

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 17 March 2021
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Report title	Wolverhampton Homes Delivery Plan 2021-2022	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Jacqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Director of City Environment	
Originating service	City Housing	
Accountable employee	Lynda Eyton Tel Email	Client Relationship Manager 01902 555706 Lynda.eyton@wolverhampton.gov.uk
Report to be/has been considered by	City Environment Leadership Team	2 March 2021

Recommendations for decision:

The Cabinet recommend that Council approves:

1. The Wolverhampton Homes Business Plan Delivery Plan 2021-2022.
2. New arrangements for monitoring the delivery of the Wolverhampton Homes Business Plan Delivery Plan to Council scrutiny.

1.0 Purpose

- 1.1 The purpose of this report is to seek Cabinet acceptance of the Wolverhampton Homes Annual Delivery Plan 2021-2022 and its monitoring arrangements and to recommend approval of the plan by Full Council.

2.0 Background

- 2.1 Under the terms of the management agreement between the City of Wolverhampton Council (CWC) and its arms length management organisation (ALMO), Wolverhampton Homes (WH), the Council is required to adopt an annual Delivery Plan. The schedules to the management agreement were revised and adopted by Cabinet on 12 September 2018, with 'Schedule 3 - Annual Delivery Planning Process Timetable' amended in support of WH developing an overarching business plan allowing for longer term service and financial planning.
- 2.2 Full Council adopted WH's four-year Business Plan in April 2019, which ends in 2023, aligned to the next break clause in the management agreement.
- 2.3 To set out how this longer-term vision will be achieved, working with CWC, WH are required to provide an annual update by way of an annual Delivery Plan, which sets out how these strategic priorities will be operationalised over the coming year.

3.0 Update on 2020-2021 Business

- 3.1 Whilst remaining aligned to the Business Plan, the annual delivery plan has been developed in the context of the Social Housing White paper, 'The Charter for Social Housing Residents' and the changing operating environment, particularly in relation to regulatory requirements. Following the launch of the Social Housing White Paper, WH recognises the changes to the operating environment. WH will embrace the requirements of the White Paper Customer Charter in relation to customer expectations. The delivery of the annual delivery plan focuses on the key core priorities for WH.
- 3.2 During the last year Wolverhampton Homes has responded to the challenges of the delivery of key services throughout the impact of Covid-19, alongside the publication of the Social Housing White Paper. The changing landscape for housing providers and landlords requires WH to deliver differently taking into account the impact and expectations of its customers and supporting its stakeholder the City of Wolverhampton Council.
- 3.3 During the pandemic, WH has focused on support and compliance, whilst taking opportunity to curb expenditure to maximise efficiencies to support the business and the changing needs and expectations of its customers.
- 3.4 The forecast outturn position for 2020-21 has been produced following a review of pay and non-pay budgets, and to identify efficiencies to support a management fee freeze as part of the Medium Term Financial Plan for the next financial year 2021-2022. Current year 2020-2021 forecasts show a predicted underspend against the budget. Despite

operational challenges, there have been some key improvement areas which impact as follows:

- 3.5 **The People Deal:** A review of terms and conditions across the company was undertaken following staff feedback. This brought a major financial challenge in ensuring that equity and fairness in relation to pay and conditions was implemented across the business. The outcome of this review will impact upon the budget by way of growth over the coming years without taking into account any annual awards. Phase 1 People Deal was successfully implemented in April 2020 with Phase 2 to be implemented by 1 April 2021. This has provided the opportunity to review pay budgets in line with the required efficiencies as part of the Our Future redesign plans in 2021-22.
- 3.6 **Repairs and Maintenance:** WH has maintained their focus on repairs and compliance, despite the challenges of Covid-19. However, this has created additional demands by way of addressing the backlog created due to a reduction of productivity throughout the periods of lockdown. There was also an increase in costs of around £300,000 against the provision of personal protective equipment (PPE) required to ensure the safety of staff and customers, in line with government guidance.
- 3.7 **Office Accommodation:** The changes in ways of working have been fully supported by WH agile workforce having the ability to work from anywhere. There has been a particular increase in working from home for some of the workforce, providing services in new and innovative ways. It is envisaged that due to the change in demand, that WH will conduct a full review of pre Covid-19 office accommodation plans in order to consider the requirements and rationalisation of space across the city going forward. In the current financial year, this has brought savings of around £320,000 due to required upgrades of accommodation being put on hold.
- 3.8 **Acquisitions:** During the financial year 2020-2021, WH supported the city's housing strategy with the purchase of 19 properties from WV Living. The company purchased the properties from its cash reserves, as it was prudent not to incur interest costs from loan financing. The properties provided Wolverhampton Homes with balance sheet assets and the rental incomes will generate an annual rental surplus to potentially invest in new homes.
- 3.9 **One City:** WH has supported the City Council in providing volunteers, and also contributed to the Council's fund raising initiatives during the period of the pandemic, to support the One City approach and this is an area of joint working that will continue throughout the next financial year for the benefit of the city's residents.
- 3.10 WH draft budget for 2021-2022 is being prepared to submit to WH Board in March 2021 and will make some assumptions about achievable efficiencies to balance the budget during 2021-2022. Value for Money initiatives are being sought that will provide contributions to the efficiencies, in particular in reviewing ways of working, service delivery, IT and digital, all of which have seen new opportunities during the past 12 months of the pandemic.

