

**NOTTINGHAM CITY HOMES LIMITED
GOVERNING BOARD MEETING**



Date: THURSDAY 25 JANUARY 2018

Time: 6.30 PM

**Place: SHEILA ROPER CENTRE, OFF BASLOW DRIVE, LENTON ABBEY,
NOTTINGHAM, NG9 2SU**

Directors of the Board are requested to attend the above meeting on the date and at the time and place stated to transact the following business:

George Pashley
Company Secretary

AGENDA

			Page No.	Time
1	INTRODUCTORY ITEMS			
1.1	WELCOME			
1.2	APOLOGIES FOR ABSENCE			
1.3	DECLARATION OF INTERESTS			
1.4	ITEMS FROM THE CHAIR			
1.5	MINUTES OF THE MEETING HELD ON 14 DECEMBER 2017	Attached	3 - 11	6.30
1.6	MATTERS ARISING			
2	ITEMS FOR DISCUSSION AND DECISION			
2.1	2018/19 BUDGET Report of the Assistant Director of Finance and Procurement	Attached	12 - 20	6.30
3	ITEMS TO NOTE			
3.1	GENDER PAY GAP REPORT Report of the Head of Organisation and Development	Attached	21 - 31	6.50
3.2	COMPANY SECRETARY'S REPORT Report of the Company Secretary	Attached	32 - 36	7.00
3.3	CORPORATE PLAN 2018-21 – PROGRESS UPDATE Report of the Director of Investment and Business Services	Attached	37 - 39	7.10

3.4	FEEDBACK FROM AUDIT COMMITTEE HELD ON 15 JANUARY 2018 Report of the Chair of the Audit Committee	To be circulated at the meeting	7.20
4	CLOSING ITEMS		
4.1	ANY OTHER BUSINESS		
4.2	DATE OF NEXT MEETING –22 FEBRUARY 2018		
5	CONFIDENTIAL		
5.1	MINUTES OF THE MEETING HELD ON 14 DECEMBER 2017	Attached	40 - 43 7.30
5.2	MATTERS ARISING		
6	ITEMS FOR DISCUSSION AND DECISION		
6.1	BUDGET APPENDIX 3 Continued report of the Assistant Director of Finance and Procurement	Attached	44 - 49 7.30
6.2	MANAGEMENT OF PROPERTIES OWNED BY THE PA HOUSING GROUP Report of the Executive Assistant	Attached	50 - 53 7.40
6.3	NEW BUILD DEVELOPMENT UPDATE Report of the Head of Development	Attached	54 - 57 7.50
6.4	AUDIT OF SUBSIDIARIES FOR 2017/18 – PARENT COMPANY GUARANTEE Report of the Director of Investment and Business Services	Attached	58 - 61 8.00

Members wishing to raise matters under Any Other Business should note that items will only be accepted if referred to and agreed by the Chair of the Board prior to commencement of the Meeting. Members wishing to submit their apologies should do so by contacting the Company Secretariat on 0115 746 9485. This agenda was issued by email on 18 January 2018.

Distribution List:

All Board Members:

Dave Bennett-Bull (Vice Chair), Bill Blincoe, Scott Campbell, Anne Dean, Elizabeth Ekaeteh, Patience Ifediora, Neghat Khan, Mike Khouri-Bent, Julian Owen, Sarita-Marie Rehman-Wall (Vice Chair), Michael Savage, Malcolm Sharp, MBE (Chair), Geoff Walker and Sam Webster.

Sam Whitworth

All EMT Members

Report Authors: Claire Bristow, Mark Lawson, Darren Phillips,

NOTTINGHAM CITY HOMES LIMITED

THE BOARD

MINUTES of the **PUBLIC MEETING** held on **14 DECEMBER 2017** at Harvey Road Site, Harvey Road, Nottingham, NG8 3BB

Board Members

Dave Bennett-Bull
Anne Dean
Elizabeth Ekaeteh
Neghat Khan (until item 13)
Julian Owen
Michael Savage
Malcolm Sharp, MBE (Chair)
Geoff Walker
Sam Webster (until item 11)

Also in Attendance:

Delroy Beverley	Director of Construction, Repairs and Maintenance Services
Cathy Dobb (Minute Taker)	Head of Governance
Claire Bristow (for George Pashley)	Head of Organisational Development
Gill Moy	Director of Housing and Customer Services
Nick Murphy	Chief Executive
Darren Phillips (Items 8 and 10)	Assistant Director of Finance and Procurement
Phil Saunders (Item 9)	Business Improvement and Performance Manager
Jonathan Shaw	Director of Investment and Business Services

1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

The Chair opened the meeting and welcomed Board Members.

2 APOLOGIES FOR ABSENCE

Apologies were received from Bill Blincoe, Scott Campbell, Patience Ifediora, Mike Khouri-Bent and Sarita-Marie Rehman-Wall.

3 DECLARATIONS OF INTEREST

None declared.

4 ITEMS FROM THE CHAIR

None.

5 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2017

The minutes were agreed as a true record. The Chair signed the minutes.

6 MATTERS ARISING

None.

7 PROVISION OF HOMELESS ACCOMMODATION

7.1 The Director of Investment and Business Services (DIBS) informed Board that the report detailed the additional measures proposed to assist Nottingham City Council (NCC) in dealing with the increasing numbers of families presenting as homeless. This includes the purchase of an additional 50 dispersed homeless properties and engagement of the private rented sector to deliver additional temporary and permanent housing solutions.

7.2 Board discussed the savings generated to NCC by providing these additional 50 properties and that this would cover NCH's revenue costs. Board were informed that it would be possible to have flexible rent setting arrangements on these properties as the rent is not capped. NCH is working with NCC on what level of rent can be charged. The DIBS has been talking with NCC with regard to the loan rate.

RESOLUTION:

The Board agreed:

- 1. In principle, to the purchase of an additional 50 dispersed homeless properties, subject to demand from NCC.**
- 2. To the delivery of a range of measures to engage the private rented sector in providing additional temporary and permanent housing solutions, including a Private Sector Leasing scheme and a Social Lettings Agency.**
- 3. For NCH to engage in new negotiations with NCC with regard to the loan from NCC to finance the purchasing of these properties.**

8 2018/19 BUDGET STRATEGY

8.1 The Assistant Director of Finance and Procurement (ADFP) introduced the report. Its purpose is to present NCH's strategy for the 2018/19 budget.

8.2 He explained that there continues to be significant pressure on the NCC Housing Revenue Account (HRA) which funds the majority of NCH's activities, and hence NCH's fees are set to fall next year. The contributions NCH makes to NCC could also increase further next year and hence the overall budget gap is estimated to

be between £1.3m and £2.7m. The NCH refund to NCC is currently £3.6m pa.

- 8.3 He stated that the Company is currently undertaking its 2018/19 Team Planning process which requires each area to establish 5% and 10% budget saving proposals. NCH is also planning to grow its in-house services and in-sourcing work delivered on behalf of NCC and others. It is anticipated that budget savings and growth of NCH's commercial agenda shall enable a balanced 2018/19 budget to be set.
- 8.4 Board were informed that staff may be at risk due to the changes to the Assistive Technology funding and that consultation on the restructuring would be required. NCH is also completing other work for NCC and schools and is talking to other partners to expand work areas. The Chair informed Board that he continues to ask for greater transparency from NCC regarding the Housing Revenue Account (HRA). The current position of NCC was highlighted, as they are looking to find £27m reductions. Board stated that before any future budget strategies are accepted, that progress is made in the negotiations with NCC regarding the refund and transparency of the HRA.

