



Annual Service and Financial Plan 2018/19

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Foreword by the Chair of the Board of Directors

Well another year has come and gone and we have yet another new Housing Minister. We have had more Housing Ministers than some Premier League Football Clubs have had managers! It would be good to have some continuity for a change, as it makes it harder for us to plan sensibly, when the goalposts keep moving.

That is probably almost enough football analogies for now although I should mention our new housing team, 'Homes First', that has come about from combining Eastbourne Homes and Lewes District Council housing.

Homes First now covers over 7,000 homes in Eastbourne and Lewes, giving us a stronger team of people and greater buying "muscle" when we are negotiating repairs and other related housing contracts, such as annual gas servicing, for example.

Eastbourne Homes continues to be responsible for the management of around 3,600 homes in the Borough, and spends over £4m a year on a mixture of planned maintenance, reactive repairs and "voids". Voids are what we call the time between one of our homes becoming empty, refurbished and then re-let. It can vary quite a bit, but there are around 200 of these a year, taking a bit less than 30 days to refurbish on average with costs varying depending on how long tenancies have been held but totalling around £1.2m in a year which is about £6,000 a property.

We also spend, on behalf of the Council, over £5m on Capital works, such as new roofs, doors, boilers and the like, to keep our housing stock in decent condition.

In addition to this, we continue to work closely with the Council to bring more new homes into use and have delivered over 100 homes so far, and have plans for 100's more in the next few years. We are not big enough to solve the housing "crisis" on our own but we are having a pretty good go at giving the people of Eastbourne some quality new affordable housing.

Despite Government policy being a bit unclear at times, we need realistic plans and the rest of this document sets out what we are intending to deliver. Please let us know if you have any questions about these by contacting me at chair@lewes-eastbourne.gov.uk.

Roger Eastwood

Roger Eastwood
Chair
Board of Eastbourne Homes Limited

Introduction

Executive Summary

Eastbourne Homes Limited (EHL) is the Arm's Length Management Organisation (ALMO) established in April 2005 to manage Eastbourne Borough Council's (EBC) housing stock.

In developing our Annual Service and Financial Plan we have reviewed the Council's Corporate Plan and its key themes:

- Prosperous Economy
- Quality Environment
- Thriving Communities
- Sustainable Performance

as well as the regulatory standards to ensure that the services we deliver are both compliant and relevant to the customers of EHL.

This document combined with the Business Plan sets out clear objectives for EHL to continue its journey delivering excellent value for money services to its customers on behalf of EBC. The Management Fee proposed for the coming year is £7,261,000.

The strategic actions and goals for the coming year are summarised in Appendix 1.

Developing the Annual Service & Financial Plan

The Annual Service and Financial Plan is intended to summarise the challenges and activity for EHL over the coming year.

The Improvement Plan at Appendix 1 summarises the activities we will be undertaking in the year. Final completion and implementation dates are included in the plan. Progress against key milestones and stages will be monitored by the Board of Directors through quarterly reports to both Service and Performance and Audit and Risk Committees.

The production of the Annual Service and Financial Plan and the identification of strategic priorities and operational improvements are drawn together simultaneously with the budget setting process within EHL.

These activities and budgets are both subject to agreement of EBC and contained within the approved Management Fee for the coming year.

Following adoption by the Board of Directors and agreement with the Council, the Annual Service and Financial Plan is then fully cascaded through the organisation.

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Company Mission, Vision and Values

EHL formally adopted the Company's aims and objectives soon after formation following consultation with EHL's customers; staff; EBC; and, other stakeholders. Review takes place at least every five years. We are due to undertake a review.

Mission Statement

To provide and develop excellent value for money services which innovate and respond to the aspirations of all.

Vision

Being the partner of choice, creating communities and homes where people are proud to live.

EHL will deliver its services within a framework of these values:

- To treat everybody with dignity and respect.
- Conducting our business with honesty and integrity.
- To be fully accountable to residents and the other organisations that work with EHL.
- To provide a high quality working environment in which staff are cared for, valued and professionally developed.
- To be financially aware without compromising the quality of services.

