



Your Homes
Newcastle

Income Management Strategy

April 2006

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Chief Executive's Introduction

Council housing is an important element in the life and structure of the City. Your Homes Newcastle was created on April 1, 2004 to manage around 32,000 tenanted and over 1,000 leasehold homes on behalf of Newcastle City Council. It makes a key contribution to the regeneration of Newcastle and is integral to it being a modern European city.

A good 'two star' rating from the Audit Commission in March 2005 set us on track to unlock £348 million that we had bid for in order to refurbish our stock to a modern standard. The inspection process highlighted just how important effectively managing our income and resources is to achieving success.

How well we achieve our goals and vision is dependant on how effective we are at managing our income. The services we deliver to our customers are paid for with money we collect from our customers in return for receiving those services. Any customer who does not pay as agreed and on time for the service they are receiving has an adverse affect on the level of resources available to YHN to deliver services. This impact is twofold, as both the amount of the debt and the cost of pursuing the debt, both monetary and in terms of staff time, impact on our ability to deliver high quality services to our customers.

Dealing with debts takes resources away from services and prevents staff from carrying out other tasks. This therefore, affects the level of service that our customers receive. If we do not collect money owed in a timely manner we see a financial cost to the organisation which customers ultimately pay through higher charges or reduced services.

We have developed this Income Management Strategy to ensure that we are able to effectively and efficiently manage our finances.

This strategy will I am sure, have a real impact on our future success.

John P Lee

Chief Executive

Vision

At Your Homes Newcastle our mission is to deliver excellent services and modern homes that people want to live in. The management of income is a key business area for Your Homes Newcastle (YHN). It is essential that income is collected effectively on behalf of Newcastle City Council, and that rent arrears and other debts are kept to a minimum. This is because the Council has both a legal duty and a responsibility to its citizens to ensure that rent and other payments are paid promptly. This Strategy Statement explains how Your Homes Newcastle strives to ensure that income is efficiently and effectively managed and rent arrears and other debts are minimised.

Your Homes Newcastle (YHN) recognises the importance of income management. It strives to maximise the collection of rent and other income and reduce debts owed to Newcastle City Council by operating an efficient and effective income management service. This forms a key part of the mission to deliver excellent housing management services identified in YHN's Delivery Plan.

We want to achieve this through adopting a holistic and long term approach where actions are part of the wider business strategy and are driven directly by our corporate strategic objectives:

- Delivering excellent services
- Delivering modern homes
- Achieve a better balance between supply and demand for council housing
- Run ourselves well
- Increase choice and expand our business
- Be responsible to the community
- Be recognised as a customer-focused organisation

Our aims and objectives

Our aim in this Income Management strategy is to integrate our business objectives with our approach to maximising income, reducing debt, increasing efficiency and identifying new sources of income.

We will do this by:

- ensuring the strategy reflects the overall vision of YHN
- identifying the income management implications of our corporate objectives and adapting our plan to meet them
- setting out key objectives and priorities for:-

Maximising income from our existing income streams:-

1. setting appropriate rent and service charges
2. ensuring customers are aware of their responsibility to pay, when they need to pay, and the consequences of non payment
3. offering a wide range of flexible payment methods
4. offering a wide range of ways for service users to access our services

5. effectively managing and minimising customer debt
6. maximising value for money and increasing organisational efficiency

Developing new business opportunities and potential income sources:-

7. increasing the customer numbers of our existing services
8. identifying new business opportunities

Monitoring our progress

YHN's aims and objectives compliment the aims and objectives of Newcastle City Council's Income and Debt Management Policy.

Legislation underpinning this strategy

The statutory framework for Your Homes Newcastle's income management strategy is set out in both the Housing Act 1985 which allows local authorities to provide housing accommodation and to charge a reasonable rent, and the Local Government and Housing Act 1989 which requires the local authority to keep an account called the Housing Revenue Account which must be kept in credit.

In addition the local authority has a general duty to Council Tenants and Council Tax payers of the City, to maximise revenues and tenant income, and minimise debt. This was extended under the Local Government Act 2000 to include a duty to look after the Social and Economic wellbeing of the people of Newcastle.

Also, the Human Rights Act 1998 has to be considered as it applies to Public Sector Landlords. The policies and procedures we follow in delivering this strategy need to include consideration of the principle of proportionality i.e. is the action being taken proportionate to the level of arrears, length of tenancy, previous payment history and any alternative courses of action.

As managing agent for the City's housing stock Your Homes Newcastle has delegated responsibility for adhering to these legislative requirements under the terms and conditions of our Service Agreement.

YHN understands that:

Regeneration of the City, rebuilding its infrastructure and creating sustainable communities that are safe, healthy and economically active is at the heart of the agenda set by the Newcastle Partnership. Housing is at the core of the partnership's vision for the regeneration of Newcastle, as detailed in the Newcastle Plan.

The city's housing strategy articulates detailed aims and actions to help achieve the housing elements of the Newcastle Plan. The mission and objectives of Your Homes Newcastle in turn are informed by and support the objectives of the Housing Strategy and the Newcastle Plan. The contribution of the Newcastle Gateshead Housing Market Renewal Pathfinder and our £348m additional ALMO funding are key to delivering this vision.

It is therefore essential to the delivery of the Newcastle Plan and the achievement of the objectives of the Newcastle Partnership and Newcastle City Council that Your Homes Newcastle maximises income and minimises debt by having a robust and effective Income Management Strategy. Thus ensuring we maximise resources available to pay for services.

YHN knows that:

As a company that is wholly owned by Newcastle City Council, Your Homes Newcastle has a key contribution to make to the regeneration of the City. The Newcastle Partnership's vision sees housing as integral to a modern European city, especially relevant to 'a welcoming built environment' promoting 'housing, health and well-being...inclusion and equality'.

While the relationship with the City Council is of key strategic importance to us, we work in partnership with a large number of organisations, at a local and citywide level and are part of a wide range of diverse and extensive partnership arrangements. These include the City's housing partnership, health partnership and community safety partnerships, to name but a few. These reflect the relative size and importance of Council housing within the City and the scale of interdependencies that exist between social housing and so many other aspects of community life.

The YHN Income Management Strategy seeks to contribute to wider City objectives and perspectives around minimising debt by working with its partners. Where possible and appropriate YHN will work jointly with the Council and other partners to:

- avoid duplication and achieve value for money
- develop common approaches and consistency

In developing this strategy YHN recognises that:

Between 1991 and 2001 the population of Newcastle decreased by 5.6 per cent, particularly during the late 1990's. However, since 2001 population loss has stabilised; the latest mid-year estimate suggests a modest growth in population.

In 2002, some 45 per cent of school age children lived in these wards.

Falling population is both a symptom and a cause of Newcastle's problems. Affluent areas experience buoyant market conditions, leading to housing shortage and high house prices. By contrast, less affluent areas in the east and inner west end areas suffer from low housing demand, with many empty houses, high levels of long-term unemployment and low levels of educational attainment.

Newcastle has an unemployment rate of 5% (as at December 2005) compared to 2.9% nationally and 4.1% regionally. Over two-fifths of the population lives in the 12 wards that are amongst the 10 per cent most deprived wards nationally; 5 wards are amongst the 1 per cent most deprived (IMD 2004). There are a high proportion of properties owned by the City Council and managed by Your Homes Newcastle in these wards. Where poverty is the cause of non payment, traditional hard line recovery methods on their own are insufficient.

For tenants, coping with rent arrears and other debts can be a stressful and anxious experience. Non payment of debts by a tenant almost always indicates a welfare

problem. The most common causes of debt include adverse changes in personal circumstances, multiple debts, and low take up of benefit.

For other debtors there may be other issues such as cash flow problems or insufficient admin systems that contribute to late or non payment, YHN must ensure that we have an efficient system that can highlight issues at an early stage.

It is essential in responding to non payment of debt that employees understand their nature and are able to target both the most serious cases and the smaller cases in order to prevent accrual of a large debt. It is also essential that YHN deploys resources in a way that achieves a sensitive and cost effective balance between:

- Action to obtain payment
- Measures to prevent non payment or delayed payment thus preventing debt arising, and
- Measures to facilitate payments.

Objective one

Maximising income from our existing income streams - Setting appropriate rent and service charges

Your Homes Newcastle aims to achieve demonstrable value for money in everything that we do. A key objective of our income management strategy is to make sure that the rent and service charges we set represent true value for money for our customers. We also aim to make sure that the charges we set for each service we provide cover the cost of providing those services so that tenants and leaseholders not receiving services do not contribute to paying for them.

Key achievements

- Assessed the impact of the governments rent restructuring plans
- Conducted review of heating charges and presented recommendations
- Revised our leaseholders service charge letter to include more details about how service charges are calculated
- Completed review of Concierge service charges
- Rent increase through and on time

Where we are now

- YHN calculate and set rents using the government suggested rent calculation formula
- We send all tenants quarterly rent account statements
- We send all leaseholders annual invoices detailing how much their service charge is, how it has been calculated and how they can pay

Where we want to be

We want to ensure that we comply with the statutory requirements and adopt good practice methods in terms of rent and service charge setting. We want to set service charges that are fair and that cover the cost of providing the service. In doing this we will make sure that we are providing value for money. This means we will:

- Follow the governments rent restructuring formula to set rents that are fair and affordable
- Have a Rent and Service charge setting policy that ensures we set rent and service charges that are fair and consistent
- Provide comprehensive information to all service users clearly describing our rent and service charge setting policy
- Provide our customers with information clearly stating how much rent and service charges they have to pay, and how rents and service charges are calculated and collected
- Provide customers with information about changes to rent and service charges in a timely manner and in the language and format appropriate to the individual customers' needs

- Deliver accurate and timely information about rent and service charge accounts to service users. That is we will make sure that all customers receive a quarterly rent and service charge statement, and we will offer monthly statements to those who want more regular information.
- Promote Fairer Charging assessments for support charges. Liaising closely with the ALA Supporting People team and relevant social care contacts, we will carry out accurate and timely charging assessments, invoicing users appropriately. Charging assessments will be based on the level of service provided to the individual and the individual's disposable income.