RESOLUTION:

The Board agreed:

- 1. To approve the 2018/19 budget strategy.**
- 2. To approve that consultation on restructuring required to deliver the savings that will enable Board to set a balanced budget can begin.**

9 QUARTER TWO PERFORMANCE SUMMARY 2017/18

- 9.1 The Business Improvement and Performance Manager stated that the purpose of the report was to provide the Board with an overview of NCH's progress in the key performance areas as identified in the Corporate Plan.
- 9.2 The Customer Excellence Panel (CEP) met on 13 November 2017 to consider the detailed performance report and the panel were pleased to note the overall performance since the last quarter. CEP noted that a number of measures are highlighted as red. Some of these are due to an increase in the targets rather than a reduction of the service provided, as shown by the upwardly moving trends. Customer satisfaction continues to improve across most areas and is currently at 89.1% which is higher than this point last year.
- 9.3 He informed Board that NCH has reviewed the way in which sickness is reported and the new method shows performance for the reporting period. Sickness has improved when projected over a 12 month period. However, NCH is aware that performance has deteriorated in the first part of quarter three and the eventual outturn may be around the same as last year. There was 12.8 days sickness absence against a target of 5.3, however there has been an increase in October and November.
- 9.4 Board were informed that rent collection is ahead of target, and the Director of Housing and Customer Services stated that the Responsible Tenant Award has been added to rent accounts and collection now stands at 104%. Rent arrears

are £150k lower than this time last year.

- 9.5 Board members discussed the average energy rating for properties being 'C', and that new builds are aiming for a rating higher than the building specifications require. Board were informed that the Environmental Strategy contains this information.
- 9.6 Board also discussed whether NCH is meeting the expectations raised regarding transforming the lives of people in our neighbourhoods. NCH has already held two workshops which tenants did attend, and they contributed to generating ideas to improve the quality of life of people in their neighbourhoods.
- 9.7 The results of the staff survey were discussed and Board were informed that a new survey will be undertaken shortly as part of Sunday Times Top 100 assessment. There had been a number of changes affecting staff, such as Single Status, Management Review and the recent changes to the term and conditions of Trade colleagues.

RESOLUTION:

The Board agreed:

- 1. To note the contents of the report.**

10 2017/18 FINANCE REPORT – PERIOD 7 (OCTOBER 2017)

- 10.1 The ADFP introduced the report. Its purpose is to present an update to the Board on the Company's current financial position at the end of Period 7.
- 10.2 He explained that the Company is currently achieving an in year surplus but the forecast outturn position is a breakeven position, which is a slight improvement on the £80k deficit in original budget for the financial year.
- 10.3 He stated that there were variances in each directorate and that Construction, Repairs and Maintenance Services are looking to make saving to offset the current overspend.
- 10.4 Board discussed the overspend on New Builds, and were informed that this was not a 'new' overspend, and has been reported previously, and was due to abnormalities such as discovering cellars on site. NCH needs greater attention to pre site works and have Quantity Surveying make better costs prediction. Board would welcome balance sheets and cash flows at future meetings.

RESOLUTION:

The Board agreed:

- 1. To note the financial position at the end of October 2017 and the forecast outturn position for the 2017/18 financial year.**

11 COMPANY SECRETARY'S REPORT

11.1 UPDATE ON HCA APPLICATION

- 11.1.1 The Head Governance introduced the report and explained that the report will be presented by herself, the DIBS and the Head of Organisational Development (OD).
- 11.1.2 The DIBS stated that on the 9 November 2017, the Resources Committee of the Homes and Communities Agency (HCA) met and formally approved our RP status. Having RP status will allow NCH RP to:
- Draw down grant from the HCA 2015 -18 Affordable Homes Programme
 - Apply for continuing market engagement grant from the HCA on future new build projects
 - Bid for s106 housing made available by property developers
 - Provide housing for homeless families using “exempt” status minimising impact on the tenants benefit cap
 - Transfer ownership of social housing from other RPs.
- 11.1.3 The HCA has issued the certificate of registration and provided the RP registration number. We are currently in the process of registering with the Housing Ombudsman and the Information Commissioners Office, both of which are required elements of being an RP.
- 11.1.4 The Board expressed their thanks and gratitude all those who have contributed to achieving RP status.

RESOLUTION:

The Board agreed:

- 1. To note the update to the HCA application.**

11.2 BOARD MEMBER ENROLMENT ON COMPULSORY TRAINING COURSES

- 11.2.1 The Head of Governance informed Board that NCH has recently re-launched the Board Development Programme. The new on-line site offers discretionary and compulsory training, both classroom-based and e-learning modules that Board Members will benefit from. There are three on-line modules for Board Members to complete:
- Induction – Compulsory for all new Board Members including those re-appointed this year
 - Compulsory – Annual learning that all Board Members must complete to continue in their role
 - Optional – further learning opportunities for those Board Members who want to develop their skills and learn more about the Company’s business.
- 11.2.2 Board Members have recently received log in details from the Learning and Development Team. Members are reminded to log on and register as soon as possible for the compulsory elements of the training, and to have enrolled on the compulsory courses by 22 December.

RESOLUTION:

The Board agreed:

- 1. To note the requirement for Board Members to enrol for compulsory courses on the Learning Zone.**

11.3. BEST COMPANIES TOP 100 INDEX

11.3.1 The Head of OD informed Board that historically NCH has used the Investors In People (IiP) accreditation to drive engagement and culture change across the organisation. NCH currently hold the IiP Gold award which is due to expire in March 2018.

11.3.2 Having recently developed a new OD Strategy, NCH have been looking at ways to measure progress against each of its four objectives. Six different culture change models were considered and decided on the Best Companies Top 100 Index. The Index offers in-depth analysis of eight factors by business area, providing the opportunity to develop more bespoke solutions for each one. The eight areas can be directly mapped back to at least one of the OD Strategy objectives.

11.3.3 A further report will be brought back to Board when there are further details available.

RESOLUTION:

The Board agreed:

- 1. To note the move to the Best Companies Top 100 Index.**

11.4 USE OF COMPANY SEAL

11.4.1 The Board was asked to **note** the following uses of the Company Seal – where the Seal has been affixed to a Transfer of Registered Title, these property purchases have been previously agreed by Board, unless stated otherwise that they were purchased under the Executive Management Team (EMT) delegated powers:

11.4.2 TR1 Transfer of Registered Title - the Seal was affixed on 25 September 2017 for the purchase of 47 Hardstaff Road, Nottingham NG2 4HR for £81,000.

11.4.3 TR1 Transfer of Registered Title – the Seal was affixed on 25 September 2017 for the purchase of 58 Leighton Street, Nottingham NG3 2FZ for £90,000.

11.4.4 TR1 Transfer of Registered Title – the Seal was affixed on 25 September 2017 for the purchase of 123 Sneinton, Nottingham NG2 4FN for £89,500.

11.4.5 TR1 Transfer of Registered Title – the Seal was affixed on 25 September 2017 for the purchase of 9 Hudson Street, Nottingham NG3 3DY for £77,500.

11.4.6 TR1 Transfer of Registered Title – the Seal was affixed on 25 September 2017

for the purchase of 324 Gordon Road, Nottingham NG2 3NJ for £132,500.