Eastbourne Community Strategy

EHL is a key delivery vehicle for realising the strategic housing priorities for Eastbourne. It also contributes to the Eastbourne Community Strategy as a member of the Eastbourne Strategic Partnership and the Eastbourne Housing Forum. It shares the 2026 Partnership vision:

"By 2026 Eastbourne will be a premier seaside destination within an enhanced green setting. To meet everyone's needs Eastbourne will be a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change."

EHL contributes to the priority areas to ensure that in 2026 Eastbourne will have:

- A housing market that provides greater housing choices for all
- High quality condition and management in all housing stock
- Appropriate housing with support for vulnerable people
- Successful, well run, safe neighbourhoods supported by appropriate infrastructure and amenities

Governance

The Board of Directors

The Board consists of nine non-executive Directors. Three of the Board Directors are EBC residents, two are nominated by the Council and the remaining four are independent.

The role of the Board is strategic management of the Company, ensuring the Company is in a strong position to continue to deliver excellent services to its customers. To achieve this, the Board is supported by the Strategic Leadership Team (SLT), which in turn manages the day to day operation of the business.

The Board meet quarterly. The Board is supported by two Committees which similarly meet on a quarterly cycle:

- **Service and Performance Committee** – which focuses on performance, financial management, housing management, and property management
- **Audit and Risk Committee** – continually reviews the efficiency and effectiveness of systems, focussing on internal controls and internal and external audit results. In addition, it reviews and considers risks to the organisation via the risk log

Regulation of Social Housing

The Homes and Communities Agency is an executive non-departmental public body sponsored by the Ministry of Housing, Communities and Local Government. One of the statutory committees of the HCA is the Regulation Committee, which is responsible for the regulation of social housing.

On 11th January 2018, the HCA's non-regulation arm adopted its new trading name Homes England. From that point, the HCA's regulation directorate, which undertakes the functions of the Regulation Committee, refers to itself as the Regulator of Social Housing

Since April 2012 all registered private and local authority providers are subject to the revised Social Housing Regulatory Framework. They must meet all applicable regulatory standards.

The regulatory standards are classified as either:

1. Standards relating to economic matters, or
2. Standards relating to consumer matters

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The Regulatory Framework for Social Housing in England from the 1st April 2015 is made up of:

- regulatory requirements – what registered providers need to comply with
- codes of practice – a code of practice can amplify any economic standard to assist registered providers in understanding how compliance might be achieved
- regulatory guidance – this provides further explanatory information on the regulatory requirements and includes how the regulator will carry out its role of regulating the requirements

Homes England has a co-regulatory approach which requires providers to support tenants in the shaping and scrutinising service delivery and this will be at the heart of our tenant involvement review.

Formal Monitoring Arrangements

- In March annually the Board of Directors sets the Key Performance Indicators (KPI's) for the following 12-months
- On a quarterly basis the Board of Directors consider progress against the agreed KPIs through Pentana (performance management system formerly Covalent)
- On a quarterly basis updates are reported to the respective Committees on progress against targets within the existing Annual Service and Financial Plan through Pentana (performance management system)
- On a periodic basis the Managing Director, Chair and Vice-Chair meet to discuss emerging strategic issues and critical operational issues

Review of Achievements in 2017/18

In 2017/18 we:

- Made significant progress in restructuring operations and integrating services with Lewes District Council, creating the team of 'Homes First'
- Agreed a new Service Improvement Plan (SIP) with the Leasehold Panel which includes the roll out of reserve funds from the 1st April 2018
- Successfully delivered programmes for major works property acquisitions, and property sales
- Developed ways of working with Eastbourne Housing Investment Company Limited to deliver its housing management and property services functions
- Continued to work with Eastbourne Borough Council to develop housing within the Borough which supports the Council's strategic objectives

Key Objectives for 2018/19

In 2018/19 we will:

- Review progress on integration, efficiency, performance and tenant satisfaction across the service, delivered by Homes First
- Implement Civica CX and W360 IT systems across EHL and LDC
- Produce strategies for Asset Management and Procurement for 2017/22 that also identifies linkages and synergies with LDC
- Work with EBC to develop housing within the Borough of Eastbourne, which supports the Council's strategic priorities
- Work with ESCC to examine the STEPS/Navigator service and in particular its wider contribution and value, to ensure that the STEPS service remains viable and strategically relevant in light of the financial landscape
- Review and align tenant involvement service and in consultation, implement a Homes First Tenant Involvement strategy that will allow for a variety of methods of involvement, choice and influence
- Bring forward a number of new homes against programme targets over the year