How we will get there

- Agree with tenants, leaseholders and other stakeholders what is a fair charge for those services that are additional value added services or are high cost – that is establish what stakeholders think is value for money.
- Write a Rent and Service charge setting policy.
- Produce a procedure document detailing how we will keep our tenants informed of changes to rent and service charges.
- If service costs exceed service charges we will undertake a review aimed at increasing efficiency and/or reducing costs and take action accordingly.
- We will work closely with the Supporting People commissioning body and Social Services to develop a fair charging policy and procedure.
- We will monitor how well our customers understand our Rent and Service charge setting policy through the use of surveys, service user focus groups and performance information.
- We will routinely monitor the level of customer satisfaction with the value for money represented by all additional value added services through surveys, service user focus groups and the monitoring of formal and informal complaints.

Objective two

Maximising income from our existing income streams - Ensuring customers are aware of their responsibility to pay, when they need to pay, and the consequences of non payment

Key achievements

- We have produced a new Tenants Handbook that includes details of tenants responsibilities
- Procedures have been developed to ensure that the terms and conditions of the tenancy agreement including the responsibility to pay, when to pay and the consequences of non payment are fully explained to the tenant(s) before they sign their tenancy agreement.
- A 'Sign-up checklist' has been produced that acts as a prompt ensuring that all information, including the responsibility to pay is communicated to the tenant(s).
- We have introduced a shortened rent arrears route
- Our new website (www.yhn.org.uk) has information about customer's responsibility to pay for services they receive.
- We have introduced a process to ensure that within six weeks of a tenant moving into their new home an officer from Your Homes Newcastle will visit to discuss any problems the tenant may have, including paying the rent or other applicable charges.
- We have developed service standards for Rent Arrears and other services which clearly state the consequences of non payment.
- We have developed a right to buy information pack for those who will become leaseholders if they exercise their right to buy. The information pack clearly explains the rights and responsibilities of being a leaseholder including details about service charges.
- Our Leasehold Team have made improvements to the invoice for the service charges that is sent to all leaseholders every July. The service charge invoice now explains what the individual charges are for and confirms the responsibility to pay.
- When a tenant becomes a leaseholder we provide an estimate of what the annual service charges will be and also costs of any possible planned improvement works for the first 5 years of your lease.
- Your Homes Newcastle's Leasehold Management Team contact all new leaseholders and provide them with a copy the Leasehold Handbook, section 2a explains leaseholders responsibility to pay an annual service charge.

Where we are now

- Procedures and processes have been developed to ensure that all customers, including tenants, leaseholders, private individuals and organisations, are fully informed of their responsibilities **prior** to signing the contract, tenancy agreement or lease. These procedures and processes cover all income streams.

- These responsibilities, and the consequences of not adhering to them, are confirmed at the time the customer signs and are regularly reiterated using various methods throughout Your Homes Newcastle's relationship with our customers.
- All tenants are given a copy of their tenancy agreement (and any additional service agreements, contracts and additional information such as service standards booklets) when they sign for the property (known as 'sign up'). Information about responsibility to pay is included in all these documents.
- For all other contracts the terms and conditions, rights and responsibilities contained in the contract agreement are explained to the customer prior to signing. Customers are given a copy of the signed agreement and any other documentation relevant to the service in question.
- We ensure that in delivering all our services we support our stance on arrears and income management, for example, our Your Choice Homes letting policy restricts eligibility for those who are in arrears on their rent account, and we will not allow the completion of a Right to Buy purchase if the tenant owes any money to YHN or the City Council.
- To minimise and prevent arrears we ensure that new rent accounts are always set up before the tenancy commences; and means of payment (in the form of a tenancy reference number) are supplied to new tenants when they sign up, before tenancies commence.
- Our integrated housing management software separately records and accounts for rent arrears, court costs, rechargeable repairs and other debts.
- City Council tenants who apply to purchase their home through the Right to Buy scheme are given full details of the process involved and their rights and responsibilities. This information is contained in an information pack that all applicants receive.
- Leaseholders must pay service charges for the upkeep of the structure and communal areas of the building. As well as major repairs and improvements, service charges also cover things like staircase lighting, caretaking, decorating, lift maintenance, door entry systems, etc. This is clearly explained in the Information pack.
- Recoverable repairs are what Your Homes Newcastle call repairs that tenants and leaseholders are responsible for. In other words any repairs needed to a property or shared areas because of damage, misuse, neglect or carelessness by the tenant, leaseholder, their household or their visitors. For recoverable repairs customers are sent an invoice. The invoice explains what the charges are for and confirms the responsibility to pay.
- Rechargeable works are repairs or improvements which are undertaken at the request of the tenant or leaseholder but are not part of the landlord's responsibility for repairs. The customer is responsible for paying the cost of these works. When a tenant or leaseholder makes a request for work to be done under the rechargeable works scheme they are sent an estimate which confirms the cost of the work, the responsibility to pay and the payment details.

Where we want to be

We want:-

- To provide comprehensive information to all service users that clearly describes our rent and service charge setting policy, and how rents and service charges are calculated and collected.
- To continue to provide comprehensive information to all service users that clearly describes our policies relating to arrears, and debt management, and what action will be taken in the event of non-payment of rent and service charges.
- To ensure that accounting systems are well integrated with housing management and benefit systems. So that we can clearly identify arrears due to housing benefit (HB) claims or payment in credit or arrears.
- To make sure we always separately record and account for rent arrears, court costs, rechargeable repairs and other debts.
- To deliver accurate and timely information about rent and service charge accounts to service users, in line with the requirements of customers.
- To ensure all costs relating to services which are not part of the landlords responsibility for repairs are covered through payments

How we will get there

We will:

- Once we have written the Rent and Service charge setting policy (see objective 1 above) we will produce a series of publications in various formats clearly describing the rent and service charge setting policy, and detailing how rents and service charges are calculated and collected.
- Monitor how much our customers are aware of and understand their responsibility to pay, when they need to pay and the consequences of non payment through the use of surveys, service user focus groups and performance information.
- Develop a procedure document detailing how we will keep our tenants informed of changes to rent and service charges. Thus ensuring that such information is delivered accurately and in a timely manner.
- Consult with customers to ascertain how frequently they want to receive information about rent and service charge accounts, and in what format. We will develop systems and procedures to make sure we can provide this.
- We will develop, construct and produce automatic reports through our integrated housing management software, NorthgateSX3, which will show separate accounts for rent arrears, court costs, service charges etc.
- Review our approach to rechargeable works

Objective three

Maximising income from our existing income streams – Offering a wide range of flexible payment methods

Key achievements

- Introduced new methods of payment for rents including use of
 - Debit/credit cards (June 2004)
 - Direct debits (November 2004)
 - Swipe cards (started pilot scheme December 2004)
- Completed the review of swipe cards
- Issued swipe cards to all rent payers including former tenants
- Agreed customer incentives for the take up of cost effective payment methods
- Supplied Direct Debit Packs to local housing offices, customer service centres & direct to tenants.
- Increased number of tenants on direct debit from 299 to 1440
- Introduced the means to makes payments at all Paypoint outlets
- Introduced the new payment engine

Where we are now

To make it as easy as possible for customers to make payments YHN offer the following comprehensive choice of payment methods:-

- **In person** at any of the City Council Customer Service Centres and at selected Community Housing Offices with cashiering facilities¹ using cash, cheque, postal order, debit or credit card.
- **In person** at any post office using all of the above except credit cards, and can pay with cash only at any PayPoint outlet (but you must have a payment card) call the hotline - 0191 277 8823 or visit www.paypoint.co.uk for information on the nearest outlet.
- **Through the bank** using Direct Debit or Standing order. Staff who work for Your Homes Newcastle or Newcastle City Council and are tenants of Newcastle city Council can have rent payments automatically deducted from their salary. Contracts and Service Level agreements are often paid using electronic money transfer.
- **By post**, customers can send a cheque or postal order to: Newcastle City Council, City Treasurer, Civic Centre, Newcastle upon Tyne NE99 2PT, made payable to Newcastle City Council. We advise our customers not to send cash

¹ Information about Customer Service Centres and Community Housing Offices with cashiering facilities, including locations and opening hours is available at any of our service outlets; on our website www.yhn.org.uk; or by phoning the income section on 0191 278 7749.

through the post.

- **Over the Telephone** using a debit or credit card - customers should telephone the automated payment line on 0845 111 4199 to make a payment.
- **On line payment** facilities are currently being developed. Once it is developed customers will be able to access this facility via our website www.yhn.org.uk
- The payment method will normally be determined by the customer, however each responsible officer should be aware of Your Homes Newcastle's preferred methods of payment as outlined above. For further details about Your Homes Newcastle's payment methods please see:-
 - Our 'New ways to pay' information leaflet, available at any Customer Service Centre or Community Housing Office or you can request a copy by phoning customer services on 0191 278 8600,
 - Posters on display at any Customer Service Centre or Community Housing Office,
 - Our website at www.yhn.org.uk,
 - The Tenants handbook – booklet 3 contains information about payment methods.

Where we want to be

We want:

- All our customers to be aware that we provide flexible payment options that make it easy for service users to pay rent, service charges and other debts (ie, direct debit/standing order, local shops/offices, post offices, the internet).
- Our customers to understand clearly the different ways by which they can pay their rent and service charges.
- To encourage customers to use cost effective methods of payment for rent and service charges, i.e. we want to increase the use of direct debit.
- 50% of customers to be paying their rent by direct debit by 2010.
- To have the option of paying by Direct Debit on all income streams.
- Customers paying by direct debit to utilise the preferred method of paperless direct debits

How we will get there

We will:

- Produce a Communications Strategy, through the time limited Rent Arrears working group, to make sure we communicate the messages contained in this strategy document effectively to our customers.
- Ensure that all income streams can take payments via all payment methods including Direct Debit

- Work with our customers, the benefits agency and the banking sector to encourage all our customers to set up bank accounts that accept requests for Direct Debit payments
- Develop and introduce an incentive scheme aimed at increasing the use of Direct Debits
- Work towards increasing the number of available payment dates for Direct Debit customers
- Develop a marketing and advertising campaign to promote the use of Direct Debit payments
- Aim to offer our customers the facility to use paperless direct debit as soon as possible.
- Organise promotional events such as coffee mornings, drop in centres, events on the Talk to Us bus where customers can talk to our staff about paying rent and service charges, these events will be an opportunity to promote the benefits of paying by Direct Debit
- Make sure staff are given additional information and, where appropriate, training so that they are able to discuss all payment options during interviews with customers including promoting the advantages of Direct Debit
- Continue to provide support and Debt management advice to our customers
- Routinely monitor the level of customer satisfaction with and awareness of the range of payment methods we provide through surveys, service user focus groups, analysis of performance information and the monitoring of formal and informal complaints.

