



AIRE VALLEY HOMES

Business Plan Summary 2010/11

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Facts and Figures about Aire Valley homes

Aire Valley homes (AVHL) is an Arms Length Management Organisation responsible for 15,365 homes in the Outer South East and South areas of Leeds. This is a large area which includes dense inner city areas, market towns and rural areas.

There is a diverse range of property types including:

House	8,922
Maisonette	206
Flats	3,240
Bedsits	27
Bungalows	606
Multi Storey Flats	480
Sheltered	1,882

AVHL still has significant numbers of category 1 and 2 type back to back terraced housing particularly in the Holbeck area, which are the subject of a number of regeneration schemes.

The number of properties managed by AVHL and its previous two ALMOs has declined from the numbers in 2003 due to right to buys, properties taken out of charge to support regeneration, demolitions to remove unsuitable properties and some disposals. There are a number of regeneration schemes in the Beeston Hill and Holbeck area which will mean approximately 350 properties will be taken out of charge and/ or demolished.

Leeds City Council has delegated the responsibility for providing housing management and maintenance services to Aire Valley Homes under a management agreement which expires in January 2013. The functions provided by Aire Valley Homes are:

- Promoting customer participation by consulting and informing tenants and leaseholders;
- Rent collection, dealing with arrears and debt counselling;
- Managing lettings, voids and under-occupancy;
- Estate management, caretaking and housing related support services including the sheltered warden service
- Enforcement of tenancy conditions;
- Stock investment decisions and repair management;
- Aids and adaptations provision; and
- Repair functions for leaseholders.

Our responsive repairs service is provided by Kier and Connought who deliver services to the South and Outer South East areas respectively. We deliver the capital programme using a number of suppliers who all work under the Leeds Construction Homes Partnership. There is continued focus on obtaining value for money from these contracts as they contribute significantly to customer satisfaction and account for significant amount of capital and revenue expenditure.

The customer profile for Aire Valley homes suggests a predominantly settled picture with concentrations of high turnover. The average length of tenancy on termination is 9.8 years. A case management officer has been appointed who will review new terminations to understand the reasons for termination and to work with customers expressing a desire to end their tenancies. In terms of turnover, there were 223 properties empty at the end of Quarter 1 2010/11 and some 405 new tenancies were created in the first quarter of the year (2010/11). Customer profiling to target our services is a key aim for Aire Valley Homes as it will enable us to better adapt our services.

Aire Valley Homes is fully committed to promoting and supporting the participation of its tenants, customers and leaseholders in all aspects of the services we provide. We support the view that they should have the opportunity to directly influence services that affect their homes and the environment in which they live. The connected customers strategy details how customers are involved in all aspects of Aire Valley Homes.

The challenge for us remains how to involve some of the less connected groups such as young people.

At Aire Valley Homes, we currently work with:

40 tenant, residents and community groups – 12 formally registered and funded by AVHL and 28 unregistered tenant groups.

There are in addition 2 Community voices, 1 Tenant Compacts, a bi-annual tenant conference, 4 Area Panels and 6 standing service improvement forums.

Our customers tells us that the key issues they see as most important to them are **good quality repairs** to their homes, a **good environment** and **to feel safe** both within their home and their community.

Aire Valley Homes is key part of the community but cannot take the lead in all aspects of the development of this area, but through the many partnerships Aire Valley Homes contributes to, it is able to influence decision making in a number of areas. The partnerships cover a number of areas, regeneration, community safety, health and education.

Aire Valley Homes also seeks to have a constructive working relationship with Leeds City Council and in particular the Environment and Neighbourhoods department, as this enables us to influence strategic decision making and therefore provide better services to our customers.

Our relationship with local ward members is very important. Aire Valley Homes has 12 wards within its boundaries and a total of 36 ward members who we have regular contact with and respond to their queries

The Aire Valley area includes 12 wards each represented by 3 councillors:

Ardsley and Robin Hood
Beeston and Holbeck

City and Hunslet
Crossgates & Whinmoor
Garforth & Swillington
Harewood
Kippax & Methley
Middleton Park
Morley North
Morley South
Rothwell
Temple Newsam

Local ward members are democratically elected to represent local people so their enquiries are helpful in identifying what customer priorities are and looking at where we may need to improve our services.

Aire Valley views the complaints and compliments that we receive in a positive light as they play an important part in how we develop our services. The number of complaints we receive has fallen and we need to maintain this and deliver the improved response times.

