

Solihull Community Housing

A Future Strategic Vision (2017-2022)



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EXECUTIVE SUMMARY

Solihull Community Housing (SCH) was set up in 2004 and manages some 10,000 homes on behalf of SMBC. It has a five year rolling management agreement with the Council. Alongside traditional landlord functions, it currently delivers housing allocations, homelessness and housing options services; development of new homes; and environmental, cleaning, and wellbeing services. SCH is now developing its new five-year strategic vision, and commissioned Campbell Tickell to assist in the process. This report addresses the wider operating environment and focuses on how SCH can above all maximise its role in delivering and supporting the objectives of Solihull Metropolitan Borough Council (SMBC), can grow and develop its business, and deliver benefits to the wider community.

Solihull has great opportunities, not least through UK Central, which can help make it an even more attractive place to live, work and invest. The wider political, economic and housing environment is uncertain though, and it is clearly a time to build resilience, and capacity for innovation and flexibility. SCH has demonstrated solid performance in its service delivery, and is well placed to maintain and develop its key partnership role with SMBC.

SCH has a strong track record in the delivery of its core services including a good level of customer satisfaction. It is financially disciplined and is delivering savings, but it does face financial pressures from the 2016-2020 annual rent reductions and other challenges set out in the report. The reduction in affordable accommodation available for lettings will increase homelessness levels, which will in turn put pressure on the Council's General Fund. Plainly SCH must adapt and innovate in the ways it delivers services and generates income.

SCH is developing its collaboration with SMBC and other partners, making a contribution to improving outcomes in the borough through strategic partnerships such as Safer Solihull and the Health and Wellbeing Board. SCH is playing a key role in the development of more effective locality working, embedding joint work to strengthen communities. SCH is committed to continuing this work which will underpin our strategic offer to the Council and the delivery of the Council Plan.

Developing new homes to meet housing need is a national and local priority, and local authorities have a critical role, from strategic leadership to planning and development. Growing numbers of councils are developing homes in their own right or through ALMOs, development companies or joint ventures with private developers or housing associations, so as to address housing needs, raise revenue for the General Fund and realise increasing asset values. Nationally ALMOs have enabled Local Authorities to make progress in the challenge of delivery new homes with the ALMO sector currently planning to deliver a further 10,500 homes over the next five years. The particular focus of an ALMO on housing provision and its specialisms and potential for flexibility in delivery mean that an organisation such as SCH has strong capability to support the Council in this way.

SCH is developing its commercial offer and has the ambition to grow this aspect of work to generate additional income whilst remaining true to its social purpose. SCH welcomes the opportunity to pursue additional commercial opportunities to assist in the delivery of services which SMBC may find challenging in terms of cost.

The SCH Board has agreed a new vision and set of objectives:

Vision	Provide Homes, Improve Wellbeing, Strengthen Communities.
Objectives	<p>Provide warm, healthy homes and safe places to live; Make best use of assets and resources;</p> <p>Add social value through productive partnerships; Grow and diversify our services;</p> <p>Innovate, evolve and learn; Continual improvement.</p>

The Future Strategic Vision is organised into four Delivery Themes, summarised below:

Team 2022	<p>Ensuring robust governance and motivating leadership;</p> <p>Ensure shared culture and behaviours, and the skills and capacity to sustain the organisation;</p> <p>Sustained focus on operational and cost performance.</p>
Service 2022	<p>Refocused service offer as a model based on need, ensuring residents have realistic expectations of the service;</p> <p>Accelerate digital transformation in service delivery, achieving savings while providing a flexible customer experience.</p>
Value 2022	<p>Defining and fulfilling SCH's social purpose;</p> <p>Contributing positively to delivering the Solihull Plan with SMBC and others, making a real difference to the lives of Solihull residents and the community.</p>
Growth 2022	<p>Deliver growth strategy to diversify income, mitigating income loss and impact of savings;</p> <p>Increase number of homes managed and provide wider range of housing and mixed-tenure solutions;</p> <p>Equip SCH to be strategic development partner for SMBC.</p>

In taking forward the new Strategic Vision, it is proposed that SCH engages with the Council to seek its support for this approach, that the draft delivery plan be adopted, that officers develop a set of quantifiable targets and a detailed implementation plan, and that the recruitment of a new permanent SCH Chief Executive be progressed. (Fiona Hughes has now been appointed Chief Executive).

1. INTRODUCTION

- 1.1** Solihull Community Housing (SCH) commissioned Campbell Tickell to assist in developing the organisation's future strategic vision for 2017-2022. This report takes into account the current and future operating context and opportunities for the growth and development of SCH's business, and its role as a strategic partner of Solihull Metropolitan Borough Council (SMBC).
- 1.2** SCH was set up as an Arm's Length Management Organisation (ALMO) in 2004 to manage the housing stock owned by SMBC, which currently stands at just over 10,000 homes. These are situated mainly in the north of the Borough, though there are others scattered in more rural and affluent areas, as well as around the town centre of Solihull. SCH has a management agreement with SMBC on a five year rolling basis. As well as traditional landlord functions, it delivers other core housing activities such as allocations, homelessness and housing options. Back office services such as finance, including the Housing Revenue Account (HRA) and IT, are delivered by the Council. SCH has been developing new homes since 2010. In the last two years, the organisation has diversified its activities, providing services such as environmental and cleaning services, and wellbeing. These are carried out via the Wellbeing and Better Places teams, within the commercial team at SCH
- 1.3** Solihull is embarking on an exciting future through the ambitious UK Central programme, which aims to capitalise on its central location, its national and international connectivity, in order to make it an even more attractive place to live, work and invest. SCH seeks to build on its solid performance, continue to play a key partnership role with SMBC and deliver benefits to the wider community.
- 1.4** In preparing this report, we reviewed SCH current performance and finances. Consultation took place with SCH Board members and staff as well as with SMBC senior officers. A summary of the consultation that took place with these groups is summarised in para 2.8. A list of consultees is at Appendix 1.
- 1.5** Two awaydays with the Board were held on 15 July and 7 October 2016, following which a new vision and set of objectives were agreed. These are as follows:

Vision Provide Homes, Improve Wellbeing, Strengthen Communities

Objectives Provide warm, healthy homes and safe places to live

Make best use of assets and resources

Add social value through productive partnerships

Grow and diversify our services
Innovate, evolve and learn
Continual improvement

2. OPERATING CONTEXT

2.1 The operating environment for social housing is currently in a state of flux, which is likely to continue for some time. This is inevitably impacting on SMBC and SCH, in common with other authorities and housing providers, and there is increasing pressure on resources. In order, to remain relevant and to flourish, SCH must anticipate, adapt and innovate in the way it delivers services and responds to the wider strategic context of Solihull.

2.2 National picture

2.2.1 Two major pieces of primary legislation will reshape the affordable housing landscape over the foreseeable future:

- The Welfare Reform and Work Act 2016;
- The Housing and Planning Act.

2.2.2 In summary, the principal changes are as follows:

- Rents for social housing properties reduced by 1% annually from April 2016 for four years;
- Social housing tenants with household income of £31k (£40k in London) will be required to 'pay to stay' by paying a market or near-market rent for their accommodation; (pay to stay policy has now been abandoned)
- Social rents to be restricted at Local Housing Allowance levels;
- Replacement of properties sold under the Right to Buy for housing association tenants to be funded from sale of high value void local authority stock;
- Ending lifetime tenancies;
- The household benefit cap cut from £26k per annum to £20k (£23k in London);
- Working-age benefits are to be frozen for four years;
- Tax credits and universal credit are limited to the first two children in the family;

- There will be no automatic entitlement to Housing Benefit for 18-21 year olds.