Objective four –

Maximising income from our existing income streams – Offering a wide range of ways for service users to access our services

Key achievements

We have:

- Developed a new internet website
- Concluded a Housing Management review one of the aims of which is to increase access to services
- Improved offices designed to be more accessible and user friendly for all of our customers, including disabled people and people with sensory impairment.
- Made portable hearing induction loops available in all interview rooms; fixed loop systems are fitted to all reception points.
- Strengthened the former tenants team, appointed a supervisor & made a temporary member of staff permanent
- Increased resources in the Leasehold Management team
- Provided tenants with direct contact telephone numbers for each of the teams in Income Section
- Increased the number of places that customers can pay their rent and service charges from 25 to over 130 across the city.
- Developed a procedure for staff to follow when a customer has any difficulty with access in or around our offices. This procedure means we are able to offer them suitable alternative arrangements such as a home visit (if appropriate) or an appointment at another suitable YHN office.
- Increased access to services/accessibility through purchase of Mobile Consultation Unit, the `Talk to Us` bus
- Undertaken Impact Needs and Requirement Assessments on all services to ensure services are accessible to all

Where we are now

We offer a variety of ways to access our services:-

- We use the National Interpreting service so that customers can have easy access to the services of an interpreter over the phone.
- We have induction loops in all our interview rooms and service outlets.
- All our communications are relevant, timely and appropriate.
- All printed information conforms to our style guide.
- All printed information has the company information, contact details and strap lines detailing other languages and formats.
- If requested we arrange for an interpreter to explain any of our printed information or to assist a customer in accessing our service.
- All printed information follows guidelines set out by the Plain English Campaign and for key documents we obtain a crystal mark.

- All printed information is available in Community Housing Offices, Customer Service Centres and electronically on our website www.yourhomesnewcastle.co.uk
- We routinely provide key documents translated into 8 community languages and in a wide range of formats, such as large print, audio tape, type talk and Braille.
- We arrange on request translation of all other printed information into languages other than English, into Braille, on audio tape and type talk.
- 52% of tenants contacted us last by phone, 45% visited one of our offices, only 1% wrote and less than 1% contacted us via the internet (STATUS survey 2005/06).
- 16% of tenants' last contact with YHN was about rent or housing benefit (STATUS survey 2005/06).
- 75% of tenants stated that it was easy for them to get hold of the right person to deal with their issue. 85% said the staff were helpful and 78% said the member of staff they contacted was able to deal with their problem (STATUS survey 2005/06).
- The STATUS survey shows that the majority of tenants find our service outlets to be welcoming (92% agreed), tidy (100%), clean (99%), safe (98%) and accessible (98%).

Where we want to be

We want:

- To offer a range of ways for service users to contact us for customer-friendly information about their accounts – by telephone, in person or electronically. We will deal with all these enquiries efficiently and effectively.
- To offer the same range of ways for service users to contact us to get debt advice.
- To have a single contact telephone number for all housing enquiries.
- To provide relevant information to all customers in the language and format that they prefer.
- Our staff to demonstrate user focus in their work, to treat people with respect at all times.
- Front-line staff that demonstrate a wide range of knowledge about the full range of enquiries they receive and know how to access the necessary information to help service users. Including issues around welfare rights advice, managing debt and reducing indebtedness.
- Our customers to have a high level of satisfaction with their ability to contact and use our services, and pay their rent or other charges for services.
- To increase the proportion of customers who access our services via the internet from less than 1% to 5% by 2008.
- To utilise modern technology to improve opportunities for customers to access our services and to become involved. For example SMS text messaging, online surveys, internet forums etc.

How we will get there

- Market test the YHN website

- Deliver on all the actions detailed in the Corporate Equality Plan, Race Equality Scheme and Disability Equality Scheme
- Implement the recommendations made as part of the Housing Management Review

Objective five

Maximising income from our existing income streams – Effectively managing and minimising customer debt

Key achievements

- Implemented the Rents module on Sx3
 - Introduced fast track system for rent arrears collection
 - Established a target of 30% for tracing software in relation to identification of current addresses for former tenants (Feb 2005)
 - Worked in partnership with charitable organisations to access funding, furniture, and furnishings to support vulnerable households
 - Completed 5 rounds of grant aid as at 18th March 2005 (ASU)
 - Made a positive impact on reducing net rent arrears from £4,272,949 to £3,401,639
 - Strengthened the former tenants team, appointed a supervisor & made a temporary member of staff permanent
 - Increased by over 51% the cash collected by the FTA team
 - Reduced number of FTA cases sent to Debt Recovery Agent - successful 'in-house' collection
 - Improved procedures in debt recovery liaison with Exchequer services and legal services
 - Introduced quarterly rent account statements (July 2004)
 - Handled 728 referrals to the Advice and Support Team from between 1st July 2004 – 31st December 2004.
 - Raise income for tenants between July – December 2004 by £204,785.16 via welfare benefits and promotional benefit take up campaigns
- £451,542 income generated for our tenants, up from £426,885 in 04/05.

Where we are now

Your Homes Newcastle aims to identify rent accounts and other income streams that are in arrears at the earliest possible stage so that swift action can be taken to prevent the arrears rising further.

The Your Homes Newcastle rent recovery procedure is a multi stage procedure which includes automated letters, visits to tenants' homes and required statutory notices. At all stages throughout the process Your Homes Newcastle reinforces the responsibility to pay the rent and makes sure tenants are aware of the consequences if they continue not to pay.

Ongoing customer care is an important part of income management, combined with prompt and sympathetic action whilst arrears are small. If arrears are allowed to accrue without any contact, the customer can get the impression that the debt is a low priority matter. Early contact enables us to identify any problems or issues the customer may have with regard to making payment. Our procedures are designed to intervene early in the case of missed payments.

Each income stream has a staged recovery procedure which includes appropriate escalation and ultimately progresses through a due legal process as required by Newcastle City Council's Income and Debt Management Policy.

For rent payments and other service charges payable by Newcastle City Council tenant's the process is detailed in our Rent Recovery Procedures ([http://194.61.175.66/yhnprocsra.nsf/a/pdfs/\\$FILE/RentRecoveryProcedures.pdf](http://194.61.175.66/yhnprocsra.nsf/a/pdfs/$FILE/RentRecoveryProcedures.pdf)). These procedures and the Good Practice Guidelines that accompany them ([http://194.61.175.66/yhnprocsra.nsf/a/pdfs/\\$FILE/Rent%20Arrears%20Good%20Practice%20Handbook.pdf](http://194.61.175.66/yhnprocsra.nsf/a/pdfs/$FILE/Rent%20Arrears%20Good%20Practice%20Handbook.pdf)) stress that personal face to-face contact is essential in identifying reasons for non-payment so that early advice on debt management, accessing benefits and other support can be offered. In this way we aim to achieve a sensitive balance between prevention, support and action in order to maximise customers' willingness and ability to pay.

For other payments early contact and intervention, as set out in our Debt Recovery Process is used to achieve the same outcome.

Many Your Homes Newcastle employees have received some training in elements of debt counselling and our own Advice and Support workers are available to accept referrals where people require help with benefit or debt advice.

This dedicated Advice and Support service will work with tenants and leaseholders to:-

- help them to live independently
- advise on what benefits they may be able to claim
- gives advice that can help them stay in their tenancy
- give support to new tenants
- look at all of the customers problems and help them deal with them
- look at what help and support customers may need
- provide advice on debt
- provide advice on budgeting

These services provide advantages to both tenant and landlord. It gives tenants the opportunity to bring their affairs under control. At the same time the rent payments (which are the predominant income stream for Your Homes Newcastle) will be treated as essential expenditure and any arrears will be classed as a priority debt, which will receive preference in terms of payment. For further information about the Advice and Support Service please contact Suzanne Halliwell, Senior Advice & Support Worker on 0191 2788621.

Some tenants may resist help in this area for fear of disclosing personal information to a creditor or other third party. In order to ensure entirely impartial advice, we may refer them to a local money advice agency welfare rights service, Law centre, Citizens Advice Bureaux or other specialist agency.

Tenants are discouraged from approaching debt advice agencies that charge for their services. This is not appropriate in a situation where a person is struggling to meet all their commitments and sometimes the quality of advice is not as good as that which is given in the voluntary and statutory sector.

Working together with Newcastle City Council Housing Benefits service

A high proportion of rent payments are covered by Housing Benefit payments and it is therefore a key area for Your Homes Newcastle. We are working to ensure that we maximise income from Housing Benefits by:-

- Ensuring tenants fill in a Housing benefit form at the time of sign up for a new tenancy.
- Maintaining our good working relationship with the City Council benefits section.
- Posting benefits payments promptly to tenants' accounts so that the true arrears position is shown.
- Supporting and training our own staff to have a better understanding of the benefits systems so that advice can be given to tenants.
- Providing a specialist Advice and Support Team to help customers maximise their benefits entitlement.
- Monitor changes to tenants' circumstances and intervene quickly to ensure that any changes do not lead to arrears.

