

**NOTTINGHAM CITY HOMES LIMITED**  
**GOVERNING BOARD MEETING**



**Date:** THURSDAY 30 MARCH 2017

**Time:** 5.30 PM

**Place:** STRELLEY SOCIAL CLUB, HELSTON DRIVE, NOTTINGHAM, NG8 6JZ

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**

			<b>Page No.</b>	<b>Time</b>
	Board to view the NCH new build site adjacent to the meeting venue			5.30
	Introduction to the Strelley Social Club by Karen Swan, Housing Patch Manager.			6.00
	Introduction to the Brathay Challenge by Matt Gustard, NCH Apprentice.			6.10
<b>1</b>	<b>INTRODUCTORY ITEMS</b>			
1.1	WELCOME			6.20
1.2	APOLOGIES FOR ABSENCE			
1.3	DECLARATION OF INTERESTS			
1.4	ITEMS FROM THE CHAIR			
1.5	MINUTES OF THE MEETING HELD ON 23 FEBRUARY 2017	Attached	3 - 8	6.20
1.6	MATTERS ARISING			
<b>2</b>	<b>ITEMS FOR DISCUSSION AND DECISION</b>			
2.1	ORGANISATIONAL DEVELOPMENT STRATEGY 2017-2019 Report of the Head of Organisational Development	Attached	9 - 28	6.20
<b>3</b>	<b>ITEMS TO NOTE</b>			
3.1	COMPANY SECRETARY'S REPORT Report of the Company Secretary	Attached	29 - 38	6.35

3.2	FEEDBACK FROM MIDLANDS ALMO BOARD MEMBER MEETING Report of the Vice Chair	Verbal		6.45
3.3	FEEDBACK FROM BUILD A BETTER NOTTINGHAM STEERING GROUP MEETING 16 MARCH 2017 Report of the Chief Executive	Attached	39 - 42	6.55
3.4	UPDATE REPORT FROM NOTTINGHAM CITY HOMES ENTERPRISES LIMITED Report of the Chair of NCHEL	Attached	43 - 47	7.05
<b>4</b>	<b>CLOSING ITEMS</b>			
4.1	ANY OTHER BUSINESS			-
4.2	DATE OF NEXT MEETING – 25 APRIL 2017			-

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 23 March 2017.

Distribution List:

All Board Members:

Dave Bennett-Bull (Vice Chair), Bill Blincoe, Scott Campbell, Anne Dean, Glenn Harris, MBE, Patience Ifediora, Mike Khouri-Bent, Julian Owen, Sarita-Marie Rehman-Wall (Vice Chair), Michael Savage, Malcolm Sharp, MBE (Chair), Sam Webster and Steve Young.

Elizabeth Ekaeteh and Sam Whitworth

All EMT Members

Report Authors: Claire Malinder

**NOTTINGHAM CITY HOMES LIMITED**

**THE BOARD**

**MINUTES** of the **PUBLIC MEETING** held on **23 FEBRUARY 2017** at the Sheila Roper Centre, Off Baslow Drive, Lenton Abbey, Nottingham, NG9 2SU

**Board Members**

Dave Bennett-Bull  
Patience Ifediora  
Glenn Harris, MBE (until Item 8)  
Mike Khouri-Bent  
Julian Owen  
Sarita-Marie Rehman-Wall  
Michael Savage  
Malcolm Sharp, MBE (Chair)

**Also in Attendance:**

Rachael Collings (for Item 7)	HouseMark
Cathy Dobb (Minute taker)	Head of Governance
Elizabeth Ekaeteh (Observer)	Board Development Attendee
Richard Holland (for Gill Moy)	Assistant Director Housing Operations
Tom Mouldsdale	Governance Officer
Nick Murphy	Chief Executive
George Pashley	Company Secretary
Darren Phillips (for Item 9)	Assistant Director of Finance and Procurement
Jonathan Shaw	Director of Investment and Business Services
Jonathan Weller (for Item 8)	Performance Manager

**1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS**

The Chair opened the meeting and welcomed Board Members and Rachael Collings from HouseMark.

**2 APOLOGIES FOR ABSENCE**

Apologies were received from Bill Blincoe, Scott Campbell, Anne Dean, Sam Webster and Steve Young.

**3 DECLARATIONS OF INTEREST**

None declared.

**4 ITEMS FROM THE CHAIR**

None.

## **5 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 26 JANUARY 2017**

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

## **6 MATTERS ARISING**

The Chief Executive informed the Board that further to Item 7, 2017/18 Budget Setting, Nottingham City Homes (NCH) has asked Nottingham City Council (NCC) to reconsider the additional £125k refund and NCC state that they are still considering the request.

## **7 HOUSEMARK CORE BENCHMARKING REPORT 2015/16**

7.1 Rachael Collings from HouseMark delivered a report and presentation on the 2015-16 benchmarking results for NCH. The peer group used for the report was 'all open sharers', meaning all housing organisations regardless of size or type were included in the analysis.

7.2 Key points of the report included:

7.2.1 Overhead costs as a % of direct revenue costs were 18.19%, placing NCH in the top quartile. This represented a cost reduction of 0.65% from the previous year, where the peer group saw an average increase of 0.23% in the same period. NCH is £6m per year cheaper to run than our peers.

Housing management costs per property were £306.33, placing NCH in the top quartile. NCH's total housing management costs are £3.5m leaner than if NCH were operating at the sector median.

Average pay cost of £29.6k is in the top quartile (where lower pay costs = better, therefore top quartile), despite the impact of Single Status pay rises and temporarily protected salaries.

Current tenant arrears of 2.18% represented an increase from 2.08% the previous year, placing NCH just outside the top quartile. The sector achieved an average decrease of 0.07% in 2015-16.

Rent collected from current and former tenants decreased by 0.22% from the previous year, a trend seen across the sector. Performance of 100.47% meant NCH remained in the top quartile.

Average re-let time (standard re-lets) improved from 28.96 days the previous year to 23.93 days in 2015-16. This measure allows for void time to be excluded under certain circumstances (e.g. major works); a methodology not used by NCH in its own reporting which includes ALL void properties.

Tenancy turnover improved to 5.91%, in the top quartile and almost 2% better than

the median.

Responsive repairs and void works costs increased by £20 to £732.93 per property in 2015-16. The sector median cost was £794.41, making NCH's costs £1.6m leaner than if we operated at the sector median.

Repairs completed at the first visit were 94.72%, outside of top quartile but better than the sector median of 92%. Repairs appointments kept were 98.66%, outside of top quartile but better than the sector median of 97.26%.

Major works and cyclical maintenance costs per property were £1,696.16; a reduction of £341 from the previous year. The sector median was £1,452.60. NCH achieved 100% decent properties and 100% of dwelling had a gas safety certificate.

Estate services costs were £230.89 per property, placing NCH in the lower quartile with an average spend of £65 per property more than the sector median.

Average days lost to sickness reduced to 11 days in 2015-16, although this meant NCH remained in the lower quartile. The sector median was 9 days.

STAR overall satisfaction improved to 88.4% in 2015-16; middle-upper quartile performance. Satisfaction with the overall quality of home and value for money of rent were both in the top quartile. Unusually, NCH's perception-based (STAR) surveys delivered even better quartile results than the transactional (ARENA) surveys.

- 7.3 The Performance Manager to provide Board with a graphic version of our summary position versus a different peer group, containing only organisations of a similar size to NCH.

## **8 QUARTER THREE PERFORMANCE SUMMARY 2016/17**

- 8.1 The Performance Manager stated that the purpose of the report was to provide Board with an overview of NCH's progress against KPIs identified in the Corporate Plan.
- 8.2 The full report went to the Customer Excellence Panel (CEP) last week and was circulated previously to Board. Overall performance has improved, with satisfaction at 91.6%, which is a record high for an individual quarter. Re-let and lettable voids are at a record low, with gas servicing at 100% and an overall energy efficiency rating of C.
- 8.3 The areas that NCH need to improve include reducing sickness absence which currently stands at 12.8 days, and a Board Task and Finish Group has been set up to support NCH with this. Generating new business is a new KPI for NCH and we need to purchase more market rent properties to keep up with our targets. The take up of assistive technology is also behind target. CEP requested more information on repair rates, the impact of the welfare reforms, and data showing the number of new homes being built compared to the number lost under right to buy.

## **RESOLUTION:**

### **The Board agreed:**

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

## **9 2016/17 FINANCE REPORT – PERIOD 9 (DECEMBER 2016)**

- 9.1 The Assistant Director of Finance and Procurement stated that the report provided an update to Board on the Company's current Financial position at the end of Period 9 (December 2016).
- 9.2 NCH year-end surplus target was £155k but it currently stands as a projected £66k. Repair works received from NCC is lower than expected, however additional work is expected to be forthcoming. Some of the work undertaken for NCC has been done at a loss (Board was informed that controls are now in place to prevent this occurring again). NCH have completed eight homes at Colwick Woods Court for NCC from a total package of 26. However, NCH went beyond the funding envelope for Colwick Woods Court due to a three-month delay starting the job which increased site costs, ie cabins and staffing, and the extra specification of the site ie fencing and triple glazing. Costs needs to be reined in on the remaining sites to come within budget.
- 9.3 The Chief Executive informed the Board that he had met with two of the Council Directors to resolve the issue as to why NCH was not getting the NCC repairs and maintenance work that it was expecting. NCC was comparing NCH costs with those of a firm that has since gone into administration. NCH had been asked to pick up this work. NCH was only getting half of the work that it expected and had to tender for projects worth over £5k. NCC have now agreed in principle that NCH will get all the work and NCH will provide a quote and if NCC doesn't think it's reasonable they will discuss it further with us.