2.2.3 These changes will reduce the income of all social housing providers, though local authorities will be more adversely affected than housing associations. Under HRA reform implemented in 2012, local authorities assumed responsibility for debt based on the value of the stock and produced business plans for their Housing Revenue Accounts (HRA). These new proposals set out above will substantially reduce the rental income to support HRA Business Plans. The social housing rent reduction will contribute to the Government's objective of reducing the cost of the welfare budget as a substantial proportion of social housing tenants receive housing benefit. The rent reduction means that by year 5, rents will be approximately 13% lower than previous business plan projections.

2.2.4 HRA business planning and asset management for the long-term are central, with opportunities and risks in relation to stock investment and improvement being fundamental to the business planning process. Councils are able to keep the rent collected and use it locally to maintain their homes although, Councils still need to maintain a ring-fenced HRA. The debt cap artificially restricts the amount of money a Council can borrow and this also has a significant impact. Housing Providers are currently reviewing their business plans and assessing the impact on development plans, service delivery standards and their financial strength.

2.2.5 There are a number of policies that could lead to a reduction in Council's housing stock.

The number of rented homes that SCH manages has reduced by over 10% since its inception and this trend is likely to continue.

2.2.6 Under the Right to Buy (RTB), council tenants who wish to buy their homes currently enjoy up to a £75k (£100k in London) discount. Although councils are able to retain a large proportion

of the receipts for three years, they can only invest up to 30% of receipts in developing new homes and borrowing to fund the balance of new development costs is restricted by the HRA debt cap. Therefore, in order to build replacement homes, councils would need to raise the balance from other sources such as HRA surpluses, General Fund reserves or prudential borrowing. This presents significant challenges and consequently, to date, both nationally and in Solihull, the number of homes sold under RTB far outweighs the number of replacement homes.

2.2.7 Following the voluntary deal between Government and the National Housing Federation agreed in 2015, housing association tenants will also have the right to buy. It is intended that housing associations will replace these homes and be compensated from the proceeds of local authorities selling off high value council homes. This could result in the Council being required to dispose of high value properties as they become void rather than reallocating them to households in need, including transfer cases, and without having the benefit of the receipt. At the time of writing this report, details are awaited, however this could also remove the discretion councils currently have over the use of receipts to meet their own strategic objectives.

2.2.8 As regards 'pay to stay', while housing associations, if they choose to implement this, will be able to retain the higher rents received, local authorities will not benefit from the uplift and be obliged to return the balance to the Treasury. Existing tenants on lifetime tenancies could be faced with the possibility that they will neither be able to afford market rents nor have sufficient resources to exercise the right to buy. These tenants are liable to face personal hardship and increased level of debt or may exercise the right to buy resulting in additional stock loss. (pay to stay policy now abandoned)

2.2.9 As regards restrictions on lifetime tenancies, currently councils have the freedom to offer properties under fixed term tenancies of a minimum (normally) of five years, as distinct from secure tenancies, although they can continue to offer lifetime tenancies. Solihull has exercised this freedom and since this was

introduced in 2014, the majority of new tenants are given fixed term tenancies. The rationale for this is that adopting shorter-term tenancies alongside permanent options provides the opportunity to use stock more flexibly and meet need in more targeted way. Each local authority publishes a Tenancy Strategy setting out their policies. There will be a government consultation on ending all lifetime tenancies.

2.2.10 The Government introduced a fundamental reform of the welfare benefits system in order to simplify the existing arrangements and improve work incentives. The introduction of Universal Credit is integrating a range of existing benefits, including Housing Benefit. There is a limit to the total amount of credit any workless household can claim. Where a household's combined living costs benefits and housing benefit exceeds the cap, their benefit entitlement will be reduced to the cap. There is a disproportionate impact on families with children. The maximum a family will be able to receive outside London has been reduced from £26k to £20k per annum (£23k in London), regardless of the number of children in the household. This could intensify unemployment and poverty in deprived areas and put pressure on local resources.

2.2.11 Housing affordability issues in addition to lack of housing supply could increase the level of homelessness. There is potential for an increasing number of private tenants losing their homes due to rent shortfalls, and presenting as homeless.

2.2.12 The Cameron Government's housing focus had been on increasing home ownership with measures such as housing association voluntary RTB, Starter Homes, Help to Buy, Shared Ownership and Custom Build. The post-Brexit Government's focus is slightly shifting with the overarching priority being to deliver more supply rather than a near-exclusive focus on ownership initiatives. This is expected to include the recently announced £3bn Home Building Fund' and £2bn Accelerated Construction Programme; Rent to Buy; and a willingness to consider affordable tenures other than Starter Homes, for instance

in Section 106 deals. In September 2016, the Communities and Local Government Secretary announced that there will be a Housing White Paper, which will focus on tackling the barriers to developing new homes.

2.2.13 Local Authorities have a crucial role to play in the development of much-needed new homes, from strategic leadership through to planning and development. In order to meet needs, raise revenue for the General Fund and realise increasing asset values, a growing number of local authorities are developing homes in their own right or through their ALMOs, development companies or Joint Ventures with private developers or housing associations.

2.3 ALMOs picture

2.3.1 Regardless of the initial reasons for the creation of an ALMO to deliver Decent Homes programmes, as a management model, the ALMO vehicle still has appeal. ALMOs are fulfilling an increasingly diverse role for their Councils and relationships are evolving from that of operational management to that of a strategic partner:

- The split of strategic and operational roles enables the Local Authority to focus on direction and the ALMO on delivery;
- Tenants can participate directly in the governance of an ALMO at the highest level and help set priorities based on direct experience of local need;
- An ALMO board can provide a focal point for community leadership;
- An independent ALMO Board can enable faster decision-making and a more responsive service;
- ALMOs have the potential to be flexible local vehicles that local authorities can use to deliver wider social benefits to their communities;
- ALMOs as separate trading companies can provide income generating services that can reduce the Council's level of revenue support.
- ALMOs offer opportunities for flexible approaches to increasing the supply of new homes.

2.3.2 Currently 38 ALMOs manage over 510,000 homes on behalf of Councils. With the freedom and responsibilities of 30-year HRA business planning, Councils are considering what ALMOs can do over the same period.

- ALMOs built 903 homes social and affordable rent homes in 2015-16, representing a 43% increase on the previous year, with plans to deliver a further 10,500 homes over the next five years. There is a widespread recognition that, where an ALMO has developed the appropriate expertise, the closeness of the relationship with its parent local authority gives it a particular advantage in directly addressing the council's requirements and expectations.
- The number of private rented sector properties managed by ALMOs more than doubled in 2015-16 to over 1,700.
- Two-thirds of ALMOs are delivering strategic housing services, such as homelessness assessments and housing options advice. Many run supporting people and warden services on behalf of their Council. 85% of ALMOs have mechanisms in place to help tackle unemployment.
- Over half of ALMOs manage homes for other social housing landlords and deliver services to wider markets.
- Councils are asking ALMOs to contribute to new approaches to service delivery in response to General Fund pressures – focusing on the bigger picture.
- A number of Councils see ALMOs as an alternative to outsourcing – diversifying and expanding the ALMO's role to broaden the income base in areas such as care and support provision, development partnerships, provision of wider community services and commercial service provision.
- Many fulfil a broader social mission by running programmes for troubled families and training unemployed people to help them find work. More broadly, others offer IT, human resources and legal services, and the facilities management of schools and corporate properties.

