

Public Document Pack  
SOUTHEND-ON-SEA CITY COUNCIL

**The Shareholder Board**

**Date: Monday, 16th October, 2023**  
**Time: 6.30 pm**  
**Place: MS Teams**  
**Contact: Robert Harris**  
**Email: [committeesection@southend.gov.uk](mailto:committeesection@southend.gov.uk)**

**A G E N D A**

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes of the meeting held on 14th August 2023 (Pages 3 - 6)**
- 4 South Essex Homes Limited - Receipt of Accounts 2022/23 (Pages 7 - 56)**  
Report of Executive Director (Finance and Resources)
- 5 South Essex Homes Limited - Review of Business Plan (Pages 57 - 100)**  
Report of Executive Director (Finance and Resources)
- 6 Southend Care Limited - Receipt of Accounts 2022/23 (Pages 101 - 140)**  
Report of Executive Director (Finance and Resources)
- 7 Southend Care Limited - Review of Business Plan (Pages 141 - 164)**  
Report of Executive Director (Finance and Resources)
- 8 Governance Arrangements - Future Work Plan (Pages 165 - 168)**  
Report of Executive Director (Finance and Resources)
- 9 Date of next meeting - 17th February 2024**

**Chair & Members:**

Cllr P Collins, Cllr T Cox (Chair), Cllr L Burton, Cllr M Davidson (Vice-Chair), Cllr K Buck, Cllr M Terry, Cllr D Cowan and Cllr I Gilbert

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# Public Document Pack

## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of The Shareholder Board

**Date: Monday, 14th August, 2023**  
**Place: Virtual Meeting via MS Teams**

# 3

**Present:** Councillor T Cox (Chair)  
Councillors M Davidson (Vice-Chair), K Buck, L Burton, P Collins,  
D Cowan and I Gilbert

**In Attendance:** P Bates, K Waters, G Halksworth, J Gulson-Levy and T Row

**Start/End Time:** 6.00 pm - 6.50 pm

#### **11 Apologies for absence**

Apologies for absence were received from Councillor Terry (no substitute).

#### **12 Declarations of Interest**

The following interests were declared at the meeting:

(i) Mr G Halksworth - Minute No. 14 (PSP Southend LLP Dissolution) – Current Director of the PSP; and

(ii) Mr K Waters – Minute No. 14 (Airport Business Park Southend Management Ltd. – Receipt of Accounts to June 2022) – Director of Airport Business Park Management Company Ltd.

#### **13 Minutes of the meeting held on 22nd February 2023**

Resolved:-

That the Minutes of the meeting held on 22<sup>nd</sup> February 2023 be received, confirmed as a correct record and signed.

#### **14 PSP Southend LLP Dissolution**

The Board received a report of the Executive Director (Growth & Housing) regarding the Council's proposal to dissolve PSP Southend LLP by mutual consent.

In response to questions, and at the request of the Chair, the Director of Growth and Housing undertook to circulate the details of leasehold property held by PSP to the Board after the meeting.

Resolved:-

That the report be noted and that Cabinet be recommended:

1. That PSP's decision to remove the Limited Liability Partnership (LLP) offer from the market and to seek to dissolve PSP Southend LLP by mutual consent, subject to the relevant Joint Venture (JV) partner agreement, is noted.

2. That the Council, as JV partner, agrees to the dissolution of PSP Southend LLP by mutual consent, and that the detailed exit arrangements are progressed with the detail of this is delegated to officers to ensure that the dissolution is managed pragmatically, with all relevant intellectual property and sums due to the Council secured from PSP.

3. That a final report on the full final settlement and final conclusion of the dissolution to be submitted to Shareholder Board in February 2024 and that at the relevant time, the Council's representatives on the LLP will resign for their roles on the LLP.

**15 Airport Business Park Southend Management Ltd - Receipt of Accounts to June 2022**

The Board received a report of the Director of the Airport Business Park Management Company Ltd. that presented the annual report and financial statements for Airport Business Park Southend Management Limited for the trading year to June 2022. It was noted that these reports had been filed with Companies House.

Resolved:-

That the Annual Report and Financial Statements of Airport Business Park Southend Management Ltd (ABPSML) for the year ending 30 June 2022, together with the report of the auditors, which were submitted to Companies House on 23 March 2023, be received and noted.

**16 Porters Place Southend LLP - Receipt of Accounts 2021/22**

The Board received a report of the Executive Director (Finance & Resources) that presented the annual report and audited financial statements of Porters Place Southend-on-Sea LLP for year ended 31 March 2022.

Resolved:-

That the annual report and audited financial statements of Porters Place Southend-on-Sea LLP for the year ended 31 March 2022 be received and noted.

**17 Better Queensway Scheme Update**

The Board received a report of the Director of Regeneration and Housing presenting a recommended way of ensuring a planned, negotiated and managed exit is achieved by Sanctuary Housing Association from the Porters Place Southend on Sea LLP. The report also sought the Board's endorsement for Council Officers to explore alternative options to progress the regeneration scheme and deliver the transformational ambition for the city.

The Board was advised that it would be necessary to move into Part 2 business in order that the matters concerning the information set out in the confidential appendix that had been circulated to the Board could be considered.

Resolved:-

1. That the intentions and desire for Sanctuary Housing Association to procure the exit of its group company Swan BQ Limited from Porters Place Southend-on-Sea LLP and the Better Queensway Project, be noted.
2. That the requirement to enter into an appropriate Settlement Agreement between Southend-on-Sea City Council and Swan BQ Limited (and certain relevant group companies) be approved.
3. That authority be delegated to the Director of Regeneration & Housing and Executive Director Finance & Resources to negotiate the final details of the Settlement Agreement in consultation with the Cabinet Members for Housing & Planning and Economic Growth & Investment.
4. That the Director of Regeneration & Housing be required to explore alternative options to progress the regeneration scheme and report back to a future meeting of Cabinet. In the event that the discussions do not proceed as anticipated, a report be submitted to the Shareholder Board for consideration prior to consideration by Cabinet.

## **18 Governance Arrangements - Future Work Plan**

The Board received a report of the Director of Financial Services proposing a future work programme.

In response to questions, the Chair gave assurances that an update on the current management arrangements in respect of the LLP be reported to the Board at a future meeting.

The Board was mindful that additional meetings may be required in October 2024 to deal with the scrutiny of accounts and annual reports of the various joint venture companies. It also noted that the meeting in February 2024 would need to be updated to include the final settlement details of the dissolution of the PSP Southend LLP.

Resolved:-

That subject to the amendment of the work to include the details above, the future work programme for the Board be approved.

## **19 Exclusion of the Public**

Resolved:-

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the items of business set out below, on the grounds that they would involve the likely disclosure of exempt information as defined in

Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**20 Better Queensway Scheme Update - Confidential Appendix**

The Board considered and discussed the information contained in the confidential appendix in respect of the Better Queensway Scheme Update.

**21 Date and time of next meeting**

Resolved:-

That it be noted that the next meeting of the Board will take place on Monday, 16<sup>th</sup> October 2023 commencing 6.00 pm.

**Chair:** \_\_\_\_\_

# South Essex Homes Limited

Report of Director Finance and Corporate Services  
to  
**Shareholder Board**  
On  
**16<sup>th</sup> October 2023**

Report prepared by: Daniel Lyons  
Tel: 0170221605

Agenda  
Item No.

**4**

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## Draft Audited Accounts as at 31st March, 2023

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### 1 Purpose of Report

- 1.1 To present to the Shareholder Board the Consolidated Financial Statements for 2022/23.

### 2 Recommendations

The Shareholder Board are requested to:

- 2.1 **Note** the Financial Statements for 2022/23.

### 3 Background

- 3.1 Summary Year end Management Accounts

Description	Budget for year £000	Actuals at 31 <sup>st</sup> March £000	Variance £000
Management Fee Income	6,650	<b>6,902</b>	252
Service Charge Income	4,298	<b>4,455</b>	157
Careline & Other Income	588	<b>516</b>	(72)
Commercial Income	405	<b>424</b>	19
Operating costs & Interest	(12,525)	<b>(12,723)</b>	(198)
<b>Profit / (Loss)</b>	<b>(584)</b>	<b>(426)</b>	<b>158</b>

- 3.2 The above is a headline summary of the Management Accounts of South Essex Homes produced at year end. There are a number of factors contributing to the variance to budget. The main factors are set out below.

- 3.3 Management Fee Income – The nationally agreed pay award for 2022/23 was agreed and paid to all staff, this saw higher pay costs than were budgeted for and included in the original Management Fee negotiations. Through negotiations with Southend on Sea City Council it was agreed these unbudgeted increased costs would be met from additional management fee.
- 3.4 Careline Income – The Careline service has been experiencing declining customer numbers for some time and a full review of the service is being undertaken to explore future options about delivery of the service. The service finished the year with revenue of £426k, around £119k less than budget.
- 3.5 Employee Costs - The nationally agreed pay award was fully implemented, which saw higher pay costs than were budgeted.
- 3.6 Premises Costs – This area is impacted quite considerably by the higher Council Tax charges being incurred, especially on the Queensway Estate. Properties that were being held empty at the Quantock Block are now being brought back into use and we should see these council tax costs related to long term voids decrease.
- 3.7 Utility Costs – The costs we were paying for Gas and Electricity rose considerably over 2022/23 (as is being experienced by the whole nation). This resulted in a sizeable overspend in this area of £743k.
- 3.8 Service Level Agreements – The cost of the ICT SLA with Southend on Sea City Council was reworked in 2021/22 resulting in higher costs than budget. This higher cost has run through to 2022/23 with the budget set at levels before the higher cost was known.
- 3.9 The final position at year end showed a total deficit of £426k.
- 3.10 Statutory Accounts
- 3.10.1 The Financial Statements (**Appendix 2**) have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Recommended Statements of Standard Accounting Practice. They show a deficit of £628k after FRS102 adjustments and consolidation with the accounts of South Essex Property Services Limited.
- 3.10.2 South Essex Homes is not liable for Corporation Tax on its non -trading activities. For us these are defined as those services provided to Southend on Sea City Council under the Partnership Agreement. Corporation Tax would usually be payable on any surpluses made from trading activities, these would include interest on our cash balances and any commercial work for third parties (such as Careline and work for Castle Point Borough Council on its repairs and maintenance service). When we fully allocate costs and overheads to these revenue streams we can justify not making any trading surpluses.
- 3.10.3 To the degree the South Essex Homes reports a trading loss for corporation tax purposes these are able to be surrendered to offset the profits in South Essex Property Service, which would normally be fully liable for Corporation Tax. By doing this we can minimise the tax liability across the group. For 22/23 we were able to reduce the total corporation tax liability to zero, so saving South Essex Property Services £71k in corporation tax and keeping surpluses within the group.



### 3.11 Reconciliation between Management Accounts and Statutory Accounts

3.11.1 A reconciliation between the South Essex Homes Management Accounts and the South Essex Home Group Income and Expenditure Statement is shown below;

	£'000s
Management Accounts	
Deficit as per Management Accounts	(426)
Rounding Differences	0
<b>Surplus as per SEH Company Accounts</b>	<b>(426)</b>
Profit as per SEPS Company Accounts	375
Consolidation Adjustments	(0)
<b>Deficit as per SEH Group Accounts before Pension Adj</b>	<b>(51)</b>
FRS102 Staff costs adjustment	(544)
FRS102 Interest Costs	(33)
<b>Deficit as per SEH Group Accounts</b>	<b>(628)</b>

3.11.2 **Note:** FRS 102 is the Financial Reporting Standard No.102: "The Financial Reporting Standard applicable in the UK". This standard requires appropriate adjustments in a company's accounts to reflect potential liabilities arising from the impact of pension fund deficits.

## 4 **Diversity and Equal Opportunities**

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

## 5 **Risk**

5.1 If South Essex Homes Annual Accounts are not signed by the South Essex Homes Board and filed at Companies House within 9 months of the financial year end (i.e. by 31<sup>st</sup> December 2023) the Company will be liable for a penalty and the Directors or South Essex Homes would also become liable. The accounts will be submitted to the South Essex Homes Board for agreement at its next meeting, afterwards they will be submitted to Companies House.

## 6 **Financial Implications**

6.1 Financial implications have been considered throughout this report.

## 7 **Stakeholder Engagement**

7.1 The financial statements are audited by SB Audit and the Audit and Risk committee have the opportunity to discuss the outcomes of the audit privately with the auditors.

7.2 The financial statements are scheduled to be signed off at South Essex Homes next Board meeting. They will also be published on the internet.

## **8 Background Papers**

8.1 None

## **9 Appendices**

9.1 Appendix 1 – South Essex Homes Group Financial statements for the year ended 31<sup>st</sup> March 2023

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Consolidated Financial Statements**

**31st March 2023**

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**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Consolidated Financial Statements**

**Year ended 31st March 2023**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1 to 2</b>
Strategic report	<b>3 to 4</b>
Directors' report	<b>5 to 7</b>
Statement of the Board	<b>8 to 9</b>
Statement of the Chief Executive	<b>10 to 11</b>
Statement of Corporate Governance	<b>12 to 17</b>
Independent auditor's report to the member	<b>18 to 21</b>
Group income statement (including income and expenditure account)	<b>22</b>
Group statement of total other comprehensive income	<b>23</b>
Group statement of financial position (balance sheet)	<b>24</b>
Company statement of financial position (balance sheet)	<b>25</b>
Group statement of changes in equity	<b>26</b>
Company statement of changes in equity	<b>27</b>
Group statement of cash flows	<b>28</b>
Notes to the financial statements	<b>29 to 44</b>

# SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE

## Officers and Professional Advisers

Year ended 31st March 2023

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### The Board of Directors

<b>Council Nominees</b>	Cllr Meg Davidson	(Resigned 18.05.23)
	Cllr Peter Wexham	(Resigned 18.05.23)
	Cllr Margaret Borton	(Appointed 26.07.22 and resigned 18.05.23)
	Cllr Martin Berry	(Appointed 27.07.21 and resigned 26.07.22)
	Cllr Brian Beggs	(Appointed 18.05.23)
	Cllr Kevin Buck	(Appointed 18.05.23)
	Cllr Martin Terry	(Appointed 18.05.23)

<b>Resident Members</b>	Christopher Silvey	
	Carly Volke	
	Keith Ducker	(Appointed 26.07.22)

<b>Independent Members</b>	Roger Eastwood (Chair)	
	David Joyce	
	Sacha Jevans	
	Christopher March	
	Michael Oxley	

<b>Executive Team</b>	Michael Gatrell	Chief Executive
	Mario Ambrose	Executive Director
	Beverley Gallacher	Director – SEPS
	Sarah Lander	Director – Operations Property
	Daniel Lyons	Director – Finance & Corporate
	Kevin Hazlewood	Director – Operations Property

<b>Company Secretary</b>	Simon Putt	(Resigned 31.12.2022)
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<b>Registered Office</b>	Civic Centre Victoria Avenue Southend on Sea Essex, SS2 6FY
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<b>Auditor</b>	SB Audit LLP Chartered Accountants & Statutory Auditor 820 The Crescent Colchester Business Park Essex, CO4 9YQ
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**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Officers and Professional Advisers**

**Year ended 31st March 2023**

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**Bankers**

Barclays Bank  
174 High Street  
Southend on Sea  
Essex, SS1 1JS

**Solicitors**

Southend on Sea City Council  
Civic Centre  
Victoria Avenue  
Southend on Sea  
Essex, SS2 6ER

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# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Strategic Report**

**Year ended 31st March 2023**

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The directors are pleased to present their report and the audited financial statements of South Essex Homes Limited (SEH) for the year ended 31 March 2023.

### **Principal Activity**

South Essex Homes Limited (the Company) is a local authority controlled company of Southend-on-Sea City Council (the Council) established with no share capital and limited by guarantee.

The Company manages Council properties on behalf of the Council with the primary goal of providing an excellent housing management service to all our service users.

The company has one wholly owned subsidiary, South Essex Property Services Limited, whose principal activity is housing related activities. Further details are included in note 9.

### **Results**

The initial deficit after tax, but before FRS102 defined benefit pension scheme adjustments for the year was £51k (2022 : surplus £50k). This resulted in a deficit of £628k (2022 : deficit £843k) for the year, after adjustments for FRS 102 defined benefit pension scheme adjustments. A £375k surplus was attributable to South Essex Property Services Limited (2022 : £187k surplus).

### **Financial risk management objectives and policies**

The Company maintains a risk register that is updated and reviewed regularly by both the Board and the senior management team. The main risks facing the company at the date of signing these accounts were:

- i. Risk that the Company will fail to meet agreed standards defined by the Partnership Agreement.
- ii. Risk that the Company will fail to meet legal and regulatory standards.
- iii. Risk that the Company will fail to adequately monitor South Essex Property Services

The company retains sufficient cash for its working capital needs and does not use other financial instruments for treasury management. The company therefore has very little exposure to cash flow risk.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Strategic Report**

**Year ended 31st March 2023**

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The company is assessed by various yardsticks applicable to similar housing organisations and is looking to be in the upper quartile in the various cost and quality benchmarks. The main key performance indicators include tenant satisfaction, the levels of overdue rents, the length of time taken to re-let empty properties, customer satisfaction with repairs.

Registered office:  
Civic Centre  
Victoria Avenue  
Southend on Sea  
Essex SS2 6FY

Signed on behalf of the directors

Roger Eastwood  
Chair of the Board

Approved by the directors on

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# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Director's Report**

### **Year ended 31st March 2023**

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The directors present their report and the financial statements for the year ended 31st March 2023.

#### **Directors**

The directors who served the company during the year were as follows:

Carly Volke  
Chris March  
Chris Silvey  
David Joyce  
Keith Ducker (appointed 26.7.22)  
Michael Oxley  
Roger Eastwood  
Sacha Jevans  
Cllr Margaret Borton (Appointed 26.07.22 and resigned 18.05.23)  
Cllr Meg Davidson (Resigned 18.05.23)  
Cllr Peter Wexham (Resigned 18.05.23)  
Cllr Martin Berry (Appointed 27.07.21 and resigned 26.07.22)

#### **Auditors**

Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly, Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

#### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Director's Report**

**Year ended 31st March 2023**

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Throughout the year the directors were covered by an indemnity insurance policy.

### **Engagement with employees**

The Board considers that effective employee engagement is key to the Company's ability to create value in our services as they recognise that our people are our greatest asset. The views and contributions of employees can help to inform Management and the Board on a variety of key operational issues, identify risk and develop strategy.

Employees are engaged in a number of ways which allow for views to be expressed and opinions obtained.

All staff are invited to attend a staff briefing at least three times per year, at these staff are updated on the pertinent factors influencing the company's direction. Staff are given an opportunity to discuss and question the effectiveness of the organisation and make suggestions for improvement.

A weekly staff bulletin is made available to all staff ensuring that staff are kept up to date with developments as well as providing a platform where staff can contribute stories or messages of their own. Staff are also occasionally surveyed for their views on a range of issues, during the recent COVID-19 pandemic staff were canvassed twice for their views on remote working and the support they received from their manager and wider organisation.

South Essex Homes developed a set of Values and Behaviours in conjunction with staff through a series of workshops to canvas staff views and staff ideas of how South Essex Homes' Values should look and feel. These staff developed Values and Behaviours are now being embedded through the organisation.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Director's Report**

**Year ended 31st March 2023**

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The EMT always have an open door policy and can often be seen on 'back to floor' exercise to ensure they are kept up to date with front line services and the needs of those services. A joint meeting with EMT and CMG was introduced in 2020 to better enhance the working relationships across both executive and middle management. This allows for better communication across functional boundaries to exist and enhances a culture of information sharing and collaboration.

The Board considers the approach to employee engagement effective.

The Company is committed to promoting equality of opportunity for people with disabilities and aims to eliminate discrimination, pursuing equality of treatment as an employer.

We seek to ensure that disabled people are not discriminated against during the recruitment and selection process as well as all aspects of employment including training and development. All reasonable adjustments are made to ensure that an individual's needs are met during the course of their employment. Employees are fully supported and where a disability occurs during the course of employment all reasonable steps will be taken to retain the services of that individual, including retraining and redeployment where needed.

Registered office:  
Civic Centre  
Victoria Avenue  
Southend on Sea  
Essex SS2 6FY

Signed on behalf of the directors

Roger Eastwood  
Chair of the Board

Approved by the directors on

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of the Board**

### **Year ended 31st March 2023**

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As we emerged from the pandemic, we all found ourselves presented with a set of new challenges, namely price inflation and higher interest rates. As a result, repair and other costs have increased by significantly more than rents have in the period. This makes it more difficult to deliver services to tenants within already tight budgets and we will have to work hard to deliver as much as we can within those constraints.

In a post pandemic world a flexible and agile service delivery model gives the most resilience to threats to our organisation. The continued development of a new Operating Model which provides and protects services, builds on the positive outcomes from working during the pandemic and builds a supportive environment for staff is a key priority for South Essex Homes over the period of the Business Plan.

The Company continues with agile working where we have proven that SEH can operate remotely and will continue to take advantage of this agility. We are also aware that staff operating on the frontline of delivery are exposed to new risks, so we continue to focus on the safety of staff and tenants, and the business's overall resilience. The company is continuing to review and adjust staffing structures aligning them with the services provision and the Business Plan.

The Board continued to monitor the Strategic Risk Register to ensure that strategic risks are properly managed with the added oversight of the Audit and Risk Committee.

The Board continued to ensure that Board Members are fully updated on health and safety issues and receive compliance reports, which will become increasingly important with the development of the Social Housing (Regulation) Bill during 2023, that follows the publication of the Social Housing White Paper.

The Company continued to focus on fire safety, by overseeing the process related to the program of fire safety works and its effective delivery, as well as ensuring proper fire safety arrangements are in place. The importance of Fire Safety continues to be strengthened with the Fire Safety Manager, maintaining a key liaison role with both the Council and Residents to ensure that Resident's safety remains of paramount importance. The Board also recognised the introduction of the Fire Safety Act 2021 will require continued emphasis on this key area of building safety. The requirements of the Building Safety Act 2022 have also formed part of the preparations for the Business Plan.

Following an in-depth Governance Review in 2021/22 a consultancy provider was engaged to assist the Board and Company to deliver the relevant training and development aspect of the program throughout 2022/23 and this work continues.

During the period your Board maintained oversight of its subsidiary South Essex Property Services (SEPS) as it continues to successfully grow and deliver additional commercial activities including: Southend City Council (SCC): Various security work for patrolling marshalling and at events. Fire door maintenance for Southend on Sea City Council buildings, Security and Cleaning service at the Victoria Centre, Southend, Castle point Borough Council; cleaning and EPC,s on voids and Basildon Council; Community Warden Patrol.

In addition, two new fledgling subsidiary companies were established in the period, one to allow SEPS to continue to grow its "non SCC" related business and another for potential opportunities around the Fossetts Farm/Roots Hall sites.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Statement of the Board**

**Year ended 31st March 2023**

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The new Partnership agreement between South Essex Homes and the Council was effective from the 1<sup>st</sup> January 2021. The Executive Management Team continue to work closely with the Council and the Board to evolve the Organisational Development plan to ensure that we deliver the services the Council require, and to further develop the positive relationship, to become their “partner of choice” for future appropriate opportunities.

There have been some significant successes in 2022/23 and we will continue to focus on enhancing services to our residents and adding value in the future.

Roger Eastwood  
Chair of the Board

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# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of the Chief Executive**

**Year ended 31st March 2023**

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2022/23 was marked by serious economic challenges, not just in our sector, but across the world. The war in Ukraine fuelled energy cost rises and subsequent materials shortages and cost inflation. This placed significant pressure on our maintenance contracts and contractors. Our budgets, both direct and indirect, came under real pressure and our financial position was seriously affected. For the first time, it was necessary to apply in-year cost increases to tenant's rents to reflect the very high increases in fuel costs and to avoid even higher than already anticipated increases for the following year.