Where we want to be

We want:

- To ensure that our Rent recovery procedures are consistently adhered to by all staff across the organisation.
- Our staff to pro-actively signpost customers to other agencies that can maximise their income, whether in arrears or not. All our staff will be confident about signposting customers to other organisations as service providers, when necessary and in the best interests of customers.
- To routinely carry out benefit assessment with potential new tenants to identify if a property is affordable.
- To minimise and prevent arrears by ensuring that all new tenants receive an accurate welfare benefits check at the start of their tenancies and advice on debt management if they want it.
- To have effective planning and liaison partnerships with Housing Benefit and other agencies (for example the Citizens Advice Bureau (CAB) and debt advice agencies) in this way we can help to maximise service users' income.
- To have agreed protocols regarding the sharing of information and collaborative working with partner agencies for the benefit of all customers.
- To promote benefit take-up campaigns, including housing benefit, to help prevent increases in rent arrears and other debt.
- To encourage customers to prioritise YHN and City Council payments over other expenditure such as hire purchase, catalogue or loans.
- To help customers in arrears to stay in their homes by providing advice and assistance on debt management and pursuing debt collection strategies that sensitively balance the pursuit of debt against the needs of vulnerable tenants.

How we will get there

We will:

- Carry out robust monitoring of the rent recovery process in order to highlight possible issues. Regular monitoring reports will be sent to the Housing Management service so that they can investigate and understand any areas for improvement. Issues and concerns can be discussed as appropriate, for example, at Housing Management SMT, team meetings, or during 1 to 1's and appraisals.
- Induction training that is specific to job roles will be developed, for those staff that are involved in rent recovery this will include specific training on the rent recovery procedures that must be followed.
- We will produce procedural guidance and an information booklet for staff so that they can signpost customers to appropriate advice and support agencies - these will be available electronically on the staff intranet. We will also produce an information leaflet for customers.
- We will undertake a review of the Advice and Support team in order to get benchmarking information regarding the quality of the current service and to assess the possibility of expanding the service for example to provide pre-tenancy benefit assessments to identify if a property is affordable.
- We will look into the feasibility of housing services staff carrying out pre-tenancy benefit assessments. The new housing services role will include routinely helping customers to complete housing benefit forms during sign-up.
- We will amend the sign up procedure and checklist to ensure that all new customers are asked about a benefits welfare check, and if they would like advice about budgeting, benefits or managing debt.
- We will develop effective planning and liaison partnerships with Housing Benefit and other agencies (for example the Citizens Advice Bureau (CAB) and debt advice agencies) in this way we can help to maximise service users' income.
- We will work with the City Council, Social services, Housing and Council Tax Benefits, the Health Service, Money Matters, CAB, Welfare Rights, the Police and other agencies to draw up clear and robust protocols regarding the sharing of information and collaborative working with such partner agencies.
- By working with our partners in Welfare Rights, Money Matters, the City Council's Housing and Council Tax benefits section, Citizens Advice, Social Services, the Benefits Agency and other relevant agencies we will aim to develop and run a widespread marketing campaign to promote the take up of benefits, including housing benefit.
- Develop and run a marketing campaign to raise awareness of the importance of making payments as agreed to YHN and Newcastle City Council. This campaign should highlight the possible consequences of not making payments but also encourage customers to approach us to ask for help and advice.
- Through a campaign of awareness raising and marketing we will inform customers of the availability of advice and assistance and positively encourage customers to seek such help at the earliest possible stage.
- We will explore options for increasing financial awareness amongst tenants - for example we will ask tenants if they would be interested in taking part in financial awareness training courses and explore possible sources of funding to run such courses.

Objective six

Maximising income from our existing income streams – Maximise Value for Money and increasing organisational efficiency

Key achievements

- Reviewed and agreed several Service Level Agreements with Newcastle City Council
- Established KPI's and partnership working with 12 construction partners
- Procured construction partners to deliver the YHN Investment programme to 2010
- Achieved Charter Mark Awards for our Asylum Seekers Unit, and Your Choice Homes our choice based lettings service.
- Maintained Charter Mark status for our Community Care Alarm Service, the Newcastle Furniture Service and our Concierge service.
- Implemented a new scheme allowance policy
- Carried out cost benefit analysis to 3 service areas
- Successfully procured a new Repairs and Maintenance contract & contractors
- Procured an enterprise project management system to assist in monitoring the investment programme.
- Partnership procurement of software management system to ensure statutory compliance in relation to CCTV
- Purchased an asset management system to ensure we know how much furniture we have in our furniture service warehouse and in our customer's homes
- Increased our partnership working by developing new partnerships with the Newcastle Literacy Trust, Marks and Spencers Ready to Work scheme, CVS.
- Rolled out of POPS to the T&M Team, facilitating the ordering of service contracts.
- Introduced new procedures for Taxable Benefit analysis (P11D Returns)
- Exceeding BVP18 Target of Paying 81% of invoices on time, our two quarters results are 95%
- A new Paybills Batching System, and Mobile Phone 'One Bill' account
- Reviewed and Realigned the Housing Investment Programme, following ODPM approval of our 1st Tranche ALMO bid at the end of 2004/05, including the Decent Homes Programme projects and resource to 2010.
- Paid 91% of invoices on time
- Enhanced the IT systems to enable improved information about our former tenants (Sept 2004)
- Procured Experian Citizen view to aid identification of current addresses for former tenants (Feb 2005)
- Widened the role, remit and involvement of the Income Section, and centralised the Area Income Teams to YHN House
- Automated Standing Order payments to rent accounts
- Reviewed and re-let cleaning, security, heating and electrical contracts
- Set up new Coding Structure for YHN
- Completed a valuation of Telecare (assisted technology)

- Established a recycling and refurbishment scheme
- Introduced new voids procedures and a new decoration voucher scheme
- Achieved a major improvement in void re-let times by reducing it from 45.37 days to 29.69 days
- Completed first stage review of sheltered housing
- Revised rent recovery procedures including bankruptcy
- Co-ordinated the production of the Financial Information Handbook

Where we are now

Achieving value for money is an important element of our strategic objective of running ourselves well. Sound financial management and financial reporting are vital to excellent services. We need to be sure that we use public money to have optimum impact. Wherever we identify efficiencies we open the door to improved services.

We have identified procurement, which encompasses the buying of goods and services including buying in large scale services such as repairs and maintenance and modernisation projects, as an area with great potential for maximising value for money by managing our resources well. We have therefore developed a corporate procurement strategy. The strategy applies to services provided externally, internally and purchased from the City Council. It also contains a Procurement Plan which sets out a programme of service and SLA reviews.

In addition to agreeing our strategic approach to procurement, we have also taken steps to ensure that achieving value for money is firmly embedded within the organisation and that it is prioritised within the wide raft of improvement measures that are being put in place. To this end, a separate project was created to address value for money issues within our service improvement programme, to ensure that the projects underway were robustly managed.

Our approach to embedding value for money can be illustrated in these areas of activity

- The procurement of a provider for the repairs and maintenance service under new contract arrangements
- The implementation of the Housing Management Review findings
- Monitoring the performance of the twelve construction partners to ensure that the arrangements continue to deliver efficient and effective services
- Agreement and review of all of our service level agreements covering the purchase of services from the City Council
- The revision of a procurement plan to set reviews of our own services alongside SLA reviews
- The development and application of a template to evaluate the Business Case for new services
- The inclusion of efficiency targets in the service planning pages of our Business Plan
- The cycle of Estate Based Planning to ensure that investment in properties is based on their long term sustainability

Where we want to be

We want:

- To set ambitious targets across all service areas to improve value for money. These targets will be subject to continual review in order to continuously drive service improvement.
- To collect accurate information on costs and services, use these to decide priorities and to strategically manage resources in the context of a formal procurement strategy.
- To provide service users with comprehensive and accurate information on services, including costs and benefits, when presenting options for improvement.
- To be able to demonstrate significant cost savings and/or quality improvements through partnerships and to have investigated partnerships with other organisations wishing to procure similar services (Collective Procurement) such as the local authority, other ALMOs or RSL's.
- To have a good corporate and service procurement strategy that follows good practice in procurement and understands where the greatest potential benefits can be gained, internally and externally.
- To provide clear and well understood information on costs and benefits and how these relate to the quality of services delivered.
- To have low overall costs and unit costs for key services compared to other organisations providing similar levels of services and allowing for the local context.
- To demonstrate competitiveness of internal service provision when compared with external providers.
- To be able to demonstrate that we have used procurement to achieve significant savings without loss of quality.
- To have more effective arrangements for advising and recovering appropriate costs for communal services and improvements from leaseholders.
- To consistently meet our efficiency targets in line with Gershon recommendations.
- To improve our rent collection rate year on year, it is our aim to achieve top quartile performance compared to similar organisations.
- To allocate resources in a targeted way in order to be able to deliver our organisational objectives.
- To have an agreed procedure for notifying the Income Management Team about changes to the housing stock or to the provision of services that will have an effect on rent or service charges.
- To set challenging service standards in conjunction with service users and stakeholders, which are tailored to meet local need.
- To actively canvass the views of service users. We will use them to review or improve services. Customers will be consulted and involved in major decisions that affect the service.
- Customers to feel confident that their input will be valued and acted upon.

How we will get there

We will:

- Develop and refine our business and financial planning process. A project plan has been developed that facilitates the consideration of performance and service development issues alongside budgets. This is to help us ensure that we are directing resources to our priorities. The learning and development plan will also be developed with reference to these processes. This ongoing process involves board members, Management Team, and staff from all levels and all services within the organisation in reviewing the previous year's activities against the business plan and looking forward to the following year, contributing to planning in terms of performance, service development, budgets and resources, learning and development.
- Actively contribute to Newcastle City Councils Annual Efficiency Statement by identifying both revenue and capital efficiency gains.
- Undertake a comprehensive in-depth analysis of all services using Housemark ALMO Annual Efficiency Statement guidance. This information will be used to inform the Business and Financial Planning process and produce an Efficiency Strategy which identifies areas of inefficiency accompanied with actions to improve efficiency
- Use the Value for Money Project in the 3 Star Service Improvement Programme to coordinate the delivery of several projects which will improve organisational efficiency.
- Undertake a comprehensive review of our Procurement Strategy and capacity to deliver through the Value for Money workstream.
- Improve access to live performance management information for service managers through the roll out of the 'target view' module of our integrated management information system Northgate.
- As part of our Business and Financial Planning Process managers and staff will review outcomes against targets from the previous year and contribute to the development of service targets for the forthcoming year. The integrated nature of the sessions, where staff look at ways to improve performance, service development, requirements for budgets and resources, and learning and development needs, means that targets will be much SMARTer and will drive service improvement.
- Introduce monthly financial reports to be sent to all managers with budgetary responsibility, managers will be required to demonstrate that they are effectively monitoring their budgets and outcomes.
- Start to actively manage our supplier base and improve value for money through aggregation and tapping into local and national framework agreements.
- A time limited Rent Arrears working group of board members and officers will conduct a thorough review of the way we deal with rent arrears. The recommendations of this group will be incorporated into the actionplan.
- We will continue to monitor our service standards, both internal and external, and will review these standards as necessary in order to achieve our aim of continued service improvement.