Reviews

Summary of Reviews Undertaken in 2017/18

EBC Internal audit undertook a range of audits across the organisations activities which included:

- Contract Management and Monitoring Responsive Repairs
- Follow up - Sheltered Housing Scheme Review
- Follow up - Welfare Reform

Welfare Reform

We are continuing to offer assistance to tenants who are affected by welfare reform changes. The major welfare reform change for Eastbourne Homes and its residents is the wide scale roll out of Universal Credit which went live in October 2017.

Tenants affected will have to claim and manage their Universal Credit online. There is a Universal Credit Working Group who meet regularly to ensure we are monitoring and reviewing how the regular changes impact our tenants and the level of arrears.

A letter was sent to all of our working age tenants on Housing Benefit, encouraging them to prepare for Universal Credit (by ensuring that they

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have their own email address, mobile number and bank account) and to let the Council know that they are ready.

The letter also provides advice on where tenants may seek help to get online, set up a bank account and help with making a claim.

Daily drop-in advice sessions continue to be held in Grove Road. These sessions are specifically aimed at tenants who need help with Universal Credit.

Senior Caseworkers have been issued with Wi-Fi-enabled tablets to support tenants with their Universal Credit applications during home visits.

The Housing and Planning Act will undoubtedly have other consequences and some parts are yet to be enacted. Staff will research and react to government guidance as and when it is published.

Review how we allocate and let our homes

Home First unites the Housing Needs and Neighbourhood Housing teams across Eastbourne and Lewes, bringing them together to jointly allocate new tenancies. Following extensive consultation, a new Allocations Policy has been agreed and will be implemented during 2018. In addition a new system to enable applicants to bid on line for vacant properties will be introduced; this allows the potential to increase the property bidding cycles which will help us to allocate our homes more efficiently.

EHL will continue to work in partnership to make best use of Council housing stock to ensure the needs of the most vulnerable people are met.

In addition, the new Housing Management software system Civica Housing CX, will be implemented in June 2018, and will assist in the process.

Areas to be reviewed in 2018/19

- Estates Management
- Void Management
- Aids and Adaptations

Financial and Investment framework

Value for Money

EHL continually seeks to improve its value for money and in so doing will:

- Provide high quality services tailored to specific client groups

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- Work in partnership to seek better outcomes
- Utilise modern procurement methods
- Measure satisfaction with its main services
- Benchmark with regional and national providers in order to learn best practice
- Continually review the effectiveness of systems via audit and seek efficiencies through the service and financial planning processes
- Increase the net present value of stock via the economic development programme
- Contribute to wider economic regeneration in focussed areas



Homes First Team

Homes First was formally launched on the 1st March 2018 bringing staff working for Eastbourne Homes Ltd and Lewes District Council's housing service together as a single team.

Homes First provide the following services:

- Housing advice
- Homelessness services
- Tenancy management
- Asset management and repairs
- Private sector housing
- Tenant involvement

The change was made as part of the Joint Transformation Programme (JTP). It will provide improved delivery across the whole housing service for our residents and will reduce costs.

New Business Team

EHL continue to help Eastbourne Borough Council and Lewes District Council to bring forward and deliver a programme of new housing development and regeneration.

Over the next 5-years we are looking to deliver a significant number of new homes which will help meet the growing need for affordable housing.

Delivery will focus on how we can best utilise existing assets and on the types of housing needed to support new and future residents.

We are also working with other public sector providers to help them review their own estates and how this might also contribute to new housing supply. As well as helping to bring forward more homes these new business activities make a revenue contribution to EHL.

Budget Summary 2018/19

The following table summarises the movement in resources between 2017/18 and 2018/19

	£k
Management fee for 2017/18	7,261
New/Increased Income or Savings	(631)
Cost Pressures and Inflation	715
Funding from Reserves	(84)
Management Fee 2018/19	7,261

Performance Management Framework

EHL is focussed on the continuous improvement of all its services. The Performance Management Framework is essential to being a successful, efficient and effective organisation that also enables and embraces new opportunities to improve services for its residents.

