

<b>Date:</b> 23rd January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 4.1</b>
<b>Appointment of Chair</b>		<b>Status:</b> <b>Public</b>
		<b>Approval</b>
<b>Author: Madeleine Forster</b>	<b>Telephone: 020 8496 4035</b>	

## 1. Executive Summary

- 1.1 The Board is asked to agree to the appointment of Paul Lowenberg as Chair of the Ascham Homes Board.

## 2. Recommendations

- 2.1 Board is recommended to:

- 2.1.2 Appoint Paul Lowenberg to serve as Chair until first Board Meeting following the next Annual General Meeting.

## 3. Background

- 3.1 Under the Company's Articles of Association, at the first Board Meeting following each annual general meeting the Board Members must appoint one of their numbers to be the Chairman of the Board to hold office until the next Annual General Meeting.

- 3.2 In 2009, the Company entered into a 3 year Service Level Agreement with Paul Lowenberg to serve as Chair for which an annual fee is paid, subject to annual review.

- 3.4 Notwithstanding the terms of the Service Level Agreement entered into with Paul Lowenberg, the Board retains full discretion to appoint any Board Member as Chair.

## 4. Resource Implications

- 4.1 There are no additional resource implications.

**5. Diversity Implications**

5.1 Paul Lowenberg sits as an Independent Board Member.

**6. Conclusion**

6.1 The contents of this report and its recommendations are commended to the Board.

<b>Date:</b> 23 January 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 4.2</b>
<b>Appointment of Vice Chair, Chair and Vice Chair of Committees and Committee Membership</b>		<b>Status:</b> Public
		<b>Decision</b>
<b>Author: Paul Lowenberg</b>	<b>Telephone: 020 8496 4048</b>	

## 1. Purpose of Report

- 1.1 To determine the Vice Chair of the Board, the Chairs and Vice Chairs of Committees and the membership of our Committees.

## 2. Executive Summary

- 2.1 At the strategy day the Board reviewed first year performance of the new Committees. There was agreement that the Committees were achieving their purpose and should be retained without amendment. Board commended the Chairs of the Committees on the leadership they provided. It was agreed that at the January Board meeting in addition to the appointment of Chairs, the Board should also appoint Vice Chairs. Board members asked to remain on their current committees, with the exception of Ahsan Khan who asked to stand down from Governance and Remuneration Committee given his work commitments.
- 2.2 At the Strategy day members also agreed that we should add Howard Cresswell as an additional member of the Governance and Remuneration Committee given his special skills in organisation change and development. Adding an additional member requires a change to the standing orders which currently provides for up to 6 members on this Committee. Board is asked to agree this change.
- 2.2 The current Vice Chair of the Board, Barry Coppock was not re-elected in the elections for Area 1. Therefore the Board will need to appoint a new Vice Chair.
- 2.3 We have two new resident Board members joining tonight: Sylvia Sheppard from area 1 and Ronald Sambridge from area 3. I have held discussions with them about membership of committees and make recommendations

accordingly.

### **3. Recommendations**

3.1 Board is recommended to agree the following:

3.1.1 Vice Chair of the Board: Annie Niner

3.1.2 A revision to the standing orders in relationship to the Membership of the Governance and Remuneration Committee to increase its membership to a maximum of 7 comprising the Chair and Vice Chair of the Board, the Chair of Scrutiny Committee and up to 4 others as elected by the Board. The quorum shall remain 3 Committee Members.

3.1.1 Scrutiny Committee

Chair	Liz Ormston
Vice Chair	Clare Coghill
Members	Kellie Carson Howard Cresswell Grace Igwe Ahsan Khan Annie Niner Ronald Sambridge

3.1.2 Audit and Risk Committee

Chair	Wendy Wilson
Vice Chair	Paul Douglas
Members	Ben Newton Faluso Olomolaiye Alan Siggers Ron Tamcken Michael Todd Sylvia Sheppard

3.1.3 Governance and Remuneration Committee

Chair	Paul Lowenberg – Chair of the Board
Vice Chair	Faluso Olomolaiye
Members	Annie Niner – Vice Chair of the Board Liz Ormston – Chair Scrutiny Committee Claire Coghill Howard Cresswell Paul Douglas

### **4. Background**

4.1 The Board needs to select a new Vice Chair as Barry Coppock the current Vice Chair was not re-elected as a resident Board member. It is my view that with an independent Chair, it is important for Ascham Homes to have a resident Vice Chair. The key functions of the post are to represent Ascham Homes in the community and to be an effective interface with residents in

addition to standing in for the Chair if required. Annie Niner is the most experienced resident Board member who has been able to regularly attend meetings over the past year. She has indicated that she is happy to take on the role of Vice Chair. I believe she would undertake the duties very effectively.

- 4.2 The Board at the strategy day, indicated that the Chairs of our Committees have undertaken their duties effectively over the past year. This was also confirmed in the appraisal process. Therefore I am recommending that Liz Ormston is re-appointed Chair of Scrutiny Committee and that Wendy Wilson is re-appointed as Chair of Audit and Risk.
- 4.3 The Board at the strategy day, indicated that it would like to formally appoint vice chairs of the Committees. Where there is an independent Chair of a Committee, I think it is in the interest of Ascham Homes to have either a resident or Councillor Board member as the Vice Chair. This assists in ensuring that we share knowledge and experience across the Board and encourage communications between all Board members. Therefore, in consultation with the Committee Chairs and Annie Niner. I recommend that Clare Coghill be appointed Vice Chair of Scrutiny Committee, Paul Douglas be appointed Vice Chair of Audit and Risk Committee and Foluso Olomolaiye be appointed Vice Chair of Governance and Remuneration Committee.
- 4.4 It was agreed at the strategy day that we should add Howard Cresswell to the Governance and Remuneration Committee given his expertise in organisational change and development. Under the current standing orders the Committee has a maximum of 6 members including the Chair and Vice Chair of the Board and Chair of Scrutiny Committee. Over the past year the Committee membership has comprised 2 independents, 2 Councillor Board Members and 2 resident Board members. This has been proven to be a very good, balanced Committee membership. Therefore it is my recommendation that in adding Howard Cresswell to the Committee we should amend standing orders to increase the maximum permitted membership of this Committee to be increased to 7. Ahsan Kahn was a member of this Committee in 2011 but has asked to stand down from this responsibility given his other time commitments. Therefore I recommend that in addition to Howard Cresswell joining the Committee, we also invite Paul Douglas onto the Committee and of course Annie Niner will become a member, as Vice Chair of the Board.

## **5. Risk Factors**

- 5.1 Board and Committee Chairs and Vice Chairs play a crucial role in the effective leadership, credibility and direction of Ascham Homes. Choosing appropriate Board members for these positions is a key responsibility of the Board to ensure that it functions effectively. Having an appropriate range of skills and experience across the different Committees is a key component of their success. The Committees have operated well over the past year so we are recommending only minimal changes in membership to reflect retirements and new members joining the Board.

**6. Resource Implications**

6.1 None

**7. Diversity Implications**

7.1 The committees have representation from each of the 3 constituent groups (resident, council and independent) and reflect the diversity on the Board itself. The selection of Board and Committee Chair and Vice Chairs also demonstrates input from across the 3 constituent groups.

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 5.2</b>
<b>Board Governance Review</b>		<b>Status: Public</b>
		<b>Information</b>
<b>Author: Madeleine Forster</b>	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

- 1.1 To outline the proposed work of Campbell Tickell in reviewing the effectiveness of the Ascham Homes Board.

## **2. Executive Summary**

- 2.1 The Board agreed that consultants should be commissioned to undertake a whole board review, to complement the individual Board member appraisals reported on by the Chair at the November meeting.
- 2.2 Following a procurement exercise, Campbell Tickell was appointed to deliver the project.
- 2.3 Attached at appendix 1 is the scope and timeframe of their work, which involves observing Board and committee meetings, facilitating a board review meeting and interviewing board members individually. The final report will be made to the Board in May 2012.
- 2.4 The Campbell Tickell lead consultant will be present at the Board member.

## **3. Recommendations**

- 3.1 Board is recommended to note the report.

## **4. Risk Factors**

- 4.1 The project has been thoroughly procured to the specification agreed with the Chair and Vice-Chair, and the cost agreed for the individual items of work, thus mitigating the risk of cost over-run or project drift.

**5. Resource Implications**

5.1 This project is contained within the governance budget

**6. Diversity Implications**

6.1 This project will look at whole Board effectiveness, and there may be diversity implications as a result of its findings.

## Board Review – Project Description

- 1.1 Ascham Homes has reached an important point in its development as it concludes the negotiation of a new 10 year Management Agreement with London Borough of Waltham Forest, which will include significant new areas of work. In addition the Board has just completed its second annual appraisal process.
- 1.2 The Board is keen to make sure it is fit for the coming challenges and with this aim in mind has commissioned Campbell Tickell to provide an external view of the Board's effectiveness and to identify opportunities for continued improvement. In particular the project brief poses the following questions to be addressed by the review:
- Is the Board providing effective leadership, challenge, scrutiny and decision-making?
  - Is planning and agenda setting effective?
  - Does the Board work well as a team?
  - Does the Board have an effective relationship with the executive?
  - Does the Board have the skills, experience and diversity it requires?
  - Does the Board have appropriate credibility with its key stakeholders?
  - Is the governance structure fit-for-purpose and is it joined up in an appropriate manner?
  - In comparison with other non-executive Boards, how well do we currently measure up?
  - Are the key governance documents consistent with best practice given the focus of the new management agreement
  - What changes or developments would be appropriate?
- 1.3 **Debby Ounsted** and **Sue Harvey** of Campbell Tickell will be conducting the review. Between them they have extensive experience of governance within the social housing sector and have worked with the Boards of several Almos. Short biographies are attached.
- 1.4 The project will comprise of seven broad phases:
1. Project inception (Jan 4<sup>th</sup>);
  2. Documentation review (underway);
  3. Observing meetings (January & March Board, February Scrutiny, March Audit, and March Governance & Remuneration meetings);
  4. Facilitating a whole board effectiveness discussion (provisionally February 15<sup>th</sup>)
  5. Interviewing Board members, executive team and external stakeholders (February & March);
  6. Comparisons with other Almos (March);
  7. Emerging findings presentation (provisionally April 17<sup>th</sup> or 18<sup>th</sup>); and
  8. Report drafting & finalising (April for presentation to May Board meeting).

## Board Member Interviews

- 1.5 With Maxine's assistance, Debby will look to arrange one-to-one face-to-face interviews with all Board members on select days at the Ascham offices (dates to be determined shortly). For those who cannot make the days on offer, telephone interviews will be offered at weekends or evenings.
- 1.6 The interviews will last around 45-50mins each and will be semi-structured, that is to say Debby will have some topics she will be looking to cover with everyone, but the conversation will also cover any other topics that members may wish to raise in relation to Board effectiveness.
- 1.7 The interviews will cover the following themes:
- **Success and improvement:** What aspects of the Board's work over the last 18 months are you most proud of and why? What changes if any have you seen to how the Board conducts its business?
  - **Leadership and oversight:** How effectively does the Board work together/with the executive staff team? Where has the Board been able to make a real difference to the work of Ascham Homes and how has this been achieved?
  - **Strategic direction:** what are the challenges/risks and opportunities arising from the new Management Agreement, and how has the Board been involved in setting the principles and key elements of the Agreement?
  - **Resident focus:** How does the Board satisfy itself that current and new residents' needs and expectations are being met? What is the evidence that residents as a whole have influenced improved performance at AH
  - **Effectiveness of governance support and practical arrangements:** what changes if any are needed to the practical arrangements? (eg agendas/minutes/reports, timing and length of meetings, training opportunities, annual appraisals, succession planning and recruitment)
  - **Personal contribution:** in what way do you believe you have made a difference through your involvement with AH's Board/committees

## Contact Details:

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January 9<sup>th</sup>, 2012

## Debby Ounsted

Debby Ounsted is a strategic consultant mainly to housing organisations, specialising in governance and board development, regulation and inspection.

With 35 years' experience at Board/Chief Executive level in a range of housing and charitable organisations, Debby brings:

- A proven ability to help Board Members and senior staff solve strategic and organisational development issues;
- Expertise in governance and regulation;
- Extensive experience in service improvement through inspection;
- A strong track record in bringing about transformations in voluntary organisations.

Debby works with the boards and leadership teams of organisations looking to improve their capacity to deliver excellent services. She regularly reviews governance arrangements and helps boards improve their capability through skills development, appraisal and succession planning. Having trained as an Audit Commission inspector in 2002, she contributed to or led housing inspections and mock inspections in more than 100 local authorities, housing associations and Arms Length Management Organisations looking at the factors which contribute to continuous improvement. This includes a number which have become 3 star organisations. A lively presenter, she often leads and /or facilitates Board and staff awaydays.

Debbie has undertaken a considerable number of substantial governance reviews of ALMOs including at Sandwell Homes, Cheltenham Borough Homes, Blackpool Coastal Housing, Six Town Housing and St Leger Homes of Doncaster. She has also led ALMO Board appraisal, recruitment and development exercises at St Georges Community Housing, Hackney Homes, Barnet Homes, South Essex Homes, Hounslow Homes, Lambeth Living, Homes for Islington, Hackney Homes, Berneslai Homes, as well as for the National Federation of ALMOs.

Across the housing association sector Debbie has worked in a number of organisations including A2Dominion Housing Group, AmicusHorizon Group, ARHAG Housing Association, Ascham Homes, Axiom Housing Association, Cosmopolitan Housing Group, Festival Housing Group, Genesis Housing Group, Hanover Housing Group, Harvest Housing Group, Lambeth Living, Merthyr Valleys Homes, Metropolitan Housing Partnership, Southern Housing Group and Thames Valley Housing Association.

Debby is the former Chief Executive of the Octavia Hill Housing Trust, and before that of Habinteg Housing Association. Since 2002 she has been a Trustee of the Joseph Rowntree Foundation, a research foundation concerned with the causes of poverty and disadvantage, and Chair of the Foundation and the Joseph Rowntree Housing Trust since 2006. She is a Warden of the Mercers Company and is governor of two academies. She has written extensively on housing issues, and has held other Board and voluntary positions in housing and other sectors. She is currently working part-time as the interim Chief executive of Peter Bedford Housing Association and she is independent chair of the Cottsway resident scrutiny panel.

## Sue Harvey

Sue is a Senior Consultant with Campbell Tickell. An economist and a specialist in strategic management, she has more than 10 years' experience in social housing, regeneration and social care as well as a background in economics, statistics and retail financial services. She is highly competent in governance, business planning, financial modelling, and risk management.

Sue has considerable experience in working with Boards and executive teams, and has facilitated partner selection processes in a variety of organisations. Sue has been a trustee of a care and support charity, a non-executive director of a NHS foundation trust, the Chair of an inner London regeneration programme and a director of a commercial development company.

Sue's recent assignments include:

- For a number of organisations including Lambeth Living, Charity Commission, Contour Homes, Cottsway, Oswald Stoll, Watford CHT, Helena Partnerships, Bethnal Green & Victoria Park, Chelmer HP, First Wessex and Toynbee Hall: Facilitated Board and leadership team awaydays;
- For a number of organisations including Tower Hamlets Homes, Homes for Haringey, Lambeth Living, Liverpool Mutual Homes, Contour Homes, Richmond HP, Co-op Homes, Stadium HA, Herefordshire Housing and North Devon Homes: Finance and risk training for Board members and staff;
- Croydon Churches: Advising on Board remuneration and Audit Committee setup;
- Saffron Housing: Governance review including board appraisal and skills analysis;
- Symphony HG: Supporting the Boards of Contour and Vicinity through the exploratory phase of partnership discussions, including writing briefing notes and acting as critical friend to the business planning processes;
- For a number of regional and national care and support providers: market assessments and partnership opportunity mapping exercises;
- For St Matthews, Presentation, Carr-Gomm, Livability and Three Valleys: supported the Boards through merger including choice of preferred partner, negotiation of Heads of Terms and discussions with funders and regulators;
- Brighton HT: Assessed financial sustainability to support case for de-merger;
- Richmond HP: Assessment of future investment capacity;
- Peter Bedford HA: Review of financial projections;
- Single Homeless Project: Review of finance function;
- Hyelm: Assessed financial stability for young persons' housing provider;
- Walsall Housing Group: Independent evaluation of group structure proposals;
- Peabody: Mixed tenure neighbourhoods management review;
- Gateway HA: VfM review of Domestic Violence services;
- Research among leading associations into best practice in impairment provision and responses to the collapse in the housing market; and
- Research among leading associations into best practice in group structures.

Ascham Homes Board Meeting

**PUBLIC**

Minutes of meeting held at  
Boardroom, Willow House, 869 Forest Road, Walthamstow, London E17 4UH  
Monday 21<sup>st</sup> November 2011

<b>Board Members:</b>		
Kellie Carson	KC	Apologies
Clare Coghill	CC	Apologies
Barry Coppock	BC	
Howard Cresswell	HC	
Paul Douglas	PD	
Grace Igwe	GI	
Ahsan Khan	AK	Apologies
Paul Lowenberg	PL	
Ben Newton	BN	
Annie Niner	AN	
Foluso Olomolaiye	FO	
Liz Ormston	LO	
Alan Siggers	AS	
Ron Tamcken	RT	Apologies
Michael Todd	MT	
Wendy Wilson	WW	
<b>Staff</b>		
Madeleine Forster, Chief Executive	MF	
Ann Lucas, Procurement Adviser	AL	
Sonya Jackson, Company Secretary	SJ	
Jo Murphy, Deputy Chief Executive	JM	
Kate Sinclair, Head of Business Transformation	KS	Apologies
Derek Young, Interim Director of Finance	DY	
Maxine England [Minutes]	ME	
<b>Others</b>		
Chris Baines, Interim Housing Client Manager	CB	
Paul Langford, Director of Housing & Safe & Strong Communities	PL	Apologies
Councillor Saima Mahmud, Council Member Representative	MP	Apologies

		Action
1.	<p><b>Welcome, Introduction, Apologies for Absence</b></p> <p>The Chair began the meeting by welcoming the residents who are applying to become Resident Board Members in both Areas 1 and 3.</p> <p><u>Area 1</u></p> <p>Sylvia Sheppard</p> <p><u>Area 3</u></p> <p>Ronald Sambridge Lamin Jemmeh Chris Sobell</p> <p>The Chair asked that those Board Members who had not indicated their intentions to attend Saturday's Board Strategy Day to let Maxine know by the end of the meeting.</p> <p>Apologies listed above.</p>	
2.	<p><b>Declarations of Interest</b></p> <p>None.</p>	
3.	<p><b>Public Interest Questions</b></p> <p>None.</p>	
4.	<p><b>Board Minutes</b></p>	
4.1	<p><b>Board – 26<sup>th</sup> September 2011</b></p> <p><u>Matters Arising:</u></p> <p>Page 3, Item 4.1 – The Chief Executive advised the HouseMark Benchmarking data has now been received and said that she would send it to any Board Member who wished to have sight of it. The Chair, Howard, Ben, Liz, Barry, Wendy, Foluso, Annie, and Grace all indicated that they would like to receive an electronic copy. <b>Action.</b></p>	<p><b>ME - Done</b></p>

	<p>Page 4, Item 5.1, Chief Executive's Report – The Chief Executive asked Board Members if they had been sent the outcome from the Outreach Day. When it was clear they had not, she said that when the Head of Business Transformation returns from annual leave, she would ensure that it is sent electronically to the Board. <b>Action.</b></p> <p>Page 6, Item 5.3, Amendment to Ascham Homes' Articles of Association – The Chief Executive advised that the governance documents the Board had received at the last meeting had now been sent over to the Council. Comments have now been received and will be considered and the documentation then lodged at Companies House. <b>Action.</b></p> <p><b>The minutes were signed as an accurate record.</b></p>	<p>HoBT</p> <p>CS</p>
<p><b>5.</b></p>	<p><b>Strategy</b></p>	
<p><b>5.1</b></p>	<p><b>Chief Executive's Report</b></p> <p>The Chief Executive gave the Board a summary of the key themes focussed on in her report.</p> <p>It was noted that the Government had announced its Housing Strategy that day, and that implications would be considered in the next Board report.</p> <p>Residents' Conference – Residents expressed satisfaction with this event, which enabled them to meet their new Neighbourhood Team. Residents informed staff of a number of ideas for the next Residents' Conference. One of the suggestions was that more notice was given as to the next Conference was taking place. As a result, a date has been set, as part of the forward plan for 2012.</p> <p>Board Appointment – The Chief Executive advised that she has been appointed to the Board of Gateway Housing Association. Her appointment will not conflict with the interests of Ascham Homes.</p> <p>Leasehold/Rents Review – The Board noted it would not receive an update until the first quarter of the next financial year. In the meantime however, Executive agreed that the Leasehold and Rents Teams are to report to the Deputy Chief Executive to create the linkage to the Neighbourhood Management approach.</p> <p>Guardian Public Service Award – The Council, with Ascham Homes as one of the delivery parties, has been short-listed for this award in</p>	

	<p>the Sustainability category. The Chief Executive said she will be incorporating an objective to obtain appropriate national recognition in the Delivery Plan so that Ascham Homes can demonstrate the effectiveness of its continuing transformation.</p> <p>Board and Committee Dates – Appendix 1 showed the Board the proposed dates for Board, Committee, Training and the Residents' Conference. Having reviewed the dates again, the Chair and Chief Executive made a number of proposed changes and sought Board approval to those changes:</p> <p>The Board meeting of 30<sup>th</sup> July – the proposal was to change the date to 23<sup>rd</sup> July. The Board noted they would receive the performance data on the day and not prior to the meeting.</p> <p>There were 2 changes to the proposed Governance &amp; Remuneration Committee dates. These were:</p> <p>22<sup>nd</sup> February – now to be 14<sup>th</sup> March 28<sup>th</sup> November – now to be 7<sup>th</sup> November</p> <p>The Board noted it would receive the dates for the Board training sessions within the next 10 days. <b>Action</b></p> <p>The Council's Interim Housing Client Manager advised that the draft determination was issued by CLG today. The early indications are that the debt cap will be close to that anticipated.</p> <p><b>Decision:</b></p> <p>The Board accepted the change of dates and noted the report.</p>	<p><b>CE &amp; ME - done</b></p>
<p><b>5.2</b></p>	<p><b>Resident Engagement Strategy</b></p> <p>The Deputy Chief Executive gave a verbal update. Contributions have been received from residents who attended the Residents' Conferences in July and October.</p> <p>The Resident Engagement Strategy has been delayed until January to enable a more consultation on the detailed structure.</p> <p><b>Decision:</b></p> <p>The Board noted the update.</p>	

<p><b>5.3</b></p>	<p><b>Compliance with Public Sector Equality Duty</b></p> <p>The Board were informed of the steps that Ascham Homes is taking to ensure that it is compliant with the Public Sector Equality Duty (PSED) and the introduction of a new way of assessing the effects on protected groups of any changes to services or policies. The PSED requirements are to strive to achieve 3 equalities:</p> <ol style="list-style-type: none"> <li>1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Equality Act;</li> <li>2. Advance equality of opportunity between those who share a “protected characteristic” and those who do not share that characteristic; and</li> <li>3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. This means having due regard to the need to tackle prejudice and promote understanding.</li> </ol> <p>The duty required Ascham Homes to take the 3 aims into account when making final decisions on policy changes. The Chief Executive explained that all equality assessments need to take place at the beginning of any decision-making process rather than at the end and should reflect the impact on our customers, as well as our staff. In the past, assessments have focussed just on our staff. Ascham Homes is building up its database about its customers’ characteristics, as at the moment, we only have partial information.</p> <p>The Board asked how the impact of existing policies would be assessed, and the Chief Executive said that this will be carried out over a period of time. Unfortunately Ascham Homes does not have the resources to carry out a broad sweep review of all existing policies. There was a suggestion for the HR policies and procedures to be prioritised, and the Chief Executive advised that Committee Members from Governance &amp; Remuneration made the same suggestion.</p> <p><b>Decision:</b></p> <p>The Board approved the new Equality Assessment form shown in Appendix 1.</p>	
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	<p><u>Delivery</u></p> <p>This is an encouraging picture as the level of performance at or above target has significantly increased.</p> <p>The Board indicated that the indicator D1 needs to be focused on actually completing repairs on the first visit and that this needs to be a key focus of the new Repairs &amp; Maintenance contract commencing in April.</p> <p><b>Decision:</b></p> <p>The Board noted the report.</p>	
7	<p><b><u>Progress and Monitoring</u></b></p>	
7.1	<p><b>Capital Expenditure and Asset Management Update to 30<sup>th</sup> September 2011 – Quarter 2</b></p> <p>The Board were presented with the capital expenditure monitoring position as at the 30<sup>th</sup> December 2011, together with an Asset Management update.</p> <p>The expenditure on the capital programme of £25,439m for 2011/12 has continued and £7.7m was spent at the end of September, against an expected expenditure of £12.9m. The main areas for under-spend were the Major Repairs Allowance (MRA) and the Fire Risk Assessments (FRA). There have been delays in progressing of the Section 20 Notices to leaseholders as the focus has been on moving the Decent Homes Programme forward. The delays have now been resolved and more works will commence over the coming months as more Section 20 consultation periods expire. It is expected that the capital programme will spend on target for the year.</p> <p>The Deputy Chief Executive advised that every effort is being made to ensure that the Public Realm programme will also be completed on target.</p> <p>Board questioned the likelihood that the upturn in spend shown in the second half of the year was going to be achieved. Assurances were provided by the Executive that this is the focus of the team and that weekly updates on progress are being provided to the Executive.</p>	

