northwards seeks feedback on all repairs, has a new tenant questionnaire and undertakes ongoing satisfaction surveys.
- 4.16. The responsive repairs service is currently delivered in partnership with the Council's DLO contract which was novated to Northwards. From early autumn 2006 the organisation will be moving into a new **Joint**

Venture Company arrangement following a modern procurement exercise.

4.17. Morrison Group has been recently selected as Northward's and the Council's preferred partner. The Joint Venture Company with Morrisons will carry out responsive repairs, planned maintenance and some Decent Homes work in two of the three areas. In the third area, a Framework Agreement is being put in place for the balance of the Decent Homes work with a selected group of up to ten contractors. This latter agreement is in partnership with Parkway Green Housing Trust.

4.18. Both procurement exercises should deliver Value for Money and efficiencies for the ongoing programmes. These contracts open up further exciting prospects for partnership working, innovation and service improvements.

4.19. Throughout all the major programmes of work the procurement strategy is committed to achieving the recommendations and objectives of the Construction Task Force in Sir John Egan's 'Rethinking Construction' report (**Egan**). This will be achieved by:

- reducing capital and whole life costs realised through the use of value engineering;
- early involvement of the supply chain and contractor;
- the benefits of economy of scale.

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4.20. Improvements in the service delivery for both Neighbourhood and Property Services are envisaged to come from the introduction of the new Universal Housing system from Comino in October 2006.

4.21. The introduction of this new system forms a major part of the organisation's Information and Communications (**ICT**) Strategy.

4.22. The key themes of the strategy are as follows:

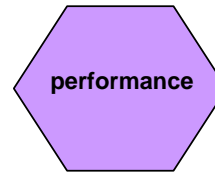
- **Infrastructure** – establishing a stable network providing consistent availability of services. To ensure this continues, a programme of desktop equipment replacement is in place, together with plans to provide ICT access to all sheltered wardens and caretakers.
- **Applications** – following the first phase of the Comino project, phase two implementation will be further workflow enhancements and a review of mobile working. Plans are already in place for an updated Intranet, a new HR system and management information will also be reviewed in due course.
- **Technology** – keeping pace with changes in technology is a key part of the Strategy ensuring the organisation gets the best out of what is available to make the operations and service delivery more efficient, whilst only investing in proven technology. Research is

planned looking at further use of SMS, remote working, document scanning and website multimedia among others.

- 4.23. As Northwards develops its services, feedback from customers will continue to be important for informing the processes and ensuring that expectations are met.
- 4.24. Every **complaint** is an opportunity to learn how we can improve the service. Complaints information will be used to inform service improvement and meet tenants' expectations. Regular reports are submitted to the Executive Management Team and the Board or Sub-Committees to identify general trends by number and type of complaints, and to ensure that action is taken to improve services.

5. Our Performance

5.1. **This section summarises the Performance Management Framework for the organisation as well as outlining the role of Best Value reviews and Team Improvement Plans in the continuous improvement of Northwards.**



- 5.2. To measure the performance of the organisation, both for accountability and service improvement purposes, a **Performance Management Framework** has been developed.
- 5.3. This Framework draws together all the performance measures that are required for monitoring by Manchester City Council to ensure that Northwards is delivering on its promises and commitments in the Delivery Plan, as well as other local indicators that have been agreed by the Board to measure outcomes of service delivery decisions.
- 5.4. Performance is scrutinised regularly to ensure that the organisation maintains standards and strives for continuous improvement in all service areas. The Framework also builds on the legacy of tenant involvement in performance monitoring by the publication of a Resident Involvement Agreement during summer 2006.
- 5.5. The Framework is based a comprehensive range of Best Value and Local Key Performance Indicators. Targets have been set by the Board for all indicators and the organisation strives over time to achieve top quartile performance in all its measures. Whilst the aggregate position on Key Performance Indicators was challenging on establishment in 2005, Northwards is striving to improve performance across the range.
- 5.6. The key indicators with their targets for 2006-07 are as follows:

Reference	Indicator	Target 2006-07
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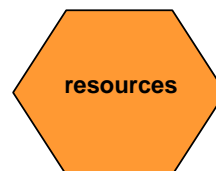
Reference	Indicator	Target 2006-07
BV66a	Rent collected (including arrears)	97%
BV66b	Tenants with more than 7 weeks rent arrears	7.7%
BV66c	Tenants in arrears who have had Notices of Intent to Seek Possession served	30%
BV66d	Tenants evicted for rent arrears	30%
BV211a	Expenditure on planned repairs/maintenance compared to expenditure on responsive repairs	70%
BV211b	Expenditure on emergency/urgent repairs compared to expenditure on non urgent repairs	18%
BV212	Average relet times for dwellings let in the year	50 days
MHL012	Repairs satisfaction letters where tenants were satisfied with the service	89%
MHL039	Urgent repairs completed within government time limits	97.2%
BV184a	Proportion of homes which were non decent at 1 April	45%
BV184b	Percentage change in proportion of non-decent homes in the year	(4%)
BV12	Number of working days/shifts lost due to sickness absence	10 days

- 5.7. The Performance Management Framework forms a regular item for review between the Executives of Northwards and the Council.
- 5.8. The Framework also includes comparative data on the performance of other ALMOs. Northwards aspires to the performance of the upper quartile of best performing organisations. The organisation is a member of the Housemark ALMO Benchmarking Group and the Rent and Repairs Excellence Networks.
- 5.9. Northwards has established a programme of **Best Value** Reviews to ensure that it is receiving value for money from the services it purchases. In addition to Northwards establishing its own programme of reviews, the Council has carried out a review of all Housing Value Added Services. This is being used to assist Northwards in carrying out its own review of these services to make sure they represent value for money and meet the aspirations of tenants and leaseholders.

- 5.10. To further improve performance, Northwards is looking to achieve accreditation at various levels. Specifically, by March 2007, the organisation hopes to have achieved accreditation in:
- Chartermark for all services
 - Investors in People
 - Equality Standard Level 3
- 5.11. Specific performance measures are not the only way for the organisation to measure activity. A system of **Team Improvement Plans** is being developed, linked to Objectives, for every team across the organisation.
- 5.12. These plans, which are regularly monitored within the teams, are built up from business priorities and aspirations to provide a “golden thread” through from the Business Plan to teams and through to individuals. Staff appraisals will build on these team plans to develop personal action plans.
- 5.13. The Team Improvement Plans collectively incorporate all the elements of the **Service Improvement Plan** which encompasses the work required to move the organisation forward in terms of its overall performance.
- 5.14. The Key Lines of Enquiry published by the Audit Commission focus this Service Improvement Plan in particular service delivery areas. There are in addition specific Action Plans in the areas such as voids, gas servicing, rent collection etc.

6. Our Resources

- 6.1. **This section sets out the budget forecast for 2006-07 and highlights the main areas of income and expenditure for the organisation and their sensitivity to changes. It also outlines the Efficiency and Risk Strategies.**



- 6.2. Manchester City Council has delegated the management and maintenance of its properties in North Manchester to Northwards. The Council, however, has retained overall responsibility for the Housing Revenue Account (HRA) and reporting on its management and performance to Central Government.
- 6.3. Northwards is required to report regularly to the Council on all its financial issues via the financial Business Plan and its capital investment programme along with review and monitoring of its ongoing and out-turn financial position.

- 6.4. The table below displays the **budget** forecast for Northwards for 2006-07.

Weighted Average Stock	12,788
	£000s
Income	
Management Fee	20,427
Other Funding	615
Other income	3,090
Total income	24,133
Expenditure	
Employee related costs	8,548
Premises related costs	624
Travel related costs	54
Supplies and services related costs	722
Charges for services	3,277
Other costs	631
Repairs and maintenance	10,314
Total expenditure	24,171
Excess of expenditure over Income	(38)