Our Objectives

We measure our performance against four key themes areas, under which sit some key objectives set by the Board as part of our 'balanced scorecard' approach to performance.

1. Developing Our People

- Staff have the skills and tools they need to do their job well
- Engaged and high performing teams

2. Focusing on Our Customers & Communities

- Residents and stakeholders are engaged
- Improved wellbeing of the communities we service
- A great customer experience

3. Delivering operational excellence and quality homes

- Collecting Rent and Service Charges effectively to maximise income
- Empty properties are let quickly and efficiently to house people in need
- Responsive repairs are completed quickly and effectively
- Planned repairs keeping our homes safe and in good condition

4. Providing Good Value

- Building resilience through partnerships
- Ambitious growth & investment
- Good budget management

We manage performance by:

- Ensuring we deliver services which reflect the needs, priorities and opportunities identified by our residents and stakeholders
- Identifying Key Performance Indicators (KPI's) - linked into Eastbourne Borough Council's Performance Plan
- Service Improvement Plans produced annually that drive up quality and/or reduce cost
- Strong budgetary control and best value aspirations

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The key performance indicators that measure EHL's service areas and delivery of targets are in Appendix 2. These indicators are reviewed annually and set by our Board. Monitoring and scrutiny takes place on EHL's performance pack on a monthly basis by the Strategic Leadership Team.

The Strategic Leadership Team consider actual operating performance of KPI's monthly and further drill down is undertaken by their relevant Head of Service who is accountable for the performance indicator.

This framework assists all stakeholders in understanding performance management, the components that contribute to effective performance and that all roles and responsibilities are clearly defined and transparent.

EHL learns and shares best practice as active participants in service groups run by the National Federation of ALMOs (NFA), as well as benchmarking and good practice services such as Housing Quality Network (HQN) and our peers.

This Annual Service and Financial Plan has allocated resources and provided further challenge to those functions where improvement is required. The suite of KPI's included in this plan have been proposed as a result of the work of the group and their agreement to introduce a balance scorecard which supports the alignment of our business activities to our vision and strategy.

This suite of high level KPIs will be monitored quarterly by the Service and Performance Committee, and annually by the Board.

Appendix 1

Improvement Plan 2018/19

- This Improvement Plan seeks to summarise plans for improvement in the coming year and identify the target dates for final completion. Detailed implementation plans, stages and key milestones are not identified in this plan.
- The Board and management of EHL and EBC will monitor progress against this plan quarterly.
- Internal progress against this plan will be implemented and monitored through service improvement plans and action plans associated with agreed strategies. Each action has been matched to specific Strategic Leadership Team members who are responsible for delegating within their service area and setting individual targets within personal performance plans.

Key Business Activities 2018/19

Ref	Key Actions	Completion dates	Responsible SLT Member	Rationale for action
1.	Carry out an independent value for money review on the services we provide to our residents, to ensure that we deliver an efficient, effective and economical service.	31.12.18	Managing Director	To evaluate the effectiveness of the service being delivered to ensure it is fit for purpose and provides best value for money. Built into this review will be a mechanism for the Board and EHL to continually look at ways in which the services we deliver are efficient and effective and performing well.
2.	To review and align tenant involvement service and in consultation implement a Homes First Tenant Involvement strategy that will allow for a variety of methods of involvement, choice and influence	31.09.18	Homes First Neighbourhood Management Lead	To deliver effective, outcome focussed tenant involvement which demonstrates value for money and empowers residents to contribute positively to the success of Homes First.
3.	Produce strategies for Asset Management and Procurement for 2018/23 that also identifies linkages and synergies with LDC	31.07.18	Homes First Property Services Lead	To produce a robust long-term strategy and plan for maintaining the Council's housing assets and identifying opportunities for gaining efficiencies.