- 11.4.7 TR1 Transfer of Registered Title – the Seal was affixed on 5 October 2017 for the purchase of 15 Hollis Street, Basford, Nottingham NG7 7AS for £79,995.
- 11.4.8 TR1 Transfer of Registered Title – the Seal was affixed on 5 October 2017 for the purchase of 151 Burford Road, Forest Fields, Nottinghamshire, NG7 6AY for £93,000.
- 11.4.9 TR1 Transfer of Registered Title – the Seal was affixed on 5 October 2017 for the purchase of 187 Burford Road, Nottingham NG7 6AY for £89,000.
- 11.4.10 TR1 Transfer of Registered Title – the Seal was affixed on 23 October 2017 for the purchase of 444 Vernon Road, Nottingham NG6 0AT for £79,000.
- 11.4.11 TR1 Transfer of Registered Title – the Seal was affixed on 23 October 2017 for the purchase of 3 Draymans Court, Nottingham NG7 7FL for £115,000.
- 11.4.12 TR1 Transfer of Registered Title – the Seal was affixed on 9 November 2017 for the purchase of 152 Forester Street, Nottingham NG7 3DD for £90,000.
- 11.4.13 TR1 Transfer of Registered Title – the Seal was affixed on 20 November 2017 for the purchase of 25 Hudson Street, Nottingham NG3 3DY for £100,000.
- 11.4.14 TR1 Transfer of Registered Title – the Seal was affixed on 20 November 2017 for the purchase of 51 Albany Road, Nottingham NG7 7LX for £100,000.
- 11.4.15 TR1 Transfer of Registered Title – the Seal was affixed on 20 November 2017 for the purchase of 15 Kimberley Street, Nottingham NG3 3DY for £66,500.
- 11.4.16 TR1 Transfer of Registered Title – the Seal was affixed on 20 November 2017 for the purchase of 25 Hazelwood Road, Nottingham NG7 5LA for £94,000.
- 11.4.17 TR1 Transfer of Registered Title – the Seal was affixed on 20 November 20417 for the purchase of 5 Whitworth Rise, Nottingham NG5 9AG for £87,500.
- 11.4.18 TR1 Transfer of Registered Title – the Seal was affixed on 22 November 2017 for the purchase of 30 Wilford Crescent, Nottingham NG5 9AG for £129,000.
- 11.4.19 TR1 Transfer of Registered Title – the Seal was affixed on 24 November 2017 for the purchase of 34 Wilford Crescent East, Nottingham NG5 9AG for £131,500.
- 11.4.20 TR1 Transfer of Registered Title – the Seal was affixed on 27 November 2017 for the purchase of 70 Ena Avenue, Nottingham NG2 4NB for £75,000.
- 11.4.21 TR1 Transfer of Registered Title – the Seal was affixed on 27 November 2017 for the purchase of 18 Meadow Brown Road, Nottingham NG5 9AG for £102,500.
- 11.4.22 TR1 Transfer of Registered Title – the Seal was affixed on 29 November 2017

for the purchase of 25 Sandon Street, Nottingham NG7 7AL for £120,750.

- 11.4.23 TR1 Transfer of Registered Title – the Seal was affixed on 29 November 2017 for the purchase of 25 Castlefields Meadows, Nottingham NG2 1HN for £97,500.
- 11.4.24 The Seal was affixed on 7 November 2017 to the contract for services with Swift Fire & Security Ltd to be responsible for fire and intruder alarms maintenance, service and repairs in the area of Nottinghamshire. Three year contract with the option to extend for a further two years, maximum value of work to be carried out under this contract: £1,250,000
- 11.4.25 The Seal was affixed on 7 November 2017 to the contract for services with Total Integrated Solutions Ltd to be responsible for CCTV and door entry maintenance, service and repairs in the area of Nottinghamshire. Three year contract with the option to extend for a further two years, maximum value of work to be carried out under this contract: £1,600,000.
- 11.4.26 The Seal was affixed on 7 November 2017 to the contract for services with Rubax Lifts Ltd to be responsible for the installation of lifts at Willow View. One year contract. The maximum value of work to be carried out under this contract: £370,319.
- 11.4.27 The Seal was affixed on 7 November 2017 to the contract for services with AXIS Elevators Ltd to be responsible for the installation of lifts at Pine View. One year contract. The maximum value of work to be carried out under this contract: £607,134.
- 11.4.28 The Seal was affixed on 27 November for a contract for services with Jontek - A Business Unit of Legrand Electric LTD to be responsible for provision of services in relation to Technology Enable Care Services. This is a five year contract with the maximum value of work to be carried out under this contract being £205,092.70.

12 ABSENCE MANAGEMENT TASK AND FINISH GROUP UPDATE

- 12.1 The Head of OD presented the report and stated that Board had set up a Task and Finish Group earlier this year to monitor staff sickness following an increase in the figures. It agreed five recommendations for improving absence levels, all of which have been addressed. They include setting up a bespoke absence data base, appointment of a separate absence lead and improved management information.
- 12.2 Despite these, and a number of other initiatives being implemented, absence remains high at 14 days per employee per annum and we currently have an increase in long term absence cases.
- 12.3 If our current statistics do not show signs of improvement, Board will need to consider what steps to take next. These will include some or all of the following:
- Reducing trigger levels
 - Amending sickness payments

- Re-introduction of incentive schemes for attendance
- Increased focus on the health and well-being offer
- Consider exploring options for an externally led help-line through which employees would report sickness absence.

12.4 NCH has appointed an Absence Manager, who has been in post for seven weeks, and they will be concentrating on the areas that have a high level of sickness absence. Board were informed that OD is currently analysing the causes of stress absences and that NCH does offer mental health support and resilience training to all staff.

12.5 Board queried the reasons as to why there are 45 outstanding formal reviews, and requested that these are progressed and that they are informed when all outstanding reviews have taken place.

RESOLUTION:

The Board agreed:

1. To note content of the report.

13 FEEDBACK FROM AUDIT COMMITTEE HELD ON 9 OCTOBER 2017

13.1 The Chair of the Audit Committee updated Board on the Audit Committee meeting held on 9 October. The main focus was a thorough and sound presentation on the General Data Protection Regulations, which is an area of concern for NCH and other organisations. The Committee also reviewed the outstanding audit recommendations, business developments and the governance arrangements between the Audit and Boards.

14 UPDATE FROM PARTNERSHIP FORUM MEETING HELD ON 9 OCTOBER 2017

14.1 Chief Executive informed Board that the Partnership Forum discussed budget setting and the current national housing issues.

15 ANY OTHER BUSINESS

None.

16 DATE OF THE NEXT MEETING

The next scheduled meeting will be on the 25 JANUARY 2018.

The meeting closed at 19.47

SIGNED..... DATE

NOTTINGHAM CITY HOMES

THE BOARD
25 JANUARY 2018

REPORT OF THE ASSISTANT DIRECTOR OF FINANCE AND PROCUREMENT

2018/19 BUDGET SETTING

1 EXECUTIVE SUMMARY

- 1.1 This report presents the proposed Nottingham City Homes (NCH) budget for 2018/19. These proposals have been developed in consultation with Nottingham City Council (NCC) to accommodate cost pressures, growth items and ensure the Company continues to support NCC objectives.
- 1.2 Savings proposed have been established following completion of a Priority Based Budgeting (PBB) process, which focuses budgets on meeting Corporate Objectives.
- 1.3 Pending approval of the City Council's 2018/19 budget, a balanced 2018/19 budget position has been proposed as set out in NCH's Budget Strategy, previously agreed by Board in December 2017.
- 1.4 The report also proposes confirmation of the rent setting policy in 2018/19 for social rented homes owned by NCH.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Approves** the proposed 2018/19 NCH budget.
- 2.2 **Approves** delegation to the Chief Executive and Chair of the Board to make any final amendments to the budget required following:
- Incorporation of any final comments from Board;
 - NCC budget setting; and
 - Formal consultation with unions and staff affected by proposals.
- 2.3 **Approves** the 2018/19 NCH Social Housing Rent Policy as set out in the report at 3.6.2.

3 REPORT

3.1 2018/19 BUDGET STRATEGY

- 3.1.1 The 2018/19 Budget Strategy was agreed by Board in December 2017 and set out:

- The budget context including the effect of continuing Housing Revenue Account (HRA) rent reductions, Right to Buy (RtB) sales and welfare reform on NCH's fees;
- Initial budget scenarios that took account of cost pressures, falling HRA fees, growth and developments; and
- The Priority Based Budgeting (PBB) process that was undertaken to ensure potential savings required were fully identified to balance the 2018/19 budget.

3.1.2 NCH's current budget is set at a deficit of £80k but strategy proposals set out for 2018/19 shall return the budget to a balanced position. The 2018/19 budget shall also continue to include an in-year allocation of £1.5million to new build/acquisition reserves (to increase our own stock).

3.1.3 Establishing a balanced and achievable 2018/19 budget has been challenging for the Company given the fact that:

- Income through fees from NCC is falling;
- City Council refund increasing by £0.5million to £4.125million;
- Initial cost pressures identified include some large unavoidable increases; and
- NCH has already identified and delivered significant savings over a numbers of years.