## **RESOLUTION:**

### **The Board agreed:**

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

## **10 'FIXING OUR BROKEN HOUSING MARKET' THE GOVERNMENT'S HOUSING WHITE PAPER, PUBLISHED IN FEBRUARY 2017**

- 10.1 The Chief Executive highlighted the key points from the recently published Housing White Paper 'Fixing our broken housing market', and looked at relevant implications for NCH group.
- 10.2 The White paper signals some good news and is a policy shift from the government. It appears to recognise that one size does not fit all and that council housing is part of the overall housing solution. The demand for housing is so great that councils and local housing companies will also be required to step in and build more stock. However, the paper does not say how this will be achieved, as there is no extra funding available or expansion of borrowing capabilities or relaxation of rules to allow us to build more homes. The Chief Executive informed the Board

that the Housing Minister would be in Nottingham tomorrow and the Chair and the Chief Executive will be meeting with him.

**RESOLUTION:**

**The Board agreed:**

1. To note the content of the report.

**11 COMPANY SECRETARY'S REPORT**

**11.1 TENANT AND LEASEHOLDER AWARDS UPDATE**

- 11.1.1 The Company Secretary informed the Board that this year's Tenant and Leaseholder Awards will be held on 29 March 2017 at the Council House. The event will start at 5.30pm. Board Members were encouraged to attend.

**RESOLUTION:**

**The Board agreed:**

1. To note the update to the Tenant and Leaseholder Awards.

**11.2 NOTTINGHAM CITY HOMES ENTERPRISE LIMITED UPDATE**

- 11.2.1 The Company Secretary updated Board on the work of Nottingham City Homes Enterprise Limited (NCHEL) Board which last met on 30 January 2017. The Board of NCHEL comprises of the five members of EMT.

**RESOLUTION:**

**The Board agreed:**

1. To note the contents of the report.

**11.3 REGISTERED PROVIDER BOARD UPDATE**

- 11.3.1 The Company Secretary informed Board that the three NCH representatives and three potential Independent Members of the Registered Provider subsidiary (RP) met informally on 26 January to discuss the next steps for the RP Board. It was agreed that the next steps would be for the Independent Members to meet with Anthony Collins Solicitors to get a full legal and independent perspective of the subsidiary. A full RP Board Meeting will be arranged in the next couple of weeks.

**RESOLUTION:**

**The Board agreed:**

1. To note the update to the RP Board.

**11.4 NOMINATION TO NATIONAL FEDERATION OF ALMOS BOARD**

- 11.4.1 The Company Secretary stated that the two current Midlands representatives to the National Federation of ALMOS (NFA) Board will be standing down after completing eight year terms. The NFA is therefore seeking two new Midlands NFA

Board Directors and NCH is seeking to apply for one of the forthcoming vacancies.

**RESOLUTION:**

**The Board agreed:**

- 1. To note the intention of NCH to apply for a position on the NFA Board.**

11.5 USE OF THE COMPANY SEAL

11.5.1 The Seal was affixed on the following occasions:

11.5.2 TR2 Transfer of Registered Title -The Seal was affixed on the 26 January 2017 for the purchase of 10 Patterson Road, Hyson Green, Nottingham, NG7 6AF for £78,500.

11.5.3 The Seal was affixed on the 26 January 2017 to the Confidentiality Agreement between Nottingham City Homes and Elizabeth Ekaeteh.

11.5.4 TR1 Transfer of Registered Title – The Seal was affixed on the 16 February 2017 for the purchase of 82 Elford Rise, Nottingham NG3 2BN for £90,000.

**RESOLUTION:**

**The Board agreed:**

- 1. To note the use of the Company Seal.**

11.6 The Board noted and agreed all the updates and information included in the main body of the Company Secretary's report.

**12 FEEDBACK FROM BUILD A BETTER NOTTINGHAM STEERING GROUP ON 2 FEBRUARY 2017**

12.1 The Chief Executive reminded the Board that this Steering Group oversees the delivery of NCC's new homes target. Board were given the overview of all the new build projects that NCH were undertaking for NCC and were informed that the schedule also includes builds that NCH are undertaking for their own stock. Board were asked if this was sufficient to inform the Board of projects. The number of sites is large and NCH deliver more than any other ALMO and this is likely to continue each year. Board approved of the format of the schedule document.

**13 ANY OTHER BUSINESS**

None.

**14 DATE OF THE NEXT MEETING**

**The next scheduled meeting will be on the 30 March 2017.**

**The meeting closed at 19.23**

**SIGNED..... DATE .....**



## NOTTINGHAM CITY HOMES

### REPORT OF THE HEAD OF ORGANISATIONAL DEVELOPMENT

THE BOARD  
30 MARCH 2017

### ORGANISATIONAL DEVELOPMENT STRATEGY 2017-2019

#### 1 EXECUTIVE SUMMARY

- 1.1 Board is asked to contribute and approve the Organisational Development (OD) Strategy 2017-2019. The strategy sets out the OD priorities that will achieve our ambition to be a great place to work over the next three years. It brings together everything that Nottingham City Homes (NCH) does to recruit, retain, develop and engage its people to deliver high quality services to our customers.
- 1.2 The strategy has four high-level themes which will help us achieve our Corporate Plan priorities. It will be reviewed when a new Corporate Plan is produced next year, however it is expected that many of our people management priorities will not change in the coming years. These themes are:
1. Customer Focus and Culture
  2. Empowerment and Engagement
  3. Flexibility and Agility
  4. Talent Management.
- 1.3 The Strategy targets specific actions to support and develop the NCH workforce in line with our corporate values and organisational vision.

#### 2 RECOMMENDATIONS

- 2.1 It is recommended that the Board **discuss** the draft Organisational Development strategy 2017-2019, **consider** any amendments and delegate sign off of final version to the Head of Organisational Development in consultation with the Chair.

#### 3 REPORT

- 3.1 The new Organisational Development Strategy will run from April 2017 – March 2019, setting out NCH's approach to, and objectives for, supporting and developing employees to perform at their best to effectively fulfil the ambitions of our Corporate Plan. We have already identified how we want the culture of our organisation to look and feel; this is the means by which we can really bring it to life. The Board will have a key role as employers in supporting the implementation of the strategy in order to ensure we create an environment where all

employees can develop and succeed, striving to provide the best services possible for our tenants and communities.

3.2 This strategy sits within a wider context of key challenges and legislative changes that face NCH both now and in the future. These include reduced budgets, recent political changes and new government initiatives including the apprenticeship levy and gender pay gap reporting.

3.3 The strategy has been developed in consultation with employees and Trade Unions and an accompanying action plan will also be developed from the final version of this document. In developing our four key themes we have considered a number of factors currently impacting on the organisation including:

- Absence Management – the need to develop a healthy and positive work environment and work pro-actively to reduce sickness absence
- Flexible Working – the need to provide the right environment for people to carry out their work efficiently and to the best of their ability
- Customer Satisfaction - Our desire to ensure that our culture motivates employees to provide the best possible services to our customers
- Recognition - that a more engaged workforce is motivated to perform to the best of their ability and that the right communication panels need to be in place to achieve this.

The strategy is a Group strategy and applies to all subsidiaries of NCH.

3.4 The themes are detailed below for information:

1. Customer Focus and Culture – developing a culture that supports a well-motivated and well-developed workforce delivering excellent customer service and putting tenants at the heart of what we do. Our culture also needs to promote and embed our company vision and values, support inclusiveness and enable a proactive reduction in sickness absence.
2. Empowerment and Engagement - staff engagement is key to improving performance, productivity, organisational commitment and customer service and therefore we will work to provide empowered ways of working to support all staff to reach their full potential and realise NCH's ambitions.
3. Flexibility and Agility – In order to effectively resource our organisation both now and in the future, NCH need to employ a more agile multi-skilled workforce able to move more freely and supported by good flexible working practices. We will work to ensure we have the right people with the right skills in place to meet current and future demands.

4. Talent Management - NCH's commitment to recruiting, developing and retaining talented individuals will be paramount to optimise the performance and potential of individuals and the organisational as a whole.
- 3.5 Adopting this strategy will demonstrate NCH's commitment to supporting and developing its employees in order to become one of the best employers in Nottingham. It will also provide direction for the whole company on how to enable the performance of our employees to achieve NCH's strategic goals including being 'a great place to work and widely respected as an efficient and professional organisation.'

## **4 FINANCIAL, LEGAL AND RISK IMPLICATIONS**

### **4.1 Financial Implications**

- 4.1.1 There are no specific financial implications as any associated costs have been included and budgeted for within the dedicated Organisational Development budget.

### **4.2 Legal Implications**

- 4.2.1 None.

### **4.3 Risk Implications**

- 4.3.1 Key risks are highlighted on page 15 of the strategy. The appropriate management action to mitigate these risks have been considered and included.

## **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 strategy outlines how OD will support the creation of a customer focused culture helping employees and managers to embed the Customer Services Strategy and working across the business to provide training and support where required.

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

OD will work alongside the Employability Manager to help provide opportunities for tenants and local individuals. The Learning and Development team will continue to support apprenticeships and traineeships and through effective succession planning, the Recruitment team will work to identify job opportunities suitable to these groups.

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

professional organisation:

The strategy will outline how OD will work across the business to recruit, develop, retain and engage employees; ensuring employees and external individuals are aware of the benefits of working for NCH. The strategy will actively support the Equality and Diversity Strategy to ensure the creation of an inclusive environment that welcomes people from all the diverse communities we serve.

To support the achievement of this goal, our values and behaviour need to be integral to everything we do. We will create a culture that enables and supports the development of a well-trained and highly motivated workforce committed to NCH's vision and striving to provide the best services possible for our tenants and communities.

- 5.4 To generate new business, securing income to reinvest in Nottingham and our communities:

The strategy seeks to explore a variety of options for developing a sustainable and adaptive workforce and supporting a culture of continuous improvement. Various opportunities including flexible terms and conditions and training and development opportunities are explored as one of the key objectives of the strategy.

## 6 EQUALITY AND DIVERSITY IMPLICATIONS

[Double click the box to complete]

- 6.1 Has the equality impact of these proposals been assessed?

Yes

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: Organisational Development Strategy 2017-2019 Final Draft

### Contact officers:

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**Date: 23 March 2017**

# Organisational Development Strategy 2017 - 2019



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Introduction

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Delivering the strategy

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## Introduction

Nottingham City Homes (NCH) is an Arm's Length Management Organisation that was established in 2005 to manage properties and provide housing and support services to Nottingham City Council tenants and leaseholders. We manage around 26,000 properties across the city of Nottingham making us the largest housing organisation in the city. Nottingham City Homes is supported and governed by a Board of Directors that agrees the strategy and direction of the organisation and key policies such as pay and remuneration. Board members represent our communities and support the vision of creating homes and places where people want to live.

