

# Performant Public Services

Exceed Performance Targets Through  
Streamlined Operational Efficiency

Seminar 1: Richard Bayley  
Places for People Group



# Public Sector Seminar

Richard Bayley

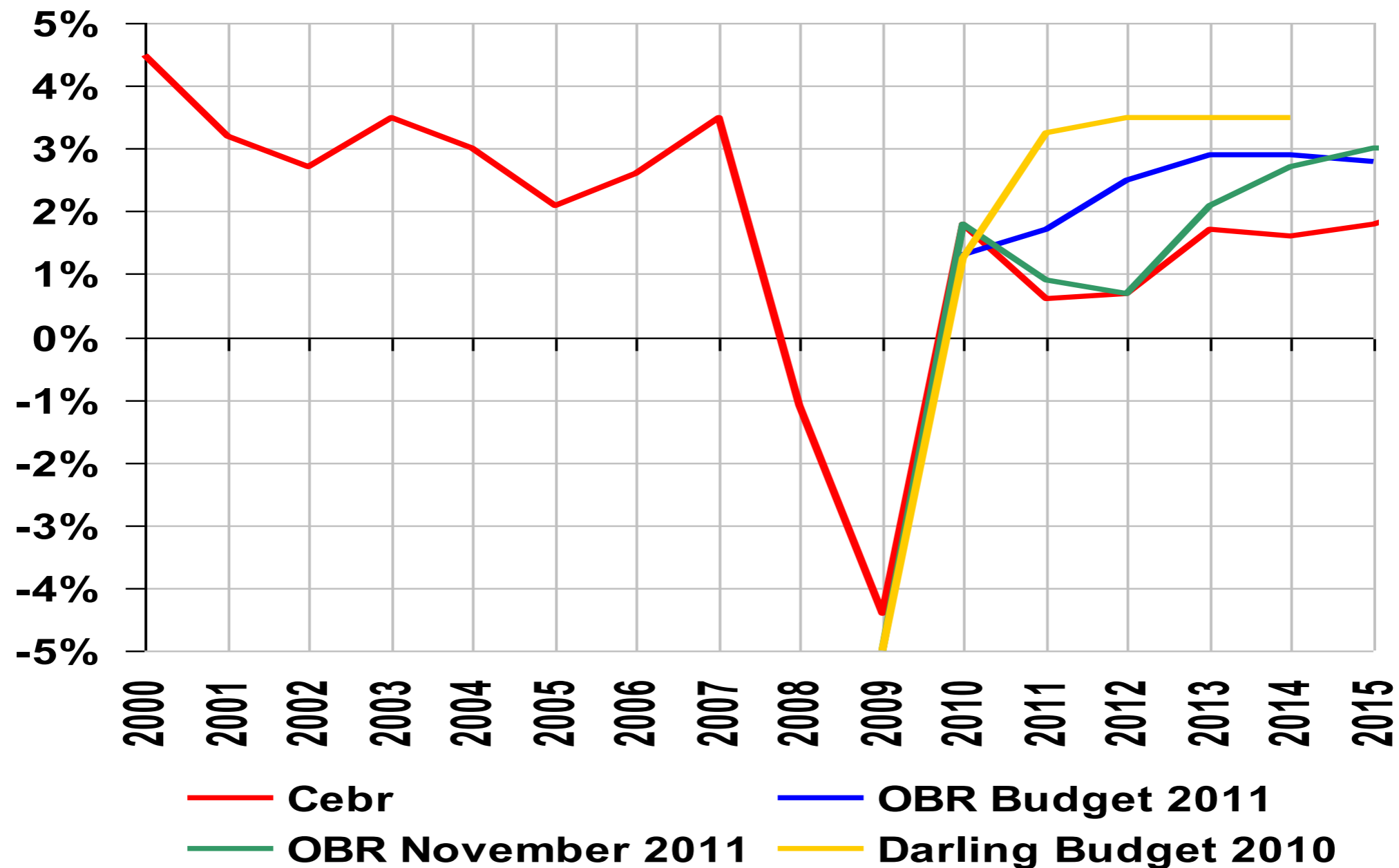
Research & Planning Director

# Planning & Performance

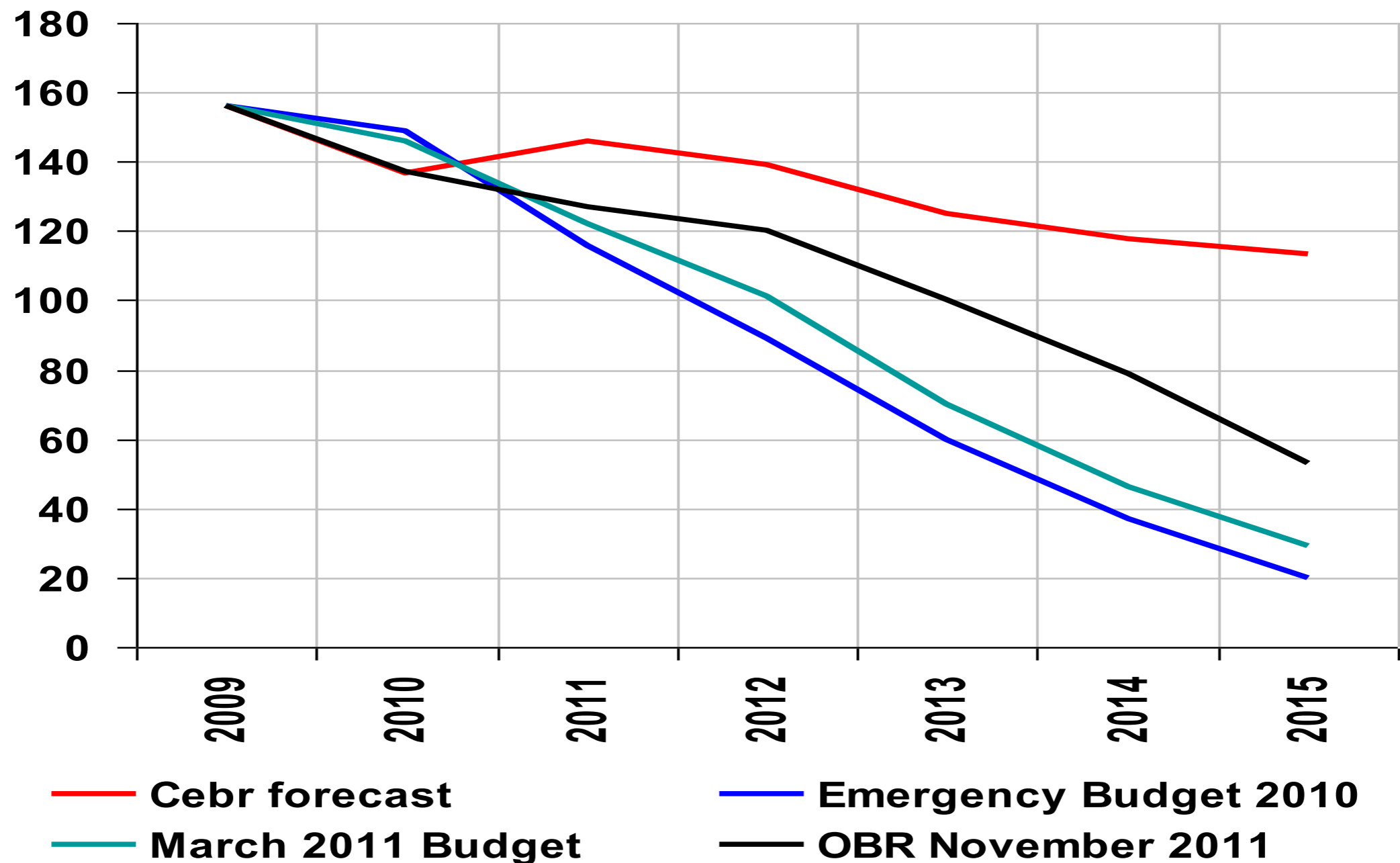
## - post CSR & Localism

- Economy & Politics
- Market dynamics
- Opportunities & Risks
- Implications for Planning & Performance
- Planning has real significance
- Performance requires more focus
- Summary

# UK real GDP annual percentage change



# Public borrowing target revised upward



# Economy

- Biggest threats to the UK economy are:
  - Eurozone
  - Emerging economies (eg. China and India)
- Government deficit not reducing quickly
- Disposable incomes (tax, inflation & energy)
- Real and sustained implications for RPs
  - Interest Rates
  - Maintenance (& other external) Costs
  - Income levels & Benefit changes