	<p><b>Decision:</b></p> <p>The Board noted the capital programme spend to date and indicated that it expected to see a major upturn in expenditure in the 3<sup>rd</sup> quarter and noted the Asset Management update.</p>	
<p><b>7.2</b></p>	<p><b>Revenue Management Accounts to 30<sup>th</sup> September 2011 – Quarter 2 Equalities Statement</b></p> <p>The Board noted that actual spend at the end of September was on target. However during the half year budget review, the Finance ☺ Team identified a number of potential overspends for the year as a whole, which could have resulted in a potential over-spend of £903,000. This was split between the Repairs &amp; Maintenance budget and the rest of the business. Through Executive intervention, a number of actions were identified to contain the potential over-spend.</p> <p>In the area of asset management the following action is now in place.. Recently, Ascham Homes has agreed a revised payment arrangement for the remainder of the year. The contractor will be paid for all orders completed valued up to £500 a flat rate of £75. The flat rate charge is going to be monitored very carefully by Asset Management. All work orders over £500 will now require approval by Asset Management before it commences, which will enable the service to review large value works to deter whether they are day-to-day repairs or whether they should be part of other routine or planned works.</p> <p>Coupled with the flat rate charge, Asset Management has also identified 2 other areas for savings this year. These include the external decorations programme where a saving of £100,000 has already been achieved by doing the works for less than budgeted, and a saving of £30,000 on communal works.</p> <p>The rest of the business is showing a potential over-spend of £449,000, which consists of:</p> <ul style="list-style-type: none"> <li>■ Single status costs – these exceeded the amount set aside following the Trade Unions challenging the initial settlement;</li> <li>■ Depreciation and bad debt provision;</li> <li>■ Other net under-spends;</li> <li>■ Legal costs – these have arisen from the Employment</li> </ul>	

	<p>Tribunal cases. There is a risk however that these cases are likely to increase throughout the year;</p> <ul style="list-style-type: none"> <li>■ The Modern ALMO – No provision has been made for the taking on of the Modern ALMO but costs will be incurred in implementing effective organisation change.</li> </ul> <p>The Board were assured that despite some of the training budget being utilised to help plug the over-spend gap, training itself has not been cut for staff. Effective methods have been adopted such as training in-house, and seeking value for money deals with external consultants.</p> <p><b>Decision:</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. Noted the financial position to 30<sup>th</sup> September;</li> <li>2. Noted the outturn position;</li> <li>3. Approved the mitigation actions of £903,000 to ensure that expenditure is contained within the budget;</li> <li>4. Approved the set aside of £100,000 of the budget for contribution to reserves of £250,000 to cover the incorporation of the new services associated with the Modern ALMO if this proves to be required. This would reduce the projected reserves at 31<sup>st</sup> March 2012 from £599,000 to £499,000.</li> </ol>	
<p><b>As it was over 9.00pm, there was a unanimous agreement to continue the meeting for a further 50 minutes.</b></p>		
<p><b>7.3</b></p>	<p><b>Re-procurement of Repairs &amp; Maintenance Works and Services</b></p> <p>New contracts commencing on 1<sup>st</sup> April 2012 need to be procured in accordance with the European Union procurement regulations. In order to tender this process, a Project Team was set up, which was chaired by the Deputy Chief Executive.</p> <p>A Customer Panel consisting of 12 residents (tenants and leaseholders) was established. The panel met 5 times and developed a vision of what they want from the repairs and maintenance service.</p> <p>Following assessments by the Project Team and the Customer Panel</p>	

	<p>and approved by the Project Board, the top scoring 9 organisations were short-listed and invited to tender.</p> <p>The Board noted that a special Board Meeting has been scheduled on 26 November at the end of the Strategy Away Day to consider the tender report. This report will be issued to Board Members by no later than the 24<sup>th</sup> November.</p> <p>The Board was reminded that this is a very confidential paper and would be highly prejudicial if any of the contents were leaked.</p> <p><b>Decision:</b></p> <p>The Board noted the report.</p>	
8	<p><b>Any Other Urgent Business</b></p> <p>No items were raised.</p>	
<p style="text-align: center;"><b>Move to Exempt Business</b></p> <p>A Board Member proposed the move to Exempt Business and to exclude the public.</p>		

**Paul Lowenberg - Chair of the Board**

**Signed** \_\_\_\_\_

**Dated** \_\_\_\_\_

**Ascham Homes Board Meeting  
Minutes of special meeting held at  
Gilwell Park, Bury Road, Chingford, London E4 7QW  
Saturday 26<sup>th</sup> November 2011**

<b>Board Members:</b>		
Kellie Carson	KC	Apologies
Clare Coghill	CC	
Barry Coppock	BC	
Howard Cresswell	HC	
Paul Douglas	PD	
Grace Igwe	GI	
Ahsan Khan	AK	
Paul Lowenberg	PL	
Ben Newton	BN	Apologies
Annie Niner	AN	
Foluso Olomolaiye	FO	
Liz Ormston	LO	
Alan Siggers	AS	Apologies
Ron Tamcken	RT	Apologies
Michael Todd	MT	
Wendy Wilson	W W	
<b>Staff</b>		
Madeleine Forster, Chief Executive	MF	
Ann Lucas, Interim Procurement Manager	AL	
Andrew Marsh, Head of Asset Management	AM	
Jo Murphy, Deputy Chief Executive	JM	
Derek Young, Interim Director of Finance	DY	
Maxine England [Minutes]	ME	
<b>Others</b>		
Chris Baines, Interim Housing Client Manager	CB	
Councillor Saima Mahmud, Council Member Representative	SM	

		Action
	<p><b>Tender Evaluation Report and Recommended Provisional Contracts</b></p> <p>The Board was presented with this report in respect of repairs and maintenance works and services. The Board had previously at its meeting on 21<sup>st</sup> November 2011, received a detailed report on the process and key features of the re-procurement, including the tender evaluation process but not the results.</p> <p>The report provided details of the tender evaluation results, the recommended contractors and the added value offered by those contractors, all on an anonymous basis.</p> <p><b>Decision:</b></p> <p>After consideration, the Board agreed that the top scoring organisations for each Lot (Lot 1 – Tenderer G, Lot 2 – Tenderer B) be provisionally be awarded the contracts, subject to leaseholder consultation and the mandatory ALCATEL standstill period. The Board also agreed to delegate to the Chair of the Board, the confirmation of the award of contracts in early January 2012.</p> <p>After the decision had been made, the Board were informed that Tenderer G was Geoffrey Osborne Limited and that Tenderer B was a consortium bid led by Aston Heating Ltd.</p> <p>The Board thanked Ann Lucas and the whole Project Team for their work in delivering this project on time.</p>	

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.1</b>
<b>Chief Executives Report</b>		<b>Status: Public</b>
		<b>Information</b>
<b>Author: Madeleine Forster, Chief Executive</b>	<b>Telephone: 020 8496 4048</b>	

## 1. Purpose of Report

1.1 To update the Board on matters not covered elsewhere on the agenda.

## 2. Executive Summary

2.1 The publication of the Governments' Housing Strategy along with the next round of changes to Housing Benefit indicate that the change in the landscape of social and other rented housing will not slow down.

## 3. Recommendations

3.1 The Board is recommended to:

3.1.1 Note this report.

## 4. External Issues

4.1 The Government's Housing Strategy - The Government's Strategy for Housing was published in November 2011. Its stated aim is to promote flexibility and affordability. It includes the following features;

- Councils are granted financial responsibility for their own housing stock through HRA reform
- Reform of social housing management through the Localism Act:
  - new freedoms and flexibilities for local government
  - new rights and powers for communities and individuals
  - reform to make the planning system more democratic and more effective
  - reform to ensure that decisions about housing are taken locally

- Average new tenancies granted for five years with tenancies of between two and five years in exceptional circumstances
- On 22nd December a consultation paper was released proposing changes to the Right to Buy system. The proposals include increasing the discount limit to £50,000 for tenants buying their home. This is an increase from the current discount of £16,000 in London.
- Introduction of a home swap scheme to enable social tenants to manage moving themselves and the creation of twelve areas of “mobility vanguards” to create new methods of mobility.
- Local authorities granted the freedom to prioritise households and allocate stock in the way that they see fit and will no longer be obliged to have open waiting lists
- Social landlords will be given new powers to identify and recover properties that are being used fraudulently
- £100m has been set aside to bring empty homes back into use and a further £50m to tackle the worst concentrations of empty homes. The government plans to consult on an empty homes premium to be added to council tax, payable if a home is left unattended for more than two years with the receipts to be ringfenced to bringing empty homes back into use.

The strategy also includes plans for vulnerable groups and some of these plans will affect the new areas of responsibility joining the ALMO in April 2012, such as Homelessness and Allocations:

- A ministerial working group has been created to address the causes of homelessness. It will look at the impact of criminalising squatting on the most vulnerable who squat rather than sleep rough.
- £400m has been allocated to homelessness prevention and £20m has been set aside to implement the No Second Night Out programme across the country. £10m has been allocated to Crisis to support single homeless people
- Service personnel will receive high priority for social housing by being placed at the top of the list for all government supported home ownership schemes and they will not lose their right to qualify for local housing despite moving from base to base during their careers.
- Councils are now able to discharge their duties to homeless people in the private rented sector

In terms of local development and investment:

- Investment in new development, supporting house builders in need of development finance and supporting small and medium sized builders.

- Mortgage indemnity scheme to offer 95% mortgages
- Releasing enough land to build 100,000 new homes by freeing up public sector land with pay-later deals for developers.
- £500m Growing Places fund to support infrastructure
- Consultation on plans to enforce local authorities to reconsider section 106 agreements signed before April 2010.

What this means for Ascham Homes and Waltham Forest? We will need to work with council on developing the allocations and tenancy policies as many aspects of the new strategy affect these areas. Ultimately the decision on fixed tenancies will sit with Cabinet but we will need to make preparations for any changes in the management of these areas, and the Deputy Chief Executive is taking the lead in these areas.

With the increase in the discount to up to £50,000, we will ensure the Right to Buy team and LBWF legal services are briefed and ready for an increase in demand for valuations and sales of properties and we will need to work with the Council to ensure that rigorous affordability checks are in place to ensure that residents can afford to maintain their home and mortgage. We will also need to consider what potential impact increased sales may have on the 30 year business plan.

As we take responsibility for the Housing Options service, we will need to understand what the strategy means for homeless service provision and explore funding opportunities to support the reduction in homelessness and rough sleeping. Further updates on the implications of these initiatives will be presented to the Board as they become clear.

- 4.2 Housing Benefit changes - Further changes have been made to Housing benefit entitlements in January 2012, and a brief recap on the position to date it outlined below:
- 4.3 Private sector tenants - In April 2011 two changes were introduced affecting the amount of financial assistance that private sector tenants can get with their rent payments through the Local Housing Allowance (Housing Benefit):
1. The basis for setting Local Housing Allowance rates was changed from the median to the 30th percentile of local market rents. This means that Local Housing Allowance rates are now based on the cheapest 30% of private sector rents within the area.
  2. A system of national caps for the Local Housing Allowance was introduced, affecting everyone in receipt of the allowance with a rent level above certain thresholds. Caps have been applied so that the maximum weekly rent levels that the allowance will cover are now:

- £250p/w for a one bedroom property
- £290 p/w for a two bedroom property
- £340 for a three bedroom property; and
- £400 for a property with four bedrooms or more.

Although these changes have affected any new claims for the allowance since April 2011, they will start to affect existing tenants receiving the allowance from January 2012. Any private tenant receiving the Local Housing Allowance and with a rent level above the 30<sup>th</sup> percentile or above the national cap (for the size of accommodation they live in) will experience a shortfall between the rent due and their Local Housing Allowance payment.

The shared accommodation rate currently applies to most single people (and couples) under the age of 25 living in accommodation that they rent from a private landlord. It limits the amount of Local Housing Allowance that they can claim to the average rent for a room in a shared house or flat within the local area. This means that if a single person under 25 lives in a one bedroom flat they may not receive Local Housing Allowance to cover the whole of the rent payment due. This will be extended to people aged under 35 from January 2012.

- 4.4 Social housing tenants - From April 2013, Housing Benefit will be restricted for working-age tenants who are under-occupying their homes (i.e. have spare bedrooms).
- 4.5 Private rented and social housing tenants - The deductions made from Housing Benefit entitlement will gradually increase if there are adults living in the property who aren't included in the tenant's benefit claim. These increases began in April 2011.
- 4.6 From April 2013 all Housing Benefit claimants will be subject to a household benefit cap of £500pw for a family and £350pw for a single person. This will take account of most benefits (some benefits will not be taken into account) and where a family receives more than £500 per week (or £350 for a single person) in benefits their Housing Benefit entitlement will be reduced.
- 4.7 The impact for Ascham Homes in the year ahead will be two fold, firstly, those with 'non-dependent deductions' will be affected. We have approximately 500 residents who have non dependent deductions applied to their benefit. With the last deduction increase we saw a small proportion increase in arrears, over those reducing their arrears. We will continue to monitor and provide advice and assistance to this customer group.
- 4.8 We are currently arranging to meet with the Housing benefit team at LBWF in order to understand the impact of the under-occupation benefit reductions, and will keep the Board informed of the impact and the strategy to address this.

4.9 The changes to the local housing allowance affects private tenants. The reduction in the allowance means there will be more private tenants struggling with their rents. The private rental sector is very buoyant at the moment and there is already a noticed decrease in available properties for tenant receiving allowances. A reduction in available funds for tenants and a reduction in supply mean that we are likely to see an increase in homelessness applications.

## 5. Internal Issues

### 5.1 Fred Wigg Fire

5.1.1 The Board were informed about the fire that took place at Fred Wigg Tower on the morning of 12<sup>th</sup> December, and further updated prior to Christmas when over 70 families were able to return.

5.1.2 As noted in the update, there was no loss of life nor serious injury, although it was clearly an extremely stressful time for families. Confirmation to date is that the Fire Brigade have not identified any non compliance with the Fire risk works indicated and undertaken during 2010.

5.1.3 We are now awaiting the outcome of structural reports on floors 11,13 and 15, and in the interim, the Council is making alternative offers wherever possible to the residents on those floors, those who wish to return will be accommodated in temporary accommodation until that is possible.

5.1.4 Jo Murphy and I met with the Chair and Vice-Chair of the TRA at Fred Wigg, to listen to their concerns and understand their experiences. They were very supportive of the support Ascham had provided, particularly on that first day, albeit understandably anxious to settle in a permanent home once more. Jo and I have agreed to call a meeting with residents in a few weeks time, once we have had the report and are able to provide some concrete information. In the meantime a letter was sent out on Friday updating all residents with the position to date, and we will continue to communicate with them as much as possible.

5.1.5 I was extremely impressed with the way in which staff responded in the period before Christmas, many giving up huge amounts of time to ensure that everything possible was done to make life easier for our residents and to move as many back in before Christmas as was possible.

## 6. Board Tours

6.1 The Chair has asked me to organise a couple of tours of stock for Board members – these will be organised one in the day in February, and one in the evening in May. Maxine will contact Board members with dates and arrangements over the next week or two.

## **7. Resource Implications**

- 7.1 The costs related to the Fred Wigg incident will obviously be significant, we anticipate most of this being covered by the insurance, and discussions will be held with LBWF once the totality of costs of the exercise become clear.

## **8. Diversity Implications**

- 8.1 The Government Housing strategy and benefit changes are likely to have significant diversity implications, any changes in policy that result will be accompanied by an equalities impact assessment.

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.2</b>
<b>Resident Engagement Strategy</b>		<b>Status: Public</b>
		<b>For Decision</b>
<b>Authors: Jo Murphy – Dep Chief Executive and Stanton LaFoucade – Community Engagement Manager</b>		

## **1 Purpose**

- 1.1. The purpose of this report is to present the final draft resident engagement strategy for comment and sign off for implementation.
- 1.2 Once the strategy has been approved will be tasked to deliver against the agreed actions in partnership with residents and stakeholders.
- 1.3 A “Clear English” summarised version will be produced and translated for circulation through appropriate forum and media.

## **2 Recommendations**

- 2.1 Board members are asked to approve the resident engagement strategy equalities assessment and action plan subject to :
  - i) Terms of Reference for the Forum being agreed and reported back to the Board.
  - ii) Election arrangements for Panels being agreed and reported back to the Board.
  - iii) Two Board members being identified for each of the three Neighbourhood Panels to ensure effective communication within the structure.
  - iv) A further report to the Board within 6 months (subject to resident consultation) setting out the proposed arrangements for out of borough residents.
  - v) A report following completion of the current Board Review to recommend appropriate amendments to the Resident Board

election arrangements consistent with the new Resident Engagement Strategy.

### **3 The Strategy**

- 3.1 Service delivery at Ascham Homes is now settling again after recent restructure and adoption of the neighbourhood management approach of service delivery.
- 3.2 Neighbourhood management itself is hinged on effective resident engagement/involvement which residents consulted overwhelmingly welcomed. Feedback from residents (received via residents conferences in 2010, Area Contract Panels, resident forum and satisfaction surveys have directly informed the development of the strategy.
- 3.3 The strategy itself is built on how, what, when and where residents would like to get involved with a variety of options to choose from depending on interest. We recognise that this may change over time.
- 3.4 Following approval of the draft document for consultation presentations were made to all area contract panels, resident leadership team and sent out to over 350 residents for comment. The draft document was also sent to many key partners too for their feedback.
- 3.5 Feedback at the many presentations reflected strong support for the proposal, the need for change and in the opportunities being made available for engagement/involvement.
- 3.6 The appended Action Plan 2012 (appendix 1) has been develop to provide more details on the mechanisms, responsible officer/s and milestones for meeting the commitments under the key areas of delivery. This plan converts aspirations into clear and tangible measurables.

### **4 The Priorities of the Strategy**

- 4.1 The following priorities have been clearly identified as strong themes in the development of the strategy :
  - Forge better working relationship with key partners with the aim of maximising resources and the offer and opportunities for residents.
  - Targeted engagement with underrepresented groups/communities.
  - Residents remain at the heart of the decision making process.
  - Residents have a range of opportunities to be involved both locally and on specific themes.
  - To explore funding opportunities through which residents can lead on initiatives/projects for the improvement of their locality and themselves.

- To promote wider diversity in representation and engagement across governance, operating areas and residents.
- Ascham Homes will build the capacity of residents and resident groups so that they are able to function effectively.
- Ascham Homes will promote options for involvement and communicate outcomes.
- Resident representatives to engage more widely with local areas (including with out of borough residents).
- Ascham Homes will measure and report on the effectiveness of residents involvement.
- Promotion of successes and celebrating achievement.
- Dedicated strategy for youth engagement to be developed with young people. Our efforts should support and add value to the local authority's agenda addressing youth issues (gang, education, training & employment).

## **5 Next Steps**

- 5.1 Publication of the Strategy as a corporate working document and translation into the key languages and media.
- 5.2 Planning, including scheduling and publicity, of the first round of Neighbourhood Forums with the aim of establishing skilled and motivated Neighbourhood Panels.
- 5.3 Development of effective working relationships with key local partners/stakeholder supporting delivery of the action plan particularly around support and engagement.
- 5.4 Explore initiation of targeted engagement with identified minority groups.

## **6 Financial Implications**

- 6.1 The strategy will be delivered within current existing budgets.
- 6.2 Some areas of activity will need sustainable funding and budget priority moving forward as we anticipate a growing interest or new approaches i.e. youth engagement. In these cases we will optimise use of available resources, explore partnership funding opportunities or make a clear business case for funding.

## **7 Risk Implications**

- 7.1 Any dislocation in resident engagement structure from the principal operating and governance structures presents operational and reputation risks with our customers and partners.

## **8 Equality Assessment**

- 8.1 An equality assessment has been completed and consulted on (Refer appendix 2)

## **9. Action Plan**

- 9.1 An action plan has been developed and attached as appendix 1 to the strategy.

## **10 Conclusion**

- 10.1 This strategy offers more innovative ways for involving residents in our processes, delivery and improvement of services. It confirms Ascham Homes' commitment to effectively and actively engage while achieving and maintaining high standards and satisfaction levels.
- 10.2 The strategy reflects our aim of putting residents at the heart of what we do and reaching them in a way that is most appropriate to them.

## Resident Engagement Strategy 2011 – 14

### 1. Introduction

- 1.1. Ascham Homes is working towards achieving high standards of service delivery and recognises that the active involvement of our residents is key to achieving and maintaining these standards.
- 1.2. We are committed to addressing the needs of all residents by developing more innovative ways of involving them in our participation processes. We want residents to be involved in ways that suit their needs and interests while shaping delivering of an improved service.
- 1.3. Engaging residents is vital to maintain a clear an understanding of what residents see as local priorities, service development requirements and/or the specific interests, needs and aspirations of residents and their families.
- 1.4. A range of formal and informal approaches to engagement will promote wider involvement/ownership from across the Ascham Communities and can provide many benefits for both the resident and Ascham Homes.
- 1.5. To ensure residents are offered opportunities to take advantage of local and regional developments.

### 2. Background

- 2.1. Ascham's current Resident Engagement Strategy was approved in December 2009 and subsequently, a Resident Compact was developed.
- 2.2. The current principal forum for residents to become involved in Ascham Homes are Area Contract Panels. The Contract Panels are the main discussion forum for residents where performance and policy changes are considered, and where local priority for spend through the Major Repairs Allowance (MRA) programmes are developed and tracked. The panels are made up of representatives from geographical areas, principally tenant and resident associations representatives.
- 2.3. Contract Panel Chairs attend a Leadership Group to meet to discuss matters affecting all six Contract Panel areas.
- 2.4. With the move to Neighbourhood Management and a more integrated approach to service provision we want to improve the way in which we involve our residents, increase diversification and promote wider influence and engagement for residents to shape service delivery understanding and performance by Ascham Homes.

### **3. Vision**

- 3.1 Ascham Homes is committed to keeping residents at the heart of the service it delivers. This strategy is developed in partnership with residents through a number of formal and informal consultation exercises in 2010 reflecting how, when and where residents say they would like to be involved and engaged. As with its development so too will residents be part of the monitoring mechanism of the engagement strategy and action plan that will be reviewed and evaluated annually. The strategy and the associated action plan is one of a suite of documents that seeks to offer residents a variety of ways to get involved in shaping organisational delivery with a number of non traditional but innovative ways to do so.
- 3.2 Broadly speaking engagement/involvement come under three main headings - geographical, governance/strategy and service specific - with a wide variety of options depending on residents' interest and availability. We do believe there is something for everyone with a separate strategy to be developed with young people for young people.
- 3.3 Waltham Forest has a rich history of many diverse communities living harmoniously. This diversity is documented as one of the attractive features of the borough. In our commitment to engagement, together with partners and residents, we will explore ways whereby our diversity can be celebrated. A positive outcome from the targeted approach proposed for engagement with our BAME, disabled and emerging communities.
- 3.4 It is recognised that residents in their own right are experts at where they live so should be a key stakeholder in driving change towards improving local liveability issues. Ascham Homes as a local housing management organisation is well placed to facilitate and steer opportunities from emerging local and regional developments to the benefit of residents. The Olympic and Paralympic Games, the Legacy Development, Stratford Gateway, Thames Gateway, Blackhorse Road and Wood Street Regeneration Programmes all offer tremendous opportunities for employment, improving the environment, addressing crime and other deprivation issues. No longer will our engagement/involvement revolve around the estate or block we manage - bricks & mortar - but about the lives of those people that live, work and visit the areas we provide services. Ascham Homes will endeavour to build the capacity of residents so they feel empowered to make life changes and effect change in their communities.

