

Southend-on-Sea Borough Council

Department of the Chief Executive

John Williams - Director of Democratic & Legal Services

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Date: 26th September 2018

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Dear Councillor.

THE SHAREHOLDER BOARD - TUESDAY, 25TH SEPTEMBER, 2018

Please find enclosed, for consideration at the next meeting of the The Shareholder Board taking place on Tuesday, 25th September, 2018, the following report that was unavailable when the agenda was printed.

Agenda No Item

5 South Essex Homes - Review of Business Plan (Pages 1 - 4)

South Essex Homes Business Plan covering report form Director of Business Development (SEH) attached

Robert Harris
Principal Democratic Services Officer

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South Essex Homes Limited

Report of Director of Business Development
to

The Shareholder Board

On

11 July, 2018

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South Essex Homes Business plan 2017-2022

1 Purpose of Report

1 1 To present to the Shareholder Board the South Essex Homes Business plan 2017-2022

2 Background

2 1 Business Plan

The Business plan represents the business vision of South Essex Homes from 2017 forward. The plan is due for revision and representation in 2019. 2019 is a key date for South Essex Homes insofar as we will have in place by 1st April 2019 a new Partnership Agreement with Southend Borough Council. The agreement will encompass clear business objectives and critical KPI's based on the Southend Borough Council objectives. These important performance measures will influence our direction and operation and as such, will feature prominently in future revised plans.

3 Context

3 1 Our plans as presented here are well formed, they relate directly and practically to our corporate agenda. Our objectives are reviewed regularly and are likely to be retained within the forthcoming partnership agreement. Our objectives are to –

- Deliver Value to the Council
- Empower Residents
- Provide innovative solutions
- Engage with communities
- Develop commercial activities

3 2 Set against the background of these objectives South Essex Homes identify within the plan the following contributing strategic projects and performance goals –

- Careline review – bringing to commercial viability
- Repairs and Maintenance – redesign the externalised service delivery
- Re-engineering of front line services – cost reduction whilst maintaining performance levels
- ICT review – delivering more effective IT services in support of improved performance
- Expand future role of SEH Commercialisation and the commercial subsidiary

4 Progress

4 1 Since writing and publishing the business plan South Essex Homes have made considerable progress in respect of project and goal implementation

4 2 Careline

4 3 Southend Borough Council transferred full responsibility for Careline services to South Essex Homes on 1st April 2018. During 2017/18 South Essex Homes planned, managed, and achieved the financial turnaround of Careline moving from a £55,000 annual loss to breakeven whilst providing a free service to supported housing within the South Essex Homes management portfolio.

4 4 Repairs and Maintenance

4 5 South Essex Homes (SEH) Property Services staff is currently negotiating a new contract in respect of the preferred supplier of repairs and maintenance services across all SEH properties. Expectations are that service levels (response times) will improve considerably from 2019 on.

4 6 Re-engineering the front line

4 6 South Essex Homes have completed a full re-engineering exercise in respect of staff levels and structures during 2017/18 and will fully implement the redesign during 2018. Costs have been significantly reduced such that projected 2018/19 outturns show South Essex Homes as breaking-even.

4 7 Our expectations are that whilst this is the biggest change that our staff will face we should not shy away from on-going minor adjustments that reflect the changing working environment. Our Board and Management team understand that in order to remain an effective organisation we should be nimble and swift to reflect best practice wherever we find it.

4 8 ICT Review

ICT issues continue to be a cause for concern. Early in 2017 SEH commissioned a comprehensive technology review from a specialist technology company. That review indicated additional spend is required to change the entire technology suite in the order of £800,000. SEH consider this excessive and that the costs will far outweigh the benefits.

4 9 Given this SEH have commissioned a small piece of work to identify where integration is possible and where the cost of that integration would be outweighed by the benefit derived. We anticipate the outcome of this to allow us to develop an achievable technology strategy covering the next two years.

4 10 Expanding the future

4 11 Having appointed a Director Business Development in 2017 SEH have made significant progress in terms of commercial expansion. The commercial subsidiary South Essex Property Services (SEPS) has been returned to surplus earning status and commercial activity within SEH is gradually being consolidated and secured for the longer term.

4 12 Our client base within both companies (SEH and SEPS) continues to expand boasting, Housing Associations, the University sector, other Registered Providers, other Local Authorities, and many private individuals amongst their client list. Southend Borough Council remains by far the SEH biggest client, and biggest supporter. It is still early days and surpluses are small but both companies are jointly building both a capability and capacity that will be ready for exploitation within the near future.

4 13 Aside from income generation SEH have throughout 2017/18 implemented a comprehensive innovative training and coaching initiative that ensures SEH third and fourth tier managers understand the needs and mechanics of commerciality' within a public sector client area. In this way SEH continue to build a sustainable foundation through which the business will thrive in future years.

5 Diversity and Equal Opportunities

5 1 There are no direct Equal Opportunities or diversity issues which arise from this report.

6 Financial Implications

6 1 Financial implications are reported throughout management accounts and internal budgets.

7 Resident Consultation

7 1 Resident Board Members are party to all decisions impacting the Business plan.

8 Background Papers

8 1 None

9 Appendices

9.1 Business plan

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