2.4 Solihull picture

2.4.1 Solihull MBC covers 17,832 hectares adjoining Birmingham, Coventry and the rural counties of Warwickshire and Worcestershire. There are three distinct areas within the Borough: the North Solihull Regeneration Zone; the Urban West; and the Rural Area. The latter covers two-thirds of the Borough and is mainly green belt.

2.4.2 Solihull has 86,000 homes¹, of which 74% of homes are owner-occupied; 12% are owned by SMBC; 3.7% are owned by RPs; and the remaining 10.3% are privately rented. Around 70% of the Council stock is one or two bedroom, and there is a relative shortage of larger homes. The Council's stock contains a relatively large proportion of high-rise blocks.

2.4.3 By 2026, the population of Solihull is projected to rise to 229,600, with over 100,000 households. The proportion of older residents (65+) is projected to rise from 18% to 22% over the next 10 years.

2.4.4 The Solihull Plan² priorities that are most relevant for SCH in terms of its contribution include:

- Build stronger communities –
 - ✓ Secure greater integration of services and reduce demand with a focus on priority communities
 - ✓ develop community capacity and enhance engagement
 - ✓ improve life chances through digital inclusion;
- Improve health and wellbeing –
 - ✓ Support the development of the advancing adult social care programme and maintain independence and quality of life;

- Managed growth –
 - ✓ Define and develop approach to development of and access to housing;
 - ✓ Partnership working to enable cleaner greener safer communities;
 - ✓ maximise development of housing that meets need and supports economic growth;
- Deliver value –
 - ✓ Solihull approach to customer and resident journey;
 - ✓ Maintain the Medium Term Financial Strategy;
 - ✓ make best use of resources and maximise value delivered to the customer.

2.4.5 The regenerative potential of the West Midlands Combined Authority and UK Central is significant, and will drive economic growth in and around Solihull. SMBC and SCH must position themselves to take part in conversations regarding developing new social housing and play a role in the emerging West Midlands Housing Partnership.

¹ Census data (ONS,2011)

² Solihull Plan 2016-17 PDM Matrices

2.5 SCH picture

- 2.5.1 SCH has a five year rolling Management Agreement with SMBC.
- 2.5.2 The SCH Board comprises four tenant representatives, four councillors and four independent members and is currently undergoing a process of renewal, with half the Board being replaced with six new members joining in the last six months. The Board is therefore in a state of transition, as new members familiarise themselves with the objectives and operation of SCH.
- 2.5.3 SCH's leadership arrangements are also going through a period of change and the role of Chief Executive is currently unfilled on a permanent basis. An organisational redesign of the Senior Management Team in 2015 resulted in the implementation of a flatter more flexible management structure. (Fiona Hughes now appointed Chief Executive)
- 2.5.4 At inception in 2004, SCH managed 11,364 tenanted homes and 975 leasehold properties. In 2016, SCH currently manages 10,016 tenanted homes (a loss of over 10%), 1,179 leasehold properties, and eight shared ownership properties. It also manages 66 HRA temporary accommodation units and 44 private sector leasing properties. It provides a full range of housing management services on behalf of SMBC, including repairs, asset management and tenancy management and sustainment. In 2015-16 SCH operatives undertook 51,512 repairs and 8,500 gas services.
- 2.5.5 SCH also delivers a range of General Fund services on behalf of the Council including housing advice, home options and homelessness service and private-sector ASB. SCH corporate support services such as policy, planning, safeguarding, communications, performance management and governance support are provided by SCH staff. Back office services relating to HR, Finance, Health and Safety, Equalities and IT are shared with SMBC.

- 2.5.6 SCH has established a portfolio of commercial activities over the last 18 months centred on Wellbeing and Better Places. These complement the New Build and Development pipeline that SCH has developed since 2010.

Wellbeing

- 2.5.7 SCH Wellbeing brings together an integrated package of support services to enable independent living. This includes Solihull Independent Living (a Home Improvement Agency) which provides home adaptations, the safe and sound service providing floating support, Assistive Technology and Telecare (ATT) service, Home Hazard Assessments and a handyperson service. The foundation of the Wellbeing Service is a team of Trusted Assessors who also provide the front face to the Better Living Centre working in partnership with SMBC. An integrated customer pathway is in place to underpin the SCH approach to wellbeing which includes a triage point and more in depth assessment where appropriate. The SCH Wellbeing service is open to all Solihull residents.
- 2.5.8 The Better Living Centre promotes independent living within a demonstration environment and is on track to provide support to 950 users by March 2017. The Wellbeing Team has gained Trusted Assessor status that enables them to assess a customer's needs in appropriate cases, without referral to an occupational therapist.
- 2.5.9 The Wellbeing Service is keen to expand and deliver additional services where it is agreed these services could add value to the wider offer around independent living in Solihull.

Social Lettings Agency

- 2.5.10 SCH is exploring short, medium and long-term housing solution opportunities in the private rental sector, including the establishment of a Social Lettings Agency, and is currently identifying partnership opportunities and undertaking a cost benefit analysis of potential service packages.

Better Places

2.5.11 The Better Places service was launched in April 2015, with a service offer focused on graffiti removal with pest control, and damp and mould treatment services integrated into the service in April 2016. SCH has 12 months in which to make these services viable through efficiency savings and expansion of the customer base.

2.5.12 A contract worth £4k p.a. for managing traffic islands in Dickens Heath was awarded to SCH through a joint venture between Dickens Heath Parish Council and SMBC. Negotiations are in progress with SMBC regarding the provision of a full environmental cleansing service, including graffiti removal, jetting and bulky rubbish removal.

New Build and Development

2.5.13 Since 2010, SCH has delivered 93 homes through eight schemes at Warwick Road, Masons Close, Didgley Grove, Allcot House, Peel Close, Highfield Farm, Oakthorpe Drive and Oakley Estate (Fen End).

The pipeline to 2018-19 will deliver 103 new units covering a range of accommodation types and delivered through a variety of partnership arrangements. All the schemes have planning permission:

Ipswich Walk	21 temporary accommodation units (on site);
Coleshill Road	51 unit extra care scheme;
Richmond Road	17 unit shared ownership development (on site);
Cambridge Drive	9 unit affordable scheme on under-used public land;
Greenhill Way	5 affordable rented houses.

SCH are ready to expand this programme as sites become available.

2.6 Performance picture

2.6.1 SCH delivers a strong core service. Over the first quarter of 2016-17, SCH met 23 of 35 of its key performance indicators³, with a further 6 within agreed tolerances. Areas of relative strength, when compared with Housemark benchmark for 2014/15, include:

- Repairs and voids (following period of management focus);
- Rent collection and former tenant arrears collection (above peer group average);
- Addressing ASB (median quartile benchmark performance);
- Decent Homes Standard and SAP rating (top quartile benchmark performance)⁴.