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Ref	Key Actions	Completion dates	Responsible SLT Member	Rationale for action
4.	In light of the potential budget cuts in ESCC adult social care, we will work with ESCC to examine the STEPS/Navigator service and in particular its wider contribution and value, to ensure that the STEPS service remains viable and strategically relevant in light of the financial landscape	31.03.19	Head of Homes First	The recent ESCC Cabinet report highlighted that the expectation of the STEPS service could change in light of funding cuts and proposals to reduce budgets during 2018/19.
5.	Number of new homes brought forward against programme targets, per annum	31.03.19	New Business Project Director	Supporting the relevant strategic priorities of Eastbourne Borough Council and Lewes District Council in the development of affordable housing.

Appendix 2

Key Performance Indicators 2018/19

Strategic Theme	Objective What do we need to achieve?	Measure How will we know when we succeed?	Suggested Target	
1. Developing Our People	Staff have the skills and tools they need to do their job well	Percentage of appraisals completed per annum	100%	
	Engaged and high performing teams	Staff Satisfaction with employer	80% satisfied or above	
		Average days staff absence per employee per year	6	
		Staff percentage turnover (voluntary) year to date	10%	
2. Focusing on Our Customers & Communities	Residents and stakeholders are engaged	How satisfied are you that we offer you opportunities to get involved so you can have a say in how we provide housing services?	75%	
		Customer profile of tenants (number of Customer Audit under three years)	80%	
	Improved wellbeing of the communities we service	Average time post assessment for aids and adaptations:		Working Days
			Minor	17
			Major	100
		Number of Evictions by type:		
	Rent	3 (or below)		
	ASB	2 (or below)		
	Number of STEPS client referrals per annum		2400	

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	A great customer experience	Total number of Stage 2 and 3 complaints received per annum	10
		Taking everything into account how satisfied or dissatisfied are you with the overall service provided by EHL?"	75%
3. Delivering operational excellence and quality homes	Collecting Rent and Service Charges effectively to maximise income	Rent arrears of current tenants (as a percentage of all rent)	2%
		Percentage paying rent by direct debit	43.5%
	Empty properties are let quickly and efficiently to house people in need	Average void time key to key	24 days
		Response repairs are completed quickly and effectively	Number of non-emergency repairs completed within target time
		Percentage of repairs completed right first time	95%
		Percentage of appointments made and kept	95%
		Percentage of tenants satisfied with responsive repairs	98%
	Planned repairs Keeping our homes safe and in good condition	Gas – percentage of homes with a valid landlords gas safety certificate	100%
		Set and deliver planned maintenance programme in line with the Business Plan	90%
4. Providing Good Value	Ambitious growth & investment	Net change in units in management	0
		New commissions for housing specialist services	2
		Units developed (VFM SH indicator)	80
	Good budget management	Budget spend to not exceed variance	Within 5%
		Headline social housing cost per unit (VFM SH indicator)	Median

Appendix 3

Strategic Risk Register 2018/19

Key to the Categories of Risk:

Each risk has been categorised to reflect the area of impact and their key relationship to the four key aims of the business.

- **Reputation (R):** The Company's brand image or reputation and the public perception of EHL.
- **Information (I):** The loss or inaccuracy of data; systems or reported information and the IT systems used
- **Financial (F):** Risks that relate to financial planning and control; losing monetary resources or incurring unacceptable liabilities
- **People (P):** Risks associated with staff and the Directors i.e. loss of key personnel and those risks associated with failure to meet the current and changing needs and expectations of our customers
- **Regulatory (Y):** Risks relating to breaches of legislation

Col ref	Objective	Colour code
1	For all homes to meet, as a minimum, the Government's Decent Homes Standard	Orange
2	To encourage learning and innovation and to involve all residents in designing services and setting standards for these services;	Yellow
3	To deliver a range of services that compare favourably with the best in terms of cost and quality	Cyan
4	To contribute to the Sustainable Community Strategy by working in partnership to create and maintain sustainable communities	Magenta