The principles set out in the 2018/19 Budget Strategy have been applied and following full review and consideration by the Executive Management Team (EMT), the final budget position is set out below in the report.

3.2 2018/19 FEES, COST PRESSURES AND SAVINGS PROPOSALS

3.2.1 The table below updates on the current changes to HRA Fees for 2018/19, which are received by NCH to finance its primary activities, as put forward by the City Council:

DESCRIPTION	Proposed 2018/19 Fees £'000
Management Fee	23,125
Repairs & Maintenance Fee	27,167
Capital Fees	1,623

This represents a Net Reduction in HRA Fees to NCH of £208k in 2018/19.

The City Council's 2018/19 HRA budget shall be recommended for approval by Executive Board in February and further details are included in Appendix 1.

3.2.2 The final cost pressures and growth items anticipated in 2018/19 are highlighted

in [Appendix 2](#) and summarised in the table below:

DESCRIPTION	£'000
Cost Pressures	1,270
Growth Items and Developments	1,058
Net Reduction in HRA Fees	208
Total Budget Gap	2,536

The overall budget gap of just over £2.5m falls within the range set out by the scenarios included in the Budget Strategy and represents 5% of service budgets across the Company.

- 3.2.3 The actions proposed to achieve savings and efficiencies, growth and insourcing and service reductions within the proposed budgets for 2018/19 are set out in more detail in confidential [Appendix 3](#).
- 3.2.4 More than half the Company's budget is dedicated to employee costs and hence redundancies shall arise from the savings proposed and potential numbers affected are set out in confidential [Appendix 3](#). The Company will of course do everything it can to avoid redundancies, including reviewing vacant posts, considering possible reduced hours and pending retirements and finally offering re-deployment. We are consulting with our staff representatives on the required savings and how possible redundancies can be mitigated. An initial provision has been set aside within the savings identified, to contribute towards such costs and is shown in [Appendix 2](#).
- 3.2.5 As reported to Board in December, NCH understands that the City Council is also considering proposals to reduce core funding to the Nottingham On Call (NoC) services. NoC provides a community alarm and Assistive Technology services to nearly 9,000 residents and enables older and more vulnerable people to live independently for longer, helping to mitigate the level of costs falling on health and social care bodies. If approved funding cuts will impact significantly on NCH's final 2018/19 budget and savings challenge. The potential loss of funding of up to £601k is included in [Appendix 2](#) and the Company is planning how the loss of this income can be mitigated by restructuring the service and increasing external NoC sales revenue.

3.3 BUSINESS DEVELOPMENT

- 3.3.1 NCH continues to identify and develop new business activities as reflected in its Corporate Plan's objectives, which counteract the impact of having to reduce budgets in response to reducing HRA income. The Company continues to grow the delivery of these services in 2018/19 in relation to homes for market rent, homes for homeless families, insourcing repairs and maintenance work and constructing new build properties on behalf of NCC. Consultation to transfer the Adaptations and Renewals Agency team across to NCH from NCC is still ongoing and the effect on the 2018/19 budget will be reported to Board, hopefully later this year.
- 3.3.2 As shown in table 3.4.1 below, growth in NCH's in-house Construction, Repairs

and Maintenance (CR&M) services which undertake in-sourcing of work (which was previously contracted out) and deliver work on behalf of NCC shall increase the Company's turnover in 2018/19. The largest increase is in capital works, which is due to Fire Prevention and Improvements works (£2m), Heating system replacements (£1.3m) and planned expansion in new build construction (£0.3m).

Growth in the commercial agenda assists in absorbing overheads and/or delivering surpluses as an alternative to reducing other services to meet the budget challenge. To that end it should be noted that savings totally £441k (highlighted in blue in confidential Appendix 3) relate to transferring staff to CR&M activities rather than making staff redundant.

3.4 PROPOSED BUDGET FOR 2018/19

3.4.1 The final proposed 2018/19 budget, incorporating all cost pressures, growth items and savings set out in the report and the appendices, is set out in the table below:

NCH BUDGET	2017/18 £'000	2018/19 £'000
Income		
HRA Management Fee	22,615	23,125
HRA Repairs & Maintenance	27,329	27,167
HRA Capital – Fees	2,179	1,623
Capital Works (Including New Build)	7,553	11,257
Other Income	5,531	6,031
Total	65,207	69,203
Expenditure		
Pay	36,111	37,053
Non-Pay	29,176	26,525
Contribution to New Build Reserves	1,500	1,500
NCC Refund	3,625	4,125
Surplus / (Deficit)	(80)	-
Total	65,207	69,203

Board approval is sought for the 2018/19 budget.

3.5 CAPITAL EXPENDITURE

- 3.5.1 As NCH continues to expand its landlord activities, capital expenditure increases the Company's fixed assets. The cost of these fixed assets are supported by NCH's new build reserves, grants and loans from NCC. The table below sets out how the position is anticipated to be effected by capital expenditure across 2018/19:

CAPITAL	31/03/2018 £'000	31/03/2019 £'000
Fixed Assets		
- Land & Buildings	35,847	47,394
- Asset Under Construction	201	21,004
- Vehicles	1,990	1,990
Total	38,038	70,388
Funded by:		
- Loans	27,696	57,906
- Grants	2,529	2,529
- Reserves	7,813	9,313
- School Site Sales	-	640
Total	38,038	70,388

To maximise value for money, any surplus on NCH's cashflow position is utilised before loans are taken out.

- 3.5.2 The largest increase next year is capital expenditure on land and buildings under construction which rises to just under £23m. This represents a number of major new build projects including the Arboretum, Eastglade, Padstow and other School Sites, which have been approved by Board or, for those planned later in the year, will be subject to Board approved Business Cases.

3.6 NCH LANDLORD ACTIVITIES & RENT SETTING 2018/19

- 3.6.1 It is anticipated that NCH shall own 137 properties for social and affordable rent by the end of the financial year. This will increase further as and when properties planned within the Eastglade (44) new build scheme are completed in the future.

- 3.6.2 The 2018/19 budget includes the assumption that rents for NCH social rent properties remain the same as 2017/18. As and when properties become void they will be let at target rent + 5% or Local Housing Allowance (LHA) level, whichever is lower. Board approval is sought for 2018/19 rent setting. Rent Policy and proposals for non-social housing shall be dealt with by the respective NCH subsidiary Boards.

3.7 NCH SUBSIDIARIES

- 3.7.1 Income and expenditure for the Company's subsidiaries in relation to the 150 properties purchased for market rent and temporary accommodation for homeless families have been included in the overall 2018/19 NCH budget set out in this report. Budgets for the subsidiaries shall be reported to the respective Boards once the process of transferring assets and formalising lease agreements is completed.

- 3.7.2 It is proposed to purchase a further 50 properties in 2018/19 to house homeless families within NCH RP. The housing of homeless families in particular supports NCC in reducing the significant costs it currently incurs from private landlords and hotel accommodation.
- 3.7.3 The Company's market rent portfolio within NCHEL will increase further as properties in relation to the Meadows Police Station new build scheme (22) and proposed Arkwright Walk (16) acquisitions are completed.

4 FINANCIAL, LEGAL & HUMAN RESOURCE AND RISK IMPLICATIONS

4.1 Financial Implications

4.1.1 As set out in the report.

4.2 Legal & Human Resource Implications

4.2.1 There are no direct legal implications of this report, although it should be noted that HRA funds provided to NCH as part of the partnership and repairs & maintenance agreements are expended on services which fulfil the requirements of the terms of the agreements. The budget strategy assumes that NCH's other activities are funded through other non-HRA income streams.

4.2.2 The Company has commenced informal consultation with recognised trade unions regarding the initial proposed 2018/19 budget savings and their potential impact on service areas following Board approval to do so in December 2017. Feedback from trade union representatives to date does not presently impact on the proposals included in this Report.

