

## Joint Report of the Chief Executive and the Deputy Chief Executive

**BUSINESS PLANS AND FINANCIAL ESTIMATES 2021/22 - 2023/24**1. Purpose of report

To consider proposals for business plans, detailed revenue budget estimates for 2021/22; capital programme for 2021/22 to 2023/24; and proposed fees and charges for 2021/22 in respect of the Council's priority areas.

2. Detail

As part of the Council's performance management framework, the business and financial plans for the five corporate priority areas identified within the Corporate Plan are brought together in one report so that the linkages between service priorities, spending proposals and targets are clear.

Under the Constitution, financial and business planning is reported to the Committee which has primary responsibility for oversight of the relevant corporate priority area and related services, in this case Housing.

An extract of the proposed Housing Business Plan is provided in appendix 1b. The extract includes relevant critical success indicators (CSI), key performance indicators (KPI) and key tasks and priorities for improvement (actions) for approval by Members.

The revenue and capital budget proposals for the corporate priority and relevant service areas, together with the proposed fees and charges, are provided in in appendices 2a to 2c.

Following consideration by the respective Committees, a summary of the estimates, including any changes recommended, will be presented to the Finance and Resources Committee on 11 February 2021 for consideration and recommendation to Full Council on 3 March 2021.

**Recommendations**

1. **The Committee is asked to RESOLVE that the Housing Business Plan be approved.**
2. **The Committee is asked to RECOMMEND that the Finance and Resources Committee recommends to Council that the following be approved:**
  - a) **The detailed revenue budget estimates for 2021/22 (base) including any revenue development submissions.**
  - b) **The capital programme for 2021/22 to 2023/24**
  - c) **The fees and charges for 2021/22.**

Background papers – Nil

**APPENDIX 1****Introduction**

The Council's business and financial planning framework is one of identifying key service and spending pressures and prioritising resources accordingly, taking into account national and local priorities.

The targeted outcomes from these key issues and the anticipated impact on service performance are set out in business plans. These plans are combined with financial information, including proposals for reducing business costs and increasing income, to form the Business Plans for each priority area.

This report considers the detail in respect of the Business Plan covering the priority area of Housing. The financial consequences of the business plan, together with the expenditure and income from maintaining existing services, are set out in the revenue budget proposals, the capital programme and the proposed fees and charges which follow the plan.

Within the Business Plan there are some key tasks which can be met from existing resources or which relate to policy preparation. These are not included in the key spending proposals detailed in the appendices. Any planned activities which will have a financial implication either by increasing costs or reducing income are identified in the budget papers.

There are several key tasks where it is not appropriate to make financial provision at this stage. These include areas that are subject to external funding bids, partnership arrangements or where insufficient information exists at the present time. In addition, there are a number of capital schemes within the programme which are deemed to be 'awaiting funding' pending receipt of the necessary resources to complete them. These schemes will be brought forward for approval once a potential funding source has been identified.

All of these items will be the subject of further reports throughout 2021/22 as further information and resources become available, thus ensuring that the service and financial planning framework is a fluid process.

**Business planning**

As part of the Council's performance management framework, it is the responsibility of each Committee to consider its business plans prior to recommendations being made to Council. The purpose of the plans is twofold. Firstly, they establish the linkage between the Council's high-level objectives and the strategies and aims of the respective services, and secondly, they outline the services' proposals for meeting those aims and objectives.

This report deals with the Housing Business Plan and associated budgets covering this priority area. The Council's corporate objectives and aims, as included in the Corporate Plan, are shown at appendix 1a to provide the framework for consideration of the plans.

**Financial background**

The revenue and capital budget proposals for the corporate priority, together with proposed fees and charges, are shown in appendices 2a to 2c.

The revenue budgets show the 2020/21 revised estimate as of December 2020 and the 2021/22 base estimate for the areas encompassed by the relevant business plans. The base estimate figures generally reflect the same level of service as in the current year with a few exceptions.

The following are included in the 2021/22 base figures in this report:

- a) Allowance for certain inflationary pressures including the pay award and cost of utilities. These allowances are guided by the best indications available at the time.
- b) Anticipated additional income within the General Fund and the Housing Revenue Account (HRA) arising from the review of fees and charges.
- c) The revenue effects of the 2021-2024 capital programme including the cost of any new borrowing to support the capital programme.
- d) Any revenue developments.