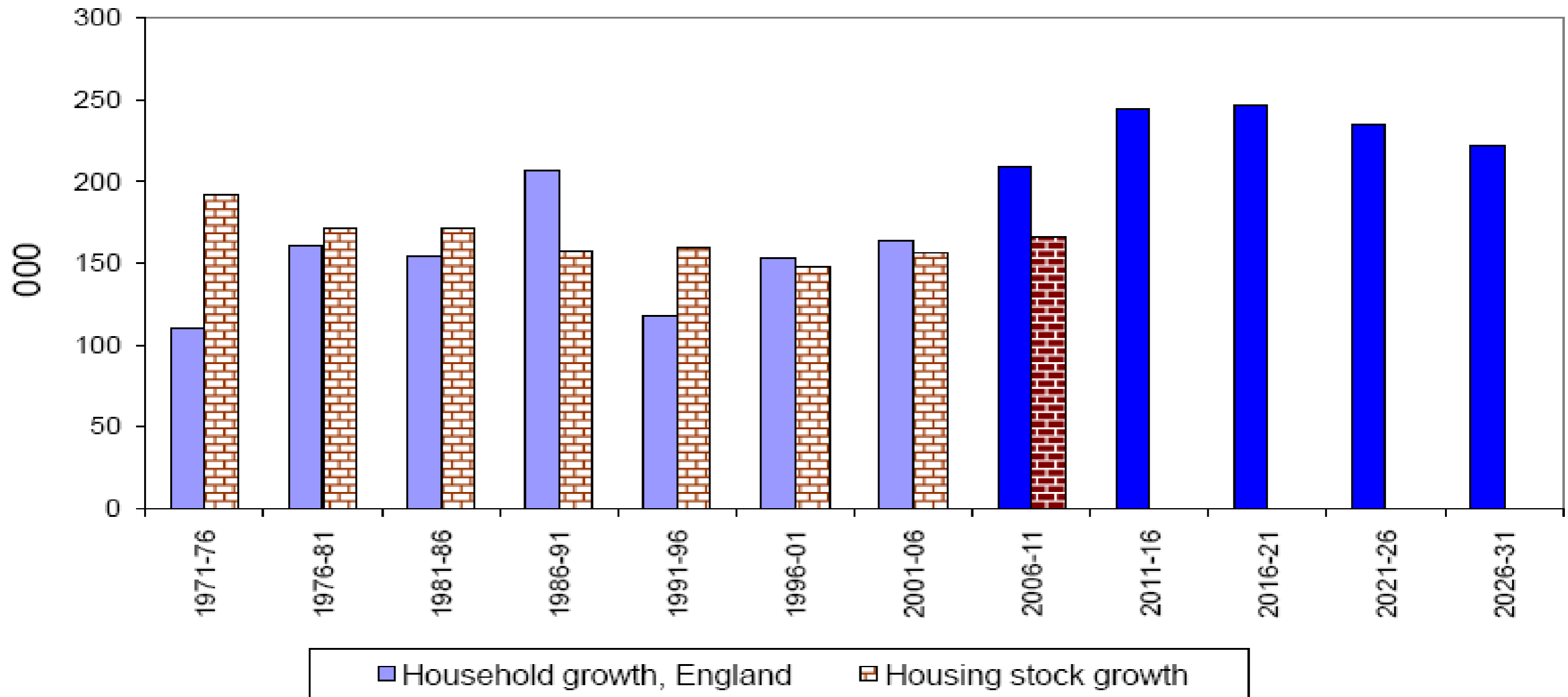
# Politics

- Medium and Long term scenarios
  - Will Plan A+ deliver growth before election?
  - Can/Will Labour reverse structural changes?
  - More tax and public expenditure cuts?
- Reality is that RPs are now in a new world
  - Gvt funding: little or no public funding
  - Finance: corporate/mortgage lending tight
  - Customers: not able to respond to demand

