

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

**BUSINESS PLANS AND FINANCIAL ESTIMATES 2019/20 - 2021/22**1. Purpose of report

To consider proposals for business plans; detailed revenue budget estimates for 2019/20; capital programme for 2019/20 to 2021/22; and proposed fees and charges for 2019/20 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 2016-2020 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 the Housing Committee.

The proposed Housing Business Plan is provided as a separate attachment to this report. 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 each respective Committee, a summary of the estimates, including any changes recommended, will be presented to the Finance and Resources Committee on 14 February 2019 for consideration and recommendation to Full Council on 6 March 2019.

**Recommendations**

**The Committee is asked to CONSIDER the following and RESOLVE accordingly:**

- 1. the attached Housing Business Plan; and**
- 2. a) the detailed revenue budget estimates for 2019/20 (base) including any revenue development submissions;**
  - b) the capital programme for 2019/20 to 2021/22;**
  - c) the fees and charges for 2019/20.**

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 Housing Business Plan, attached to this report, 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 by greater than £5,000 are identified, along with the financial impact in section 5 of the Business Plan.

There are also 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 2019/20 as further information and resources become available. This will ensure that the business 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 Housing Business Plan prior to recommendations being made to Council. The purpose of the business plan is twofold. Firstly, it establishes the linkage between the Council's high-level objectives and the strategies and aims of the respective services. Secondly, it outlines 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 2016-2020, 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 2018/19 revised estimate as of December 2018 and the 2019/20 base estimate for the areas encompassed by the relevant business plans. The 2019/20 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 2019/20 base figures in this report:

- a) Allowance for certain inflationary pressures including the anticipated April 2019 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.

The following are not included in the 2019/20 base figures in this report:

- a) The revenue effects of the 2019/20 capital programme including the cost of any new borrowing to support the capital programme. The Finance and Resources Committee will consider the base budget including this item on 15 February 2018.
- b) Any revenue developments (there are no revenue developments for which approval is being sought for 2019/20).

The revenue and capital budget figures for the HRA will be reflected in an updated HRA business plan model which is due to be presented to the Housing Committee on 5 June 2019.

A classification of revenue expenditure is included at appendix 1b for the guidance of members.

## APPENDIX 1a

**FRAMEWORK FOR BUSINESS PLANNING**

The Council formally adopted the Corporate Plan 2016-2020 in March 2016. This 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 “**a great place where people enjoy living, working and spending leisure time**”.

**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 affordable home for all residents of Broxtowe’:

- Increase the rate of house building on brownfield sites
- Become an excellent housing provider
- Improve the quality and availability of the private rented stock to meet local housing need.

The priorities and objectives for **Business Growth** are ‘new and growing businesses providing more jobs for people in Broxtowe and improved town centres’:

- Increase the number of new business starting in Broxtowe
- Help our town centres to compete and attract more visitors

- Complete the regeneration of Beeston town centre and seek opportunities to regenerate town centres throughout Broxtowe

The priorities and objectives for **Environment** are 'The environment in Broxtowe will be protected and enhanced for future generations':

- Reduce litter and fly tipping to make Broxtowe cleaner
- Maintain and improve the green infrastructure of the Council
- Increase recycling, composting, renewable and energy efficiency projects as resources allow

The priorities and objectives for **Health** are 'People in Broxtowe enjoy longer, active and healthy lives:

- Increase the number of people who have active lifestyles
- Work with partners to improve the health of the local population
- Reduce alcohol related harm in Broxtowe

The priorities and objectives for **Community Safety** are 'Broxtowe will be a place where people feel safe and secure in their communities':

- Reduce the amount of anti-social behaviour in Broxtowe
- Reduce domestic violence in Broxtowe

## APPENDIX 1b

<b>REVENUE BUDGET 2019/20</b>
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**CLASSIFICATION OF EXPENDITURE**

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

EMPLOYEE EXPENSES	Salaries and Wages National Insurance Pensions
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 & 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