2.6.2 Areas of current management focus are to reduce rent loss due to voids, and to improve the delivery of mutual exchanges and high-rise block inspections.

2.6.3 In some areas unit costs are comparatively high, when placed alongside comparative Housemark results for further ALMOs, but service quality is comparable:

- Housing management: The annual management cost of £397 per property represents third quartile performance, £100 p.a. more than top quartile ALMOs;
- Responsive repairs and voids: The annual maintenance cost of £943 per property represents bottom quartile performance, £300 p.a. more than top quartile ALMOs.

2.6.4 Tenant satisfaction with the service is relatively high and has improved significantly over the life of SCH, with overall satisfaction with the service delivered by the landlord improving from 76% in 2008 to 86% in 2015.

2.6.5 A performance summary is attached at Appendix 2.

³SCH Operational Management Team performance reporting 2016-17

⁴Housemark Benchmark report 2014-15

2.7 Financial picture

Management fee

2.7.1 Planned reductions in the management fee have been agreed until 2019-20. Between 2016-17 and 2019-20, the annual management fee is planned to fall by £2.1m from £20.4m to £18.3m (a 10.4% reduction).

2.7.2 The Council's 10 year HRA forecast suggest that further reductions in management fee are likely to be required from 2020-21 onwards.

Pressures

2.7.3 The SMBC HRA is under real pressure as a result of rent reduction. This restricts the funds the Council can make available to SCH for the foreseeable future.

2.7.4 Implementation of Government policies on higher value voids and pay to stay is further likely to reduce the Council's financial capacity. The extent of any impact is not currently known, as details of the Government's plans are yet to be announced, but there is potential for the effects to be severe.

Savings

2.7.5 SCH is financially disciplined and has a good track record in responding to the need to make financial savings in the past, and is responding to the significant financial difficulties that are facing the housing sector. SCH has risen to the challenge and has adopted a four year financial plan, which it has agreed via the SMBC budget strategy process. That plan commits SCH to finding net savings of £2.1m for SMBC over the next three financial years from the management fee, as outlined earlier in para 2.7.1 Through financial discipline, SCH is on track to deliver this management fee reduction.

2.7.6 Options under consideration for meeting the savings targets for 2017-18 and subsequent years include:

(a) Reducing the costs per property of housing

management and repairs and maintenance - Benchmarking data shows that these costs are high, compared with other ALMOs, and so there should be scope for reduction although it is to be noted that the quality of these services currently compare well with those of other ALMOs.

(b) Generating additional income - This would require exceeding the organisation's commercial income generation targets, or winning additional work from the Council and SCH's partners. Winning additional work from the Council may mean taking over functions that SCH is able to deliver more cost effectively, or by contributing directly to the Council's existing strategic partnerships (e.g. on development).

Balances

2.7.7 At the start of 2016-17, SCH held unallocated reserves of £2.95m, which could be made available to support implementation of its strategic vision. On the basis of the forecast provided by the May 2016 management accounts, the unallocated balances available at 31 March 2017 may increase to a little over £3m.

Commercial activity

2.7.8 The Better Places service generated an income of £103k in 2015-16, against an operating cost of £100k, realising a surplus of £3k. The Wellbeing service is in the process of consolidating activities and generated an income of £228k in 2015-16, against an operating cost of £603k.

2.7.9 To maximise the growth and income generation potential of these nascent commercial activities, SCH must invest in a robust set of management processes and systems:

(a) Monthly management accounts, prepared on a full accruals basis;

(b) Combined reporting of financial and activity data, tailored to the needs of the service;

(c) A self-service approach to financial management, with online access for service managers to financial reports, data and financial processes;

- (d) Processes for identifying, assessing and managing commercial risks (steered by regular assessments of the organisation's risk appetite);
- (e) Regular financial reviews of projects, to ensure that the commercial benefit is being maximised;
- (f) A commercial project appraisal process, utilising a basket of agreed targets and hurdles for different types of commercial project (e.g. net present value, internal rate of return, return on capital employed, turnover, gross and net margin);
- (g) A suitable governance framework for commercial projects, including clear lines of responsibility, a clear scheme of delegation, authorisation and review processes for larger projects.

2.8 Partnership working

2.8.1 Over the past 18 months, SCH has sought to further embed its partnership role to add value to work across Solihull. SCH have played an important role in the work of the Solihull Partnership Integration Board and are a key building block to improve place-based locality working through the Problem Solving Panels and other locality work. SCH are also active on the Safer Solihull Board and lead the work of the Partnership Tasking process bringing together a range of agencies, including housing associations to tackle difficult issues which require a joint agency approach.

2.8.2 SCH are part of the Early Help Board and have been keen to support and enhance this programme through joint work. They are also important partners in the Families First programme and the Solihull Multi Agency Safeguarding Hub (MASH). SCH have recognised the importance of bringing a co-ordinated and streamlined approach to working with complex families who can be highly resource intensive for the public purse. SCH are active members of the Safeguarding Boards for Children and Adults and have a seat, representing the housing sector, on the Health and Wellbeing Board. They also work jointly with public health and other health agencies to work with families affected by health issues, particularly through work to promote wellbeing.

2.8.3 The work of SCH is focused in the north of Solihull, given the high proportion of SMBC housing stock in this part of the borough. SCH recognises that to deliver effective management of the housing stock, partnership working is crucial both in the management of individual tenancies and in the management of place. The provision of quality affordable housing is a crucial factor in ensuring households health and well-being. SCH would be keen to expand its stock and work in other parts of the Solihull.

2.9 Consultation feedback

SMBC views

2.9.1 Interviews took place with six senior SMBC officers including the Chief Executive. SCH's traditional housing service is well regarded. The wellbeing service and work with vulnerable residents was particularly praised and this is an area that the Council want SCH to expand. However, there is limited appetite within the Council for SCH to develop new homes unless SCH strengthens its leadership team with relevant skills, and identifies opportunities and niche products that other housing providers will not pursue.

SCH views

2.9.2 Interviews took place with a range of SCH officers, and a workshop of operational managers was held in July 2016. Board member input took place at two awaydays in July and October 2016. SCH is a trusted brand and its core housing management, wellbeing and community sustainment services perform well. There is an awareness that there are some areas that need to improve, and measures are taking place to enhance performance. There is a certain amount of frustration that there is limited control over back office functions such as IT, which hinders initiative and improvements.

We found a strong commitment to SCH's success. Officers were enthusiastic in offering proposals to improve and expand services that can be developed, whilst at the same time recognising the need to adopt innovative ways of working.

3. STARTING POINT

3.1 In shaping its Future Strategic Vision, SCH must be 'self-aware', in understanding where it is starting from, its current direction and speed of travel, as well as what must change to meet the new Objectives set by the Board to be achieved by 2022.

3.2 The SWOT (Strengths, Weaknesses, Opportunities, Threat) analysis below is based on the assessment of the SCH Board and SCH staff, SMBC executive officers and other stakeholders, supplemented by service and financial performance analysis.

3.3 Strengths

3.3.1 SCH has a number of strengths that provide a base from which to drive the enterprise forward:

- SCH is trusted by the Council in its core role as landlord and asset manager, maintaining and investing in the stock;
- It is a trusted local provider with a good reputation for service delivery and with a corresponding level of resident satisfaction;
- SCH has strong customer focus and local knowledge; it provides an effective 'support wrapper', particularly for vulnerable families;
- It has turned around void performance; It is financially secure with reserves and a track record in delivering savings;
- It has established a commercial services portfolio, which has started to generate moderate levels of income;
- It can demonstrate a good track record in delivering a range of development schemes and accommodation types, through partnership arrangements;
- An ongoing development pipeline is in place through which to prove its delivery partnership capabilities to SMBC.