4.2.3 Once Board has made its final recommendations a formal consultation document will be produced setting out in detail how the Company proposes to implement its budget savings. This will include the impact on individual posts and staffing structures. Unless agreement can be reached earlier, this formal statutory consultation period will last a minimum of 45 days.

4.2.4 In the event of budget reductions for the NoC service negotiations are underway with the Council in relation to how redundancy costs that may be incurred in respect of staff transferred to NCH will be funded.

4.2.5 Company Standing Orders delegate day to day management including staffing arrangements to the Chief Executive.

4.3 Risk Implications

4.3.1 The risks and key assumptions underlying the 2018/19 budget are as follows:

- Employees will receive a pay award of 2% in 2018/19 (with slightly higher increases for those on the lowest paid salary bands) ;
- Directorates and service areas shall achieve Team Plan savings in full;
- Delivery of projected Business Growth and achievement of surpluses currently within the budget base;

- Changes to HRA Capital schemes during 2018/19 shall effect NCH's Capital Fees;
- The final 2018/19 HRA fee proposals are yet to be approved by the City Council;
- Impact of final reductions in NoC funding and capacity to absorb full cost reductions;
- Agreement of Service Level Agreements (SLAs) and Insurance charges with the City Council; and
- Reserves set aside for future liabilities and charges are sufficient to provide for the impact of the related ongoing and future events.

4.3.2 NCH will seek to identify possible further savings and budget reductions during the 2018/19 financial year as required to help mitigate any impact of the risks highlighted above. Where budget targets are exceeded it is proposed as part of NCH's budget strategy, that surpluses shall be used to build more new homes and/or fund 'invest to save' initiatives where there is a sound and robust business case and return on investment.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

5.1 A robust financial budget and effective monitoring process to ensure the budget is tightly managed and controlled is essential to support the achievement of all the Company's objectives. The integration and completion of the budget process as part of Team Planning focuses budgets on the delivery of the Company's Corporate Objectives.

6 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 Has the equality impact of these proposals been assessed?

Yes

No

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 2018/19 HRA Budget (City Council) – [Appendix 1](#)

7.2 2018/19 Cost pressures – [Appendix 2](#)

7.3 Savings Proposals by Directorate – Can be found in Item 6.1 of the Board Pack - Confidential [Appendix 3 a\), b\), c\), d\) & e\)](#).

Contact officers:

Name: Darren Phillips – AD of Finance & Procurement
 Address: Loxley House, Station Street, Nottingham NG2 3NJ
 Tel: 0115 746 429
 E-mail: darren.phillips@nottinghamcityhomes.org.uk

Date: 18th January 2018

HRA 2018/19 BUDGET

BUDGET FOR APPROVAL BY NCC AT FEBRUARY EXECUTIVE BOARD	2018/19 Budget £m
Rental Income	(96.698)
Provision for Bad Debts	1.263
Service charges	(6.984)
Other rents & income (inc garage s & interest)	(3.135)
Total income	(105.553)
Repairs to Dwellings	27.167
NCH Management Fee	23.125
Tenant incentive scheme	2.000
Shared Services (includes Public Realm/CCTV)	7.686
Provision for Depreciation	28.258
Debt Charges	13.321
Direct Revenue Financing	-
Total Expenditure	101.554
Surplus	4.000
Working Balance Brought Forward	4.000
Working Balance Carried Forward	19 8.000

2018/19 NCH BUDGET

HIGH LEVEL COST PRESSURES

DESCRIPTION	£'000
Pay Award	710
Staff Increments & Growth	110
Grander Designs	113
Increased Service Charge Costs	145
Employer Pension – fixed	11
Utilities	34
Rents & Rates	23
Welfare Reform Posts	95
Universal Credit – Transactions	29
TOTAL	1,270

SUMMARY OF BUDGET GAP / SAVINGS TARGET

DESCRIPTION	£'000
Current Budget Deficit	80
Housing Developments	500
Business & Charity Developments	125
Reduction in HRA Fees	
- Management	(510)
- Repairs & Maintenance	162
- Capital	556
Costs Pressures (see table above)	1,270
Deleted posts provision (redundancy costs)	353
Budget Shortfall / Savings	2,536
Savings % of Team Plan Budgets	5%

NoC - Funding at Risk	£'000
Assistive Technology	201
Alarm Contract - Dispersed	224
Alarm Contract - ILS	176
Total	601

NOTTINGHAM CITY HOMES

REPORT OF THE HEAD OF ORGANISATIONAL DEVELOPMENT

THE BOARD
25 JANUARY 2018

GENDER PAY GAP

1 EXECUTIVE SUMMARY

- 1.1 All employers with 250 or more employees are required to publish their gender pay gap along with a narrative report. This report introduces the findings from the gender pay gap analysis for Nottingham City Homes (NCH) and the proposed narrative report.
- 1.2 Our gender pay gap analysis shows a mean pay gap of 15.4% which is below the current national figure of 17.5%. The median gap is 22.3%. In addition, the mean difference between the bonus paid to male and female employees is 16.2% and the median difference is 4.1%.
- 1.3 The analysis also defines the number of men and women in each pay quartile. NCH has a greater proportion of men in the lower quartile but also the upper middle and upper quartiles.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Approves** the publication of the Gender Pay Gap Narrative.
- 2.2 **Notes** the actions scheduled to address this in section 3.6.

3 REPORT

- 3.1 NCH is required to publish an annual pay gap report showing the pay gap between their male and female employees. The narrative provided in [Appendix 1](#) must be published on our external website and the figures provided must be uploaded to the government gender pay gap site.
- 3.2 The gender pay gap analysis shows a mean pay gap of 15.4% and a median gap of 22.3%. In addition, the mean difference between the bonus paid to male and female employees is 16.2% and the median difference is 4.1%. The proportion of male employees receiving a bonus is 43.9% compared to 1.2% of female employees.
- 3.3 The analysis also define the number of men and women in each pay quartile and NCH have a greater proportion of men in the lower quartile

but also the upper middle and upper quartiles as shown below:

Males	Females	Description
58%	42%	Number of full pay relevant employees whose standard hourly rate places them at or below the lower quartile
48.8%	51.2%	Number of full pay relevant employees within the lower middle quartile
72.3%	27.7%	Number of full pay relevant employees in the upper middle quartile
83.9%	16.1%	Number of full pay relevant employees in the upper quartile

- 3.4 A number of potential underlying causes are discussed including national trends and the fact that the majority of NCH bonus earning roles are trade posts which are predominantly male employees. Bonus payments have now been ended following the recent Craft Worker consultation. All NCH posts are now evaluated the same way using the same job evaluation scheme.
- 3.5 We are committed to creating a diverse and inclusive workforce and this is clearly articulated in the Organisational Development (OD) Strategy and through NCH's culture statement. We also provide a number of opportunities to encourage internal development and have a dedicated Woman in Construction scheme along with an award winning apprenticeship scheme offering opportunities to individuals from our local communities.
- 3.6 A positive action programme is being developed to supplement the above. While NCH's pay gap is below the national average of 17.5% but a number of initiatives are in place to reduce this further. These include:
- Harmonising terms and conditions and removing bonus payments.
 - A revised recruitment policy and training that supports more women and tenants into work.
 - Introduction of more flexible working.
 - Employee forums to engage those in underrepresented groups.
 - A tenant academy providing opportunities for those that are not in education, employment, or training and provides a number of trainee and apprenticeship placements to attract talent into the workforce.

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

4.1.1 Organisations who have not published their Gender Pay Gap Report before 31 March will face unlimited fines and conviction by the Equality and Human Rights Commission (EHRC). EHRC are currently in the process of consulting on their enforcement strategy.

4.2 Legal Implications

4.2.1 Gender Pay Gap reporting is a legal requirement prescribed by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This report outlines how NCH will comply with this legislation. It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful. The EHRC may enforce any failure to comply with the regulations.