- Use the outputs from our customer consultation framework and the Using Stakeholder Feedback mechanism to make sure the views of service users are always considered, responded to and where appropriate acted upon. This will include feedback arising from customer satisfaction surveys, focus groups, tenants and residents meetings, formal and informal complaints, service users groups, the Talk to Us bus etc.
- Develop a notification procedure agreed and understood by all relevant staff to make sure that information about any changes that may affect rent or service charges is sent to the Income Team in a timely manner. This procedure must include monitoring arrangements and safeguards to take account of risk management.
- Develop a timetable and carry out a series of Value for Money reviews in order to identify high cost service areas and to identify efficiency savings leading to increased value for money.
- Report back to customers the results of their involvement and input. The methods used to feedback will be dependent upon the nature of the involvement but will include one or all of the following, providing a written summary of the findings and outcomes of surveys and targeted focus groups, reporting back to groups on progress against agreed action plans, reports to main and area boards, and through our Your said ...we did article in Homes and People.

Objective seven

Developing new business opportunities and potential income sources – Increase the customer numbers of our existing services

Key achievements

- The number of empty properties we have has decreased since the introduction of Your Choice Homes
- Brought back a large number of long term voids into the fold – rewrite and quantify.
- We have increased the number of CCAS customers.
- We have increased the number of customers for our furniture service
- Increased our external contracts for the Furniture Service by 3
- Received £12,000 grant from Greggs to be spent on furnishings for tenants (an increase of £2,000 on previous year)
- Received new funding from Ecclesiastic sources-£4,000 to be spent on furnishings for tenants
- Received £68,000 in charitable funds in total to be spent on tenants for furnishings
- Delivered grant aid to 23 organisations this year

Where we are now

Your Homes Newcastle was created with all eyes on 2010, our minds focused by the government's target date for the achievement of the Decent Homes Standard.

Our stock levels are decreasing due to a combination of demolitions and Right to Buy purchases, this in turn leads to a reduction in our income due to falling rental income. We also need to be mindful of the fact that funding for the Decent Homes Standard is only up to 2010.

YHN therefore recognises the need to identify ways to increase income levels both through increasing the number of customers that subscribe to our income generating services such as the Community Care Alarm service and the Newcastle Furniture Service and through identifying new business areas with potential for increased income generation (see objective eight below). Our Business Plan outlines our response to this challenge.

Management Team, Service Managers and staff have been looking at ways to increase our customer base as part of our Business and Financial planning process. Our Business and Financial Planning sessions for individual services and teams contribute towards the development of targets for services including, where appropriate, targets to increase the number of service users and income levels.

Where we want to be

We want:

- To develop our corporate image and reputation as a provider of excellent services.
- A robust public relations and marketing strategy in order to help attract new customers to our business.
- All staff to actively promote those services which will be of benefit to both our customers and ourselves as a business.
- To increase outputs and efficiency levels across all services.
- To make sure that we are able to identify available external funding opportunities and to maximise our ability to secure such funding by developing innovative solutions or bids.
- To ensure that we are able to maximise our take up of supporting people funding by putting in place mechanisms to be able to provide the necessary evidence to justify continued provision of services.
- To be able to identify new customers and markets that our existing services can develop.

How we will get there

We will:

- Develop a robust public relations and marketing strategy in order to continue to develop and improve our corporate image and reputation as a provider of excellent services in order to help attract new customers to our business.
- Set targets for staff in frontline services for signing up new customers to the Community Care Alarm service.
- Ensure it is the responsibility of a member of staff from the Business Strategy Unit to identify and access possible additional funding. The role will include identifying available grants and preparing funding bids and liaising with grant awarding bodies and appropriate staff within YHN as necessary.
- Investigate fully the opportunities to build new properties for rent in partnership with Newcastle City Council.
- A Business Strategy Team will be developed within the Business Development Unit to support service managers with business planning and service development. .

Objective eight

Developing new business opportunities and potential income sources – Identifying new business opportunities

Key achievements

- Produced a Delivery Plan which sets out what Your Homes Newcastle intends to achieve in the future not only in terms of key challenges and performance improvement, but it also highlights significant projects and actions that will help to take us forward.
(<http://www.newcastle.gov.uk/wwwfileroot/yhn/YHNDeliveryPlanv6.pdf>)
- The Delivery Plan looks beyond 2010 and the long-term direction for the organisation that the Board is exploring.
- In late 2005 and early 2006, the Board began to think about potential directions for the business, and the generation of income to replace that lost through falling rental income.
- Developed a Business Case Process which outlines how business development opportunities are identified and assessed.
- Produced Business Cases for a Gardening Service and Removal and Storage Service
- Service managers and staff have been proactive in identifying possible business development areas
- Expanded our range of services from the Community Care Alarm services central control, including: RepairCall, EnviroCall and ASB reporting line
- Provided business planning support to Furniture and Community Care Alarm services
- Our Asylum Seekers Unit has been awarded the new NASS contract
- Introduced garden equipment loan scheme
- Launched our own gardening equipment scheme as part of the Newcastle Furniture Service
- Provision of key guards to customers of CCAS
- Completed 1st phase of National pilot for Easycare (single assessment process)

Where we are now

Your Homes Newcastle recognises the need to increase our income and expand the business. In order to ensure the long term viability of Your Homes Newcastle we must, with direction from the Board, clarify our thinking about the longer term nature of the business. Ideas for developing the business and increasing income are at the heart of this process especially in light of falling rental income due to the reductions in the numbers of council properties.

Strategic Direction

In late 2005 and early 2006, the Board began to think about potential directions for the business, and the generation of income to replace that lost through falling rental income.

In order to arrive at agreed overarching principles and to avoid developing in an ad hoc way the Board took account of the following:-

- The extent to which reducing income through reducing stock means reduced service provision for our existing tenants (as opposed to staying as we are)
- The benefit to the delivery of excellent services from increased income to the HRA
- Whether there are some groups of customers that we would like to prioritise in terms of developing services for them
- Whether in some circumstances we would consider providing services at a net cost to the HRA, because the services seem very relevant to us and our strategic objectives or whether, as a minimum, service developments need to be self financing
- Whether all proposals should directly benefit existing tenants as service recipients, or whether increased income is considered to be a benefit in itself
- Whether all proposals should yield a specified rate of return, or whether we believe that in terms of income generation, every little helps
- The degree to which we need to be clear about what we are good at and where we may have a strong offer in the market
- The positive impact that services to non-tenants already has on our finances
- Whether we see it as appropriate to manage shrinking services in the public sector
- The views of the Audit Commission.

In order to help the Board carry out this important task Your Homes Newcastle have developed a Business Case Process which outlines how business development opportunities are identified and assessed.

Your Homes Newcastle Business Case Process

It is important that YHN begins to actively identify opportunities for generating income. There are 2 key reasons why:-

- The Audit Commission is keen for ALMO's to explore generating income from sources outside of their formal service agreements The Prospects for Improvement KLOE expects that an organisation with 'promising prospects for improvement' will have maximised income and been successful in securing other forms of inward investment, such as lottery funds, to meet service priorities;
- If we are to continue to provide high standards of service provision for existing services and develop new services for our customers we need to tap into new sources of income.

If we are to successfully identify and secure new opportunities to generate income we will need to be able to present a business case.

What is a Business Case?

A business case presents clearly information necessary to support a series of decisions. These decisions, over time, increasingly commit an organisation to the achievement of the outcomes or benefits possible as a result of investment in business change.

Investment may mean nothing more than committing a small amount of an existing resource such as staff time to a new activity. On the other hand it may mean significant investment in new equipment or premises.

What do we need to know?

If we are going to make decisions about a potential opportunity to generate income we need to know a lot of information and be able to answer a number of questions.

These questions are grouped into 5 key sections:-

1. Outline
2. Market Analysis
3. Cost Benefit Analysis
4. Risk Analysis
5. Definition of Success and Failure

Service level

In addition to the strategic process outlined above, service managers and staff have been proactive in identifying possible business development areas. An initial report has been received by Management Team outlining areas that have been identified as possible areas for expansion within existing service areas and also ideas for potential new service areas. This is an ongoing process.

The ideas and suggestions to come from this work are discussed by Management Team, any ideas that it is thought may be viable are assessed using the business case process outlined above, prior to being referred back to Management Team and Board.

Where we want to be

We want:

- To be able to identify and explore potential new areas of business in a robust manner taking account of the strategic objectives of the business
- To have a policy and procedure for identifying, assessing and communicating to service managers the procedural and resource implications of decisions resulting from the Business Case process.