Aire Valley Homes was audited by the Audit Commission in June 2007 and was awarded a 2* good with promising prospects. There were a number of recommendations which Aire Valley agreed to deliver which are incorporated into the organisational development plan.

Both operational key performance indicators (KPI's) and budget performance are monitored and discussed in full by the Senior Management Team on a monthly basis. The KPI's and budget are reported on a monthly basis to the Board and RPRSC alternatively.

There are 7 strategic objectives:

1. To deliver, excellent, customer driven services
2. To provide decent, well-maintained homes and environments
3. To support social inclusion and community regeneration.
4. To empower colleagues and customers to achieve our mission.
5. To be a well-managed and efficient public service business .
6. To seek new business opportunities that accord with our values and mission.
7. Partnership working

These objectives are underpinned by our 5 core values:

1. Customer focus
2. Community focus
3. Innovation and initiative
4. Integrity and professionalism
5. Service excellence

Strategic Objectives and Targets

The mission and objectives of Aire Valley Homes were agreed at a Board Away day.

The mission is:

To provide high-quality, affordable homes supported by excellent management services, and to work with all residents in our neighbourhoods to constantly improve life for individuals and communities.

There are six strategic objectives which are underpinned by performance targets.

The objectives highlighted in blue are linked to the audit commission review.

Objective 1: To deliver, excellent, customer driven services

Performance Targets

- To achieve 80% customer profiling by March 2011 and embed the use of the data at an operational level
- To complete impact assessments for all areas by March 2011
- To review customer access outside office hours

Target	2010/11
Customer satisfaction with landlord services	75.00%
Non decent homes (NI 158)	5.00%
Rent collected (BV 66a)	97.3%
Gross re-let time (BV 212)	55 days
% Jobs completed within target (HMA 4)	96.00%
Urgent repairs completed with time (HMA 7)	98.00%
Appointment met (HMA 13)	98.00%
SAP rating (BV 63 – 2001) and no properties below 35	72.0
Number of overdue gas services	0

Objective 2

To provide decent, well-maintained homes and environments

Performance Targets

- To deliver the decency programme by June 2010.
- To review with LCC, customers and other Leeds ALMOs
 - leasing schemes for central heating
 - Pooling of service charges
 - Management of leaseholds
 - Board nomination rights to better reflect the community
 - Operation of the lettings policy

Objective 3

To support social inclusion and community regeneration.

Performance Targets

- To develop a strategy to target take up of sheltered, floating support and adaptation services by BME customers.
- To determine outcomes required from AVHL partnerships in the wider community including companies with a presence in our area eg. Tesco/Morrisons/Community Safety partnerships by March 2011.
- To contribute to Beeston Hill and Holbeck PPF1 scheme
- To actively contribute to the Middleton Regeneration schemes

Objective 4

To empower colleagues and customers to achieve our mission.

Performance Targets

- To implement a performance management framework
- To implement a programme of management development and support for middle managers
- To achieve positive about disabled accreditation by March 2011.
- To achieve organisational health targets for 2010/11.

Target	Value
Attendance at Board and sub committees	85.0%
Number of working days lost to sickness per full time equivalent.	8.0 days
The number of Black and Minority Ethnic (BME) staff as percentage of total workforce.	8.5%
The number of staff declaring that they meet the DDA disability definition as percentage of total workforce.	5.00%
The percentage of the top 5% of earners that are women.	40%
The percentage of the top 5% of earners that are BME.	10%

Objective 5

To be a well-managed and efficient public service business .

Performance Targets

- To respond to customer complaints within time frames and demonstrate learning from complaints
- To develop a recruitment strategy to bring under represented groups on to the Board and into staff and management groups
- To introduce sanctions, rewards and appropriate performance reporting by contractors on equality and diversity issues
- To instigate a review programme for all service level agreements and contracts in place with the Council and other bodies
- To develop a modern procurement strategy which includes customer involvement and a timetable for future procurement
- To manage within budget parameters

Objective 6

To seek new business opportunities that accord with our values and mission.

Performance Targets

- To obtain accreditation with the Homes and Communities Agency (achieved)
- To successfully tender for the sheltered warden service in 2010/11 (achieved)

The future

There are a number of issues and opportunities facing Aire Valley Homes over the next 5 years.

1. Capital funding

AVHL was created to secure decency funding of £150m to bring the properties in the Aire Valley area up to the decent standard. This work will be completed in 2010/11. The next challenge is how to maintain the properties at this standard as the funds allocated are insufficient. We have calculated that the resources required to maintain decency over the next 5 years are £120M and the allocated resources are £70m. This difference means we need to negotiate an appropriate level of service and resources with Leeds City Council.