3.4 Weaknesses

3.4.1 SCH needs to address inherent weaknesses, as it starts the delivery of the Strategic

Vision:

- The USP of SCH needs to be clearer and there is also no clear distinction between SCH and the Council in the minds of many customers;
- SCH has a 'mixed' organisational culture, with traditional attitudes still pervading;
- Service demand is high (customer contacts and repairs) and the SCH digital offer is weak; some costs are comparatively high (housing management and repairs);
- SCH is not a preferred partner in the North Solihull Partnership and is not seen as a strategic delivery partner for development by SMBC;
- It is dependent on SMBC for key support services (finance and IT), and has limited commercial skills and capacity.

3.5 Opportunities

3.5.1 The fluid and rapidly changing operating environment will bring opportunities that SCH can seize:

- Build upon on its existing commercial portfolio;
- Help shape Council policy and help deliver the Authority's strategic objectives for Solihull;
- Offer additional social value services to a broader customer base;
- Promote the SCH brand and deliver services to leaseholders, owner-occupiers and the public sector;
- Develop and share expertise with SMBC more effectively and efficiently, such as in strategic planning and back-office support;

- Develop contact centre services;
- Move the relationship between SCH and SMBC beyond that of providing housing management on the present client and delivery agent basis;
- Become a strategic partner with SMBC and other agencies to help upscale wellbeing activities;
- Identify development opportunities to broaden the affordable housing options, such as Do It Yourself Shared Ownership (DIYSO).

3.6 Threats

3.6.1 SCH must respond promptly and effectively to the challenging operating environment:

- Reduced income as a result of the rent cap;
- Increased risk in collecting income as a result of welfare reform;
- An ageing population requiring increased levels of support;
- Depletion of the stock due to obligatory right-to-buy sales and sales of high value stock to fund housing association voluntary RTB;
- The limited availability of land, its cost and the diminished scope to replace the existing stock and homes for social rent within Solihull;
- Increased homelessness demand.

4. SCH 2022 – A FUTURE STRATEGIC VISION

4.1 The Future Strategic Vision is organised into four Delivery Themes.

Team 2022

Will equip the organisation to deliver the Future Strategic Vision by ensuring that governance is robust and that leadership is motivating and nurturing.

Ensure a shared organisational culture and behaviours underpin the SCH Values, and the skills and capacity needed to sustain the organisation over the next five years are put in place.

Sustain focus on operational and cost performance.

Service 2022

Will refocus the service offer from an unsustainable 'one size fits all' model to one based on need, and will address any unrealistic expectations of residents have the service.

Accelerate the digital transformation in offering and delivering services to underpin the necessary ongoing cost-to-serve savings whilst providing a flexible customer experience that will meet customer expectations.

Value 2022

Will enable SCH to define and fulfil its social purpose

Make strong and positive contribution to the delivery of the Solihull Plan in partnership with SMBC and other agencies, and to make a real difference to the lives of Solihull residents and the wider community.

Growth 2022

Will deliver a growth strategy to diversify income streams, mitigating the loss of income and the impact of savings.

Offset stock loss though by increasing the number of homes under management and provide a wider range of housing and mixed-tenure solutions.

Equip SCH as a potential strategic development partner to SMBC

4.2

The table below presents the Objectives of the Future Strategic Vision, the expected

Outcomes and the four Delivery Themes through which they will be realised.

4.3

The four Delivery Themes are defined more fully in sections 5 to 8 with a set of Theme Specific Objectives (expanding the overarching SCH objectives), the Approach to be adopted and the Delivery Focus.

SCH 2022 – A Future Strategic Vision

Provide Homes, Improve Wellbeing, Strengthen Communities

SCH Objectives	Delivery Theme	Outcomes
Provide warm, healthy homes and safe places to live	Team 2022	<ul style="list-style-type: none"> • SCH is equipped to deliver the Future Strategic Vision • Governance is robust and the leadership style motivates and nurtures • Shared organisational culture and set of acceptable behaviours • Focus on operational and cost performance reduces the cost-to-serve
Add social value through productive partnerships	Service 2022	<ul style="list-style-type: none"> • Clear Service Offer and delivery specifications • Managed customer expectations and negative behaviours addressed • Accelerated channel shift promoting digital inclusion • Savings and efficiency targets realised to sustain core services
Make best use of assets and resources		<ul style="list-style-type: none"> • Fulfil a distinct social mission and set of social-value services
Grow and diversify	Value 2022	<ul style="list-style-type: none"> • Operate fully productive partnerships with SMBC and other agencies • Contribute to the delivery of the Solihull Council Plan and realisation of its outcomes • Make a difference to Solihull residents and communities
Innovate, evolve and learn		<ul style="list-style-type: none"> • Grow income from a range of diversified activities
Continual improvement	Growth 2022	<ul style="list-style-type: none"> • Build and acquire additional social-rent and affordable homes • Offer innovative housing products in response to local needs • Ready to develop a range of affordable tenures

5. DELIVERY THEME 1: TEAM 2022

5.1 Team 2022 will address the need to develop governance and leadership skills and a uniform organisation culture. This will assist in tackling areas of high cost and weaker performance.

5.2 Team 2022 will equip the organisation to deliver the Future Strategic Vision by ensuring that governance is robust and that leadership is motivating and nurturing. A shared organisational culture and set of acceptable behaviours will underpin SCH Values. Team

2022 will ensure the skills and capacity needed to sustain the organisation over the next five years are put in place, and ensure that the necessary focus on operational and cost performance is sustained.

5.3 The existing Executive Team structure consists of Chief Executive, Chief of Operations and Chief of Commercial Activity. The structure is appropriate to deliver the future strategic vision, as it provides a focus on both core housing services and growth activities. In broad terms, it appears that this structure is adequate given the split of functions between the Council and SCH. Fiona Hughes has now been appointed Chief Executive and will undoubtedly review the structure and discuss its continuing adequacy with the Board. At that time, we would recommend that the tier below the Executive should also be reviewed.

5.4 The Delivery Focus will cover:

- **Governance and leadership** - Connect the Board with the frontline and develop leadership skills throughout the organisation;
- **Culture and behaviours** - Become more flexible and agile as an organisation and empower frontline staff to deliver services;
- **Capacity and skills** - Build the skills and capacity to sustain SCH and meet the challenges of implementing SCH 2022;
- **Performance focus** - Ensure SCH is measuring what is important and will deliver the intended outcomes of SCH 2022.