Within the housing sector, perhaps one of the most significant issues was the inquest following the tragic death of 2-year-old Awaab Ishak in Rochdale, as a result of mould growth in his home caused by dampness and condensation. The spotlight has been shone brightly on landlords by the Secretary of State, the Regulator of Social Housing and the Housing Ombudsman. Without doubt, the focus which all landlords will need to apply to addressing this issue, will continue to impact on our service delivery and maintenance budgets for many years.

Notwithstanding the issues facing us during the year, our teams and our partner organisations continued to provide effective services for residents, their homes, and the communities they live within. The continuing hybrid working arrangements were embedded and residents adapted to the developed ways of engaging with South Essex Homes, particularly through increased use of social media platforms.

Planned maintenance and capital improvement programmes continued to be delivered and tenants were able to see a continuation of investment in their homes and estates. I was pleased to see the ongoing successful structural work project at the Balmoral Estate which was even more notable because it has had to involve the decant of several dozen residents from their homes while strengthening works are carried out. Of course, as has been the case for many years now, fire safety and building safety continue to be high priorities for me and the whole organisation and we continue with work to improve and maintain the safety improvements we have continued to install for residents' homes.

Our Partnership Agreement with the City Council continued to grow and strengthen our relationship at very senior levels and the strong governance arrangements ensured our joint strategic priorities continued to be fully aligned.

Further development of the organisational structure took place during the year, very much driven by the newly developed senior roles which form a key part of the leadership of the organisation.

The continuing success of our original subsidiary company, South Essex Property Services, reached a point where it led to a decision to establish two new commercial subsidiaries and I anticipate 2023/24 will see at least one of them becoming operationally active with the second being ready for an anticipated major regeneration project in the City.

Despite the financial challenges we faced during the year, I am pleased to report that our financial position continued to be managed and delivered in an effective and tightly controlled manner. This remains a vital requirement for an organisation like ours, where there are tight financial parameters within which we must operate.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Statement of the Chief Executive**

**Year ended 31st March 2023**

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I am immensely proud of the way in which each of our group team members pulled together and ensured the continued delivery of services to the many thousands of residents living in the homes we have the privilege to manage. I am grateful for the support of our board of management and for the active support of our colleagues at the City Council and, in closing, I am, and will always be, thankful for the support of the residents for whom we provide our day-to-day services

Michael Gatrell  
Chief Executive

DRAFT

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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### **1. Scope of responsibility**

#### **South Essex Homes**

South Essex Homes (SEH), formed in October 2005, is the Arm's Length Management Organisation of Southend-on-Sea City Council, responsible for the management and maintenance of the Council's homes. It was financed by a Management Fee in 2022/23, from the Council, of £6,879k, a Service Charge Fee of £4,454k together with other income of £943k.

There is a formally binding Partnership Agreement between the Council and SEH and this clearly sets out the governance arrangements that should apply between the two parties. The Partnership and Member agreement was renewed for a further 5 years effective from the 1st January 2021.

This complies with national best practice.

SEH is managed by a Board comprising three Council nominees, three tenants and five independent members. The Board is ultimately responsible for ensuring that SEH establishes and maintains a sound system of internal control appropriate to the various business environments in which it operates. Committees reporting to the Board include Audit & Risk Committee, Group Commercial Committee and Personnel and Remuneration Committee. In addition, the commercial subsidiary – South Essex Property Services Ltd reports directly to the SEH Board, as its parent company.

### **2. The purpose of the Governance Framework**

Good governance leads to good management, good performance, good stewardship, good public engagement, and ultimately good outcomes for citizens and service users. Good governance enables the company to pursue its vision effectively, as well as underpinning that vision with mechanisms for control and management of risk.

The governance framework comprises the systems, processes, culture and values, by which the company is directed and controlled, and the activities through which it accounts to, engages with and serves the community. It enables the company to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the company's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them economically, efficiently and effectively.

### **3. The Governance Framework**

The key elements of the Governance Framework are:

- Consultation and Engagement
  - Business Planning and Strategy
  - Financial Reporting including Budgetary Management
  - Asset Management
-



# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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- Risk Management including Fraud, Corruption and Bribery, Confidential Reporting as well as Health and Safety
- Business Continuity
- Performance Managing, service delivery and people
- Information Management Security
- Procurement
- Project Management
- Complaints
- Ethical Governance including Codes of Conduct
- Data Quality
- Workforce Management.

The company sets out its expectations with regard to corporate governance, within the Articles of Association, Code of Governance and Financial Regulations and Scheme of Delegation.

The company then:

- maintains a business planning process that cascades throughout the organisation, supporting service plans and key actions to enable SEH to achieve its ambitions and aspirations as set out in the Business Plan
- prepares forecasts and budgets that allow the Committees and the executive officers to monitor the key business risks and financial objectives and identify and manage variances arising during the monthly reporting cycle
- operates professionally compliant recruitment and appraisal processes to ensure that:
  - it employs suitably qualified and experienced staff to take responsibility for key areas of the business
  - its staff remain suitably skilled to deliver the services required
- produces regular performance reports for review by Executive Management and the Board that measure performance against objectives and targets as detailed in service plans
- operates three Committees which report to the Board, who have been delegated specific functions to discharge on its behalf as set out in their respective Terms of Reference
- operates a development and training programme for the Board Directors developed from appraisals, one to ones and the Audit and Risk Committee self-assessment which are carried out annually.

South Essex Homes ensures that the Board Directors are fulfilling their responsibility under Companies Act 2006 for adequate risk management, control and governance.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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The company has a duty to ensure that it is fulfilling its responsibility for maintaining adequate and effective risk management, control and governance arrangements. This role has been delegated to the Audit and Risk Committee, who report to the Board on the discharge of its duties on an exception basis.

### **4. Review of Effectiveness**

South Essex Homes is responsible for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the:

- Chief Executive, Executive Director, Directors within the Company who have responsibility for the development and maintenance of the governance environment
- Head of Internal Audit's annual report
- comments made by the External Auditors and other review agencies and inspectorates.

The Council's processes to review on-going effectiveness of SEH continue through the monitoring of performance against the Partnership Agreement and include Council officers meeting with SEH officers on a quarterly basis to review performance against a suite of performance indicators and its strategic aims which are as follows;

- **Deliver Value to the Council**
- **Empower our residents and staff**
- **Manage decent quality homes**
- **Engage with our communities**

SEH's internal arrangements for ensuring the effectiveness of its governance arrangements consist of the:

- SEH Board receiving monthly performance reports across operational, human resources and value for money indicators
- Audit & Risk Committee undertaking a review of the Risk Management Strategy and the Strategic Risk Register to ensure that risks are relevant and applicable and that the Board Members are responsible for ensuring that risks are monitored effectively by the Executive Management Team
- Audit & Risk Committee undertakes a review of both its effectiveness as well as the operational arrangements annually
- production and approval of annual Manager Assurance Statements by service managers and Group Managers to assess compliance with key governance processes throughout the year
- The Director for Finance & Corporate Resources then independently checking that the evidence supports the service manager's assessment of how well each of the business management processes have operated in their area
- Company continuing to review and adjust staffing structures aligning them with the services provision and the Business Plan.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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A robust and detailed Governance review was undertaken by PWC on behalf of SEH and SEPS, and subsequently a report was considered and challenged by Internal Audit and the Executive Team. The result of this and a further Board Away Day was the development of a Governance Action Plan which details the steps required to strengthen the governance arrangements within the South Essex Homes Group.

A consultancy provider was engaged to assist the Board and Company to deliver the relevant training and development aspect of the program, during 2022/23 we saw the Board skills matrix developed and from that we have established a set of training needs which will be addressed during 2023/24.

Following the move to a Hub, Home, Roam operating model in 2020 the Company has continued to develop and build upon this agile and flexible model. We have continued to operate successfully and this period has proved that we can operate remotely and effectively. As we continue through 2023/24 we will continue to review and adjust our operating model in light of market conditions, as well as ensuring the continued support and safety of our staff and tenants. We believe this operating model gives the Company greater resilience and allows us to flexibly adapt to challenges and situations as they occur.

### **Internal Audit**

Internal Audit is delivered through a Service Level Agreement with the Council's Internal Audit Services. The Charter, Strategy and risk based Audit Plan is prepared in consultation with the Executive Management Team and approved (but not directed) by the Audit & Risk Committee.

Terms of reference and audit reports are discussed with relevant Directors, before being finalised. The recommended actions required to mitigate risks and improve control arrangements as identified by audit work are summarised in an action plan.

Internal Audit revisits action plans where the original report's opinion was either Partial or Minimal. These actions are followed up and the results of this work are reported to the Executive Management Team and Audit & Risk Committee as part of the Quarterly Performance Report.

### **Head of Internal Audit Opinion for the year ended 31 March 2023**

The Head of Internal Audit Annual Report and opinion for 2022/23 was considered by the Audit & Risk Committee in June 2023. It stated that:

*'Overall, the risk management, control and governance framework designed by the company to deliver its objectives and operated throughout the year, has remained satisfactory*

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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*During the year the company has been delivering against the Partnership and Members Agreement with Southend Council and these arrangements are becoming embedded to manage the more collaborative approach between the organisations. The Company continued to be challenged by the external environment that it operates within, particularly in respect of the wider economic situation, with the impact of inflation, including the cost of energy, creating additional financial pressures for the Company, tenants, the supply chain, and other stakeholders, as well as the wider impacts of the fallout from the Covid-19 pandemic. Significant changes that have occurred to the operations of the Company are becoming embedded, including many staff working remotely and the changes implemented to enable that remote working. The Board are working to ensure the Business Plan continues to meet the needs of the company and its varied stakeholders, as well as meeting the requirements of the regulatory reform for the sector.*

*Work is being undertaken to further develop the arrangements that have been put in place to ensure the value for money of activities, refresh the company assurance map so that it focusses on the key performance elements of the partnership agreement and strategic risks faced by the company, as well as updating the Ethical Governance Framework.*

*Management need to continue to monitor the potential impact of the issues arising in the environment that it operates within, the progress against delivery of the Business Plan and be ready to make further adjustments as the situation continues to change, and the understanding of the impact on future needs and priorities becomes clearer in the evolving environment that it is encountering.'*

### **Compliance with Professional Standards, Head of Internal Audit Opinion**

The independent assessment of the internal audit service required to be undertaken every five years concluded that:

*'The Institute of Internal Auditors assessed the in-house team as fully meeting most of the Standards, as well as the Definition, Core Principles and the Code of Ethics in October 2017 (classified as "Generally Conforms", the highest rating).*

*Good assessments were achieved in relation to:*

*reflection of the Standards*

- *focus on performance, risk and adding value*
- *quality assurance and improvement programme.*

*Needs improvement assessments were given in relation to:*

- *co-ordinating and maximising assurance*
- *the efficiency of its operations'.*

During 2022/23 the team has continued to deliver work using the improved approach resulting from development and implementation of the Compliance with the UK Public Sector Internal Audit Standards Action Plan arising from the assessment by the Institute of Internal Auditors. As a result the service has substantially conformed to the relevant professional standards throughout the year.

Internal Audit continues to make available its work as required to support the external audit of the company's Statement of Accounts.

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# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Corporate Governance**

**Year ended 31st March 2023**

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The Head of Internal Audit also confirmed that *'No issues have come to my attention this year, other than those already disclosed, that I believe need including in the company's Annual Governance Statement'*.

### **External Audit**

The External Audit of the annual financial statements will be undertaken by SB Audit LLP with the view to expressing an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

In carrying out the audit work SB Audit LLP will consider whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will normally be considered material if its omission would reasonably influence the decisions of those using the financial statements.

SB Audit LLP will issue a report to management at the conclusion of the audit work. This will include a management letter containing comments about operations and internal control in respect of the Company but will not make any recommendations for improvement. This will be discussed with management prior to the issue of the final report. The report will also include details of significant adjusted and unadjusted items that arise as a result of the audit work.

The Audit & Risk Committee consider the external auditor's report and recommends adoption of the financial statements to the Board.

### **Key Governance Issues**

The main areas for further work identified through the Governance Assurance Process in 2023/24, and which should be disclosed in the Governance Statement Action Plan are the need to:

- Continue to deliver the Governance Action Plan, in response to the PWC Governance review, including delivery of the training plans for Board Members.
- Work to fully implement the requirements of the Tenant Satisfaction Measures, ensuring we fully comply with the requirements of the regulator and our data is of a high quality and easily accessible.
- Full integration of our Business Plan through the Company, including ensuring the 'golden thread' through to Team Service Plans, Appraisals, Budgetary Control and Performance.

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Roger Eastwood  
Chair of the Board

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Michael Gatrell  
Chief Executive

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Independent Auditor's Report to the Member of South Essex Homes Limited**

**Year ended 31st March 2023**

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### **Opinion**

We have audited the financial statements of South Essex Homes Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31st March 2023 which comprise the Group Income and Expenditure Account, Group Statement of Other Comprehensive Income, Group Balance Sheet, Company Balance Sheet, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2023 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Independent Auditor's Report to the Member of South Essex Homes Limited**

**Year ended 31st March 2023**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the consolidated financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
  - the parent company financial statements are not in agreement with the accounting records and returns; or
  - certain disclosures of directors' remuneration specified by law are not made; or
  - we have not received all the information and explanations we require for our audit.
-

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Independent Auditor's Report to the Member of South Essex Homes Limited**

**Year ended 31st March 2023**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on pages 5 to 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: building regulations, health and safety, anti-bribery and corruption, human rights and employment law, GDPR.

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# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Independent Auditor's Report to the Member of South Essex Homes Limited**

**Year ended 31st March 2023**

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Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TIMOTHY O'CONNOR (Senior Statutory Auditor)  
For and on behalf of  
SB AUDIT LLP  
Chartered Accountants & Statutory Auditor

820 The Crescent  
Colchester Business Park  
Colchester  
CO4 9YQ

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Group Income Statement (including Income and Expenditure Account)**

**Year ended 31st March 2023**

	Note	2023 £000's	2022 £000's
<b>Turnover</b>	3	15,161	13,145
Staff costs	4	9,301	8,153
FRS 102 pension scheme staff costs adjustment	17f	544	764
Other operating charges	5	6,026	4,950
<b>Operating deficit</b>		<b>(710)</b>	<b>(722)</b>
Interest receivable and similar income	7	115	8
FRS 102 pension scheme interest adjustment	17f	(33)	(129)
<b>Deficit on ordinary activities before taxation</b>		<b>(628)</b>	<b>(843)</b>
Tax on ordinary activities	8	-	-
<b>Deficit for the financial year</b>		<b>(628)</b>	<b>(843)</b>

The (deficit)/surplus for the financial year before and after adjustments required under FRS 102 in respect of defined benefit pension schemes is as follows:

**Operating (deficit)/surplus after tax:**

South Essex Homes Limited	(426)	(137)
South Essex Property Services Limited	375	187
	(51)	50
FRS 102 defined benefit pension scheme charges:		
Staff costs adjustment	(544)	(764)
Interest costs	(33)	(129)
<b>Deficit for the financial year</b>	<b>(628)</b>	<b>(843)</b>

All of the activities of the company are classed as continuing.

The notes on pages 29 to 44 form part of these financial statements.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Group Statement of Other Comprehensive Income**

**Year ended 31st March 2023**

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	Note	2023 £000's	2022 £000's
<b>Deficit for the financial year</b>		<b>(628)</b>	(843)
Actuarial gains arising from pension liabilities	17b	5,780	2,393
Experience (loss) on defined benefit obligation	17b	(2,716)	(138)
Difference between expected and actual return on pension fund assets	17b	(1,173)	3,861
Other actuarial gains on pension fund assets	17b	244	-
<b>Total recognised gains for year</b>		<b><u>1,507</u></b>	<b><u>5,273</u></b>

The notes on pages 29 to 44 form part of these financial statements.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Group Statement of Financial Position (Balance Sheet)**

**As at 31st March 2023**

	Note	2023 £000's	2022 £000's
<b>Current assets</b>			
Debtors	10	1,405	1,260
Investments	11	4,640	4,566
Cash at bank and in hand	12	5,579	1,936
		<u>11,624</u>	<u>7,762</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(8,306)</u>	<u>(4,393)</u>
<b>Net current assets</b>			<u>3,318</u>
<b>Net assets excluding pension liabilities</b>			<u>3,318</u>
Pension liabilities	17a	-	(1,558)
<b>Net assets including pension liabilities</b>		<u>3,318</u>	<u>1,811</u>
<b>Reserves</b>			
Income and expenditure reserve – Excluding FRS 102 defined benefit pension scheme reserve	14	3,318	3,369
FRS 102 defined benefit pension scheme reserve	14	-	(1,558)
<b>Member's funds</b>		<u>3,318</u>	<u>1,811</u>

These financial statements were approved by the directors and authorised for issue on XXX and are signed on their behalf by:

Roger Eastwood  
Chair of the Board

Company Registration Number: 05453601

The notes on pages 29 to 44 form part of these financial statements.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Company Statement of Financial Position (Balance Sheet)**

**As at 31st March 2023**

	Note	£000's	2023 £000's	2022 £000's
<b>Fixed assets</b>				
Investments	9		425	425
<b>Total fixed assets</b>			<b>425</b>	<b>425</b>
<b>Current assets</b>				
Debtors	10	1,154		1,315
Investments	11	4,640		4,566
Cash at bank and in hand	12	3,019		675
		8,813		6,556
<b>Creditors: Amounts falling due within one year</b>	13	<b>(6,791)</b>		<b>(4,108)</b>
<b>Net current assets</b>			<b>2,022</b>	<b>2,448</b>
<b>Net assets excluding pension liabilities</b>			<b>2,447</b>	<b>2,873</b>
Pension liabilities	17a		-	(1,558)
<b>Net assets including pension liabilities</b>			<b>2,447</b>	<b>1,315</b>
<b>Reserves</b>				
Income and expenditure reserve – Excluding FRS 102 defined benefit pension scheme reserve	14		2,447	2,873
FRS 102 defined benefit pension scheme reserve	14		-	(1,558)
<b>Member's funds</b>			<b>2,447</b>	<b>1,315</b>

Under the Companies Act 2006, s408, the directors have elected not to present the company's Profit and Loss Account. The deficit for the year was £1,003,000.

These financial statements were approved by the directors and authorised for issue on XXX and are signed on their behalf by:

Roger Eastwood  
Chair of the Board

Company Registration Number: 05453601

The notes on pages 29 to 4 form part of these financial statements.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Group Statement of Changes in Equity**

**Year ended 31st March 2023**

	Defined benefit pension scheme reserve £000's	Income and expenditure account excluding pension reserve £000's	Total £000's
At 1st April 2021	(6,781)	3,319	(3,462)
(Deficit)/surplus for the year	(893)	50	(843)
Other comprehensive income for the year	6,116	-	6,116
At 31st March 2022	(1,558)	3,369	1,811
Deficit for the year	(577)	(51)	(628)
Other comprehensive income for the year	2,135	-	2,135
At 31st March 2023	-	3,318	3,318

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Company Statement of Changes in Equity**

**Year ended 31st March 2023**

	Defined benefit pension scheme reserve £000's	Income and expenditure account excluding pension reserve £000's	Total £000's
At 1st April 2021	(6,781)	3,010	(3,771)
Deficit for the year	(893)	(137)	(1,030)
Other comprehensive income for the year	6,116	-	6,116
At 31st March 2022	(1,558)	2,873	1,315
Deficit for the year	(577)	(426)	(1,003)
Other comprehensive income for the year	2,135	-	2,135
At 31st March 2023	-	2,447	2,447

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Group Statement of Cash Flows**

**Year ended 31st March 2023**

	<b>2023</b> £000's	2022 £000's
<b>Cash Flows from operating activities</b>		
Deficit for the financial year	(628)	(843)
Interest received	(115)	(8)
Increase in debtors	(145)	(178)
Increase in creditors	3,913	782
FRS102 defined benefit pension scheme adjustment	577	893
Cash from operations	<u>3,602</u>	<u>646</u>
<b>Net cash inflow from operating activities</b>	<b>3,602</b>	<b>646</b>
<b>Interest received</b>	<b>115</b>	<b>8</b>
<b>(Increase)/Decrease in investments</b>	<b>(74)</b>	<b>1,001</b>
<b>Increase in cash and cash equivalents</b>	<b>3,643</b>	<b>1,655</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,002</b>	<b>4,347</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>9,645</u></b>	<b><u>6,002</u></b>
<b>Cash at bank at end of year</b>	<b>5,579</b>	<b>1,936</b>
<b>Cash equivalents at end of year (included within investments)</b>	<b>4,066</b>	<b>4,066</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>9,645</u></b>	<b><u>6,002</u></b>

**Analysis of changes in net funds**

	At 1 April 2022 £000's	Cash flows £000's	At 31 March 2023 £000's
<b>Cash and cash equivalents:</b>			
Cash at bank	1,936	3,643	5,579
Cash equivalents	4,066	-	4,066
	<u>6,002</u>	<u>3,643</u>	<u>9,645</u>



# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Notes to the Financial Statements**

**Year ended 31st March 2023**

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### **1. Accounting policies**

#### **Company information**

South Essex Homes Limited is a company limited by guarantee, incorporated in England and Wales. Its registered number is 05453601. The registered office is Civic Centre, Victoria Avenue, Southend on Sea, Essex, SS2 6ER.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', with the Companies Act, and FRC Abstracts.

The financial statements are presented in Sterling (£) and are rounded to the nearest £1,000.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of South Essex Homes Limited and its subsidiary undertaking for the year ended 31st March 2023.

The company has not prepared its individual Statement of Cash Flows as the exemptions available for qualifying entities have been taken.

#### **Going concern**

The financial statements have been prepared on the basis of a going concern, on the assumption that the core funding from the Southend-on-Sea City Council in future years will enable any increased pension contributions to be met.

The Company has adequate resources and support to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Notes to the Financial Statements**

**Year ended 31st March 2023**

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### **1. Accounting policies *(continued)***

#### **Turnover**

Turnover, excludes Value Added Tax (VAT) and represents in the main, the invoice value of services provided during the financial year covered by these financial statements. Turnover is recognised when the revenue is earned by South Essex Homes Limited. All turnover arises in the United Kingdom.

#### **Debtors**

Short term debtors are measured at the transaction price, less any impairment/provision for irrecoverable amounts.

#### **Creditors**

Short term creditors are measured at the transaction price.

#### **Investments**

Investments in subsidiary undertakings are included at the lower of cost and net realisable value in the individual company's financial statements.

#### **Provisions for liabilities and charges**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the company will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Notes to the Financial Statements**

**Year ended 31st March 2023**

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### **1. Accounting policies *(continued)***

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the Income Statement over the lease term on a straight line basis.

#### **Pensions costs - local government pension scheme**

South Essex Homes Limited is an admitted body of the Local Government Pension Scheme administered by Essex County Council. The assets belonging to the pension scheme are held and administered independently by Essex County Council.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other financial income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

Further disclosures relating to retirement benefits can be found in note 17.

#### **Pension costs – defined contribution pension plan**

The subsidiary company operates a defined contribution plan for its employees. The contributions are recognised as an expense when they fall due. Once the contributions have been paid the company has no further payment obligations. The assets of the plan are held separately in independently administered funds.

#### **Taxation**

Any operating surplus of the company, before FRS 102 defined benefit pension scheme adjustments, arising from savings of overhead costs compared to the core funding provided by Southend-on-Sea City Council, is non-taxable. Taxation is chargeable only on the surplus from its activities with other organisations.

# **SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE**

## **Notes to the Financial Statements**

**Year ended 31st March 2023**

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### **1. Accounting policies *(continued)***

#### **Taxation *(continued)***

The results of the trading subsidiary are subject to corporation tax. Deferred tax balances are recognised in respect of timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised when their recovery is considered to be sufficiently certain.

#### **Trading with third parties**

In the year ended 31st March 2010, South Essex Homes Limited began trading with other selected third parties to reduce its reliance on the management fee in the light of an uncertain future for the Housing Revenue Account (HRA). This trading is not expected to provide significant profits but to provide a contribution to the overall operating costs of the company.