4.0 Annual Delivery Plan 2021-2022

- 4.1 The contents of the Wolverhampton Homes Delivery Plan 2021-2022 has been negotiated between WH and Council employees led by the Housing Strategy Team. It supports the Council Plan priority of 'Better Homes for All' and in so doing aims to contribute to improving housing across the city by offering better quality housing choices and safe and secure housing for all.
- 4.2 The Delivery Plan is set out at appendix 1 and is organised by WH service areas: Housing, Housing Options, Asset Management, Building Services and Corporate Services. It focuses on WH's core service offering and how they will transform the delivery of services to ensure they continue to:
- Enhance their community and customer focus
 - Provide safe and secure homes
 - Support people to sustain their tenancies and homes
- 4.3 WH remain committed to responding proactively to the Social Housing White Paper and to deliver the requirements of the national Building Safety Programme, with the Board remain resolute in achieving the highest standards of governance.
- 4.4 The Delivery Plan includes some detail on how the plan will be achieved within the financial and human resources available.

5.0 Monitoring

- 5.1 The Council currently maintains the WH Delivery Plan Monitoring Group, which provides the opportunity to the Council (including officers from Housing and Finance) to have oversight and scrutiny of the progress WH are making in the achievement of the Delivery Plan.
- 5.2 These monitoring arrangements have been in place for a number of years and in light of improvements the Council is making to customer insight and tenant scrutiny, following the findings of the Social Housing White paper, 'The Charter for Social Housing Residents' and the requirements of the Social Housing Regulators Consumer Standards, it is recommended new arrangements are put in place to provide the Council and tenants with assurance of WH performance.
- 5.3 Whilst a wider review of tenant engagement is underway, which will bolster the role of tenant scrutiny of WH in the delivery of housing management services, it is recommended that the progress made against the annual delivery plan is reported by WH, with the support of Housing Strategy and Policy, to Council Scrutiny Board.
- 5.4 Housing Strategy and Policy will continue to monitor WH's performance against agreed key performance indicators which are reviewed and updated on an annual basis and in line with recommendations from the Regulator.

6.0 Evaluation of alternative options

- 6.1 The Council entered into a 15-year management agreement with WH in 2013 to continue to deliver housing management services on behalf of the Council. It is a requirement of this management agreement that the Council and WH work to develop and adopt a delivery plan which sets out how WH will deliver the services delegated to them and help to deliver the Stock Maintenance and Improvement Programme. In so doing WH in conjunction with CWC aim to contribute to improving housing across the City by offering better quality housing choices and safe and secure housing for all.
- 6.2 The alternative option would be not to adopt an annual delivery plan. Where a delivery plan cannot be agreed, the management agreement sets out that it will be determined in accordance with its dispute resolution process.

7.0 Reasons for decision

- 7.1 It is recommended that the WH Delivery Plan at appendix 1 is adopted. It is accompanied by draft performance indicators to be finalised between the Council and WH for 2021-2022, at Appendix 2, both of which have been developed in conjunction with the Council. Appendix 3 sets out WH's procurement plan for 2020-2021 as required by the management agreement. The Delivery Plan has been endorsed by the council's Delivery Plan Monitoring group.
- 7.2 Additionally, the Council continues to monitor and review WH to ensure that the organisation remains high-performing, well-governed and delivering a housing service in line with the Council's strategic objectives.

8.0 Financial implications

- 8.1 There are no direct financial implications from this action plan. Wolverhampton Homes receive an annual management fee from the Housing Revenue Account as approved by Cabinet in the 'Housing Revenue Account Business Plan 2021-2022 including Rents and Service Charges' on 20 January 2021, to deliver services as contracted in the Management Agreement and receive additional income from trading activities. A balanced budget to deliver the annual delivery action plan is approved by the Wolverhampton Board on an annual basis.

[JM/26022021/L]

9.0 Legal implications

- 9.1 The Action Plan forms part of the contractual management agreement between the council and WH.

[DC/04032021/K]

10.0 Equalities implications

10.1 WH Action Plan has equalities implications in terms of the workstreams that the plan describes. As appropriate these have been or will be the subject of equality analysis within WH, with a schedule of equality analysis presented to its Equality Circle Forum which informs their equality agenda and provides a platform to assess the impact of planned service delivery. As a result of these considerations and analyses Councillors can be assured that they have complied with the requirements of the General Equality Duty as created by Section 149 of the Equality Act 2010.

11.0 All other implications

11.1 There are no direct climate change or environmental implications for this report, however, the delivery of estate and property based programmes will contribute to the improvement of living conditions and enhance the visual appearance of neighbourhoods. WH will develop plans throughout the year to develop a strategic asset investment proposal for Housing in relation to achieving Affordable Warmth and Carbon neutrality, which will contribute towards reducing carbon emissions over the course of the Business Plan.

11.2 There are no direct health and wellbeing implications for the report, however WH account for and work to improve the health and wellbeing of the tenants whose homes they manage, as part of their day to day delivery of housing management services and their interactions with the Council and other statutory organisations with whom they may work in partnership, make referrals to and sign post tenants to.

12.0 Schedule of background papers

12.1 27 March 2019, [Wolverhampton Homes Business Plan 2019-2023](#), Cabinet

12.2 12 September 2018, [Wolverhampton Homes Management Agreement Update](#), Cabinet

12.3 22 January 2020, [Housing Revenue Account Business Plan 2021-2022 including Rents and Service Charges](#), Cabinet

13.0 Appendices

13.1 Appendix 1 – Wolverhampton Homes Delivery Plan 2021- 2022.

13.2 Appendix 2 – Wolverhampton Homes Suite of Key Performance Indicators 2021-2022.

13.3 Appendix 3 – Wolverhampton Homes Procurement Plan 2021-2022.