### **4 Strategy Aims**

- 4.1 This strategy aims to achieve:
- Develop and maintain transparency and accountability
  - Increased resident satisfaction with demonstrable changes based on their input, advice and efforts
  - Foster and support the local community cohesion strategy
  - Develop and maintain wider and diverse representation
  - Ensure service development meets identified needs
  - Seek continuous improvement in quality
  - Residents and the organisation having a better understanding of policies in practice and the need for priority activities moving forward.
  - Opportunities to ensure that residents' representatives share and develop their skills and develop ambition for wider influence and engagement within Ascham and the wider community
  - To measure and evaluate performance

## **4 Developing the Resident Engagement Strategy**

- 4.1 Residents have been actively engaged informing service and engagement framework improvement since 2010.
- 4.2 The Residents Leaders group recognised the need to reconsider the engagement structure in light of the changes implemented with the Neighbourhood Management approach.
- 4.3 At the residents' conference in July 2011, groups of residents were involved in workshops to develop resident engagement with Ascham Homes.
- 4.4 The ideas and discussion themes from residents were worked into a draft framework and this was then taken to the residents' conference in October 2011.
- 4.5 Clear directional messages came from the 100+ residents who attended each event for :
- Residents to be “at the heart” of the decision making processes.
  - Residents to have a range of opportunities to be involved both locally and on specific themes.
  - To promote wider diversity in representation and engagement across governance and operating areas.
  - Ascham Homes will build the capacity of resident groups and residents so that they are able to function effectively.
  - Ascham Homes will promote options for involvement and communicate outcomes.
  - Ascham Homes will measure and report on the effectiveness of residents involvement.
  - Promote successes and celebrate achievement.
  
  - Targeted engagement with under represented groups and communities.
  - For improved engagements with residents living in street properties and out of borough to ensure that resident engagement and service priorities meet their specific needs.

## **5 Involvement & Engagement Options**

- 5.1 As residents talked about the ways that they were currently engaged, they said that they would like more variety in the way that we engaged with them rather than only contract panel meetings. They also said that they wanted to cover more areas than the current framework allowed them to.
- 5.2 These include but are not restricted to:
- Mystery shopping
  - Focus groups on key decisions
  - Involvement in procuring repairs contractor
  - Recruiting staff
  - Scrutinising performance and how we spend our money
  - Inspections
  - Residents Groups for i) residents not based on estates, ii) out of borough iii) leaseholders etc.

5.3 Throughout these workshops residents and staff developed plans to have different opportunities for informal and formal engagement depending on what residents were interested in, how much time they wanted to give, how much and how often they wanted to be involved.

## **6 Targeted Approach**

6.1 Ascham Homes will ensure that we engage with residents who do not typically come forward to the usual meetings and take the opportunities to get involve by taking the service to them.

6.2 Residents said that they would like to see more young people, people who worked during the day and people from the diverse make up of their communities becoming involved. We will also ensure that residents living in our out of borough properties have the opportunities to get involved.

6.3 With the move to neighbourhood management, our services will be delivered though geographically based teams. This means that we can align the resident engagement framework along these three areas. Residents were also keen that they could be involved in areas that affected the entire borough, for example, the procurement of the repairs contract, equality and diversity matters and our publications. We must also ensure that leaseholders are engaged as much as tenants, where we refer to residents, these include leaseholders, tenants and residents from the surrounding community.

6.4 There will be many ways for residents to be involved and they can be broken down into three categories: Governance & Strategic, Geographical and Service-specific:

## **7 Governance and Strategy**

7.1 The annual Residents Conferences have proved popular in recent years with record numbers of residents attending. It is proposed to retain an annual event where all residents are invited to consider strategic issues and be appraised of activity from across the business.

7.2 Ascham Homes is proud that it has 44% resident membership on it's Board. Residents who are interested in Board Membership roles will be supported to extend their knowledge of the business and their skills and confidence to put themselves forward for these roles.

7.3 Support is also provided to residents during elections to available Board places. We will also review the way we recruit new members to the board

7.4 All Board members take an interest in areas of activity of the business and meet resident representatives, attend engagement opportunities and also attend key areas of activity or service development.

7.5 As far as possible ensure Board membership is reflective of resident demography.

7.6 Improved integration of the engagement structures with governance would be achieved with Board representation at each of the three Neighbourhood Panels (North, Central and South). The aim is that the full representation will be developed through consultation with residents on the Terms of Reference for these and other groups in the structure.

## 8 Geographical

8.1 Residents expressed the need to be involved at different levels in their areas. For each area (North, Central, South) there will be:

- **Neighbourhood Forum**

The Neighbourhood Forum will provide a local platform where residents would meet locally to discuss local matters. The forum would be co-ordinated by neighbourhood and community engagement teams. Frontline staff and residents can share information and plan for services in their local area. The discussions/issues raised will inform a Neighbourhood Plan as part of the budget and business planning across Ascham Homes ensuring residents influence the activity and spend across the whole of their local area.

Residents have told us that they would like these to be held quarterly with fixed dates and times. The times will be advertised locally and residents will be reminded in newsletters, face to face, by email, text message and website. We will make sure that these are accessible to all residents and arrange transport where necessary for less mobile residents.

LBWF residents who live out of the borough will initially engage through the North Neighbourhood Team but and in year 1 will develop a level of engagement to understand and plan locally appropriate engagement.

- **Neighbourhood Panels**

There would be one neighbourhood panel per area and the issues and decisions raised at the neighbourhood forum(s) would feed into these meetings through a representative. The neighbourhood management teams would not only service these meetings but be actively engaged in the discussions and decision making, providing advice and where possible, recommendations for further action.

Neighbourhood teams will be responsible for raising the issues, recommendations and decisions of the neighbourhood forum within Ascham Homes and partners as well as ensuring that all queries are dealt with seeing them through to completion. Performance information, satisfaction surveys and other service-specific information will be provided for each neighbourhood panel for review and challenge.

Residents have told us that there should be more residents than staff and external agencies on the panels and that there should be a maximum of 12 people on each panel. There should be a maximum of two people from the same estate or TRA on the panels to enable more residents to be represented and Leaseholders should be represented on these panels. There should be representatives from across the whole area and Ascham Homes need to increase the diversity of residents who attend. Residents want to see Ascham Homes involving and engaging residents more to improve service delivery and there will be up to three members of staff on each panel to ensure that this happens. The panels will be chaired by the Neighbourhood Managers.

- **Mystery Shoppers and Estate Inspectors**

Mystery Shoppers and Estate Inspectors will be recruited in each area. They will be trained to inspect and test areas of the service that are a priority to the neighbourhood

panel. They will feed back their findings to this panel and have the opportunity to discuss their experience with members of the neighbourhood team.

Residents said that they want to see a wide range of residents involved and that this might encourage more involvement from those who are less interested in attending the formal meetings. Residents said that mystery shopping and estates inspectors will provide them with evidence that the contractors are completing the works and they can compare them with the performance results that Ascham Homes produce.

## 9 Service Specific

9.1 It was established that some residents do not wish to attend many area meetings and they had more interest in specific service areas. Some of these we will seek to maintain on an as and when required basis. These include:

- **Resident Repairs Procurement Group**

This group was established to work towards selecting partners for Ascham's repairs service running forward from 2010. The group was formed specifically for the 5 months tendering and recruitment process. At the outset the group captured the feedback from residents conferences and developed a "What Residents Want" document which informed the tender requirements, interview questions and ultimately the monitoring of standards in the final contract. The group received training in tendering process, recruitment and selection and took part in site tours and interviews with contractor staff. Residents evaluation submissions and played an equal role with staff in selecting preferred partners.

- **Resident Editorial Panel**

There is a group of residents already involved in providing guidance on our publications. They review all of our publications against a number of priorities that they themselves set. It is proposed that we further involve residents in the generation of content for our communications, including the newsletter, our website, good news stories and local information. This has been outlined in our communications strategy and we will develop this area further in the next year.

Residents said that they would like us to text them with reminders of meetings, conferences and other involvement activity that they might be interested in. They would like us to use the notice boards more and email those residents who have given us addresses. Residents said that we should advertise events in places that they go to often and to include our caretakers in the advertising of meetings.

- **Steering Groups**

Where there are policy changes or new strategies being developed, resident steering groups will be established, not only to provide a resident perspective but to advise the direction of the strategy. These groups will be set up at the beginning of the development of the changes and will be formed of residents from the newly updated involvement list. Where

possible, the steering groups will also be advertised through the various communications methods that we use and through the neighbourhood panels and forum.

Residents said that they want to see different types of meetings set up for residents with different needs. They would also like us to engage young people more and look at different ways in which we can involve them.

- **Focus Groups**

Similar to steering groups, focus groups made up of residents will be used to test opinions and reactions to specific service area projects.

At the residents' conference in October 2011, a disability awareness workshop was run. There was strong support for establishing a forum specifically for disabled residents and those with an interest in disability issues, in order to develop and improve services so that Ascham Homes can better meet the needs of those who may require tailored services.

## 10 Special Engagement

10.1 Residents have given a very clear indication that there are some areas which require special engagement in order to understand their issues, and also to encourage wider engagement.

These include :

- **Meetings in community languages:**  
We will seek to run one or two introductory meetings to explore the interest for meetings to be held in principal (non English language). At this stage it is not clear about whether there are specific unmet needs from our larger migrant communities. We propose to meet with community leaders to identify where and how this can be best delivered.
- **Young People:**  
We need to establish ways in which we can engage with young people on issues that are of interest to them. We would like to extend beyond "fun day" engagement to closer working with young people around our services, training and work opportunities and also positive behaviour engagement. We are aiming to co-ordinate an event Summer/Autumn 2012.
- **Recruitment Group:**  
Many of our staff deal with residents on a day to day basis yet residents are not involved in the recruitment of customer facing roles or senior roles. Not only is it important that these roles are filled with people with the right skills and behaviours, residents also need to feel confident that the staff at Ascham Homes are of a high calibre and will deliver the services to the standards that residents expect. It is proposed that a group of residents are

trained to be part of recruitment panels so that this group can be drawn upon when there is an appropriate recruitment to be done. The residents can either be on the panel for the recruitment or as part of a group of residents that meet the candidates in a more informal interview.

## **11 Monitoring the Strategy**

- 11.1 The Resident Involvement Strategy will be monitored each year commencing in 2012 by a working group of residents and officers to ensure the aims and objectives of the strategy are being met. Feedback from the monitoring sessions will be produced and made available to all residents.

## **12 Marketing and Publicity**

- 12.1 Every opportunity will be explored and maximised to publicise our successes and those of resident initiatives as good news stories in local, regional and national publications. We'll also acquire membership of relevant forums and online portal like the National Association of Neighbourhood Management. These offer valuable information and advice on neighbourhood management practices, training and exchanges. This area of commitment will be governed by the corporate Communication Strategy.

## **13 Terms of Reference**

- 13.1 Once the Strategy outline has been agreed, early work will need to commence with residents on Terms of Reference and representation for each group. This work will be led by Ascham's Community Engagement Manager.

Our newly drafted Resident Engagement Strategy confirms our commitment to working and supporting residents with distinct aims, objectives and how success will be measured. Local and regional development together with the Queen's Diamond Jubilee Celebrations and Olympic Games places significant pressures on all. It should however create exciting opportunities for engagement. The table below spells out further details on the key mechanism being used to develop and maintain to involve and engage residents. The table does not take into account those options that will be initiated as and when the need arises (recruitment, performance reviews, mystery shopping, and task based focus groups) then tabled accordingly. However residents that express interest in these service areas will be offered training to undertake the responsibility.

Targeted approaches (LGBT group, disability group, older residents, community languages and working families) will be initiated through wider engagement at neighbourhood forum level and/or in partnership with relevant service providers.

Our engagement with young people (accounted for below) will be developed together with and in support of LBWF agenda along with other partners with a dedicated strategy drafted with young people. Work in this area starts immediately identifying gaps and areas where there is the greatest need or no resources. As far as possible we will seek to: empower/commission young people to 'youth proof' corporate policies/documents, have their own space on our website, nominate youth representative/s to sit on the Ascham Homes Board or constitute a youth board and communicate that is popular with young people (twitter, facebook, blackberry messenger & sms).

Out of borough areas/residents – a revive of engagement with residents in Billericay commenced with a cabaret event December 2012. The event, delivered in partnership with Hallmark Care Homes, was well received by the many residents in attendance. The Community Development Team will seek to build on this success facilitating similar activities together with local partners and residents who've expressed a keen interest. Using the new Police Safer Neighbourhood Panels we will maintain regular scheduled engagement with resident (*frequency tbc – possible monthly*). This will facilitate a partnership approach to improving liveability issues with a better link in to Basildon Council.

Special emphasis will be place on empowering all groups/residents through the many engagement mechanism to apply for available funding for initiatives they can delivery with our support. Additionally we will seek to promote and celebrate the successes achieved by residents using the many avenues available to use – new letters, love your borough awards, internet regional/national rags and forums.

<b>Activity/Event</b>	<b>Comments</b>	<b>Lead Officer/s</b>	<b>Action</b>	<b>Milestone</b>
Qtr 1 Neighbourhood Forums (all areas)	Nominations for neighbourhood panel invited Awareness of implication of games	Community Development Team	Ground rules, format and purpose established. Links to local agendas & partners	March 2012
Qtr 1 Neighbourhood Panel (all areas)	TORs and Governance agreed. MRA & other funding/liveability issues discussed. Awareness of implication of games.	Community Development & Neighbourhood Mgrs	Issues raised at NF filtered. NM/CDM to takes issues to EMT/ relevant agencies	April 2012
Start of Youth Engagement Strategy development (forming our baseline & partnerships)	Officers will seek to initiative youth engagement activities where possible or gaps identified. Awareness of implication of games & opportunities	Community Development Team.	Gaps narrowed through partnership linked to LBWF Gang & Youth Strategies	April 2012  (Effort here remain ongoing to sign off with youth involve/engagement entrenched & maintained as part of normal business)
Qtr 1 Editorial Panel	Seek to broaden role to include write ups, photo, design & website	Kate/Sunita	Qtr 1 News Letter circulated	April 2012
Qtr 1 Estate Inspections (all areas)	Widen participation to be encouraged with partners & residents by CDO	Neighbourhood Officers/Community Development Officers/Estate Services Supv	NO/CDO to action issues raised and publicise.	May 2012
Out of Borough Targeted Engagement	Supporting capacity in the first instant Initiate development by identifying gaps, partners and interest	Stanton/Erhan  Community Development Team.	Attend neighbourhood panel Draft outline of aims/objectives. Consult on issues of concern, barriers & preferred methods of engagement. Links with LBWF Community Cohesion task group/events	Date tbc (monthly/qtrly) May 2012
Youth Engagement	With the world's eyes on the borough we need to minimise risk of youth asb during summer	Community Development Team	Explore partnership for commission and delivery of Summer Youth Activities	May/June 2012
Qtr 2 Neighbourhood Forums (all areas)	Feedback on action from previous meeting and panel Invite spkr/service providers Promote opportunities	Community Development Team	Conference planning group formed	July 2012

Qtr 2 Neighbourhood Panel (all areas)	Discussion and resolve of issues remain ongoing. Explore capacity building, further funding & resident leadership	Community Development & Neighbourhood Mgrs	Two-way exchange between panel & forum maintained	July 2012
Qtr 2 Estate Inspections (all areas)	Marked increase in attendance. Visible action on issues raised	Neighbourhood Officers/Community Development Officers/Estate Services Supv	Publicise where applicable	July 2012
Qtr 2 Editorial Panel	Summer issue of News Letter		Focus on residents involvement in games	August 2012
Out of Borough	Supporting capacity in the first instant	Stanton/Erhan	Attend neighbourhood panel	Date tbc (monthly/qtrly)
Targeted Engagement	First meeting & establishment of group/s	CDO	Seek to launch disability forum/group during Para Olympics	September 2012
Resident Conference	These meeting will increase in frequency leading up to October date	Event planning group	Itinerary drafted with key role/responsibilities allocated	September 2012
Qtr 3 Neighbourhood Forums (all areas)	Feedback on action from previous meeting and panel Invite spkr/service providers Promote opportunities	Community Development Team		October 2012
Qtr 3 Editorial Panel	Autumn issue of News Letter	Kate/Sunita	Residents Conference featured	Nov 2012
Targeted Engagement	Meeting/discussions remain ongoing	CDO	Seek to launch disability forum/group during Para Olympics	October 2012
Resident Conference	Weekly meetings	Event planning group	Finalisation of arrangement. Mechanism for evaluation/debrief agreed.	20 <sup>th</sup> Oct 2012
Qtr 3 Neighbourhood Panel (all areas)	Discussion and resolve of issues remain ongoing. Explore capacity building, further funding & resident leadership	Community Development & Neighbourhood Mgrs	Two-way exchange between panel & forum maintained	November 2012
Qtr 3 Estate Inspections (all areas)	Visible action on issues raised. Seek to empower residents to lead	Neighbourhood Officers/Community Development Officers/Estate	Publicise successes	November 2012

		Services Supv		
Youth Engagement	Suitable candidates identified for Youth Strategy Workshop	Community Development Team	Workshop arranged & delivered Linked to LBWF corporate youth forums	November 2012
Xmas Event	Consider possible wider community xmas event to fill gap between Nov 2012 and Jan 2013	Community Development Team	Family event maximising generosity of festive period	December 2012
Out of Borough	Supporting capacity in the first instant	Stanton/Erhan	Attend neighbourhood panel	Date tbc (monthly/qtrly)
Targeted Engagement	Ongoing meeting/discuss – evidence of actions	CDO	Raise awareness and capacity of groups	January 2013
Qtr 4 Neighbourhood Forums (all areas)	Feedback on action from previous meeting and panel Invite spkr/service providers Promote opportunities	Community Development Team	Feedback/comments on conference Evaluation and redraft of resident engagement Strategy & action plan	January 2013
Qtr 4 Editorial Panel	Winter issue of News Letter	Kate/Sunita	Feature to be decided	January 2013
Targeted Engagement	Meeting/discussions remain ongoing	CDO	New financial year planning/actions	Feb 2013
Qtr 4 Neighbourhood Panel (all areas)	Discussion and resolve of issues remain ongoing. Explore capacity building, further funding & resident leadership	Community Development & Neighbourhood Mgrs	Two-way exchange between panel & forum maintained Feedback/comments on conference Evaluation and redraft of resident engagement Strategy & action plan	Feb 2013
Youth Engagement	Young people fully recognised	Community Development Team	First draft of strategy - consultation	Feb 2013
Qtr 4 Estate Inspections (all areas)	Visible action on issues raised. Seek to empower residents to lead	Neighbourhood Officers/Community Development Officers/Estate Services Supv	Publicise successes Evaluation of effectiveness	March 2012
Out of Borough	Supporting capacity in the first instant	Stanton/Erhan	Attend neighbourhood panel	Date tbc (monthly/qtrly)

Name of policy/ service/ approach being reviewed : Resident Engagement Strategy										
Protected Group(s) RAG	Race	Gender	Disability	Age	Sexual orientation	Religion or belief	Gender re-assignment	Pregnancy or Maternity	General	Marriage or civil partnership (eliminating discrimination only)
<b>1. Explain the aims of the policy</b>	Ascham Homes' Resident Engagement Strategy aims to optimise opportunities for residents to influence governance, service improvement, spend and activity in and around their homes and within Ascham Homes. To promote inclusion and increased diversity in representation and engagement									
<b>2. Explain the potential for and any positive impact on the identified group(s)/ individuals</b>										
<b>Race</b>	Increased diversity representation from under-represented groups			<b>Sexual orientation</b>	No specific positive impacts			<b>Marriage or civil partnership</b>	Not applicable	
<b>Gender</b>	Extending female representation in formal engagement and male representation in informal			<b>Religion or belief</b>	Range of opportunities to engage across the week rather than on religious observance days			<b>General</b>	Options included for engaging with parents with children, young people and emerging communities	
<b>Disability</b>	Disabled residents network group to promote greater inclusion and improved service access			<b>Gender re-assignment</b>	No specific positive impacts			<b>Comments</b>		
<b>Age</b>	Sheltered Housing forum recognised within structure. Intention to engage with young people in an appropriate way,			<b>Pregnancy/ Maternity</b>	No specific positive impacts					

**3. Explain the potential for, and any actual negative impact on the identified group(s)/ individuals**

<b>Race</b>	No identified negative impacts	<b>Sexual orientation</b>	No identified negative impacts	<b>Marriage or civil partnership</b>	Not applicable
<b>Gender</b>	No identified negative impacts	<b>Religion or belief</b>	Saturday events may exclude some religious groups from attendance (inc Annual Residents Conference)	<b>General</b>	
<b>Disability</b>	No identified negative impacts	<b>Gender re-assignment</b>	No identified negative impact	<b>Comments</b>	
<b>Age</b>	No identified negative impacts	<b>Pregnancy/ Maternity</b>	No identified negative impact		

**4. Explain the actual opportunities, and the potential for opportunities that this policy/ activity/ service provides to advance equality and community cohesion**

<b>Race</b>	Greater engagement in formal and informal settings closer to residents and neighbourhood forum.  Introduction of non-english speaking forum where appropriate	<b>Sexual orientation</b>	No specific opportunities at this time	<b>Marriage or civil partnership</b>	Not applicable
<b>Gender</b>	Flexibility to facilitate greater female engagement particularly around encouragement to participate and practical issues around part-time working and carer and childcare responsibilities	<b>Religion or belief</b>	Consideration to be given to activities around key religious events and activities	<b>General</b>	Opportunity to engage with leaseholders and those living in street properties also young people and working families
<b>Disability</b>	Disabled Network Forum should promote greater inclusion and service access to enable increased awareness and priority within local activity and spend.	<b>Gender re-assignment</b>	No specific opportunities at this time	<b>Comments</b>	
<b>Age</b>	Ranges of engagement with younger and older residents (requiring different approaches) to facilitate greater awareness.	<b>Pregnancy/ Maternity</b>	No specific opportunities at this time		

**5. Describe the impact of the changes on for Ascham Homes staff in terms of staff, structure or practice**

<b>Race</b>	Potential to use of staff services in community languages	<b>Sexual orientation</b>	No identified impact	<b>Marriage or civil partnership</b>	Not applicable
<b>Gender</b>	No identified impact	<b>Religion or belief</b>	Consideration to be given to activities around key religious events and activities	<b>General</b>	Implementation will require flexible working hours at weekends and evenings as well as formal and informal approaches.  May also require support from interpreters and translators
<b>Disability</b>	Partnership approach required around engagement with disabled communities (i.e. Deaf)	<b>Gender re-assignment</b>	No identified impact	<b>Comments</b>	
<b>Age</b>	Partnership approach required around engagement with young people	<b>Pregnancy/ Maternity</b>	No identified impact		

**6. What further work/ activity needs to be carried out as a result of this EA? Identify what needs to be done, how it will be done, the completion date, responsibility for the action plan and when the (new) policy/ service/ approach will be implemented**

<ol style="list-style-type: none"> <li>1. Identify any issues arising from consultation with resident and discussions within Ascham Homes (including the Board).</li> <li>2. New strategy to be implemented from January 2012.</li> <li>3. To ensure development of partnership relations around engagement with disabled communities, the young and addressing local priorities</li> <li>4. To identify key religious observance dates for event planning</li> <li>5. To ensure resources available and network of interpreters and translators in place.</li> <li>6. Language specific meetings trialled.</li> </ol>	<b>DATES TO FOLLOW ON ALL</b>
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**7. When will this EA be due for monitor/ review and who will be responsible for completing the review?**

This EA impact will be reviewed annual through Executive Management Team. Head of Business Transformation to complete one year of policy implementation – January 2013.