2. Option appraisal on the futures of ALMOs in Leeds

The funding arrangements with Leeds City Council mean that AVHL will be financial stable till the end of the current management agreement , however beyond January 2013 a new funding arrangement would need to be in place to be support he current service.

3. Increasing the involvement of customers

One of the key elements of the ALMO structure was the increased involvement of customers in shaping the service. This has been a major part of AVHL's success but we need to develop this further.

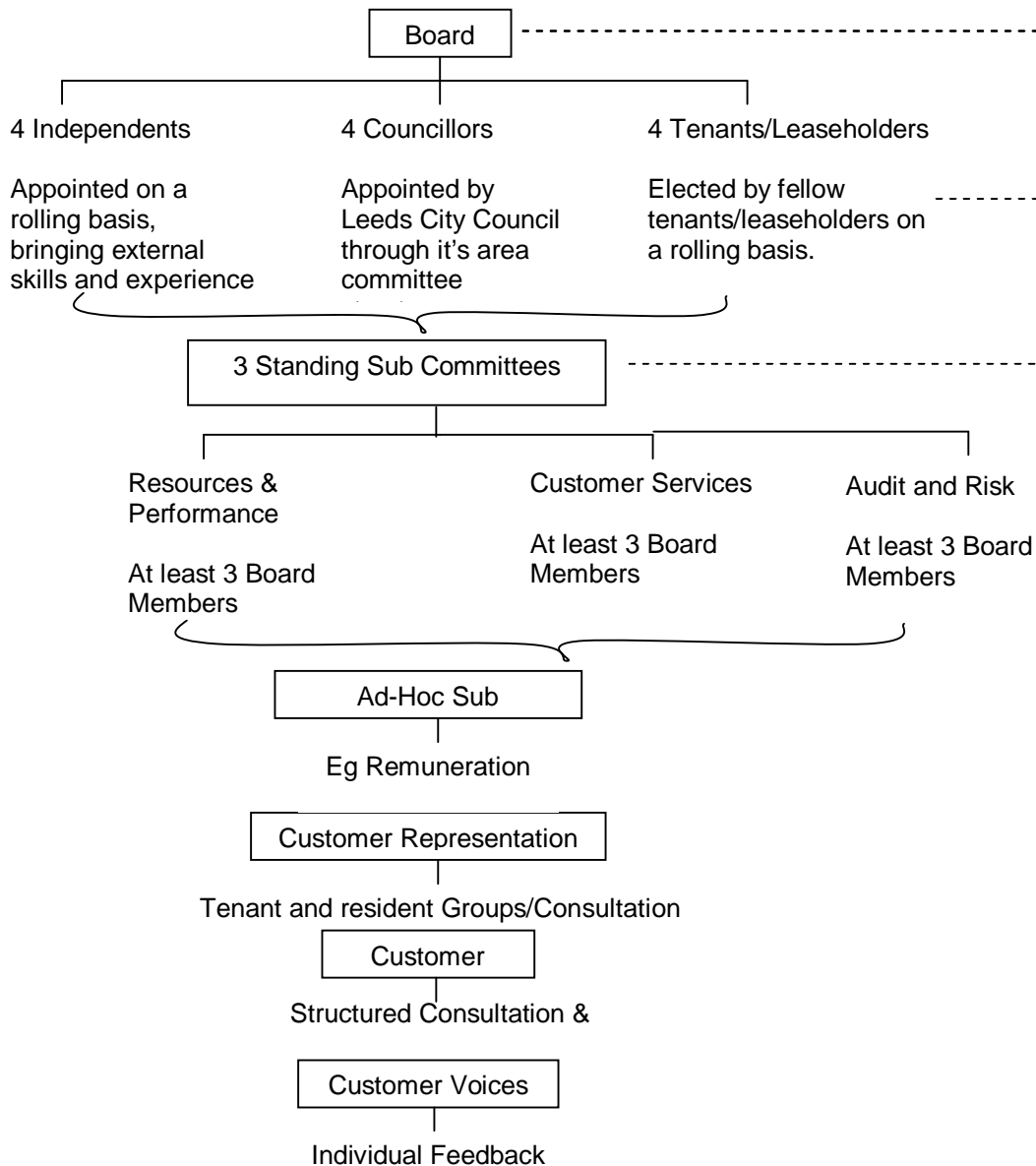
Partnerships

Aire Valley Homes contributes to a number of partnerships, which can be put into groups.

