

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 27 March 2019
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Report title	Wolverhampton Homes Business Plan 2019-2023	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Kate Martin, Service Director of Housing	
Originating service	Housing Services	
Accountable employee	Jenny Lewington	Service Manager Housing Strategy and Policy 01902 554845 jenny.lewington@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team	18 February 2019
	Strategic Executive Board	26 February 2019
	Leaders Briefing	4 March 2019

Recommendation for decision:

The Cabinet recommends that Council:

1. Approve the Wolverhampton Homes Business Plan 2019-2023.

Recommendation for noting:

The Cabinet is recommended to:

1. Note that this four-year Business Plan replaces the Delivery Plan which has previously been provided annually.

1.0 Purpose

1.1 The purpose of this report is to seek Cabinet approval of the Wolverhampton Homes Business Plan 2019-2023 and to recommend approval of the plan by Full Council.

2.0 Background

2.1 Under the terms of the Management Agreement between the Council and its Arm's Length Management Organisation (ALMO), Wolverhampton Homes, the Council is required to produce an annual Delivery Plan. The plan, developed in consultation with the Council, sets out:

- How Wolverhampton Homes will manage and maintain Council owned properties for the next financial year and beyond.
- The financial and staffing resources available to deliver the above services.
- Wolverhampton Homes' contribution to meeting the wider strategic objectives of the Council Plan and City Housing Strategy

2.2 In agreement with the Council, Wolverhampton Homes have this year developed a four-year Business Plan in place of the annual Delivery Plan, which will allow for longer term service and financial planning. The four-year Business Plan ends in 2023, in-line with the ALMO Management Agreement, therefore a review of the ALMO arrangements will take place during 2019-23.

2.3 The Management Agreement requires that the final version of the Business Plan is considered and endorsed by the Delivery Plan Monitoring Group. The Cabinet Member for City Assets and Housing chairs the Group and its membership is drawn from Board members from Wolverhampton Homes, senior officers from Wolverhampton Homes and the Council, together with representatives of the Wolverhampton Federation of Tenants Associations. The Delivery Plan Monitoring Group approved the Draft Business Plan 2019-23 on 6 March 2019.

2.4 The Delivery Plan Monitoring Group receives quarterly reports from Wolverhampton Homes on the progress and performance against the annual Delivery Plan, enabling the Group to monitor the outcomes against the activities detailed in the Action Plan and Key Performance Targets.

2.5 Wolverhampton Homes' progress towards achieving performance indicator targets are monitored monthly and/or quarterly, as appropriate, at joint performance monitoring meetings between Council employees and officers from Wolverhampton Homes.

3.0 Business Plan 2019-2023

3.1 The contents of the Business Plan 2019-2023 have been negotiated between Wolverhampton Homes and the City of Wolverhampton Council.

- 3.2 Council employees and representatives from Wolverhampton Homes met at a working group on 5 February 2019 to discuss the content of the Business Plan and further feedback was provided to Wolverhampton Homes following the Improving the City Housing Offer Board on 6 February 2019.
- 3.3 Following the development of a draft Business Plan, both organisations must aim to approve the Draft Plan before the end of March 2019 to allow implementation from April 2019. The HRA Budget for Wolverhampton Homes was agreed by Cabinet on 23 January 2019, including rent and service charge setting.
- 3.4 The Business Plan sets out how Wolverhampton Homes proposes to deliver services and support the strategic objectives of the Council and the City Housing Strategy for the next four years.
- 3.5 The Business Plan sets out the organisation's plans, which are set out in section 4. This includes the move towards delivering services from 'community hubs' and a refreshed commercial agenda. One of the proposals to review in 2019/20 in the commercial offer is the opportunity to undertake facilities management for key Council owned assets, including non-academy schools. This proposal is not Council approved and is subject to further reporting and Council consideration.
- 3.6 The Business Plan sets out the financial climate in which services are being provided and how this will affect the services provided to tenants. A table is included showing the annual income and expenditure for the term of the plan.
- 3.7 One of the key methods of achieving the required financial savings is the use of Lean Systems Thinking. The objectives of the Lean Programme are included in the Business Plan and a draft programme is included in Appendix 1 for information.
- 3.8 A requirement under the terms of the Management Agreement between the Council and Wolverhampton Homes, the Business Plan also includes:
- The agreed annual delivery priorities for Wolverhampton Homes for 2019-2020, how these support the organisations strategic objectives and contribute to the goals of the Council and the City's communities. The Operational Delivery Plan 2019-2020 is included as Appendix 2 of the Plan.
 - Detail on how the Business Plan will be achieved within the financial and human resources available.
 - The draft Key Performance Indicator targets to be finalised between the Council and Wolverhampton Homes for 2019-2020, at Appendix 3 of the plan. Appendix 3 of the Business Plan shows the Performance Review Arrangements for monitoring the delivery of services provided. This forms part of the annual review.
 - The provision by WH of an Annual Procurement Plan that will include all contracts to be procured for the following year and a list of current contracts (Appendix 2)

- An up-to-date Stock Maintenance and Improvement Programme (Appendix 3).