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
R1	R,F,P	Supporting People Floating Support Contract (STEPS) funding reduces by ESCC, leading to a potential loss of contract.	4	3	12	<p>EHL have no control over the decision regarding STEPS funding from ESCC.</p> <p>ESCC consulting on proposed budget reductions and the impact that will have on services provided.</p> <p>Expect to know outcome early Summer.</p> <p>Scenario planning taking place. Report to Board during Q1 and Q2, 2018/19.</p> <p>ESCC are required to give SEILL three months' notice of any changes to the contract.</p>	MD HOHF	4	4	16
R2	R,I,P	The welfare reform proposals including the introduction of universal credit give rise to rent collection issues as housing benefit will be paid to the individual rather than presently where it is paid to the landlord.	4	4	16	<p>Information campaign to residents promoting the importance of maintaining rent payment or risk losing their home.</p> <p>Ensure flexible payments always offered DD, STO, payment Card.</p> <p>Provide services of financial inclusion officer and support through signposting the welfare benefit agencies.</p> <p>Contribute to 2x Partner Welfare Reform plans 1 ESCC, 1EBC</p> <p>Non co-operation from DWP. Preparation to date on track.</p> <p>Orchard Systems and arrears policy review.</p> <p>Identify vulnerable client group.</p> <p>EBC reviewing payment options.</p> <p>Effective arrears action to demonstrate consequences of non-payment has given rise to reduced outstanding debt below last year.</p> <p>Tablets issued to visiting Neighbourhood Housing team to assist with Universal Credit applications</p>	HOHF	4	2	8

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
						<p>Working group meeting to review and monitor impact of Universal Credit.</p> <p>Staff provided with training on Universal Credit.</p> <p>Establishing an interim visit referral process from Income Management to Neighbourhood Housing team in response to Civica CX delay.</p>				
R3	R,P,Y	Not being able to sustain a culture that supports organisational objectives and future development.	3	4	12	<p>Staff TUPE'd to EBC on the 1st August 2017 to form part of the Homes First Team.</p> <p>Transition action to ensure culture remains positive as new service develops. Review of performance monthly as part of the SLA monitoring.</p>	MD	3	3	9
R4	R,F,Y	<p>With Diminishing resources in the HRA existing housing standards fall.</p> <p>Marked decline in quality of stock below "decent homes".</p> <p>Dissatisfaction of tenants and loss of credibility with residents directed at EHL.</p>	5	2	10	<p>Comprehensive asset information is held, derived from stock condition surveys and administered by a dedicated member of staff. This information informs correct programming of works.</p> <p>Reporting to Stakeholders</p> <p>Elected Members appointed to the Board of EHL.</p> <p>Strong Tenant participation via Area Panels and Resident Board Directors.</p> <p>Quarterly tenant satisfaction surveys undertaken to monitor</p>	MD	5	1	5

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
						<p>satisfaction and performance of service provision.</p> <p>Long-term investment need of the stock was factored into Business Plan assumptions post self-financing and financial viability tested on a regular basis.</p> <p>30-year Business Plan to be updated as reported at Cabinet on the 7th February 2018.</p>				
R5	Y,P	The actions of the Company fail to meet statutory Health & Safety legislation and as a consequence individual(s) suffer subsequent death or injury.	5	2	10	<p>The complete suite of management plans and the health and safety policy has been reviewed and updated to reflect the services being delivered to all property portfolios under the management of Homes First.</p> <p>Robust management and monitoring of critical service contracts is in place for contracts such as gas servicing; electrical testing, asbestos, fire risk, Legionella and lifts.</p> <p>A comprehensive suite of KPIs for monitoring compliance with statutory duties is in place.</p>	HFPSL HOHF	5	1	5
R6	R,F,R	Risk/pressure placed on EHL's Business Plan as a result of supporting EBC with the implications of the Homeless Reduction Bill.	3	3	9	EHL to monitor with EBC the progress of the Bill and likely implications. EHL will work with EBC to develop an approach to managing the implications and to reduce any negative pressure on the General Fund and EHL's Business Plan.	MD	3	2	6
R7	F,R	A failure to comply with legal rights, EHL published policies and/or procedures leads to a substantial financial or reputation loss to EHL and/or EBC.	3	3	9	<p>Strong governance procedures and monitoring tools to ensure compliance with reviews.</p> <p>Well trained staff that follow procedures accordingly.</p> <p>Internal audit and EBC audit of compliance with and benchmarking of procedures.</p>	MD CFO	3	2	6
R8	F,R	The regulatory framework for social housing in England from the 1st	5	2	10	Strong governance procedures and monitoring tools to ensure compliance with standards	MD HOHF	4	2	8