The classification of expenditure shown in the revenue estimates is based on the CIPFA Standard Accounting Classification. The following shows the type of expenditure charged to each heading:

- Employee Expenses – salaries and wages; employer’s national insurance and pensions contributions
- Premises Related Expenses – repairs, alterations and maintenance of buildings, fixed plant and grounds; energy costs; rents; national non-domestic rates; water charges; fixtures and fittings; cleaning and domestic supplies.
- Transport Related Expenses – direct transport costs; recharge of pooled transport costs; travelling allowances
- Supplies and Services – equipment, furniture and materials; clothing, uniforms and laundry; printing, stationery and general; office expenses; postages; telephones; insurances; grants and subscriptions; miscellaneous expenses
- Third Party Payments – other local authorities; private contractors; charges from trading services
- Transfer Payments – Housing and Council Tax Benefits
- Central, Departmental and Technical Support Services - administrative buildings expenses; central departmental support; departmental administration

- Capital Financing Costs – operating lease charges; asset register charges

## Appendix 1a

**FRAMEWORK FOR BUSINESS PLANNING**

The Corporate Plan is subject to annual review to ensure that it continues to reflect the aims and objectives of the Council.

**Vision**

The Council's Vision for Broxtowe is "**greener, safer, healthier Broxtowe, where everyone prospers**".

**Priorities**

The Council's updated priorities have been updated have been developed within the context of national, regional and countywide plans and priorities with the aim being to align these with our own aspirations wherever possible.

The Council's priorities are **Housing, Business Growth, Environment, Health** and, **Community Safety**.

Underpinning the above and all of the Council's work is a series of values which the Council has adopted, namely:

**G**oing the extra mile: *a strong, caring focus on the needs of communities*

**R**eady for change: *innovation and readiness for change*

**E**mloyees: *valuing our employees and enabling the active involvement of everyone*

**A**lways improving: *continuous improvement and delivering value for money*

**T**ransparent: *integrity and professional competence*.

**Objectives**

Each priority area is underpinned by its strategic objectives. Each strategic objective has targeted outcomes against which progress can be monitored.

The priorities and objectives for **Housing** are 'a good quality home for everyone':

- Build more houses, more quickly on under used or derelict land
- Invest to ensure our homes are safe and more energy efficient
- Prevent homelessness and help people to be financially secure and independent.

## HOUSING BUSINESS PLAN 2021–2024

### Introduction

An extract of the proposed Housing Business Plan is provided below includes the relevant critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) that are required to be approved by this Committee.

In an attempt to streamline the reporting process, the extract does not include the regular information and data relating to:

- published strategy and policy documents supporting the delivery of priorities and objectives;
- service level objectives;
- contextual baseline service data;
- management performance indicators (MPI); and
- summary of key risks.

This information will be added to the extract below and included in the full Business Plan that will be published on the Council's website in advance of the financial year.

### Background

The Business Plan details the projects and activity undertaken in support of the Corporate Plan priority of **Housing**.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in the Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but will be revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by this Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

### Business Plan – Performance Indicators and Key Tasks for Improvement

The critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) are considered in detail below for approval.

## MEASURES OF PERFORMANCE AND SERVICE DATA

## CRITICAL SUCCESS INDICATORS (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Net additional homes provided (NI154)	324	302	236	430	430	430	Head of Planning and Economic Development
New Council houses built or acquired (HSLocal_39)	-	-	-	23	23	23	Housing Delivery Manager
Overall satisfaction with the service provided (HSTOP_01)	87%	95%	89%	89%	90%	90%	Head of Housing (Top quartile performance is 90%)
Rent collected as percentage of the rent owed (BV66a)	98.2%	99.9%	99.8%	99%	99%	99%	Income and Housing Manager
Gas safety (HSTOP_02)	100%	99.9%	99.9%	100%	100%	100%	Housing Repairs and Compliance Manager
Homelessness cases successfully intervened or prevented rather than relieved/a main duty being accepted (New)	-	-	-	n/a	70%	70%	Housing Operations Manager