Name of assessor:	Jo Murphy – Deputy Chief Executive	Date EA complete:	January 2012
Approved by:		Date approved:	

## Equalities Assessment Reference Data Nov 2011

### L B Waltham Forest Population Profile

<b>Population</b>	247,503		
<b>Race</b>	<p>Waltham Forest's BAME population is 98,830 out of 232,726. This is 42% of the total population and 8th highest across London when expressed as a percentage of total population. Broken down by specific ethnicity: Pakistani (9%), Black Caribbean (8.9%), Black African (7.1%), Other Asian (4.1%), Black Other (4.1%), Indian (3.5%), Other (3.7%), Bangladeshi (1.2%) and Chinese (0.9%). Of all the new arrivals to the borough since 2002, the top 3 countries of origin have been Poland, Pakistan and Lithuania (Source: GLA 2010 SHLAA and NINO Registrations Data 2002 –2010 DWP).</p> <p><b>NB: These statistics provide general data for this protected characteristic.</b></p>	<b>Age</b>	<p>The 2011 Mayhew Harper population count shows that Waltham Forest has a population of 247,503. Broken down by broad age group, some 28% of the population (68,141) are aged 0-19, 34% (83,798) aged 20-39, 29% (71,048) aged 40-64 and 10% (24,517) aged 65+. Pan London data from the GLA shows that Waltham Forest has a larger percentage of its population aged 0-19 (28.3%) compared to 24.5% across London. Between 2011 and 2031 the same data shows that the 65+ age group in Waltham Forest is forecast to grow the most from 26,898 to 39,852. (Source: 2011 Mayhew Harper population count and 2010 SHLAA from GLA).</p> <p><b>NB: These statistics provide general data for this protected characteristic.</b></p>
<b>Pregnancy/ Maternity</b>	<p>Data regarding recent births from the GLA shows that Waltham Forest has 8.9% of its population aged between 0 and 4 compared to a London wide figure of 7.6% (2011). For those up to the age of 1 this percentage is 1.9% and 1.6% respectively. The Total Fertility rate for Waltham Forest in 2009 is 2.54 (4<sup>th</sup> highest across London) compared to a London wide figure of 1.95. The teenage pregnancy rate in Waltham Forest (2009) is 55 per 1,000 of the female population aged 15-17 compared with 41 across London and 38 across England. Source: 2010 SHLAA from GLA, Office for National Statistics, NHS (NCHOD).</p> <p><b>NB 1.The total fertility rate measures the projected number of births born to a woman over her lifetime 2.These statistics provide general data for this protected characteristic.</b></p>	<b>Marriage/ Civil Partnership</b>	There is no data collated from residents for this protected characteristic.
<b>Gender</b>	Estimates of the gender split in Waltham Forest are	<b>Religion or</b>	According to the 2001 Census the borough has 57% of its population stating

	<p>50.6% female and 49.4% male (Mayhew Harper) and 51.3% female and 48.7% male (GLA SHLAA). (Source: 2011 Mayhew Harper population count and GLA 2010 SHLAA). <b>NB: These statistics provide general data for this protected characteristic.</b></p>	<p><b>beliefs</b></p>	<p>their religion to be Christian, Muslim 15.1%, Hindu 1.8%, Jewish 0.7%, Sikh 0.6%, Buddhist 0.4% and other 0.4%. Some 15% of residents claimed no religion whilst 9% did not state an answer. The multi-faith nature of Waltham Forest is evidenced by more recent data which shows that Waltham Forest has around 150 Christian Churches, 16 Muslim Mosques, 4 Hindu Temples, 3 Jewish Synagogues, 1 Sikh Gurdwara and 1 Tao Temple. Source: 2001 census and Waltham Forest Faith Forum <b>NB: These statistics provide general data for this protected characteristic.</b></p>
<p><b>Disability</b></p>	<p>Recent data from the 2009 Annual Population Survey suggests there are 24,000 disabled people of working age (16-64) living in Waltham Forest. This would represent around 16% of the resident working-age population and is in line with the London average.</p> <p>2011 data on the percentage of those claiming Disability Living Allowance shows that claimant rates tend to be higher in the southern and middle wards of the borough compared to the north though this data should only be treated as a rough indicator of the prevalence of disability. There are 19,000 people with reduced mobility living in Waltham Forest, half of whom have walking difficulties (48%) and 13% are wheelchair users. It is estimated that there are between 1,800 and 3,200 children and young people in the borough experiencing some form of disability. As of June 2010, 1,418 children and young people had a statement of Special Educational Needs in Waltham Forest (Source: 2001 Census, 2009 Annual Population survey, Office for National Statistics, Department for Work and Pensions).</p> <p><b>Notes: These statistics provide general data for this protected characteristic.</b></p>	<p><b>Sexual orientation</b></p>	<p>National estimates of LGBT population range from 0.3% to 10% using different measures. A recent study commissioned by Waltham Forest Council suggested the population to be somewhere between 7,000 to 10,000 people in 2007 (this is 4-6% of the adult population). The study also suggested that there maybe at least 35 transgender individuals in the borough (Source: Measuring Sexual Identity – Office for National Statistics, Waltham Forest LGBT Matters).</p> <p><b>NB: These statistics provide general data for these protected characteristics.</b></p>

**Equalities Assessment Reference Data Nov 2011****Ascham Homes Organisational Profile - To be updated (HR to action)**

<b>Staff</b>		<b>Pregnant/ Maternity</b>	
		<b>Age</b>	
<b>Risk of redundancy</b>		<b>Race</b>	
<b>Gender and Gender re- assignment</b>		<b>Religion or beliefs</b>	
<b>Disability</b>		<b>Sexual orientation</b>	
<b>Marriage/ Civil Partnership</b>		<b>General comments</b>	

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.3</b>
<b>The Budget and Management Fee 2012/13</b>		<b>Status: Public</b>
		<b>Information</b>
<b>Author: Derek Young, Interim Director of Finance</b>	<b>Telephone: 020 8496 4983</b>	

## 1.0 Purpose of the Report

- 1.1 To outline the proposed Budget and Management Fee for 2012/13 to enable Ascham Homes to continue to improve services and to deliver the first year of the Modern ALMO.

## 2.0 Executive Summary

- 2.1 The proposed Management Fee for 2012/13 for the existing business is £21,524,500 which is equal to the amount allowed for in the HRA 30 year Business Plan.
- 2.2 **Appendix 1** sets out this proposal and shows the base budget for 2012/13 of £19.636m after taking out one off budgets included in 2011/12 (£1,125k) and 3% efficiency savings to be delivered in 2012/13 (£666k) and adding unavoidable business growth items (£318k) This shows that the proposed Management Fee for 2012/13 for the existing business before re-investment in services decreases by £348,000 or 1.74%.
- 2.3 **Appendix 1** then goes on to show proposed re-investments in the existing business both in front line services (R&M £401k and other services £235k) and in infra-structure (£1,428k) to propose the Management Fee for 2012/13 of £21,524,500.
- 2.4 **Appendix 2** sets out the wider proposals on the Management Fee including the new businesses transferring to Ascham Homes although these are still subject to final agreement. Appendix 2 shows the proposed split of the new budgets between those that are expected to be part of the Management Fee and those budgets which will be retained by the Council as delegated budgets. Under existing proposals the management Fee will increase to

£26,958,500. The Board should also be aware that the Repairs and Maintenance Budget which is currently part of the Management Fee is also being considered by the Council as a delegated budget. **Appendix 3 and 4** also set out the budgets for the existing business for 2012/13 on both subjective and objective basis and **Appendix 5** sets out the outline budgets including all new businesses.

- 2.5 In addition to the Management Fee a request is made for a spend to save investment of £394,000 in order to upgrade our IT systems which is required before we can transfer the IT service to LBWF and a separate report is attached at **Appendix 6**. This is expected to lead to total savings of £275,000 over the next 5 years and thereafter at £83,000pa.
- 2.6 **Appendix 7** sets out the the current position on the HRA for the next 5 years and the assumptions on which these projections are based. It shows a healthy reserves position over the next 5 years against unknown or unforeseen events.
- 2.7 The following report sets out in more detail the current position of the HRA, the proposed re-investment in front line services for 2012/13 (repairs £401k other services £235k), the investment in the infra-structure of the business including change management and IT development (£1,428k) and the invest to save programme to ensure that there is proper support for front line services and to cover further expected change management costs in 2012/13.

### **3.0 Recommendations**

3.1 The Board is recommended:

- 3.1.1 To approve the management fee proposed for the existing businesses of Ascham Homes of £21,524,500 subject to any decision by the Council in regard to the status of the Repairs & Maintenance Budget.
- 3.1.2 To approve the Spend to Save Budget of £394,000
- 3.1.3 To note the wider proposals on the management fee and delegated budgets including the new businesses transferring to Ascham Homes which are still subject to discussion with the Council.
- 3.1.4 To delegate to the Chair any amendments to the Management Fee and Delegated Budgets for 2012/13 following final agreement with the Council.

### **4. Summary of HRA Business Plan Year 1-5 (2012/13 to 2016/17) – see Appendix 7**

- 4.1 The Council's HRA is the main source of income to the Company. The key external drivers that will determine the level of resources available to the HRA (therefore available to Ascham Homes) include the new self financing reforms of the HRA that will be implemented from April 2012 that will tighten the

relationship between revenue and capital meaning that HRA resources can be directed to the Council's Housing Capital Programme.

- 4.2 Consultations with the Council on setting the management fee for 2012/13 have included a review of our budget requirements and a review of the overall position of the HRA. The Strategic Partnering Board on 12 January 2012 agreed to our outline budget which delivers within a £21,524,500 management fee.
- 4.3 The HRA will become self financing from the 1<sup>st</sup> April 2012 and much effort is going into the development of a 30 year business plan which will be the principle basis on which the HRA will be assessed on a short, medium and long term basis. The medium term forecast (MTFF) for Ascham Homes therefore will be subsumed within the HRA 30 year business plan. A summary of the Business Plan for the next 5 years is set out in Appendix 7.
- 4.4 This shows that the allowance for a Management Fee (excluding General Fund Services) is as follows:

Repairs & Maintenance	£9,173,900
Existing Business	£12,350,600
<b>Sub total</b>	<b>£ 21,524,500</b>
New HRA Business	2,129,700
<b>TOTAL</b>	<b><u>£23,654,200</u></b>
Invest to Save	394,000
	<b><u>£24,048,200</u></b>

This is the same figure shown at Appendix 2, Column B

- 4.5 In general terms the HRA shows a healthy position over the next 5 years with reserves of £5m. This position is after taking into account the Management Fee to Ascham Homes, Capital Charges (mainly interest) and revenue contributions to capital (inclusive of the depreciation charge) of nearly £15.6m. The rent income assumes that rents will increase in line with existing Government guidelines of 7.2%. The Council will decide the rent increase at their February 2012 meeting. If the increase for rent is different then this will be equally reflected on the expenditure side.
- 4.6 In addition to the position in the HRA the Board should also note that Ascham Homes will be taking over services that are funded by the General Fund of the Council. These are shown in Appendix 2. This will form a separate part of the overall Management Fee to be agreed by the Council.

## **5 Management Fee 2012/13 Existing Business - Re-investment in front line services (Appendix 1)**

- 5.1 Repairs and Maintenance (£401k) – This is to ensure that the number of repairs is accurately budgeted for at the correct run rate of 29,500 rather than the rate previously budgeted for of 24,000 and that spend is therefore accommodated within the R&M budget after allowing for efficiency savings including the savings released from the re-procurement exercise. This brings

the repairs budget up to the level of budget provision allowed for in the HRA business plan. Any further savings arising from the re-procurement of the new contract will be re-invested in Repairs & Maintenance services.

- 5.2 The tree maintenance bid of £90k reverses a cut made last year which has proved unsustainable. Other small increases in security doors etc are to enable budgets to be properly maintained and managed.
- 5.3 The Rent income collection team (£110k) is the least costly in London. However collection rates are falling. This growth will still leave the rent team as the least costly in London and will help to reverse the falling trend in income collection. A 1% increase in income collection increases collection by £500,000. The aim is to increase collection rates by 2% or £1m which will save interest costs of £35k per annum and produce pay-back in 3 years.

## **6 Investment in Infrastructure and Change Management (Appendix 1)**

- 6.1 Change management, legal costs and other liabilities (£800k) are required to fund the continuing restructure of existing services. These include providing for redundancy and pension costs following the restructures which will take effect next year. There will also need to be appropriate budgets to fund legal costs from ongoing challenges from former employees alongside potential increases in legal costs from other challenges that may arise from the most recent restructures and the upcoming back office restructures.
- 6.2 IT Development Fund (£190k) - The Company is operating IT systems that are outdated and generally do not interface with each other to the level reasonably expected of a Company of this size. The Company has recognised the key IT issues and is currently reviewing its IT strategy. The cost of implementing the necessary changes needed to enable the Company to move forward has yet to be quantified but it is likely this will be at least £600,000. The Company does not have an earmarked reserve to fund a rolling programme of essential IT development and does not have the general reserves to fund an IT overhaul. The position the Company is in means that difficult decisions need to be made quickly to protect the Company going forward. This is never more evident than with the repairs system where non integrated systems deal with significant budgets leading to significant risk of errors and duplication. Whilst the risks are being managed through robust financial management the Board need to recognise that funding should be systematically set aside to fund an IT development programme. £350,000 was included in last years budget and £190,000 has been included in the budget for 2012/13 and further funding will be required in 2013/14 and following years. This budget is in addition to the growth bid for IT set out above.
- 6.3 Contribution to reserves to meet target (£150k)- The Company, in consultation with the Council, has set a target of achieving £1.0m in reserves by the end of 2012/13. Although there are significant pressures in the current years budget nevertheless the Company should try to achieve this target and has included an increased provision of £400,000 in the 2012/13 budget.

- 6.4 Finance continuity costs (£120k) - The Finance function within the Company has relied on interim staff in key positions in recent years. Key posts such as the Director of Finance are now being recruited to but it is estimated that the current interim team will remain in place to facilitate an orderly closing of accounts process this year. A continuity budget of £120,000 has been set aside that will allow the interim support to remain in place until 30<sup>th</sup> June 2012. At this point it is anticipated that the back office review of Finance will have been concluded and permanent recruitment processes will have been completed.
- 6.5 Archiving - a budget of £50k has been set aside for 2012/13 to enable the Company to initiate a comprehensive archiving programme. The Company has a statutory responsibility to maintain access to key documents. This has resulted in vast amounts of documents being stored around offices and building. These documents need to be managed in a more efficient manner to ensure they are accessible and therefore a programme of archiving needs to begin from 2012/13.
- 6.6 Bad Debt Provision - the Company has historically raised income by charging tenants for rechargeable repairs. This income is notoriously difficult to recover and over the years has led to debt being held on the Company balance sheet that is now uncollectible. This was raised by our external auditors last year where we agreed to write off £70k in 2011/12 and the remaining balance of £70k this year.
- 6.7 Depreciation of Fixed Assets - the Company has historically capitalised costs annually that are of a capital nature. These costs, now accounted for on the fixed asset register, need to be depreciated from 2011/12 and into future years. The Company has set aside amount this year but will need to depreciate a further £48k of fixed assets in 2012/13.

## **7.0 Value for Money**

- 7.1 Ascham Homes have conducted extensive reviews and this has resulted in identified savings of £666k which have been included in the budget proposals for 2012/13. These reviews included joint service reviews with the Council, other reviews of internal services and savings from re-procurements.

## **8.0 Invest to Save**

- 8.1 **Appendix 3** sets out an invest to save programme of £394,000 in order to upgrade our IT systems which is required before we can transfer the IT service to LBWF. It is estimated that this investment is expected to lead to savings of £275,000 over the next 5 years and thereafter at £83,000pa.

## **9.0 Management Fee including New Services**

- 9.1 **Appendix 2** sets out the Management Fee including both the additional HRA services and the General Fund services which will be managed by Ascham Homes from 1<sup>st</sup> April 2012.

9.2 This shows an increased Management Fee of £26,958,500. The costs included are those that have been determined by the Council as part of their budget process.

## 10.0 Ratio of Direct Costs to Overheads

10.1 In 2011/12 the Council focussed on the relationship of costs between direct functions and overheads. The Council set the Company a target of achieving a ratio between direct functions and overheads of 85/15. Both parties accepted that this would be a work in progress due to the restructuring being undertaken within the Company that focussed on direct functions in 2011/12 and will move to back office services in 2011/12 and into 2012/13. The table below lays out the 2010/11 outturn position alongside the 2011/12 projected outturn position and the proposed position for 2012/13. It shows that overhead costs have continued to reduce as a proportion of total costs and that with the additional services it is now projected to be only 6% of total costs which is well within the Council target.

### **REVENUE SPLIT OF DIRECT COSTS & OVERHEADS: 2010/11 TO 2012/13**

<b>COSTS</b>	<b>YEAR</b>		
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
DIRECT COSTS	81.26%	82.43%	94.34%
OVERHEADS	18.74%	17.57%	5.66%
TOTAL	100%	100%	100%

The above figures exclude all capital expenditure

2012/13 includes all general fund expenditure and assumes all other apportionments are equal\*

\*2012/13 excluding GF is 90.01% / 9.99%

## 11 Risk Factors

11.1 Discussions on the Management Fee are continuing with the Council including a final decision on whether the Repairs & Maintenance Budget is part of the Management Fee or a delegated budget and finalisation of the budgets for the new services transferring to Ascham Homes.

## **12 Resource Implications**

12.1 The resource implications are contained within the body of the report.

## **13 Diversity Implications**

13.1 There are no diversity implications arising from this report.

## **14 Conclusions**

14.1 The Board is recommended to agree the Management Fee and Budgets for the existing business; to approve the Spend to Save Budget of £394,000; to note the wider proposals on the management fee and delegated budgets including the new businesses transferring to Ascham Homes which are still subject to discussion with the Council and to delegate to the Chair any amendments to the Management Fee and Delegated Budgets for 2012/13 following final agreement with the Council.

## ASCHAM HOMES BUDGET 2012/13 EXISTING BUSINESS

DESCRIPTION	REPAIRS & MAINTENANCE	OTHER EXISTING SERVICES	TOTAL
	£000	£000	£000
MANAGEMENT FEE 2011/12	8,985	12,124	21,109
<b>DEDUCTIONS FROM BASE</b>			
ONE OFFS ADDED TO BASE BUDGET 2011/12	0	(1,125)	(1,125)
<b>BASE MANAGEMENT FEE EXCLUDING ONE OFFS</b>	<b>8,985</b>	<b>10,999</b>	<b>19,984</b>
VALUE FOR MONEY SAVINGS	(212)	(454)	(666)
<b>UNAVOIDABLE BUSINESS GROWTH ITEMS</b>			
EMPLOYEE COSTS	0	119	119
PREMISES & UTILITY COSTS	0	119	119
ANNUAL PROCUREMENT PROVISION	0	50	50
TMO CONTRACTUAL INFLATION	0	30	30
<b>PROPOSED MANAGEMENT FEE BEFORE GROWTH &amp; ONE OFF BIDS</b>	<b>8,773</b>	<b>10,863</b>	<b>19,636</b>

<b>DECREASE IN BASE MANAGEMENT FEE</b>	<b>(348)</b>
	<b>-1.74%</b>

DESCRIPTION	REPAIRS & MAINTENANCE	OTHER EXISTING SERVICES	TOTAL
	£000	£000	£000
<b>PROPOSED MANAGEMENT FEE BEFORE REINVESTMENT IN SERVICES</b>	<b>8,773</b>	<b>10,863</b>	<b>19,636</b>
<b>RE-INVESTMENT IN FRONT LINE SERVICES</b>			
REPAIRS & MAINTENANCE	401	0	401
RENT TEAM - COLLECTION OFFICERS	0	110	
TREE MAINTENANCE	0	90	
SECURITY DOORS - VOIDS TEAM	0	20	
DEEP CLEANS FOR VULNERABLE TENANTS	0	10	
ACCOMMODATION MOVES - FINANCIAL ASSISTANCE	0	5	235
<b>RE-INVESTMENT IN INFRA-STRUCTURE</b>			
CHANGE MANAGEMENT, LEGAL COSTS AND OTHER LIABILITIES	0	800	
IT DEVELOPMENT FUND	0	190	
CONTRIBUTIONS TO RESERVES TO MEET TARGET	0	150	
FINANCE CONTINUITY COSTS	0	120	
ARCHIVING	0	50	
BAD DEBT PROVISION	0	70	
DEPRECIATION OF FIXED ASSETS	0	48	1,428
<b>ADDITIONAL INCOME</b>			
CAPITAL COMMISION	0	-175	-175
<b>PROPOSED INCREASE IN MANAGEMENT FEE</b>	<b>9,174</b>	<b>12,351</b>	<b>21,525</b>
<b>MANAGEMENT FEE ALLOWED FOR IN HRA</b>			<b>21,525</b>
<b>SHORTFALL</b>			<b>0</b>

<b>INVEST TO SAVE INVESTMENT</b>		
ESSENTIAL IT HARDWARE AND SOFTWARE INVESTMENT		394

<b>TOTAL MANAGEMENT FEE INCLUDING SPEND TO SAVE</b>	<b>21,919</b>
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**MODERN ALMO PROPOSED MANAGEMENT FEE 2012/13 - ALL BUSINESSES**

	<b>A</b> Existing Business  £	<b>B</b> Existing Business Plus new HRA businesses  £	<b>C</b> Existing Plus All New Businesses  £	<b>D</b> Proposed Management Fee  £	<b>E</b> Proposed Delegated Budgets - Expenditure  £	<b>F</b> Proposed Delegated Budgets - Income  £
<b>Current Business</b>						
Repairs & Maintenance	9,173,900	9,173,900	9,173,900	9,173,900		
Existing Business	12,350,600	12,350,600	12,350,600	12,350,600		
Invest to Save						
<b>New HRA Business</b>						
Sheltered Housing		721,000	721,000	721,000		
Hostels		443,000	443,000	443,000		-958,600
Allocations		480,600	480,600	480,600		
Housing Resettlement		268,400	268,400	268,400		
Disability Adaptations		86,900	86,900	86,900		
Cedar Wood House		129,800	129,800	129,800		
New HRA Business Total	0	2,129,700	2,129,700	2,129,700		
<b>New GF Business</b>						
Homelessness			20,299,400	2,678,200	17,621,200	-17,729,600
Travellers Sites			26,900	26,900	0	-34,200
Business Support			205,200	205,200	0	
	0	0	20,531,500	2,910,300	17,621,200	-17,763,800
Total excluding R&M	12,350,600	14,480,300	35,011,800	17,390,600	17,621,200	-17,763,800
Invest to Save (ITS)	394,000	394,000	394,000	394,000		
Total including ITS	12,744,600	14,874,300	35,405,800	17,784,600		
Total including R&M	21,918,500	24,048,200	44,579,700	26,958,500	17,621,200	-17,763,800

<b>A</b>	Equates to existing business of Ascham Homes
<b>B</b>	Equates to existing business plus proposed new HRA services transferring to the Modern ALMO.
<b>C</b>	Equates to A plus full cost of GF services transferring to the Modern Almo (ignoring income) including both Management Fee and Delegated Budgets.
<b>D</b>	Equates to A plus the proposed cost of employees for GF services to be included in the Management Fee.
<b>E</b>	Equates to Expenditure Budgets proposed to be Delegated to Ascham Homes
<b>F</b>	Equates to Income Budgets proposed to be Delegated to Ascham Homes

**PROPOSED BUDGET 2012/13 ON EXISTING SERVICES  
SUBJECTIVE ANALYSIS**

DESCRIPTION	BUDGET 2011/12	BUDGET 2012/13	VARIANCE	VARIANCE
	£000	£000	£000	%
<b>INCOME</b>				
Management Fee	(21,109)	(21,524)	(415)	2.0%
Commission from Capital Delivery	(782)	(957)	(175)	22.4%
Capitalisation	(400)	(400)	0	0.0%
Customer and Client Receipts	(124)	(140)	(16)	12.9%
Interest on Balances	(25)	(25)	0	0.0%
<b>Total Income</b>	<b>(22,440)</b>	<b>(23,046)</b>	<b>(606)</b>	<b>2.7%</b>
<b>EXPENDITURE</b>				
Employee Expenses	7,991	8,026	35	0.4%
Repairs & Maintenance	9,389	9,578	189	2.0%
Supplies & Services	1,867	2,121	254	13.6%
Premises Expenses	1,303	1,343	40	3.1%
Transport Expenses	205	204	(1)	(0.7%)
Payments to TMOs	963	966	3	0.3%
Service Level Agreements	442	393	(49)	(11.0%)
Agency & Contractor Services	26	15	(12)	(44.2%)
Back Office VfM Savings (To be allocated)	0	(121)	(121)	0.0%
<b>Total Expenditure</b>	<b>22,186</b>	<b>22,524</b>	<b>338</b>	<b>1.5%</b>
Net Cost of Services	(254)	(522)	(268)	105.4%
Contributions to Reserves	250	400	150	60.0%
Provision for Bad & Doubtful Debts	0	70	70	0.0%
Depreciation of Fixed Assets	0	48	48	0.0%
Corporation Tax	4	4	0	0.0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