How we will get there

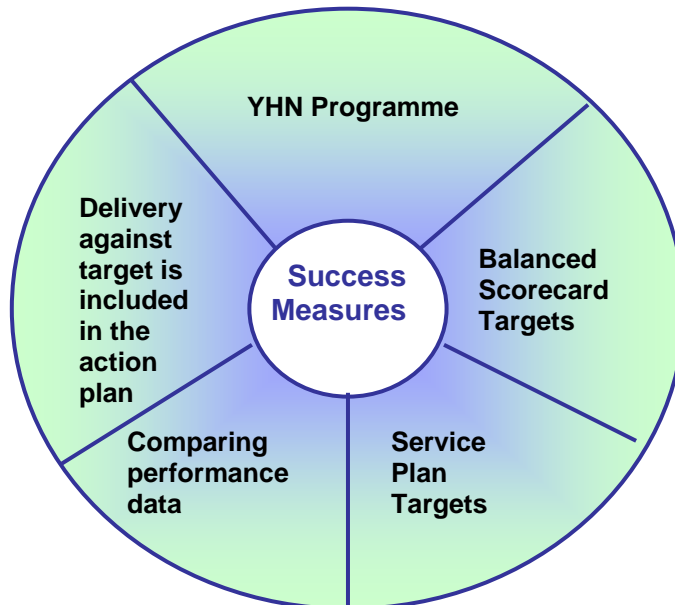
We will:

- Through the Business and Financial Planning process we will aim to identify services that we currently provide and could charge for, for example, building cleaning services, maintenance of communal areas etc.
- Develop a notification procedure agreed and understood by all relevant staff to make sure that information about any changes arising from the Business Case process that may affect rent or service charges are sent to the Income Team in a timely manner. This procedure must include monitoring arrangements and safeguards to take account of risk management.
- Identify and assess opportunities for new business ventures through the implementation of the corporate business case process.

Monitoring our progress

We want to understand the whole picture when it comes to assessing whether we have met our key aims and objectives and we want tenants and leaseholders, staff and the board to know how we are progressing. We will do this by producing an Income Management Annual report and other periodic reports so that people will be able to:

- make sure we have done the things we have said we are going to do
- know whether or not what we are doing is successful



Balanced scorecard Targets

- Reduce net rent arrears by 5% by 31/03/07
- Achieve a Housing Revenue Account balance of £5m by 31/03/07
- Achieve a 2.5% efficiency saving on 2004/05 baseline budget by 31/03/07

Service Plan Targets

- Delivering excellent services by providing a rental administration service to approx. 32,000 tenants. This includes the calculation of rent and service charges within the Governments Rent Reform and Convergence Guidelines. Annual Increase applied from 1st Monday of April, tenants must be given 4 weeks notice.
- Prompt and accurate processing of rent and service charges amendments are processed to the rent accounts within 5 working days
- Contribute to achieving an HRA Balance of £5 million by 31.03.07
- Ensuring all rental income collected is allocated and reconciled correctly in accordance with Financial Regulations. Providing quarterly reports on this to YHN Finance Committee
- Complete implementation of the Rent Module of Sx3 by March 2007, including FAMIS interface
- Launch incentives for take up of the most effective payment methods -promote direct debits June 2006

- Implement finding of the Debt Recovery Review by 31st December 2006
- Widen payment methods to include web & telephone by June 2006

All actions included in the action plan that accompanies this strategy will be integrated into the revised service plan, and will therefore be robustly monitored through the Service Plan monitoring framework.

Monthly Data

We will produce performance data every month covering:

- Rent collection
- FTA collection rates
- Service charge collection
- Efficiency savings.

YHN programme

Programme Board meets every month and receives updates on the products from each work-stream. Products with Income Management related impacts are currently featured across all project areas:

- Finance
- Stock Investment and Asset Management
- Business Processes
- Housing Management Review
- Value for Money
- Housing Management
- Miscellaneous

Budgets and financial management

The Housing Revenue Account and YHN budgets set out what services will be provided in the year and how they will be funded. The budgets are monitored and reported to Finance Committee and to the City Council at a Section 151 meeting on a monthly basis. Significant amendments to budgets are highlighted for approval by Finance Committee and the Board. The Board receives quarterly updates on the latest budget and Medium Term Plan position.

Performance Management

The overall purpose of our performance management framework is to ensure that our strategic objectives are threaded through all levels of the organisation to frontline service delivery. In other words it is designed to translate vision into action and to demonstrate the extent to which this occurs. The framework is used to drive improvement in services and is regularly refined and improved to reflect customer focus, tenant priorities and local circumstances.

Importantly performance is linked not only to short term outputs and outcomes but also to the way in which processes are managed to deliver long term success. Our targets and indicators are measured Citywide and some measured right down to performance in each Office or each Section. They feed into workplans for each

section and for individual members of staff, and are monitored through our uniform approach to supervision, workplans and appraisals. This provides for a structured and systematic approach to assessing past performance, setting future targets and identifying training and development needs to improve individual and team performance.

Success measures

It is vital that we identify what actions have provided positive results in terms of quality and cost and this requires formal evaluation. We will use a suite of measures that will include:

- A survey of service users to determine levels of customer satisfaction
- analysis/desk top research of:
 - changes in income levels, debt levels and arrears levels
 - Equal opportunities monitoring at each stage of the process
 - Monitoring of individual performance
 - customers experience
- Ongoing monitoring of performance against service plan targets, local PI's and relevant BVPI's (see above)
- Monitoring of progress towards action plan targets

Future performance

As an organisation we are aware that enduring, superior performance now requires flexibility, innovation, and speed and that competitive advantage will stem primarily from our internal resources and capabilities.

Income Management can play a central role in implementing YHN's overall strategy. With a properly developed strategic income Management framework and Debt Management process all staff throughout YHN can understand the relationship between income management and frontline service delivery.

We must therefore ensure that in the future YHN develops a measurement system that convincingly shows the impact the effective income management has on our overall business performance which could be the difference between us just keeping pace with other organisations and us surging ahead.

Risk Management

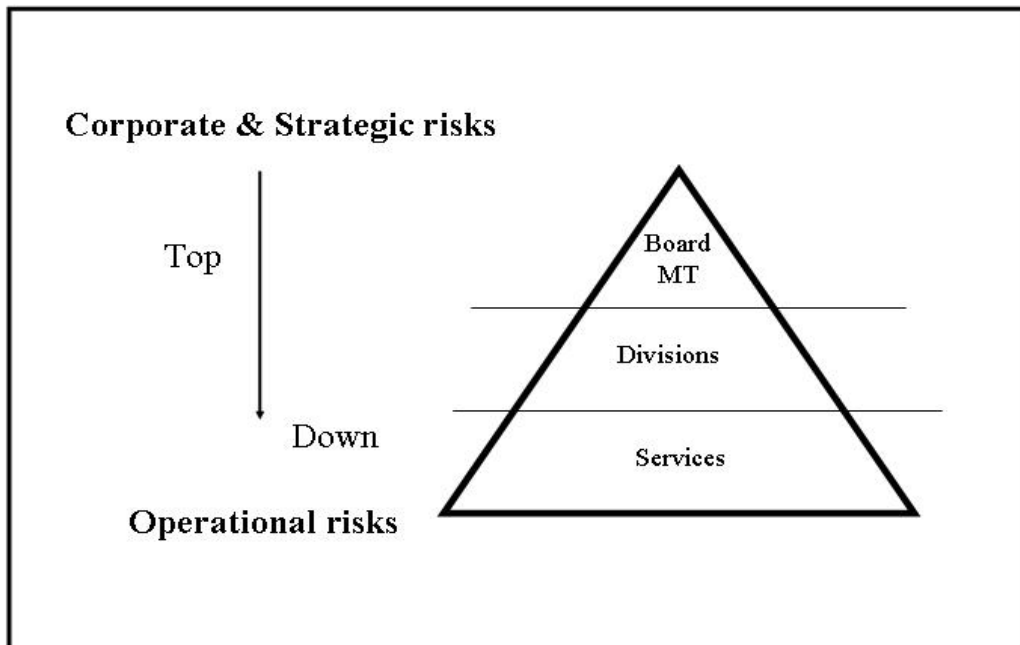
YHN has in a place a strategy to manage the risks to the organisation recognising the importance of the top corporate and strategic risks and the requirement to actively manage risks throughout YHN. The approach taken to risk management is therefore to start the process at the corporate and strategic level and then roll it out throughout the organisation.

Our processes include:-

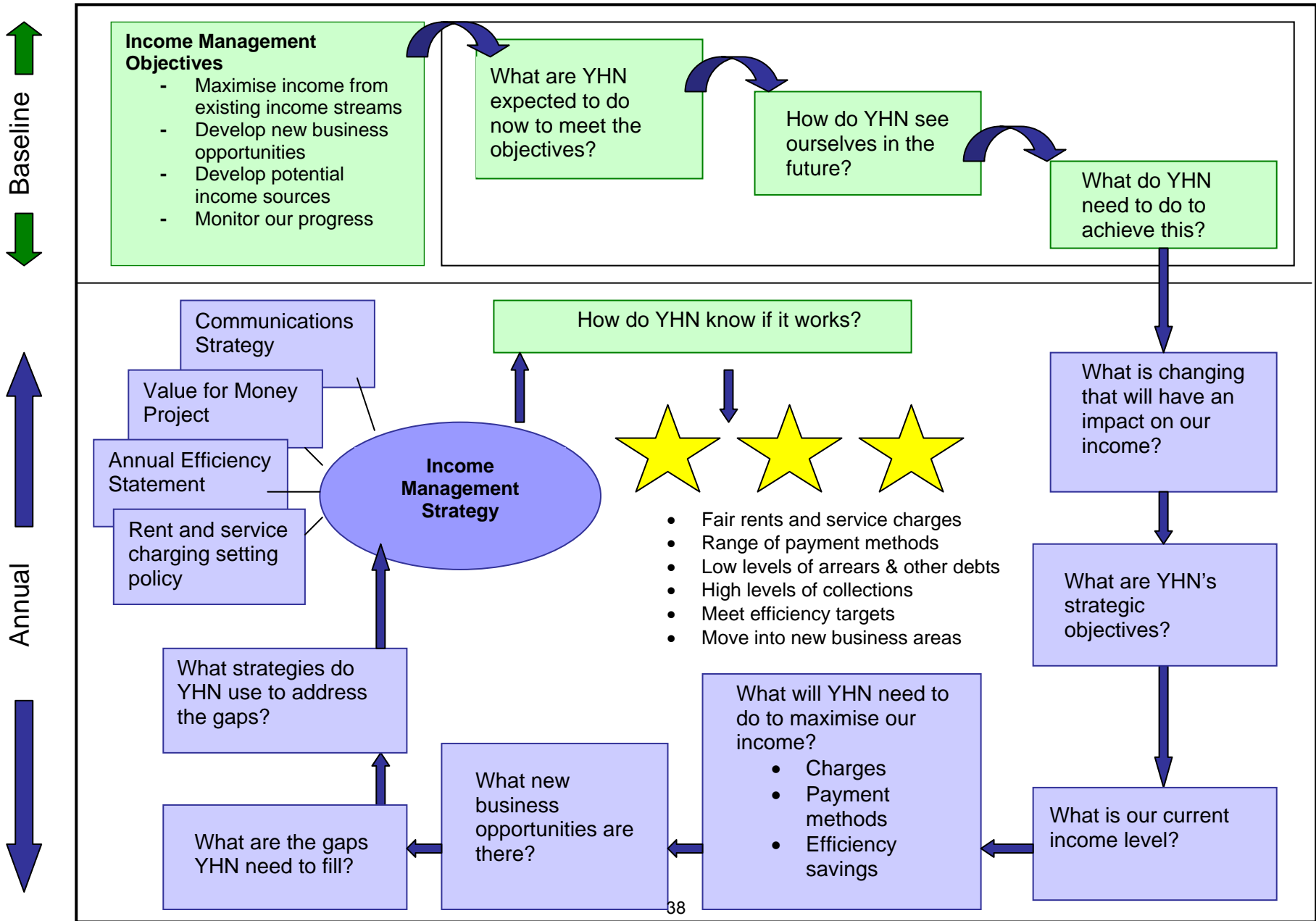
- Risk identification and scoring, including as assessment of the likelihood and potential impact of each risk
- The identification and assessment of controls