#### **Repairs and maintenance**

South Essex Homes Limited is responsible for managing Southend-on-Sea City Council's housing repairs and maintenance contracts. The related expenditure is reflected within the Council's financial statements.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **2. Judgements in applying accounting estimates and key sources of estimation uncertainty**

The preparation of the financial statements requires the company's directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The key judgements and estimation uncertainty that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities within the next financial year are those made in respect of the defined benefit pension scheme.

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement rates and expected returns on pension fund assets. An independent firm of consulting actuaries has been engaged to provide expert advice regarding the assumptions to be applied in the calculation of the defined benefit pension scheme asset or liability, which at 31st March 2023 amounts to an asset of £15,327,000. Further details of assumptions made are disclosed in note 17.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

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**3. Turnover**

Turnover is derived completely from the principal activities of the group. Principal activities comprise of providing housing management services to Southend-on-Sea City Council and providing housing related services to other third parties, also providing facilities management and employee hosting. Turnover arises solely within the United Kingdom.

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Management fee paid by the Council in respect of housing management and support services	<b>6,898</b>	6,486
Catering income	<b>126</b>	100
Other services	<b>1,071</b>	984
Service charge income	<b>4,455</b>	3,958
Cleaning, security services, staff and other	<b>2,611</b>	1,617
	<b><u>15,161</u></b>	<u>13,145</u>

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Other services revenue represents:		
Other charges to the Council	<b>348</b>	297
Income from trading with third parties	<b>714</b>	683
Recharges to third parties	<b>9</b>	4
	<b><u>1,071</u></b>	<u>984</u>

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**4. Particulars of employees**

The average monthly number of staff employed during the financial year amounted to:

	<b>2023</b>	2022
	<b>No.</b>	No.
Senior management group	<b>2</b>	2
Finance and resources	<b>3</b>	5
Income management	<b>7</b>	8
Housing management services	<b>60</b>	94
Property services	<b>13</b>	14
South Essex Property Services Limited – Facilities management	<b>123</b>	88
South Essex Property Services Limited – Hosting (see below)	<b>87</b>	57
Number of staff	<b>295</b>	268

(Included within South Essex Property Services Limited – Hosting were 4 (2022:4) members of the senior management group).

The aggregate payroll costs of the above were:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Wages and salaries	<b>7,866</b>	6,813
Social security costs	<b>770</b>	621
Pension costs	<b>654</b>	708
Pension administration costs	<b>11</b>	11
	<b>9,301</b>	8,153
FRS 102 defined benefit pension costs adjustment	<b>544</b>	764
	<b>9,845</b>	8,917

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Aggregate remuneration	<b>44</b>	44

The members of the company's board are the directors of the company. The board members are entitled to an allowance and reimbursement of incidental expenses incurred when attending board meetings or other formal events in their capacity as board members.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**5. Operating deficit**

The operating deficit is stated after charging:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Auditor's remuneration - SB Audit LLP	<b>31</b>	29
Training and recruitment costs	<b>102</b>	32
Agency and consultancy costs	<b>338</b>	376
Other expenses - note 6	<b>5,555</b>	4,513
	<b><u>6,026</u></b>	<u>4,950</u>

**6. Other expenses**

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Electricity and gas (own buildings)	<b>6</b>	6
Electricity and gas (landlord's supplies on estates and sheltered accommodation)	<b>1,659</b>	885
Rent and rates	<b>607</b>	555
Repairs, maintenance and modifications (on administrative buildings)	<b>2</b>	5
Cleaning and rubbish removal	<b>474</b>	436
Computers and other equipment	<b>527</b>	471
Transport	<b>175</b>	153
Communication	<b>271</b>	307
Insurance	<b>161</b>	139
Legal fees	<b>24</b>	27
Grants and subscriptions	<b>96</b>	81
Other Service Level Agreements and charges by the Council	<b>820</b>	942
Printing and stationery	<b>77</b>	70
Conference expenses	<b>8</b>	5
Bank charges	<b>58</b>	42
Grounds maintenance charge	<b>261</b>	176
Other general expenses	<b>329</b>	213
	<b><u>5,555</u></b>	<u>4,513</u>

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**7. Interest receivable and similar income**

	<b>2023</b> <b>£000's</b>	2022 £000's
Interest was received on:		
Bank deposits	<u>115</u>	<u>8</u>

**8. Taxation on ordinary activities**

**Analysis of charge in the year**

	<b>2023</b> <b>£000's</b>	2022 £000's
Current tax:		
UK Corporation tax for the year at 19% (2020 : 19%)	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Arising on taxable losses	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

**9. Fixed asset investments**

<b>Company</b>	<b>2023</b> <b>£000's</b>	2022 £000's
<b>Cost</b>		
At 1 April	<u>425</u>	<u>425</u>
At 31 March	<u>425</u>	<u>425</u>
<b>Fixed asset investments at 31st March</b>	<u>425</u>	<u>425</u>

South Essex Homes Ltd owns 100% of the share capital of South Essex Property Services Limited, being 425,001 ordinary shares of £1.

South Essex Homes Ltd owns 100% of the share capital of South Essex Facilities Management Limited, being 1 ordinary share of £1. The company was incorporated on 6 January 2023 and was dormant as at 31 March 2023.

South Essex Property Services Limited is incorporated in England and Wales and it's principal activity is housing related activities.



**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**9. Fixed asset investments (continued)**

South Essex Homes Ltd has the power to exercise, or actually exercises, influence or control over South Essex Property Services Limited.

**10. Debtors**

	Company		Group	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Falling due within one year:				
Amounts owed by SCC	381	944	535	990
Amounts owed by South Essex Property Services Limited	92	137	-	-
Other debtors	202	158	391	191
Prepayments and accrued income	74	91	74	91
Taxation and social security	414	-	417	3
Bad debt provision	(9)	(15)	(12)	(15)
	<u>1,154</u>	<u>1,315</u>	<u>1,405</u>	<u>1,260</u>

**11. Investments**

	Company		Group	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Santander UK Plc	562	2,029	562	2,029
NatWest	2,023	1,011	2,023	1,011
HSBC	2,055	1,526	2,055	1,526
	<u>4,640</u>	<u>4,566</u>	<u>4,640</u>	<u>4,566</u>

All investments are held on fixed term deposit.

**12. Cash at bank and in hand**

	Company		Group	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Cash at bank	<u>3,019</u>	<u>675</u>	<u>5,579</u>	<u>1,936</u>

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**13. Creditors: Amounts falling due within one year**

	Company		Group	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Trade creditors	357	45	360	48
Amounts owed to SCC	2,425	3,280	4,005	3,689
Amounts owed to SEPS	398	257	-	-
Taxation and social security	10	103	329	220
Accruals	289	373	300	386
Receipts in advance	3,312	50	3,312	50
	<u>6,791</u>	<u>4,108</u>	<u>8,306</u>	<u>4,393</u>

**14. Reserves**

Group	Total reserves 2023 £000's	Total reserves 2022 £000's
	Balance brought forward	1,811
Retained deficit for the financial year	(628)	(843)
Actuarial gain on the pension scheme	2,135	6,116
Balance carried forward	<u>3,318</u>	<u>1,811</u>
Income and expenditure reserve excluding pensions	3,318	3,369
Pensions reserve	-	(1,558)
Total reserves	<u>3,318</u>	<u>1,811</u>

# SOUTH ESSEX HOMES LIMITED COMPANY LIMITED BY GUARANTEE

## Notes to the Financial Statements

Year ended 31st March 2023

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### 14. Reserves (continued)

<b>Company</b>	<b>Total reserves 2023 £000's</b>	<b>Total reserves 2022 £000's</b>
Balance brought forward	<b>1,315</b>	(3,771)
Retained deficit for the financial year	<b>(1,003)</b>	(1,030)
Actuarial gain on the pension scheme	<b>2,135</b>	6,116
Balance carried forward	<b><u>2,447</u></b>	<u>1,315</u>
Income and expenditure reserve excluding pensions	<b>2,447</b>	2,873
Pensions reserve	-	(1,558)
Total reserves	<b><u>2,447</u></b>	<u>1,315</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

### 15. Related party transactions

The company is wholly owned by Southend-on-Sea City Council. Turnover for the company for the year was £12,297k (2022 : £11,347k) including £6,898k (2022 : £6,486k) paid as management fees by the Council and £4,455k (2022 : £3,958k) paid as service charges by the council. The management fee covers salaries and staff-related supplies and the service charges cover services costs. Balances due to and from related parties at the year end are included in debtors and creditors, as disclosed in notes 10 and 13.

The company reimbursed the Council in respect of payroll administration costs.

The senior management personnel comprised:

Michael Gatrell  
Mario Ambrose  
Beverley Gallacher  
Sarah Lander  
Daniel Lyons  
Kevin Hazelwood

During the year the remuneration paid to senior management personnel totalled £763,540 (2022 : £720,112).

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**16. Company limited by guarantee**

The company is limited by guarantee and has no share capital. The liability of the member, Southend-on-Sea City Council, in the event of winding-up is limited to £1.

**17. Pension commitments**

(a) The assets and liabilities of the pension scheme at 31st March were:

	% of scheme assets	2023 Value £000's	% of scheme assets	2022 Value £000's
Equities	57.6%	30,057	60.0%	31,619
Bonds	1.5%	763	6.8%	3,563
Properties	8.2%	4,274	8.2%	4,319
Cash	3.2%	1,682	2.5%	1,336
Alternative assets	15.8%	8,259	12.4%	6,507
Other managed funds	13.7%	7,146	10.1%	5,316
Total market value of assets		<u>52,181</u>		<u>52,660</u>
Present value of scheme liabilities		<u>(36,854)</u>		<u>(54,218)</u>
		15,327		
Actuarial assumptions not recognised in the financial statements		<u>(15,327)</u>		
Net estimated pension liability		<u><u>-</u></u>		<u><u>(1,558)</u></u>

(b) Asset and liability reconciliation:

	2023 £000's	2022 £000's
<b>Reconciliation of liabilities</b>		
Liabilities at start of period	54,218	55,486
Service cost	1,055	1,366
Interest cost	1,391	1,095
Employee contributions	179	201
Actuarial (gain)	(19,766)	(2,393)
Change in demographic assumptions	(1,341)	-
Experience loss on defined benefit obligation	2,716	138
Past service costs	20	-
Benefits paid	(1,618)	(1,675)
Liabilities at end of period	<u><u>36,854</u></u>	<u><u>54,218</u></u>

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**17. Pension commitments (continued)**

(b) Asset and liability reconciliation: (continued)

	<b>2023</b>	2022
	<b>£000's</b>	£000's
<b>Reconciliation of assets</b>		
Assets at start of period	<b>52,660</b>	48,705
Interest on assets	<b>1,358</b>	966
Return on assets less interest	<b>(1,173)</b>	3,861
Other Actuarial gains	<b>244</b>	-
Employer contributions	<b>561</b>	626
Employee contributions	<b>179</b>	201
Benefits paid	<b>(1,618)</b>	(1,675)
Administrative expenses	<b>(30)</b>	(24)
Assets at end of period	<b><u>52,181</u></b>	<u>52,660</u>

(c) Return on scheme assets:

The overall return on scheme assets is estimated to be 0.35% in 2022/23. This figure will vary year on year depending on the assumptions made and the underlying distribution of the fund's assets which will vary during the year and as a result it is not appropriate to break down the return on assets across the different asset categories. Actual returns on scheme assets have been £429,000 for the year to 31st March 2023.

(d) A full actuarial valuation was carried out for the defined benefit scheme at 31st March 2019 and updated to 31st March 2023 by Barnett Waddingham using the Projected unit method. The major assumptions used by the actuary were:

	<b>2023</b>	2022
	<b>%</b>	%
Main assumptions:		
Rate of increase in salaries	<b>3.90</b>	4.20
Rate of increase in pensions in payment	<b>2.90</b>	3.20
Discount rate	<b>4.80</b>	2.60
Inflation assumption	<b>2.90</b>	3.20

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**17. Pension commitments (continued)**

(e) Movement in deficit during the year:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
At 1st April	<b>(1,558)</b>	(6,781)
Current service cost	<b>(1,055)</b>	(1,366)
Net interest cost	<b>(33)</b>	(129)
Actuarial gains	<b>17,462</b>	6,116
Employer contributions	<b>561</b>	626
Past service costs	<b>(20)</b>	-
Administrative costs	<b>(30)</b>	(24)
Actuarial assumptions not recognised in the financial statements	<b>(15,327)</b>	-
At 31st March	<u>-</u>	<u>(1,558)</u>

The Council supports the annual pension contributions due from South Essex Homes including the back funding, through the management fee.

FRS 102 disclosures are not on the same basis as the triennial actuarial review of the pension fund valuation and the two are for different purposes. FRS 102 is a one off assessment at the year end for accounting disclosure purposes. The FRS 102 calculations are more prescriptive. At the current time they emphasise the liabilities and produce a balance sheet position worse than the triennial valuation position.

While the figure is substantial it should be remembered that:

- It is not an immediate deficit that has to be met now. The sum is the current assessment taking a long term view of the future liabilities both for existing pensioners and current employees who are accruing pension entitlement.
- It is not a problem unique to South Essex Homes or indeed ALMOs generally. There is a national problem for pension funds both private and public sector.
- The Essex pension fund is regularly reviewed and additional contributions have already been initiated to address the problem over a period of years.

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

**17. Pension commitments (continued)**

(f) Analysis of the amount charged to the income and expenditure account:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Current service cost	<b>1,055</b>	1,366
Employer contributions	<b>(561)</b>	(626)
Past service costs	<b>20</b>	-
Administration costs	<b>30</b>	24
FRS 102 adjustment	<b>544</b>	764

Analysis of amounts charged to finance costs:

	<b>2023</b>	2022
	<b>£000's</b>	£000's
Other finance costs: expected return on assets in the scheme	<b>1,358</b>	966
Other finance costs: interest costs	<b>(1,391)</b>	(1,095)
FRS 102 adjustment	<b>(33)</b>	(129)

During the year to 31st March 2023 the employer contribution rate was 22.2%. Essex Pension Fund have advised that the rate for the year to March 2024 will be 24.2%.

(g) Life assumptions:

	<b>2023</b>	2022
Life expectancy:		
Current pensioner aged 65		
male	<b>21.6</b>	21.6
female	<b>23.7</b>	23.7
Future pensioner aged 65 in 20 years' time		
male	<b>23.0</b>	23.0
female	<b>25.1</b>	25.1

**SOUTH ESSEX HOMES LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2023**

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**18. Financial Instruments**

	<b>Company</b>		<b>Group</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Financial assets which are debt instruments measured at amortised cost	<u>1,154</u>	<u>1,315</u>	<u>1,405</u>	<u>1,260</u>
Financial liabilities measured at amortised cost	<u>6,781</u>	<u>4,005</u>	<u>8,274</u>	<u>4,173</u>

Financial assets measured at amortised cost comprise balances due from the Council and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

**20. Ultimate parent and controlling company**

The ultimate parent undertaking and controlling party is Southend-on-Sea City Council, which is a local government authority of the United Kingdom.

The consolidated financial statements as at 31st March 2023 of the Council are available to the public and may be obtained from Southend-on-Sea City Council, Civic Centre, Southend-on-Sea, SS6 2ER.



# South Essex Homes Limited

Report of Director – Finance & Corporate Services  
to

Shareholder Board

On

16<sup>th</sup> October 2023

Report prepared by: Daniel Lyons  
Tel: 07970796218

Agenda  
Item No.

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## South Essex Homes Business Plan 2023 - 2026

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### 1 Purpose of Report

- 1.1 To provide to the Shareholder Board with an update on the South Essex Homes Business Plan.

### 2 Recommendations

- 2.1 The Shareholder Board are recommended to;
- 2.2 **Note** the South Essex Homes Business Plan for 2023 to 2026 and associated Action Plan.

### 3 Background

- 3.1 The Partnership Agreement between South Essex Homes and Southend on Sea City Council was signed in January 2021. The agreement specifically refers to the expectation for South Essex Homes to submit a Business Plan for approval to the Shareholder Board each year.
- 3.2 The previous Business Plan was agreed by both the South Essex Homes Board and subsequently the Shareholder Board and implemented in 2021. Since then, there have been a number of new challenges that have meant that we have had to look at the way in which we operate. The Business Plan is subject to an annual review each year, this year it was felt that due to the financial challenges the nation faces, new legislation and changing resident expectations it would be timely to undertake a more thorough review than would normally take place at the annual interval.
- 3.3 The South Essex Homes Executive Management Team met in May to outline some initial thoughts about the direction and shape of the Business Plan, and this was used as a basis for an SEH Board Away Day on the 5<sup>th</sup> July. At this SEH Board Away day the Boards views

were canvassed, and a revised Business Plan (**Appendix 1**) and associated Action Plan (**Appendix 2**) have been developed that encompasses the Board aspirations and ideas. The new revised Business Plan has been set to run for 3 years, with annual reviews, in line with the Partnership Agreement. For completeness South Essex Property Services Business Plan which is part of the overall Group is also summarised (**Appendix 1a**)

3.4 The Business Plan has been developed to encompass 5 themes instead of the original 4 in the previous Business Plan. The theme of 'Innovating Commercially and Socially' has been sub divided to show the difference emphasis of the commercial and social aspects of the plan.

3.5 The overall vision for the organisation has also been changed to give a greater customer focus. The new overall vision for South Essex Homes has been set at 'Provide quality housing services which contribute towards sustainable communities, supporting the health, wellbeing and safety of our residents'.

#### **4 Funding of the Business Plan**

4.1 The improvements set out in the Business Plan are needed to ensure that South Essex Homes remains a sustainable and successful organisation. To meet our new regulatory responsibilities, we must have the systems, teams and processes in place to deliver on the required outcomes and expectations of the Social Housing (Regulation) Bill, Building Safety Act and Fire Safety Act.

4.2 South Essex Homes cannot undertake these actions without the need to access funding from the organisation's reserves, although we can fund 'Business as usual' work through our in-year revenue and balance the books, we cannot fund one off expenditure to improve our services and systems without requesting reserves are made available to invest in these improvements (as per the Reserves Policy).

4.3 Therefore, the South Essex Homes Business Plan sets out the proposed expenditure over the next 3 years and shows how this can be funded from reserves, bringing our reserve balances into line with our Reserves Policy and ensuring we can implement the much needed changes to ensure we can meet our obligations and fully evidence the work that we do to the Regulator, to our residents and to the Council.

#### **4.4 Quality and reliability of services**

#### **4.5 ICT Functionality – Northgate Development**

4.6 In early 2022 a full health check was undertaken to review how we use our current housing management system (Northgate). This identified several areas where we are either not using the current system to the best of its abilities, or where additional modules and functionality would assist us to meet our objectives, assist with satisfying the regulator,

making information more readily available and improve the efficiency of our working practices.

4.7 We have set out the Strategic Priorities that were an outcome of the health check and subsequent discussions with staff. These developments will improve the way in which we work, assist residents to self-serve and ensure that the data we hold can be effectively used to provide the best possible services to our tenants. These improvements will bring processes and tasks that sit outside of our core systems into Northgate so that we can create a seamless experience for staff and residents.

4.8 The improvements that we see as a result of this investment are;

- An overall view of tenant / property information on 360 view, reducing time trawling through different systems and modules to get all the information required on a resident or their property.
- Bringing the complaint handling process into Northgate moving away from spreadsheet recording to enable improved analysis and task management.
- Task Manager processes to ensure all contact with residents is managed and allocated to the correct member of staff, ensuring all contact is logged and no contact is 'lost' through the system.
- ASB module to effectively handle all ASB issues, ensuring appropriate tasks are undertaken, contacts logged and outcomes reported.
- Support Service module to bring existing spreadsheet devised records and contacts into Northgate, making tasks easier to handle and reporting and analysis of all resident data more accessible.
- A repairs finder solution to ensure all responsive repairs calls logged are appropriately allocated at point of call and the correct resources allocated to complete the repair first time.
- A detailed analysis of rent accounts to identify and target our resources to collect rent from those most at risk of falling further into arrears.
- A resident portal to enable residents to self-serve, accessing rent accounts, making payments, reporting repairs and making appointments easily without the need to call our contact centre, giving more accessible services at times suitable for our residents and reducing the contact through our contact centre.

4.9 **Professional Housing Qualifications**

4.10 The new Social Housing (Regulation) Bill will require all housing managers to hold the equivalent of Level 4 (managers) or Level 5 (executive) housing qualifications. To meet this requirement we will need to understand the scope of the requirement in the legislation and commit for any managers and members of the Executive Team not holding a housing qualification to undertake the required development.

#### 4.11 **Customer Services Training**

4.12 An analysis of our complaint themes has revealed that a proportion of complaints are logged due to 'Staff Attitude' or 'Failure to undertake required tasks'. Although we would maybe expect this with a service driven organisation it has highlighted that we have not undertaken any recent core customer services training. To help to improve the customer experience and improve our services we will commit for all of our staff to undertake customer services training.

#### 4.13 **Regulatory Compliance / Service Improvement Resource**

4.14 The introduction of the Social Housing (Regulation) Bill puts a degree of pressure and expectation on us as that we have not seen since the Audit Commission inspections of more than decade ago. The increasing workload and requirements put on our managers and staff mean that bringing into focus what the requirements mean for the activities of our teams is not easily done without dropping service delivery in the interim.

4.15 We are therefore proposing that we put in place a short term (18 month) regulatory compliance resource to fully analyse the requirements of the legislation and ensure our processes are sound, our data collection is good, and our staff are doing what is required of them.

#### 4.16 **Hardship Fund**

4.17 The SEH Board agreed in 2022 in establish a Hardship Fund to support our residents through difficult periods, it is proposed to continue this fund for the foreseeable future allocating an additional £50k in 23/24, £25k in 24/25 and £20k in 25/26.

#### 4.18 **Community Development Initiatives**

4.19 The Board agreed to fund the work of ATF for 23/24 and support the work that they do to build our communities and give young people on our estates a brighter future. It is proposed to continue this good work by further funding ATF.

### 5 **Equality and Diversity**

5.1 All equality and diversity issues identified from the proposals contained in this report have been considered and are in accordance with the South Essex Homes Equality and Diversity Policy.

### 6 **Risk**

6.1 The Business Plan forms an integral part of the Company's ability to deliver services in light of current environmental challenges. Failure to adopt a satisfactory Business Plan can lead to the inability to fund

services and a lack of clarity over the future strategic direction of South Essex Homes.

## **7 Financial Implications**

7.1 The Business Plan sets out the financial implications of any elements arising as part of the plan.

## **8 Resident Consultation**

8.1 The Business Plan will make reference to and incorporate elements that establish priorities around Resident engagement and involvement.