**ASCHAM HOMES RESERVES**

DESCRIPTION	BALANCE
	£000
Reserves brought forward 1st April 2011	349
Contributions to Reserves 2011/12	250
Contributions to Reserves 2012/13	400
<b>Reserves c/fwd 31st March 2013</b>	<b>999</b>

**PROPOSED BUDGET 2012/13 ON EXISTING SERVICES  
OBJECTIVE ANALYSIS**

DESCRIPTION	BUDGET 2011/12	BUDGET 2012/13	VARIANCE	VARIANCE
	£000	£000	£000	%
Asset Management	12,295	12,480	185	1.5%
Chief Executives Office	2,344	2,243	(101)	(4.3%)
Customer Services	518	552	34	6.6%
Finance	3,798	4,308	510	13.4%
Housing Management	3,481	3,459	(22)	(0.6%)
Corporation Tax	4	4	0	0.0%
<b>Total Expenditure</b>	<b>22,440</b>	<b>23,046</b>	<b>606</b>	<b>2.7%</b>
Company Income	(22,440)	(23,046)	(606)	2.7%
<b>Total Income</b>	<b>(22,440)</b>	<b>(23,046)</b>	<b>(606)</b>	<b>2.7%</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

**PROPOSED BUDGET 2012/13 ON ALL SERVICES  
OBJECTIVE ANALYSIS**

DESCRIPTION	BUDGET 2011/12	BUDGET 2012/13	VARIANCE	VARIANCE
	£000	£000	£000	%
<b>EXISTING SERVICES</b>				
Asset Management	12,295	12,480	185	1.5%
Chief Executives Office	2,344	2,243	(101)	(4.3%)
Customer Services	518	552	34	6.6%
Finance	3,798	4,308	510	13.4%
Housing Management	3,481	3,459	(22)	(0.6%)
<b>Total Existing Services</b>	<b>22,436</b>	<b>23,042</b>	<b>606</b>	<b>16.6%</b>
<b>NEW HRA BUSINESS</b>				
Sheltered Housing	0	721	721	100.0%
Hostels	0	443	443	100.0%
Allocations	0	481	481	100.0%
Housing Resettlement	0	268	268	100.0%
Disability Adaptations	0	87	87	100.0%
Cedar Wood House	0	130	130	100.0%
<b>Total New HRA Business</b>	<b>0</b>	<b>2,130</b>	<b>2,130</b>	<b>100.0%</b>
<b>NEW GF BUSINESS</b>				
Homelessness	0	20,299	20,299	100.0%
Travellers Sites	0	27	27	100.0%
Business Support	0	205	205	100.0%
<b>Total New GF Business</b>	<b>0</b>	<b>20,531</b>	<b>20,531</b>	<b>100.0%</b>
Corporation Tax	4	4	0	0.0%
<b>Total Expenditure</b>	<b>22,440</b>	<b>45,707</b>	<b>23,267</b>	<b>103.7%</b>
<b>INCOME</b>				
Existing HRA Services Management Fee	(22,440)	(23,046)	(606)	2.7%
New HRA Business Management Fee	0	(2,130)	(2,130)	(100.0%)
New GF Business Management Fee	0	(20,531)	(20,531)	(100.0%)
<b>Total Income</b>	<b>(22,440)</b>	<b>(45,707)</b>	<b>(23,267)</b>	<b>103.7%</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

<b>Date:</b> 23 January 2012	<b>Ascham Homes Board Budget Report</b>	<b>Item 7.3 Appendix 6</b>
<b>Growth Bid: Upgrading IT, Investing to Save</b>		
<b>Author: Kate Sinclair, Head of Business Transformation</b>		<b>Telephone: 020 8496 4018</b>

### Summary

This appendix shows an investment requirement of £394,050 on invest to save projects with a return of £257,710 over the next 5 years and thereafter at £83,060 pa

### Introduction

In January this year it was agreed at Board that we would move to have our IT service provision managed and maintained by LBWF ICT. Prior to this, it was agreed between our organisations that the running costs of the service would remain the same and the SLA would not value more than the total current SLAs (there are two) and the IT staff budget at Ascham Homes.

In preparing for the service upgrade and transfer, it has become apparent that we will need to invest in the hardware before we are able to upgrade. We will also need to purchase licenses for the new operating systems for every machine. Ascham Homes will be able to make the most of the prices that LBWF can command for hardware and we should also be able to be included in their existing enterprise agreement, where they pay a reduced rate for licences.

Until recently, Ascham Homes had not invested in IT for some time. We are currently upgrading our Housing Management System, Northgate, so that we will be able to run better modules and use more up to date systems. LBWF are upgrading their own systems to Windows 7 as well as moving to remote storage facilities and cloud storage. For us to do the same, we need to upgrade some of our current hardware as well as invest in the setting up of the new systems.

### Investment

The investment requirements for the service upgrade are outlined below, where they are associated with the upgrade of our systems to Windows 7, they are noted with (upgrade) in the comments column:

<b>Investment</b>	<b>2012/13 cost</b>	<b>Comments</b>	<b>Potential saving over next 5 yrs</b>
Standard	£50,570.00	assuming a	Greater Efficiency

Desktop		replacement of 130 (upgrade)	Savings – Savings on Maintenance costs £15,000pa <b>£60,000</b>
Installation of desktops	£26,130.00	(upgrade)	Greater Efficiency Savings – savings included above
MS Office Enterprise License	£36,918.70	assuming 130 licences (upgrade)	Greater Efficiency Savings – savings included above
MS Project Enterprise License	£7,751.70	assuming 30 (upgrade)	Greater Efficiency Savings – savings included above
MS Visio Enterprise License	£1,100.10	assuming 10 (upgrade)	Greater Efficiency Savings – savings included above
Aventail for remote working	£22,500.00	for 90 staff. Required to support new ways of working and reach a 130% capacity in the office	Reduces future Office space requirements – Cashable savings £45,000 pa after 2 years <b>£135,000</b>
Tablets	£19,080.00	45 tablets to enable new ways of working for Neighbourhood and Surveying teams. Reduction of required desk space.	Reduces future Office space requirements – Cashable savings Included above
Cloud space purchase	£25,000.00	(upgrade)	Saves future Capital Expenditure on Servers - unquantifiable
For general file storage and required at each site - rough costs based on a number of assumptions.	£20,000.00	(upgrade)	Saves future Capital Expenditure on Servers – unquantifiable
MFD printers	£47,000.00	make savings from the printing budget*	Savings of £23,060 p.a. after 18months

			<b>£80,710</b>
Access to e-learning pool to enable access to LBWF e-learning content	£3,000.00	Training required (upgrade)	Greater Efficiency Savings – None cashable
Repairs Interface	£30,000.00	Enable usage of upgraded Northgate 6.5 for repairs service (upgrade)	Greater Efficiency Savings – None cashable
Version 6 user interface	£20,000.00	Enable usage of upgraded Northgate 6.5 with a new user interface (upgrade)	Greater Efficiency Savings – None cashable
Planned Maintenance	£25,000.00	Allows more accurate and automated billing	Greater Efficiency Savings – None cashable
Paperless Direct Debit	£20,000.00	Installation	Greater Efficiency Savings – None cashable
Document Management back-scanning pilot	£40,000		Greater Efficiency Savings – None cashable
<b>Total</b>	<b>£394,050.50</b>	<b>Total Savings over next 5 years</b>	<b>£275,710</b>
		<b>Annual savings thereafter</b>	<b>£83,060</b>

The items in the shaded area are not required for the system upgrade, they are however important invest to save options. The Planned Maintenance development will mean that billing will be automated and more accurate, enabling more time to be spent on collection of leasehold bills and result in fewer discrepancies in the bills.

Paperless direct debits will increase the rent collection rates through the automation of payments without the customer needing to take regular action to keep up to date and out of arrears.

Document imaging is something that the council and Ascham Homes are looking into. It is a large project and we will need to pilot it in one business area.

\*once we have upgraded the systems we will be able to move to MFDs (multi-functional device printers). The current printing budget sits in Facilities Management and it is expected that the saving will be realised from MFDs

after 18 months. Our annual printing costs are:

Paper Costs	£6,000.00
Printer Cartridge Costs	£21,360.00
Photocopier Costs	£28,800.00
<b>Annual costs of printing and photocopying</b>	<b>£56,160.00</b>

The return on investment in installing the printers can be seen below:

Description	Year 1 costs	Year 2 costs	Year 3 costs	Year 4 costs	Total costs over 4 years	Total savings over 4 years
Total Printing Costs – if the existing service is to be maintained	£56,160	£56,160	£56,160	£56,160	<b>£224,640</b>	<b>Nil</b>
Ricoh Follow Me implemented (30% volume reduction and duplex print savings applied)	£42,130	£33,100	£33,100	£33,100	<b>£141,430</b>	<b>£83,210</b> 37.04%

As the printers cannot be installed until the IT systems are upgraded, the current FM spend on printing will need to continue but there will still be a saving within around 18 months of investment.

### Service Level Agreement

While it was agreed that the SLA for IT services would not exceed the current spend, there are new services that LBWF ICT are investing in that are costly, such as cloud storage. The IT service transfer project will continue to run and to ensure that Ascham Homes will realise improved services for the same annual cost. If it becomes apparent that the SLA will be valued higher than our current spend, a report will be presented to EMT with some options.

It is however necessary to budget for the investment to upgrade our systems whether or not we share the service in the exact way we expect to.

### Assumptions

There are many assumptions made in the first table, this is because LBWF have not yet undertaken the audit of our systems to gauge the exact requirement for upgrade. I have assumed that 50 machines will need to be upgraded, a conservative estimate

### Conclusion

It is recommended that a budget of £394,000 be set aside for the IT upgrade and service transfer. This related to the upgrade of our operating systems and hardware, not our housing management system.

## **Risks**

Ascham Homes has not upgraded its IT for a number of years. The maintenance costs of our systems are unpredictable and the age of the systems means that they can fail, requiring replacement with equipment that is no longer readily available. If we do not invest in the systems that underpin the way the business runs, we are at risk of longer periods of down-time, losing information and the need to replace expensive equipment at short notice

## APPENDIX 7

## HOUSING REVENUE ACCOUNT BUDGET 2012/13

			2012/13				
			FOR APPROVAL				
	2011/12	2011/12					
	Agreed February	Latest estimate		2013/14	2014/15	2015/16	2016/17
	2011			Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£
II							
F	(46,019,900)	(46,269,900)	(49,594,200)	(52,612,000)	(53,647,400)	(55,744,300)	(57,562,800)
	(721,900)	(771,900)	(757,300)	(686,500)	(641,200)	(654,000)	(667,100)
M	(6,869,300)	(6,294,300)	(6,495,200)	(6,625,100)	(6,757,600)	(6,892,700)	(7,030,600)
F	(1,702,400)	(2,012,300)					
Li	(150,000)	(100,000)	(100,000)	(120,000)	(130,000)	(130,000)	(130,000)
<b>T</b>	<b>(55,463,500)</b>	<b>(55,448,400)</b>	<b>(56,946,700)</b>	<b>(60,043,600)</b>	<b>(61,176,200)</b>	<b>(63,421,000)</b>	<b>(65,390,500)</b>
E							
C	8,552,700	7,944,900	6,372,600	6,489,200	6,268,100	6,378,500	6,491,000
F	785,300	785,300	841,700	892,900	928,900	965,200	996,600
C	8,646,500	8,646,500	12,513,000	12,825,800	13,146,500	13,475,100	13,786,000
C	14,448,500	14,600,500	9,747,500	10,117,900	10,022,800	9,837,300	10,001,500
F	321,800	260,000	194,800	90,000	50,000	8,000	0
F	500,000	1,440,000	3,600,000	5,500,000	6,220,000	7,750,000	8,600,000
<b>S</b>	<b>33,254,800</b>	<b>33,677,200</b>	<b>33,269,600</b>	<b>35,915,800</b>	<b>36,636,300</b>	<b>38,414,100</b>	<b>39,875,100</b>
A							
M	12,124,100	12,124,000	12,350,600	14,810,630	15,129,960	15,387,460	15,649,860
M			2,129,700				
F	8,985,000	8,985,000	9,173,900	9,357,400	9,544,500	9,735,400	9,930,100
S			394,000	(26,530)	(83,060)	(83,060)	(83,060)
	21,109,100	21,109,000	24,048,200	24,141,500	24,591,400	25,039,800	25,496,900
<b>T</b>	<b>54,363,900</b>	<b>54,786,200</b>	<b>57,317,800</b>	<b>60,057,300</b>	<b>61,227,700</b>	<b>63,453,900</b>	<b>65,372,000</b>
<b>I</b>	<b>(1,099,600)</b>	<b>(662,200)</b>	<b>371,100</b>	<b>13,700</b>	<b>51,500</b>	<b>32,900</b>	<b>(18,500)</b>
F							
E	-4,685,785	(5,119,018)	(5,781,218)	(5,410,118)	(5,396,418)	(5,344,918)	(5,312,018)
<b>E</b>	<b>(5,785,385)</b>	<b>(5,781,218)</b>	<b>(5,410,118)</b>	<b>(5,396,418)</b>	<b>(5,344,918)</b>	<b>(5,312,018)</b>	<b>(5,330,518)</b>

APPENDIX 7

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.4</b>
<b>Modern ALMO Update</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author:</b> Madeleine Forster – Chief Executive	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

1.1 To update Members on progress towards the Modern ALMO.

## **2. Executive Summary**

2.1 The Modern ALMO project is still on track to complete at the beginning of April 2012.

## **3. Recommendations**

3.1 Board is recommended to:

3.1.1 Agree to set up a Board working party to consider the draft management agreement, and to provide guidance to the Chief Executive in negotiating the terms of that agreement.

3.1.2 Agree to delegate to the Chair the authority to agree the final negotiated terms of the agreement and report back the outcome to the March Board meeting.

3.1.3 To approve the addition of a strapline to go on contractor's vans and on Ascham property to reflect the new arrangement 'Working in partnership for Waltham Forest'.

## **4. Progress on developing the Modern ALMO**

4.1 The Management Agreement  
LBWF have started to draft a new Management Agreement that will be shared with Ascham Homes at the end of January. This will be based around the standard 2006 template, but kept short and outcome focused, and using best practice examples that the Council have identified. The principle of a review

period after 12 months that members agreed at the board away day has been accepted.

The TSA have confirmed to LBWF that they are comfortable with the process to date and do not anticipate any delays in their approval subject to receiving the application for s27 consent shortly after Cabinet approval of the proposed efficiency savings which forms the last approval process from the Council perspective.

This timescale means that the board will need to consider the proposed management agreement between Board meetings and it is proposed that a sub group of Board members is formed to scrutinise the detail, and that this sub group is delegated to approve the form of the new agreement, based on the principles outlined in September and November.

#### 4.2 Staffing

Meetings have been held with staff from Ascham Homes and LBWF just before Christmas to update them on progress. The staff focus group that will discuss how to integrate services and assist with communications has also met, and a series of further meetings are planned over the next few weeks.

TUPE consultation with the staff at LBWF is commencing next week, and a finalised TUPE list will be available. Once this is received we will start to work to ensure a smooth transition into Ascham Homes.

Our new repairs and maintenance contract specification invited contractors to provide a repairs contact centre. The successful contractors, Osbournes, are now preparing to deliver this service from offices in Wood Street. This will reduce the number of calls and visits to our offices by around 60%, and arrangements are underway to TUPE up to 10 staff from our customer services team to Osbournes. Central to the success of this will be a smooth customer journey, and we have agreed (and reported elsewhere in the report) that training will be undertaken jointly between our staff, Osbournes and LBWF to an agreed high standard of customer care.

Proposals for shared services are contained elsewhere on the agenda.

#### 4.3 One Reception

It was agreed that a single reception should be provided from the start of the modern ALMO, enabling residents to see the difference immediately. At the Board awayday the proposal from LBWF that Ascham Homes should join the 'Residents First' project was discussed and a range of questions and queries raised.

Further work with LBWF has indicated that the Residents First project is still in a relatively early stage of implementation, and therefore it is not appropriate to consider joining our service with that at this point.

However, joint working enables us to better understand the project, and to plan in such a way as to learn from good practice and to develop our service

in a way that would not be contradictory should the board, in future, support the integration of our call centre and/or reception with the Residents First project.

It is proposed that the reception at Cedar Wood House from 1<sup>st</sup> April should be characterised by the Establishment of a new quality reception area with clear branding and improved visitor handling; improved advice and information delivery across housing service areas; a home appointment offer (where required) in the first call for repairs or neighbourhood services; improved inter-departmental working between Ascham and re-housing teams; uniformed staff and updated signage.

To reflect the closer relationship with LBWF it is proposed that the board consider adding a strapline 'Working in partnership for Waltham Forest' beneath our Ascham logo to demonstrate our new working relationship.

These changes will also increased promotion of mobile working for staff and self-servicing and increased on-line service/enquiry handling for customers.

We will be ensuring that there is consistency in service experience through joint training to be held before the end of March to include staff from Ascham Homes', our repairs contractors, Residents First and affected LBWF staff located at Cedar Wood House..

The Residents First project is still in the early stages of development and so it is proposed that we work collaboratively so that we develop approaches in tandem allowing closer alignment at an appropriate point when measureable service improvements can be identified.

There is no housing capital funding available for the works to the Cedar Wood reception. Rather the proposal is to tie this in to the Council's accommodation strategy project 'The Way we Work'. A capital bid is being produced for consideration by Cabinet at its February meeting.

#### 4.4 New Services

My visit to Stockport was extremely helpful, building on the awayday and giving some live examples of the ways in which we can integrate services in the future. I am currently drafting the job description for the Head of Housing Options shortly and will proceed then to advertise to fill the post.

We will shortly begin work on understanding and preparing to integrate sheltered housing and allocations services within the existing Housing Services organisation.

#### 4.5 Resident Engagement

Some concerns and misunderstandings were raised by a resident at the Residents Conference and so LBWF has held meetings at all sheltered housing schemes, with an overall 78% approval rating for the proposals. In addition, Ascham Homes contact centre staff are carrying out telephone surveys to understand the views of our residents. This will all feed into the

report to TSA as part of the s27 approval process.

Residents will be consulted on proposals for the new reception service so that we make sure we take the opportunity to bring the reception up to a standard residents can feel comfortable in and we can feel proud of.

## **5. Risk Factors**

- 5.1 The risk of not completing the reception area is the highest risk to the project. This is being proactively managed by Ascham Homes and we are still of the belief that it will be concluded in time. Any project of this nature holds the risk of some impact on service in the transition phase. The staff focus group is key to ensuring that we identify the 'issues on the ground' and pre-empt any such issues.

## **6. Resource Implications**

- 6.1 All resources required have been identified, with the exception of the costs for the works to reception. This will be raised at SPB to ensure proper provision is made.

## **7. Diversity Implications**

- 7.1 There are no further diversity implications identified at this stage of the project.

<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.5</b>
<b>Ascham Homes Draft Delivery Plan 2012/13</b>		<b>Status:</b>  <b>Public</b>
		<b>For discussion</b>
<b>Author: Kate Sinclair – Head of Business Transformation</b>	<b>Telephone: 020 8496 4018</b>	

## 1. Purpose

- 1.1. This report introduces the draft delivery plan for Ascham Homes for 2012/13. This delivery plan has been developed in the same way as last year, building up on activities and costs that are included in the draft management fee, and focusing on improved services to residents.

## 2. Background

- 2.1. The plan sets out the programmes of work that we intend to deliver or begin in 2012/13. It has been developed in line with delivering the Council's priorities for Housing and through listening to our residents at various forums. It has also been developed to ensure that we are delivering to the six TSA standards:
- Tenant involvement and empowerment
  - Home
  - Tenancy
  - Neighbourhood and community
  - Value for money
  - Governance and financial viability
- 2.2. There is a greater deal of detail that sits behind this plan and this detail will form the workplans for teams and individuals within Ascham Homes. It is designed so that the measurable outcomes can be used in individual appraisals and in our performance monitoring.
- 2.3. The plan currently only consists of work that is in service areas that currently reside in Ascham Homes. The final plan will include the programmes of work for Housing Options and this plan will be further

developed by the Business Change Team as part of the Modern ALMO programme.

- 2.4. Where possible, predicted in-year savings and spend have been added to the plan. As budgets and spend are finalised, more detail will be added.
- 2.5. The timeframes set out in the plan state when we intend the work to start for each item. The measurable outcome column will include completion dates where appropriate once targets have been set.

### **3. Delivering the Plan**

- 3.1. The plan has been developed by considering the desired outcomes of residents and the priorities of the Council. It has then been broken down into key programmes:
  - Delivering Better Services
  - Engaging our Residents
  - Investing in our Homes
  - Delivering joined up services: Modern ALMO
  - Making Every Penny Count
- 3.2. Each of these are broken down further into workstreams. The next layer of granularity will form the workplans for the organisation and these will be used to set individual objectives for 2012/13.

### **4. Monitoring the Delivery**

- 4.1. The delivery plan is the key document used by LBWF to monitor the performance of the ALMO. It is also the key document used within Ascham Homes and is monitored in a number of ways. It will be monitored at different levels: the Board, EMT, Managers and Residents.
- 4.2. It is proposed that in the new balanced scorecard approach which will be brought to SPB in March we include a delivery plan monitoring quadrant, this will provide a snapshot to SPB, The Ascham Homes Board, COP and EMT of the progress of the delivery plan and highlight any issues or delays. The workstreams from the plan that form service areas and teams' work plans will be monitored by managers and this will provide progress reporting for the balanced scorecard.
- 4.3. Where possible, we will use performance indicators and other quantifiable success criteria as measurable outcomes. It is important that these outcomes reflect the priorities of our residents, stakeholders and the Council's aims for Housing. The performance indicators are currently being shaped and this area of the plan will have much more detail in once the indicators are signed off.

## **5. Financial Implications**

- 5.1. The Delivery plan reflects the budget proposed under separate agenda item to Strategic Partnership Board, financial information has been included in the plan and will be further refined in later versions.

## **6. Risks**

- 6.1. There are no direct risks associated with the plan itself but the plan includes actions that will mitigate a number of risks as well as move the business forward. Each workstream will have associated risk assessments.

## **7. Equality and Diversity Implications**

- 7.1. Equality Analyses will be completed for each workstream as part of the completion of the plan in March 2012. Where necessary, the plan and workstreams will be amended following these analyses.

Delivering Better Services					
Workstream	Activity	Starting	Cost (Saving)	TSA Standard	Measure
Improved services	R+M contract embedded successfully	Q1		Home, Tenancy, Neighbourhood and Community	No dip in customer satisfaction or contract performance at start of contract  Increased customer satisfaction with repairs service  <i>Performance indicators:</i>
	Better information	Q1			Better information stored and shared with the contractor to support the CRM system and later improve Customer Satisfaction with our customer service
Neighbourhood Management Implemented	Develop annual Neighbour Plans which are informed by resident engagement.	Q1			Plans signed off by Neighbourhood Panels

	Prepare annually updated Neighbourhood Profile documents informed by residents	Q3			target: Things are improving around here xx%
	Review the role of Neighbourhood Officer	Q3			

Creating safer places for residents to live, work and play	Community safety Strategy	Q1		Neighbourhood and community	Achieve excellence standards and confidence in ASB/Crime responses and intervention
	Develop a Wood Street/High Street/Hoe Street Area Community Safety Partnership plan	Q1			
	Review quality of Domestic Violence support and responses extending partnership approaches and training	Q3			
	review the effectiveness and impact of the co-located Community Safety services to optimise potential	Q2			

	Supporting our residents	Q2		Tenancy	Residents receiving Tenancy Sustainability Support receive a home visit XX (performance target),  Aids and adaptations plan
	develop an Older Peoples Service Offer	Q3		Tenancy	
	Explore options for external accreditation for Customer Service Excellence	Q3		Tenant Involvement and Empowerment	
Reinvestment in Frontline Services	Deliver a VfM repairs service	Q1	401k		~29500 repairs completed within budget, efficiencies of XX realised
	Tree maintenance reinstated	Q1	90k		
Improving our public realm	Atlee Terrace improvements completed	Q3	£X	Home  Neighbourhood and community  Value for Money	Target: Things are improving around here xx%

Engaging our Residents					
Workstream	Activity	Starting	Cost (Saving)	TSA Standard	Measure
Residents and the wider community are more engaged	Community Development Strategy	Q1		Tenant involvement and empowerment,  Neighbourhood and community	Young persons' strategy on place showing results
	Resident Engagement Strategy rolled out	Q1		Tenant involvement and empowerment,  Neighbourhood and community	<i>Resident Engagement indicators including higher numbers of residents engaged, representative of Ascham Homes' make up of tenure, street / estate based and diverse customer base.</i>
	To promote diverse and inclusive neighbourhood engagement and influence over Neighbourhood Plan priorities and outputs				Achieve measurable engagement reflective of resident profile. Establish a t lease one neighbourhood based environment budget pilot.