- Prioritisation and actions
- The completion and maintenance of risk logs
- Key roles and responsibilities

These apply to all levels of risk which we have identified in the diagram below.



Income Management Planning- An Overview



Appendix 2 – Income Management Strategy Action Plan

Reference	Action	Components	Target date	Owner
Objective 1. Setting appropriate rent and service charges.				
1.1	Agree with tenants, leaseholders and other stakeholders what is a fair charge or cost for those services that are value added services or are high cost.	<ul style="list-style-type: none"> • Review Furniture Service charges • Identify high cost services through HouseMark benchmarking and Annual Efficiency Statement guidance • Consult on charges / costs at Annual Tenants Event • Feed results into budget planning cycle 	<ul style="list-style-type: none"> • March 2007 • January 2007 • September 2007 • November 2007 	<ul style="list-style-type: none"> • Furniture Service Manager • Business Strategy Manager • Communications & Involvement Manager • Business Strategy Manager
1.2	Write a Rent and Service Charge Setting Policy.	<ul style="list-style-type: none"> • Review 3 star ALMO policies • Draft Policy • Consultation • Impact Needs Requirement Assessment • Final Policy 	<ul style="list-style-type: none"> • February 2007 • May 2007 • June 2007 • June 2007 • August 2007 	<ul style="list-style-type: none"> • Principle Income Manager • Principle Housing Manager • Principle Income Manager
1.3	Produce a procedure document detailing how we will keep our tenants informed of changes to rent and service charges.	<ul style="list-style-type: none"> • Procedure produced • Publicise to all staff 	<ul style="list-style-type: none"> • April 2007 • May 2007 	<ul style="list-style-type: none"> • Principle Income Manager

Reference	Action	Components	Target date	Owner
1.4	Review services if costs exceed charges	<ul style="list-style-type: none"> Identify high cost services through HouseMark benchmarking and Annual Efficiency Statement Services to be reviewed through 2006/07 Value For Money Workstream 	<ul style="list-style-type: none"> January 2007 March 2008 	<ul style="list-style-type: none"> Business Strategy Manager Head of Business Development
1.5	Develop a Charging Policy and Procedure for Supporting People and Social Services funded services.	<ul style="list-style-type: none"> Review 3 star ALMO policies Draft policy Consultation Final policy 	<ul style="list-style-type: none"> February 2007 March 2007 March 2007 May 2007 	<ul style="list-style-type: none"> Principle Finance Officer
1.6	Monitor how well our customers understand our Rent and Service Charge Setting Policy through the use of surveys and focus groups.	<ul style="list-style-type: none"> See action 1.2 Annual Income Focus Group 	<ul style="list-style-type: none"> March 2007 	<ul style="list-style-type: none"> Communications & Involvement Manager
1.7	Monitor the level of customer satisfaction with value added services.	<ul style="list-style-type: none"> Concierge Roadshow survey Newcastle Furniture Service satisfaction surveys Child Safety equipment Community Care Alarm service telephone surveys Sheltered Housing Service telephone survey Advice and Support workers survey 	<ul style="list-style-type: none"> January 2007 <p>} Ongoing – reported quarterly</p>	<ul style="list-style-type: none"> Performance Management & Policy Officer

Reference	Action	Components	Target date	Owner
Objective 2. Ensuring customers are aware of their responsibility to pay, when they need to pay, and the consequences of non payment.				
2.1	Produce publications clearly describing the Rent and Service Charge Setting Policy.	<ul style="list-style-type: none"> • See action 1.2 • Draft publications • Consultation • Final publications 	<ul style="list-style-type: none"> • August 2007 • September 2007 • October 2007 	<ul style="list-style-type: none"> • Principle Income Manager
2.2	Monitor how much our customers are aware of and understand their responsibility to pay, when they need to pay and the consequences of non payment	<ul style="list-style-type: none"> • New Tenants Survey – revised and re-launched • Annual Income Focus Group 	<ul style="list-style-type: none"> • Quarterly starting November 2006 • March 2007 	<ul style="list-style-type: none"> • Performance Management & Policy Officer • Communications & Involvement Manager
2.3	Consult with customers to ascertain how frequently they want to receive information about rent and service charge accounts, and in what format.	<ul style="list-style-type: none"> • Rent & Service Charge Survey • Annual Income Focus Group • Procedure / System design to meet customer requirements • Procedure / system implementation 	<ul style="list-style-type: none"> • January 2007 • March 2007 • April 2007 • April 2007 	<ul style="list-style-type: none"> • Performance Management & Policy Officer • Communications & Involvement Manager • Principal Income Manager • Principal Income Manager

Reference	Action	Components	Target date	Owner
2.4	Produce automatic reports through our integrated housing management software, NorthgateSX3, which will show separate accounts for rent arrears, court costs, service charges etc	<ul style="list-style-type: none"> • Design, produce and test reports. • Roll out regular reports 	<ul style="list-style-type: none"> • March 2007 • April 2007 	<ul style="list-style-type: none"> • Head of Housing Management
2.5	Review our approach to Rechargeable Works	<ul style="list-style-type: none"> • Review of Rechargeable works policy 	<ul style="list-style-type: none"> • March 2007 	<ul style="list-style-type: none"> • Principal Income Manager
Objective 3. Offering a wide range of flexible payment methods.				
3.1	Ensure messages contained in this strategy are incorporated into the YHN Communications Strategy and, where appropriate, the Rent Arrears Communications Strategy.	<ul style="list-style-type: none"> • Draft Rent Arrears Communications Strategy • Review of Strategy • Draft YHN Communications Strategy Action Plan • Implement actions of Rent Arrears Comms Strategy • Implement actions of YHN Comms Strategy 	<ul style="list-style-type: none"> • October 2006 • March 2007 • March 2007 • March 2007 • April 2007 	<ul style="list-style-type: none"> • Communications & Involvement Manager
3.2	All income streams to take payments via all payment methods including Direct Debit	<ul style="list-style-type: none"> • Project Team to centralise all payments functions established. • Implement recommendations of time limited working group 	<ul style="list-style-type: none"> • January 2007 • March 2007 	<ul style="list-style-type: none"> • Principal Income Manager

Reference	Action	Components	Target date	Owner
3.3	Encourage all our customers to set up bank accounts that accept requests for Direct Debit payments	<ul style="list-style-type: none"> • Identify suitable bank accounts • Agree protocols with Banks • Produce guidance for staff • Publicise to all staff • Publicise through Homes & People 	<ul style="list-style-type: none"> • September 2007 • November 2007 • December 2007 • December 2007 • January 2008 	<ul style="list-style-type: none"> • Principle Income Manager • Communications & Involvement Manager
3.4	Develop and introduce an incentive scheme aimed at increasing the use of Direct Debits	<ul style="list-style-type: none"> • Review 3 star ALMO schemes • Draft scheme • Consultation • Final scheme 	<ul style="list-style-type: none"> • July 2007 • August 2007 • September 2007 	<ul style="list-style-type: none"> • Principle Income Manager
3.5	Increase the number of available payment dates for Direct Debit customers	<ul style="list-style-type: none"> • Establish Direct Debit team within Income Section • Revise direct debit procedures and IT processes. • Roll out 	<ul style="list-style-type: none"> • February 2007 • March 2007 • April 2007 	<ul style="list-style-type: none"> • Principle Income Manager • Principal Income Manager • Principal Income Manager
3.6	Develop a marketing and advertising campaign to promote the use of Direct Debit payments	<ul style="list-style-type: none"> • See action 3.4 • Marketing and advertising campaign designed • Implementation of campaign 	<ul style="list-style-type: none"> • September 2007 • October 2007 	<ul style="list-style-type: none"> • Communications & Involvement Manager
3.7	Offer customers the facility to use paperless direct debit as soon as possible.	<ul style="list-style-type: none"> • See action 3.3 • See action 4.1 • Agree process with BACS • Upgrade to next version of SX3Northgate 	<ul style="list-style-type: none"> • April 2008 • April 2008 	<ul style="list-style-type: none"> • Principle Income Manager

Reference	Action	Components	Target date	Owner
3.8	Provide staff with the skills and resources to be able to discuss all payment options during interviews with customers	<ul style="list-style-type: none"> • Training Needs Analysis • Guidance for staff • Training sessions 	<ul style="list-style-type: none"> • April 2007 • May 2007 • June 2007 	<ul style="list-style-type: none"> • Manager Organisational Development
Objective 4. Offering a wide range of ways for service users to access our services				
4.1	Market test YHN web-site	<ul style="list-style-type: none"> • Functional / technical specifications • Draft market test questionnaire • Providers identified • Market test undertaken 	<ul style="list-style-type: none"> • January 2007 • February 2007 • January 2007 • March 2007 	<ul style="list-style-type: none"> • Business Strategy Manager
4.2	Deliver on the actions detailed in the Corporate Equality Plan, Race Equality Scheme and Disability Equality Scheme	<ul style="list-style-type: none"> • Corporate Race Equality Plan actions • Race Equality Scheme actions • Disability Equality Scheme actions 	<ul style="list-style-type: none"> • Various dates for actions as detailed in Schemes 	<ul style="list-style-type: none"> • Various as detailed in Schemes

Reference	Action	Components	Target date	Owner
4.3	Implement Housing Management Review recommendations	<ul style="list-style-type: none"> • Extending Community Housing Office* opening hours to 8.30am to 4.30pm (bar Wednesday's – close at 3.00pm). *excluding Fawdon • Changing 3 CHO's to satellite offices to allow staff to provide more home visits during afternoons when the office is closed. • Closing the Daisy Hill, Fawdon, Heaton and St Anthony's North in Phase 1 & Phase 2 of change programme. This will allow the establishment of larger teams, allowing staff to provide more home visits across all housing management services. • Provide PC's in all CHO interview rooms, to allow officers to provide `real time` information on customer rent accounts etc. 	<ul style="list-style-type: none"> • January 2007 • October 2006 • Phase 1 - March 2007 • Phase 2 - June 2007 • April 2007 	<ul style="list-style-type: none"> • Head of Housing Management

Objective 5. Effectively managing and minimising customer debt.