**KEY PERFORMANCE INDICATORS (KPI)**

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Supply of ready to develop housing sites (NI159)	78%	78%	100%	100%	100%	100%	Head of Planning and Economic Development
No. of Residential Planning Commitments (New)	-	-	834	900	950	950	Head of Planning and Economic Development  New indicator reporting total number of residential units approved through planning permissions. 2019/20 is baseline year
Homeless households housed outside of the Borough in temporary accommodation (HSLocal_40)	-	-	-	0	0	0	Housing Operations Manager
Affordable homes provided (NI 155)	8	43	16	85	85	85	Head of Planning and Economic Development
Average relet time (days) – General Needs (HSTOP_03)	-	-	27	20	20	20	Housing Operations Manager
Average relet time (days) – Independent Living (HSLocal_03a)	-	-	57	42	40	40	Housing Operations Manager
Reactive repairs - appointments kept (HSLocal_BM05)	93%	97%	96%	98%	98%	98%	Housing Repairs and Compliance Manager
Electrical compliancy (HSLocal_29)	-	-	99%	100%	100%	100%	Housing Repairs and Compliance Manager



Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Private dwellings that are returned into occupation or demolished (HSLocal_11)	54	34	33	35	25	25	Head of Public Protection

### KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2021/22 – 2023/24 INCLUDING COMMERCIAL ACTIVITIES

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
HS1922_02	Implement 10 year housing new build delivery plan	Add to the social housing stock Produce affordable homes to rent	Partnerships with Registered Housing Providers and external consultants	Housing Delivery Manager December 2029	To be achieved through combination of use of capital receipts and commuted sums
HS2023_01	Implement recommendations from Housing Repairs Review	Maximise efficiency of the repairs service Consider commercial opportunities if available	Current external contractors	Housing Repairs and Compliance Manager March 2022	Recommendations from review could lead to potential efficiency savings. Additional budget may be required to implement new Schedule of Rates and Datastox improvements, once further work has been completed
HS2023_02	Implement Housing Strategy	Improve housing services	All partners and stakeholders	Head of Housing March 2023	
HS2023_03	Implement Engagement Strategy	Increase understanding of the needs of our tenants and leaseholders Provide skills and employment support for tenants and leaseholders	Tenants and leaseholders EMTPF/Housing and Employment Forum	Housing Services and Strategy Manager March 2023	Actions to be achieved within existing engagement budget

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
HS2023_04	Implement Neighbourhood Strategy	Improve our neighbourhoods	Tenants and leaseholders	Housing Operations Manager March 2022	Actions to be achieved within existing budgets
HS2023_05	Increase availability of general needs accommodation by de-designating and/or redeveloping unsuitable Independent Living accommodation	Most effective use of property owned by the Council to meet the needs of the borough	Tenants Applicants on the waiting list	Head of Housing Services and Strategy Manager Income and Housing Manager March 2023	Reduction in void rent loss expected. Budget required for financial support for tenants who move schemes. Phase 3 schemes may require additional capital expenditure to make them suitable for alternative use, not be completed until 2021/22
HS2124_01 <i>(New)</i>	Increase the number of Council owned temporary accommodation units	Reduce the use of Bed and Breakfast accommodation	Homeless applicants	Housing Operations Manager March 2023	Loss in rental income for the unit will be offset by the reduction in B&B costs
HS2124_02 <i>(New)</i>	Implement Asset Management Strategy	Plan to fully utilise assets held within the Housing Revenue Account	Current external contractors	Head of Asset Management and Development September 2021	Based on information from recent stock condition survey
HS2124_03 <i>(New)</i>	Plan implementation of Customer Portal	Improve how tenants can report repairs and review their rent account	External supplier of portal software ICT	Head of Housing Services and Strategy Manager March 2022	Initial cost of portal could be offset by reduction in printing and postage costs, especially rent statements

<b>Pentana Code</b>	<b>Description</b>	<b>Targeted Outcome</b>	<b>Partnership/ Procurement Arrangement</b>	<b>Officers Responsible/ Target Date</b>	<b>Budget Implications/ Efficiencies/Other comments</b>
HS2124_04 <i>(New)</i>	Introduce cleaning programme at General Needs schemes, and a service charge to fully recover costs	Improve condition of our estates	In-house cleaning team	Housing Operations Manager Income and Housing Manager March 2022	To implement in April 2022, so new service charges are set at the same time as annual rent increase
HS2124_05 <i>(New)</i>	Complete review of all housing car park, including condition and the use of parking orders	Improve condition of our estates	Parking Services	Head of Housing Housing Services and Strategy Manager December 2021	Works likely to be identified for inclusion in 2022/23 Capital programme.