	To support and develop tenant and resident (TRA) activity and capacity				Complete an appraisal and development plan for 100% of TRAs
	To promote inclusion and targeted activity for leaseholders				Establish a leaseholders forum and engagement within neighbourhood forum
	To promote inclusion and targeted activity for residents who live in street properties				Establish a street property forum and engagement within neighbourhood forum
	To promote inclusion and targeted activity for residents who live in out of borough properties				Establish an out of borough engagement forum
Improved contact	Channel Strategy	Q3		Tenant involvement and empowerment,	Strategy developed with residents and stakeholders in line with LBWF's CRM programme.

				Neighbourhood and community	Residents shift from use of front desk to phone, phone to internet. Targets tbc in strategy
				Tenancy	
	Improve first contact with residents through integration with Residents First	Q1	<i>Included in 800k budget and LBWF's One Infrastructure and Residents First</i>	Tenant involvement and empowerment Neighbourhood and community	One Reception on 01/04/12

Investing in our Homes					
Workstream	Activity	Starting	Cost (Saving)	TSA Standard	Measure
Year 1 Asset Management Strategy delivered including:	Bathrooms fitted to 1325 properties	Q1	Whole programme £29m	Home	Undertake a total of 7315 individual works to properties
	Kitchens fitted to 1176 properties	Q1			
	Fire regulation works to 700 properties	Q1			
	Windows fitted to 805 properties	Q1			
	Boilers fitted in 700 properties	Q1			
	Asbestos works to 500 properties	Q1			
To deliver CESP and Fits programmes to maximise energy efficiency and to address fuel poverty.		Q1	£XX	Home, Neighbourhood and Community	XX properties fitted with energy saving measures

Modern ALMO					
Workstream	Activity	Starting	Cost (Saving)	TSA Standard	Measure
Streamlined services	Integration of Housing Solutions, Sheltered Housing and Allocations	Q1		Tenancy  Value for money  Governance and financial viability	c100 staff TUPE transferred by 01/04/12  One reception opened 01/04/12  Review of existing mission statement
	Expand neighbourhood management services			Home, Tenancy, Neighbourhood and community,	
Improved Services	Service reviews across the business including Rents, Leasehold, Environmental Services, Voids and Allocations	Q1		Home  Value for money  Governance and financial viability	Performance increased...XX%
Closer partnership working with the council and realising efficiencies	Implement shared service areas of IT, Facilities Management and Legal Services	Q1	(£89k)		

Internal probity and challenge strengthened through new Finance service	Reviewed and improved service		£40k	Governance and financial viability	Positive outcome of audits
Staff are developed and performance improving	People Strategy	Q2			New ways of working successfully implemented  People Strategy and associated plans produced and implemented
	Leadership Development	Q1 – Q4			
	Workforce development and culture development, supporting the new ways of working	Q1 – Q4			Sickness reduced to XX days per year
	Review of Terms and Conditions	Q3			
Utilise technology to improve the way we deliver our services	Improve IT systems	Q1 for upgrade to windows  Q2 for transfer of service to LBWF	£537k	Tenancy	Robust working practices in place through new Northgate upgrade, better data quality and capture

		Q1 – 4 for upgrades to Northgate			<p>Increase in service charge collection of XX</p> <p>Upgraded systems to Windows 7</p> <p>New Intranet developed</p>
	Enabling mobile working	Q1 - Q3	<i>Included in IT budget</i>	Tenancy	Capacity of office at 140%

Making Every Penny Count					
Workstream	Activity	Starting	Cost (Saving)	TSA Standard	Measure
Support LBWF in optimising available housing in the borough	Contribute to increasing the supply of housing through reduction of under-occupation and subletting	Q1		Tenancy	Void rent loss at XX by year end
				Neighbourhood and community	Number of empty properties in the borough XX
				Value for Money	Streamlined property service through Modern ALMO programme To visit xx% of the stock per year prioritising street properties
Maximising income	Rents team increased and processes improved	Q1	£110k	Tenancy	Increase Rent Collection to XX
	Garages	Q1	(£XX cashable savings)	Value for money Governance and financial viability	Reduce arrears to XX Increase collection to XX

	Service Charges	Q1	(£XX cashable savings)	Value for money Governance and financial viability	Increase in Service Charge collection of XX
	Leasehold S20	Q1	(£XX cashable savings)	Value for money Governance and financial viability	Increase in S20 collection of XX
	Parking	Q1	(£XX cashable savings)	Value for money Governance and financial viability	Parking income increased
	Maximising income of households through partners and in line with LBWF's income maximisation programme	Q1		Tenancy	
Deliver 3% sustainable efficiencies			(£XX)	Value for money Governance and financial viability	3% reduction in budget
Value for Money from suppliers through robust SLAs and contract monitoring	Review SLAs regularly			Value for money Governance and financial viability	

Explore further opportunities to share services and realise value for money and stronger partnership working					
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<b>Date:</b> 23 <sup>rd</sup> January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.1</b>
<b>Ascham Homes Quarter 3 Balanced Scorecard Performance Report</b>		<b>Status:</b> Public
		<b>Decision</b>
<b>Author: Kate Sinclair – Head of Business Transformation</b>		<b>Telephone: 020 8496 4018</b>

## 1. Purpose

To provide the Board with an overview of the 3rd quarter performance.

## 2. Recommendations

2.1 Board notes and comments on the report.

## 3. Background

3.1 The Balanced Scorecard sets out performance on a range of Customer, Finance, People and Delivery measures for 2011/12.

3.2 Quarter 3 performance is detailed in Appendix 1. The HouseMark quarterly KPI tracking results have been updated. The Delivery measures are achieving top or second quartile. The rent collected measure has improved from bottom quartile to third, and the rent loss from voids has moved from second to third quartile. A column has been added showing the direction of travel between quarter 1 and quarter 3.

## 4 Customer

4.1.1 9.3% (13/140) of complaints were escalated to stage 2 in quarter 3, achieving the 12% target

4.1.2 90% (1,107/1,236) residents were satisfied with overall services in quarter 3 and the 80% target was achieved by a significant margin. 90% were satisfied year-to-date.

4.1.3 86% (991/1,150) residents were satisfied that their views are taken into account in quarter 3, achieving the 70% target. 86% were satisfied year-to-date.

- 4.1.4 97% (1,185/1,219) residents were satisfied with the helpfulness of the landlord in quarter 3, a 2% quarter-on-quarter improvement. The 70% target was exceeded by a significant margin. 96.59% were satisfied year-to-date.
- 4.1.5 89% (1,063/1,196) residents were satisfied with the repairs service in quarter 3 narrowly missing the 92% target. Analysis of dissatisfaction results completed earlier this year showed that emergency works orders are less likely to result in dissatisfaction than urgent or routine orders. 43% of dissatisfied customers had experienced water leakage/ingress. We will ensure that there is good customer care and good communication with residents in these sometimes difficult and stressful situations. There will be greater attention on this KPI going forward and we will use this information when developing the arrangements with the new contractors going live in April .
- 4.1.6 61% (735/1,212) residents agreed that 'things are improving where I live' in quarter 3, missing the 70% target. However, there has been quarter-on-quarter improvement for each of the three quarters in 2011/12. We anticipate continuing improvement in this indicator as the new Community Engagement Team is established and the Resident Engagement Strategy is rolled out in 2012/13.

## **4.2 Finance.**

- 4.2.1 £31,888,906 rent was collected year-to-date of £32,301,253 due, equating to a 98.72% collection rate against the 100.25% target. There was a significant improvement in performance as a result of the Christmas rent free weeks and the 'system-led' approach implemented in October. We are following a simplified target-driven process with individual targets for staff to reduce arrears. The former tenant arrears and write offs continue to be addressed systematically. The rents and leasehold service reviews reported to Board in September gave clear indications for options for future service and performance delivery. An implementation plan focusing on performance recovery is being developed for implementation from quarter 4. Friday Hill performance was 98.46%, LBWF hostels 92.48%, and SAMS 99.53%. Total HRA performance is 98.65%.
- 4.2.2 £22,492m revenue spend is committed over £22,474M budgeted equating to a minimal overspend of 0.1% - indicator shown as achieving target.
- 4.2.3 £25.834M capital spend is committed over £27.333M budgeted equating to a 5.55% under-spend. The reasons for this and mitigation are set out elsewhere on the agenda.
- 4.2.4 £314,839 rent over £32,642,948, rent due was lost due to empty properties year-to-date, equating to a 0.96% rent loss. The <1% target was achieved.
- 4.2.5 Performance data for the service charge collection KPI is temporarily unavailable because of changes to the information systems that we use. These systems are being upgraded and data will be available from the start of the new financial year.

## **4.3 People**

- 4.3.1 We are currently programming the HR system to provide us with more information than we currently provide in terms of people data to enable us to measure a wider set of indicators next year.
- 4.3.2 The BME staff profile is 51% exceeding the 42% target. The gender profile is 45% not meeting the 51% profile. The disability profile is 4% not meeting the 13% target. More work needs to be done on this indicator to identify a more effective measure for 2012/13.
- 4.3.3 3,520 days were lost to sickness amongst approximately 214 employees giving an approximate average of 16.43 days per employee. The 8 day target was not achieved. However there was a quarter-on-quarter reduction in the average of nearly 1.5 days. This data is for the Jan to December 11 period. The figure excluding long sickness is 4.33 days ( 4.35 days in quarter 2). The cases are being carefully managed, and progress on every long term sickness case is monitored monthly by EMT.
- 4.3.4 7% of staff are temporary achieving the 10% target.
- 4.3.5 Data on appraisals is awaited.

#### **4.4 Delivery**

- 4.4.1 3,443/3,732 (92%) of works orders were completed right first time in quarter 3, against the 94% target. Year-to-date performance is 89.7%. Considerable work is underway to ensure that the contractor and staff understand and report on this indicator in the right way and deliver repairs right first time. The data for this indicator is currently produced by Kier but this will change in quarter 4. The DigiPen project, enabling electronic collection of post inspection data on this indicator by Ascham Homes surveyors went live in January and data is starting to be collected.
- 4.4.2 99% (7878/7983) works orders were completed within timescale in quarter 3 achieving the 99% target. 98.03% of orders were completed within timescale year-to-date.
- 4.4.3 109 voids were turned round in 2,451 days in quarter 3, an average of 22.48 days, achieving the 23 day target. Year-to-date performance is 23.75 days.
- 4.4.4 93.41% (85/91) asb cases were closed resolved in quarter 3, exceeding the 90% target. Year-to-date performance is 86.3%, reflecting low performance at the start of the year with improving performance during the year.
- 4.4.5 4.1% (1,170/28,326) of calls were abandoned after 7 rings in quarter 3 achieving the 5% target. Year-to-date performance is 4%.
- 4.4.6 There were 971/10,497 non-decent homes at the end of quarter 3, equating to 9.265 of the stock. Looking forward we estimate, provisionally, that the non-decency figure at year end will be between 3 and 5%. Approximately 3% will be because of refusals, legal issues and the moratorium on works to hostels. The remaining 2% is as a result non-access during the 2010 2011 programme.

4.4.7 100% of gas checks were completed.

4.4.8 82.88% (968/1,168) inspections achieved a grade "A" (excellent - clean and litter free) standard in quarter 3 missing the 95% target. There was a 4% quarter-on-quarter improvement in performance. Year-to-date performance is 81%. The inspections that did not achieve grade "A" all resulted in a "B" (good - some litter build up) standard. 90% (590/679 responses) of residents were satisfied with estate cleaning and grounds maintenance services in the April-December reporting period.

4.4.9 31 properties were decorated out of 35 planned. A proportion of the decorations programme has been suspended as a contingency against overspend in day to day repairs.

## **5. Resource Implications**

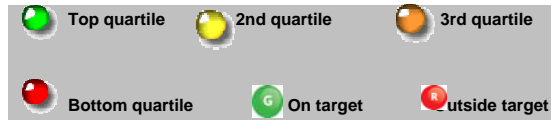
5.1 Any rent or leasehold service charge not collected will affect the performance of the HRA.

## **6. Diversity Implications**

6.1 Diversity information is collected at the same time that the customer follow up calls are made. This enables us to have a more complete picture of the profile of our customer base and in turn will affect how we design and provide services.

## **7. Risk Factors**

7.1 None specific.





## Appendix 1

Ascham Homes Balanced Scorecard 3rd Q 2011/12							
Customer							
Customer	Q1	Q2	Q3	Target	HouseMark benchmark	Trend	Status (and benchmark where available)
C1	% of complaints escalated to Stage 2	10%	19%	9%	12%		↑
C2	<b>% satisfaction with overall services. Housing excellence dashboard measure</b>	68%	92%	90%	80%		↑
C3	% satisfaction that their views are taken into account	74%	86%	86%	70%		↑
C4	% satisfaction with the helpfulness of the landlord	89%	95.5%	97.2%	70%		↑
C5	% satisfaction with the repairs service	84%	90%	89%	92%		↑
C6	% satisfaction that "Things are improving where I live"	52%	57%	61%	70%		↑
Finance							
Finance	Q1	Q2	Q3	Target	HouseMark benchmark	Trend	Status
F1	<b>% of rent collected. Housing excellence dashboard measure</b>	95.80%	96.41%	98.72%	100.25%		↑
F2	% variance of projected year end revenue spend to profiled budget	(May) -0.1%	(+)1.1%	0%	0%		↑
F3	% variance of projected year end capital spend to profiled budget	0.00%	(+)5.8%	-5.5%	0%		↓
F4	Void rent loss	0.82%	0.87%	0.96%	1%		↓
F5	% of service charges collected	23.65% (25% target)	42.0%	NA	50% (year end 101%)		



## Appendix 1

Ascham Homes Balanced Scorecard 3rd Q 2011/12								
								
People		Q1	Q2	Q3	Target	HouseMark benchmark		Status
P1	Staff diversity profile - to reflect customer profile	Staff profile			LBWF Resident profile			
	BME (Yes)	50%	51%	51%	42%			
	Gender (Female)	48%	45%	43%	51%			
	Disability (Yes)	4%	4%	4%	13%		↔	R
P2	Average number of sick days per employee (FTE)	5.34 days	17.97 days	16.43 days	<8 days		↓	R
P3	% of temporary staff	0.5%	15.0%	7%	<10%			G
P4	% of staff who have achieved a satisfactory level or above in their appraisal	To be reported in quarter 2	100%	Awaited	90%			
								
Delivery.		Q1	Q2	Q3	Target	HouseMark benchmark		Status
D1	% of repairs done right first time.	90%	85%	92%	94%		↑	R
D2	% of total repairs within service target. Housing excellence dashboard measure	97%	99%	99%	99%		↑	G
D3	Average relet days.	27.5	18.3	22.5	23 days		↑	G
D4	% of closed resolved cases for ASB.	67.6%	86.1%	93.4%	90%		↓	G
D5	% of abandoned calls.	3.6%	4.1%	4.1%	<5%		↓	G
D6	% of social housing stock failing to meet the Decent Homes Standard. Housing excellence dashboard measure.	12.9%	11.0%	9.3%	0.0%		↑	R
D7	Number of annual gas checks completed as a % of those due.	100%	100%	100%	100%		↔	G
D8	% of estates achieving an "A" grade.	80.1%	78.7%	82.9%	95%		↑	R
D9	No. properties where external decorations have been completed (profiled)	Nil due	117/117	31/35	To achieve profile		↓	R

<b>Date:</b> 23rd January 2012	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.2</b>
<b>Capital Expenditure and Asset Management Update – Quarter 3</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author: Jo Murphy – Deputy Chief Executive Derek Young – Interim Director of Finance</b>		<b>Ext: 4905 Ext: 4983</b>

## 1. Purpose of Report

- 1.1. To present the Asset Management update and the capital expenditure monitoring position as at 31st December 2011 (See Appendix 1).

## 2. Executive Summary

- 2.1. The Capital Programme is revised to £27.333m to take into account Public Realm Funding of £1.9m plus an adjustment of -£6k on De-Conversions. The capital programme will be further revised in January 2012 to take account of the Solar Panel (FITS) programme which commences in January 2012. Expenditure on the capital programme as at 31<sup>st</sup> December is £13.854m with £3.97m being spent in that month. This compares with a revised cash-flow forecast agreed at the last Capital Project Board (see Appendix 2) which indicated a spend of £12.1m by the end of the 3<sup>rd</sup> Quarter meaning that there is a £1.7m over spend year to date. This over spend is primarily because nearly all capital programmes have completed S20 leaseholder consultations and other planning activities and are now fully committed with contractors on site and striving to complete their projects by the 31<sup>st</sup> March 2012.. This overspend will help to relieve the pressure on the remainder of the capital programme for January/March 2012 which is still 50% of the overall programme. At this stage the capital programme is projected to under spend by £1.5m with the Public Realm Works accounting for £798k and the balance being apportioned across MRA non essential programmes as a contingency for non delivery by contractors.
- 2.2. The Decent Homes programme for 2011/12 is £13.558m of which £8.758m was carried forward from 2010/11 and the remainder is for the programme for 2011/12. £9.68m was spent at the end of December 2011 of which £8.5m related to the 2010/11 programme carried forward.

- 2.3. FRA works are nearly all on site. and although only £198k has been spent to date, spend will accelerate over the coming months. The capital budget for the year is £2.3m and is expected to under-spend by £215k.
- 2.4. The Major voids capital budget is £1.064m (within Direct MRA) with expenditure to December 2011 of £246k. The average cost to date is £15.4k against a target of £20k. Although volumes are ahead of target the average cost is significantly below target and the budget will not be exceeded.
- 2.5. The Re-Procurement of the repairs contract remains on target and the Ascham Homes Board has identified two preferred bidders. The 'Alcatel' period following which, and in the absence of any challenge, a formal announcement can be made has passed without challenge. The successful contractors (Osborne and a consortium led by Aston Heating) have therefore been determined and industry announcements are planned. There will now be a three month mobilisation period before service delivery starts in April 2012.

### **3. Recommendations**

- 3.1. The Board is recommended
- 3.1.1. To note this report.

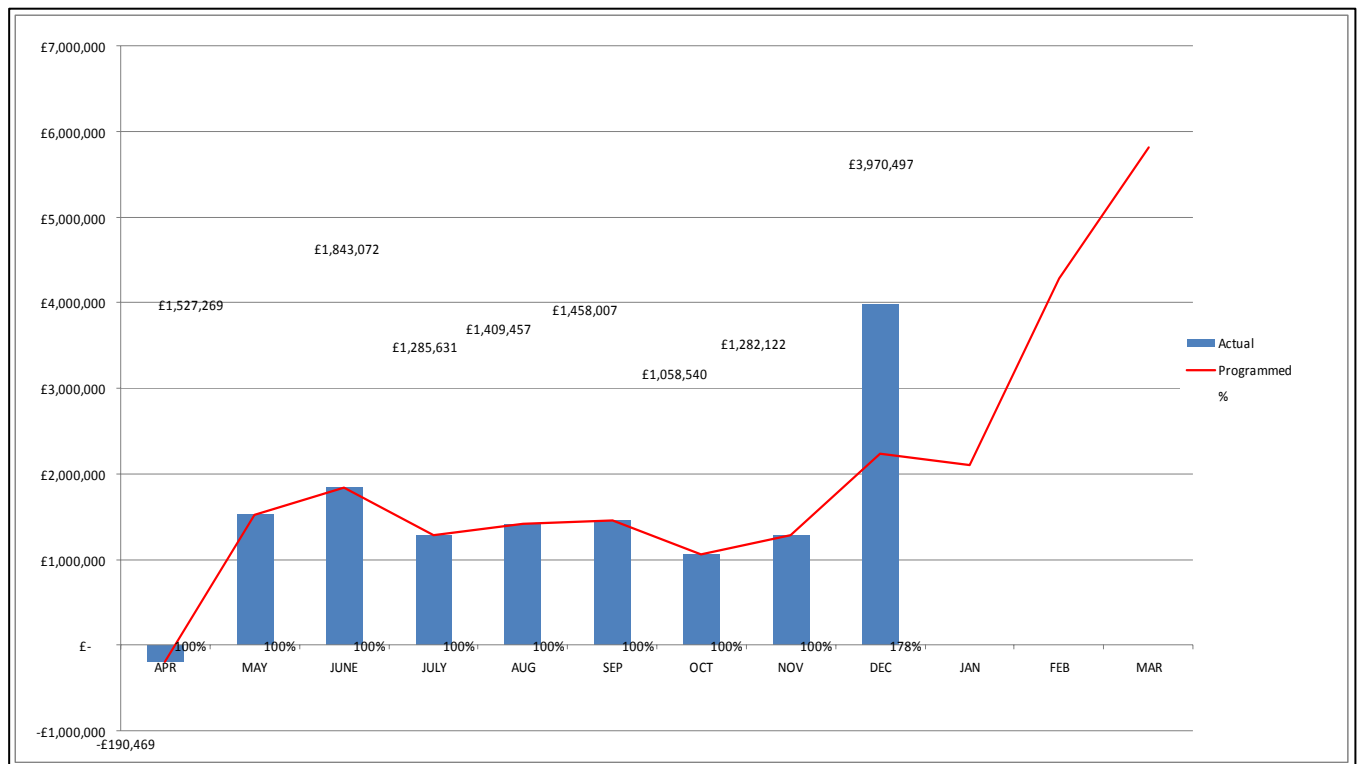
### **4. Capital Expenditure to date**

- 4.1. Capital expenditure to date is more than expected under the revised cash-flows agreed by the Capital Project Board in December 2012 (see Appendix 2). Expenditure on the capital programme as at 31<sup>st</sup> December is £13.854m with £3.97m being spent in that month. This compares with a revised cash-flow forecast which indicated a spend of £12.1m by the end of the 3<sup>rd</sup> Quarter meaning that there is a £1.8m over spend year to date. This over spend is primarily because nearly capital programmes have completed S20 leaseholder consultations and other planning activities and are now fully committed with contractors on site and striving to complete their projects by the 31<sup>st</sup> March 2012.. This overspend will help to relieve the pressure on the remainder of the capital programme for January/March 2012 which is still 50% of the overall programme. At this stage the capital programme is projected to under spend by £1.5m with the Public Realm Works accounting for £798k and the balance being apportioned across MRA non essential programmes as a contingency for non delivery by contractors

### **5. Asset Management Update – Capital Programmes**

- 5.1. All programmes are now on site and due to complete within the financial year. The exception to this is the Public Realm project at Attlee Terrace, where the compulsory purchase of leaseholders' pram sheds is now required to achieve the agreed proposals.

5.2. The table below confirms the profile of activity on site and programmed for the remainder of the financial year. It is reflected in the cash flow forecast at Appendix 2.



5.3. **Decent Homes 2010/11** – this programme is on target for completion of all Decent Homes works by the end of December 2011 excepting a small number of properties where technical issues are likely to delay completion. **Decent Homes 2011/12** - this programme is intended to target those properties that might otherwise have failed DH compliance during the year. The programme is now fully identified, costed and on site for completion by the end of the financial year. An overspend of £200k is expected on the whole Decent Homes programme and the Capital Projects Board has identified savings on other non-essential programmes to off-set this overspend

5.4. **Fire Risk Assessment works** – this programme is a carry-over from last year. The programme for the remaining balance of 280 properties is now on site, with a capital budget for the year of £2.3m and is expected to under-spend by £215k.

5.5. **MRA works** – the new Devolved MRA budget has been agreed in Contract Panel meetings and is currently on site. It has been agreed with LBWF that £750k of the new funding should be used for the upgrade or replacement of door entry systems on Tenby Court (£100k: now completed) and borough-wide (£650k: 36 schemes all awaiting Section 20 consultation expiry in January 2012) as these are known resident priorities. Most of the remainder of the 2011/12 capital programme are rolling programmes that are being delivered through the year. The exception is one off projects such as lift

replacements (6 sites) and communal boiler replacements which are now in progress. An under-spend of £690k is currently projected on non-essential programmes which is partly used to offset the overspend on Decent Homes reported above. These programmes will be included in next years capital programme.