4.3 Risk Implications

4.3.1 Our Corporate Risk Register states that there is an employment risk that “A lack of consistent leadership and employee engagement or diminishing terms and conditions of employment lead to loss of employee confidence, reducing morale and an inability to retain / recruit competent employees”. We will further mitigate this risk by taking action to address our Gender Pay Gap, and demonstrating this to NCH employees.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES’ OBJECTIVES

5.1 To be a first class housing organisation in the eyes of our tenants and leaseholders

The gender pay gap report supports the attraction and recruitment of a diverse workforce suited to providing the best services to our tenants, leaseholders and reflective of the communities we serve.

5.2 To be a major player in transforming the quality of life in our neighbourhoods

The report and analysis will support the Recruitment and Employability Strategies to help provide fair and equal job opportunities for tenants, local residents and employees.

5.3 To be great place to work and widely respected as an efficient and professional organisation

The report will support the Recruitment and Equality and Diversity Strategies to ensure recruitment and pay processes are non-discriminatory, fair for all and encourage managers to welcome skilled and committed individuals from all the diverse communities we serve.

5.4 To generate new business, securing income to reinvest in Nottingham

and our communities

The analysis and reporting will help support managers to attract and recruit a diverse workforce with a variety of knowledge and skills in order to enable NCH to adapt to continuous change and improvement.

6 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 Has the equality impact of these proposals been assessed?

Yes (EIA attached)

No (this report does not contain proposals which require an EIA)

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 Appendix 1 – Gender Pay Gap Report Narrative

Contact officers:

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Date: 18 January 2018

Appendix 1 - Gender Pay Gap Report Narrative

Foreword

All employers with 250 or more employees are required by law to publish an annual gender pay gap report showing the pay gap between their male and female employees.

The work we do at Nottingham City Homes is primarily focussed in the construction and housing industries, which are traditionally male dominated. Our workforce reflects these patterns and we have a high proportion of males working across a wide variety of trade roles. At the time of drafting this report NCH has recently completed consultation on harmonising pay terms and conditions for our Construction, Repairs and Maintenance Trades workers which is currently predominantly male and accounts for approximately 450 members of staff out of a workforce of around 950.

Nottingham City Homes Group is committed to promoting equality and embracing the diversity in employment. We acknowledge that we are under represented by women at the most senior levels in our organisation but already have in place a number of initiatives to address this situation. We are committed to identifying those with leadership potential from within the organisation utilising leadership and management master classes, shadowing, coaching and mentoring as tools to encourage women to develop skills and knowledge to be able to successfully gain more senior roles.

We are proud of our dedicated Women in Construction programme providing women from our workforce and wider communities with valuable skills to help them start or continue their careers in construction and related industries.

Through our employee staff forums, recognised trade unions and the Equality and Diversity strategic steering group we encourage employees to raise issues that they believe will contribute to greater gender equality and we will work to break down any barriers where they may exist.

We will continue to strive to create an inclusive workforce and have recently launched our Organisational Development strategy which outlines how we plan to focus on culture, empowerment and talent management to the benefit of all of our employees.

Our Culture

We want Nottingham City Homes to be:

- A great place to work, with a clear sense of direction, shared by all, and ambitious to succeed on behalf of our customers.

- A place where people work as one team, where people believe in the values of the company and go the extra mile to deliver homes and places where our customers want to live.
- A place where colleagues are kept well informed, are listened to and whose views are respected; where colleagues are encouraged to learn and develop; where talent is nurtured; a place which has the courage to try things differently; where people are empowered to perform and individual performance is well managed; where success is celebrated and where we are proud to let others know about our success.
- Widely respected as an efficient, professional organisation, demonstrably fair and honest, which respects the individual and reflects the diverse communities we serve, with a strong, confident external image both in word and deed.

Equality and Diversity at Nottingham City Homes

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

NCH is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender identity or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, we:

- have spent significant time and resource harmonising pay, terms and conditions of all employees;
- carry out pay and benefits audits at regular intervals;
- provide regular equal pay training for all managers and other staff members who are involved in pay reviews; and
- evaluate job roles and pay grades as necessary to ensure a fair structure.

NCH continues to make equality part of our everyday decision making, using Equality Impact Assessments to assess the impact on deliverables. We work to ensure our strategic equality objectives are aligned to our corporate vision and goals in order to embed equality and diversity into all aspects of our work and services.

Four equality employee staff groups (a Women's Network, a Disability and Carers forum, an Ethnically Diverse Forum and a Lesbian, Gay, Bisexual and Transgender forum) currently exist to promote equality and diversity among NCH employees. An Equality and Diversity Steering Group has also been set up to champion diversity and lead and monitor initiatives across the organisation.

Equality and Diversity is embedded throughout our new recruitment policy, ensuring that the best candidate is recruited regardless of any protected characteristic.

All of these initiatives have contributed to NCH recently celebrating some excellent achievements including finishing in the recent Stonewall Top 100 list of good employers, being awarded the Excellent accreditation in the Social Housing Equality Framework and winning the National Housing Award for Leadership and Diversity.

Gender Pay Gap Analysis

This is our report for the snapshot date of 31 March 2017.

We have a legal requirement to report two separate figures:-

The median value is the middle value when all employee salaries are ranked in order.

The mean value is calculated as the average full pay of all relevant males and relevant females.

A full pay relevant employee is an individual who is employed on the snapshot date and receiving a full salary for that month.

Gender Pay Gap Analysis – 31 March 2017

Hourly rates

- The difference between the mean hourly rate of pay of male full-pay relevant employees and that of full time relevant employees is 15.4%



Mean hourly rate of pay
Female -
£12.68



Mean hourly rate of pay
Male -
£15.00

- The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is 22.3%



Median hourly rate of pay
Female -
£11.62



Mean hourly rate of pay
Male -
£14.96

Bonus

- The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees is 16.2%



Mean annual bonus
Female -
£10,715.02



Mean annual bonus
Male -
£12,784.88

In NCH the roles that attract a bonus are our trade roles which include: Heating Engineer, Electrician, Labourer, Bricklayer, Glazier, Joiner, Plumber, Plasterer and Painter.

- The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees is 4.1%



Median annual bonus Female - £11,546.61



Median annual bonus Male - £12,046.30

- The proportion of male employees in NCH receiving a bonus is 43.9% and the proportion of female employees receiving a bonus is 1.2%.



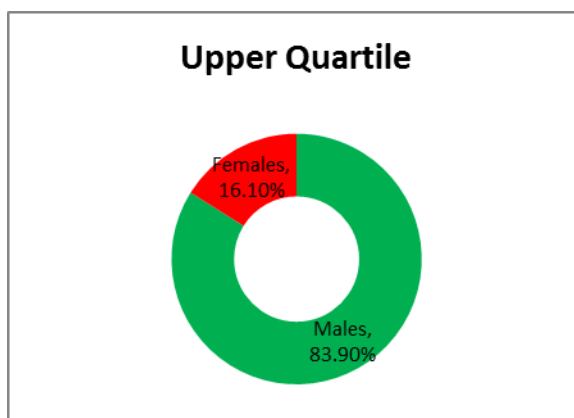
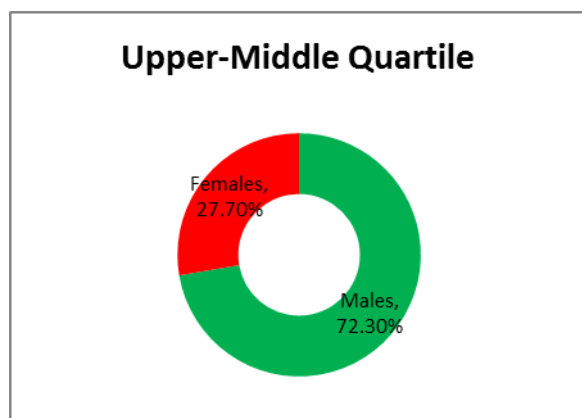
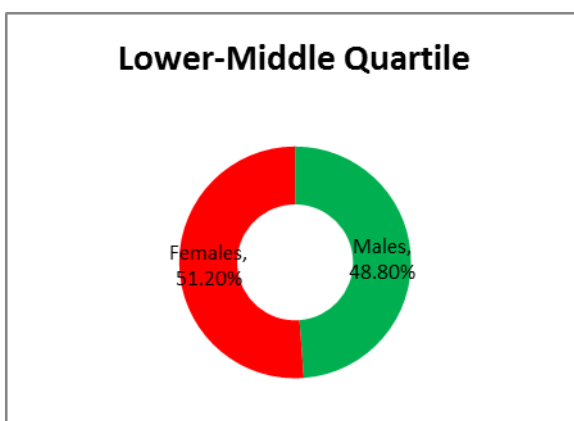
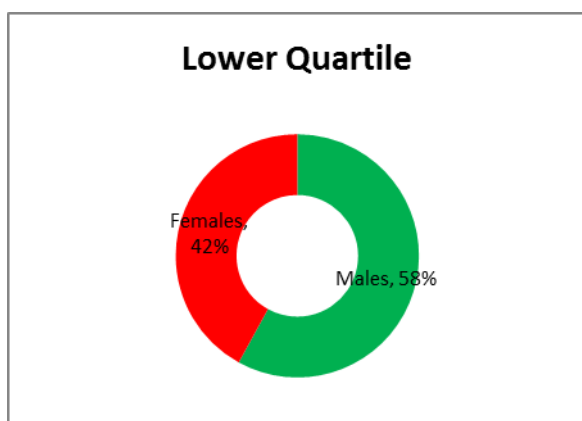
Number of Female employees receiving bonus - 4



