

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

**BUSINESS PLANS AND FINANCIAL ESTIMATES 2023/24 - 2025/26 – HOUSING**1. Purpose of report

To consider proposals for business plans, detailed revenue budget estimates for 2023/24; capital programme for 2023/24 to 2025/26; and proposed fees and charges for 2023/24 in respect of the Council's priority areas.

2. Recommendations

The Committee is asked to **RECOMMEND** that:

1. **Cabinet approves the Housing Business Plan.**
2. **Cabinet recommends to Council that the following be approved:**
  - a) **The detailed revenue budget estimates for 2023/24 (base).**
  - b) **The capital programme for 2023/24 to 2025/26**
  - c) **The fees and charges for 2023/24.**

3. 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.

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.

4. Financial Implications

The comments of the Head of Finance Services were as follows:

Appendices 2a to 2c in this report outline the revenue and capital budget proposals for Housing and associated service areas, together with the proposed fees and charges.

Following consideration by this Committee, a summary of the estimates, including any changes recommended, will be presented to Cabinet on 7 February 2023 for consideration and recommendation to Full Council on 1 March 2023.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

There are no specific legal implications that arise from this report, as the suggested proposals are in accordance with relevant legislation, Council policy and procedures. The recommendation is within the Council's statutory and fiduciary powers.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. 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 2023/24 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 this Committee to consider the 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 2022/23 revised estimates and the 2023/24 base estimates 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 2023/24 base figures in this report:

- a) Allowance for certain inflationary pressures including the pay award and cost of fuel. 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 2023-2026 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.

## 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 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**mployees: *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.

## APPENDIX 1b

**HOUSING BUSINESS PLAN 2023–2026**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
- 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 regularly by General Management Team and reported to Members on a quarterly basis via Members Matters. Cabinet and Overview and Scrutiny Committee will also occasionally receive high level reports on progress against Corporate Plan priorities as required and as part of action planning, target setting and outturn reporting.

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 (Extract)

## 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 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Future Years	Indicator Owner and Comments (incl. benchmarking)
Net additional homes provided (NI154)	236	267	306	430	430	430	Head of Planning and Economic Development
New Council houses built or acquired (HSLocal_39)	-	11	13	23	23	23	Housing Delivery Manager During 2021/22, the Council acquired eight properties, consisting of three houses and five flats. The Council also built five 1-bed flats for ex-military personnel at Tom Martin House in Stapleford.
Overall satisfaction with the service provided (HSTOP_01)	89%	80%	85.8%	89%	89%	89%	Head of Housing The HouseMark median (based on 147 landlords) is 82.6% and upper quartile is 87.85%.
Gas safety (HSTOP_02)	99.9%	99.2%	99.8%	100%	100%	100%	Housing Repairs and Compliance Manager
Rent collected as a percentage of the rent owed (BV66a)	99.8%	102.8%	100.9%	99%	99%	99%	Income and Housing Manager Although performance is 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 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Future Years	Indicator Owner and Comments (incl. benchmarking)
Homelessness cases successfully intervened or prevented rather than relieved/a main duty being accepted (HSLocal_42)	-	-	84.6%	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 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Future Years	Indicator Owner and Comments (incl. benchmarking)
Supply of ready to develop housing sites (NI159)	100%	100%	100%	100%	100%	100%	Head of Planning and Economic Development
Residential Planning Commitments (DSData_20)	849	587	1,531	950	950	950	Head of Planning and Economic Development
Homeless households housed outside of the Borough in temporary accommodation, over 7 days (HSLocal_40)	-	64	94	0	0	0	Housing Operations Manager Indicator description 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. Earlier years reported using old definition.
Affordable homes provided (NI 155)	16	38	40	85	85	85	Head of Planning and Economic Development
Average Relet Time – General Needs (HSTOP_03)	27 days	37 days	54 days	20 days	20 days	20 days	Housing Operations Manager