5.6. **Public Realm works** – this programme will provide significant external and environmental improvements at Attlee Terrace, Tenby Court, Essex Close and other areas within the Borough.

- [i] the works at Attlee Terrace have been agreed in principle following extensive public consultation, but these involve the demolition of all existing pram sheds (without re-provision) to improve sightlines and security and also to enable road widening. 45 of these pram sheds are owned by leaseholders and it has been agreed that, where we have not already been able to establish a side agreement with individual leaseholders, these will be procured through compulsory purchase to enable demolition. This has delayed the original programme.
- [ii] at Tenby Court, the Phase 1 works (external decorations and envelope repairs) completed before Christmas . Section 20 notices for Phase 2 have been issued but the works will not start before February (closer to the planting season) with completion by the end of March.
- [iii] at Essex Close, the road and FRA works are on site and the security works are due on site next week subject to final sign off from LBWF.
- [iv] an additional £150,000 has been allocated for repair works to the retaining walls within the Olympic fringe areas and currently AMP's have been received from contractors but are subject to review before agreement and sign off.
- [v] additional funding of £200,000 has been allocated for Improvement works at John Walsh & Fred Wigg towers and works are due to start in January 2012 after expiry of Section 20 consultations. However these works are being held pending structural reports consequent on the fire and will be scheduled with any further planned works.
- [vi] lastly £100,000 has been allocated for paving, ramps and other health & safety works on estates throughout the borough and AMP's are now coming in for these works.

An under-spend of £798k mainly in connection with purchases of pram-sheds at Attlee Terrace is predicted for this year and will be carried over to 2012/13.

5.7. **Major Voids** – the volume of Major Voids was 78 by the end of December 2011 (against an allowance of 56 for the year). This poses some concern as the budget can not sustain these volumes going forward. However, average costs are below target and the Asset Management teams will monitor the volumes closely so that total spend does not exceed the budget allowance.

Where further major voids occur we will work with LBWF to identify resources to fund them in order to ensure that no delays occur in dealing with them.

- 5.8. **Re-procurement** – the re-procurement strategy envisages the delivery of capital works continuing with our existing partners (Apollo and Breyer) into 2012/13 and until such time as the new service provider (from April 2012) has been able to demonstrate competence in the delivery of the routine maintenance service. The procurement process has remained on track and the ALCATEL standstill period and section 20 consultation periods have now elapsed without challenge. The process has identified two preferred bidders and Board have approved these bids and industry announcements will be made in the coming months. The preferred partners are Osborne and a consortium led by Aston Heating. There will now be a three month mobilisation period before commencement of contracts on the 1<sup>st</sup> April 2012.

## 6. **Asset Management Update – Revenue Programmes**

- 6.1. **Repairs** – We have moved to an average-cost-per order framework of £75 for all jobs under £500 to give us increased control over costs and therefore better budget certainty.
- 6.2. **Repairs Out of Hours** – this service is now being delivered through Kier's out of hours service and we have been able to reduce handling and costs.
- 6.3. **Routine Voids** - through the introduction of a third contractor, weaker performance earlier in the year has been addressed and current turnaround times continue well within target.

## 7. **Risk Factors**

- 7.1. The revenue budget has an income item for capital commission fee income of £782,000 for managing the Councils housing capital programme. For every £1.0m that is not achieved on that part of the capital programme that attracts commission income (excluding therefore the 2010/11 Decent Homes budget which is managed by JRP) there will be a reduction in this income of £50,000. As such Ascham Homes will incur a loss of approximately £75k against this budget calculated on delivering £1.5m less on the Capital Programme. Ascham Homes will need to account for this within the Revenue Programme.
- 7.2. The extent to which there is any shortfall in this income (as a result of under-spend on capital) can be borne by reserves in the current year and then recouped in the next financial year when the capital expenditure takes place.
- 7.3. It is noted that if capital expenditure is not achieved it can be carried forward to the 2012/13 programme (with Council agreement) under the new HRA arrangements.

## 8. **Forensic Audit Report Update**

- 8.1 Strategic Partnering Board have agreed a further commission for JRP to carry out visual external inspections of an additional 200 properties (100 each from Apollo and Breyer) which equates to approximately 10% of all properties in

the 2005 to 2010 programme. This is intended to establish once and for all whether there has been any overpayment for works not completed by the contractors.

- 8.2 JRP are currently doing the necessary preparatory work to identify the sample properties. The external surveys will be carried out within batches which are in close geographical proximity every day and are in the either low rise blocks (no roof survey) or street properties (rear access may not always be possible). They will be targeted at properties that are considered most likely to have works claimed for but not completed. The report is expected in early March 2012.

## **9. FITS Update**

- 9.1. The Council have approved a Solar Panel (FITS) scheme within the Borough for circa 1,000 properties. Ascham Homes have appointed consultants JRP to undertake the project management of this scheme and works are due to commence towards the end of January. The capital programme for 2011/12 will therefore be further revised in January 2012 to take account of this work.

## **10. Resource Implications**

- 10.1. Any resource implications have been included in the report.

## **11. Diversity Implications**

- 11.1. No exceptional diversity implications have been identified in connection with this Report.

## ASCHAM HOMES LIMITED

### CAPITAL ACCOUNT:

### December 11

	Original Budget 2011/12 £000	Transfers £000	Revised Budget 2011/12 £000	YTD Budget £000	Income / Expend to Date £000	Budget Variance to Date £000	Projected Outturn 2011/12 £000	Projected Variance 2011/12 £000
<b>FINANCED BY:</b>								
Supported Borrowing	(11,598)	0	(11,598)	(5,475)	(8,456)	(2,981)	(11,598)	0
Leasehold Contributions	(1,960)	0	(1,960)	(925)	(1,227)	(302)	(1,960)	0
Commerical Unit Contributions	0	0	0	0	0	0	0	0
Fees on Contributions	0	0	0	0	0	0	0	0
MRA - Non Decent Homes	(8,954)	0	(8,954)	(4,227)	(3,386)	842	(8,954)	0
MRA - Fire Risk Assessments	(2,295)	0	(2,295)	(1,083)	(198)	886	(2,295)	0
Direct Council Funding	(632)	6	(626)	(296)	(464)	(169)	(626)	0
HRA Surplus	0	(1,900)	(1,900)	(123)	(123)	0	(1,900)	0
<b>TOTAL INCOME</b>	<b>(25,439)</b>	<b>(1,894)</b>	<b>(27,333)</b>	<b>(12,130)</b>	<b>(13,854)</b>	<b>(1,725)</b>	<b>(27,333)</b>	<b>0</b>
<b>EXPENDITURE</b>								
Decent Homes	12,958	0	12,958	6,117	8,375	2,258	12,581	(377)
Decent Homes Fees	600	0	600	283	1,303	1,020	1,203	603
Direct MRA	8,954	0	8,954	4,227	3,386	(842)	8,265	(690)
Fire Risk Assessments	2,295	0	2,295	1,083	198	(886)	2,080	(215)
DRF - Conversion Extensions	290	(6)	284	134	269	135	269	(15)
DRF - CHP	342	0	342	161	195	33	329	(13)
PUBLIC REALM	0	1,900	1,900	123	123	0	1,102	(798)
SOLAR PANELS [FITS]	0	0	0	0	5	5	5	5
<b>TOTAL EXPENDITURE</b>	<b>25,439</b>	<b>1,894</b>	<b>27,333</b>	<b>12,130</b>	<b>13,854</b>	<b>1,725</b>	<b>25,834</b>	<b>(1,499)</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,499)</b>	<b>(1,499)</b>

## ASCHAM HOMES LIMITED

## CAPITAL PROGRAMME 2011/12 - CASH FLOW

FUNDING	DESCRIPTION2	BUDGET 2011-2012	MONTHLY SPEND												TOTAL	PROJ SPEND	VAR
			APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH			
<b>DECENT HOMES</b>																	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2010/11 C.FWD	DH 2010/11 C FWD	8,158	0	1,038	1,375	790	849	539	480	198	1,963	408	1,134	1,057	9,831	9,831	1,673
	DH 2010/11 C FWD FEES	600	8	235	116	159	102	252	119	170	142	0	0	-100	1,203	1,203	603
2011/12	2011/12 DECENT HOMES	4,660	0	0	0	0	0	0	0	279	864	774	377	315	2,610	2,610	-2,050
	DH FALL OUT - KS & BS	140	0	0	0	0	0	0	0	0	0	0	67	74	140	140	0
	<b>SUBTOTAL DECENT HOMES</b>	<b>13,558</b>	<b>8</b>	<b>1,273</b>	<b>1,491</b>	<b>949</b>	<b>952</b>	<b>791</b>	<b>599</b>	<b>647</b>	<b>2,969</b>	<b>1,182</b>	<b>1,578</b>	<b>1,346</b>	<b>13,784</b>	<b>13,784</b>	<b>226</b>
<b>MAJOR REPAIRS ALLOWANCE</b>																	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2010/11 C.FWD	DEV MRA 2010/11 C FWD	520	1	11	68	11	13	10	8	10	10	0	0	60	202	202	-317
	DEV MRA 2010/11 C FWD FEES	36	0	0	0	0	0	12	0	0	0	0	0	0	12	12	-24
	DEV MRA 2010/11 EARMARKED	510	8	10	21	3	5	13	0	2	75	0	203	240	580	580	70
	DEV MRA 2010/11 UNALLOCATED	463	2	4	68	4	5	213	-176	3	22	0	191	418	753	753	290
	FRA 2010/11 C FWD	838	1	1	15	1	0	1	9	43	126	100	1,040	742	2,080	2,080	1,242
	MRA 2010/11 C FWD	513	0	0	0	0	0	0	119	181	48	14	15	40	417	417	-96
	MRA 2010/11 TENBY COURT	191	0	0	0	0	0	0	178	0	0	0	0	0	178	178	-13
2011/2012	DECENT HOMES PREVENTION	0	0	10	5	0	0	119	-119	0	-6	0	0	0	9	9	9
	DEVOLVED MRA 11/12	1,296	0	0	0	0	0	0	0	0	90	0	207	547	844	844	-452
	FIRE ASSESSMENT WORKS	1,324	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,324
	FIRE ASSESSMENT WORKS FEES	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-132
	FRIDAY HILL TMO	579	0	46	46	46	46	51	46	46	53	0	0	251	633	633	53
	MAJOR WORKS POST WATER HYGIENE	95	0	15	0	19	31	0	19	0	0	3	3	5	95	95	-0
	MRA CAPITALISATION OF REVENUE REPAIRS	400	0	0	0	0	0	166	0	0	61	61	61	350	350	-50	
	MRA CENTRAL HEATING	1,140	0	97	0	83	109	0	69	59	163	97	109	353	1,140	1,140	0
	MRA CROSS BOROUGH INSULATION	0	0	0	0	-2	2	0	0	0	0	0	0	0	1	1	1
	MRA ELECTRICAL WORKS	618	0	0	0	0	0	0	63	83	169	43	43	217	617	617	-0
	MRA ENERGY WORKS	0	0	0	2	3	4	8	7	9	0	0	0	0	34	34	34
	MRA ENVIRONMENTAL STRATEGY	238	0	0	0	0	0	0	0	1	5	32	32	32	101	101	-137
	MRA HEAT RECOVERY	238	0	0	0	0	100	0	75	62	0	0	0	0	238	238	0
	MRA HOSTELS	57	0	1	0	0	0	0	0	0	0	0	0	56	57	57	0
	MRA IN NORTHWOOD LIFTS	380	0	0	36	33	0	33	0	16	38	83	83	80	401	401	21
	MRA NON ENVIRONMENTALS	219	0	0	0	0	0	0	0	0	42	0	0	211	254	254	35
	MRA SEWERAGE PUMPING STATIONS	5	0	0	0	0	0	0	0	4	0	0	0	0	4	4	-1
	MRA SPECIALIST BOOSTER PUMPS	10	0	0	0	0	0	0	0	0	0	0	5	5	10	10	0
	MRA WINDOWS	238	1	0	0	0	0	0	0	0	0	0	200	-100	101	101	-137
	SAMS TMO	99	8	8	8	8	8	8	0	8	0	0	0	44	99	99	0
	SHELTERED LIFTS	48	0	0	0	11	0	0	0	0	3	0	0	56	70	70	22
	VOIDS	1,064	0	58	7	0	90	91	0	0	0	0	700	119	1,065	1,065	1
	<b>SUB TOTAL MAJOR REPAIRS ALLOWANCE</b>	<b>11,249</b>	<b>20</b>	<b>262</b>	<b>276</b>	<b>221</b>	<b>413</b>	<b>725</b>	<b>299</b>	<b>529</b>	<b>840</b>	<b>432</b>	<b>2,892</b>	<b>3,436</b>	<b>10,345</b>	<b>10,345</b>	<b>-904</b>
<b>DIRECT REVENUE FINANCING</b>																	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2010/11 C.FWD	CONVERSION EXTENSIONS	284	0	72	74	0	49	69	0	0	6	0	0	0	269	269	-15
	DRF - CHP	0	0	0	0	0	0	2	0	0	0	0	0	0	2	2	2
2011/2012	COMMUNAL HEATING	126	0	0	0	0	0	0	0	47	17	16	16	97	97	97	-29
	SOLAR PANELS (FITS)	0	0	0	0	0	0	0	0	5	0	0	0	5	5	5	5
	PUBLIC REALM	1,900	0	0	0	0	0	0	0	52	71	465	270	244	1,102	1,102	-798
	SHELTERED BOILER REPLACEMENT	216	0	0	0	0	0	0	49	64	33	5	20	60	231	231	15
	<b>SUB TOTAL DIRECT REVENUE FUNDING</b>	<b>2,526</b>	<b>0</b>	<b>72</b>	<b>74</b>	<b>0</b>	<b>49</b>	<b>71</b>	<b>49</b>	<b>116</b>	<b>162</b>	<b>486</b>	<b>306</b>	<b>320</b>	<b>1,705</b>	<b>1,705</b>	<b>-821</b>
<b>TOTAL SPEND</b>		<b>27,333</b>	<b>28</b>	<b>1,606</b>	<b>1,841</b>	<b>1,170</b>	<b>1,413</b>	<b>1,586</b>	<b>947</b>	<b>1,292</b>	<b>3,971</b>	<b>2,101</b>	<b>4,777</b>	<b>5,102</b>	<b>25,834</b>	<b>25,834</b>	<b>-1,499</b>

<b>Date:</b> 23 <sup>rd</sup> January 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.3</b>
<b>Revenue Budget Monitoring: December 2011 – Quarter 3</b>		<b>Status: Public</b>
		<b>Decision</b>
<b>Author:</b> Derek Young Interim Director of Finance		<b>Tel:</b> 020 8496 4893

## 1. PURPOSE

- 1.1. The purpose of this report is to advise the Board of the revenue budget monitoring position as at 31<sup>st</sup> December 2011.

## 2. EXECUTIVE SUMMARY

- 2.1. This report is the third quarter report on the Company's management accounts including a report on the revenue position and the third quarter balance sheet and cash flow statement. The Company is reporting a net surplus of £2.027m against a budgeted surplus for the first nine months of £1.834m – a positive variance of £193,000.
- 2.2. The projected outturn is reported as a £22,000 overspend which will be contained this year through small savings across the Company which the Executive Management Team (EMT) is confident can be achieved through further challenges to non-essential spend.
- 2.3. However the Board should note that the position on reserves at the year end after reducing the budgeted contribution to reserves by £200,000 from £250,000 to £50,000. This means that reserves are only now projected to be £399,000 at the year end instead of £599,000. This has been necessary to contain unforeseen expenditure incurred this year namely single status costs, ill health retirement costs and employment tribunal costs. Officers will continue every effort to contain expenditure within budgets to reduce the impact on the reserve contribution at the year end.

## 3. RECOMMENDATIONS

- 3.1. The Board is asked to:
- i Note the Company's financial position to 31<sup>st</sup> December 2011;

- ii Note the Company's Outturn Position as set out in Section 5 of the report.
- iii Note the updated position on the mitigation actions laid out in the second quarter report set out in Section 5.4.
- iv Approve an increased set aside of the contribution to reserves budget (£250,000) from £100,000 (already approved) to £200,000 to cover unforeseen expenditure incurred this year namely single status costs, ill health retirement costs and employment tribunal costs. This will reduce projected reserves at 31<sup>st</sup> March 2012 from £499,000 to £399,000

#### **4. MANAGEMENT ACCOUNTS**

##### **Income and Expenditure Account to Period 9 (Appendix 1)**

- 4.1. This report is the third quarter budget monitoring report for 2011/12 covering the period April to December 2011. The report also provides the third quarter statements covering the balance sheet, cash flow and the analysis of overheads to direct costs.
- 4.2. The Company's third quarter summary management accounts are shown in Appendix 1. They show a surplus for the first six months of £2.027m against a budgeted surplus of £1.834m – a positive variance of £193,000.
- 4.3. The surplus in the first nine months arises primarily because some of the repairs and maintenance budget is profiled to be spent in quarter 4 – namely the external painting programme – but income from the Management Fee is evenly spread over the year resulting in a surplus in the first nine months.
- 4.4. Employees Budgets are showing an overspend in the first nine months of £183,000 primarily because of the following issues:
  - i Single Status Agreement payments of £217,000 have been charged against £50,000 previously set aside meaning the Company has had to fund £167,000 more than expected as a results of Union's challenging previous offers;
  - ii The remainder of the first nine months' over spend is relating to the restructures where the benefits are build up monthly and therefore have not been fully realised to date;

##### **Balance Sheet at 31<sup>st</sup> December 2011 (Appendix 2)**

- 4.5. The Company balance sheet as at 31<sup>st</sup> December 2011 is shown in Appendix 2.
- 4.6. The key points to highlight include:
- 4.7. The Company has debtors of £5.440m with the vast majority of this debt being with the Council. This reflects the timing difference between the

Company invoicing for capital works and the Council making payment and therefore there is no material risk of bad debt.

- 4.8. The pension liability shown in the statement is the position at 31<sup>st</sup> March 2011. Pension liability updates are provided annually and so the next update will be on 31<sup>st</sup> March 201

#### **Cash Flow (Appendices 3 & 4)**

- 4.9 The cash flow statement is shown in Appendix 3. The statement shows the Company's profiled budget allocation per month for expenditure and income as well as the actual spending to the third quarter. Appendix 4 shows expenditure analysed through graphs.

#### **Analysis of Company Costs (Appendix 5)**

- 4.10 The position currently projects Direct Functions at 82.4% (Council target 85%) and Overheads at 17.6% (Council target 15%).

### **5. PROJECTED OUTTURN AT YEAR END**

- 5.1. The management accounts are currently projecting a small overspend of £22,000 for this year which will be contained by the year end through small savings across the Company which EMT is confident can be achieved through further challenges to non-essential spend.
- 5.2. The Board was last updated in November 2011 and the Company has since incurred further one off costs of £134,000 from an ill health retirement and £77,000 for legal and employment related costs associated with prior year restructures. Further savings of £82,000 from change management budgets have been released to partially fund these costs however a further £100,000 has been earmarked from the budgeted reserves contribution of £250,000 as further savings will be difficult to achieve at this stage. This brings the total reduction in the budgeted contribution to reserves (£250k) including that identified in the second quarter (£100,000 see 5.4.5 below) to £200,000 and as a result only £50,000 is expected to be available to increase reserves to £399,000 at the year end. Notwithstanding, further work to control non-essential costs will continue and should further savings be identified then these will be set against the potential overspends to protect as far as possible the contribution to reserves budgeted for this year.
- 5.3. The Council has continued to use the Company's expertise in delivering capital projects by commissioning further works such as the Public Realm initiative. This will generate additional commission income of £95,000 this year however the reported capital underspend on the original capital programme of £1.499m will see the Company lose £67,000 in commission income. This means that the budget will overachieve by a net £28,000 this year.

### **Second Quarter Update**

- 5.4. The second quarter Board report identified potential overspends, if left unchecked, of £903,000 for the year. The report laid out EMT's actions taken to ensure that the potential overspend was contained within existing resources; an updated position on these actions is below.
- 5.4.1. The agreement whereby the day-to-day repairs contractor charges all day-to-day work orders up to £500 at a flat rate of £75 is now in place. In the second quarter report it was estimated that the repairs and maintenance potential overspend of £454,000 would be reduced to £124,000 once the flat rate was in place. Work is continuing on assessing the financial impact of introducing the flat rate and it is anticipated that this will be completed by the end of this month. EMT envisage reviewing the position within two weeks and when satisfied that the savings are being achieved will approve the release of the final tranche of the external decorations programme which had previously been held against any potential overspend on day to day repairs.
- 5.4.2. In the second quarter report, work orders were estimated at around 29,500, this estimate has not changed into the third quarter.
- 5.4.3. EMT had previously tasked Asset Management with controlling repairs and maintenance to ensure that the over spend is contained within the existing budget. Alongside the saving to be achieved from the introduction of the flat rate, further value for money savings of £100,000 on the external decorations programme and £30,000 on communal works were identified. The value for money savings are secure and a further £20,000 on communal works has since been identified.
- 5.4.4. Asset Management is confident that the savings identified above will deliver the savings required on the Repairs and Maintenance budgets to return to a break even position.
- 5.4.5. EMT identified £349,000 in one off savings from change management budgets, training budgets, SLA's, Legal & IT services and some other minor smaller savings. These savings are now secured confirming a shortfall of £100,000 at the end of quarter 2 which can only be met by reducing the budgeted contribution to reserves. (see 5.2 above)

## **6. RESTRUCTURE OF COMPANY SERVICES**

- 6.1. The Company is currently managing a number of Employment Tribunal cases. The legal costs have exceeded the budget available and require a further budget allocation to fund future costs. With ongoing cases, the possibility of further cases following the restructure this year and potential liabilities should the Company lose cases at tribunal, it is a concern that the cost in this area may rise substantially over the remainder of the year and indeed projected costs this year have increased £50,000 since reported in the second quarter. Due to the nature of this area it is extremely difficult to accurately quantify what the total cost will be and

therefore this will continue to be a financial risk, managed monthly. Notwithstanding, EMT is constantly reviewing the options available to manage costs down and will continue to do so throughout the remainder of the year.

## **7. LEASEHOLD VALUATION TRIBUNAL**

- 7.1. The Company is continuing to progress the outstanding insurance claim and updates will be provided to the Board separately where appropriate.

## **8. CAPITAL COMMISSION INCOME**

- 8.1. The capital programme was set at £25.439m this year which was expected to generate £782,000 in capital commission income to the Company. During the year the Council has contracted the Company to deliver additional capital works of £1.894m generating a further income of £95,000. However as the current capital programme is prudently projected to underspend by £1.499m this will reduce income by £67,000 meaning that capital commission will overachieve budget by £28,000 this year based on the current programmes status.

## **9. RISK FACTORS**

- 9.1. The Board is recommended to note the following key risks and where appropriate the Finance intervention plans being delivered to ensure financial risk is contained in line with financial regulations;
- i The potential overspend previously highlighted on day-to-day repairs should be mitigated through the implementation of a £75 flat rate charge per work order. Although the flat rate charge is in place and work orders are being paid at £75, complications have arisen because of poor IT systems that have delayed the analytical review. Notwithstanding, these issues are being managed and a full analytical review will be completed by the end of the month.
  - ii The company is managing a number of employment tribunal cases which continue to incur legal costs. It is likely that these costs will continue to increase throughout the year and although additional provision has been made this may be insufficient together with any settlements that may be reached.
  - iii The Board should note the current position on the LVT / insurance claim as covered in section 7.
  - iv The commission income budget of £782,000 is fee income to the Company for managing the Council's housing capital programme. The Company is assuming that the income budget will be achieved this year but is conscious that if the budgeted capital expenditure is not achieved there will be a direct impact (reduction) on this income stream. For every £1.0m that is not achieved on that part of the capital programme that attracts commission income (excluding therefore the 2010/11 Decent Homes budget which is managed by JRP) there will be a reduction in this income of £50,000. The extent

to which there is any shortfall in this income (as a result of under-spend on capital) can be borne by reserves in the current year and then recouped in the next financial year when the capital expenditure takes place.

## **9. RESOURCE IMPLICATIONS**

- 9.1. The Company has identified significant financial pressures this year which it has quantified and implemented a plan to control the pressures within existing resources. However at the third quarter a further shortfall of £100,000 has been earmarked to be funded from reserves as savings have not been identified. Further work to control non-essential costs will continue and should further savings be identified then these will be set against the potential overspends to reduce the use of reserves.