Organisational Development (OD) is defined as a planned and systematic approach to improving organisational effectiveness through the alignment of strategy, processes and the involvement of its people. At the core of Organisational Development (OD) is the drive to improve the functioning of individuals, teams and the entire organisation. NCH strives to be a top 10 housing organisation and one of the best employers in Nottingham. OD will help achieve this vision through maximising the performance of our people and creating a culture where employees live our values.

This document sets out our OD priorities and brings together everything that NCH does to recruit, retain, develop and engage its people to deliver high quality services. We deliver our services through people, and it is through the skills, knowledge and development of NCH employees that we become a more effective and efficient organisation. This document outlines how we will develop our organisational culture and ways of working to better meet the needs of our customers, partners and communities. We aim to be a 'great place to work' and the OD strategy sets out our goal for improving the working lives of our staff and supporting them to achieve the NCH vision.

We will also consider Nottingham City Homes' ambitions for the future including developing new subsidiaries, diversifying into new business, developing our in-house services and building new homes. This strategy will outline how Organisational Development will help create a workforce capable of supporting the business both now and in the future.

Staffing is NCH's biggest resource and our staff are instrumental in the realisation of our vision. We directly employ approximately 1000 people across the organisation. Our employees work in a variety of roles and have diverse backgrounds and circumstances. We aim to support and develop all employees to perform at their best to effectively fulfil the ambitions of our Corporate Plan. This strategy set outs our plans, ambitions and our commitment to our employees to ensure they understand what is expected of them and are offered the support and resources required to become confident and competent in their role. The strategy details the way in which we will work with staff, managers and other stakeholders to reach their potential and be motivated to provide great customer service to our tenants and communities.

## Drivers for the Organisational Development Strategy

This strategy underpins NCH's ambition, vision and strategic goals as set out in the Corporate Plan 2015-2018. It provides a mechanism for engaging and developing employees and leaders to enable the culture changes necessary to deliver NCH's vision and strategic goals as described below:

**NCH's vision is to create homes and places where people want to live.**

### Strategic Goals:

#### **1. To be a first class housing organisation in the eyes of our tenants and leaseholders**

Organisational Development will further the development of a customer focused culture across the company, helping employees and managers to embed the Customer Services Strategy and working across the business to provide training and support where required.

#### **2. To be a major player in transforming the quality of life in our neighbourhoods**

Organisational Development will help deliver the Employability Strategy by providing opportunities for tenants and local individuals. We will continue to support apprenticeships and traineeships and through effective succession planning we will work to identify job opportunities (through more entry level jobs) to help these individuals progress within the company.

#### **3. To be great place to work and widely respected as an efficient and professional organisation**

OD will work across the business to recruit, develop, retain and engage employees. We will ensure both current employees and external individuals have greater awareness of the benefits of working for Nottingham City Homes. We will actively support the Equality and Diversity Strategy to ensure the creation of an inclusive environment that welcomes people from all the diverse communities we serve.

To support the achievement of this goal our values and behaviour need to be integral to everything we do. We will create a culture that enables and supports the development of a well-trained and highly motivated workforce committed to NCH's vision. We believe our staff are our greatest asset and we aim to create an environment where they can develop and succeed, striving to provide the best services possible for our tenants and communities.

#### **4. To generate new business, securing income to reinvest in Nottingham and our communities**



In order to help the business grow and develop, Organisation Development will work to ensure our terms and conditions are flexible enough to attract more and different types of work but still retain the key staff benefits valued highly by individuals. As our business grows and develops we will ensure our workforce is sustainable and adaptive, embracing new ways of working. We will support training and development, helping staff acquire new skills and knowledge and providing more flexibility in the workforce. We will welcome and support new employees into the business and continue to explore new ways (including TUPE transfers, apprenticeships, traineeships, secondments etc.) to source people with the right skills into NCH.

Organisational Development will also help support a culture of continuous improvement, encouraging new ideas and creativity across the business and always looking for ways to improve.

## **NCH Values**

Our values define the way we work and form the basis of our expectations of how we will operate on a day-to-day basis. We will DRIVE our culture and the delivery of our Corporate Plan by promoting, encouraging and embedding the shared company values of:

- Passionate about Delivering outstanding services
- Respectful - to our colleagues, our customers, our communities
- Always looking for ways to Improve
- Providing great Value for money
- Committed to working Effectively with each other, our customers and our partners

## **Context**

This strategy will be delivered in the context of a number of national and local factors:

### **National context**

- **Economic climate** – The current economic climate means that we all need to focus on providing more for less, reducing waste and improving efficiency if we are to continue to deliver quality services with fewer resources. With these drivers in place NCH will need to consider the potential impact on employee's morale and work to find new ways of motivating individuals and teams to perform well for the organisation.
- **Pensions and retirement** – Changes to pensions and terms and conditions around retirement mean employees are likely to have to work for longer. This in turn means NCH will have to effectively manage an increasingly ageing workforce. This especially impacts on our Craft Operatives where the work undertaken is of a more physical nature. Flexible working solutions and effective HR support are required to manage this issue and the health and absence issues that more likely to arise from a changing workforce profile. Workforce planning will be key here to ensure we have the right skills, in the right jobs at the right time.

- **Employability** - We are committed to helping our tenants into sustainable employment. Our goal is to effectively develop partnerships with local training providers, social enterprises, JobCentre Plus, Nottingham City Council and the Employer Hub to address multi-generational worklessness. NCH will continue to support the national and local employability agenda by promoting employment opportunities via our employability strategy, including Traineeships, Apprenticeships and through the Tenants' Academy. We will also look to social enterprises as a means to support and develop employment in our communities. Within NCH we will ensure the employability agenda is a key consideration when designing and recruiting for roles with a view to increasing employment opportunities for our tenants.
- **Political** – The implications of recent political changes (including Brexit and Welfare reform) are still being understood but it is clear that they will have a significant impact on our customers, employees and income. NCH will need to become more creative and innovative to ensure the employees, skills and knowledge are in place to provide relevant support and assistance to our tenants and leaseholders through this difficult time.
- **Apprenticeship Levy** - April 2017 sees the introduction of the Government Apprenticeship Levy which will impact the way NCH approaches apprenticeships and learning across the organisation. Coordinated working across the company will be needed to make the best use of the funding and support available
- **Gender Pay Gap Reporting** – new legislation becomes effective in 2017 requiring employers to publish figures regarding any potential gender pay gap. This will require NCH to have strong reporting mechanisms and systems in place and consistent procedures around pay and bonuses.

## Local context

- **Corporate Plan** – Our corporate plan 2015-18 sets out our ambitions to be a top 10 housing organisation and a great place to work, widely respected as an efficient and professional organisation. This strategy will set out how we will develop and support our employees to deliver these priorities in order to support the vision of the organisation and provide excellent customer service to our tenants, partners and communities. The Organisational Development strategy connects directly to the contribution NCH makes to delivering high quality public services in the City. This is an ambition set out clearly in the strategic vision for Nottingham produced by One Nottingham – The Nottingham Plan.
- **Supporting employment in the local community** – Nottingham has lower than average educational attainment levels, in comparison to other geographical areas. This will be notable in many of the disadvantaged communities that we serve. Our employability programme and apprentice schemes are designed to support city residents with lower qualifications to progress into employment, including employment with NCH. As a consequence we will continue to support employees who wish to gain improved qualifications, or continue to partake in learning opportunities through workplace training and development.
- **Equality and Diversity** – Reducing inequality and disadvantage is central to our

work. NCH want to show through our actions that we are an organisation which celebrates diversity; is demonstrably fair; reflects the community we serve; and will be an organisation where all employees can achieve their potential. We will strive to make equality part of our everyday decision making and will train our workforce to effectively respond to the changing profile within the city.

- **Leadership Management and Academy** – We have an ambition to be a top ten housing organisation. This requires consistent high levels of leadership and management throughout the company. NCH is committed to developing our managers and has set up a Leadership and Management academy to support our leaders and managers in terms of personal and professional development. Our management principles set out our expectations of our managers and their role in contributing to the success of our organisation.
- **Nottingham City Homes Board** - The Nottingham City Homes Board steers the strategic direction of the organisation and makes sure that it's delivering customer-focused services. Our board will support and govern the organisation to help NCH achieve our aim of becoming a 'great place to work' and will help steer the organisation as we develop our range of activities beyond our core business, and create our two subsidiaries. The Board have a key role, as employers, in supporting this strategy and its key priorities in order to help all employees to achieve their potential and provide the best possible services for tenants.

## Vision

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.