- 6.5. Northward's Management Fee income for 2006-07 is £20.4m. During the first year of operation the Management Fee will be reviewed and amended as appropriate and, thereafter, on an annual basis. From 2007-08 onwards the Management Fee will reflect the reduction in stock arising from expected Right-to-Buy sales and demolitions, together with changes in inflation and Management and Maintenance Housing Subsidy Allowances.
- 6.6. Sources of other income will be kept under review to ensure that they are sustainable as well as exploring areas where additional income might be generated. Currently the principal sources of other income are agency fees for technical work carried out on behalf of Eastlands Homes and Neighbourhood Renewal Fund monies for the Neighbourhood Warden scheme.
- 6.7. Given that income will reduce year-on-year with the adjustment to the number of properties, the detailed control over **expenditure** is extremely important.
- 6.8. A programme of Service Level Agreement reviews in relation to Value Added Services procured from the Council is underway during 2006-07 to ensure Best Value, as well as to market test the costs where this is appropriate.
- 6.9. These charges for bought in services form one of the three main items of expenditure, together with salaries and repairs and maintenance.

- 6.10. Detailed management reporting takes place each month to ensure budget holders receive the requisite information to assist expenditure control. In addition these reports are reviewed by Executive Management Team and Resource & Governance Sub-Committee.
- 6.11. To further assist in the review of expenditure, Northwards has set a plan to continually seek to improve the efficiency with which it delivers directly managed services.
- 6.12. Northwards has developed its own **Annual Efficiency Statement** for 2006-07, part of its overall Value for Money Strategy. The Statement sets out targets for delivering efficiency gains of 2.7% or £645,000 as follows:

	2006-07 %	2006-07 £'000
Management and maintenance		
Service Level Agreements	0.42%	100
Void performance	0.24%	57
Day to day repairs	0.42%	100
Comino ICT system	0.21%	50
Overall (whole organisation)		
Sickness absence	1.04%	250
Establishment	0.20%	48
Operational costs	0.17%	40
	2.70%	645

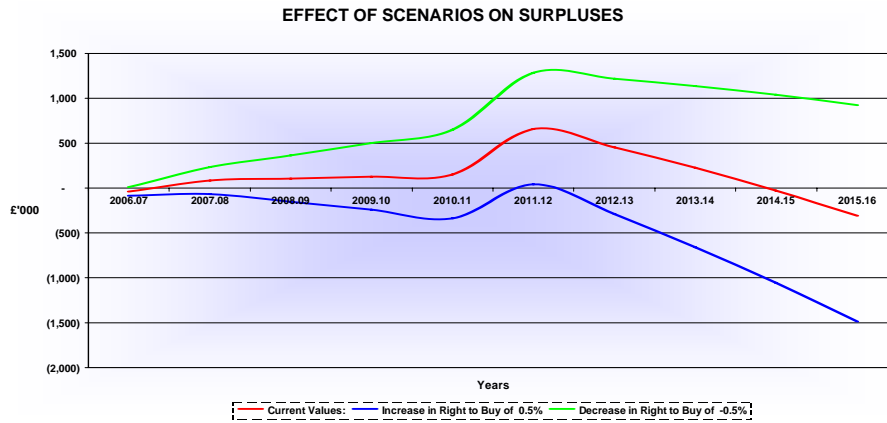
- 6.13. In addition, Northwards will contribute to efficiency savings through the capital procurement of building supplies through the Joint Venture Company and Framework Agreements. This will be captured and reported through the Council's own Efficiency Statement.
- 6.14. Value for money is embedded into Northwards' Business Planning process, which recognises that coordination needs to be developed between financial planning and service planning through a combination of:

- Maintaining the same level of service while reducing the resource input;
- Achieving more outputs, such as improved quality or quantity of service for the same resources; or
- Remodelling service provision to enable better outcomes.

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- 6.15. **Sensitivity** analyses of the financial Business Plan into future years demonstrate clearly that the most sensitive assumption in the Plan is the number of Right-to-Buy sales in future years.
- 6.16. A change in this assumption by 0.5% or 60 units has the following effect on surpluses:



6.17. The financial effect is also a clear implication of the organisation's **Risk Strategy**. Other assessed primary risks are the impact on the organisation, service delivery and reputation.