5.1	Regular monitoring of the rent recovery process through reports to Housing Management Service	<ul style="list-style-type: none"> • Reports designed • Agree frequency of reporting and report recipients • Consultation on reports and reporting arrangements • Implementation 	<ul style="list-style-type: none"> • February 2007 • February 2007 • March 2007 • March 2007 	<ul style="list-style-type: none"> • Business Strategy Manager
5.2	Induction training that is specific to job roles to be provided (e.g. for those staff that are involved in rent recovery this will include specific training on the rent recovery procedures)	<ul style="list-style-type: none"> • Specific training requirements mapped to job types • Draft induction training plans for job types 	<ul style="list-style-type: none"> • October 2007 • January 2008 	<ul style="list-style-type: none"> • Manager Organisational Development
5.3	Procedural guidance, and an information booklet for staff so that they can signpost customers to appropriate advice and support agencies	<ul style="list-style-type: none"> • Procedural guidance for staff • Information booklet for staff • Publicise to all staff 	<ul style="list-style-type: none"> • April 2008 • April 2008 • May 2008 	<ul style="list-style-type: none"> • Advice & Support Manager
5.4	Produce an information leaflet about advice and support agencies for customers.	<ul style="list-style-type: none"> • Draft leaflet • Consultation • Final leaflet 	<ul style="list-style-type: none"> • April 2008 • May 2008 • June 2008 	<ul style="list-style-type: none"> • Advice & Support Manager
5.5	Review of the Advice and Support team	<ul style="list-style-type: none"> • Scope review • Produce YHN Programme Product Descriptions • Undertake review 	<ul style="list-style-type: none"> • March 2007 • March 2007 • March 2008 	<ul style="list-style-type: none"> • Advice & Support Manager • Project Officer • Advice & Support Manager

5.6	Amend the sign up procedure and checklist to ensure that all new customers are asked about a benefits welfare check	<ul style="list-style-type: none"> • Amend procedure • Publicise to all staff 	<ul style="list-style-type: none"> • February 2007 • March 2007 	<ul style="list-style-type: none"> • Advice & Support Manager
5.7	Improve collaborative working with partner agencies around debt management	<ul style="list-style-type: none"> • Identify partners • Draft protocols / procedures • Consultation • Final protocols / procedures 	<ul style="list-style-type: none"> • April 2007 • December 2007 • January 2008 • March 2008 	<ul style="list-style-type: none"> • Advice & Support Manager
5.8	Marketing campaign to promote the take up of benefits and advice and support	<ul style="list-style-type: none"> • See 3.1 • Draft marketing campaign • Campaign implementation 	<ul style="list-style-type: none"> • May 2007 • July 2007 	<ul style="list-style-type: none"> • Communications & Involvement Manager
5.9	Marketing campaign to raise awareness of the importance of making payments as agreed to YHN and Newcastle City Council.	<ul style="list-style-type: none"> • Being undertaken through the time limited Rent Arrears Working Group 	<ul style="list-style-type: none"> • April 2008 	<ul style="list-style-type: none"> • Communications & Involvement Manager
5.10	Pilot seminar for increasing financial awareness amongst tenants	<ul style="list-style-type: none"> • Identify sources of funding • Design seminar • Recruit delegates • Run pilot • Evaluate 	<ul style="list-style-type: none"> • February 2007 • May 2007 • June 2007 • July 2007 • August 2007 	<ul style="list-style-type: none"> • Advice & Support Manager
5.11	Review approach to rechargeable repairs	<ul style="list-style-type: none"> • Review 3 star ALMO policies • Draft Policy • Consultation • Impact Needs Requirement Assessment • Final Policy 	<ul style="list-style-type: none"> • February 2007 • May 2007 • June 2007 • June 2007 • August 2007 	<ul style="list-style-type: none"> • Head of Technical Maintenance

Objective 6. Maximising value for money and increasing organisational efficiency

6.1	Contribute to Newcastle City Councils Annual Efficiency Statement by identifying both revenue and capital efficiency gains.	<ul style="list-style-type: none"> • Forward look • Mid term update • Backward look 	<ul style="list-style-type: none"> • March 2007 • September 2007 • June 2008 	<ul style="list-style-type: none"> • Business Strategy Manager
6.2	Produce an Efficiency Strategy	<ul style="list-style-type: none"> • Review HouseMark Benchmarking Club data • Analyse service out turns / budgets using HouseMark guidance • Review 3 star ALMO strategies • Draft Strategy • Consultation • Impact Needs Requirement Assessment • Final Strategy 	<ul style="list-style-type: none"> • November 2006 • January 2007 • January 2007 • February 2007 • February 2007 • March 2007 • March 2007 	<ul style="list-style-type: none"> • Business Strategy Manager
6.3	Use the Value for Money Project in the 3 Star Service Improvement Programme to coordinate the delivery of several projects which will improve organisational efficiency.	<ul style="list-style-type: none"> • Deliver 2006/07 programme • Agree 2007/08 programme • Undertake service reviews 	<ul style="list-style-type: none"> • March 2007 • March 2007 • March 2008 	<ul style="list-style-type: none"> • Head of Business Development

6.4	Improve access to live performance management information for service managers through the roll out of the web intelligence module of our integrated management information system Northgate.	<ul style="list-style-type: none"> • Develop reports to be included in web intelligence module • Allocate access permissions for reports to all Housing Management, Income, Performance Management and rent arrears staff • Train Managers and staff to use web intelligence • Roll out access to all relevant staff 	<ul style="list-style-type: none"> • August 2006 • October 2006 • December 2006 • January 2007 	<ul style="list-style-type: none"> • Northgate Project Manager
6.5	Introduce monthly financial reports to be sent to all managers with budgetary responsibility	<ul style="list-style-type: none"> • Implement NCC Budget Management Tool for HRA and YHN budget holders 	<ul style="list-style-type: none"> • April 2007 	<ul style="list-style-type: none"> • Principal Finance Officer - Revenue
6.6	Monitor our service standards and review as necessary in order to achieve our aim of continued service improvement.	<ul style="list-style-type: none"> • Deliver 2006/07 reporting and review programme • Agree 2007/08 reporting and review programme • Undertake reporting and review programme 	<ul style="list-style-type: none"> • March 2007 • March 2007 • March 2008 	<ul style="list-style-type: none"> • Performance Management & Policy Officer
6.7	Develop a notification procedure agreed and understood by all relevant staff to make sure that information about any changes that may affect rent or service charges is sent to the Income Team in a timely manner.	<ul style="list-style-type: none"> • Procedural guidance for staff • Publicise to all staff 	<ul style="list-style-type: none"> • March 2007 • April 2007 	<ul style="list-style-type: none"> • Principle Income Manager

6.8	Review and develop our marketing strategy in order to continue to develop and improve our corporate image and reputation as a provider of excellent services	<ul style="list-style-type: none"> • Review Marketing and Communications Strategy • Consultation • Amend draft • Re-launch of Strategy 	<ul style="list-style-type: none"> • September 2007 • November 2007 • March 2008 • April 2008 	<ul style="list-style-type: none"> • Communications & Involvement Manager
6.9	Incentives for staff / customers for referrals of new customers to the Community Care Alarm service.	<ul style="list-style-type: none"> • See CCAS Business Plan 		
6.10	Identify and access possible additional funding by identifying available grants and preparing funding bids and liaising with grant awarding bodies and appropriate staff within YHN as necessary.	<ul style="list-style-type: none"> • Membership of Grantfinder • Identify opportunities for funding from referrals 	<ul style="list-style-type: none"> • November 2007 • Ongoing 	<ul style="list-style-type: none"> • Policy Officer
6.11	Investigate fully the opportunities to build new properties for rent in partnership with Newcastle City Council.	<ul style="list-style-type: none"> • Proposal for new build pilot • Proposal for Special Purpose Vehicle to deliver affordable housing 	<ul style="list-style-type: none"> • October 2006 • March 2007 	<ul style="list-style-type: none"> • Business Strategy Manager • Head of Business Development
6.12	Identify services through Business and Financial Planning that we currently provide and could charge for	<ul style="list-style-type: none"> • Staff sessions • Draft Delivery / Service Plan • Consultation • Final Delivery / Service Plan 	<ul style="list-style-type: none"> • February 2007 • January 2007 • February 2007 • March 2007 	<ul style="list-style-type: none"> • Business Strategy Manager
6.13	Identify and assess opportunities for new business ventures through the implementation of the corporate business case process.	<ul style="list-style-type: none"> • Deliver 2006/07 business case proposals • Identify proposals for 2007/08 • Process 2007/08 proposals 	<ul style="list-style-type: none"> • March 2007 • April 2007 • March 2008 	<ul style="list-style-type: none"> • Business Strategy Manager