## **9 Background Papers**

9.1 Not applicable.

## **10 Appendices**

10.1 Appendix 1 – South Essex Homes Business Plan 2023 – 2026

10.2 Appendix 2 – Business Plan Action Plan

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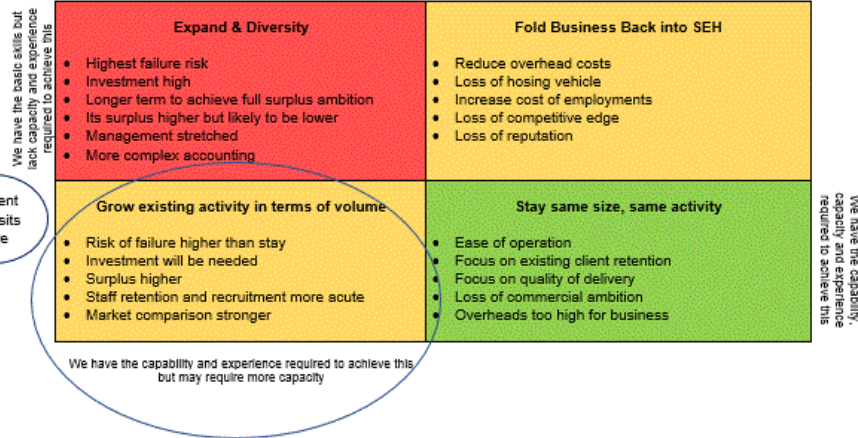
## South Essex Property Services' Business Plan 2023-2026

Company Details	Five years Sales/net Profit	Products & Services	Sector Maturity Matrix																																																																						
South Essex Property Services Limited (SEPS) Incorporated June 2013 Company No 08821807  <b>MISSION: TRUSTED PROVIDER OF CHOICE</b>  Shares issued 425k+1, £1 per share. Shares held by 100%.  <b>Aspiration:</b> 1) Expand customer base of current core services. 2) Maintain relationship with existing customers and extend business lines (Ground Maintenance & Contact Centre etc) 3) Expand maintenance team to include services as required by SEH. 4) Expand customer base of Fire Door Servicing and expand business line to include fire related products including fire door installations. 5) Expand dialogue with SCC to expand community safety offer and opportunities to provide alternative services on ending contracts.	<div style="text-align: center;"> <b>Turnover</b> </div> <table border="1" style="margin-top: 10px;"> <caption>Turnover Data (Estimated)</caption> <thead> <tr> <th>Year</th> <th>Employee Hosting</th> <th>Total Exc Hosting</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>22/23 Forecast</td> <td>3,500,000.00</td> <td>3,000,000.00</td> <td>6,500,000.00</td> </tr> <tr> <td>23/24 Budget</td> <td>3,500,000.00</td> <td>4,000,000.00</td> <td>7,500,000.00</td> </tr> <tr> <td>24/25 Plan</td> <td>3,500,000.00</td> <td>4,500,000.00</td> <td>8,000,000.00</td> </tr> <tr> <td>25/26 Plan</td> <td>3,500,000.00</td> <td>5,500,000.00</td> <td>9,000,000.00</td> </tr> </tbody> </table> <div style="text-align: center;"> <b>Gross Profit</b> </div> <table border="1" style="margin-top: 10px;"> <caption>Gross Profit Data (Estimated)</caption> <thead> <tr> <th>Year</th> <th>Employee Hosting</th> <th>Total Exc Hosting</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>22/23 Forecast</td> <td>50,000.00</td> <td>750,000.00</td> <td>800,000.00</td> </tr> <tr> <td>23/24 Budget</td> <td>50,000.00</td> <td>850,000.00</td> <td>900,000.00</td> </tr> <tr> <td>24/25 Plan</td> <td>50,000.00</td> <td>850,000.00</td> <td>900,000.00</td> </tr> <tr> <td>25/26 Plan</td> <td>50,000.00</td> <td>950,000.00</td> <td>1,000,000.00</td> </tr> </tbody> </table>	Year	Employee Hosting	Total Exc Hosting	Total	22/23 Forecast	3,500,000.00	3,000,000.00	6,500,000.00	23/24 Budget	3,500,000.00	4,000,000.00	7,500,000.00	24/25 Plan	3,500,000.00	4,500,000.00	8,000,000.00	25/26 Plan	3,500,000.00	5,500,000.00	9,000,000.00	Year	Employee Hosting	Total Exc Hosting	Total	22/23 Forecast	50,000.00	750,000.00	800,000.00	23/24 Budget	50,000.00	850,000.00	900,000.00	24/25 Plan	50,000.00	850,000.00	900,000.00	25/26 Plan	50,000.00	950,000.00	1,000,000.00	Security Industry Accredited and Safer Communities work  Estate Services including cleaning and grounds maintenance  Catering & Hospitality  Call Centre Operations  Fire Door installations & maintenance, and other fireworks. 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<b>KSFs (Competitive advantage)</b> Strong operational control, agile and responsive, value for money within public realms, hyper- effective understanding and control of costs, accreditations above market industry.		<b>Market &amp; Sales</b>  Southend, Essex and Greater London. Public Sector plus wider including SCC, SEH and CPBC, Basildon for existing business lines. Sales routes personal relationship building, reputation & opportunities, plus aggressive sales. Other opportunities to with SBC to widen opportunity window linked directly to Vision 2050. TECKAL																																																																							
<b>SWOT</b>			<b>Competition</b>																																																																						
<b>Strengths</b>	TECKAL base, SCC relationship, low-cost base, geography, SEH reputation, SEPS' reputation, SEPS have strong operational control, political nous, strong Board direction with aims and objectives, high staff morale, quality services., access resources as real living wage employer (above others in industry), Income generated remains within the group.		Security –AIB, Pinnacle, Kingdom. Catering – Vertas & Interserve. Estate Management – Kier, in-house teams, Pinnacle Cleaning – other in-house teams, Norse, large number of small operators in local area Fire Doors – Gerda, Axis, other local (but without BM Trada)																																																																						
<b>Weaknesses</b>	SCC risk spreading, locational issues, high recharges, small management team,																																																																								
<b>Opportunities</b>	Public sector contract churn, family potential TECKAL, close relationships with public sector, built asset wider potential hard FM, addressing public safety, exploit SBC/SEH/SEPS names, technology investment, environmental impact on FM, attraction, and retention of staff, Covid 19, increased staff capacity.																																																																								
<b>Threats</b>	Low-cost providers, BREXIT, Competition, political uncertainty, public realm cost, real living wage pay, Covid 19, current contract end dates, tightening of public purse due to inflation, difficulties with recruitment, smaller number of employees available																																																																								

## South Essex Property Services' Business Plan 2023-2026

### Marketing Strategy

We have the capability, capacity and experience required to achieve this



### Business Objectives:

1. Provide dividend to SEH
2. Sustain Profitability with some growth in future years
3. Become provider of choice within current business lines being offered
4. Extend security offer for community safety
5. Develop Fire door servicing work to include installations and other fire related works

### Financial forecast excluding hosting

Financials	2023/24	2024/25	2025/26
	£'000	£'000	£'000
<b>a Total Revenue</b>	4,313	4,676	5,177
<b>b Total Cost of Sales</b>	3,504	3,860	4,261
<b>c Gross Profit Margin (c£/a£* 100)</b>	18.8%	17.4%	17.7%
<b>d Total Operating Expenses</b>	380	399	419
<b>e Net Profit Margin (e£/a£*100)</b>	10%	8.9%	9.6%

### Key Business Risks

**Loss of SCC main contracts, Key staff loss, Market runs dry, Operational staff acquisition and retention, Political change, mind change, Pricing errors, Overhead drift, warm leads not developing into sales (Fire Doors, Community Safety), Increased reliance on tendering in open competition**

### Business Strategies

- Strengthen & consolidate relationship with SEH and SCC and opportunities to deliver different business lines following pressures on the group.**
- Build relationships with wider potential clients Castle Point, Basildon, other public sector,**
- Maximize opportunities for security particularly community safety with additional above standard accreditations**
- Invest in efficiency driving technology, image improvement, website branding, staff visibility**
- Focus on Marketing Strategy for Fire Door work including servicing, maintenance, installations, and fire stopping.**
- Focus on relationship with Gerda to deliver Contractor of Choice aspiration**

### Staffing numbers (FTE) and ratio forecast ex hosting

Client Group	Service	Year	Year 2023/24	Year 2024/25
SCC/SEH	Security & cleaning	86	120	140
SCC/	Catering	3	3	0
SEH	Contact Centre	9	12	15
SEH	Fire Door Servicing	4	10	30
Basildon	Security	8.5	8.5	20
<b>Totals</b>		<b>110.5</b>	<b>153.5</b>	<b>205</b>

Management staffing	Year 2023/24	Year 2024/25	Year 2025/26
Head of New Business Development	0.7	1.0	1.0
Director of Commercial Services	1.0	1.0	1.0
Finance Director	0.2	0.2	0
Operations Manager	1.0	1.0	2.0
HR Manager	0.7	1.0	1.0
Finance Manager		1.0	1.0
<b>TOTAL</b>	<b>3.6</b>	<b>5.2</b>	<b>6.0</b>





# South Essex Homes Business Plan

2023-2026

**Provide quality housing services which contribute towards sustainable communities, supporting the health, wellbeing and safety of our residents.**

**Provide quality housing services which contribute towards sustainable communities, supporting the health, wellbeing and safety of our residents**

Improving the customer experience	Improving our organisation	Meeting our governance responsibilities	Innovating commercially	Developing sustainable communities
<p>Active Resident Engagement</p> <p>High Satisfaction</p> <p>Quality, reliable services</p> <p>Accessible Services</p> <p>Improved ICT functionality</p> <p>High Rent Collection</p>	<p>Skills and competencies mapped</p> <p>Capabilities understood</p> <p>Professionalism</p> <p>Customer Service Culture</p> <p>Rewards and Recognition</p> <p>Staff Wellbeing</p>	<p>Understanding legislative changes</p> <p>Good knowledge management systems</p> <p>Evidence collection and analysis</p> <p>Safety Improvements</p> <p>Funding Opportunities</p> <p>Reducing Residents Costs</p>	<p>Supporting our subsidiaries</p> <p>Realising opportunities to deliver more Value for Money opportunities within the group</p> <p>Developing commercial approach to win opportunities in the market</p>	<p>Supporting tenants through difficult periods</p> <p>Helping to sustain tenancies</p> <p>Building a brighter future for our communities</p>

## **Introduction**

The South Essex Homes Business plan sets out our intention and commitment to continue the work that led to our establishment in 2005. Today, South Essex Homes remains the provider of choice delivering high quality good value housing management services on behalf of Southend on Sea City Council to Southend Council residents. This position was further consolidated in January 2021 with the signing of a new Partnership Agreement with the Council, which recognises the work that South Essex Homes have delivered to date in providing vital housing services. South Essex Homes will continue to ensure that we can now build a better and improved service as we look forward to managing and maintaining communities and properties in Southend.

Our organisation has continued to develop, improve and mature while carefully holding the interests of tenants central to all decisions made and services delivered. This business plan continues and builds upon our strategy of keeping pace with the changing world, changing client and tenant desires, and to improve our delivery at every opportunity.

### **1. The changing sector**

The delivery of South Essex Homes vision for the future is bound within the constraints that the wider environment brings. South Essex Homes, along with the wider Social Housing sector is facing several challenges and the Business Plan must be mindful and consider these wider challenges and opportunities in the delivery of our services.

The Grenfell Tragedy in 2017 set in motion a series of legislative changes which is changing the legislative landscape and the way we deliver our services. The safety of our tenants is of paramount importance and we must ensure that tenants continue to be at the core of our service delivery. The recently enacted Fire Safety and Building Safety Acts put in place mechanisms to ensure the safety of the properties we manage and require that robust and effective measures are implemented to ensure accountability. New social housing regulation will give greater powers to the Regulator of Social Housing and ensures that all social landlords are able to be held to account by their tenants with a set of Tenant Satisfaction Measures (TSM's) reportable to the regulator and tenants regularly. The Regulator will inspect all social landlords at regular every 4 years to ensure that processes are procedures put residents at the heart of the work that is carried out. The target is always moving and ever-increasing legislation and regulation will mean that South Essex Homes will continually need to adapt. In 2023, following the tragic death of Awaab Ishak, the government announced further measures to tackle Damp, Mould and Condensation under 'Awaab's Law', which is to be incorporated into Social Housing Regulation. This law, along with potential changes to the Decent Homes Standard mean that we continually need to adapt our Service Delivery to ensure that we remain fully compliant. This Business Plan will ensure we can meet the challenges from legislative and political arenas and have reliable, efficient systems to ensure we can evidence our activities.

During 2022 and 2023 we have seen the economic environment in which we operate significantly change with high inflation meaning our tenants ability to meet rising costs is hampered and our own ability to balance our budget becomes more difficult. Resources are becoming stretched for us, and

our tenants, and we need to constantly adapt and review in order to ensure our tenants can sustain their tenancies and South Essex Homes can remain financially viable and successful. This Business Plan will ensure that we can create efficiencies, can effectively support our tenants and reinforce strong leadership that will aid innovation.

Post Covid 19 we, like many organisations, adapted and changed our operating model to ensure that we were resilient and effective, whilst balancing the welfare of our staff and tenants. In an ever-changing world, with political, economic and legislative challenges it is vitally important that South Essex Homes is able to continue to adapt and the Business Plan will ensure South Essex Homes remains an agile and collaborative organisation with staff that remain flexible and innovative, driving improvement in service delivery going forward.

The case for measuring and reducing our organisations impact on the environment has always been of great importance but the next 5 years will see a marked shift in the expectations on as an employer and as managing partner for Southend on Sea City Council's housing stock. This will see South Essex Homes needing to place greater emphasis on the environmental sustainability of the services we deliver and the products we use. The Business Plan allows for the exploration and development of key areas to ensure we are working effectively to assist in meeting these targets both locally and nationally.

## 2. Our Plan

We have structured our plan recognising the overarching objective of ***'Provide quality housing services which contribute towards sustainable communities, supporting the health, wellbeing and safety of our residents.'*** To achieve our overarching objective the Board have laid out five themed areas within which we need to develop and improve in order to continue to succeed.

Our five themes supporting the overarching objective are;

- ***Improving the customer experience***
- ***Improving our organisation***
- ***Meeting our governance responsibilities***
- ***Innovating commercially***
- ***Developing sustainable communities***

## 3. Improving the customer experience

*Vision – We will provide reliable, consistent services that meet the needs of our diverse tenant base including ensuring we provide the right support at the right time to those that are most in need.*

For South Essex Homes to continue to meet the challenges we face in the external environment and continually be able to adapt and meet the demands of an increasingly regulated sector we need to we constantly are able to review our service delivery, ensure it is meeting the needs of our tenants,

provides our staff with efficient systems and processes that make their tasks more manageable and provides Value for Money, for our tenants and for our key stakeholder, Southend on Sea City Council. In order to ensure this we will;

- Improve the quality and reliability of our services that meet customer expectations by involving residents in shaping service delivery, monitoring performance and prioritising resources.
- Ensure staff are visible and services are accessible giving customers excellent services that are right for their needs at the time they need them.
- Ensure the services we provide can evidence Value for Money giving our customers and effective and efficient service at the lowest cost.
- Where possible, resolve all issues at first point of contact giving customers fast resolution to any problems they face.
- Build 'Active Engagement' with our customers to ensure that services are designed to meet their needs and expectations in line with the Resident Engagement Strategy.
- Maintain a high level of satisfaction by undertaking transactional and annual perception surveys and learning from the feedback.
- Improve our ICT systems to maximise efficiency and ensure staff time can be well spent ensuring a great service is provided to our customers and we are able to focus on things that matter most.
- Maintain high rent collection rates ensuring we continue to maximise revenue for Southend on Sea City Council.
- Build a strong, collaborative partnership with Southend on Sea City Council.

#### ***Active resident engagement***

It has always been South Essex Homes' practice to engage and consult our residents in as many aspects of our services as possible, ranging from ensuring residents are represented on the Board through to supporting Tenant Scrutiny. However, we believe that we can still do more to involve and inform our residents. Our Resident Engagement Strategy sets out seven commitments to improve how we listen to and empower our residents in the decisions that influence the services we deliver. These commitments will form the foundation of our approach to Resident Engagement over the next 3 years, focusing time and resources on ensuring;

- We support Resident Groups.
- We listen to our customers needs to help better shape our services.
- We proactively celebrate and support the positive attributes of Social Housing to remove stigma.
- We are accountable to residents.
- Residents are involved in decisions about their homes to give them confidence in the safety and security of their homes.
- We play our part in improving our residents access to skills and opportunities.
- We address loneliness and social isolation, breaking down barriers to engagement.

#### ***High Satisfaction Levels***

Understanding the levels of satisfaction from our tenants is key to understanding how we can improve our services. A range of both transactional (at point of contact) and perception (annual) satisfaction surveys will be carried out to ensure that we, 'keep our finger on the pulse' of the effectiveness of our services, enabling improvements or adjustments to be made quickly to ensure we continue to meet the needs of our tenants.

It is key that tenant's voices are heard, and we will adopt a more rigorous complaints handling process, one that is in line with the Housing Ombudsman's Code of Complaint Handling and ensures that the underlying issues which lead to complaints are dealt with and tenants are fully apprised of any progress in implementing improvements.

### ***Quality, reliability and accessibility of services***

The residents that live in the homes we manage expect and must have the highest quality service that we are able to deliver. South Essex Homes has a reputation for making positive changes and over the last 17 years South Essex Homes has made a number of structural and service changes to ensure the services that residents receive are of the highest quality and are reliable. We recognise that the world does not stand still and we have to be ever alert to cultural, social and environmental changes that impact on the services we deliver.

South Essex homes will continue to keep service delivery under constant review, ensuring that our services are of the highest quality and keep up with tenant expectations. The move to hybrid working during 2020, and the subsequent cultural change in the way we work, has meant that the way in which services are delivered has changed. We must continue to review how we deliver services to ensure that our residents can access our services when they need them and our staff are visible in our schemes and on our estates.

At the same time we must be cognisant to ensuring that the services we provide are providing Value for Money. This does not just mean that we will procure and provide the lowest cost services, but this must be balanced with providing an effective and efficient service. The services must continue to meet our objectives and targets, both those set internally and those set by external partners such as the Council or the Regulator of Social Housing. We must ensure that the processes and systems we have in place do not hamper our staff in providing the best service but are designed in such a way that interaction in these systems and processes, for both staff and tenants, are straight forward and information is easily accessible.

### ***ICT process and functionality review***

A key factor in the delivery of excellent services is the systems and processes that staff use on a daily basis. We believe the ICT systems we use are some of the best in the market and a full change in software packages is not what we need. These systems have been developed and integrated over a number of years and, as often happens, some of the functionality the systems were first able to exploit has been reduced. Where we use different systems for different functions we will explore how well these systems integrate and look at options for ensuring that data is accessible and it is as easy as possible to report on combined metrics contained within our databases. Where functionality

of systems can be combined into existing systems to increase functionality then this will be explored and benefits analysed.

However, the systems that we use have developed over the last few years and were we can increase efficiency and functionality by investing in additional modules and set up we will look to do this to improve the efficiency of systems for our staff and better outcome for residents.

The development of a modern and clear online resident portal will be key to ensuring we continue to provide an up-to-date range of services to meet tenant needs. We believe that a clear portal which residents can use regularly for routine contacts would deliver improvements and efficiencies in our service provision. Avenues will be explored which will enable residents to have the option to 'self-serve', where it is their preference, and to avoid unnecessary lengthy contact from a resident's perspective. It is vitally important to us that residents have a choice in how they interact with us and we will ensure that a full range of options for contact are kept.

### ***High rent collection***

The collection of rents on behalf of Southend on Sea City Council is key in the continuing objectives of South Essex Homes. This has a direct impact on the Housing Revenue Account's financial viability for the Council and so will directly impact the funds available for our Management Fee. The collection of rents during the economic crisis of 2022 and 2023 has become increasingly difficult and we must ensure that we continue to look for ways in which we can maximise the rental income, both in terms of reducing arrears and by ensuring that properties do not remain vacant for longer than is necessary to complete essential works.

## **4. Improving our organisation**

*Vision – We will drive our Values and Behaviours through the organisation creating a modern, inclusive housing organisation. We will build leadership and ensure that our staff have access to right development opportunities to achieve and thrive.*

Ensuring that our organisation is best placed to retain and recruit talent as well as ensuring we have strong leadership is key to building a successful, sustainable organisation. Satisfied, motivated staff are the key foundation of a successful organisation and putting in place initiatives to increase staff satisfaction are essential. We must ensure that the organisation builds this by;

- Understanding the skills required across our organisation.
- Embedding our Values and Behaviours.
- Ensuring we have the right people doing the right things.
- Having professional, competent staff delivering excellent services.
- Embedding a service / customer culture throughout the organisation.
- Recognising and rewarding talent and innovation.
- Having strong leadership, developing succession for the future.

- Looking after the wellbeing of our staff, ensuring we focus on the social aspect of work as well as the task.

### ***Skills, Competencies and Capabilities of Staff***

For South Essex Homes to be able to meet the challenges we face and to ensure we are fully able to meet our continuing objectives we must ensure we understand the competencies needed to meet those objectives. This knowledge extends across all aspects of the business and to ensure we have a fully capable workforce we must match these competencies to the skills we already have within the organisation. We must ensure that any tasks are appropriately allocated between roles based on skill requirements and ensure that any gaps identified in the competency framework are quickly filled by recruitment, training, or development.

### ***Professional, customer driven culture***

During 2022 South Essex Homes staff embarked on setting the organisation values and associated behaviours through a series of workshops. We have already started the embedding of these across our organisation by ensuring that they form part of our communication strategy, and they are continually reinforced with staff, but we can do more to ensure that these become a fundamental part of the culture of the organisation. This starts with our recruitment process, ensuring South Essex Homes builds the organisation values into our interview and selection process, ensuring we have the right people with the right attributes coming into the organisation.

The new social housing regulation will require managers and director within Housing organisations to be professionally qualified to ensure that the whole housing sector builds a culture of professionalism. South Essex Homes will explore how we can effectively develop our current workforce so that we support and assist staff to study towards professional qualifications, where this will become a requirement of the role. This approach only builds our company culture so far though, it is important that across our organisation we have customer focused staff, ensuring the organisation develops and builds a culture of customer service excellence. We will do this by ensuring that customer service training becomes a fundamental part of our staff training requirements.

A strong customer driven culture starts at the top and we must ensure that across our organisation we have strong leadership, our managers and directors need to be flexible in their approach, be self aware, have integrity and be able to inspire our staff to perform well and meet expectations.

### ***Recognising and rewarding talent***

Our staff are fundamentally important to the success of South Essex Homes. They will regularly will go beyond their duties and support and assist both residents and staff where needed. South Essex Homes will encourage staff to be supportive and helpful where needed, we will do this by listening to our staff, gaining their views on appropriate reward mechanisms and ensure we have a rewards system in place that recognises good work in a way that is adaptable and flexible to diverse staff expectations.



At South Essex Homes we want to ensure that we can retain talent, keep bright and successful individuals within the organisation to assist us all on our journey of improvement and innovation. We will look to put in place appropriate development opportunities for our staff, ensuring that we have the right processes in place to spot those capable of development. This way we can have succession plans built into our organisational structure and ensure that the right skills are in place when they are needed.

### ***Wellbeing of staff***

Post pandemic we have seen a cultural shift in the way that we work. As an organisation South Essex Homes has embraced the hybrid working model but the changing culture is not a 'one size fits all' solution. We recognise that there are differing needs of staff and South Essex Homes must embrace the diverse nature of our workforce. We must continue to offer ways of working that support excellent service delivery as well as maintaining the wellbeing of our staff. Where staff require additional support we must have processes in place to identify this and act quickly to minimise any potential effects of mental health on our staff. We understand that work is not just about getting the task done, there is a social aspect to work and we must ensure that we support new ways in which staff can build social networks both in and outside the workplace. South Essex Homes understands the responsibility we have for our staff and will drive forward initiatives to support staff in a changing and volatile environment.

## **5. Meeting our Governance Responsibilities**

*Vision – We will continue to take all of our statutory and regulatory responsibilities seriously and embed a culture of compliance and assurance through all of our processes.*

The last couple of years have seen some major changes in the legislative and regulatory environment in which we operate as a provider of social housing. The Building Safety and Fire Safety Acts will place additional responsibilities on us to ensure the safety of the properties we manage, this comes alongside potential changes to the Decent Homes Standard, increasing focus on Damp, Mould and Condensation and local and national government drives to meet carbon reduction targets.

New Social Housing Regulation will put in place measures that will see stronger control by the Regulator of Social Housing, the introduction of Tenant Satisfaction Measures and an increased focus on resident engagement. This aims to empower residents, putting them at the heart of the work we do. We must ensure we continue to take this seriously by;

- Understanding what changing legislation means for South Essex Homes.
- Ensuring we have appropriate data collection and knowledge management systems, and processes, in place to evidence and comply with legislation.
- Continuing a programme of safety improvements to resident's homes.
- Fully understanding the EPC rating of all properties we manage.
- Taking advantage of funding opportunities to further the carbon reduction.
- Exploring ways to reduce costs to our tenants through energy efficiency measures.