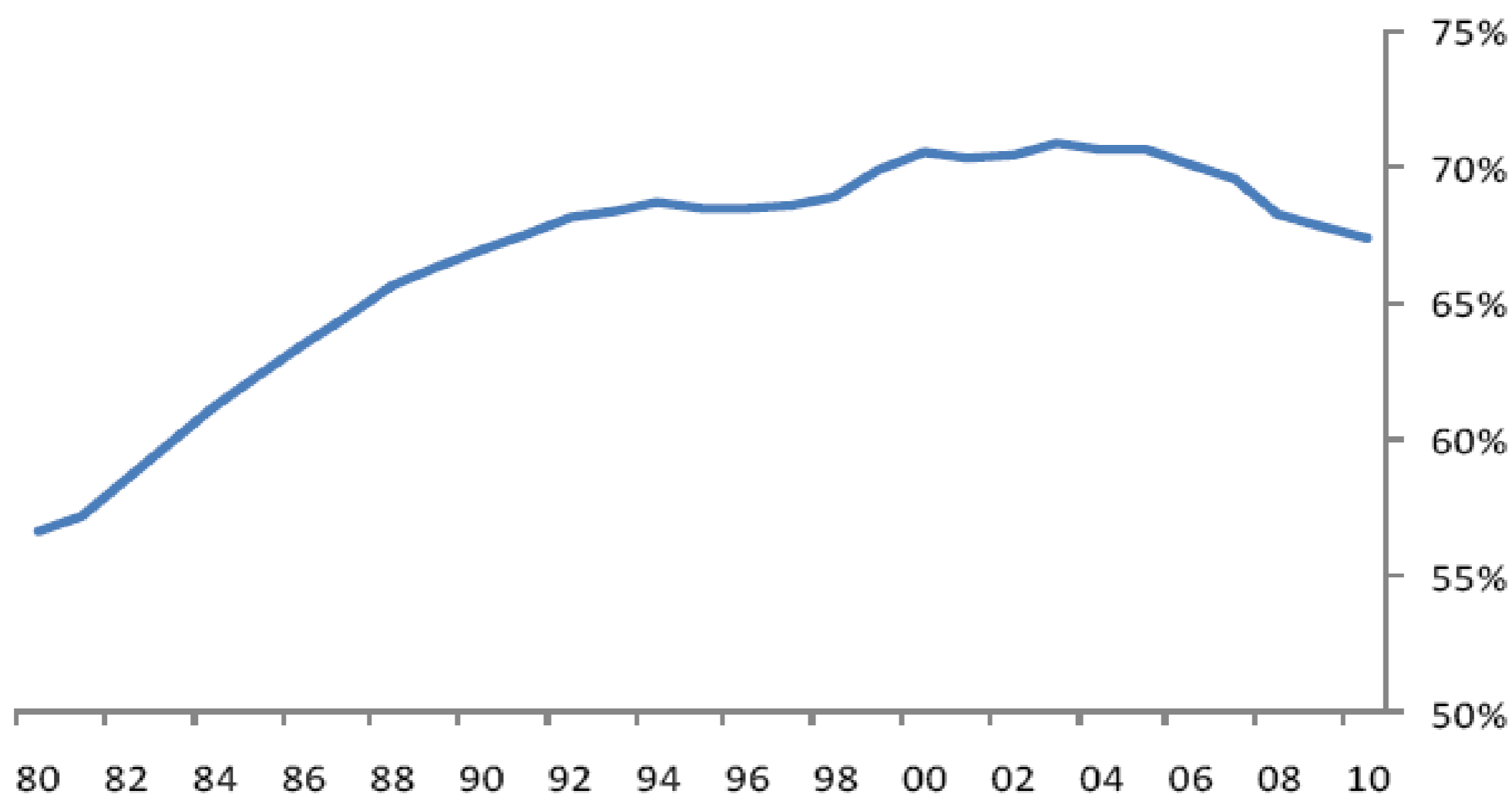
# RSL finances



## Household & Housing Stock Growth (England) Average annual increases (2008-based projections)

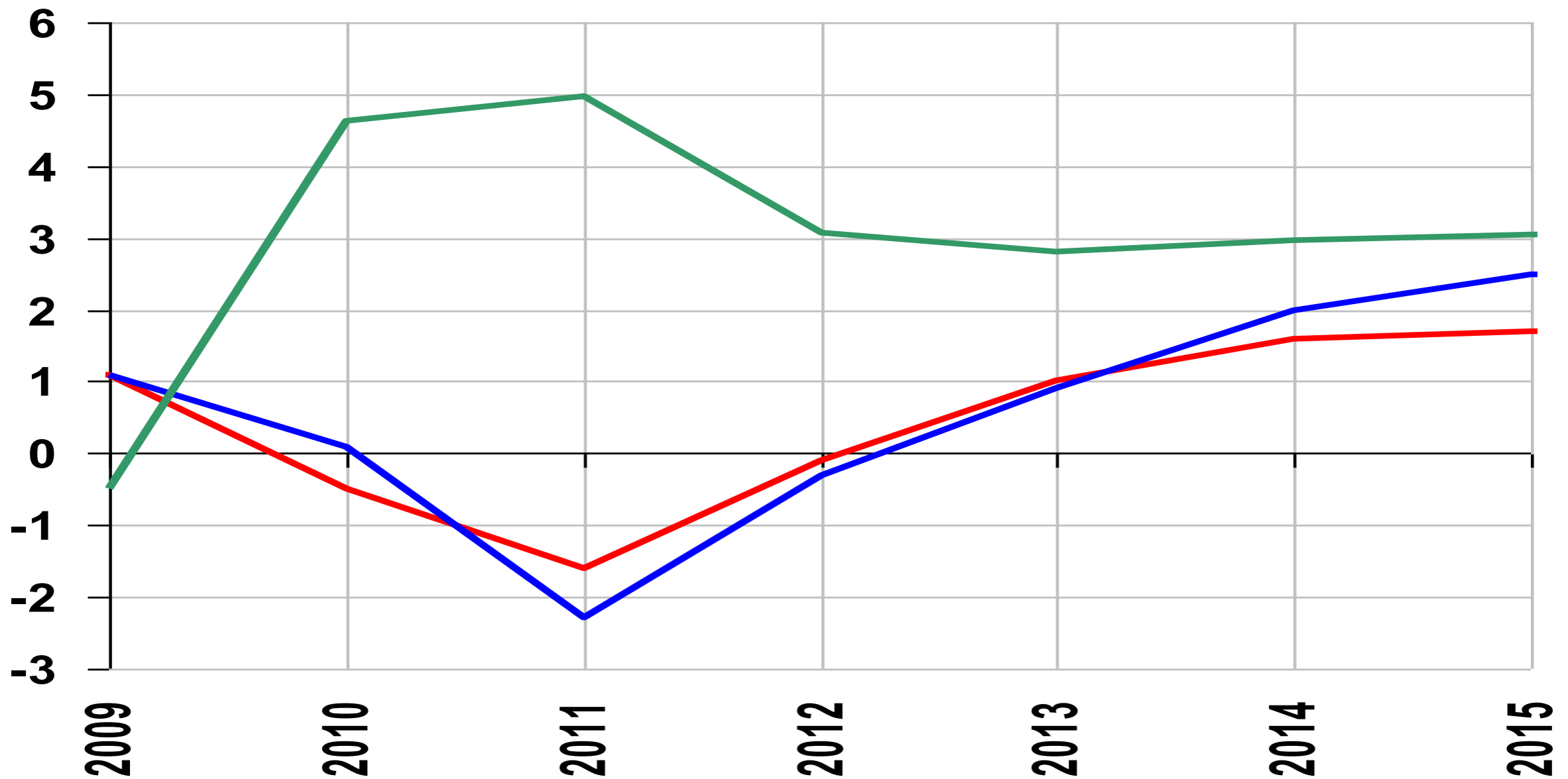


# Share of Owner-Occupied Housing



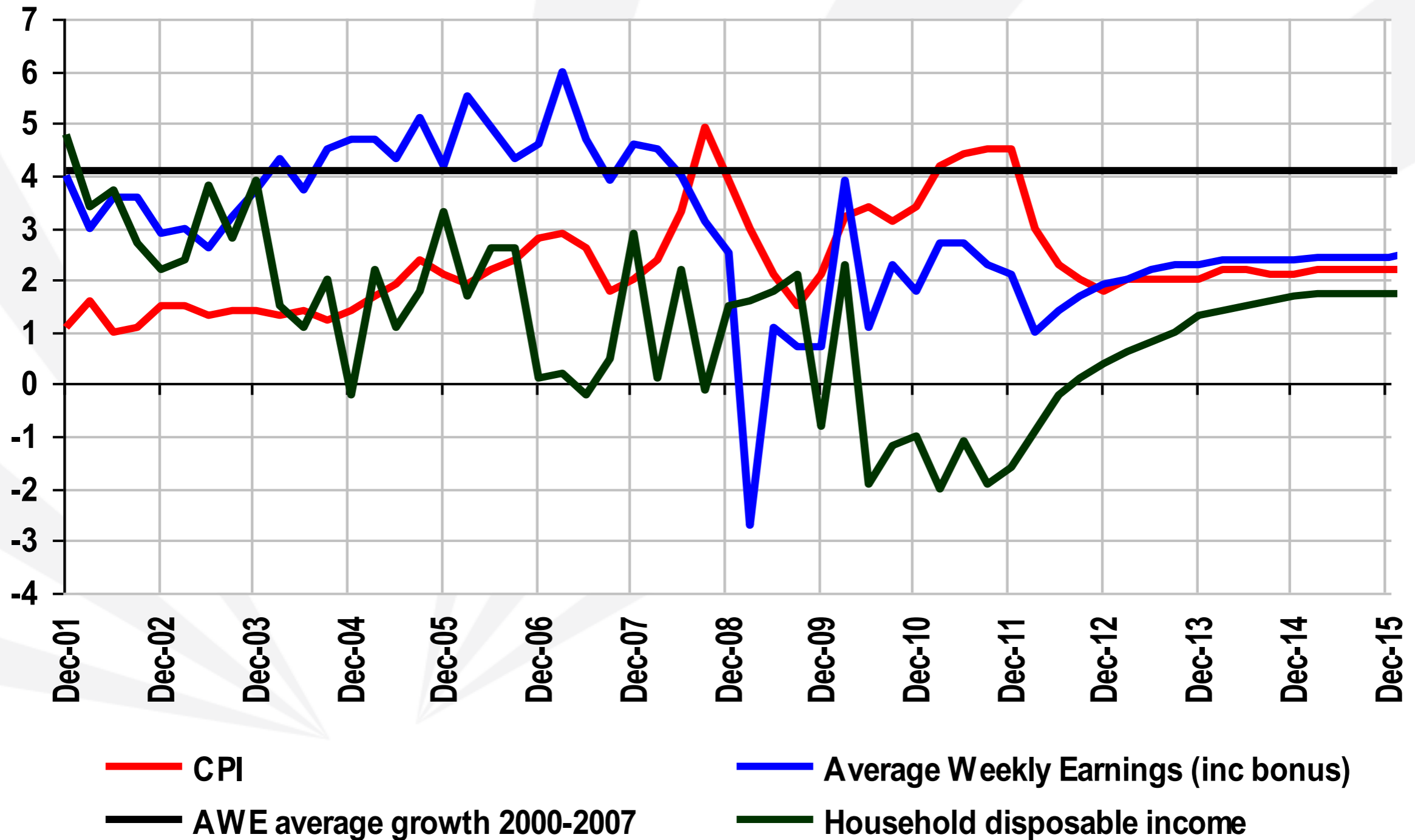
Source: English Housing Survey 2009/2010

# Real disposable incomes



- Real disposable income Cebr
- Real disposable income OBR
- RPI

# Annual CPI, earnings growth, disposable incomes



# Opportunities & Risks

## Opportunities

- New tenures
- New strategic alliances
- New local authority HRA companies
- New investment into the sector

## Risks

- Worsening arrears
- > inflation increases in external costs
- Less grants & local authority services
- Tighter & more costly cost of finance

# Implications for Planning & Performance

- Business Basics
  - Cash management (reduce need for lending)
  - Asset management (maintain profit margins)
  - Customer service (co-regulatory focus)
- Silo systems
  - Planning has focused on stakeholders
  - Performance has been driven by regulation
  - Finance has tended to have historic focus
  - Risk has tended to be a text book exercise

# Performance now requires more focus

- Cash Management (now 0.5% ~ £1m)
  - Arrears focus due to benefit changes
- Asset Management (now 2.5% ~ £0.9m)
  - Profit per property focus to protect margins
- Customer Service & Insight
  - Customers & Investors need to know it is good
- Performance framework
  - Process, Satisfaction, Standards, VfM

# Summary

- Economic & Political realities mean that the housing world has & will continue to change
- Opportunities with housing demand still strong & potential for new investment funds
- Implications of this new world are:
  - Longer term planning and scenario analysis
  - Shorter term predictions of performance
  - Asset management of whole portfolio
  - Customer profiling to improve performance and asset management

# Questions?

# Performant Public Services

Exceed Performance Targets Through Streamlined Operational Efficiency

Coffee Break