## **10. DIVERSITY IMPLICATIONS**

- 10.1. There are no diversity implications contained within this report.

## **11. CONCLUSION**

- 11.1. The financial pressures faced by the Company this year are being managed within the existing budget. Any further unforeseen pressures will have to be absorbed within the existing reserves available to the company which at the 31<sup>st</sup> March 2011 stood at £349,000.

## ASCHAM HOMES LIMITED

### INCOME & EXPENDITURE ACCOUNT:

### December 11

	Original Budget 2011/12 £000 A	Transfers £000 B	Revised Budget 2011/12 £000 C	YTD Budget £000 D	YTD Income / Expend £000 E	YTD Budget Variance £000 E-D	Projected Outturn 2011/12 £000 F	Projected Variance 2011/12 £000 C-F
<b>INCOME</b>								
Management Fee Income	(21,109)	0	(21,109)	(15,832)	(15,832)	0	(21,109)	0
Commission Income	(782)	0	(782)	(521)	(520)	1	(810)	(28)
Interest Received	(25)	0	(25)	(19)	(22)	(3)	(30)	(5)
Capitalisation	(400)	0	(400)	(300)	(166)	134	(400)	0
Customer and Client Receipts	(124)	0	(124)	(91)	(87)	4	(125)	(1)
<b>TOTAL INCOME</b>	<b>(22,440)</b>	<b>0</b>	<b>(22,440)</b>	<b>(16,763)</b>	<b>(16,627)</b>	<b>136</b>	<b>(22,474)</b>	<b>(34)</b>
<b>EXPENDITURE</b>								
Employee Expenses	7,990	303	8,293	5,867	6,050	183	8,511	218
Agency and Contracted Services	27	0	27	20	44	24	67	40
Premises Related Expenses	1,328	(112)	1,216	923	848	(75)	1,204	(12)
Transport Related Expenses	205	10	215	169	129	(40)	218	3
Supplies and services	1,788	(143)	1,645	1,165	959	(206)	1,601	(44)
Day to day repairs	9,043	(58)	8,985	5,582	5,574	(8)	8,977	(8)
R&M Capital	400	0	400	300	166	(134)	400	0
SLAs	442	0	442	137	82	(55)	397	(45)
Contribution to Reserves	250	0	250	0	0	0	50	(200)
Provision for Bad & Doubtful Debt	0	0	0	0	0	0	25	25
Depreciation	0	0	0	0	0	0	47	47
Tenant Management Organisations	963	0	963	763	748	(15)	995	32
<b>TOTAL EXPENDITURE</b>	<b>22,436</b>	<b>0</b>	<b>22,436</b>	<b>14,926</b>	<b>14,600</b>	<b>(326)</b>	<b>22,492</b>	<b>56</b>
SURPLUS/(DEFICIT) BEFORE TAX	(4)	0	(4)	(1,837)	(2,027)	(190)	18	22
TAX	4	0	4	3	0	(3)	4	0
<b>SURPLUS/(DEFICIT)AFTER TAX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,834)</b>	<b>(2,027)</b>	<b>(193)</b>	<b>22</b>	<b>22</b>

## APPENDIX 2

### ASCHAM HOMES LIMITED

<b>BALANCE SHEET</b>	<b>Dec 11</b>
	£
<b>FIXED ASSETS</b>	
Tangible Assets	115,797
<b>CURRENT ASSETS</b>	
Debtors	5,440,324
Cash at Bank	763,396
<b>CURRENT LIABILITIES</b>	
Creditors	(5,970,408)
<b>Total Reserves</b>	<b>349,109</b>
Pension Liability	(4,439,000)
Notional Revenue Reserves	(4,089,891)

### COMPANY REVENUE ACCOUNT CASH FLOW STATEMENT 2011/12

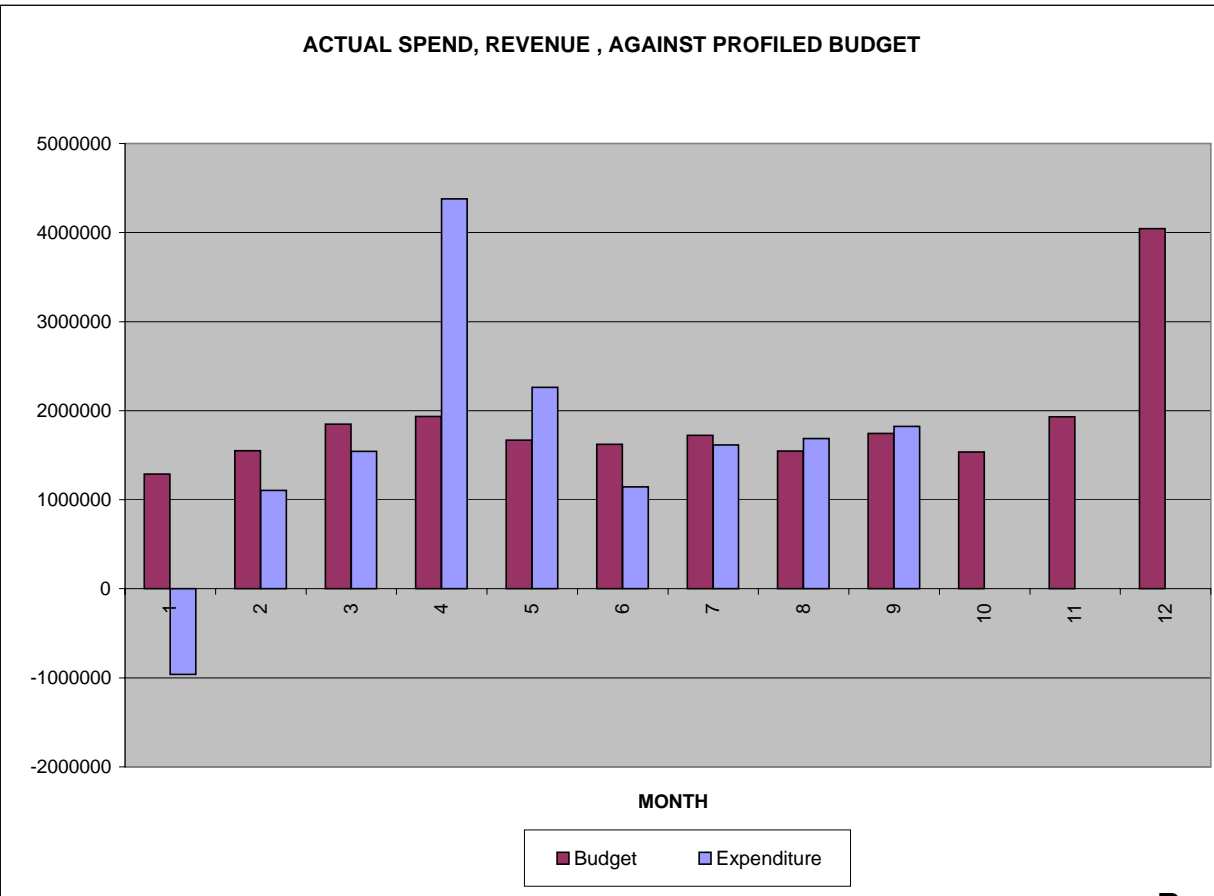
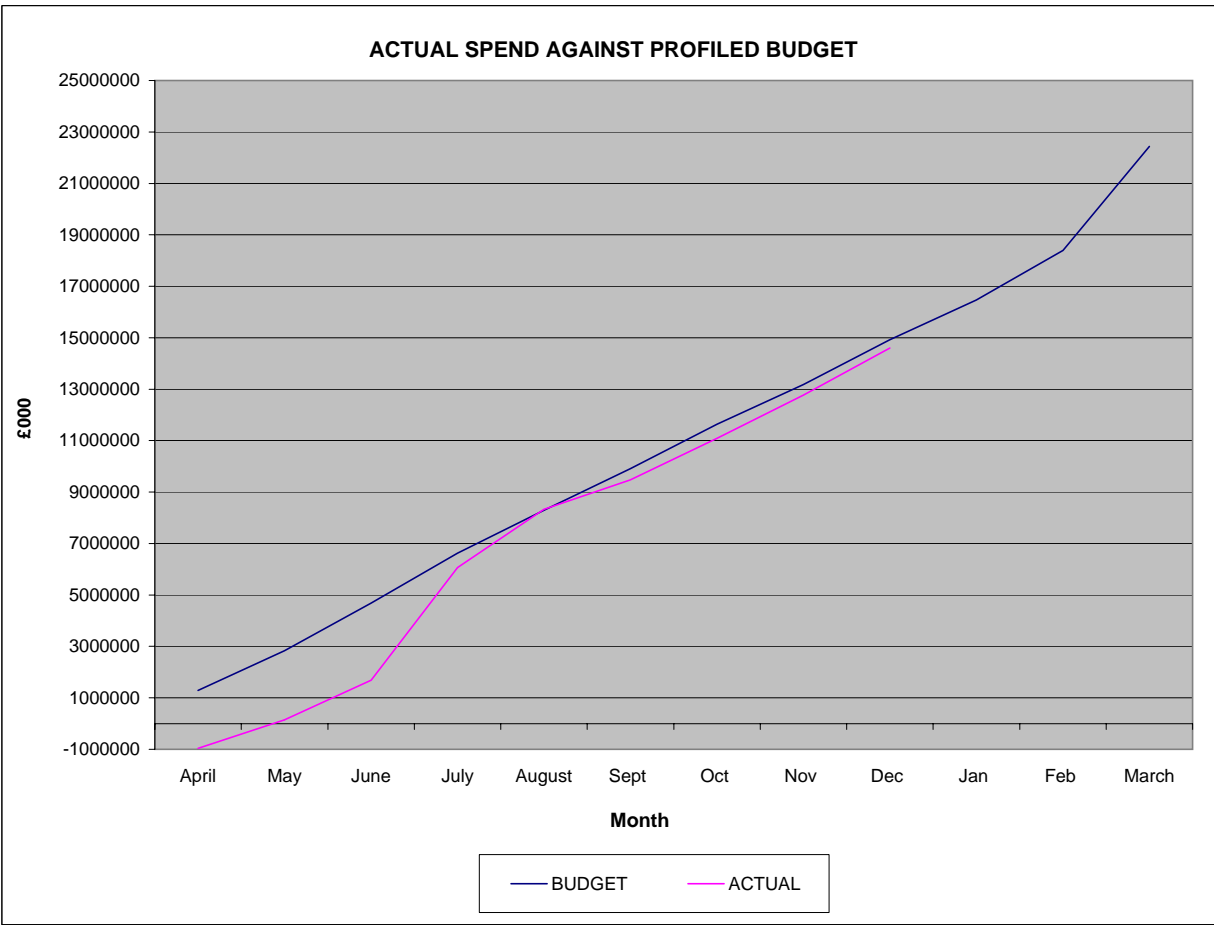
#### BUDGET

Expenditure	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Agency & Contracted	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	26,500
Cont to Reserves	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000
Corp Tax	0	0	0	0	0	0	0	0	0	0	0	4,054	4,054
Employees	652,730	653,930	654,230	671,835	662,433	662,433	636,401	636,401	636,401	680,401	686,072	760,190	7,993,458
Premises	101,333	101,333	101,333	101,333	101,333	101,333	101,333	101,333	112,333	90,333	101,333	101,333	1,216,000
Repairs	120,141	594,372	879,507	913,282	655,927	609,343	758,185	583,226	768,248	497,566	877,312	2,127,887	9,385,000
SLAs	15,222	15,222	15,222	15,222	15,222	15,222	15,222	15,222	15,222	15,222	15,222	274,790	442,232
Supp & Services	137,083	137,083	137,083	137,083	137,083	137,083	114,083	114,083	114,083	160,083	160,083	160,083	1,645,000
TMO	240,788	27,000	42,090	75,586	75,586	75,586	75,586	75,586	75,586	75,586	75,586	48,586	963,150
Transport	17,917	17,917	17,917	17,917	17,917	19,917	19,917	19,917	19,917	14,917	14,917	15,917	215,000
RCCO	0	0	0	0	0	0	0	0	0	0	0	300,000	300,000
<b>Sub Total</b>	<b>1,287,423</b>	<b>1,549,066</b>	<b>1,849,591</b>	<b>1,934,467</b>	<b>1,667,710</b>	<b>1,623,126</b>	<b>1,722,936</b>	<b>1,547,977</b>	<b>1,743,999</b>	<b>1,536,317</b>	<b>1,932,734</b>	<b>4,045,049</b>	<b>22,440,394</b>
	<b>1,287,423</b>	<b>2,836,489</b>	<b>4,686,080</b>	<b>6,620,547</b>	<b>8,288,256</b>	<b>9,911,382</b>	<b>11,634,318</b>	<b>13,182,295</b>	<b>14,926,294</b>	<b>16,462,611</b>	<b>18,395,345</b>	<b>22,440,394</b>	
Income													
Capitalisation	0	0	-100,000	0	0	-100,000	0	0	-100,000	0	0	-100,000	-399,996
Commission	0	0	-173,666	0	0	-173,666	0	0	-173,666	0	0	-260,802	-781,800
Customer Recpts	-10,374	-10,374	-10,374	-10,374	-10,374	-10,374	-10,374	-10,374	-8,374	-10,374	-10,374	-12,374	-124,488
Interest	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-2,083	-25,000
Mgmt Fee	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-1,759,093	-21,109,110
<b>Sub Total</b>	<b>-1,771,550</b>	<b>-1,771,550</b>	<b>-2,045,216</b>	<b>-1,771,550</b>	<b>-1,771,550</b>	<b>-2,045,216</b>	<b>-1,771,550</b>	<b>-1,771,550</b>	<b>-2,043,216</b>	<b>-1,771,550</b>	<b>-1,771,550</b>	<b>-2,134,352</b>	<b>-22,440,394</b>
<b>Net Total</b>	<b>-484,127</b>	<b>-222,484</b>	<b>-195,625</b>	<b>162,917</b>	<b>-103,840</b>	<b>-422,090</b>	<b>-48,614</b>	<b>-223,573</b>	<b>-299,217</b>	<b>-235,233</b>	<b>161,184</b>	<b>1,910,697</b>	<b>0</b>

#### ACTUAL

Expenditure	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Agency & Contracted	-3,525	2,000	8,109	9,416	3,000	4,000	10,910	1,440	11,240				43,710
Corp Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Employees	-326,394	706,546	867,636	1,036,213	1,089,000	717,000	476,140	767,320	716,330				6,049,790
Premises	-145,050	42,369	250,951	319,730	140,000	47,000	77,030	4,860	110,910				847,800
Repairs	-579,672	272,214	374,935	2,404,522	781,000	172,000	1,032,810	554,350	727,990				5,740,150
SLAs	-20,301	1,656	4,062	71,584	-18,000	-32,000	9,020	23,170	42,470				81,660
Supp & Services	-93,694	73,688	-44,960	410,966	181,000	122,000	57,690	269,880	97,690				958,880
TMO	239,202	0	41,733	74,065	63,000	111,000	51,070	60,920	106,810				747,800
Transport	-31,596	7,394	39,711	52,491	23,000	3,000	16,630	8,150	10,750				129,530
<b>Sub Total</b>	<b>-961,030</b>	<b>1,105,867</b>	<b>1,542,176</b>	<b>4,378,987</b>	<b>2,262,000</b>	<b>1,144,000</b>	<b>1,615,920</b>	<b>1,687,210</b>	<b>1,824,190</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,599,320</b>
	<b>-961,030</b>	<b>144,837</b>	<b>1,687,013</b>	<b>6,066,000</b>	<b>8,328,000</b>	<b>9,472,000</b>	<b>11,087,920</b>	<b>12,775,130</b>	<b>14,599,320</b>	<b>14,599,320</b>	<b>14,599,320</b>	<b>14,599,320</b>	<b>14,599,320</b>
Income													
Capitalisation	0	1,516	-381	0	0	-167,135	-	-	-				-166,000
Commission	0	0	0	-261,000	0	98,000	-	358,420	1,070				-520,350
Customer Recpts	-13,071	-9,087	-8,347	-13,494	-6,000	-6,000	6,590	19,980	4,560				-87,130
Interest	0	0	-4,488	-3,512	-2,000	-3,000	3,180	2,910	3,010				-22,100
Mgmt Fee	-1,759,091	-1,759,091	-1,759,091	-1,759,091	-1,759,091	-1,759,245	-1,759,100	-1,759,100	-1,759,100				-15,832,000
<b>Sub Total</b>	<b>-1,772,162</b>	<b>-1,766,662</b>	<b>-1,772,307</b>	<b>-2,037,098</b>	<b>-1,767,091</b>	<b>-1,837,380</b>	<b>-1,768,870</b>	<b>-2,140,410</b>	<b>-1,765,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-16,627,580</b>
<b>Net Total</b>	<b>-2,733,192</b>	<b>-660,794</b>	<b>-230,132</b>	<b>2,341,890</b>	<b>494,909</b>	<b>-693,380</b>	<b>152,950</b>	<b>453,200</b>	<b>58,590</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,028,260</b>

**COMPANY REVENUE ACCOUNT CASH FLOW STATEMENT 2011/12**



Ascham Homes Scrutiny Committee

**PUBLIC**

Minutes of meeting held at  
Conference Room, Willow House, 869 Forest Road, Walthamstow, London E17 4UH  
Tuesday 13<sup>th</sup> December 2011

<b>Committee Members:</b>			
Liz Ormston	Chair	LO	
Kellie Carson	Committee Member	KC	
Clare Cohgill	Committee Member	CC	
Ahsan Khan	Committee Member	AK	
Annie Niner	Committee Member	AN	
Grace Igwe	Committee Member	GI	
Howard Cresswell	Committee Member	HC	
<b>Management Team</b>			
Jo Murphy	Deputy Chief Executive	JM	
Andrew Marsh	Head of Asset Management	AM	
Dave Coleman	Technical Services Manager	DC	
Jennie Anderson	Head of Neighbourhood Services	JA	
Sue Roberts [Minutes]	Executive Assistant	SR	

	<b>Items</b>	<b>Action</b>
1.	Minutes and Matters arising from the meeting held on 12 <sup>th</sup> September 2011.	
1.1	<p>The words 'no apologies received' against Ahsan Khan name should be amended to read 'Apologies received'.</p> <p><u>Rents and Leaseholder Services</u> The Committee were informed that JM has now taken over the senior management lead for income and leaseholders services. Will work to focus on performance and process improvements and structure proposals for the new financial year.</p> <p>Noted and agreed.</p>	
2.	<p><b>Declarations of Interest</b></p> <p>None</p>	

<p>3.</p> <p>3.1</p> <p>3.2</p> <p>3.3</p>	<p><b>Performance</b></p> <p><u>KPI Report – October 2011</u>  JM presented the report and confirmed that the new format of the report reflected previous improvement suggested by the Scrutiny Committee and now showed benchmarked indicators.</p> <p>JM confirmed that the blue indicators are those services areas reported to the Council Cabinet.</p> <p>The Committee was updated on the following indicators:</p> <ul style="list-style-type: none"> <li>• Repairs, Item 7 - Out of 738 urgent repairs 707 were completed within 3 working days.</li> <li>• Rents and Garages, Item 13 – There has been a decline in the number of new residents who are more than 7 weeks arrears, from 16% in July to 12.5% in October 2011. A clearer understanding is needed however a contributing factor is the current economic down turn.</li> <li>• Customer Services – the call centre service has improved. Overall, correspondences have been good with only one letter outside of target.</li> <li>• Tenancy Services – a full set of green targets achieved.</li> </ul> <p>It was noted that some members of the Committee had attended a workshop to review performance management information on the previous evening. A review may result in revised indicators being used in future.</p> <p><b>Decision:</b></p> <p>The Committee commented and noted the report.</p> <p><u>Budget Monitoring Highlight Report</u>  This report was presented at Board on 21<sup>st</sup> November 2011. It was submitted to Committee for completeness.</p> <p><b>Decision:</b></p> <p>The Committee noted the following:</p> <ol style="list-style-type: none"> <li>1. The Company’s financial position of 31<sup>st</sup> October 2011;</li> <li>2. The Company’s Outturn Position as set out in Section 5 of the report.</li> <li>3. The mitigation actions set out in Section 5 of £903,000 to ensure that expenditure is contained within the budget.</li> <li>4. The set aside of £100,000 of the budget for contribution to reserves [250,000] to cover the incorporation of the new services associated with the Modern ALMO into Ascham Homes from 1<sup>st</sup> April 2012. This will reduce projected reserves at 31<sup>st</sup> March 2012 from £599,000 to £499,000.</li> </ol>	
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<p>4</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>5.</p> <p>5.1</p> <p>5.2</p>	<p><u>Major Voids</u></p> <p>AM presented the report. He informed the Committee there has been a significant improvement in the turnaround time. AM explained the approach with regards to budget has always been cautious also the current average cost for each void is now £15,000, compared to £25,000 previously. With the savings made it allows more properties to be completed within the same budget.</p> <p>The Chair asked about the increase in volume was there any specific reason for this.</p> <p>There was discussion as to whether the threshold at which properties are referred back to the Council for permission to proceed should be reviewed.</p> <p>AM replied not. The volume of voids is flat lined for financial reporting purposes. In quarter one volume of voids were higher than the flat line allowance and therefore, finance flagged up there would be a potential problem if the volume continued at that rate.</p> <p><b>Decision:</b></p> <p>The Committee noted the progress on the major voids performance.</p> <p><b>5. Key Services Focus</b></p> <p><u>Asset Management Strategy – 5 year Capital Programme</u> JM introduced the report and explained it's currently in draft form and will need to be presented to LBWF Strategic Partnership Board, Scrutiny Committee and Cabinet before being finalised. Aiming to have the 5 year Capital Programme completed and ready to be presented to Board in February 2012.</p> <p>DC then gave a presentation and the following areas was discussed:</p> <ul style="list-style-type: none"> <li>• PRC Homes – Previous refurbishment has exceeded its life expectancy, therefore, approximately £60,000 - 80,000 will have to be spent to keep properties structurally sound.</li> <li>• T.V Aerial (Digital). – There is discussion about introducing free preview boxes to residents which would enable Ascham Homes to meet their digital obligations. Currently, a costing exercise is being carried out.</li> <li>• The Chair recommended that Ascham Homes should be consistent in their approach regarding the digital TV aerials and permissions granted for the erection of satellite dishes.</li> <li>• It was recognised that it was difficult to give priority to this element over other priorities/demands.</li> <li>• Disruption is anticipated on Programmes of works planned (particularly in the south of the borough) during the</li> </ul>	
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	<p>Olympics/Paralympics period; therefore those works will be frozen until 2013.</p> <ul style="list-style-type: none"> <li>• The Chair asked will Ascham Homes be responsible for the stock option appraisals. JM replied that the Council retain the responsibility however Ascham Homes are actively involved in the various project groups.</li> <li>• Waltham Forest Standard has been revised within the 5 year business plan, and is still to be finalised/agreed with LBWF.</li> </ul> <p>5.3 <b>Decision:</b></p> <p>The Committee read the 5 year Capital Programme, the draft Asset Management Strategy and discussed and commented on both. They recommend that the plan is finalised as soon as possible.</p> <p>6 <u>Neighbourhood Management Update</u></p> <p>6.1 JA presented the report and explained that the neighbourhood management is really working hard to engage with partners and residents.</p> <p>6.2 Neighbourhood Officers are asked to encourage residents to participate in estate inspections.</p> <p>6.3 There has been an improvement in management reporting.</p> <p>6.4 The committee noted the service cultural changes and performance improvements (elsewhere) made by JA so far, after only joining the company 7 weeks ago.</p> <p>6.5 <b>Decision:</b></p> <p>The Committee noted the report.</p> <p>7 <u>Tenancy Audit Report</u></p> <p>7.1 JA presented the report and explained the purpose of the tenancy audit activity is to try and achieve 10% tenancy validation per year. Staff currently conduct monthly tenancy audits and are now asked to report their findings :</p> <p>7.2 In October 126 properties were visited and November 256.</p> <p>7.3 The Tenancy Audit Outcome are as follows:</p> <ul style="list-style-type: none"> <li>• Vulnerable Resident Identified 26</li> <li>• Pets without landlord permission 25</li> <li>• New repairs reported 16</li> <li>• ASB reports 13</li> <li>• Safe Guarding Audit referral 5</li> <li>• Resident Involvement referral 5</li> <li>• Sublet allegation 3</li> <li>• Tenancy Breach 1</li> </ul>	
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