Delivery Theme 1: Team 2022

Team 2022 Outcomes	Approach	Delivery Focus
<p>Organisation to sustain itself and deliver the <i>Future Strategic Vision</i></p> <p>Governance is robust and leadership is motivating and nurturing</p> <p>Shared organisational culture and acceptable behaviours</p> <p>Sustained focus on operational and cost performance</p>	<p>Develop governance capacity to provide oversight for SCH 2022 and establish clear line of sight between the Board and the frontline</p> <p>Develop leadership skills at all levels of SCH to deliver SCH 2022</p> <p>Shift the organisational culture to one that is agile, flexible and empowering</p> <p>Develop a set of acceptable behaviours that create a respectful working environment and tackle any unacceptable behaviours</p> <p>Assess and build skills to transformation in the way services are offered and delivered</p> <p>Develop commercial capacity that SCH will need to diversify activities and compete more widely</p> <p>Develop a performance culture that sustains services whilst managing demand and costs</p> <p>Focus performance on delivering key outcomes, cost, income and efficiency targets</p> <p>Be a learning organisation adapting to changing circumstances and realising opportunities to grow</p>	<p>Governance and leadership:</p> <ul style="list-style-type: none"> • Review and develop governance skills and capacity • Appoint CEO and lead team to deliver the Strategic Vision (achieved) • Establish clear roles and responsibilities, and organisational objectives • Develop leadership skills at all levels, that motivates and nurtures • Develop strategic partnering capacity <p>Culture and behaviours:</p> <ul style="list-style-type: none"> • Establish a target and performance driven organisational culture • Establish a set of acceptable behaviours • Deliver a cultural change programme • Develop and track a range of cultural change measures • Continual improvement <p>Capacity and skills:</p> <ul style="list-style-type: none"> • Define and deliver training and development aligned to SCH 2022 • Embed customer relationship and management skills • Develop skills to support self-service and digital delivery • Develop commercial skills to support growth and diversification <p>Performance:</p> <ul style="list-style-type: none"> • Develop plans based on insight, demand, cost and awareness of risk • Simplify performance management to focus on key outcomes • Focus frontline on meeting needs and managing expectations • Embed cost and income awareness targets in all frontline activities • Use insight and feedback to learn, improve and adjust course

6. DELIVERY THEME 2: SERVICE 2022

- 6.1 Service 2022 will address the high level of demand on the services; the relatively high cost of delivery and inconsistency of the service delivery.
- 6.2 Service 2022 will refocus the service offer from an unsustainable 'one size fits all' model to one based on need, and will address any unrealistic expectations of residents may have of the service. Service 2022 will accelerate digital transformation in offering and delivering services, enabling SCH to make the necessary ongoing cost-to-serve savings whilst providing a flexible customer experience that will meet customer expectations

6.3 The Delivery Focus will cover:

- **Service Offer** - Be clear about what we offer and what we don't – focus our efforts on those that need most support;
- **Service Ask** - Make sure that customers know what we expect of them and that we will enforce our terms of trade;
- **Digital service transformation** - Offer cost effective self-service in a customer friendly way whilst ensuring people aren't left behind;
- **Operational transformation** - Streamline the operation to reduce costs and reduce the time spent rectifying problems.

Delivery Theme 2: Service 2022

Service 2022 Outcomes	Approach	Delivery Focus
<p>Service offer from ‘one size fits all’ to one based on meeting identified customer need</p> <p>Customer expectations of what SCH can do and of what is expected of the customer</p> <p>Digital transformation in offering services whilst addressing digital exclusion</p> <p>Streamlined service delivery to operate at the lowest possible cost-to-serve</p>	<p>Redefine the core service offer to meet statutory and tenancy conditions for all tenants</p> <p>Prioritise need and focus resources on supporting and sustaining tenancies</p> <p>Understand and manage customers’ expectations of SCH within the context of diminishing resources</p> <p>Address negative customer behaviours that consume a disproportionate percentage of available resources</p> <p>Provide access to intuitive digital services that replaces voice as the access channel of choice, with low-cost self-service structured to dampen demand</p> <p>Support customers at most risk from digital exclusion to ensure parity of access</p> <p>Undertake an operational transformation that will deliver service in the most cost effective way and minimise waste and rework</p> <p>Establish new ways of working through roll-out of mobile technology and flexible working practices</p>	<p>Service Offer:</p> <ul style="list-style-type: none"> • Review and clarify core service offer and terms of tenancy • Identify and discontinue out-of-scope activities that add no value • Specify support offers for those who need additional help in sustaining tenancies, promoting wellbeing, and responding to welfare reform <p>Service Ask:</p> <ul style="list-style-type: none"> • Realign customer expectations with SCHs remit, ability and resources available to deliver solutions • Understand what drives negative behaviours and adopt a behavioural insight based approach to help customers make better choices • Identify intervention points (debt, breach, behaviours) and escalations to protect income, support victims and sustain communities <p>Digital service transformation:</p> <ul style="list-style-type: none"> • Persuade 80% of customers to interact through digital channels and meet digital expectations in availability, security and simplicity • Offer extensive self-service whilst reducing demand and cost-to-serve • Identify and help customers who are less able or willing to adapt to self-service and promote digital skills to build community self-reliance <p>Operational transformation:</p> <ul style="list-style-type: none"> • Implement a flexible delivery structure with multi-skilled staff • Streamline processes and ensure the customer is never out of sight • Roll-out mobile working and enable flexible working that meets service needs and maintains staff work-life balance

7. DELIVERY THEME 3: VALUE 2022

7.1 Value 2022 will identify a clear social-value USP and enable SCH to fulfil its social purpose. It will address the perceived gap in the strategic alignment with SMBC through additional engagement in strategy and policy development where SCH can add value, and consequently delivering a wider strategic offer for SMBC, enabling SCH to make a real difference to the lives of Solihull residents and the wider community.

7.2 Delivery Focus will cover:

- **Social value USP** - Define the service and skills that SCH can offer to a wider customer base;
- **Strategic offer to SMBC** - Become a full partner of the Council in defining and providing housing related services;
- **Wellbeing-focused initiative** - Offer services to vulnerable Solihull residents that enables them to live independently and develop life skills;
- **Community-focused initiatives** - Work with partners to help communities make the best of their shared assets.

Delivery Theme 3: Value 2022

Value 2022 Outcomes	Approach	Delivery Focus
<p>Distinct social value USP</p>	<p>Develop a social value offer that will build on the skills and capacity of the SCH Team and make best use of the resources available</p>	<p>Define SCH's social value USP:</p> <ul style="list-style-type: none"> • Assess where SCH has the skills and capacity to make a difference: <ul style="list-style-type: none"> ✓ Support the ageing population of Solihull to live independently ✓ Support the prevention agenda to reduce acute service demand ✓ Support the development of stronger, safer communities ✓ Create a cross-funding model to sustain value-add activities
<p>Strong contribution to the delivery of the Solihull Plan in partnership with SMBC and other local partners</p>	<p>Agree and deliver a strategic offer to SMBC that makes SCH a full; strategic partner in developing strategic housing and wider outcomes for Solihull</p>	<p>Define and deliver a strategic offer to SMBC:</p> <ul style="list-style-type: none"> • Be a full strategic partner in defining SMBC housing objectives • Contribute to development of HRA strategy, financial plans, and to help develop policy in areas such as allocations and commissioning • Agree approach for delivering outcomes of the Solihull Plan
<p>Real difference to the lives of Solihull residents and the wider community</p>	<p>Build upon SCH's independent living and wellbeing expertise to enable a broader base of Solihull residents to live independently, increase employability or develop life-skills</p>	<p>Wellbeing-focused initiatives:</p> <ul style="list-style-type: none"> • Support early intervention and assessment as part of a multi-agency approach enabling people to remain in their own homes • Support Local Area Coordination to help vulnerable people find solutions to their needs in their community without a service response
<p>Framework for assessing the impact of value-add activities</p>	<p>Promote an asset-based approach to empowering communities and joint working with community partners to tackle ASB and improve community safety</p>	<p>Community-focused initiatives:</p> <ul style="list-style-type: none"> • Promote community-centred approaches using community networks that target localities and groups of people in most in need • Support stronger communities by finding out what matters, improving reporting of hidden crime and promoting a multi-agency approach • Make neighbourhoods safer place by aligning services and Using Ward Action Plans to tackle anti-social behaviour to improve quality of life

8. DELIVERY THEME 4: GROWTH 2022

8.1 Growth 2022 will address the loss of income caused by rent reduction and scheduled reductions in the management fee. It will seek to address the depletion of stock caused by the sale of high-value voids.