3.9 The ongoing development of the new City Housing Strategy will include consideration of how these plans continue to contribute to improving housing offer and achieving better homes for all across the City.

4.0 Evaluation of alternative options

4.1 The Council entered into a 15-year Management Agreement with Wolverhampton Homes in 2013 to continue to deliver housing management services on behalf of the Council.

4.2 In 2018, at the first five-year break point in the contract, the Council's Managing Director and Director of Finance conducted a review of Wolverhampton Homes to ensure that the organisation remained high-performing, well-governed and was delivering a housing service in line with the Council's strategic objectives.

4.3 The review included discussions with the Chair, Vice-Chair of the Board and Chief Executive of Wolverhampton Homes on performance and delivery plan achievements as well as the future direction of the service. This was set out in the annual Delivery Plan 2018-2019.

4.4 The Business Plan 2019-2023 provides a longer-term plan for Wolverhampton Homes; setting out how it will operate services and contribute to the Council's strategic objectives for the next four years. This Business Plan takes Wolverhampton Homes up to the next 'break clause' in the Management Agreement. A Review during 2019-23 will take place to consider options for the Management of Landlord Management Services during this plan period.

4.5 A formally adopted Business Plan is a requirement of Wolverhampton Homes under the terms of the Management Agreement in place with the Council. This is also part of the Council's constitution.

5.0 Reasons for decision

5.1 In the Review of Wolverhampton Homes conducted in 2017 (reported March 2018), the organisation was deemed to be performing above average and governance was found to be acceptable. Wolverhampton Homes continued to be a key partner in the delivery of the housing service, providing the vast majority of operational services. The Council concluded that Wolverhampton Homes had satisfied the requirements of the review.

5.2 In light of the review, Wolverhampton Homes continue to operate under the terms of the Management Agreement for the five-year period; 2018-2023.

5.3 Monitoring of Wolverhampton Homes continues under a thorough, proportionate and efficient set of performance monitoring arrangements.

5.4 Council employees and representatives from Wolverhampton Homes have worked in partnership to develop the Wolverhampton Homes Business Plan 2019-2023, which is a requirement of the Management Agreement.

6.0 Financial implications

- 6.1 The medium-term financial plan 2019-2023 is set out in section 5 of the Business Plan. This illustrates that a balanced budget position without the requirement of a contribution from reserves is achievable by 2021-2022. The assumptions used in the Business Plan are consistent with the forecasts set out in the approved Housing Revenue Account (HRA) Business Plan.

[JM/04032019/I]

7.0 Legal implications

- 7.1 The Delivery Plan forms part of the contractual Management Agreement between the Council and Wolverhampton Homes.

[DC/28022019/J]

8.0 Equalities implications

- 8.1 Wolverhampton Homes Business Plan has equalities implications. Each of the workstreams that the plan describes and summarises has been or will be the subject of equality analysis within Wolverhampton Homes. As a result of these considerations and analyses Councillors can be confident that they have complied with the requirements of the General Equality Duty as created by Section 149 of the Equality Act 2010.
- 8.2 The detail of the Business Plan and action plan will be reviewed annually and subject to ongoing equality analysis. Wolverhampton Homes operate an Equality Circle Forum which informs their equality agenda and provides a platform to assess the impact of planned service delivery.

9.0 Environmental implications

- 9.1 There are no direct environmental implications from this report, however, the delivery of estate and property based programmes will contribute to the improvement of living conditions, enhance the visual appearance of neighbourhoods and investment in the housing stock will contribute towards reducing carbon emissions.

10.0 Human resources implications

- 10.1 There are no direct human resources implications emanating from the Business Plan for the Council. The monitoring of the plan will be carried out by Housing Services within current staffing resources.
- 10.2 The Business Plan sets out in broad terms the Wolverhampton Homes' human resource implications for delivery of the plan.
- 10.3 The transfer of additional Council services to Wolverhampton Homes may have Human Resources implications and these will be considered further through the formal approval process.

11.0 Corporate landlord implications

- 11.1 This report deals in the main with the Council's housing stock. Consideration of the availability of development sites will be given to support the delivery of the Capital Programme for new build.
- 11.2 The potential transfer of facilities management of key Council assets to Wolverhampton Homes from the Council does have Corporate Landlord implications and these will be considered further through the formal approval process.

12.0 Health and Wellbeing Implications

- 12.1 The provision of high-quality housing contributes positively to the health and wellbeing of residents. The Business Plan identifies the objectives of the Council's arms length management organisation which manages over 20,000 Council owned homes. The Plan includes information about the stock maintenance and improvement programme, ensuring homes are maintained to the necessary standard.

13.0 Appendices

Appendix 1 - Wolverhampton Homes Delivery Plan 2019-2023

Appendix 2 - Annual Procurement Plan and Contracts

Appendix 3 - Stock Maintenance and Improvement Programme