## Delivering the strategy

The OD strategy is divided into 4 high-level priorities which reflect key priorities from the Corporate Plan:

1. Customer Focus and Culture
2. Empowerment and Engagement
3. Flexibility and Agility
4. Talent Management

Across these priorities Organisational Development will support successful delivery, performance and growth through 4 core functions;

- Recruitment
- Development
- Retention
- Engagement

## Organisational Development



### Key Priorities

#### 1. Customer Focus and Culture

Organisational culture is key to shaping how individuals behave and perform in their jobs. Specifically, there is strong evidence to suggest that excellent customer service provision is generated by a well motivated and well developed workforce. A satisfied and committed workforce delivers excellent service and therefore it is vital to create an innovative, ambitious and supportive culture to enable the achievement of our strategic objectives and ensure NCH's success both now and in the future. In particular NCH's culture needs to support and embed the following:

- Excellent customer service and putting tenants at the heart of what we do
- Bringing our Company vision and values to life
- Supporting employees to understand their roles and the expectations and behaviours required
- A culture of inclusiveness, embracing differences and supporting equality and diversity at all levels
- A healthy culture and positive work environment, working proactively to reduce sickness absence
- A culture of high performance
- A culture of trust, empowering employees through effective delegation and development opportunities
- A culture of innovation to support continuous organisational growth

### **We have:**

- An agreed Customer Services Strategy and suite of actions being progressed
- Clearly defined job descriptions outlining role expectations for all members of staff
- Supported a Women in Construction programme to help achieve a gender diverse workforce and improve the representation of women across the business
- Through a number of schemes, offered support and opportunities to underrepresented populations to help ensure a diverse workforce able to meet the need of our tenants and residents
- Reviewed policies and procedures to support effect absence management and create a consistent approach to tackling sickness absence
- Established a business partner approach aligning the OD Team to directorates to help us better understand the needs of the business and to be able to work closer with managers to look for creative solutions to complex problems
- Completed a management review and implemented an agreed management structure
- Developed an Equality and Diversity Strategy, achieved Excellent in the Social Housing Equality Framework and are a top 100 Stonewall Employer

### **Case Study: Equality and Diversity within NCH**

#### **Christian Liquorice, Project Liaison Officer (Vice Chair of the LGBT Forum)**

*I came out in the workplace when I joined Nottingham City Homes. The reason I came out when I joined NCH was due to the people around the business. I'm not afraid or ashamed of what I am or who I am. The experience was very comfortable within the workplace based on the fact that there were so many people around NCH that were supportive, understanding, no one challenged my sexuality at all. The difference it has made for me is to be who I am and how I am in the workplace. A positive outcome for me within the workplace is working for NCH and also being a part of the LGBT forum. We engage with other organisations around Nottingham to ensure we carry the best practice of LGBT around Nottingham.*

**We will:**

- Embed excellent customer service into our recruitment process to ensure we recruit individuals who share our values and understand the importance of putting tenants first
- Create learning and development packages to help employees improve their customer service skills and share best practice
- Develop a comprehensive induction process to introduce all new starters our organisation vision, values and strategic goals
- Create and embed effective employee relations and workforce policies and procedures that are simple, consistent, apply to all staff and clearly outline standards for managers and employees
- Work closely with managers to create high performing teams and to encourage cross-team/directorate communication and learning
- Identify pro-active solutions to sickness absence, supporting attendance and faster returns to work following sickness
- Develop our Health and Well Being offer for employees and ensure this is accessible to all
- Work with the business to provide a positive working environment that encourages attendance and high productivity
- Provide a best practice and pro-active Organisational Development service, actively researching new models and ideas and drawing on best practice approaches to support business development
- Consistently challenge poor practice recognising the contribution of the performance management framework in providing assurance that performance is managed and supporting NCH to deliver its strategic goals
- Support the restructure of our Repairs and Maintenance directorate to help improve customer satisfaction and deliver more services and repairs 'right first time'

**2. Empowerment and Engagement**

Effective employee communication and the ability to empower our staff to achieve NCH objectives are critical to our success. There is strong evidence to show that staff engagement with the organisation and its culture is positively correlated with performance levels so we will strive to encourage employee involvement. Empowered and enabled employees are more committed to the organisation, give better customer service and have higher levels of productivity. We will work to provide employees and managers with empowered ways of working in order to support them reach their full potential and realise NCH's ambitions.

**We have:**

- Developed and continued to foster strong working relationship with recognised Trade Unions
- Introduced team, directorate and company wide engagement
- Produced hard copy versions of our employee newsletter 'Round the House' to ensure all staff (including those not on email) have access to recent NCH news and key organisational messages
- Undertaken a staff survey that showed an increase in staff satisfaction with NCH as a place to work

- Supported the STAR staff recognition awards ensuring individual and team achievements and recognised and providing opportunities to learn from each other
- Set up a number of employee forums to encourage staff engagement and give employees a voice on key organisational topics
- Provided a number of business and trade apprenticeships ensuring all apprentices are supported through a comprehensive programme of personal and professional development
- Developed a strong partnership with Bulwell Academy, offering valuable work experience and input to students
- Supported the Tenant Academy, encouraging tenant engagement and the development of knowledge and skills in the local area
- Created an induction programme for Board Members and utilised our online learning system to support on-going board member development

### Case Study: Supporting our NCH apprentices

#### **Ravell Blair, Plasterer (previously a Plastering Apprentice – Level 3)**

Previously unemployed and looking for some direction, Ravell's job centre advisor encouraged him to apply for a trade apprenticeship with Nottingham City Homes. Ravell got through to the interview stages for a plastering apprenticeship and started at NCH as a plastering apprentice in April 2012. Ravell said *'although I was sceptical about what the work may entail at first, I grew to love the job.'*

In June 2015 Ravell completed his level 3 apprenticeship which helped him become more independent, allowing him to buy and maintain a car which is a big plus for somebody who hates public transport!

Without his apprenticeship Ravell said that he would more than likely be in a dead end job with no prospects but he can now see himself moving up the career ladder at Nottingham City Homes.

During the Brathay Community project Ravell plastered the new kitchen and toilet walls; as well as helping at school talks and career fairs, He even got up and spoke about apprenticeships to over 150 people at the Nottingham City Homes staff conference,

#### **We will:**

- Support the review of our current engagement mechanisms and employee forums to ensure clear purpose and direction and to help support the creation of a diverse workforce to effectively meet the needs of our tenants and residents
- Strengthen our other employee communication channels to ensure we communicate effectively with all employees
- Build a culture of positive praise, rewarding good performance and celebrating successes
- Support managers to create a culture of empowerment by giving them the skills to supervise and develop their employees, provide support and direction where required and effectively and appropriately delegate work

- Help managers maintain a strong focus on performance management and value for money, whilst empowering employees
- Continue to improve on our engagement with local schools strengthening NCH's regional brand and building close links with other colleges and universities to support local students and create a pipeline to attract new talent into NCH
- Promote and encourage our employees to engage with and support our local communities through on-going development of the volunteering programme.

### 3. Flexibility and Agility

Nottingham City Homes need to develop a more agile, multi- skilled workforce able to move more freely around the business supported by flexible working practices. We will need to effectively identify future employment needs of the company and ensure we have the right people with the right skills in place to meet this demand. By providing greater flexibility in employment we will attract people from a wider range of backgrounds with a greater range of skills and knowledge. We will also create a culture where people want to be at work, rather than taking sick leave.

#### We have:

- Successfully introduced flexi-time and home working for a number of roles across the organisation to support work-life balance
- Reviewed creative recruitment solutions in order to attract the right talent at the right time and have worked with suppliers to establish cost effective solutions to changing workforce requirements
- Identified a new recruitment system to help us gain better access to the employment market and will utilise this system and social media to better advertise opportunities, reducing agency spend across the business
- Strengthened the Organisational Development team to provide HR expertise and solutions; working with managers to communicate legislative workforce changes and the understand implications for their employees.
- Provided opportunities for employees to develop new knowledge and skills through a number of learning mechanisms including training, mentoring, e-learning and on the job learning

### Case Study: Flexible working at NCH

#### The Rents Team

In September 2014 the Rents Team implemented a flexible working pilot which included twenty eight employees the opportunity to regularly work from home i.e. one to two days each week. Those employees reported higher levels of job satisfaction and motivation in comparison to other employees not included in the pilot and when questioned, the Rents Team preferred the option to work flexibly. NCH is now looking to expand on this pilot and create a flexible working policy to support individuals across the organisation.



**We will:**

- Support employees to understand and embrace change, ensuring we are promoting continuous improvement
- Support the workforce to embrace new technology and more efficient ways of working by helping employees develop the skills, knowledge and confidence required
- Work to support managers to adapt to flexible ways of working and help senior managers to design and develop team/directorate structures that can effectively support future requirements
- Consider potential new business opportunities and company growth and work to successfully resource these new ventures
- Review current terms and conditions in the Repairs and Maintenance directorate to ensure these are fit for purpose, helping NCH to successfully win new work.
- Work with managers and trade unions to ensure the right pay and reward mechanisms are in place to reward workforce agility and will provide training and development to encourage individuals to become cross- or multi-skilled workers
- Continue to be ambitious for our employees and will build internal leadership capability to enable managers to be more forward thinking, agile and astute.
- Facilitate the provision of suitable opportunities for employees to move across the organisation to embed learning and enhance their capabilities in different areas.
- Continue to support the creation of blended and tailored learning, providing just in time learning to meet individual development needs
- Support cross-trade training and multi-skilling to create a more flexible workforce able to better meet organisational demands

**4. Talent Management**

NCH's commitment to recruiting, developing and retaining talented individuals will be paramount to optimise the performance and potential of individuals and the organisation as a whole. Specifically NCH will adopt a new approach to creating entry level jobs where possible and encouraging career development from within.

**We have:**

- Launched our NCH Leadership and Management Academy to help ensure managers and supervisors in the Company have the right level of learning to do their job effectively
- An appraisal system to recognise strong performance, provide effective feedback and establish a clear link between individual objectives and NCH strategic goals
- Provided staff with a wide variety of learning and development (both online and face-to-face) to enable them to take responsibility for their own self-development
- Developed coaching and mentoring support that can be accessed by all members of staff
- Run a number of leadership events for members of the Executive and Senior Management team to build leadership competence and support effective working relationships between management levels
- Provided a number work experience, trainee and apprenticeship opportunities to attract talent into our organisation and supported individuals to progress their careers within NCH

## Case Study: Developing our NCH Managers

### Anita Hodson, Equality and Diversity Manager

*I started with the company in 2003 as a Housing Advisor but soon began to want more from the job that I was contracted to do and when a secondment opportunity arose in the Equality and Diversity Team as an E&D coordinator I jumped at the chance. During my secondment I not only discovered that I had a passion for equality and diversity but also developed some strong managerial skills, I wanted to further work on these and when a leadership programme (Aspire to Manage) aimed at developing new potential managers was introduced I applied. Aspire to manage helped me hone skills that I already had, it taught me about the company values and how I could reflect these in the way that I managed. Following this I was offered an honourarium into the post of Equality and Diversity Manager which gave me the opportunity to put in to practice my learning whilst raising my profile as an E&D specialist. This also provided me with a hands-on approach to not only a field that I have true passion in but also experience with managing other colleagues and their expectations. I also had to learn to manage my work/life balance as a manager and a mother and have taken advantage of NCH's flexible working to help me manage my time effectively.*