8.2 Growth 2022 will deliver a growth strategy to diversify income streams, mitigating the loss of income and the impact of savings. It will offset stock loss by increasing the number of homes under management and provide a wider range of housing and mixed-tenure solutions, including any opportunities for making better use of existing stock identified by the new Asset Management Strategy. It will also help position SCH to respond to future development opportunities and to develop homes for market sale.

8.3 Delivery Focus will cover:

- **Core service development** - offer charged services built around the core service offer;
- **Commercial service development** - build upon the Wellbeing and Better Places services and consider other commercial opportunities;
- **Increasing supply** - develop innovative housing solutions for targeted groups and make the best use of existing stock;
- **Development strategy** - agree the SCH role in development and position the business for new opportunities.

Delivery Theme 4: Growth 2022

Growth 2022 Outcomes	Approach	Delivery Focus
<p>Mixed economy growth strategy to diversify income to offset savings and grow the revenue base</p>	<p>Develop income streams as optional extras or additional choices within and wrapped around the core service offer</p>	<p>Core service development:</p> <ul style="list-style-type: none"> • Develop a menu of income generating services and recharges: <ul style="list-style-type: none"> ✓ Repairs (fences etc.) and handyperson services ✓ Sustainment and intervention packages ✓ Telecare and independent living services ✓ Consideration of additional services relating to asset management ✓ Consideration of social letting agency and associated services to private landlords
<p>Develop and acquire new units to offset stock loss and increase the supply of homes for social rent within Solihull, maximising current stock usage and efficiency</p>	<p>Build the portfolio of Wellbeing and Better Places services – offered to a wider market and customer base, so achieving economies of scale</p>	<p>Commercial service development:</p> <ul style="list-style-type: none"> • Develop commercial portfolio based on Wellbeing and Better Places: <ul style="list-style-type: none"> ✓ Assessment, support and intervention, independent living ✓ Pest control, damp and mould, environmental cleansing ✓ Social lettings agency and private landlord services ✓ Offer services to other providers and public bodies
<p>Innovative range of targeted, affordable housing solutions and tenancy options at social, near or at market rent</p>	<p>Increase the supply of homes for rent to meet specific areas of need within Solihull</p> <p>Develop innovative housing solutions that identifies existing accommodation that SCH can bring into management</p>	<p>Increasing supply:</p> <ul style="list-style-type: none"> • Use the Asset Management Strategy to maximise current stock usage • Work with SMBC to identify targeted housing solutions: <ul style="list-style-type: none"> ✓ Under 24, under 35, temporary accommodation ✓ Empty homes, deferred payment and power of attorney homes ✓ Rent-to-buy and Do-it-Yourself Shared Ownership schemes ✓ Custom build offer
<p>Position SCH to respond to future development opportunities and to develop homes for market sale</p>	<p>Deliver pipeline of new homes and specialist units</p> <p>Build skills and capacity to exploit future development opportunities</p> <p>Position SCH as a strategic development partner</p>	<p>Development strategy:</p> <ul style="list-style-type: none"> • Maintain and grow development pipeline • Build development capacity and skills within SCH • Work with SMBC to position SCH to react to regional housing initiatives • Work with SMBC to model for the life-time value of development land • Explore options and develop a business case for a Trading Company

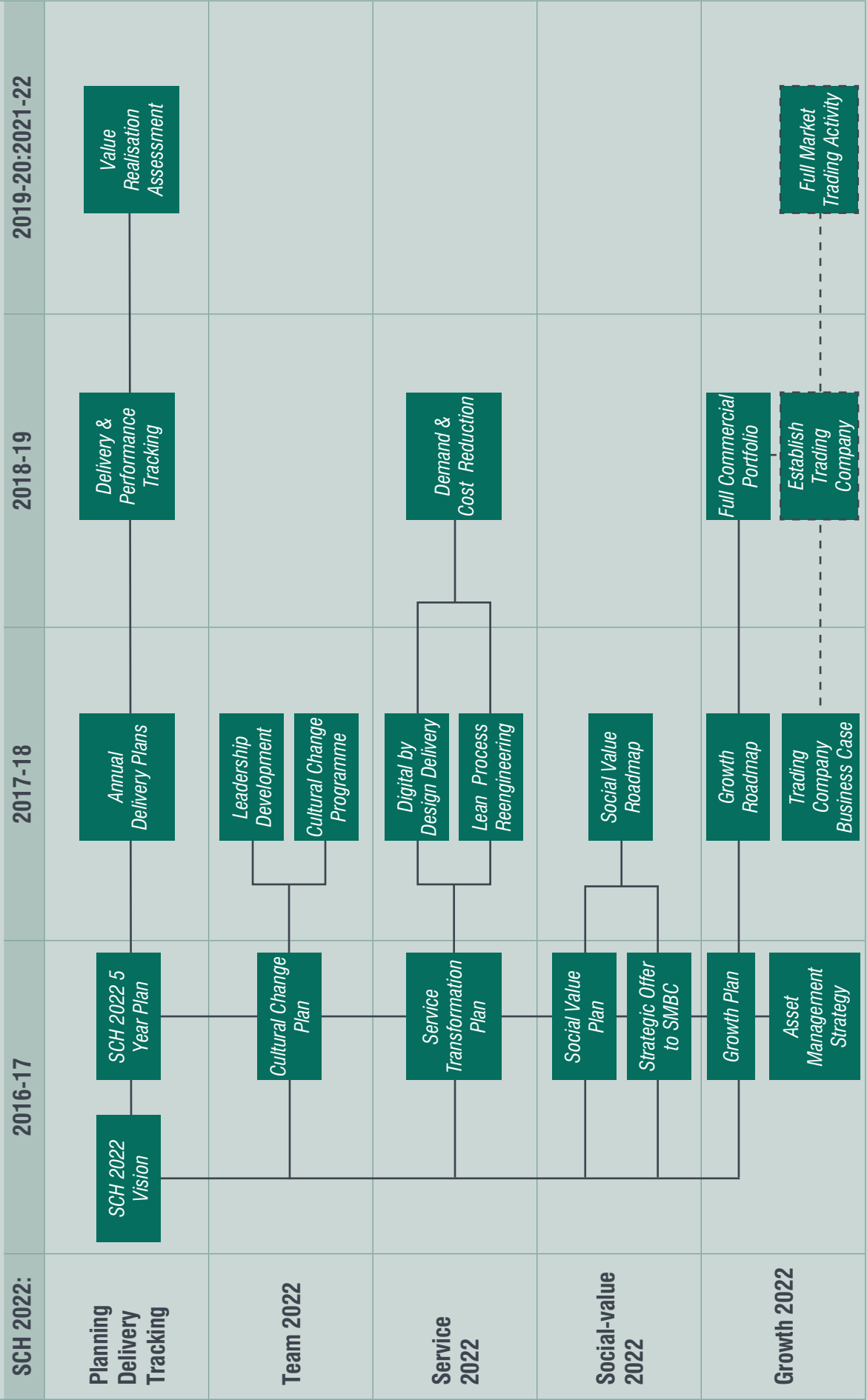
9. DELIVERING SCH 2022 – A FUTURE STRATEGIC VISION

9.1 SCH 2022 – A future Strategic Vision will shape the strategic direction and day-to-day operation of SCH. To be successful, the plan must be embedded within the planning, delivery and day-to-day management structures, it be understood and be acted upon by everyone from Board members to the frontline.