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
		<p>April 2015 is made up of:</p> <ul style="list-style-type: none"> • regulatory requirements • codes of practice • regulatory guidance <p>Although EHL are not regulated by both standards as a local authority owned Company, it was agreed that EHL would comply with both.</p> <p>Economic:</p> <ul style="list-style-type: none"> • the Governance and Financial Viability Standard • the Value for Money Standard • the Rent Standard <p>Consumer:</p> <ul style="list-style-type: none"> • the Tenant Involvement and Empowerment Standard • the Home Standard • the Tenancy Standard • the Neighbourhood and Community Standard <p>Failure to meet the consumer standards could lead to the HCA intervening where possible serious detriment has been caused to our</p>				<p>Well trained staff that follow procedures accordingly.</p> <p>Internal audit and EBC audit of compliance with and benchmarking of regulatory standards.</p> <p>Review of Tenant Involvement service for Homes First in 2018/19 will strengthen our Tenant and Empowerment standard compliance.</p>				

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
		residents.								
R9	F,R	A breakdown in internal financial controls leads to a substantial financial or reputation loss to EHL and/or EBC.	4	3	12	<p>Established policies and procedures guiding operations and setting controls.</p> <p>Internal audit, EBC audit, Scrutiny and External audit providing reassurance on compliance with policies, procedures and controls.</p> <p>Effective segregation of duties and well publicised Whistleblowing Procedures.</p> <p>Close control and management of third party activities.</p>	MD CFO	3	2	6
R10	F,Y,P	Supporting People grant towards on-site coordinators may be reduced /withdrawn by ESCC. Costs cannot be absorbed by EBC or charged in full to tenants leading to resident dissatisfaction and staff redundancies.	4	4	16	<p>We will actively scrutinise all budget costs relating to this contract to ensure we are obtaining best value for money.</p> <p>Provide briefings to residents on any potential changes to funding to gauge their likely support for additional service charges to maintain a service.</p> <p>To ensure and monitor that service charges are a true reflection of cost.</p> <p>Work is underway with colleagues in Housing Benefit to ensure intensive housing management duties are correctly identified and shifted from support costs. There may a need to review the duties of staff in the Courts to align this. A time and motion study has been undertaken and will help to shape this area of work.</p> <p>Following the introduction of Homes First, the Sheltered Housing Service will be reviewed in 2018/19 which will incorporate a review of staffing costs and service charges.</p>	HOHF	3	5	15
R11	R,F,Y	Challenge by a leaseholder to the First Tier Tribunal (FTT) with respect to service charges levied for routine maintenance and major repairs.	3	3	9	<p>We have established an independent Leasehold Panel and work actively and collaboratively with them.</p> <p>We follow all legislative requirements of Section 20 of the Landlord and Tenant Act as amended by the Commonhold and Leasehold</p>	HFPSL HOHF	3	2	6

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Risk Reference	Category of Risk	Description of Risk	Impact	Likelihood	Risk Score	Action in response to risk and cost	Owner of Risk	Reassessed Impact	Reassessed Likelihood	Reassessed risk score
		<p>Delay in carrying out necessary repairs.</p> <p>Inability to recover costs from leaseholders.</p> <p>Incorrect service charge assessment.</p> <p>Incorrect service charge invoiced.</p>				<p>Reform Act 2002.</p> <p>We actively respond to all leaseholder enquiries.</p> <p>We are members of the London and South East ALMO leasehold network and liaise closely with them on FTT matters. We monitor FTT challenges to other landlords.</p> <p>With EBC, we have further expanded payment options for leaseholders.</p> <p>We have invested in staff and training to improve the standard of Leasehold Management.</p> <p>We have carried out a number of Service Improvement Plans to address recommendations made by the Housing Quality Network (HQN) following their review in 2013.</p> <p>Delivery of the annual service improvement plan is monitored by the Leasehold Panel.</p> <p>A follow up independent review of leasehold services has been included in the Property Services Business Plan for 2018-19</p>				
R12	R,F,Y	<p>Recovery of major works invoices from leaseholders proves extremely problematic.</p> <p>Lack of knowledge of the works conducted for Leaseholders leads to inability to resolve disputes and loss to the Council.</p> <p>Lack of interest by leaseholders is challenging the viability of the Leasehold Panel</p>	3	4	12	<p>There is a debt recovery team actively pursuing and managing service charge payments.</p> <p>Staff provide advice and support to ensure Leaseholders are fully aware of their rights and obligations. We are in active consultation with our Leasehold Forum/Panel.</p> <p>We maintain strong internal controls and ensure audit recommendations are implemented.</p> <p>Surgeries are held for leaseholders every 6 months and these are attended by officers covering a wide range of services.</p> <p>Option appraisal needs to be undertaken to establish how service</p>	HFPSL HOHF	3	2	6