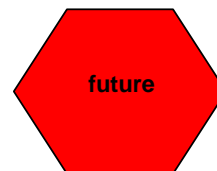
6.18. From a detailed risk exercise, 13 primary risks have been identified for formal monitoring:

- failure to get Two Stars in Inspection;
- increase in Right-to-Buy sales;
- the value of Service Level Agreements;
- loss of key staff;
- non-performance of the Joint Venture Company;
- failure to meet tenants' expectations;
- decision making and delegation;
- high dependence on MCC;
- lack of efficiency savings;
- delays in the Comino computer system project;
- capital cost overruns;
- use of temporary staff and agencies;
- not focussing on performance management.

6.19. Behind these sits a detailed risk map. During 2006-07 this will be the subject of further work and analysis plus review by Northward's Internal Auditors to ensure the overall risk framework contributes to the organisation in the future.

7. Our Future

7.1. This section reflects on what factors currently affect the future of Northwards and what the challenges ahead are.



7.2. Much of the Business Plan has been formulated around the delivery of the organisation's Mission and Objectives, fulfilling the requirements of

the Delivery Plan formulated together with Manchester City Council and completing the Decent Homes work on the Council's properties.

- 7.3. However, even at this early stage in the organisation's life, Northwards has begun to think about itself in the future and how it might shape the services it provides. This will enable Northwards to be in a position to work with the Council, in due course, on discussions about the next steps and further potential delegation.
- 7.4. The external factors that will influence our future have been formulated under four headings through a **PEST** analysis; Political, Economic, Social and Technological factors.
- 7.5. The key features of this exercise that measure the organisation's markets and future potential are as follows:

Political	Economic	Social	Technological
Role changes	Stock market	Demographics	Infrastructure
Political changes	Interest rates	Labour migration	Building industry
Local priorities	Economic activity	Expectations	Partnering
Housing Benefit	Inflation changes	Partnerships	Call centres
RTB rules	Building costs	Crime	e-government
Funding	House prices	Education	IT expertise
Supporting people	Regeneration	Asylum seekers	Complex systems
HRA future	Unemployment	Disrepair claims	Procurement
Respect agenda	Labour markets		
Decent Homes	Deprivation		

- 7.6. In addition to the above, a further analysis was carried out under the **SWOT** process (Strengths, Weaknesses, Opportunities and Threats) to help shape future strategic thinking and to measure the current position of the organisation.

Strengths	Weaknesses	Opportunities	Threats
Local demand	HRA uncertainty	Future status	Funding changes
Customer service	Cost base	Regeneration	Regulatory
Range of services	Relationships	Technological	Increasing costs
Capacity	Financial strength	Partnering	Stock transfer
Management team	Mix on Board	RSL activity	RTB sales
Board		Procurement	Loss of staff
Information system		SLA reviews	Future role
Staff skills			
Delivery of DHS			

- 7.7. These two exercises were carried out in the first instance by the Executive Management Team, the Board and the Area Panels. In future years it is hoped to refine the processes and more fully engage staff, customers and other stakeholders in the strategic thinking for the future.
- 7.8. As the first steps in shaping the future of the organisation, we have assessed where improvements are required in our services. These areas identified, as below, are contained within a **Service**

Improvement Plan that links all required actions to Values or Objectives and which identifies lead officers.

- Preparing a Governance Improvement Plan
- Developing the Resident Involvement Policy
- Approval of the Capital Programme and Investment Strategy
- Procure the Joint Venture Company and Framework Agreements
- Scoping new Asset Management ICT system
- Work on Gas Servicing Action Plan
- Negotiating revised Adaptations Service framework
- Improving Voids performance
- More focus on Planned rather than Reactive Repairs
- Improving Rent Recovery performance
- Development of Estate Management standards
- Evaluation of Homefinder and Common Housing Register
- Review of contribution to Supporting People strategies
- Engagement with Leaseholders
- Review of access to services through offices and On Call
- Implementing Equality and Diversity action plan
- Preparation of Annual Efficiency Statement and Procurement strategies

7.9. From all these opportunities and plans, together with those of individuals and teams, runs a common thread linked to the delivery of the Mission, Values and Objectives of Northwards Housing, **moving forward together**.