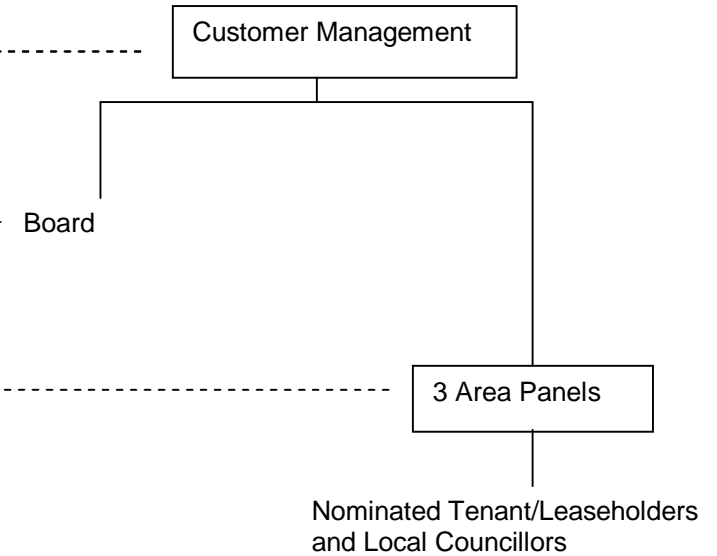
Job Centre Plus Partnership; Tenants into work (TiW) LEGI partnership Affordable warmth	Project to move tenants on disability and other benefits, and not full HB, onto pathways to work. Targeting those in arrears.
Enterprising communities (LEGI: Leeds Employment Growth Initiative) Partnership of RSL and ALMO providers including Places for People (lead) AVHL, West North West, East North East, Unity RSL, Connect RSL, Camberwell Project (Social enterprise, business start-up),	Project to raise awareness of enterprise and potential for self-employment
AVHL Groundworks Partnership Community masterplanning and environmental improvements 2 year project	Environmental developments in partnerships with the Area Panels
In-Tuition Partnership with Bradford Housing Trust, Sadeh Lock RSL, Dutton Dodd associates	Training and consultancy development and exchange
LCC PFI board PFI strategic client group Beeston Hill and Holbeck partnership Middleton Regeneration Board R'New Board	Regeneration of the Aire Valley Homes area.
Children's South board Children's centres	Children's agenda
Liaison with Leeds Ahead	Corporate Social responsibility agenda
Leeds Housing Partnership Crime and disorder partnerships Domestic Violence partnership BME housing partnership	City wide partnerships
South Leeds Partnership Area Housing Partnership Neighbourhood Management Initiatives	Area wide partnerships
Kier Connaught Leeds Homes Construction partnership Adaptations Operation Group	Asset management partnerships

Aire Valley Homes Leeds: Governance, Accountability and Influence

Formal Company Structure



Customer Involvement Structure



Financial Position and Projections

Revenue Budget 2010/11

Description	Revenue Budget 2010/11 (Incorporated in Statutory Accounts)			
	Original Approved Budget	Budget Additions		Final Budget
		Sheltered Housing	Debt Interest (SCA)	
	£000's	£000's	£000's	£000's
Income				
Management Fee	20,477			20,477
Sheltered Housing Income (Ring Fenced)		1,091		1,091
Performance Incentive	208			208
Debt Interest Income (SCA)			3,630	3,630
Total Income	20,685	1,091	3,630	25,406
Expenditure				
Repairs and Maintenance	11,034			11,034
Swarcliffe PFI	1,164			1,164
Salaries (Exc Sheltered)	5,064			5,064
Salaries (Sheltered Ring Fenced)		1,003		1,003
Overheads	1,720			1,720
Sheltered Housing (General HRA)	759			759
Sheltered Housing (Ring Fenced)		64		64
Service Level Agreements	1,812			1,812
Grounds Maintenance	774			774
Total Expenditure	22,327	1,067	0	23,394
Net Revenue (Overspend) / Underspend	(1,643)	25	3,630	2,012

Capital Budget 2010/11

Capital Budget 2010/11 (Excluded From Statutory Accounts)	
Description	Budget
Income	£'000s
Major Repairs Allowance	8,939
Supported Capital Expenditure	1,760
Right To Buy	357
Un-Supported Borrowing	675
Carry Forward from 2009/10	2,142
Total Capital Income (Funded by LCC)	13,872
Expenditure	
Window & Door Replacement	207
Heating / Energy	2,598
Defective Homes	50
Electrical	314
Re-Roofing	151
Multi Storey Flats (MSF)	472
Kitchens & Bathrooms	1,210
Environmental	126
Major Property Improvements	490
Capital Responsive	576
Capital Adaptations	3,181
Miscellaneous	51
Capital Void	3,081
Empty Properties	1,012
ALMO Disability Discrimination Act (DDA)	355
Total Capital Expenditure	13,872
Net Capital (Overspend) / Underspend	0