Shaping the Vision	<p><i>SCH 2022- A Future Strategic Vision</i> will be signed-off by the SCH Board and SMBC client.</p> <p><i>A 5 Year Business Plan</i> will summarise activities and outcomes expected in each year until 2022.</p> <p><i>Delivery Plans</i> detailing activities, deliverables outcomes will be developed for each theme.</p>
Delivering the plan	<p><i>The 5 Year Business Plan</i> will be embedded within Annual Delivery Plans from 2017-18.</p> <p>Specific delivery elements such as cultural change and investigating a trading company approach will require dedicated plans.</p>
Progress tracking	<p><i>A Programme Management Framework</i> will be established by the SCH executive team and progress reported to Board, SMBC and other stakeholders on a regular basis.</p>
Value realisation	<p><i>A Value Realisation Tracker</i> will track progress in delivering outcomes:</p> <ul style="list-style-type: none"> • Customer outcomes and the impact on contentment; • Social value-add; • Savings targets; • Organisational cultural shift and behavioural change; • Operational and process efficiency improvement; • Growth and additional income generated; • Increase in supply and maximised stock utilisation; • Return on investment in implementing self-service and mobile working platforms.

SCH - A Future Strategic Vision

Delivery Plan



10. CONCLUSIONS AND RECOMMENDATIONS

- 10.1** In a time of uncertainty in the political, economic and housing sector environment, SCH is well placed to continue to provide a quality housing service and play a role in delivering SMBC's strategic objectives.
- 10.2** SCH delivers a strong core service with areas of strength in rent collection and meeting decent homes standards. Tenant satisfaction in landlord services has improved during the life of the ALMO.
- 10.3** SCH faces considerable financial pressures from the rent reduction in the HRA, implementation of government policies such as sales of high value voids and the overall environment that local authorities operate in. SCH is financially disciplined and is delivering savings. However, to remain relevant, SCH must adapt and innovate the way it delivers services and generates income.
- 10.4** SCH faces diminishing stock due to the Right to Buy and sale of high value council stock to fund voluntary Right to Buy for housing association tenants. The reduction in the amount of affordable accommodation available for lettings will increase homelessness levels which will put pressure on the Council's General Fund. If the depletion of stock continues, this will impact on SCH's ability to deliver core services and enhanced partnership working.
- 10.5 It is recommended that SCH should:**
- (a) Adopt the future strategic vision summarised at section 4 above, and detailed at sections 5-8, based on the four themes of Team, Service, Value and Growth;
 - (b) Approve the Delivery Plan set out at section 9;
 - (c) Engage with the Council to seek the Authority's support for the new Vision;
 - (d) Instruct officers to develop a set of quantifiable and deliverable stretch targets, and a detailed implementation plan to give effect to the delivery plan, for consideration and approval by the Board;
 - (e) Progress the recruitment of SCH Chief Executive. (Fiona Hughes now appointed)

Appendix 1

CONSULTEES

Solihull Community Housing Board Members

Wendy Blackburn (co-optee)

Ben Burton

Dave Dixon (retired September 2015)

Paul Field

Jenny Fletcher (joined September 2015)

Cliff Horrocks (co-optee)

Julie Hulland

Ashley Lane (Chair)

Andy Mackiewicz

Blondell Maynard

Jeff Potts

Fay Shanahan (joined September 2015)

Patricia Smith (Vice Chair)

Louise Tubbs (joined September 2015)

Chris Williams

Solihull Metropolitan Borough Council Officers

Anne Brereton, Director Managed Growth and Communities

Paul Johnson, Director Resources and Deputy Chief Executive

Stephen Munday, Director of Public Health

Nick Page, Chief Executive

Perry Wardle, Head of Economic Development and Regeneration

Sam Gilbert, Assistant Director Finance and Property Services

Solihull Community Housing Officers

Fiona Hughes, Chief of Operations (Since appointed Chief Executive)

Ann Bennett, Head of Neighbourhood Services
Donna Sidwell, Customer Services Manager

Mark Pinnell, Head of Asset Management

Tracey Moorby, Supported Housing Development Manager

Dan Bird, Better Places Manager

Kevin Donohoe, Development Manager

Louise Sketchley, Commercial Project Manager

Wider Operational Management Team

Appendix 2

PERFORMANCE SUMMARY

1. SCH delivers a strong core service. Over the first quarter of 2016-17 SCH met 23 of 35 of its key performance indicators⁵, with a further six within agreed tolerances. Areas of relative strength include:

- Repairs and voids (following period of management focus);
- Rent collection and former tenant arrears collection (above peer group average);
- Addressing ASB (median quartile benchmark performance);
- Decent Homes Standard and SAP rating (top quartile benchmark performance).

2. Areas of current management focus are to reduce rent loss due to voids, and to improve the delivery of mutual exchanges and high-rise block cleaning inspections passing the quality standard.

3. Demand for services is high. In 2015-16 the SCH contact centre handled 160,000 calls and repairs service operatives made over 51,512 repairs. However, customer service is efficient. 71% of calls are answered within 30 seconds and 87% of enquiries are dealt with at the first point of contact.

4. Current tenant arrears of 1.77% is better than the peer group average.

5. 90% of repairs appointments are kept (bottom quartile performance). The average time to complete a repair is 10 days (third quartile performance).

6. All homes meet the Decent Homes Standard and the average SAP rating is 73% (top quartile performance).

7. In some areas unit costs are comparatively high, but service quality is comparable⁶:

- Housing management: The annual management cost of £397 per property represents third quartile performance, £100 p.a. more than top quartile ALMOs.
- Responsive repairs and voids: The annual maintenance cost of £943 per property represents bottom quartile performance, £300 p.a. more than top quartile ALMOs.

8. Tenant satisfaction with the service is relatively high and has improved significantly over the life of the ALMO, with overall satisfaction with the service delivered by the landlord improving from 76% in 2008 to 86% in 2015⁷:

Satisfaction Measure	SCH STAR Survey 2015	SCH STAR Survey 2008	HouseMark Median 2013-14
Overall satisfaction with SCH	86%	76%	86%
Quality of home	82%	79%	84%
Neighbourhood as a place to live	84%	76%	84%
Value for money	82%	78%	80%
Repairs	78%	75%	79%
Listening and acting on views	73%	62%	68%

⁵ SCH Operational Management Team performance reporting 2016-17

⁶ Housemark Benchmark Report 2014-15

⁷ SCH Resident Satisfaction (STAR) Survey 2015



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