### ***The changing legislative landscape***

The last couple of years have seen some major upheavals in the way that Social Housing organisations are regulated and the legislation that now has woven its way into our everyday work. There is now much more focus on the work that we, and organisations like us, do to ensure that residents voices are heard, and we can evidence the safety of our properties and environments for our residents. The Fire Safety Act and Building Safety Act came into force during 2021 and 2022 and give us additional responsibilities to ensure that we effectively manage the risks inherent in the buildings that we manage to keep residents safe and secure in their homes. The Social Housing (Regulation) Bill is soon to be enacted which will ensure the empowerment of residents giving redress for poor services, add a greater emphasis to transparency of information and performance and enhance regulation to improve the quality of social housing.

To keep ourselves ahead of the game we must understand what changing legislation means for us at South Essex Homes and ensure that we keep a pace of any potential changes before they are enacted so we can act quickly, and decisively, to bring our systems up to the required standard. We must ensure that we have the systems and processes in place to collect, analyse and evidence the work that we do that meets this legislation. Ease of access and reportability of information is key to us being able to satisfy our Residents, the Regulator and the Housing Ombudsman that we are able to meet the challenges that the changing legislative landscape brings.

### ***The safety of resident's homes***

At South Essex Homes we have the safety of the properties we manage at the heart of our objectives. Providing good quality, safe homes is key to the work that we do. South Essex Homes implemented fire safety improvements to the Tower blocks and Sheltered Schemes that we manage prior to any existing legislation, installing fire doors and compartmentalising properties to ensure that, should the worst happen and a fire break out, our properties integrity is maintained and residents are kept safe in their homes. We must continue to work in this vain, keeping our properties as safe as possible and keeping ahead of the game on fire safety improvements to our blocks, schemes and estates. We recently piloted the installation of an annunciation system in a tower block and a sprinkler system in another, these initiatives must be continued and enhanced as we move through the next 5 years.

### ***The carbon reduction agenda***

Southend on Sea City Council recognises the obligation of all public realm providers to minimise the adverse impact of their activities on the world within which we live. Government at all levels has implemented policy to ensure carbon reduction and has set targets to reduce emissions before ultimately ensuring that carbon emissions are eliminated altogether. The Council has implemented targets for its own carbon reduction with its 'Green City Action Plan' and South Essex Homes has a key role to play here by operating as the vehicle for housing change and improvement – driving forward initiatives for recycling, reduction in fossil fuel use, low impact procurement of refurbishment items and low impact cleaning and maintenance regimes. We have an obligation here to ensure that we minimise costs for our residents and ensure that energy use in their homes is

reduced as much as possible, creating less reliance on the gas and electric networks and reducing energy bills for them.

Equally, South Essex Homes as an organisation must set the standard for our own operational reductions in carbon and increases in recycling, ensuring that we integrate measures into our working practices which assist in reducing the carbon footprint we leave as an organisation. In pursuit of this we will change the way that we work, the way we deliver work, and the things that we consume in the course of our work. Our Strategy will be to deliver services in a manner that has the smallest environmental impact and to work towards ensuring our properties and our tenants use energy efficiently and with as little impact to the overall environment as we can.

In order to do this, we must work in partnership with Southend on Sea City Council to understand the current position of all of the properties that we manage and where we have properties that do not currently meet EPC C we must ensure that we have a plan to bring these properties up to the required standard. This understanding and forward planning will also make a significant contribution in our work to mitigate the risks of tenants living in damp and cold properties, reducing their potential exposure to mould. The availability of funding is very much a driver in how we can meet these challenges, we will work with Southend on Sea City Council to identify and bid for funding that will enable carbon reduction works to take place and our resident's homes to be improved.

## **6. Innovating Commercially**

*Vision – We will aim to maximise the revenue generated through the Group structure, maximising the return for the group, making surpluses available for use to further enhance our services and supplement the Management Fee.*

The ability of South Essex Homes to support and supplement the management fee provided to us by Southend on Sea City Council has never been greater. As costs rise, and as we see our tenant base increasing need support, we must ensure that we can deliver added value to the partnership by maximising surpluses available to reinvest in the services delivered to our tenants. South Essex Homes must continue to ensure that we can deliver on these promises by;

- Supporting the growth of our subsidiaries.
- Collaborating with Southend on Sea City Council to pursue opportunities to deliver services differently across the group.

### ***Supporting the growth of our subsidiaries***

The South Essex Homes group has for 10 years been striving to produce opportunities and business lines beyond the core housing management function. The aim of this is to financially support the

delivery of the core housing management service, whilst taking advantage of opportunities, both from within (Southend Council, South Essex Homes and the wider family) and the external market. We understand that Local Authorities do not have access to inexhaustible funds and yet demand for services continue to grow exponentially. South Essex Homes will, either directly or through our South Essex Property Services, will help the council to meet these challenges by collaborating to deliver the best possible services whilst considering the appropriate governance and structure to facilitate that.

Early in 2023 two further subsidiaries were created to further the potential for the South Essex Homes Group to exploit opportunities in the market to sell services that are in demand, so further supporting the core work of South Essex Homes. South Essex Facilities Management was established to ensure that there was appropriate governance and structure arrangements in place to be able to be confidently bid, and win, work from the commercial sector. The success of South Essex Facilities Management is key to the success of the group, the additional surplus that can be generated from within the group is limited and this subsidiary gives us access to an almost unlimited market. We must ensure that we support the reputational and financial growth of this business.

We are uniquely placed to be able to offer our skills and expertise on large scale developments in the Southend area, especially those where the Council has a part to play. Our subsidiary, Southend LocalitE, has been established so that we can take full advantage of the opportunities that arise, especially around the Roots Hall & Fossett's Farm developments. This represents a substantial opportunity for the group and we must position ourselves to take full advantage when the time is right.

## **7. Developing sustainable communities**

*Vision – We will aim to add socially to the communities we serve, supporting and implementing measures to support the future of the people of Southend.*

We must ensure that we have strong sustainable communities, adding socially to the city in which we operate. South Essex Homes must continue to ensure that we can deliver on these promises by;

- Supporting our tenants through financially difficult periods.
- Supporting our tenants to sustain their tenancies.
- Giving people in our communities a brighter future.

***Supporting our tenants through financially difficult periods***

Nationally the 'Cost of Living' Crisis has placed significant pressure on people and we are keenly aware that many of our residents have been particularly affected by the difficult economic climate. We know that 72% \*of our residents are in receipt of benefits (\*main tenant is in receipt of Housing Benefit or Universal Credit) or are on low and fixed incomes. It is important that SEH supports our residents as much as we can to help them maximise their income to face this financial challenges.

SEH is already committed to assisting residents to ensure they are aware of a wide range of opportunities to access funds and services to help them manage their finances. Activities such as providing benefits or money advice (either directly or via partners such as the CAS), signposting to other support agencies, identifying resources such as food and fuel vouchers or reduced cost food and helping residents apply for ELF, DHP or Hardship Fund grants all contribute towards this objective. We know that we will need to do as much, if not more in future. We will continue to develop initiatives both internally and with our partners that provide improved economic benefits for residents and target those that need assistance most.

### ***Supporting our tenants to sustain their tenancies***

SEH serves a diverse community of residents and we recognise that the service we provide to help them live happily and healthily in their homes will vary in line with their needs and protected characteristics. We have found that some residents, particularly those with complex needs or mental health issues, need considerable input from our teams to help them sustain their tenancies and we have shaped our staff resource to try and meet this need. We have also developed excellent joint working with the Police and Adult Social Care to proactively work with individual tenants or in particular communities, to try to prevent issues escalating to crisis point. This is a challenging area for SEH, SCC and wider society and we anticipate that this demand to provide support for vulnerable tenants will grow. This objective captures our aspiration to be creative and responsive to the diverse needs of our residents, manage safe and stable communities and in so doing assist the Council in its aim to reduce homelessness.

### ***Giving people in our communities a brighter future***

Some residents feel that they have limited choices and do not have access to opportunities to improve their life chances. As Southend's largest social housing management organisation, SEH has a key role to contribute towards the well-being, capacity building and financial stability of our residents. SEH has a history of supporting programmes that helps residents improve their skills, employability and reduces digital and social isolation. Through the work of our staff, complemented by the work we have commissioned through local partners, we aim to contribute real social value in the communities we serve. These ambitions are reflected in our Resident Engagement Strategy.

We will continue to invest in maximising our Social Value input into the community. To this end we will put aside reserves, over and above our core fixed reserve balance, each year, as well as explore options to identify external funding sources to help deliver our community development offer. This will enable us to invest in new initiatives which will help residents and also contribute towards social ambitions set out by Southend on Sea City Council.

## 8. The business plan structure and design

Our objectives and themes fully support each other. The schematic below demonstrates the design underpinning our plan and is intended to enable us to manage and monitor progress.



The schematic lays out, in brief, our themes and the key elements within each. The elements identified are not exhaustive and will change over time to reflect the best of current thinking and learning obtained through our practical experience, and the practice of others. However, while the elements may update or change the general direction will not.

Many of the elements identified above will require further research and planning before they can be fully implemented. As an organisation we understand this and will put in place the necessary resources to ensure our plans are realistic, add real value to services and are viable. In this respect we will continue to be a learning organisation, gaining knowledge from our peers and quickly adapting our practice to reflect the best both within and outside the housing sector.

## **9. Timelines**

Our plan covers the next three years, but we recognise that the services we currently provide will continue well beyond this relatively short period. As an organisation we have always planned for the longer term. Tenants hold an expectation of quality housing for the entire lifetime of their tenancy and often longer in the case of succession. It is for this reason that many of the individual plans that we intend to research and implement during this period will impact many years beyond the five-year period described here. We accept this and will maintain our respect for those requiring lifelong support.

We cannot complete every element of our plan at the same time; some elements are dependent upon others while many interlink at the more granular level. For planning purposes we need to layout our milestones within a banded timeline in the knowledge that priorities are likely to change in line with the ongoing dialogue with the Council. We see our business plan as a living plan, one which can swiftly adjust to best serve the needs of both the Council and tenants.

There is much to do over the next three years, and we have prepared a draft comprehensive action plan which will serve as an operational guide, this will need to be continually updated but can be found as an appendix to this Business Plan.

## **10. Resource Estimates**

The following tables summarise our estimated and projected three-year resource positions.

### **Income and Expenditure forecast**

		2023/24	2024/25	2025/26	Totals
<b>Revenue</b>	Management Fee	7,191,739	7,650,047	7,842,537	22,684,323
	Service Charges	6,219,337	6,219,337	6,343,723	18,782,397
	Careline Income	425,000	425,000	425,000	1,275,000
	Other Income	547,915	545,000	495,000	1,587,915
		<b>14,383,991</b>	<b>14,839,384</b>	<b>15,106,260</b>	<b>44,329,635</b>
<b>Expenditure</b>	Employee Costs	7,868,033	8,261,435	8,426,664	24,556,132
	Utility Costs	2,855,685	2,855,685	2,912,799	8,624,170
	SLA Costs	1,298,132	1,363,039	1,390,299	4,051,470
	Other Non Pay Costs	2,248,679	2,248,679	2,248,679	6,746,037
		<b>14,270,530</b>	<b>14,728,838</b>	<b>14,978,441</b>	<b>43,977,809</b>
<b>Suplus / (Deficit) before Business Plan Expenditure</b>		<b>113,461</b>	<b>110,546</b>	<b>127,819</b>	<b>351,826</b>
<b>Business Plan Expenditure (On-going - Not already built into Budget)</b>					
<b>Improving the Customer Experience</b>					
	ICT Functionality - Northgate Development - On-going		50,000	85,000	135,000
<b>Suplus / (Deficit) on on-going commitments</b>		<b>113,461</b>	<b>60,546</b>	<b>42,819</b>	<b>216,826</b>
<b>Business Plan Expenditure (One off - Not already built into Budget)</b>					
<b>Improving the Customer Experience</b>					
	Quality and Reliability of Services	50,000	50,000		100,000
	ICT Functionality - Northgate Development - One Off	125,000	225,000		350,000
<b>Improving our Organisation</b>					
	Professional Housing Qualifications		25,000	25,000	50,000
	Customer Services Training	20,000			20,000
<b>Meeting our Governance Responsibilities</b>					
	Regulatory Compliance Team	60,000	120,000		180,000
<b>Developing Sustainable Communities</b>					
	Hardship Fund	50,000	25,000	20,000	95,000
	Community Development Initiatives	50,000	50,000	50,000	150,000
<b>Proposed One Off Business Plan Expenditure</b>		<b>355,000</b>	<b>495,000</b>	<b>95,000</b>	<b>945,000</b>

Table 1

The tables above show the forecast position with regards to our operating budget for the next 3 years. We have both a contingency (built with the expenditure already) and a surplus available with current assumptions. Current assumptions are;

- Inflation will fall to around 5% for 24/25 and 2% for 25/26.
- Increases in pay costs will match inflation assumptions.
- Increases in costs for pay, utilities and SLA's with Southend Council will be funded by increases in the Management Fee.

It is anticipated that the implementation the Business Plan will cost in the region of £945k in one off costs. It is expected that there would be around £85k in on going ICT license costs once we have fully implemented the Business Plan.

## 11. Source of Funds



Where the development and the implementation of the Business Plan objectives cannot be reliably delivered by existing staff, using existing resources, we will need to ensure that we are in a position to find alternate funding for these costs. South Essex Homes has proven to maintain sound financial management, prudently using funds in the pursuit and meeting of our targets. This, along with the commercial aims and aspirations we have had for many years, has produced reserves that are in place to meet a range of scenarios, ranging from enabling us to be resilient and weather financial storms, to being able to advance and grow when the need arises.

The changing landscape for social housing is just a time when we are required to invest in the future and ensure that we can implement measures that ensure our continued success and sustainability. The reserves position of South Essex Homes over the next 3 years is forecast as set out below.

<b>Reserves Position Before Business Plan Expenditure</b>		
<b>Reserves as at 31st March 2023</b>		<b>2,447,000</b>
Forecast Surplus from 23/24 Accounts		113,461
<b>Reserves as at 31st March 2024</b>		<b>2,560,461</b>
Forecast Surplus from 24/25 Accounts		110,546
<b>Reserves as at 31st March 2025</b>		<b>2,671,007</b>
Forecast Surplus from 25/26 Accounts		127,819
<b>Reserves as at 31st March 2026</b>		<b>2,798,826</b>

*Table 2*

As set out in Table 1 over the next 3 years we anticipate being required to spend around £945k on one off expenditure to make the required changes to our systems and processes to meet the objectives within Business Plan. On top of this we would have around £85k of additional annual costs from license fees for the software updates we need to make.

The table below shows the forecast reserves position each year after funding this expenditure to meet our Business Plan objectives.

<b>Reserves Position After Business Plan Expenditure</b>		
<b>Reserves as at 31st March 2023</b>		<b>2,447,000</b>
Forecast Surplus from 23/24 Accounts		113,461
One off Business Plan Expenditure		(355,000)
<b>Reserves as at 31st March 2024</b>		<b>2,205,461</b>
Forecast Surplus from 24/25 Accounts		60,546
One off Business Plan Expenditure		(495,000)
<b>Reserves as at 31st March 2025</b>		<b>1,771,007</b>
Forecast Surplus from 25/26 Accounts		42,819
One off Business Plan Expenditure		(95,000)
<b>Reserves as at 31st March 2026</b>		<b>1,813,826</b>

*Table 3*

The planned expenditure for Business Plan objectives can be comfortably made without reducing our reserves balances too low, as set out in our Reserves Policy.

## **12. Risks**

The delivery of any projects and the delivery of services always come with a range of risks including financial risks, staffing risks, reputational risks and risks associated with unsuccessful delivery of outcomes. It is important that we understand these risks and ensure that we have in place mitigations to ensure these risks are lowered. The main risks associated with each of the 5 themes are set out below, the Business Plan objectives will seek to mitigate these risks.

Theme	Risk	Likelihood (1-5)	Impact (1-5)
Improving the Customer Experience	Fail to engage residents appropriately leading to services not being delivered to meet their needs.	2	4
	Low resident satisfaction leading to loss of reputation and residents not trusting our service delivery.	3	4
	Failure to provide a range of access to services leading to residents not being able to contact us and feeling South Essex Homes are not easy to deal with.	3	2
	Failure to implement improvements to Northgate leading to staff working inefficiently and residents not being able to self serve through a Portal.	3	2
Improving our Organisation	Reduced collection rates for rent meaning we fail to meet the terms agreed as part of the Partnership agreement	2	4
	Staff are unsatisfied and unmotivated leading to poor service delivery, high staff turnover and high sickness levels	3	4
	Managers and directors not training to CIH level 4/5, failing to meet statutory requirements	4	4
	Failure of staff to interact with customers politely and with excellent customer service, leading to higher complaints and a loss of reputation.	3	4
	Fail to understand the skills required to meet our objectives leading to a workforce that cannot meet the requirements of the organisation.	2	4
Meeting our Governance Responsibilities	Not having adequate data capture systems in place to understand our information fully, leading to resources being incorrectly directed and a loss of reputation.	3	4
	Failure to understand the requirements of legislation leading to not meeting statutory and regulatory requirements.	3	5
	Not meeting targets for all properties to be at EPC C by 2030 meaning unused properties and lost revenue for Southend Council.	3	4
	Failing to identify appropriate funding opportunities to support the work to enhance the energy efficiency of our properties leading to higher costs for our residents and failure to meet carbon reduction targets	3	4
Innovating commercially	Failure of subsidiaries to grow commercially leading to funds not being available to support the work of South Essex Homes.	3	3
Developing sustainable communities	Fail to identify residents in financial hardship and give appropriate financial support leading to financial hardship, increased rent arrears and a higher incidence of Mental Health in our customer base.	3	3
	Fail to interact with our communities to build opportunities for the future leading to an increased stigma around social housing.	3	3

## Queensway Development

The Business Plan does not make any assumption around the loss of properties resulting from the development of the Queensway Estate. If this development continues there will undoubtedly be a loss of properties and a resulting loss of revenue but the reduction in Management Fees associated with this development are not yet understood and more work would be required to understand this. Any resulting loss of revenue would be offset by an associated reduction in expenditure.

### 13. Performance

The Business Plan progress will be monitored through an Action Plan led by the Executive Team. This will detail the responsibilities for each action, a timescale for completion and assign performance indicators where necessary. This will be monitored by the Executive Team, and reported to the Board twice a year.

As we progress with the Business Plan we would expect to see improvements to our core Key Performance Indicators agreed with Southend on Sea City Council. For 2023/24 the agreed performance indicators are;

<b>Pentana Code</b>	<b>Description</b>	<b>20223/24 Proposed Target</b>
EPC	% of stock not meeting EPC rating C	<b>Info Only</b>
KP4	Collection Rate for rents	<b>98.50%</b>
KP5	Current Rent Arrears as % of rent due	<b>2.75%</b>
KP7	SEH KP 7 Void turnaround times	<b>17</b>
KP12a	Responsive Contractor repairs completed in target times	<b>98.0%</b>
KP12b	Gas contractor repairs completed in target times	<b>99.0%</b>
KP15	Average number of calendar days taken to complete repairs	<b>8</b>
KP17	% of Homes that have Valid Gas Safety Certificate	<b>100.0%</b>
KP19	% of homes not meeting Decent Homes standard	<b>0%</b>
KP24	Number of working days lost due to sick leave	<b>8</b>
KP25	% of complaints responded within timescale	<b>99%</b>
KP25 (F1-1)	Total complaints responded - Stage 1	<b>Info Only</b>
KP25 (F1-2)	Total complaints responded - Stage 2	<b>Info Only</b>
KP26	% of staff turnover	<b>12.00%</b>
Local R13	Current Rent Arrears in Cash	<b>Info Only</b>
Local R13a	Former tenants arrears	<b>Info Only</b>
Local R14	FTAs a percentage of debit	<b>1.20%</b>
Local R2	No. of Evictions for rent arrears	<b>Info Only</b>
Local R66b	Tenants with more than seven weeks of (gross) rent arrears as a % of the total number of tenants	<b>5.75%</b>
Local V3R	SEH Local V3 Void loss as % of debit - exc Queensway	<b>2.00%</b>
Local V7R	% of property void and unlettable - exc Queensway	<b>0.60%</b>
Local V8R	% of property void and re-lettable - exc Queensway	<b>1.00%</b>

#### **14. Sensitivity Analysis and Stress Testing**

The Business Plan and associated financial forecasts are delivered on assumptions made at the time of writing, both on achievable timescales and resources required.

It has been assumed that Salary Increases will be at 5% in 23/24 and 24/25 and 2% in 25/26 and these will be offset by additional negotiated management fee paid by Southend on Sea City Council. The below shows the additional financial burden that will prevail for every 1% movement in salary awards for the duration of this business plan.

	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>
Total Pay Costs as per Business Plan	7,868,033	8,261,435	8,426,664
Effect of 1% Pay Rise	(293,981)	(308,680)	(82,615)
Effect of 2% Pay Rise	(220,486)	(231,510)	0
Effect of 3% Pay Rise	(146,991)	(154,340)	82,615
Effect of 4% Pay Rise	(73,495)	(77,170)	165,229
Effect of 5% Pay Rise	0	0	247,844
Effect of 6% Pay Rise	73,495	77,170	330,458
Effect of 7% Pay Rise	146,991	154,340	413,073
Effect of 8% Pay Rise	220,486	231,510	495,687
Effect of 9% Pay Rise	293,981	308,680	578,302
Effect of 10% Pay Rise	367,476	385,850	660,916

In formulating the Business Plan there are several factors that may stress the delivery of the plan.

We operate in an environment of increasing regulation, and we must ensure that we are able to continue to keep up to date with movements in the regulatory regime affecting the sector as well as ensuring that adequate resources are available to ensure compliance. There will need to be continued dialogue with our colleagues at Southend on Sea City Council and other stakeholders to ensure that this remains a top priority and we have access to funding, where it is necessary. We are all too aware of the pressures that local authority finances are under and will need to ensure the HRA is able to effectively budget to meet the increasing demands being placed upon social housing.

As an organisation we must ensure we have the right people, with the right skills, to develop and grow the business plan. There is a risk that key personnel will leave the organisation, taking appropriate skills and knowledge with them. We will look to invest in our staff and ensure that we have a strong thriving organisation, where employees are satisfied and happy to come to work. We understand the competencies and skills that are required to deliver the outcomes and will ensure that we have the 'right people, in the right place' to deliver on the plans needs. This will involve looking at our structure and making appropriate changes as is necessary to ensure the longevity and success of the organisation.

We understand that the Business Plan does not stand still. As we move through the next 3 years there will be hurdles and obstacles that we will need to deal with and overcome. The Executive Team and the Board will be regularly monitoring and assessing how the Business Plan is progressing through the Business Plan Action Plan. Any risks to delivery can be identified early and measures put in place to ensure South Essex Homes keeps on track to deliver its priorities.

## **15. Business Plan Delivery**

The 3-year Business Plan of South Essex Homes gives a strategic overview of the Board's ambitions and vision for the future delivery of South Essex Homes business and services. The delivery of these ambitions will link to a series of objectives. An operational delivery plan will be developed which will

support each theme of the Business Plan, assign responsibilities, and develop specific deliverable objectives. Ultimately the delivery plan will inform Executive, management and staff work streams to ensure the ambitions are fully embedded throughout the organisation and ownership is reflected across all levels.