### We will:

- Create entry level jobs suitable for local people with the right capabilities to grow
- Utilise the funding from the apprentice levy to support our existing apprentices and identify more opportunities within NCH to offer further apprentice placements
- Ensure succession and workforce planning are effectively embedded and supported by strong recruitment practice
- Attract and recruit strong candidates able to demonstrate the skills, knowledge and values required by the organisation
- Utilise new technology and creative advertising methods to attract talent to NCH and work with the communications team to communicate the benefits of NCH as an employer
- Continue to review recruitment and on-boarding systems to improve the candidates experience and achieve value for money
- Work with recruiting managers to ensure consistency and equality across the recruitment process
- Develop a clear induction programme to welcome new employees and new managers into the organisation and provide them with all the information required to successfully transition into a new role
- Provide a universal training offer allowing all employees access to learning. Employees will have a suite of essential/desirable learning mapped against their job role requirements to help ensure they have the skills and knowledge required to allow them to grow and develop with NCH.
- For managers, provide the tools and resources needed to manage tasks, individuals and teams; offering expert advice and guidance where required.
- Continue to support better working relationships and stronger engagement between our Executive and Senior Management Teams to create a consistent and empowered leadership team
- Support the creation of effective pay and reward schemes to retain talent within NCH

- Ensure effective appraisal mechanisms and systems are in place to assist managers to assess performance
- Work with managers to embed succession planning, looking proactively at current workforce profiles and mapping against future requirements and developing career pathways at all levels of the organisation to help those who wish to develop identify next steps
- Through the annual performance appraisal, support managers to identify and record development needs to help employees progress
- Work across the organisation to help managers effectively identify and retain high potential individuals to support the achievement of our organisational goals

## Resources

There is a dedicated Organisational Development team in place to implement the Strategy and an allocated budget to enable the achievement of the vision outlined above. The Strategy impacts all employees and managers at NCH and as such regular engagement and communication with our employees and trade unions is required to ensure effective implementation.

A number of systems are in place to support the delivery of this strategy including a dedicated recruitment tracking system, an HR and payroll system (Oracle) and a comprehensive online learning system (Learning Pool) that provides access to a number of online modules, forums and resources. In addition, NCH are also supported by East Midlands Shared Services (EMSS) who administer a number of payroll related functions on behalf of NCH.

The introduction of key government legislation and policy (e.g. the apprenticeship levy) may mean potential funding mechanisms will exist going forward. Organisational Development will work with education and training providers to identify potential funding opportunities to support the work of NCH.

Organisational Development may utilise external training providers to deliver specific training or provide more bespoke individual development interventions.

## Monitoring and reviewing the strategy

The Organisational Development team plan will support the delivery of this strategy and will be performance managed through our electronic performance management system (Covalent) to ensure targets and actions are completed on time.

The strategy will be reviewed quarterly at the Organisational Development Management Meetings and annually by the Head of Organisational Development to ensure it is still relevant.

The review of this strategy and associated actions will also be a regular item on the Level 3 meeting with Trade Unions to gain feedback on progress and monitor achievement.

Regular reports will be produced to demonstrate how the strategy's key outcomes are being met including monthly updates to EMT on employment, disciplinaries, grievances and absence management figures and an annual HR report to the Board.

## Key risks

Risk	Mitigation
Resource	OD team structure has been reviewed to ensure effective distribution of resource and effective service delivery
Workforce Engagement	<p>Regular communication to the workforce of OD initiatives and benefits for employees.</p> <p>On-going liaison with trade union colleagues</p>
Partnership Working	<p>To continue to develop and strengthen partnerships with relevant organisations including Nottingham City Council to increase efficiencies and reduce cost.</p> <p>Provide and engage in opportunities for cross-organisational learning, sharing best practice to support the growth of the organisation</p>
Workforce demographics	<p>Support the recruitment and retention of younger members of staff (through apprenticeships and other opportunities) to develop a talent pipeline and ensure continuity of service.</p> <p>To help support the development of key skills for all employees to ensure the right knowledge and skills are in place to achieve our organisational vision</p>
Political changes	<p>Keep up to date with relevant legislation in order to assess the impact on NCH and plan an effective way to manage these changes.</p> <p>Ensure effective reporting procedures and systems are in place to support compliance and future workforce planning</p>

## NOTTINGHAM CITY HOMES

## REPORT OF THE COMPANY SECRETARY

THE BOARD  
30 MARCH 2017

## COMPANY SECRETARY'S REPORT

**1 EXECUTIVE SUMMARY**

- 1.1 This report sets out the administrative and governance matters requiring consideration and approval by the Board since the last meeting.
- 1.2 Board Members are reminded about their attendance and the need to give timely apologies if they are unable to attend Board meetings.
- 1.3 Nottingham City Homes (NCH) has been appointed as a regional Board Member on the National Federation of ALMO's (NFA) Board. NCH is seeking a Tenant Board Member representative to sit on this board.
- 1.4 The Company Seal has been used four times this period for the purchase of properties.
- 1.5 Board Members attended an Away Day on 27 February 2017. The notes from that event are attached as Appendix 1.

**2 RECOMMENDATIONS**

It is recommended that the Board:

- 2.1 **Notes** the requirement to give timely apologies and to attend Board meetings.
- 2.2 **Notes** NCH's appointment to the NFA Board and the request for a Tenant Board Member representative.
- 2.3 **Notes** the use of the Company Seal.
- 2.4 **Notes** the update from the Away Day.

**3 REPORT****3.1 BOARD MEMBER ROLE AND ATTENDANCE**

- 3.1.1 We all recognise the importance of Board and the Board Member role if we are to realise our ambition of being a Top 10 Company and we are building a Board development program to achieve this. We are also working on actions from our recent Board Away Day.
- 3.1.2 Unlike some housing organisations, NCH does not pay its Board Members a salary. Tenant and Independent Board members are entitled to claim allowances and out of pocket expenses, while Councillors are only paid a basic allowance for their NCC work which includes attendance at NCH Board and Committee meetings.

- 3.1.3 At the same time however, we also need to highlight on-going concerns around Board attendance. There were a number of absences for the full Board Meetings in January and February as well as the recent Board Away Day. Attendance has been on the decline preceding this. On one occasion the Board was one member away from being non-quorate.
- 3.1.4 There has also been an increase in lateness or no apologies being given for meetings. Members are reminded that apologies should be given as soon as possible, and in any event should be in advance of the meeting being held.
- 3.1.5 In addition, this year a number of events and associated transport and accommodation have been booked for Board Members who have subsequently not attended those events. This has resulted in a financial loss from the Board budget as replacement Board Members were not available at that time to cover.
- 3.1.6 Board Members are reminded of their responsibility to attend all meetings where possible. If regular attendance becomes problematic or there are any changes to existing arrangements that would assist you then you can discuss these with the Company Secretary. Board Members are also reminded that non-attendance on four consecutive occasions without leave of absence from the Board may result in that Board Member being removed from the Board.
- 3.1.7 The Board is asked to **note** the requirement to give timely apologies and to attend Board meetings and events, and to **consider** whether any changes to the existing arrangements would be of assistance.

## 3.2 NFA REGIONAL BOARD ELECTIONS

- 3.2.1 As you are aware, ALMO's were recently invited to vote for two places on the NFA Regional Board. The ballots closed on Friday 17 March and NCH was successful and will go on to represent the Midlands region on the NFA Board. Our appointment will be confirmed by the NFA at their AGM on 27 April 2017. Derby Homes will be the second representative for the region.
- 3.2.2 We are seeking a Tenant Board Member who is able to commit to attending three formal Board meetings a year and one Away Day at CIH London Offices as follows:
- March
  - June (Away Day)
  - September
  - November.
- 3.2.3 Interested Board Members are requested to contact the Company Secretary by 3 April 2017.
- 3.2.4 The Board is asked to **note** NCH's appointment to the NFA Board and the request for a Tenant Board Member representative.

## 3.3 USE OF COMPANY SEAL

- 3.3.1 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 purchased under the Executive Management Team (EMT) delegated powers as previously agreed by Board, unless otherwise stated.

- 3.3.2 TR2 Transfer of Registered Title - The Seal was affixed on the 23 February 2017 for the purchase of 16 Trent Road, Nottingham NG2 4FH for £85,000.
- 3.3.3 TR1 Transfer of Registered Title – The Seal was affixed on the 14 March 2017 for the purchase of 17 Bilby Gardens, St. Ann’s, Nottingham NG3 2GU for £85,500.
- 3.3.4 TR1 Transfer of Registered Title – The Seal was affixed on the 15 March 2017 for the purchase of 13 Silverdale Road, Nottingham NG7 7EZ for £79,950.
- 3.3.5 TR1 Transfer of Registered Title – The Seal was affixed on the 16 March 2017 for the purchase of 238 Gladstone Street, Forest Fields, Nottingham NG7 6HY for £77,000.

#### 3.4 BOARD MEMBER AWAY DAY 27 FEBRUARY 2017

- 3.4.1 A Board Away Day took place at the New Art Exchange on 27 February 2017. Notes on the Away Day are attached as Appendix 1.
- 3.4.2 The day consisted of a Board Assessment Exercise which gave Board Members the opportunity to vote on how well they think they operate in key areas. Action points from this event will be followed up and progressed. This was followed by presentations from Eamon McGoldrick, Managing Director of NFA, on Today’s ALMO World, Cllr Jane Urquhart on the Nottingham context and Nick Murphy, Chief Executive of NCH, on the proposed path to develop the next Corporate Plan. The morning concluded with a table exercise where Board Members noted their thoughts for the Corporate Plan priorities.
- 3.4.3 After lunch, Board Members tours a number of active and completed NCH sites; Morley School, Colwick Woods, Meadows, Lenton, Padstow / Padstow Ridgeway and Amber Hill.

