

Joint Report of the Chief Executive and the Deputy Chief Executive

BUSINESS PLANS AND FINANCIAL ESTIMATES 2022/23 - 2024/251. Purpose of report

To consider proposals for business plans, detailed revenue budget estimates for 2022/23; capital programme for 2022/23 to 2024/25; and proposed fees and charges for 2022/23 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 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 10 February 2022 for consideration and recommendation to Full Council on 2 March 2022.

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 2022/23 (base) including any revenue development submissions.**
 - b) **The capital programme for 2022/23 to 2024/25.**
3. **The Committee is asked to NOTE the fees and charges for 2022/23.**

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 2022/23 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 budget proposals for the corporate priority, together with proposed fees and charges, are shown in appendices 2a to 2b.

The revenue budgets show the 2021/22 revised estimate as of December 2021 and the 2022/23 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 2022/23 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 2022-2025 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:

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

Ready for change: *innovation and readiness for change*

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

Always improving: *continuous improvement and delivering value for money*

Transparent: *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.

Appendix 1b

HOUSING BUSINESS PLAN 2022–2025Introduction

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
- Table of Financial Costs linked to Key Tasks [include or not]
- 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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Net additional homes provided (NI154)	302	236	267	430	430	430	Head of Planning and Economic Development
New Council houses built or acquired (HSLocal_39)	-	-	11	23	23	23	Housing Delivery Manager During 2020/21, the Council acquired 9 properties, consisting of 4 x 2-bed properties; 4 x 3-bed properties and 1 x 4-bed property. The Council has also built two dementia friendly bungalows.
Overall satisfaction with the service provided (HSTOP_01)	95%	89%	80%	90%	89%	90%	Head of Housing Satisfaction levels have decreased, target to increase back to 2019/20 levels
Gas safety (HSTOP_02)	99.9%	99.9%	99.2%	100%	100%	100%	Housing Repairs and Compliance Manager
Rent collected as a percentage of the rent owed (BV66a)	99.9%	99.8%	102.8%	99%	99%	99%	Income and Housing Manager Although performance has been above target, is expected to decrease due to increased challenges such as Universal Credit and increase in household bills for tenants

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Homelessness cases successfully intervened or prevented rather than relieved/a main duty being accepted (HSLocal_42)	-	-	-	70%	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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Supply of ready to develop housing sites (NI159)	78%	100%	100%	100%	100%	100%	Head of Planning and Economic Development
No. of Residential Planning Commitments (DSDData_20)	-	834	834	950	950	950	Head of Planning and Economic Development 2019/20 is baseline year. Number of residential units approved through planning permissions.
No. of homeless households housed outside of the Borough in temporary accommodation, over 7 days (HSLocal_40)	-	-	64	0	0	0	Housing Operations Manager Wording amended to reflect that households may stay in accommodation outside the borough if they present outside of office hours and for triage of circumstances before they move to suitable temporary accommodation.
No. of affordable homes	43	16	38	85	85	85	Head of Planning and Economic

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
provided (NI 155)							Development
Average Relet Time – General Needs (HSTOP_03)	-	27 days	37 days	20 days	20 days	20 days	Housing Operations Manager
Average Relet Time – Independent Living (HSLocal_03a)	-	57 days	114 days	40 days	40 days	40 days	Housing Operations Manager
Reactive repairs - appointments kept (HSLocal_BM05)	97%	96%	98%	98%	98%	98%	Housing Repairs and Compliance Manager
Electrical compliancy (HSLocal_29)	97%	99%	98%	100%	100%	100%	Housing Repairs and Compliance Manager
Identify five Private Sector dwellings to implement plan to return into occupation or demolish (HSLocal_11)	33	28	6	25	5	5	Chief Environmental Health Officer Performance Measure redefined to reflect the work undertaken. Baseline will be 2022/23.

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

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Implement 10 year housing new build delivery plan HS1922_02	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
Implement Housing Strategy HS2023_02	Improve housing services	All partners and stakeholders	Head of Housing March 2023	Majority of actions to be achieved through existing budgets, where additional budget of resources are required then separate actions will be included in the Business Plan.
Implement Asset Management Strategy HS2124_02	Plan to fully utilise assets held within the Housing Revenue Account	Current external contractors	Head of Asset Management and Development December 2023	Based on information from recent stock condition survey
Implement a scheme to make affordable furniture and white goods available to tenants HS2225_01 (New)	Reduction in poverty and people living in unfurnished accommodation	To be procured through framework	Income and Housing Manager September 2022	Cost is recharged to tenant as a service charge, and is HB and UC eligible for tenants that claim benefits. Minimal additional administration, which can be undertaken using existing resources.
Pilot solar panelled scooter stores at Independent Living Schemes HS2225_02 (New)	Support tenants to be independent Use of energy efficient technology	To be procured through framework	Income and Housing Manager September 2022	Previously budget has been spent on providing permanent brick structures. Initial Capital cost is similar, but stores can be moved between sites when required and lower ongoing maintenance costs

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Implement new and clearer rent statements and annual rent increase letters HS2225_03 (New)	Provide information in format that is easier to understand Reduction in calls to clarify information provided	Design and Print service available from a number of providers. Also consider in-house design.	Income and Housing Manager December 2022	Current contract costs £15k per year. Expect cheaper solution is available.
Update lease for all leaseholders HS2225_04 (New)	Ensure lease contains all clauses required Manage sub-letting more effectively Manage improvement works more effectively, particularly in regards to fire safety	External legal advice will be required	Head of Housing March 2023	Cost of legal advice and consultation.
Implement new processes and procedures for recharges HS2225_05 (New)	Increase income to the HRA	Work is completed in-house	Housing Repairs and Compliance Manager March 2023	Estimate £20k income
Implement Grenfell Response actions HS2225_06 (New)	Ensure the safety of our residents	To be monitored through Grenfell Response meetings	Head of Housing Head of Asset Management and Development	As new specifications and guidance is introduced likely to be additional work required.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Implement South Nottinghamshire Homelessness and Rough Sleeper Strategy Action Plan HS2225_07 (New)	Prevent homelessness and rough sleeping Offer support to those who experience homelessness	Partnership with Gedling and Rushcliffe Partnership with CAB and Broxtowe Youth Homelessness Partnership with commissioned services through Nottinghamshire County Council or through the Rough Sleeper Initiative (RSI)	Housing Operations Manager March 2027	Ring-fenced grant is received to provide statutory services to homeless people All actions included in the strategy can be delivered within the grant available.
Introduce a Customer Portal HS2225_08 (New)	Meet the requirements of the White Papers Provide customers with access to housing services	May be external solution or provided using currently available functionality used by other departments	Head of Housing March 2023	The implementation of a Customer Portal is a White Paper requirement. Currently no details of what needs to be included, so cost is an estimate. Initial cost of portal could be offset by reduction in printing and postage costs, especially quarterly rent statements. If a third of tenants opted to view their statements on the portal this could save £1k per quarter.

LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £
Budget Implications				
Schedule of rates/Datastox improvements	HS2023_01	0	0	0
Solar panelled scooter stores (Capital)	HS2225_02			
Customer portal	HS2225_08	(est) 5,000	0	0
Efficiencies Generated				
Rent statements – quarterly and annual	HS2225_03	(4,000)	(4,000)	(4,000)
New business/increased income				
Increased income from recharges	HS2225_05	20,000	20,000	20,000
Net Change in Revenue Budgets		21,000	16,000	16,000