**For further details Contact**

**Daniel Lyons**

**Director – Finance & Corporate Services**

**SOUTH ESSEX HOMES**

**Business Plan Action Plan 2023 - 2026**

IMPROVING THE CUSTOMER EXPERIENCE							
Strategic Objective	Action No	Action	Lead	Operational Measure	Estimated Start Date	Target Completion Date	Notes / Comments
Build Active Resident Engagement	BPCUS01	Progress alternative methods of engagement (including informal, ad-hoc or electronic means) so residents have a variety of options to influence SEH services that work for their own needs and wishes.	Sarah Lander	New methods of engagement established beyond the traditional methods currently employed giving a larger and more diverse range of tenants to engage with.	01/09/2023	31/12/2024	
	BPCUS02	Engage residents in how we prioritise resources to gain residents views on their priorities.	Sarah Lander	Residents panels established to discuss resource priorities for South Essex Homes.	01/01/2024	31/03/2024	
	BPCUS03	Explore our data to identify residents who are less likely to engage with us or access our services and take action to ensure equality of opportunity.	Sarah Lander	Residents identified with less engagement and contact made to discuss the positive aspects of engagement with South Essex Homes.	01/10/2023	31/03/2024	

Improve the quality and reliability of our services	BPCUS04	Develop and publish clear service standards agreed with residents.	Sarah Lander	Service Standards set and published to residents.	01/09/2023	31/03/2024	
	BPCUS05	Review the delivery of Tenancy and Support Services in response to staff and tenant feedback.	Sarah Lander	Tenancy and Support Services structure reviewed.	01/08/2023	31/03/2024	
	BPCUS06	Ensure our complaints process is fully analysed for outcomes and themes established so that we can effectively learn lessons and put in place changes to service delivery to meet resident expectations.	Daniel Lyons	Report on themes being established through the complaints process.	01/08/2023	30/09/2023	
	BPCUS07	Share regular updates on performance and financial position including how our service charges are calculated and how we spend our money.	Daniel Lyons	Performance and financial information published in insight and through social media.	01/09/2023	31/12/2023	
	BPCUS08	Demonstrate to residents how we have changed services because of their feedback.	Sarah Lander	Articles in Insight and on social media highlighting where feedback from residents has made a difference.	01/11/2023	31/03/2024	



Ensure staff are visible and services accessible	BPCUS09	Review 'Hub, Home, Roam' hybrid working policy with residents to ensure that it continues to underpin a customer-focused housing service.	Sarah Lander	Hub, Home, Roam Policy reviewed by the Leadership Team.	01/12/2023	31/03/2024	
	BPCUS10	Ensure attendance at our schemes is regular and officers from front line teams are visible whilst working on our estates.	EMT	Sheltered Schemes being attended in line with service charge allocation. Residents on our estates know when they will have estate walkabouts and are encouraged to join. Front line officers (Tenancy Services, Support Services, Property Services) visit estates and homes as required as part of their role.	01/09/2023	31/03/2024	
	BPCUS11	Ensure telephone calls are answered on generic team lines and residents can speak to teams when needed.	EMT	90% of calls to 'hunt' groups are answered and the resident query dealt with.	01/10/2023	31/03/2024	
Ensure our services provide Value for Money	BPCUS12	Benchmark our service financial and non-financial metrics to ensure that we are in line with sector performance. Look for top performing organisations and	Daniel Lyons	Performance (financial and non-financial) benchmarked for comparison.	01/08/2023	30/11/2024	

		network to learn lessons.					
Resolve issues at first point of contact	BPCUS13	Review Contact Centre scripts to ensure that contact centre staff can resolve as many issues at point of contact as possible.	Beverley Gallacher / Sarah Lander / Kevin Hazlewood	Scripts reviewed and agreement on range of services to be dealt with by the Contact Centre agreed upon.	01/01/2024	30/06/2024	
Learn from our residents by undertaking perception and transactional surveys	BPCUS14	Undertake annual resident satisfaction survey in line with the Tenant Satisfaction Measures.	Daniel Lyons	Annual perception survey undertaken for 23/24	01/10/2024	31/12/2024	
	BPCUS15	Review the current transactional surveys undertaken, identify where we could learn more by undertaking additional surveys (e.g. complaints) and ensure survey methodology is in line with sector expectations.	Daniel Lyons	Repairs, lettings and ASB satisfaction surveys reviewed for effectiveness and methodology.	01/01/2024	31/12/2024	
	BPCUS16	Benchmark our satisfaction results to ensure South Essex Homes results are in line with sector experience.	Daniel Lyons	Benchmarking undertaken and results analysed.	01/04/2024	31/07/2024	
Improve the efficiency of our ICT systems	BPCUS17	Build on the feedback from the Northgate Health checks by	Daniel Lyons	All major and minor proposals investigated further and implemented	01/06/2023	31/03/2025	

		implementing the quick fixes with the assistance of SCC ICT Team.		where possible and efficiency can be gained.			
	BPCUS18	Drive forward the Strategic Priorities for Northgate system developments, gaining financial approval and implementing the various solutions.	Daniel Lyons	All Strategic Northgate developments implemented and efficiencies to working practices established.	01/09/2023	31/03/2025	
	BPCUS19	Fully train all staff on use of Office 365, including Teams, Sharepoint, Word and Excel.	Daniel Lyons	Core ICT training undertaken with all staff on Office products.	01/08/2023	31/12/2023	
	BPCUS20	Migrate all documents, files, and folders from office-based servers to cloud based solutions in Sharepoint and teams.	Daniel Lyons	Office based servers are no longer used and can be decommissioned	01/08/2023	31/01/2024	
	BPCUS21	Upgrade Civica and migrate the system to the cloud, ensuring workflows and documents are fully reviewed.	Daniel Lyons	Civica migrated to the cloud and teams seamlessly can use the new system.	01/06/2023	29/02/2024	
Maintain high rent collection rates	BPCUS22	Work through the Service Development Plan for rent arrears ensuring all actions	Daniel Lyons	Service Development Plan for Rent Arrears fully implemented	01/06/2023	31/03/2024	

		have been explored and where necessary solutions implemented.					
	BPCUS23	Recommendations from the HQN accreditation report reviewed and where necessary actions put in place.	Daniel Lyons	Recommendations from HQN report fully complied with.	01/07/2023	31/12/2023	
	BPCUS24	HQN accreditation received in 2024	Daniel Lyons	HQN Accredited	01/04/2024	31/12/2024	
	BPCUS25	Review all held properties to establish timescales and resources needed to return to lettable use.	Kevin Hazlewood	No properties being held empty long term.	01/08/2023	31/12/2024	
26	Maintain a strong collaborative partnership with Southend on Sea City Council	BPCUS26	Continue to be active presence in the Partnership by attending all Partnership Meetings and Subgroups.	EMT	All EMT attendance at all partnership meetings and subgroups.	01/06/2023	31/03/2026
		BPCUS27	Assist Southend on Sea City Council to develop a HRA Business Plan and associated Asset Management Plan.	Daniel Lyons / Kevin Hazlewood	HRA Business Plan in place agreed by both SCC and SEH.	01/06/2023	31/12/2023

### IMPROVING OUR ORGANISATION

Strategic Objective	Action No	Action	Lead	Operational Measure	Estimated Start Date	Target Completion Date	
Understanding the skills required across our organisation	BPORG01	Develop and competency framework that ensures all skills required to meet objectives are mapped, as well as mapping the current skills required for all roles within our organisation.	Daniel Lyons	Skills based competency framework developed	01/10/2023	30/06/2024	
Embed our Values and Behaviours	BPORG02	Integrate our Values and Behaviours into our appraisals.	Sarah Lander	New appraisal framework incorporating Values and Behaviours	01/11/2023	31/03/2023	
	BPORG03	Communicate our Values regularly to all staff and residents.	Daniel Lyons	Values and Behaviours integrated into staff bulletin, insight magazine and social media posts.	01/10/2023	31/03/2023	
Having the right people doing the right things	BPORG04	Develop a recruitment framework to ensure we recruit the right people with the right attitudes for work in social housing.	Daniel Lyons	Recruitment framework in place and managers using to aid their recruitment process.	01/12/2023	31/03/2024	
	BPORG05	Implement a new induction programme for new starters	Sarah Lander	Induction process in place for all new starters	01/06/2023	31/03/2024	

		ensuring they are quickly inducted and feel at home in the organisation.					
Professional, competent staff	BPORG06	Ensure all housing managers have relevant professional housing qualifications in line with regulation.	Daniel Lyons	All Housing managers are CIH qualified	01/10/2023	31/03/2026	
	BPORG07	Implement annual review of training programme to reflect developing needs of the business.	Daniel Lyons	Annual review takes place in conjunction with the Leadership Group and staff groups.	01/10/2023	31/12/2023	
Recognising and rewarding talent.	BPORG08	Review our reward and recognition policy in conjunction with staff groups and the leadership forum to ensure we recognise in a way that is suitable for our staff	Daniel Lyons	Review of Reward and Recognition Policy taken place and agreed with staff groups.	01/04/2024	30/06/2024	

### MEETING OUR GOVERNANCE RESPONSIBILITIES

Strategic Objective	Action No	Action	Lead	Operational Measure	Estimated Start Date	Target Completion Date	
Understand what changing legislation means for South Essex Homes	BPGOV01	Fully understand all the requirements of any existing and potential future consumer and economic standards set by the regulator and map compliance against each element, supplemented with strong evidence and data.	Sarah Lander / Daniel Lyons / Kevin Hazlewood	Regulation compliance framework devised and areas for development identified.	01/08/2023	31/12/2023	
Ensure we have appropriate data collection and knowledge management systems in place	BPGOV02	Review our databases to ensure we can fully utilise analysis to understand our tenant base more fully and the properties we manage. Use this information to direct resources and establish trends to deliver adapted services.	Daniel Lyons / Kevin Hazlewood / Sarah Lander	Systems can be interrogated easily, and information drawn that is able to be used to inform service delivery.	01/01/2024	31/03/2025	
Continued programme of safety improvements to	BPGOV03	Continue existing building safety measures including installation of	Kevin Hazlewood	Rolling capital budget of safety improvements	01/04/2023	31/03/2026	

the homes we manage.		upgraded fire doors, sprinkler systems and annunciation systems where funding permits. Submit business cases for improvements where necessary.					
Fully understand the EPC and Stock condition of all our properties	BPGOV04	Implement a three-year rolling programme of Stock Condition reporting, utilising funding from the Capital Programme.	Kevin Hazlewood	Programme moved from 5 year to 3 year with resource increased to compensate.	01/04/2024	30/06/2024	
	BPGOV05	Train stock condition surveyors to undertake EPCs at the same time as Stock Condition Surveys are carried out.	Kevin Hazlewood	Stock Condition Surveyors trained and undertaking EPCs at the same time as Stock Condition Surveys.	01/09/2023	31/03/2024	
Take advantage of funding opportunities to advance the energy efficiency of our properties, reducing costs for our residents.	BPGOV06	Work in partnership with SCC to identify potential grant funding and ensure applications are made in time to qualify for funding.	Kevin Hazlewood	Grant funding being obtained and used to improve the efficiency of the properties we manage.	01/04/2023	31/03/2026	



### INNOVATING COMMERCIALLY

Strategic Objective	Action No	Action	Lead	Operational Measure	Estimated Start Date	Target Completion Date	
Support the growth of our subsidiaries	BPCOM01	Identify opportunities within South Essex Homes for services to be delivered via an alternate delivery system.	Beverley Gallacher	South Essex Homes services identified that fit the model for delivery by SEPS and a business case submitted.	01/04/2023	31/03/2026	
	BPCOM02	Use South Essex Homes communication tools (Insight, Staff Bulletin, Social Media) to tell our stakeholders about the work of SEPS, SEFM and Southend LocalitE	Beverley Gallacher / Daniel Lyons	Regular updates and articles in our communication tools about SEPS activity.	01/09/2023	31/03/2024	
Working with Southend Council to deliver services differently across the group	BPCOM03	Keep up to date and informed about the progress of Southend Council's Transformation programme.	Beverley Gallacher	'Seat' at the table to discuss options for transformation and how SEPS can contribute to the success.	01/10/2023	31/03/2025	
	BPCOM04	Keep informed with progress of the Roots Hall / Fossett's Farm development and ensure we are best placed to take	Mario Ambrose	Relationship built with key influencers in the development.	01/06/2023	31/03/2025	

		advantage of opportunities.					
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### DEVELOPING SUSTAINABLE COMMUNITIES

Strategic Objective	Action No	Action	Lead	Operational Measure	Estimated Start Date	Target Completion Date	
Supporting our tenants through financially difficult periods	BPSUS01	Continue to ensure the Hardship Fund can be funded and support our most in need residents.	Daniel Lyons	Hardship Fund has accessible resources	01/04/2023	31/03/2026	
	BPSUS02	Explore the use of additional software to support the identification of residents that may benefit from further welfare advice.	Sarah Lander	Software in place and identifying residents most likely to benefit from further advice.	01/04/2024	31/03/2025	
Supporting our tenants to sustain their tenancies	BPSUS03	Review the support offered to residents to ensure it meets the needs and expectations of residents.	Sarah Lander	Support service reviewed and any necessary adjustments made to support provision.	01/04/2024	31/03/2025	
	BPSUS04	Ensure all Tenancy, Income and Support Staff receive training on welfare and benefits.	Sarah Lander / Daniel Lyons	All staff receive regular training on welfare and benefits.	01/08/2023	31/03/2024	
Giving people in our communities a brighter future	BPSUS05	Develop partnerships with third sector and contractors to facilitate	Sarah Lander	Work delivered on our estates on in our schemes by specialists that can	01/04/2023	31/03/2025	

		access to a broad range of opportunities for our residents.		develop the communities we support.			
	BPSUS06	Establish a charitable / community vehicle to access funding that we would not otherwise have access to.	Sarah lander	Charitable / Community Interest organisation established	01/10/2023	31/03/2024	

# Southend-on-Sea City Council

Report of the Executive Director of Finance and  
Resources

to

Shareholder Board

on

16th October 2023

Report prepared by: Peter Bates  
Director of Financial Services

Agenda  
Item No.

6  
6

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## Southend Care Limited: Receipt of Accounts 2022/23

Executive Member - Councillor James Moyies

*A Part 1 Public Agenda Item*

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### 1 Purpose of Report

To present to the Shareholder Board the financial statements of Southend Care Limited for year ended 31 March 2023, together with the report of their auditors.

### 2 Recommendation

That the Shareholder Board receives the financial statements of Southend Care Limited for the year ended 31 March 2023, together with the report of the auditors.

It must be noted, that whilst these Accounts have been audited and are presented as Final. The External Auditors are waiting on final sign off of intercompany balances with Southend-on-Sea City Council (SCC). This will be completed as part of SCC's remaining 2022/23 close down arrangements. It is not expected that this will change any of the Statements laid out in the following papers. If any changes are made, then these will be brought to the Shareholder board for disclosure and further update.

### 3 Background

A senior representative of Southend Care Limited will present this report to the Shareholder Board and respond to Members' questions.

## **4 Corporate Implications**

### **4.1 Contribution to Council's Vision & Critical Priorities**

Robust oversight of the financial statements of Southend Care Limited by the Shareholder Board on behalf of the Council play a key part in maintaining the Council's reputation for strong financial probity and stewardship.

### **4.2 Financial Implications**

The Statement of Accounts is required to present a true and fair picture of the Company's financial position as at 31 March 2023 and also the profit and loss for this financial year.

### **4.3 Legal Implications**

The financial statements of Southend Care Limited are governed by the Companies Act 2006

### **4.4 People Implications**

There are no people implications arising from this report

### **4.5 Property Implications**

There are no property implications arising from this report

### **4.6 Consultation**

There are no consultation implications arising from this report

### **4.7 Equalities Impact Assessment**

There are no equalities implications arising from this report

### **4.8 Risk Assessment**

There are no risk implications arising from this report

### **4.9 Value for Money**

There are no value for money implications arising from this report

### **4.10 Community Safety Implications**

There are no community safety implications arising from this report

#### 4.11 Environmental Impact

There are no environmental implications arising from this report

### 5 Background Papers

Detailed working papers are held by Southend Care Limited

#### Appendices

**Appendix 1** Report to shareholders on the Southend Care Limited 2022/23  
Financial operational performance summary

**Appendix 2** Southend Care Limited 2022/23 Financial Statements (year  
ending 31<sup>st</sup> March 2023)

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## **6. Southend Care Ltd Receipt of Accounts 22/23**

### **Southend Care Ltd.'s Financial Operational performance for 2022/23 – year ending 31<sup>st</sup> March 2023**

#### **Foreword**

As laid out within the audited accounts for Southend Care Ltd 2022/23, the year delivered an adverse operational financial performance position for the company, returning a net loss of £520,831 (equivalent 5.1% of turnover). This comprised of £302,851 trading deficit and £217,980 planned expenditure from reserves.

The budgeted surplus for the year was £102k.

The impact of applying IAS19 pension adjustments of (£415,000), resulted in a deficit of (£935,831) for the year.

This therefore now means, as laid out on the company's balance sheet as at the 31<sup>st</sup> March 2023 following 6 years of trade, the company holds a total retained operational profit reserve balance of £591,893 (2021/22 £1,112,724), a separate transformation funds reserve of £146,230 and a defined benefit pension reserve liability of £0 (2021/22 £5,422,000) for SBC council staff TUPE'd into the company which itself is underwritten by the Council.

#### **Review of the year**

This has been a challenging year financially in its sixth year of trading, and the 2022/23 operational loss performance itself was due to several factors.

The impact of the cost-of-living crisis has had an impact on business performance with a below inflation settlement for the year (1% uplift with inflation running at over 10% for much of the year). This combined with the first full year of the new Brook Meadows Care facility has led to a significantly higher-than-normal usage of agency staffing. Utility costs were significantly higher along with food costs and rent increases.

At the start of the year recruitment and retention was becoming increasingly challenging, something that was evident across the Health & Social Care sector at both a local and national level. Several initiatives were introduced which enable the company to address these issues and at year end agency usage and vacancies were relatively low. There was a requirement to significantly grow the Complex Intervention Service workforce, which resulted in a number of recruitment challenges, and as a result this had an impact on both agency usage and vacancy levels. Again, due to several proactive measures we have been able to grow and retain the workforce to the required levels. Sickness absence, largely due to Covid was also a contributory factor during much of 2022 leading to staffing challenges. The easing of Covid restrictions and its prevalence has reduced this as a cost pressure.

By June 2023 at SCL:

- Vacancy factor was 3.15% compared to Skills for Care average of 9.9%.
- Sickness had reduced from over 8% to 4.74% during the year.

- Staff turnover had reduced from 6.43% to 5.69% during the year compared to Southend City average of 37%, regional average of 32.2% and Skills for Care average of 30% (Care sector comparisons)
- TUPE costs as % of turnover was down to 3.35%

### **Business review.**

The business has had a successful year of trading despite a year end loss position. This has been achieved through the following:

- **The establishment to full occupancy of the new Brook Meadows House care facility, and the growth of 600% in the capacity of the reablement service to 1200+ hours per week.**
- **Increasing non-local authority income streams through sales of services to private purchasers of care in the care home, the day centres, and in the community.**
- **Effective management of SCL's cost base has continued this year, with efficiencies being achieved through not replacing vacant posts and some redundancies.**
- **Converting more employment positions to SCL terms and conditions.**
- **Delivering significant efficiency within business units, for example through the restructuring of staff teams and increasing productivity levels.**

**As the Council's Provider of Last Resort, stepped in on several occasions to take over the management of failing care providers in the city, or provided management oversight. SCL have now stepped in on 15 occasions to support provider failures.**

Highlights for 2022/23 included the following:

- **Commenced new 10-year contracts for all SCL services and the implementation of a related 10-year Partnership Agreement with Southend City Council (SCC).** This ensures the long-term stability of the company and the important role it plays within the care market. It builds upon the special relationship between SCL and SCC which has built up since the company began trading.
- **The delivery of new services out of the company's new care facility.** Services operating from the new building are strategically relevant to Southend CC and provide the opportunity to develop the reputation of the company in term. They include short term assessment care home beds, a new day opportunities service for people with a profound learning disability and offices for our reablement and supported employment services.
- **We started to build our private payer / self-funder care home and home care businesses ensuring we start to generate new Teckal income.** This supports the financial sustainability of the company whilst delivering benefit back to Southend CC in the form of a gain share. The business opportunities will support the commercial development of the company providing alternative income streams that can be built on in subsequent years.

- **To continue to modernise, improve service performance and achieve greater cost effectiveness.** We have invested in digital technology to support the development of the business. It enables the company to remain competitive and relevant to commissioners whilst supporting it to retain a unique position and relationship with Southend City Council.
- **We continued to explore a new Learning Academy for all staff, which is part of longer-term workforce planning.** This also supports succession planning with emerging leaders being supported through training and development opportunities. The Academy will also support our frontline workforce with a full suite of e-learning and face to face learning opportunities.
- **We continued to act as the Council's Provider of Last Resort.** During the year we were able to assist in step in's in dealing with several organisations who were in provider failure. The provider of last resort activities / input has significantly supported SCC's reaction in requiring supporting of remove suppliers of CQC registered services across both brick-based services and homecare. This has been, in part, both through provider failure meetings that have led to agreed management oversight or daily, with embedded activities in our Complex Intervention Service Team. We have also supported urgent admissions into BMH because of failed placements or in re-patriation / homeless scenarios of individuals coming home from other countries.

The more detailed analysis of the risks regarding viability of SCL and the Business plan are contained in the next agenda item 7.

Appendix 6.1 - Southend Care Ltd 2022/23 Accounting Statements

**END OF REPORT**

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**SOUTHEND CARE LTD**

**Directors' Report and Financial Statements**

**For the Year Ended 31 March 2023**

# **SOUTHEND CARE LTD**

## **Financial Statements For the Year Ended 31 March 2023**

<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	1
Directors' report	2 to 5
Statement of Corporate Governance	6 to 9
Independent auditor's report to the members	10 to 13
Profit and loss account	14
Statement of other comprehensive income	15
Statement of changes in equity	16
Statement of financial position	17
Notes to the financial statements	18 to 29

# **SOUTHEND CARE LTD**

## **Officers and Professional Advisers For the Year Ended 31 March 2023**

**Company registration number** 10138562

### **The board of directors**

P R Little  
A Hughes  
J C Manzoni (resigned 22 August 2022)  
S J Unsworth  
S T Houlden (resigned 13 April 2023)  
A Sherlock  
P Thompson (appointed 17 October 2022)

### **Registered office**

Civic Centre  
Victoria Avenue  
Southend-On-Sea  
Essex  
SS26ER

### **Current auditor**

SB Audit LLP  
Chartered Accountants &  
Statutory Auditor  
820 The Crescent  
Colchester Business Park  
Colchester  
Essex  
C049YQ

### **Bankers**

Barclays Bank  
Priory Place  
Level 3, New London Road  
Chelmsford  
Essex  
CM2 0PP

### **Legal advisers**

Birkett Long LLP  
Faviell House  
1 Coval Wells  
Chelmsford  
Essex  
CM1 1WZ

# SOUTHEND CARE LTD

## Directors' Report For the Year Ended 31 March 2023

The Directors present their report and financial statements for the period ended 31 March 2023.

### PRINCIPAL ACTIVITY

The purpose of the company is to trade commercially, predominantly within health and social care sectors.

### RESULTS AND DIVIDENDS

The company's loss for the period, after taxation, amounted to £520,831 before IAS 19 defined benefit pension adjustments. Of this £302,851 related to the trade and operations for the year and £217,980 was planned spending out of reserves. The loss after pension adjustments amounted to £935,831.

There were no dividends proposed or paid during the period.

This has been a challenging year financially for the company in its sixth year of trading. The impact of the cost-of-living crisis has had an impact on business performance with a below inflation settlement for the year. This combined with the first full year of the new Brook Meadows Care facility has led to a higher-than-normal usage of agency staffing. At the start of the year recruitment and retention was becoming increasingly challenging, something which has been resolved during the year, and at year end agency usage and vacancies were relatively low. The growth of the reablement service also had an impact on both agency usage and recruitment which again had stabilised by year end. Sickness absence, largely due to Covid was also a contributory factor during much of 2022 leading to staffing challenges. The easing of Covid restrictions and its prevalence has reduced this as a cost pressure.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In the period to 31 March 2023 the company's financial risk management approach has included the following:

**Corporate Risk Register:** Supporting the management of key financial risks, including loss of income, loss of reputation and loss of workforce and periodically updated.

**Strategic Finance Management:** Reviewed by the Board with the purpose of analysing financial trends and forecasts to inform the identification and mitigation of risk.

**Operational Financial Management:** Through a schedule of monthly meetings led by the Managing Director and Operations Director reviewing business unit management accounts and addressing risk issues such as variances to budget.