3.4.4 The Board is asked to **note** the update from the Away Day.

### **4 FINANCIAL, LEGAL AND RISK IMPLICATIONS**

#### 4.1 Financial Implications

4.1.1 There are no financial implications arising from this report.

#### 4.2 Legal Implications

4.2.1 All of the initiatives within this report are carried out within legislation including the Companies Act 2006 and NCH’s Governance processes.

#### 4.3 Risk Implications

4.3.1 There are no risks arising from this report.

### **5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

5.1 The contents of the report will have a significant impact for NCH achieving its corporate objectives, set out in the Corporate Plan and associated high level corporate commercial, financial and business plans.

**6 EQUALITY IMPACT ASSESSMENT**

- 6.1 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).

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

- 7.1 None.

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**DATE: 23 March 2017**



## **Board Away Day –New Art Exchange 27 February 2017**

Apologies from: Dave Bennett-Bull, Bill Blincoe, Anne Dean, Glenn Harris MBE, and Steve Young.

Malcolm Sharp MBE attended from 11.15

Scott Campbell attended until 13.10

Welcome and introduction by Nick Murphy. Malcolm Sharp and Nick Murphy met with the Housing Minister, Gavin Barwell, on the previous Friday. The scale of the need for house building cuts across government ideology and there's now a green light for councils to build more and for local housing companies to be part of the build programme. However, the Treasury is still exerting its control over finances ie HRA Debt Cap. Malcolm and Nick will write separately to the Housing Minister setting out NCH's views.

### Board Assessment Exercise:

#### **How well does the Board of NCH...**

##### **1: Establish the Company vision and strategic objectives?**

3 very well, 4 well.

##### **2: Demonstrate the Company values?**

2 very well, 5 well.

- We can always improve. NCH has commitment to working with NCC for the benefit of the city.
- Shadow Youth Board suggested. NCHA do trainee Board Memberships and Derby Homes have a Youth Board Member.
- Tenant recruitment is problematic for NCH Board. Suggested door knocking / Cllrs to take leaflets with them on their Ward walks and community meetings.

##### **3: Oversee Company performance?**

2 very well, 5 well.

- Partly dependent on EMT and the information they provide to us. HouseMark was useful as an external validation and benchmark. Get the detailed quarterly performance reports in addition to summary in Board papers.
- Can get too much information and it dilutes the time spent on other papers.

- Get too much operational information rather than just the strategic information.
- Separate budget meeting or have a community impact assessment on the budget. Recognised EMT's expertise, have to trust their judgement to some extent.
- Maintain strategic overview of the budget on why certain decisions have been made.

#### **4: Fulfil its role as an employer?**

1 very well, 6 well.

- Doesn't feel like we employ over 1k people.
- Sickness absence gone on too long and could have been dealt with better and earlier.
- Board are kept well informed and make informed decisions based on the welfare of the employees.
- Board Members were invited to the staff conferences and STAR award and if this isn't enough engagement, we need to review what opportunities Board Members would like to participate in.
- Shadowing opportunities should be available for Board Members.

#### **5: Ensure compliance with good governance practice?**

4 very well, 3 well.

- Board are getting the information that they need for the subsidiaries.

#### **6: Ensure compliance with Company Law?**

4 very well, 2 well, 1 poorly.

- Felt it was one area that the Board lacked in its skills.
- The Board can bring in external expertise eg legal when it is needed.
- Waste of a seat on the Board if we did get someone in for the Company Law aspect, but Board get enough legal information when needed. One of Board training modules should be on Company Law.

#### **7: Manage the Company's health and safety responsibilities?**

2 very well, 4 well. 1 abstained.

- Don't get summaries of accidents on site.
- Should H&S be on every agenda?

#### **8: Maintain effective oversight?**

Malcolm Sharp attended from this question

5 very well, 3 well.

- Mechanisms are in place to oversee this area.
- Complex subject so you can always learn more.
- Relationship with NCC and HRA is very important.

**9: Select, manage and support the Chief Executive?**

4 very well, 3 well. 1 abstained.

- Board supports the managers who attend Board Meetings. Employees need to know when they have done a good job.

**10: Manage risk?**

4 very well, 4 well.

- Massively improved, but still some way to go. Have identified the risks and still need some mitigation.

**11: Maintain effective Board performance?**

2 very well, 2 well, 2 poorly. 2 abstained.

- No clear programme of when appraisals should happen. Are they too light touch and a bit of a chat?
- A new training programme is currently being put in place.

**12: Promote the Company?**

2 very well, 5 well, 1 poorly.

- Ambassadorial work – Board not given it much thought before. All Board Members should follow NCH on Facebook and Twitter.
- How well does NCH promote itself to NCC? Does NCC appreciate what it has in NCH?

**13: Actively engage in its own learning and development?**

4 very well, 3 well, 1 poorly.

- Not enough training session that are structured and personal.
- Voluntary Board constrains but NCH does offer fantastic opportunities for Board Members.
- Late afternoons and early evenings can make it difficult.
- On line doesn't get the interaction.

## Corporate Planning

NM introduced. We are in the last year of our current Corporate Plan which is being successfully delivered. Direction needs to be right for the next Corporate Plan and we're going through a period of significant change. Medium term planning would be around 3 – 5 years, and three years was chosen last time. Sitting underneath the three year Corporate Plan are individual team plans which are produced annually and delivered by our service managers.

### Eamon McGoldrick –Managing Director of NFA. Presentation.

There are 35 ALMO's which manage 505,000 homes. Whilst ALMO's are a smaller sector, we are doing a lot more, with the majority now having long term agreements, with 25 of these agreements going past 2020. This means that Partnership Agreements are becoming the norm.

The recent White Paper gives some encouragement for councils to build new homes, and there are discussions taking place with the CLG on freedoms in return for building commitments.

ALMO's built 854 new homes in 2016, with NCH contributing 158 of them. 66 are ALMO owned, and of these NCH built 35 of them. There are plans to build 10,633 in the next five years, which is down 1600 since the rent reduction was announced. ALMO's bought 361 properties in 2016, 31 of which were bought by NCH.

There is now 29 ALMO's delivering Strategic Housing functions, which is up by 62% on 2014. They range from allocations to providing temporary accommodation or having a homelessness strategy. This approach allows efficiency savings to be made and allows councils to focus on other challenges.

The private sector is growing, with ALMO's managing 1925 private rented sector houses. This is an increase of 12% on 2015. NCH is leading the way on building for the private rented sector.

ALMO's in the future are likely to be less arm's length. They are not a popular term for some councils. There is likely to be more ALMO's delivering non housing functions. Examples include Stockport, who are managing repairs and maintenance for schools, South Tyneside Homes who have taken on street care services and Barnet Homes who have taken on streetscene services, including refuse collection.

There are risks to expanding the service scope, such as; needing to have a clear business case agreed with the council; can be a distraction and must not forget the core purpose; capacity to plan and having the right skills mix. The benefits include; having an increased housing supply; placeshaping; generating efficiencies and income; spreading overheads; new opportunities and experience for staff and being the council's preferred partner.

The governance challenges will be; ALMO Boards are getting smaller with a more mixed membership; the emergence of Group structures and sister council companies; potential for too many Boards and not enough members and finally, the residents voice must not be lost.

Cllr Jane Urquhart – Local context. The ambition that the city has with regard to Housing is central to NCC. At the last election NCC said that 2500 homes need to be built that Nottingham people can afford to rent or buy. Most of the recent new builds have been built by NCH. Some might be homes that are for private sale in the future.

NCC's drive for quality housing of all tenures. NCC is challenging Housing Associations to improve their standards. NCC can say to them that NCH could manage their stock if they can't do it better.

The private rented sector becoming more important and NCC is consulting on having a licence for private rented providers and to have a set standard for these homes. Local financial context is not rosy at the moment. Difficult decisions for NCC and NCH and diversification into other areas of business will become more crucial. NCH is taking on more for NCC and this will become more important for both NCH to enable and support NCC and for NCH to develop and take on new business. The modernisation of Craft Terms and Conditions is also very important. We are taking those risks together, and where we need to have conversations in relation to corporate planning, we will have them. There needs to be a balance between appetite for risk and achieving the best outcome.

Nick Murphy Chief Executive. Issue of Craft Operative Terms and Conditions being changed is a key driver. Delroy Beverley, the new Director of Construction, Repairs and Maintenance Services was introduced and he will be meeting with the operatives that will be affected by the changes this week. Traditional work will reduce, such as managing and repairing stock, and there is a need for diversification of the housing offer as well as building homes for NCC. Opportunities for diversification will be important and NCC wants us to do more work for them. NCH Group now has two subsidiaries; NCHL has a lot of freedoms through its structure. Technology is changing, ie driverless cars, drones, We need to continue to modernise and develop also, and make the best use of this new technology as we plan ahead for the future.

#### Table exercise

- Look at commercial rent for shops and offices as you will get more from this than from residential. Lenton development will have three shops.
- NCH should aim to be in the top 3 and not just the top 10.
- Be at the forefront of technology.
- Grow subsidiaries, expand customer base to more secure NCC contracts ie refuse collection.
- Tenant involvement offer should be expanded.

- Two-tier approach – supporting new build, good quality housing and communities that are changing. Existing services being maintained would still be a challenge in itself.
- Expand the services we offer even outside of the city.
- Look at societal change in the future – children return to live with their parents, older people to be able to live with their families.
- Skills – growing our own staff from the city, like to see more Nottingham citizens being higher skilled. Skills for tenants and making sure they can realise their own potential – can we do more with our Tenant Academy or partner up with other providers?
- Review our capacity to deliver all this.
- New good quality homes, link to health agenda – demographic and societal changes.
- Community balance, parts of the city where more right to buy, so they would then have more private houses in that area. Look to see where we can intervene to maintain the community balance.
- Tenant responsibility and the responsible tenant scheme – need more of this type of agenda. Need to be clear with tenants what NCH does and what they are responsible for.
- Prefabrication and how modern methods of building can impact on the Board.

Nick Murphy - Between now and June we will engage with the different stakeholders and bring their comments back to Board in June and the first cut of the Corporate Plan to the July Board. To give as sense check back to NCC. Looking to approve the final version at Board in July. Timeframe is important as next October will be the time we will be doing the budget and team planning.