Summary Financial Position 2010/11

Overall Financial Position 2010/11	
Income	£000's
Revenue Income	25,406
Capital Funds	13,872
Total Income	39,279
Revenue Expenditure	
Repairs and Maintenance	11,034
Swarcliffe PFI	1,164
Salaries (Exc Sheltered)	5,064
Salaries (Sheltered Ring Fenced)	1,003
Overheads	1,720
Sheltered Housing (General HRA)	759
Sheltered Housing (Ring Fenced)	64
Service Level Agreements	1,812
Grounds Maintenance	774
Sub-Total Revenue Expenditure	23,394
Capital Expenditure	
Window & Door Replacement	207
Heating / Energy	2,598
Defective Homes	50
Electrical	314
Re-Roofing	151
Multi Storey Flats (MSF)	472
Kitchens & Bathrooms	1,210
Environmental	126
Major Property Improvements	490
Capital Responsive	576
Capital Adaptations	3,181
Miscellaneous	51
Capital Void	3,081
Empty Properties	1,012
ALMO Disability Discrimination Act (DDA)	355
Sub-Total Capital Expenditure	13,872
Total Expenditure (Capital & Revenue)	37,266
Final (Overspend) / Underspend	2,012

Reserves 2009/10 through to 2012/13

	Including Pension Liability				Excluding Pension Liability			
	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Reserves								
Reserves brought forward	2,884	(3,131)	(4,749)	(6,517)	2,884	5,917	4,299	2,531
Net position (In Year Exc SCA Income)	(235)	(1,618)	(1,768)	(1,950)	(235)	(1,618)	(1,768)	(1,950)
FRS17 financial adjustment	(5,780)				(5,780)			
Transfer Pension Liability (LCC)					9,048			
General Reserves (Deficit)	(3,131)	(4,749)	(6,517)	(8,467)	5,917	4,299	2,531	581
SCA In Year Position	4,408	3,630	(440)	0	4,408	3,630	(440)	0
SCA Cumulative	118	3,748	3,308	3,308	118	3,748	3,308	3,308
Final Reserves Position (Deficit)	(3,013)	(1,000)	(3,208)	(5,159)	6,035	8,048	5,840	3,889

Budget Planning 2009/10 through to 2012/13

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Management Fee	19,658	19,855	20,053	20,254
Grounds Maintenance	522	528	533	538
Sheltered Warden Fee	1,105	1,091	1,102	1,113
Other income	166	94	94	94
Performance Incentives	237	208	210	210
Income	21,689	21,776	21,993	22,210
SCA Income	4,408	3,630	0	0
Total Income	26,097	25,406	21,993	22,210
Swarcliffe PFI	(1,146)	(1,164)	(1,173)	(1,181)
Repairs and Maintenance	(10,812)	(11,029)	(11,250)	(11,475)
Salaries	(5,540)	(6,053)	(6,113)	(6,174)
Overheads	(1,269)	(1,700)	(1,734)	(1,768)
Service Level Agreements	(1,883)	(1,812)	(1,848)	(1,885)
Grounds Maintenance	(581)	(774)	(790)	(806)
Sheltered Warden service	(678)	(823)	(839)	(856)
Supernumerate costs and previous ALMO costs	(17)	(14)	(15)	(15)
Beeston Hill and Holbeck PFI	0	0	0	0
Interest cost for unsupported borrowing	(77)	0	0	0
Sheltered restructure	5	0	0	0
Project work	0	(25)	0	0
Accrual for Unsupported borrowing	75	0	0	0
FRS17	(348)	0	0	0
Dispute resolution	347	0	0	0
Total Expenditure	(21,923)	(23,394)	(23,761)	(24,160)
SCA Expense	0	0	440	0
Total Expenditure	(21,923)	(23,394)	(23,321)	(24,160)
Net (Over) Spend / Under Spend (exc SCA)	(235)	(1,618)	(1,768)	(1,950)
Net (Over) Spend / Under Spend (Inc SCA)	4,408	3,630	(440)	0
AVHL Final Position	4,173	2,012	(2,208)	(1,950)