**Sales Income and Marketing Management:** Through monthly meetings led by the Managing Director and Operations Director focusing on identifying and addressing risk to new income streams particularly non-Southend Council sources such as private paying customers and health.

**Financial Risk Management Policies and Procedures:** The development and implementation of policies addressing key areas of corporate risk. This includes Anti-Bribery, Fraud and Corruption Policy

**Business Continuity Policy:** The development of the company's response to significant events with a business destroying potential. This has included how the company creates resilience to effectively respond to crises such as COVID 19.



# **SOUTHEND CARE LTD**

## **Directors' Report For the Year Ended 31 March 2023**

### **DIRECTORS AND THEIR INTERESTS**

The directors set out in the table below have held office during the whole of the period from 1 April 2022 to 31 March 2023 unless otherwise stated. None of the directors held any interests in the share capital of the company.

P R Little  
A Hughes  
J C Manzoni (resigned 22 August 2022)  
S J Unsworth  
S T Houlden (resigned 13 April 2023)  
A Sherlock  
P Thompson (appointed 17 October 2022)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent; and  
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are adequate to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# SOUTHEND CARE LTD

## Directors' Report For the Year Ended 31 March 2023

### BUSINESS REVIEW AND FUTURE PLANS

The business has had a successful year of trading despite a year end loss position. This has been achieved through the following:

- The establishment to full occupancy of the new Brook Meadows House care facility, and the growth of 600% in the capacity of the reablement service to 1200+ hours per week.
- Increasing non-local authority income streams through sales of services to private purchasers of care in the care home and in the community.
- Effective management of SCL's cost base has continued this year, with efficiencies being achieved through not replacing vacant posts and some redundancies.
- Converting more employment positions to SCL terms and conditions.
- Delivering significant efficiency within business units, for example through the restructuring of staff teams and increasing productivity levels.

Highlights for 2022/23 included the following:

- **Commenced new 10-year contracts for all SCL services and the implementation of a related 10-year Partnership Agreement with Southend City Council (SCC).** This ensures the long-term stability of the company and the important role it plays within the care market. It builds upon the special relationship between SCL and SCC which has built up since the company began trading.
- **The delivery of new services out of the company's new care facility.** Services operating from the new building are strategically relevant to Southend CC and provide the opportunity to develop the reputation of the company in term. They include short term assessment care home beds, a new day opportunities service for people with a profound learning disability and offices for our reablement and supported employment services.
- **We started to build our private payer / self-funder care home and home care businesses ensuring we start to generate new Teckal income.** This supports the financial sustainability of the company whilst delivering benefit back to Southend CC in the form of a gain share. The business opportunities will support the commercial development of the company providing alternative income streams that can be built on in subsequent years.
- **To continue to modernise, improve service performance and achieve greater cost effectiveness.** We have invested in digital technology to support the development of the business. It enables the company to remain competitive and relevant to commissioners whilst supporting it to retain a unique position and relationship with Southend CC.

# SOUTHEND CARE LTD

## Directors' Report For the Year Ended 31 March 2023

- **We continued to explore a new Learning Academy for all staff, which is part of longer-term workforce planning.** This also supports succession planning with emerging leaders being supported through training and development opportunities. The Academy will also support our frontline workforce with a full suite of e-learning and face to face learning opportunities.
- **We continued to act as the Council's Provider of Last Resort.** During the year we were able to assist in step in's in dealing with several organisations who were in provider failure.

Looking ahead, the business is in continuing negotiations with its owner regarding funding for the 23/24 financial year to address the challenges faced in the current economic climate.

Plans for 23/24 include:

- **Work with the council to revisit the business and service models to ensure that we best meet the future needs of the city including the delivery of specialised skills.**
- **To continue to develop and implement our digital platforms to generate efficiency and meet regulatory requirements.**
- **Develop the Southend Care Ltd Business Development Strategy in the light of the current economic environment.**
- **Focus on our staff as our key resource in further developing the model for the Leadership Academy, staff engagement, staff recognition and reward, and achieving recognition of our work through independent quality awards.**

In preparing this report the directors have taken advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly, Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

Approved by the board on 23 August 2023 and signed on its behalf by

**P Little**  
Director

# **SOUTHEND CARE LTD**

## **Statement of Corporate Governance For the Year Ended 31 March 2023**

### **1. Scope of Responsibility for Southend Care Ltd.**

Southend Care Limited (SCL) was incorporated in April 2016 and began trading on the 1 April 2017. It is a Local Authority Trading Company wholly owned by Southend City Council (SCC). There are 100 £1 shares in the company. Its purpose is to trade commercially, predominantly in health and social care sectors.

SCL is run by 5 directors, all of who are registered at Companies House. The directors include the Managing Director, Operations Director and three Non-Executive Directors (NEDs), one of whom is the chair. The NEDs are appointed by SCC on fixed term service contracts. The directors meet monthly as a board and conduct is governed by the Articles of Association. The board of directors is responsible for ensuring the business is run in accordance with the law and proper standards and that its finances are properly accounted for and used efficiently and effectively in pursuit of its business goals.

Monthly board of directors meetings support the strategic direction of the business and provide scrutiny and oversight of its running. The board meeting also acts as a mechanism for holding the executive directors to account. Standard items reported, considered and actioned each month include the following:

- Financial status measured against business plan projections
- Workforce status, including sickness, significant disciplinary issues and workforce development
- Operational performance against key performance measures
- Review and assessment of corporate risk
- Business Continuity
- Legal and regulatory compliance including Care Quality Commission (CQC) compliance
- Business development, including oversight of the return on investment of BD projects.

### **2. The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values, by which the Company is directed and controlled and its activities through which it accounts to, engages with and serves the community. It enables the Company to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Company's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

# SOUTHEND CARE LTD

## Statement of Corporate Governance For the Year Ended 31 March 2023

### 3. The Governance Framework

The Key elements of the Governance Framework are:

- **A three year company Business Plan** that sets overarching business objectives.
- **An Annual Company Plan** linked to the three year Business Plan, which sets out detailed operational, financial and developmental targets for the business.
- **Financial Reporting** including management accounting and variance reporting.
- **Monthly Finance Review meetings** with the Managing Director, Operations Director and Head of Finance to assess overall financial performance of the company, and where necessary implement improvement actions.
- **Monthly Senior Management Meetings** including the Managing Director, Operations Director, Business Manager, HR Manager and Head of Finance. These meetings form the basis of managing and monitoring company performance with reference to corporate key performance indicators and executive management and activity plan.
- **Annual Shareholder Meetings** holding to account the Board of directors for the performance of the company.
- **Monthly monitoring of expenditure** based on the review of management accounts. This takes place between the Operations Director, Head of Finance and each Manager of the company's business units and includes addressing any variances between actual and budgeted expenditure, plus identifying and executing remedial actions.
- **Formal monitoring of our commercial contract with SCC.** This includes both service level contract meetings, evaluating performance against contract key performance indicators and strategic / developmental meetings with the Director of Commissioning which focus on the overall contract performance including compliance matters.
- **Corporate risk management** including Anti-fraud and Corruption, Whistle blowing, Health and Safety and Safeguarding.
- **Emergency Planning and Business Continuity** including disaster recovery.
- **A system of Individual Performance Reviews** (appraisals) with all our staff followed by regular supervision sessions.
- **A quality assurance system** which is set out in the company's Quality Assurance Strategy. The conduit for delivering on the strategy is the Quality Assurance Group. This group is made up of the Operations Director and business unit managers, and its role is to address key quality matters such as regulatory compliance with the Care Quality Commission.
- **A policy and procedure suite** governing our approach to Finance, HR and Service Delivery.
- **Scheme of delegation** setting out authorised levels of expenditure and commitments throughout the company.
- **Workforce code of conduct** setting out the expected standards of behaviour and performance as an employee of SCL.
- **Values and Behaviours Framework** creating a culture through which the company operates and makes decisions.
- **COVID 19 situation reports** reflecting the impact of the pandemic on the company and its services. The reports highlight where there are issues for example in terms of staffing capacity, supplies of PPE and delivery of services. The reports also set out the actions being taken to address those issues and to mitigate any risks. The situation reports also link through to the corporate risk register.

# SOUTHEND CARE LTD

## Statement of Corporate Governance For the Year Ended 31 March 2023

### 4. Review of Effectiveness

The effectiveness of the governance framework has been assessed and tested through the following:

1. **Board of Directors thematic scrutiny and review** – The Board has developed as part of its governance processes a schedule of monthly themes / topics relating to key aspects of the business. This includes topics such as Corporate Risk, Business Continuity, Business Development, Business Planning, Values and Behaviours. These sessions have enabled the Board to drill into detail around specific matters for example testing the robustness of company's business plan. The Board has also undertaken an annual evaluation of its own effectiveness in terms of governance, decision making and the overall way in which it conducts business.
2. **Company Values and Behaviours** – In December 2019 the Board signed off the company's new Values and Behaviours. This followed a collaborative process with the workforce in the preceding three months. The new values and behaviours have been developed to galvanise the workforce and company as a whole as it continues to grow. The Values and Behaviours were formally launched with staff through a series of workshops in February 2020. Thereafter we have begun a programme of staff engagement and training to embed the values and behaviours throughout the company. This is a long terms and ongoing piece of work which has gained more traction as COVID rules have relaxed, enabling greater face to face interaction with staff. To support the embedding of our values and behaviours we have introduced a new staff appraisal system which measures staff performance in terms of the degree to which they have worked to the values and behaviours of the company.
3. **Business Continuity Plan stress testing** – in order assess the robustness of the BCP we have undertaken stress tests on certain topics within our residential and supported housing services. This has included working through the effectiveness of the plan in cases such as fire (including identification of a fire, evacuation of staff and residents and providing ongoing support and accommodation). The stress tested demonstrated that the BCP is fit for purpose and the results were reported back to the Board in June.
4. **Service Reviews** - The company assesses the financial position of each of its services annually with reference to the new 10-year service contracts with SCC. This means evaluating the cost base of each service and its planned profitability. For some services such as residential care this has meant reviewing the staffing structure and operating models to ensure they can meet future requirements of the contract. The outcome of this activity has been to agree contracts with SCC ensuring each is profitable including future contractual uplifts.
5. **Systematic Review of key policies and procedures** – The company reviews current policies and add new ones as needs are identified. All new and revised policies are taken to Board for formal approval at monthly Board meetings.
6. **Staff Satisfaction Survey** – An annual survey of staff is carried out with questions designed to develop the company's understanding of the culture within the business units and the impact that COVID has had on staff wellbeing and morale.

# **SOUTHEND CARE LTD**

## **Statement of Corporate Governance For the Year Ended 31 March 2023**

7. **Annual Plan reviews** – Quarterly reviews of the SCL Annual Plan take place with the Board, to ensure that the executive is on track with meeting the required corporate objectives. This year included monitoring progress on mobilisation of services within the new care facility, the expansion of the Southend Reablement Service and non-Council funded income streams.

**P Little**  
Director

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND CARE LTD**

**For the Year Ended 31 March 2023**

## **OPINION**

We have audited the financial statements of Southend Care Ltd for the year ended 31 March 2023 which comprise the Profit and Loss Account, the Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards (IFRSs).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2023 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted IFRSs; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND CARE LTD**

**For the Year Ended 31 March 2023**

## **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND CARE LTD**

**For the Year Ended 31 March 2023**

## **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: The Health and Social Care Act, safeguarding, health and safety, anti-bribery and corruption, human rights, employment law and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND CARE LTD**

**For the Year Ended 31 March 2023**

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **USE OF OUR REPORT**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Timothy O'Connor** (Senior Statutory Auditor)

For and on behalf of

SB Audit LLP

Chartered Accountants & Statutory Auditor

820 The Crescent

Colchester Business Park

Colchester

Essex

C049YQ

Date: *Zo/z/23*

# SOUTHEND CARE LTD

## Profit and Loss Account For the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Revenue	4	10,133,421	8,758,152
Staff costs	6	(8,664,066)	(7,371,043)
IAS 19 pension scheme staff cost adjustment	11(f)	(278,000)	(494,000)
Administrative expenses		(1,990,186)	(1,182,531)
<b>OPERATING (DEFICIT)</b>		<b>(798,831)</b>	<b>(289,422)</b>
IAS 19 pension scheme interest adjustment	11(f)	(137,000)	(148,000)
<b>(DEFICIT) BEFORE TAX</b>		<b>(935,831)</b>	<b>(437,422)</b>
Taxation of ordinary activities	7	-	-
<b>(DEFICIT) FOR THE YEAR</b>		<b>(935,831)</b>	<b>(437,422)</b>
<b>(DEFICIT) ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>(935,831)</b>	<b>(437,422)</b>

The (loss)/profit for the financial period before and after adjustments required under IAS 19 in respect of defined benefit pension schemes is as follows:

Trading (Deficit)/surplus after tax	(302,851)	204,578
Planned spending out of reserves	(217,980)	
Net (Deficit)/surplus after tax but before pension adjustments	(520,831)	204,578
IAS 19 defined benefit pension scheme charges:		
Staff costs adjustment	(278,000)	(494,000)
Interest costs	(137,000)	(148,000)
<b>(LOSS) FOR THE FINANCIAL YEAR</b>	<b>(935,831)</b>	<b>(437,422)</b>

The notes on pages 18 to 29 form part of these financial statements.

## SOUTHEND CARE LTD

### Statement of Other Comprehensive Income For the Year Ended 31 March 2023

	<b>2023</b>	<i>2022</i>
	£	£
<b>(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>(935,831)</b>	(437,422)
Actuarial surplus arising from pension liabilities	<b>6,245,000</b>	1,373,000
Difference between expected and actual return on pension fund assets and other actuarial (losses)/gains	<b>(408,000)</b>	1,312,000
<b>TOTAL RECOGNISED SURPLUS FOR THE YEAR</b>	<b>4,901,169</b>	<i>2,247,578</i>

The notes on pages 18 to 29 form part of these financial statements

## SOUTHEND CARE LTD

### Statement of Changes in Equity For the Year Ended 31 March 2023

	Defined benefit pension reserve £	Share capital £	Transfor mation funds reserve £	Retained earnings (excluding pension reserve) £	Total equity £
At 1 April 2021	<b>(7,465,000)</b>	<b>100</b>	<b>275,600</b>	<b>778,776</b>	<b>(6,410,524)</b>
Profit for the period before pension adjustments	-			<b>204,578</b>	<b>204,578</b>
Transfer between funds	-	-	<b>(129,370)</b>	<b>129,370</b>	-
IAS 19 defined benefit pension scheme changes	<b>(642,000)</b>	-	-	-	<b>(642,000)</b>
Other comprehensive income for the year	<b>2,685,000</b>	-	-	-	<b>2,685,000</b>
<b>Balance at 31 March 2022</b>	<b>(5,422,000)</b>	<b>100</b>	<b>146,230</b>	<b>1,112,724</b>	<b>(4,162,946)</b>
Profit for the period before pension adjustments				- (520,831)	(520,831)
IAS 19 defined benefit pension scheme credits	<b>5,422,000</b>	-			<b>5,422,000</b>
Other comprehensive income for the year	"	-	-	-	
<b>Balance at 31 March 2023</b>	-	<b>100</b>	<b>146,230</b>	<b>591,893</b>	<b>738,223</b>

The notes on pages 18 to 29 form part of these financial statements.

# SOUTHEND CARE LTD

## Statement of Financial Position As at 31 March 2023

	Notes	2023 £	2022 £
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	<b>2,984,353</b>	1,222,323
Cash and cash equivalents	9	<b>2,018,876</b>	1,920,430
		<b>5,003,229</b>	3,142,753
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other payables	1	<b>(4,015,006)</b>	(1,633,699)
	0	<b>988,223</b>	1,509,054
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
Trade and other payables		<b>(250,000)</b>	(250,000)
Pension scheme liabilities	10		(5,422,000)
	11	<b>738,223</b>	(4,162,946)
<b>NET ASSETS/(LIABILITIES)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital		<b>100</b>	100
Retained profits	12	<b>591,893</b>	1,112,724
Pension reserve			(5,422,000)
Transformation funds reserve	13	<b>146,230</b>	146,230
<b>TOTAL EQUITY</b>		<b>738,223</b>	(4,162,946)

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

Approved by the Board on 22<sup>nd</sup> April 2023 and signed on its behalf by

**P Little**  
Director

Company registration number: 10138562

The notes on pages 18 to 29 form part of these financial statements.

# **SOUTHEND CARE LTD**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

### **1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS'S**

The company's financial statements for the year were authorised for issue on December 2023 and the company's statements of financial position signed on the Board's behalf by Peter Little (Director). Southend Care Ltd is a limited company incorporated and domiciled in England & Wales.

The company's financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs) and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

### **2. ACCOUNTING POLICIES**

#### **Basis of preparation of financial statements**

The financial statements are presented in Sterling (£), are rounded to the nearest £1 and have been prepared under the historical cost basis.

The company's immediate parent undertaking and ultimate controlling party, Southend-on-Sea City Council, includes the company in its consolidated financial statements. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under IFRS in respect of the requirement to prepare a Cash Flow Statement and the related notes and the requirement to disclose a financial instruments note.

#### **Going concern**

The financial statements show net assets before pension liabilities of £738,223. The financial statements have been prepared on the basis of a going concern, on the assumption that the core funding from the Southend-on-Sea City Council in future years will enable any increased pension contributions to be met.

The Company has adequate resources and support to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the income can be reliably measured. All such income is reported net of discounts and value added and other sales taxes.

#### **Pension costs**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss account when they fall due.



# **SOUTHEND CARE LTD**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

### **2. ACCOUNTING POLICIES (continued)**

#### **Pension costs – Local Government Pension Scheme**

Southend Care Ltd is also an admitted body of the Local Government Pension Scheme (LGPS) administered by Essex County Council. The assets belonging to the pension scheme are held and administered independently by Essex County Council.

Pension scheme assets are measured at fair value at the balance sheet date. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of other comprehensive income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the statement of financial position. There are no deferred tax implications.

Further disclosures relating to retirement benefits can be found in note 11.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

#### **Financial instruments**

Short term debtors are measured at transaction price, less any impairment.

Short term creditors are measured at the transaction price.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 2. ACCOUNTING POLICIES (continued)

#### Standards that have been issued but not yet effective

The below accounting standards have been issued but are not yet effective. The initial application of these standards is not expected to affect the financial statements.

- IFRS 9 Financial Instruments – Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (fee in the '10 per cent' test for derecognition of financial liabilities) (effective for periods commencing on or after 1 January 2023).
- IAS 1 Presentation of financial statements – Amendments regarding the classification of liabilities (effective for periods commencing on or after 1 January 2023).
- IAS 1 Presentation of financial statements – Amendments to defer the effective date of the January 2020 amendments (effective for periods commencing on or after 1 January 2023).
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments to help distinguish between accounting estimates and accounting policies (effective for periods commencing on or after 1 January 2023).
- IAS 12 Income Taxes – Amendments regarding the clarification of the deferred tax treatment on transactions such as leases and decommissioning obligations (effective for periods commencing on or after 1 January 2023).
- IAS 16 Property, Plant and Equipment – Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective for periods on or after 1 January 2023).
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous (effective for periods on or after 1 January 2023).

#### Current and deferred taxation

Due to level of activity with the Local Authority parent company, the company has applied for and been granted an exemption from corporation tax until the year ended 31 March 2024.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred liabilities or other future taxable profits;

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 2. ACCOUNTING POLICIES (continued)

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3. JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the company's directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The key judgements and estimation uncertainty that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities within the next financial year are those made in respect of the defined benefit pension scheme.

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement rates and expected returns on pension fund assets. An independent firm of consulting actuaries has been engaged to provide expert advice regarding the assumptions to be applied in the calculation of the defined pension scheme liability, which at 31 March 2023 amounts to £Nil (2022: £5,422,000). Further details of the assumptions made are disclosed in note 11.

### 4. REVENUE

	2023	2022
	£	£
SBC Block Contract Income	<b>8,219,377</b>	8,058,128
Other Income	<b>1,901,638</b>	564,780
Grant Income	<b>12,406</b>	135,244
	<b>10,133,421</b>	8,758,152

### AUDITOR'S REMUNERATION

Auditor's remuneration in relation to the financial statements is:

	2023	2022
	£	£
Auditor's remuneration - audit services	<b>10,600</b>	9,350
Auditor's remuneration - non audit services	<b>350</b>	300
	<b>10,950</b>	9,650

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 6. EMPLOYEE EXPENSES

	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	<b>6,784,017</b>	6,092,688
Employer national insurance	<b>543,774</b>	464,702
Employer pension costs	<b>507,122</b>	606,375
Recruitment	<b>113,143</b>	56,453
	<b>58,450</b>	989
Insurance	<b>26,558</b>	14,372
Agency spend	<b>631,002</b>	135,464
	<b>8,664,066</b>	7,371,043

Average employee numbers, including directors:

	<b>2023</b>	<b>2022</b>
	No.	No.
Care and Support team - who support both Delaware and Priory House	<b>137</b>	61
Dementia and Complex Needs Residential Care Home - Delaware House	<b>55</b>	45
Elderly Frail Residential Care Home - Priory House	<b>10</b>	44
Head Office	<b>17</b>	13
Learning Disability - Employment Support Service	<b>3</b>	
Learning Disability - Recruitment and training of Shared Livers Carers		4
Learning Disability Day Care Centre - Viking Day Centre	<b>25</b>	28
Learning Disability day services - Project 49	<b>30</b>	27
Learning Disability Supported Living Unit - Spencer House	<b>13</b>	13
Rehabilitation and Re-ablement service for Adults - Southend Therapy and Recovery Team (START)	<b>6</b>	40
Re-ablement service for Adults - Southend Care Enablement Team		-
Learning Disability Supported Living Unit - West Street	<b>42</b>	45
Extra care - Westwood	<b>1</b>	9
	<b>0</b>	
Extra care - Longmans	<b>8</b>	7
	<b>356</b>	339



# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 6. EMPLOYEE EXPENSES (continued)

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2023</b>	2022
	£	£
Directors' emoluments	<b>246,161</b>	244,199
Company contributions to defined contribution pension schemes	<b>6,591</b>	6,548
	<b>252,752</b>	250,747

The number of directors for whom retirement benefits are accruing under defined benefit contribution schemes amounted to 3 (2022: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2023</b>	
	£	£
Remuneration for qualifying services	<b>110,112</b>	107,952

Key management personnel (including Directors) received aggregate remuneration of £877,790 (2022: £851,805).