How long will the plan be for? Can have firm three years and an additional two years future gazing on the way forward. Not sure a formal public meeting in July is the best format or have most of the Board meeting set aside for this. Also need to ensure the diversity of the workforce is reflective of the diversity of the city. Helpful for NCC to have a first draft, so that their officers and Councillors can get an early understanding of it.

#### Site Tour:

Sites visited: Morley School, Colwick Woods, Meadows, Lenton, Padstow / Padstow Ridgeway and Amber Hill.

Attended by: Patience Ifediora, Mike Khouri-Bent, Nick Murphy, Julian Owen, Sarita-Marie Rehman-Wall, Michael Savage, Sam Webster and Jane Urquhart.

FEEDBACK FROM BUILD A BETTER NOTTINGHAM STEERING GROUP MEETING 16 MARCH 2017  
 NEW BUILD PROGRAMME PROGRESS REPORT  
 30 MARCH 2017

Item: 3.3



	RIBA Stage	Scheme No's	Scheme Overall Value (£M)	Position Statement	Completion Date	Contractor	Budget RAG rating	Progress RAG rating	Comments
Lenton	5	80		In Progress	Nov-17	Keepmoat Regeneration			Phase B Work on houses ongoing. Sixteen NCC bungalows and thirty five NCH houses complete and tenanted. Utility, asbestos and service diversion issues are resolved. Gateway blocks B&C well in progress, steel frames erected and substructure work in progress. Forecast completion date Sept 17
Cranwell Crosswall	5	48		In Progress	Jun-17	Keepmoat Regeneration			New Severn Trent water main required to replace poor quality existing main is now complete. Allservice diversions and connections are now complete. All necessary highways approvals now granted. NCH improved contracts have reduced NCC's risk in relation to delay costs. <u>Scheme completion in line with HCA commitment.</u>
Meadows Q Block	5	54		In Progress	Jul-17	Keepmoat Regeneration			The scheme is forecasting a 26 week contractor delay to the proposed completion. All diversions now complete. Severn Trent and Highways approvals now granted, but has resulted in 10 properties missing their HCA deadline date by 4 weeks.
Stepney Court JSC	5	30		Pre-start works	Dec-18	GEDA			The scheme has been through an NCC Project Assurance Group exercise. Housing office is to be replaced with additional apartments. Scheme is ready to go into contract. The contractor (Geda) have submitted an inflationary price increase due to the start on site delay of £60k. DDM approval now granted. full planning is now in place and the start on site date of March 27 is in line with HCA commitments.
Colwick Woods, Hopedale Crescent, Amber Hill	5	24		In Progress	Nov-17	NCH DLO			NCH in-house delivery scheme, Colwick Woods now complete. Amber hill started on site 28th November. All plots out of the ground. Hopedale close works in progress started on site 13 Feb 2017.
Morley School	5	39		In Progress	Oct-17	Robert Woodhead Group			Woodhead construction started works on site 27-06-16, progress is on target. NCC have agreed they are the employer. Completions are forecast to meet HCA commitments
Infill Sites Phase 3 (6 Sites)	5	21		In Progress	Nov-17	Robert Woodhead Group			First completions due end March at Middlefell Way and Aslockton Drive in line with HCA commitments.
Infill Sites Phase 2 (Conway Close, Hazel Hill Oakford Close)	5	54		In Progress	Oct-17	Robert Woodhead Group			Woodhead Construction started on site at Hazel Hill on target 04-07-16. Conway Close and Oakford Close delayed due to time required for NCC Regeneration team to extinguish rights of way, additional contamination remedial works required.
Winchester Woodthorpe	3	39		Pre-start works	Dec-18	Willmott Dixon			Pursuing a direct negotiation route through the Scape framework to meet the demands of the 1-4-1 timetable. Approval granted.
Knights Close	1	25		Pre-start works		To be confirmed			Scheme numbers agreed at 23 new homes and 1 shop, with existing space standards maintained and 3/2 bed ratio now in line with demographic requirements for the area. Consultation events in progress.
Marlestones	1	14		Pre-start works	Jan-18	To be confirmed			NCC scheme of 12 units. Clause five option available through NCH Principle client route.
Clifton Miners Welfare	0	19		Pipeline	To be confirmed	To be confirmed			NCC currently purchasing land, site has potential for 14-19 bungalows.
Old Basford Community Centre/Horse and Jockey Pub	1	6		Pipeline	To be confirmed	To be confirmed			Architects are in the process of drawing up preliminary designs
Southchurch Court (Garage Site)	3	8		Pipeline	To be confirmed	To be confirmed			Preliminary drawingd for this scheme have been produced
Salisbury Street	4	6		Pipeline	To be confirmed	To be confirmed			
Plot 20 Stonebridge	5	1		Pipeline	To be confirmed	To be confirmed			
Locksley House Robin Hood Chase	6	6		Pipeline	To be confirmed	To be confirmed			Discussions on-going to determine if this site should become a NCH market rent scheme
	Tot al	478	55.83						
Legend RIBA Stage 0 Identify business case and strategic requirements RIBA Stage 1 Produce RIBA stage 1 report to gain approval for. Project objectives, project budget, initial feasibility studies. RIBA Stage 2 Carry out pre-site investigation surveys, prepare concept design including overview on structural, architectural and utility services. Produce outline costs RIBA Stage 3 Produce RIBA stage 3 report to gain approval to tender scheme. RIBA Stage 4 Produce detailed site investigation information and technical design where appropriate RIBA Stage 5 Produce RIBA stage 5 report and NCC/NCH approval reports to award scheme to successful contractor RIBA Stage 6 Handover of project and conclusion of building contract.									

**Building a Better Nottingham NCC New Build Programme Progress Report**  
**Feedback to NCH Board**  
**Nottingham**  
**30 MARCH 2017**



	RIBA Stage	Scheme No's	Scheme Value (£M)	Position Statement	Completion Date	Contractor	Budget RAG rating	Progress RAG rating	Comments
Lenton	5	62		In Progress	Nov-17	Keepmoat Regeneration			Phase B Work on houses ongoing. Sixteen NCC bungalows and thirty five NCH houses complete and tenanted .Utility, asbestos and service diversion issues are resolved. Gateway blocks B&C well in progress, steel frames erected and substructure work in progress. Forecast completion date Sept 17
Padstow Main Padstow Ridgeway	1	360		Pre-start works	Sep-22	To be confirmed			Padstow Ridgeway has been added to the scheme. Tender awarded to Pelham Architects. Pre-site investigations are in progress.
Church Square	3	17		In Progress	Feb-18	Keepmoat Regeneration			RP status being sought to allow drawn down of NCH HCA funding. Scheme delayed due to NCC legal EEM issue. Demolition soft strip and asbestos removal started 13 Feb. Scheme started in line with HCA commitments.
Meadows Police Station	3	22		Planning approval in progress	Oct-18	To be confirmed			Proposed market rent apartment development of up to twenty one 2 bed units. Scheme in discussion with planners. Still awaiting NCC legal to issue information for completion of land sale.
Eastglade	1	44		Pre-start works	Jul-19	NCH DLO			Pre site investigation works now being procured. Strategy is to deliver a low carbon housing scheme with community gardens. Land negotiation complete. Researching low carbon solutions and potential of NCH in-house offsite manufacturing. Innovate UK research funding grant has been successful resulting in a grant of £50k. NCC property services still pursuing secretary of state approval which has been responsible for delaying the progress of the scheme.
Tunstall	0	12		Pipeline	To be confirmed	To be confirmed			
Oakdene	0	8		Pipeline	To be confirmed	To be confirmed			

Total	577	68.63
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Legend		
RIBA Stage	0	Identify business case and strategic requirements
RIBA Stage	1	Produce RIBA stage 1 report to gain approval for. Project objectives, project budget, initial feasibility studies.
RIBA Stage	2	Carry out pre-site investigation surveys, prepare concept design including overview on structural, architectural and utility services. Produce outline costs
RIBA Stage	3	Produce RIBA stage 3 report to gain approval to tender scheme.
RIBA Stage	4	Produce detailed site investigation information and technical design where appropriate
RIBA Stage	5	Produce RIBA stage 5 report and NCC/NCH approval reports to award scheme to successful contractor
RIBA Stage	6	Handover of project and conclusion of building contract.