Indicator Description ( <b>Pentana Code</b> )	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Future Years	Indicator Owner and Comments (incl. benchmarking)
Average Relet Time – Independent Living ( <b>HSLocal_03a</b> )	57 days	114 days	132 days	40 days	40 days	40 days	Housing Operations Manager
Void Rent Loss ( <b>HSLocal_03a</b> ) (New)	-	-	-	-	£350,000	£350,000	Housing Operations Manager New indicator 2023/24. Target based on 2% of Income.
Reactive repairs - appointments kept ( <b>HSLocal_BM05</b> )	95.5%	97.8%	97.7%	98%	98%	98%	Housing Repairs and Compliance Manager
Electrical compliancy ( <b>HSLocal_29</b> )	98.6%	98.2%	73.2%	100%	100%	100%	Housing Repairs and Compliance Manager Work is being undertaken in 2022/23 to increase Electrical Compliancy
Identify six Private Sector dwellings each quarter to implement a plan to return into occupation ( <b>HSLocal_11</b> )	28	6	25	24	24	24	Chief Environmental Health Officer Performance Measure redefined to reflect the work undertaken. Baseline will be 2022/23.

**KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2023/24 – 2025/26 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 <b>HS1922_02</b>	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 <b>HS2023_02</b>	Improve housing services	All partners and stakeholders	Head of Housing March 2024	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 <b>HS2124_02</b>	Plan to fully utilise assets held within the Housing Revenue Account	Current external contractors	Head of Asset Management and Development March 2024	Based on information from recent stock condition survey
Implement a scheme to make affordable furniture and white goods available to tenants <b>HS2225_01</b>	Reduction in poverty and people living in unfurnished accommodation	To be procured through framework	Income and Housing Manager March 2024	Decision made at Cabinet in December 2022, to consider furnished tenancies
Implement new processes and procedures for recharges <b>HS2225_05</b>	Increase income to the HRA	Work is completed in-house	Housing Repairs and Compliance Manager March 2024	Work was not completed as planned during 2022/23 due to other priorities within the repairs review, action to be completed during 2023/24

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 <a href="#">HS2225_07</a>	Prevent homelessness and rough sleeping To offer support to those who experience homelessness	Partnership with Gedling and Rushcliffe Partnership with CAB and Broxtowe Youth Homelessness Partnership with commissioned services through the County Council or the Rough Sleeper Initiative (RSI)	Housing Operations Manager March 2027	Ringfenced grant is received to provide statutory services to homeless people All actions included in the strategy can be delivered within the grant available
Home Release Scheme <a href="#">HS2326_01</a> (New)	Reduce waiting list, particularly for larger homes	Through Choice Based Lettings system	Housing Operations Manager March 2024	£20,000 budget to be approved
Review of Mobile Cleaning and Caretaking Services <a href="#">HS2326_02</a> (New)	Improve the condition of our estates	Currently some services are provided in-house and some by external contractors	Head of Housing March 2024	If outcome of review is to bring more services inhouse, then increased staffing budgets may be required. However, this would be offset by a reduction in use of external contractors
Review and retender Lifeline Services <a href="#">HS2326_03</a> (New)	Ensure that service is value for money and benefits from improved technology	Current contract expires July 2023	Head of Housing July 2023	

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Energy Efficiency Schemes <b>CP2326_01b</b> (New)	Achieve Carbon Neutral and all dwellings to be EPC level C or above	Midlands Net Zero Hub Submit Bids for various grants opportunities such as SHDF, HUG2, and ECO4	Head of Asset Management 2027 in line with Council Net Zero Target	Procure EPC data for all Housing Stock. Currently subject to tender. £100k budget approved by Cabinet in July 2022

## 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	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £
<b>Budget Implications</b>				
Home Release Scheme (revenue)	HS2326_01	20,000	-	-
Creation of housing contact centre (revenue)		146,150	146,150	146,150
Housing repairs restructure (revenue)		157,450	157,450	157,450
Homes England grant funding (capital) Felton Close (4 units £252k); Gayrigg Court (2 units £126k); Inham Nook (15 units £945k); and Selside Court (3 units £189k)		(1,512,000)	-	-
<b>Efficiencies Generated</b>				
Housing Repairs restructure: reduction in external contractor costs		(120,000)	(120,000)	(120,000)
Non cashable savings through introducing housing contact centre with reduction in unnecessary visits; improvement in rate of first time fixes; improved customer satisfaction; and reduction in disrepair claims				
<b>New business/increased income</b>				
Increased Lifeline customers as per business strategy	-	(5,000)	(5,000)	(5,000)
<b>Net Change in Revenue Budgets (Cashable only)</b>		<b>198,600*</b>	<b>178,600*</b>	<b>178,600*</b>

\* Budget implications to be considered and confirmed once project business cases have been finalised.