Number of Male employees receiving bonus - 279

Proportion of Men and Women in Each Quartile

As the graphs below show Nottingham City Homes has a greater proportion of men in the lower quartile but also in both the upper middle and upper quartiles.



The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

How does Nottingham City Homes gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and Nottingham City Homes' gap compares favourably with that of other organisations.

Nottingham City Homes mean pay gap is 15.4 which is lower than the national average of 17.5*

The mean gender bonus gap and the median gender bonus gap for Nottingham City Homes is 16.2% and 4.1%.

The number of men at Nottingham City Homes who received a bonus in the 12 months up to 31 March 2017 was 279, while for women this was 4. This reflects the higher proportion of men in trade roles that, under our current policy, attract a performance bonus which we are in the process of removing.

What are the underlying causes of the gender pay gap?

National Trends

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority (CIPD). Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

Nottingham City Homes

This pattern from the UK economy as a whole is reflected in the make-up of NCH workforce, where the majority of administrative roles within its office are women, while the majority of line manager and senior manager roles are held by men. In addition, the majority of our trade colleagues are male (244 male employees) whilst only 7 trade colleagues are female.

What is Nottingham City Homes doing to address its gender pay gap?

While Nottingham City Homes gender pay gap compares favourably with that of organisations both across the whole UK economy and within the social housing sector, this is not a subject about which Nottingham City Homes is complacent, and we are committed to doing everything that it can to reduce the gap. The need to be more radical particularly within our Construction, Repairs and Maintenance section in order to make a significant difference to the gender pay gap is noted.

To date, the steps that Nottingham City Homes has taken to promote gender diversity in all areas of its workforce include the following:

- harmonised trade colleagues terms and conditions to align with the rest of the organisation
- removed its bonus payments;
- revised its recruitment policy and provided training for any recruiting managers to ensure fair decisions are made and individuals are aware of the potential impacts of unconscious biases
- developed workforce planning workshops in Construction, Repairs and Maintenance Services
- developed a new culture change model and programme linked to our Customer Services Strategy
- introduced new flexible working processes linked to our Accommodation Strategy and developed a flexible working policy to enable individuals to better balance work and life commitments. These are partly aimed at attracting more high calibre female employees into the workforce
- targeted recruitment drives through our Women In Construction programme
- offered a range of employee benefits including child care vouchers and the option to 'buy' additional annual leave
- participated in a school-partnering scheme with local secondary schools, to raise young people's awareness of the different career opportunities available within the housing, and to help dispel any misperceptions and stereotypes
- developed specific leadership and board training opportunities for those from unrepresented characteristics
- committed to identifying high profile employees in the organisation for senior role as part of succession planning
- developed guidelines for managers on supporting employees prior to, during and on return from maternity and other parental leave.
- continues to build on its employee equality forum Women in Construction to increase the number of females in Construction, Repairs and Maintenance team providing peer support and on the job training for those wanting a career in construction
- developed a Tenant Academy to target under representative groups who are not in education, employment or training (NEET)
- taking on numerous work experience placements and over 30 apprentices as part of our award winning apprenticeship scheme

None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, Nottingham

City Homes is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

Currently, Nottingham City Homes has plans to extend its evidence-gathering to include qualitative data. It will do this through a consultation exercise across all areas and levels of the organisation to identify the barriers (and the drivers) for women employees.

In the coming year, Nottingham City Homes is also committed to:

- completing and implementing new pay terms and conditions for its trade colleagues aligning them with the rest of the organisation
- reviewing recruitment at the upper quartile of the organisation to target more women to take up positions with NCH at the more senior levels
- Expanding Women in Construction network to a Companywide 'Women's Network' to provide a support mechanism for female workers across NCH to improve retention of women
- Gathering, reporting and taking positive action on informative data regarding:
 - the proportions of men and women applying for jobs and being recruited;
 - the proportions of men and women applying for and obtaining internal moves
 - the proportions of men and women leaving the organisation and their reasons for leaving;
 - the numbers of each gender in each role and pay grade;
 - take-up of flexible working arrangements by gender and level within the organisation;
 - the proportion of each gender who return to their original job after a period of maternity or other parental leave; and
 - the proportion of men and women still in post a year on from a return to work after a period of maternity or other parental leave.

We acknowledge that this is the start of a journey and will continue to champion new approaches and initiatives to demonstrate our commitment to reducing our gender pay gap.

I, Nick Murphy, Chief Executive Officer, confirm that the information in this statement is accurate.

Signed

[_____]

Date

[_____]

NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY

**THE BOARD
25 JANUARY 2018**

COMPANY SECRETARY'S REPORT

1 SUMMARY

- 1.1 This report sets out the administrative and governance matters requiring consideration and approval by the Board since the last meeting.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Notes** the progress being made on Board member training.
- 2.2 **Notes** the update on Board Member vacancies and recruitment.
- 2.3 **Notes** the update from Nottingham City Homes Registered Provider Board (NCH RP)
- 2.4 **Notes** the update from Nottingham City Homes Enterprises Limited Board (NCHEL)
- 2.5 **Notes** the use of the Company Seal.

3 REPORT

3.1 BOARD MEMBER TRAINING

- 3.1.1 Our Board training programme has now been launched and Members have been provided with information on compulsory classroom-based and on-line learning opportunities. The first two compulsory classroom events have now taken place.
- 3.1.2 Attendance so far has been mixed with 57% of Board members attending the Housing Finance training and 24% attending the Risk Management/Corporate Manslaughter session. We will be running mop up sessions shortly. 57% have logged on to the on-line learning system.
- 3.1.3 Board is asked to **note** the requirement to enrol on the compulsory courses on the Learning Zone at the earliest opportunity. Further support can be obtained from the Governance Team.