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 7. TAXATION

#### Components of tax expense

	2023	2022
	£	£
<b>Current tax expense</b>		
Current tax (credit)/charge	-	-
Tax (credit)/expense reported in income statement	-	-
<b>Reconciliation of tax charge to accounting profit</b>		
	2023	2022
	£	£
Tax at the domestic tax rate of 19%	<b>(177,808)</b>	<b>(83,110)</b>
Tax effect of non deductible IAS 19 expenses	<b>78,850</b>	<b>121,980</b>
Exemption available from corporation tax	<b>98,958</b>	<b>(38,870)</b>
Over provision in prior year	-	-
Tax expense using effective rate	-	-

#### TRADE AND OTHER RECEIVABLES

	2023	2022
	£	£
Other amounts receivable	<b>484,211</b>	64,466
Owed by SBC	<b>2,500,142</b>	1,157,857
	<b>2,984,353</b>	1,222,323

#### CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank	<b>2,016,726</b>	1,917,130
Cash in hand	<b>2,150</b>	3,300
	<b>2,018,876</b>	1,920,430

#### TRADE AND OTHER PAYABLES

	2023	2022
	£	£
<b>Amounts due within one year</b>		
Payable to others	<b>934,101</b>	249,216
Amounts owed to SBC	<b>2,934,868</b>	1,296,720
VAT owed to HMRC	<b>146,037</b>	87,763
	<b>4,015,006</b>	1,633,699
<b>Amounts falling due after one year</b>		
Amounts owed to SBC (deferred income)	<b>250,000</b>	250,000

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 11. PENSION COMMITMENTS

The assets and liabilities of the pension scheme at 31 March were:

#### (a) Asset and liability reconciliation

	2023 £	2022 £
<b>Reconciliation of liabilities</b>		
Opening defined benefit obligation	<b>23,578,000</b>	23,693,000
Service cost	<b>635,000</b>	965,000
Interest cost	<b>610,000</b>	473,000
Change in financial assumptions	<b>(9,772,000)</b>	(1,408,000)
Change in demographic assumptions	<b>(388,000)</b>	-
Experience loss/(gain) on benefit obligation	<b>17,000</b>	35,000
Liabilities assumed on settlements	-	-
Estimated benefits paid net of transfer in	<b>(370,000)</b>	(317,000)
Past service costs, including curtailments	<b>21,000</b>	17,000
Contributed by Scheme participants	<b>89,000</b>	120,000
Closing defined benefit obligation	<b>14,420,000</b>	23,578,000
	<b>2023 £</b>	<b>2022 £</b>
<b>Reconciliation of assets</b>		
Opening fair value of fund assets	<b>18,156,000</b>	16,228,000
Interest on assets	<b>473,000</b>	325,000
Return on assets less interest	<b>(408,000)</b>	1,312,000
Other actuarial gains/(losses)	<b>(530,000)</b>	-
Administration expenses	<b>(10,000)</b>	(8,000)
Contributions by employer including unfunded	<b>388,000</b>	496,000
Contributions by Scheme participants	<b>89,000</b>	120,000
Estimated benefits paid plus unfunded net of transfers in	<b>(370,000)</b>	(317,000)
Settlement prices received	-	-
Closing fair value of fund assets	<b>17,788,000</b>	18,156,000
	<b>2023 £</b>	<b>2022 £</b>
Fair value of plan assets	<b>17,788,000</b>	18,156,000
Present value of plan liabilities	<b>(14,420,000)</b>	(23,578,000)
Actuarial assumptions not recognised in the financial statements	<b>(3,368,000)</b>	-
Net estimated pension scheme liability	-	(5,422,000)



# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 11. PENSION COMMITMENTS (continued)

#### (b) Composition of plan assets

	% of scheme assets	2023 £	% of scheme assets	2022 £
Equities	58%	10,246,000	60%	10,901,000
Gilts	1%	260,000	3%	433,000
Bonds	0%	-	4%	795,000
Properties	8%	1,457,000	8%	1,489,000
Cash	3%	574,000	3%	461,000
Alternative assets	16%	2,815,000	12%	2,244,000
Other managed funds	14%	2,436,000	10%	1,833,000
		<b>17,788,000</b>		<b>18,156,000</b>

#### (c) Return on scheme assets

The overall return on scheme assets is estimated to be 0.35% in 2022/23 (2021/22: 10%). This figure will vary year on year depending on the assumptions made and the underlying distribution of the fund's assets which will vary during the year and as a result it is not appropriate to break down the return on assets across the different asset categories. Actual returns on the scheme assets was £65,000 for the period to 31 March 2023 (2022: £1,637,000).

(d) A full actuarial valuation was carried out for the defined benefit scheme at 31 March 2019 and updated to 31 March 2023 by Barnett Waddingham using the projected unit method. The major assumptions used by the actuary were:

	2023 %	2022 %
Main assumptions:		
Rate of increase in pensions	3.85	4.20
Discount rate	2.85	3.20
	4.80	2.60

#### (e) Movement in deficit during the period

	2023 £	2022 £
Pension deficit brought forward	(5,422,000)	(7,465,000)
Service cost	(656,000)	(982,000)
Net interest on the defined liability	(137,000)	(148,000)
Employer contributions	388,000	496,000
Return on assets	(408,000)	1,312,000
Administration	(10,000)	(8,000)
Change in assumptions	9,613,000	1,373,000
Actuarial assumptions not recognised in the financial statements	(3,368,000)	
At 31 March 2023	-	(5,422,000)

# SOUTHEND CARE LTD

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 11. PENSION COMMITMENTS (continued)

#### (f) Analysis of the amount charged to the income and expenditure account:

	2023 £	2022 £
Service cost	656,000	982,000
Employer contributions	(388,000)	(496,000)
Administration expenses	10,000	8,000
IAS 19 adjustment	278,000	494,000
Analysis of amounts charged to finance costs:		
Other finance costs: Interest costs	137,000	148,000
IAS 19 adjustment	415,000	642,000

During the year to 31 March 2023 the LGPS employer contribution rate was 25% (2022 : 25%).

#### Life assumptions:

	2023	2022
Life expectancy from age 65 (years):		
Current pensioner aged 65		
Male	21.1	21.6
Female	23.5	23.7
Retiring in 20 years		
Male	22.3	23.0
Female	25.0	25.1

### 12. SHARE CAPITAL

	2023		2022	
	No.	£	No.	£
<b>Issued and unpaid</b>				
Ordinary shares of £1 each	100	100	100	100

All shares were issued at par at the time of incorporation. All issued share capital is classified as equity.

# **SOUTHEND CARE LTD**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

### **13. RESERVES**

#### **Called-up share capital**

Represents the nominal value of the £1 ordinary shares that have been issued and not fully paid. All of the shares hold the same rights and have full rights to receive notice of, attend and vote at general meetings, one share carries one vote and full rights to dividends and capital distributions (including on winding up).

#### **Profit and loss account**

The profit and loss account represents the company's accumulated profits/(losses).

#### **Transformation funds reserve**

The transformation funds reserve has been set up in agreement with Southend City Council to reserve funds to explore ways of improving and evolving the services offered by the Council.

#### **Pension reserve**

The pension reserve represents the Essex Pension Fund deficit of the company for the year ending 21/22 calculated in accordance with IAS 19.

### **14. CAPITAL MANAGEMENT**

The capital structure of the company consists of equity of the company (comprising issued capital as detailed in note 13, reserves and retained earnings).

The company is not subject to any externally imposed capital requirements.

# **SOUTHEND CARE LTD**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

### **15. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption provided in IAS 24 “related party disclosures” from disclosing transactions with Southend-on-Sea City Council and its wholly owned subsidiaries, as a government body that has control over the reporting entity.

There were no other related party transactions during the period.

### **16. ULTIMATE CONTROLLING PARTY**

The company’s ultimate controlling party is Southend-on-Sea City Council by way of their shareholding.

# Southend-on-Sea City Council

Report of the Executive Director of Finance and  
Resources

to

**Shareholder Board**

on

**16 October 2023**

Report prepared by: Peter Bates  
Director of Financial Services

Agenda  
Item No.

7  
7

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**Southend Care Limited: Review of Business Plan 2023/24 and future years**

**Cabinet Member - Councillor Jamies Moyies**

***A Part 1 Public Agenda Item***

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## **1 Purpose of Report**

To present to the Shareholder Board the business plan of Southend Care Limited for review.

## **2 Recommendation**

That the Shareholder Board reviews the Southend Care Limited Business Plan for 2022/23 and forecast to 2026/27 (5 years)

## **3 Background**

A senior representative of Southend Care Limited will present this report to the Shareholder Board and respond to Members' questions.

## **4 Corporate Implications**

### **4.1 Contribution to Council's Vision & Critical Priorities**

The objectives of Southend Care Limited align with the Council's vision and priorities for vulnerable adults, the aim to create alternative income streams and find effective solutions is important to provide on-going suitable service provision.

#### 4.2 Financial Implications

There are no direct financial implications arising from this report for the Council requiring decision. However, the business plan requires on-going access to financial guarantees by the Council to enable Southend Care Limited to continue to trade and highlights significant financial challenges.

#### 4.3 Legal Implications

There are no direct legal implications arising from this report for the Council.

#### 4.4 People Implications

There are no direct people implications arising from this report for the Council.

#### 4.5 Property Implications

There are no direct property implications arising from this report for the Council requiring consultation or decision.

#### 4.6 Equalities Impact Assessment

There are no equalities implications arising from this report.

#### 4.7 Risk Assessment

The formation of the Shareholder Board enables detailed Member focus on the opportunities and risks that arise out of the Council's approach to local authority trading companies. The Southend Care Limited business plan provides this assessment.

#### 4.8 Value for Money

Providing an on-going focus on why we have alternative delivery vehicles and what we want from them will enable the Council to exploit their potential more fully and to add value and benefit for our residents.

#### 4.9 Community Safety Implications

There are no community safety implications arising from this report.

#### 4.10 Environmental Impact

There are no environmental implications arising from this report.

### 5 Background Papers

None

## **6 Appendices**

**Appendix 1** Southend Care Financial 5 Year Financial Forecast

**Appendix 2** Southend Care Strategic Direction 2023 to 2025

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**Appendix :7.1** SCL 5 year financial projections and assumptions  
**Southend Care Financial Business Plan 2023/2024 and Future 5 years**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Contract Uplift for 2023/24 = 4.5% (1% + 3.5%)</b>						
		<i>Forecasted inflation / CPI</i>				
		5%	3%	2%	2%	2%
	<b>Consolidated</b>					
Income	10,644,918	11,022,414	11,352,320	11,578,856	11,809,922	12,045,609
Employees	8,650,355	9,192,895	9,370,158	9,550,133	9,738,644	9,935,536
Premises	1,221,585	1,249,414	1,268,693	1,283,517	1,298,776	1,314,484
Transport	90,863	95,406	98,268	100,234	102,238	104,283
Supplies & Services	824,647	935,879	963,956	983,235	1,002,900	1,022,958
Third Party Payments	37,856	39,749	40,941	41,760	42,595	43,447
Net Profit/(Loss)	(180,388)	(490,929)	(389,697)	(380,023)	(375,231)	(375,098)
£ 738,122 Reserves at end of 2022/23						
<b>Forecasted Reserves at end of year</b>	£ 557,734	£66,805	-£322,892	-£702,915	-£1,078,146	-£1,453,245

**Assumptions:**

**Income**

**BLOCK CONTRACT** : SCC proposed uplift of 4.5% for current year and then tracking Inflation/CPI each year  
 Non SCC income assumed to be based on current levels with annual inflationary increases

<b>Employee costs</b>		2022	2023	2024	2025	2026	2027	2028
<b>NMW</b>	£	9.50	£ 10.42	£ 11.16	7.1% £ 11.72	5% £ 12.30	5% £ 12.92	5% £ 13.57
<b>RLW</b>	£	9.90	£ 10.90	£ 11.80	8.3% £ 12.39	5% £ 13.01	5% £ 13.66	5% £ 14.34

All other staff receive 2% annual increase. The assumptions on NMW and RLW are based on Govt statement aim to get to 1/3 of average earnings by 2024.

**Other Costs**

Non employee costs up by inflation (excluding Rent)

Efficiency savings of £176,000 realised by end of 2023/24

£290k additional costs, rent increases, new rents, rates, Insurance and IT costs etc

SCL have achieved approx £300k per annum reduction in costs in past 12 months through deleting Manager and admin posts and some ancilliary posts, redundancies, restructures etc. Over 10 WTE.

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# Southend Care Strategic Direction 2023 to 2025

Appendix 7.2

SCC Shareholders Board Meeting 16/10/23

# Introduction

SCL has reached a 'watershed' moment, moving into a more commercially focused future both in terms of its main customer, SCC (via ten-year service contracts) and through shaping the business to successfully develop the self-funder market (Southend and beyond). Increased commerciality will be reliant on maintaining and enhancing the quality of services provided to people. Therefore, continued investment in services is of paramount importance, ensuring a level of excellence that inspires confidence, increases reputation and results in SCL becoming the first company people turn to for care and support services. We recognise that as the health and social care landscape changes, in particular the establishment of Integrated Care Systems, there is a necessity for SCL to adapt and position itself, in particular in developing new productive relationships. We see these changes offering the opportunity for SCL to further shape itself to offer service solutions to different commissioning organisations.

The watershed moment also means embracing the excellent work that has been achieved to date and building on our strengths which notably includes a highly skilled and dedicated workforce. Our special relationship with SCC has been a key factor in the success of the company to date. We have always strived to be a solutions provider for the council be that taking on new services (West Street, Longmans and Westwood) or fulfilling our responsibilities as the Provider of Last Resort. Overall, since starting trading in 2017 we have grown, stabilised and are ready to move into a new era.

# Vision, Mission and Values

- Our vision is to be the provider of first choice for our community, enhancing the quality of peoples' lives.
- And we exist to be the market leader by providing compassionate care services of exceptional quality.
- We are committed to a co-produced set of values that all our staff uphold and that we embed in the way we deliver care services to the community.
- By being the market leader in care services we will be able to reach more vulnerable people and have a workforce that can respond flexibly to the needs of our local population. This includes the development of innovative ways of working through use of technology and through partnerships with other organisations that can add value to the services that we offer.

# Values

**Our values** guide the company and define the way it trades and delivers services to customers. Our values are set out in the wheel opposite.

150



# Strategic Aims

- Over the next two years we will grow our care business through service offers to both individual purchasers of care and to commissioning organisations.
- We will expand our current services through delivering higher volumes (for example our Reablement Service) whilst also introducing new products into existing and new markets. For example by developing a new private home care service.
- Our services will differentiate themselves by being of superior quality and by being able to respond to different levels of acuity, for example being able to support people with complex care needs and behaviours.
- As well as service quality our emphasis is also on developing a track record for innovation and market leadership. Our ten-year partnership agreement with SBC provides us with the stability to research, design and develop new solutions to care needs, for example through digital advancements, whilst also enabling us to lead the local care market.

# Strategic Aims

By the end of the financial year 2024/25 we aim to have achieved the following:

- Be an established provider of non-SCC funded care services, maximising the 20% Teckal rule, whilst continuing to accelerate growth in this area through a subsidiary company.
- Be using care related technology as part of our mainstream approach to delivering services.
- Maintain Good ratings and working towards Outstanding ratings in all our CQC regulated services.
- Have developed a range of new unique service offers in Southend and beyond (including South Essex footprint)
- Have established a learning academy that builds on staff skills base.
- Be nationally and locally recognised for the quality of services that we provide to vulnerable people.
- Have built up broader relationships within SCC, across the health and social care system and within local communities
- Have successfully redesigned and remodelled services in partnership with SCC.
- Have constantly strengthened and developed our relationship with SCC.
- Be completely fulfilling the objectives of the 10-year partnership agreement and individual service contracts with the SCC



# Strategic Objectives 2023/24

- To have developed our private homecare and consider homecare provision to SCC beyond the current portfolio.
- To have developed and deployed new technology into our care services.
- To review the potential to acquire care homes and /or homecare agencies as part of our investment plans.
- To continue to review staff salaries and align to the market rates.
- To seek to achieve recognition of a national quality award for our work
- To have developed a flexible multiskilled workforce able to respond to service demands.
- To have supported take up of services by Direct Payments and offered Individual Service Funds for people within Southend and Essex borders
- To have expanded our service offer through a new business development strategy.
- To further develop our Quality Assurance Strategy and consider external accreditations.
- To further develop our employee, customer, community and stakeholder engagement and wellbeing strategies to be ready for changes in commissioning intentions.

# Strategic Objectives 2024/25

- To be achieving outstanding outcomes with the people we care for and support..
- To continue to remodel SCL to align with SCC medium term commissioning objectives.
- To review the organisation structure to ensure alignment with commissioning objectives.
- To have our Training Academy offering services to other Southend City providers.
- To have expanded the deployed new technology into our supported living and reablement services.
- To be the solutions driven care provider for SCC in responding to upcoming known care service needs.
- To consider the development of new services responding to increasingly challenging economic environment nationally and within the city.

# Critical success factors

In delivering the strategic objectives there are a range of factors SCL will need to address. These are as follows:

- **Robust back-office functions** – for example invoicing and debt management procedures and capacity. Recruitment resource is critical to expansion, having the right recruitment partner alongside us to deliver the targets especially in relation to reablement workers. Our recruitment and retention strategy continues to be successful, alongside this we are adopting all the Skills for Care recommended initiatives to increase success, including ‘refer a friend’ payments and digital advertising.
- **Strategic investment in the company** – it is essential that we are able to make strategic investments in the company. These include internal investment for example into recruitment, marketing and business development and also external investment in opportunities such as acquisitions. This will require us to be able to make annual surpluses.

# Critical Success Factors

- **Marketing** – the development of new services to private payers and to develop SCL within the wider city community
- **Commercial acumen** – commercial training and coaching is a priority with managers in areas where sale of services to private payers is key. We continue to engage with a training and coaching company for the purpose of building commercial acumen.
- **Operational leadership** – operational leadership is a consistent strength the company possesses and which has been instrumental in ensuring we have been able to respond and recover from the pandemic. The development of new business lines will need to consider how our operational span of control is structured in the future so we are not overstretched by growth and that we maintain the standards of operational leadership that can support a consistent quality of service is maintained throughout whilst being able to respond to Provider of Last Resort requirements of SCC.

# Critical Success Factors

- **Learning and development** – Investment in a learning academy over the next three years provides the cornerstone for ensuring we have a well-trained and flexible workforce. The learning academy will provide for an enhanced level of training beyond the basic mandatory requirements and will also be critical for succession planning and supporting career progression.
- **Continued special relationship with SCC** – Maintaining the trust and confidence of SCC allows us to not only meet the terms of our partnership and contracts but also enables the company to grow through further direct awards. Whilst the special relationship is mainly focussed on Adult Social Care, there is opportunity to look at how SCL can provide solutions to other parts of the council for example Housing and Children's Services.

# Trading context and implications

- The current economic circumstances meaning funding limitations and reductions on local authority spending.
- The national and local recruitment shortage impacting on service capacity levels.
- The further development of the Integrated Care Service and opportunities for greater partnership working.
- The need to respond to fluctuating demand on an annual basis due to winter pressures.
- SCC market position and strategic direction creating new opportunities for service development e.g. Extra Care, transformation of Learning Disability services.
- Local care market fragility leading to more opportunity to develop the Provider of Last resort service offering. The need for regular step-ins by SCL demonstrating how a growing number of providers not able to manage in the current environment.

# Competition

- SCL is well placed within the existing market place in its offers of more specialist / complex service provision. This creates an important unique selling point and sets SCL apart from many 'mainstream' providers of care, typically residential care and domiciliary care.
- SCL also enjoys a special relationship with SCC, where the emphasis is on quality service provision, tangible outcomes and a large proportion of care being delivered to people with very complex / multiple needs. This is very different from being part of an independent sector market driven largely by price point. Indeed SCL has made its market position very clear that as a result of aspiring to become an 'employer and provider of choice' the company is primarily driven by quality and outcome based services.
- SCL needs to be aware of other providers with the capability to challenge SCL in terms of specialist service provision. For example there are a number of other providers in the local market place already offering complex learning disability day services; reablement services in community settings and also assessment services in residential settings. It is important therefore that SCL clearly demonstrates to commissioners that it is a value for money provider being able to evidence outcomes that positively impact on the health and social care system.
- SCL has a strong track record in the delivery of a range of care services including those for people with more complex needs, typically those with advanced stages of dementia. Other factors such as strong staff retention rates will ensure that we can build a reputation for consistency and excellent customer service.
- SCL needs to continue to develop its service provision so it maintains a uniqueness in the market place. Development includes new / innovative ways of working, embracing technology as a means of care delivery and co-designing service provision with end users and families

# STRENGTHS



- Agility, speed of decision making and solution focussed (e.g. failing care homes intervention, addressing the pandemic)
- 10- year block contracts with SCC
- Positive overall financial position although needing continued SCC funding to maintain this position
- Track record of successful service and organisational development
- Cohesive and focussed leadership at Board and Executive levels.
- Positive relationship with SCC adult social care leadership team and with the shareholders
- Uniqueness of the majority of services provided
- Workforce skills and experience base
- Non-execs bring additions to Board bringing skills, expertise, knowledge base, and ideas



# WEAKNESSES

- 85% of business currently comes from one customer (SCC)
- Growth of the private homecare service been slower than hoped
- Changing personnel at SCC meaning delays in establishing working relationships.
- SCL not yet fully embedded in the minds & hearts of local communities
- Growth opportunities likely to be limited to surrounding areas, Essex, Thurrock etc

# OPPORTUNITIES

- Long term partnership agreement with SCC creates platform for stability and expansion
- Obtaining new business outside current geographical area.
- Retained profit required to allow for strategic investment and new care service development
- Develop Teckal more by the expansion of non-SCC income streams e.g. private purchase homecare beyond Southend boundaries.
- The continuation of our investment in technology solutions
- Instability of the Southend provider market enables SCL to grow its POLR service with the council
- Developing a relationships with the Integrated Care Services
- Building the SCL company brand within the local community – becoming a household name.
- Developing new relationships with SCC new personnel and other parts of the Local Authority
- Opportunity to influence market shaping and market development locally

# THREATS

- Access to sufficient / suitably skilled workforce at all levels
- Special relationship between SCL and SCC negatively impacted by a purely contractual focus i.e. not looking at the broader strategy of the council / system.
- Direct award demands / expectations on SCL outstripping the capacity / infrastructure to deliver. E.g. recruitment capacity.
- Loss of Key personnel in SCL
- Divergence of values and ambition with SCC during the 10 – year agreement.
- local/regional market forces in the care sector may impact adversely on us before we've had the chance to influence market shaping and development
- post -covid / next phase economic position of the country affecting the Local Authority spending capacity

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<b>Title:</b>	<b>Governance Arrangements – Future Work Programme</b>
<b>Meeting:</b>	Shareholder Board
<b>Date:</b>	16 October 2023
<b>Classification:</b>	Part 1
<b>Policy Context:</b>	Compliance
<b>Key Decision:</b>	No
<b>Report Author:</b>	Pete Bates, Director of Financial Services
<b>Executive Councillor:</b>	Councillor Tony Cox, Leader of the Council and Cabinet Member for Special Educational Needs and Disability

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## **1. Executive Summary**

- 1.1. To propose a future work programme for the Shareholder Board

## **2. Recommendations**

### **It is recommended that Shareholder Board:**

- 2.1. That the Shareholder Board consider and agree a future work programme.

## **3. Background**

- 3.1. Members are asked to consider the attached work programme and highlight any other areas of shareholder interest that they would like to see coming to future meetings of the Shareholder Board.

## **4. Reasons for Decisions**

- 4.1. To provide a future work programme for consideration and agreement.

## **5. Other Options**

- 5.1. This report merely sets out a proposed future work programme for the Shareholder Board. No other options were therefore considered.

## **6. Financial Implications**

- 6.1. None arising from this report.

**7. Legal Implications**

7.1. None arising from this report.

**8. Carbon Impact**

8.1. None arising from this report.

**9. Equalities**

9.1. None arising from this report.

**10. Consultation**

10.1. None arising from this report.

**11. Appendices**

11.1. Appendix 1 - Shareholder Board - Future Work Programme

Shareholder Board – Future Work Programme

Items for Consideration	Meeting Dates			
	February 2024	July 2024	October 2024	February 2025
<b><i>Other Joint Ventures</i></b>				
LHCS and Southend Travel Partnership Ltd (T/A Vecteo) - Receipt of Accounts (At transfer date May 2023)	√			
Vecteo Update (Governance, Operational and Financial Assessment)	√			
Porters Place Southend LLP - Receipt of Accounts 2022/23	√			
Better Queensway Scheme Update	√	√	√	√
Airport Business Park Southend Management Ltd – June 2023	√			
Southend-on-Sea Forum Management Company Report	√			
<b><i>Other 100% Owned Companies</i></b>				
Vecteo - Receipt of Accounts 2023/24		√		
Vecteo - Review of Business Plan (Financial & Performance)		√		
General status update on all other companies		√		
<b><i>Wholly Owned Subsidiaries</i></b>				
South Essex Homes Limited - Receipt of Accounts 2023/24			√	
South Essex Homes Limited - Review of Business Plan			√	
Southend Care Limited - Receipt of Accounts 2023/24			√	
Southend Care Limited - Review of Business Plan			√	
<b><i>Other Joint Ventures</i></b>				
Porters Place Southend LLP - Receipt of Accounts 2023/24			√	
Airport Business Park Southend Management Ltd – June 2024				√
Southend-on-Sea Forum Management Company Report				√

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