ID	Task Mode	Task Name	Start	Finish	2nd Half		1st Half		2nd Half		1st Half		2nd Half		1st Half		2nd Half		1st Half	
					Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
1	→	<b>Lenton (142 homes)</b>	<b>Mon 04/11/13</b>	<b>Fri 17/11/17</b>																
2	→	Palmer Court flats (54)	Mon 04/11/13	Fri 06/11/15																
3	→	Lenton Bungalows (16)	Mon 16/03/15	Thu 30/06/16																
4	→	Lenton Houses (62)	Mon 24/08/15	Fri 02/06/17																
5	→	Lenton Gateway Blocks - Retail units (2) and Flats (10)	Mon 01/08/16	Fri 17/11/17																
6	→	<b>Cranwell Road (48 homes)</b>	<b>Mon 27/07/15</b>	<b>Fri 31/03/17</b>																
7	→	Cranwell Road (12 flats, 11 bungalows & 25 houses)	Mon 27/07/15	Fri 31/03/17																
8	→	<b>Meadows West (54 homes)</b>	<b>Mon 27/07/15</b>	<b>Fri 09/06/17</b>																
9	→	Meadows West (45 house & 9 bungalows)	Mon 27/07/15	Fri 09/06/17																
10	→	<b>DLO stream (25 houses)</b>	<b>Mon 11/01/16</b>	<b>Fri 20/10/17</b>																
11	→	Colwick Woods (8 houses)	Mon 11/01/16	Fri 28/10/16																
12	→	Amber Hill (8 houses)	Tue 18/10/16	Fri 14/07/17																
13	→	Hopedale Close (9 houses)	Mon 13/02/17	Fri 20/10/17																
14	→	<b>Morley School (33 houses, 6 bungalows)</b>	<b>Mon 04/07/16</b>	<b>Fri 20/10/17</b>																
15	→	Morley School (33 houses, 6 bungalows)	Mon 04/07/16	Fri 20/10/17																
16	→	<b>Infill garage sites (78 homes) + 3 communal units</b>	<b>Mon 15/08/16</b>	<b>Fri 27/10/17</b>																
17	→	<b>Infill Phase 2 (57 homes plus 3 communal units)</b>	<b>Mon 22/08/16</b>	<b>Fri 27/10/17</b>																
18	→	Conway Close, St Anns (10 x 1 bed bungalows, plus communal unit )	Mon 17/10/16	Fri 21/07/17																
19	→	Oakford Close, Aspley (21 homes, plus communal unit)	Mon 31/10/16	Fri 27/10/17																
20	→	Hazel Hills scheme, Bestwood (23 bungalows plus 1 communal unit @ Hazel Hill, 3 x 2 bed bungalows @ Hazel Hill crescent)	Mon 22/08/16	Fri 29/09/17																
21	→	<b>Infill Phase 3A (10 homes)</b>	<b>Mon 15/08/16</b>	<b>Fri 12/05/17</b>																
22	→	Middlefell Way (3 houses)	Mon 15/08/16	Fri 10/03/17																
23	→	Colesbourne Road (4 houses)	Mon 17/10/16	Fri 12/05/17																
24	→	Meadowvale Crescent (1 bungalow & 2 houses)	Mon 26/09/16	Fri 21/04/17																
25	→	<b>Infill Phase 3B (11 homes)</b>	<b>Mon 31/10/16</b>	<b>Fri 20/10/17</b>																
26	→	2 Aslockton Drive (1 bungalow)	Mon 31/10/16	Fri 31/03/17																
27	→	Ragdale Road (6 bungalows)	Mon 31/10/16	Fri 09/06/17																
28	→	Marlstones (14 Houses)	Mon 20/03/17	Fri 20/10/17																
29	→	Gautries Close (3 houses)	Mon 28/11/16	Fri 12/05/17																

Critical		Task Progress		Baseline		Summary		Inactive Task	
Critical Split		Manual Task		Baseline Split		Manual Summary		Inactive Milestone	
Critical Progress		Start-only		Baseline Milestone		Project Summary		Inactive Summary	
Task		Finish-only		Milestone		External Tasks		Deadline	
Split		Duration-only		Summary Progress		External Milestone			

2017-01-20 Newbuild programme GR-RW

ID	Task Mode	Task Name	Start	Finish	2nd Half		1st Half		2nd Half		1st Half		2nd Half		1st Half		2nd Half		1st Half	
					Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
30	→	<b>Strelley JSC (30 homes) above offices</b>	<b>Mon 24/04/17</b>	<b>Fri 21/12/18</b>																
31	→	Strelley JSC (30 homes) above offices	Mon 24/04/17	Fri 19/10/18																
32	→	<b>Winchester Woodthorpe</b>	<b>Mon 12/06/17</b>	<b>Fri 21/12/18</b>																
33	→	Winchester Woodthorpe	Mon 12/06/17	Fri 21/12/18																
34	→	<b>NCH New Build programme</b>	<b>Mon 27/03/17</b>	<b>Fri 09/09/22</b>																
35	→	Church Square (17 homes)	Mon 27/03/17	Fri 23/02/18																
36	→	Meadows Police Station (22 flats)	Mon 04/09/17	Fri 12/10/18																
37	→	Eastglade	Mon 06/11/17	Fri 19/07/19																
38	→	Padstow Ridgeway (120 Units)	Mon 26/03/18	Fri 18/09/20																
39	→	Padstow Main Site (240 Units)	Mon 03/09/18	Fri 09/09/22																

Critical		Task Progress		Baseline		Summary		Inactive Task	
Critical Split		Manual Task		Baseline Split		Manual Summary		Inactive Milestone	
Critical Progress		Start-only		Baseline Milestone		Project Summary		Inactive Summary	
Task		Finish-only		Milestone		External Tasks		Deadline	
Split		Duration-only		Summary Progress		External Milestone			

## NOTTINGHAM CITY HOMES

### REPORT OF THE CHAIR OF NCHEL

THE BOARD  
30 MARCH 2017

### UPDATE REPORT FROM NOTTINGHAM CITY HOMES ENTERPRISES LIMITED

#### 1 EXECUTIVE SUMMARY

- 1.1 This paper sets out the current work being undertaken by NCH Enterprises Limited (NCHEL). Mr Delroy Beverley has recently joined the Board making it up to a full complement of all five EMT members.
- 1.2 The NCHEL Board has agreed to extend the geographical area from which Market Rent properties can be purchased. This will support it in its ambition to reach the target of 100 Market Rent properties purchased by April 2018. To date 34 have been purchased.
- 1.3 The NCHEL Board will shortly seek the transfer of ownership for Market Rent properties from the Nottingham City Homes (NCH) Board to NCHEL. Consideration is being given to the funding model for accepting this transfer. Consideration is also being given to the share options for the subsidiary. Recommendations will be brought back for the NCH Board to consider.
- 1.4 The NCHEL Board also discussed the future build and management of the Meadows Police Station site.

#### 2 RECOMMENDATIONS

It is recommended that the NCH Board **note** this update from NCHEL.

#### 3 REPORT

##### 3.1 Board Membership

- 3.1.1 It was noted that the Company had recently appointed Mr Delroy Beverley as its new Director of Construction, Repairs and Maintenance Services. As a new permanent EMT post holder, Mr Beverley is automatically appointed onto the NCHEL Board under the existing arrangements for Board Member appointments.

##### 3.2 Purchase of Market Rent Properties and Related Financial Arrangements

- 3.2.1 The NCHEL Board considered that in order to meet its targets for purchasing properties for Market Rent it would have to widen the

geographical area from which these were selected. It was therefore agreed to acquire properties from anywhere across the city or adjacent to the city's boundaries in other boroughs. This will be subject to a business case being produced in line with criteria previously agreed for the purchase of Market Rent properties.

3.2.2 NCHEL has an objective to invest £10.735m and have 100 properties for Market Rent by April 2018. As of the end of January 2017, 34 properties have been purchased at a cost of £3.713m and another two are at the conveyancing stage. By extending the geographical search area the NCHEL Board would expect to meet its target of having acquired 100 Market Rent properties by April 2018.

3.2.3 Whilst the NCHEL subsidiary has been established, the properties purchased so far have been bought and are currently held in NCH main company. It is the NCHEL Board's intention to seek the transfer of ownership of the Market Rent properties as planned from the NCH Board to NCHEL in the near future.

3.2.4 If the properties are transferred to NCHEL with 100% borrowing as debt to be repaid, it would leave NCHEL making losses over the early years of trading. The NCHEL Board is therefore preparing alternative financing options that would use some of NCH Ltd.'s reserves (which are set aside for property acquisition) to part fund this transfer. This would reduce the level of borrowing required by NCHEL and the related interest which in turn would increase profit levels. Recommendations on this will be brought forward for the NCH Board to consider at a later date.

### **3.3 Share Options**

3.3.1 Linked to the funding options above, NCHEL is considering options for share distribution. Recommendations will be brought forward for the NCH Board to consider when the options have been fully worked through.

### **3.4 Meadows Police Station**

3.4.1 As part of the development of the Market Rent property portfolio it was previously agreed by the NCH Board that it would acquire the site of the Meadows Police Station and build 21 Market Rent Apartments as part of a growing property portfolio. The site is currently in conveyancing and the aim is to commence demolition and new build later in 2017. It is anticipated that the site will be owned by NCHEL.

### **3.5 Profit and Loss Account**

3.5.1 Attached to the report at [Appendix 1](#) is a summary of the Profit & Loss account for market rented properties which shows income and expenditure to date at the end of January 2017 (Period 10) as well as the full year forecast.

- 3.5.2 The loss at the end of Period 10 is £157k and that is anticipated to rise to £171k by the year-end. For simplicity, the Profit & Loss account is shown as if 100% of the debt was financed by borrowing; the cost of this debt is reflected in the interest repayment line. Losses in early years can be used to offset future tax liabilities.

## **4 FINANCIAL, LEGAL AND RISK IMPLICATIONS**

### **4.1 Financial Implications**

- 4.1.1 The final figures for 2016/17 shall be affected by the number of properties purchased and refurbished in the final two months of the financial year. External tax advice is being sought to ensure that any proposals around share options shall not adversely affect tax liabilities across NCH Group.

### **4.2 Legal Implications**

- 4.2.1 The Company obtained legal advice on the setting up of NCHEL from Anthony Collins Solicitors and regularly reviews whether it is acting under the terms of the Company's governance structures. All of the initiatives within this report are carried out within legislation including the Companies Act 2006 and NCH's Governance processes.

### **4.3 Risk Implications**

- 4.3.1 All of the risks pertaining to this report are set out in the Company's Corporate Risk Register which is reviewed by both Audit Committee and the NCH Board.

## **5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES**

- 5.1 The contents of the report will have a significant impact for NCH achieving its corporate objectives, set out in the Corporate Plan and associated high level corporate commercial, financial and business plans.

## **6 EQUALITY AND DIVERSITY IMPLICATIONS**

[Double click the box to complete]

- 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 Profit & Loss Account – Appendix 1.  
7.2 Papers of the NCHEL Board Meeting of 19 March 2017.

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**Date: 16 March 2017**

## MARKET RENT ARM

## APPENDIX 1

### PROFIT & LOSS ACCOUNT

2016/17 - PERIOD 10

(End of January 2017)

	PD10 ACTUAL £'000	FORECAST £'000
<b><u>Income</u></b>		
Rental Income	74	92
<b><u>Expenditure</u></b>		
Employee Costs	48	54
Repairs & M'tnce	24	28
Fixtures, fittings & white goods	56	61
Void costs	17	18
Insurance	3	4
Legal Costs	11	14
Depreciation	12	14
Loan Interest	94	112
Items earmarked for capitalisation	(38)	(45)
Valuation Fees	2	3
Other	2	2
	<hr/>	<hr/>
	231	263
<b>NET LOSS / (SURPLUS)</b>	<b>157</b>	<b>171</b>