3.2 BOARD MEMBER VACANCIES 2018-19

- 3.2.1 This year one Tenant Board Member, Dave Bennett-Bull is due to retire after nine consecutive years on the Board. In addition, two Tenant Board Members, Sarita-Marie Rehman-Wall and Elizabeth Ekaeteh, will reach the end of their

- current tenure, three years and one year respectively. Both are eligible to reapply as a Tenant Board Members.
- 3.2.2 In addition, one Independent Board Member, Mike Khouri-Bent, will reach the end of his current three year tenure, and will be eligible for re-appointment.
- 3.2.3 The current Co-optees, Julian Owen and Scott Campbell, will also reach the end of their maximum three year tenure, and will therefore not be eligible for reappointment.
- 3.2.4 It is anticipated that adverts for the posts will be published during June, with interviews being held in July. Appointments will be confirmed at the first Board Meeting following the Annual General Meeting in September.
- 3.2.5 Board is asked to **note** the update to Board Member vacancies. More detail will be provided shortly.
- 3.3 NOTTINGHAM CITY HOMES REGISTERED PROVIDER BOARD UPDATE
- 3.3.1 The Board has appointed Ann McCarthy, Independent, as Vice Chair. The Board also agree to meet quarterly on the following dates:-
- Wednesday 7 March 2018
 - Wednesday 6 June 2018
 - Wednesday 5 September 2018
 - Wednesday 5 December 2018
- 3.3.2 An awayday to be held on 1 February 2018, to discuss an RP Corporate Plan and Audit processes and Risk Management.
- 3.3.3 RP Board members joined the Learning Zone and were informed of the requirement to undertaken the compulsory training elements of the Board Member training programme.
- 3.3.4 The RP Board also agreed, in principle, to lease 50 dispersed homelessness properties and in principle, to the leasing of a further 50 properties. These leased properties will enable NCH RP to access exempt property status and obtain enhanced rental income, without being encumbered with the capital costs of having to buy the properties. In addition, the Board agreed to the lease of Highwood House.
- 3.3.5 Board is asked to **note** the update from the NCH RP Board meeting.
- 3.4 NOTTINGHAM CITY HOMES ENTERPRISES LIMITED BOARD UPDATE
- 3.4.1 The Board last met on 18 December 2017. It remains focussed on meeting its target of 100 Market Rent properties by the end of the financial year and has committed in principal to attaining 50 additional homeless properties by October 2018 in line with NCC objectives.
- 3.4.2 The Board also discussed and agreed a rent policy for its properties as follows:
- Rent levels are set in the first instance following detailed market

analysis, and local knowledge.

- Rent will be collected on a monthly basis and by Direct Debit unless otherwise agreed in writing, with the tenant.
- Rent increase will take place to take effect from the beginning of April each year following service of the correct notice.
- Board agree for an increase at the current rise of inflation (3.1%) to take effect from April 2018.

The rent will be reviewed every three years, or when the property becomes vacant. That review will use open market rent analysis to decide on the level of any increase to be applied to the tenancy.

3.4.3 Board is also looking at a proposed residential development at Clifton Triangle and has asked for more detail on the proposal for the site.

3.4.4 The Board noted an update on the subsidiary's current financial position for end of October 2017. It is forecasted to be £34k behind budget by year end due to concentration on acquiring properties for homeless families and deferred purchases of market rent properties. More information has been requested on a medium term forecast.

3.5 USE OF COMPANY SEAL

3.5.1 The Board is asked to **note** the following uses of the Company Seal – where the Seal has been affixed to a Transfer of Registered Title, these property purchases have been previously agreed by Board, unless stated otherwise that they were purchased under the Executive Management Team (EMT) delegated powers:

3.5.2 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 185 Wells Road, Nottingham NG3 3AP for £132,500.

3.5.3 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 183 Wells Road, Nottingham NG3 3AP for £132,500.

3.5.4 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 181 Wells Road, Nottingham NG3 3AP for £115,000.

3.5.5 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 2G Kildare Road, Nottingham NG3 3AF for £115,000.

3.5.6 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 or the purchase of 2F Kildare Road, Nottingham NG3 3AF for £132,000.

3.5.7 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 2E Kildare Road, Nottingham NG3 3AF for £132,000.

3.5.8 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 2D Kildare Road, Nottingham NG3 3AF for £132,000.

3.5.9 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December

- 2017 for the purchase of 2C Kildare Road, Nottingham NG3 3AF for £132,000.
- 3.5.10 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 2B Kildare Road, Nottingham NG3 3AF for £132,000.
- 3.5.11 TP1 Transfer of part of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 2A Kildare Road, Nottingham NG3 3AF for £132,000.
- 3.5.12 TR1 Transfer of Registered Title – the Seal was affixed on 8 December 2017 for the purchase of 25 Hungerhill Road, Nottingham NG3 4NB for £86,000.
- 3.5.13 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 41 Hogarth Street, Nottingham NG3 2GA for £77,000.
- 3.5.14 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 99 Birrell Road, Nottingham NG7 6LU for £105,000.
- 3.5.15 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 244 Ranson Road, Nottingham NG3 5HJ for £123,500.
- 3.5.16 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 28 Bernard Street, Nottingham NG5 2AE for £115,000.
- 3.5.17 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 22 Baden Powell, Nottingham NG2 4GA for £86,000.
- 3.5.18 TR1 Transfer of Registered Title – the Seal was affixed on 13 December 2017 for the purchase of 9 Dornoch Avenue, Nottingham NG5 4DQ for £112,500.
- 3.5.19 The Seal was affixed on 19 December 2017 on the contract with British Gas Social Housing Limited for the maintenance of the district heating system to a contract value of £1.1m.
- 3.5.20 TR1 Transfer of Registered Title – the Seal was affixed on 10 January 2018 for the purchase of 23 Mickleborough Avenue, Nottingham NG3 3EJ for £101,000.
- 3.5.21 TR1 Transfer of Registered Title – the Seal was affixed on 10 January 2018 for the purchase of 32 Chelmsford Road, Nottingham NG7 7EP for £65,000.

4 EQUALITY IMPACT ASSESSMENT

- 4.1 Has the equality impact of these proposals been assessed?
- Yes (EIA attached)
- No (this report does not contain proposals for significant changes to process at this stage).

5 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 5.1 None.

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DATE: 11 January 2018

NOTTINGHAM CITY HOMES

REPORT OF THE DIRECTOR OF INVESTMENT AND BUSINESS SERVICES

THE BOARD
25 JANUARY 2018

CORPORATE PLAN 2018-21 – PROGRESS UPDATE

1 EXECUTIVE SUMMARY

- 1.1 The Nottingham City Homes Group (NCH) is developing a new Corporate Plan. This is the Group's vision to help deliver the homes and supporting services that Nottingham people need. It sets out an ambitious direction for the future.
- 1.2 This report is intended to inform the Board of progress since the initial draft was presented to Board members on 14 December 2017, and to provide an updated version of the Plan.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 **Notes** the content of the report.

3 REPORT

- 3.1 The NCH Group Corporate Plan sets out a bold strategic direction and ambitions for the organisation in the years to come. As well as setting out the ambitions of the NCH Group, it is the backbone of our performance management process – linking all of our operational activities through to the organisation's strategic objectives.
- 3.2 Board members were last consulted on the contents of the draft Corporate Plan on 14 December and provided detailed feedback on the content and direction of the plan.
- 3.4 Following consultation, work has been on-going to incorporate views from Board Members and further feedback from the Executive Management Team (EMT). This updated draft corporate plan is included as Appendix 1.
- 3.5 The next phase is to consult with key stakeholders on this updated draft plan, giving them the opportunity to comment on the Plan, and the contribution it makes to helping them address the priorities that had been identified through the first phase of consultation.
- 3.6 Upon completion of the key stakeholder consultation phase a final

version will be submitted to Board for approval.

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

4.1.1 Publication will be predominantly electronic, and production and distribution of printed copies of the final Plan would be covered by existing budgets and would be expected to cost less than £1,000.

4.2 Legal Implications

4.2.1 None.

4.3 Risk Implications

4.3.1 The Group Corporate Risk register identifies a key risk as: “Weaknesses in the leadership provided by Board and senior management, our planning processes or governance arrangements lead to poor performance, lack of confidence or breach of statutory requirements”. Production of a comprehensive Corporate Plan helps mitigate this risk.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES’ OBJECTIVES

5.1 The development of a new corporate plan will set the direction of the company for the future and determine a new suite of corporate goals.

6 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals which require an EIA)

6.2 An Equality Impact Assessment of the final version of the Plan will be carried out and provided to Board.

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 Please follow this link to the Updated Draft Corporate Plan Linked as - [Appendix 1](#).

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Date: 16 January 2018