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						charge payers can be supported in the long term.				
R13	P,F,R I	<p>Lack of succession planning or the retention of key posts within EBC (Homes First Team) leading to a loss of expertise and a reduction of business performance/KPI's that is exposed to EBC and tenants.</p> <p>Employment market unable to fulfil recruitment and retention requirements, resulting in a decline in performance standards and an increase in service costs.</p>	5	4	20	<p>Strong governance structures raising succession planning at appropriate times.</p> <p>Effective up to date job descriptions ready to recruit as necessary. Clear knowledge management and team structures.</p> <p>Close links with interim agencies in the sector.</p> <p>Following the JTP, we now have in place mutually beneficial shared service arrangement with both EBC and LDC in place making a wider pool of talent available. This continues to progress as part of the partnership working arrangements, building resilience across Eastbourne and Lewes to strengthen the delivery of services.</p>	MD	4	3	12
R14	R,F,P Y	EHL fails to meet its contractual obligations within the Management Agreement; EBC could terminate the contract between both parties. This could take place using the break clauses in the contract of March 2020. March 2025, March 2030 or no more than twelve months or less than six months' notice. In accordance with Section 61 of the Management Agreement.	5	3	15	Clear performance guidelines from EBC within a contractual framework of joint working supported by regular performance reporting to EBC. EBC appoint councillors to the EHL Board to support their oversight.	MD CFO	5	1	5
R15	F,R,P	It is the aim of the Board to expand the activities of new business outside the boundaries of the Council. This includes the work of	3	3	9	We aim to maintain good working relationships and meeting and review structures. We have worked closely together to resolve any difficulties.	MD	3	3	9

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		<p>the HEDP team.</p> <p>Any failure will have an adverse impact on our reputation, including:</p> <p>Costs and overheads spent on schemes that subsequently prove abortive.</p> <p>Development cost if a constituent project causes capital loss.</p> <p>Reputational loss if individual projects fail.</p>				<p>The Project Team will carry out due diligence checks prior to any hard (non overhead) expenditure. Subsequently, advice will be sought from professional advisors (architects, cost consultants) etc., prior to entering into any legal or contractual commitments.</p> <p>The Project Review Sign Off Panel (PRSOP) will approve each project comprising the programme. In addition to mitigation measure above, all options to mitigate risk will be considered for each project and a strategy developed. Where possible responsibility for risk will be transferred to a third party.</p> <p>Thorough due diligence enquiries will be made at each stage of the development of every project. No firm offers will be made until the PRSOP has approved the bid.</p>				
R16	F	<p>The decrease in the numbers of properties in the EBC housing stock makes the finances of holding stock under LA control uneconomic. EBC propose a stock transfer to an established HA.</p>	4	4	16	<p>Identify and agree areas for business growth/additional functions with EBC.</p> <p>Ensure business operation is fit for purpose – overhead base.</p> <p>Continue to build relationships with neighbouring Social Housing Providers & Community Strategy partners to manage their satellite properties in Eastbourne.</p> <p>Explore use of HRA balances and headroom Continue to build relationships with neighbouring Social Housing Providers & Community Strategy partners to manage their satellite properties in Eastbourne.</p> <p>To acquire or build new social housing in Eastbourne owned.</p> <p>Continue to actively participate in development of the joint partnership arrangements or initiatives.</p>	MD	3	3	9

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R17	R,F	A failure or inability of the business to respond in an appropriate or timely manner following a significant severe incident that arises outside of the control of EHL and within the confines of the Borough boundary and more particularly in close proximity to EHL Residents. EHL would work together to assist EBC, ESCC or any other partnering agency of the town.	4	3	12	<p>Professional PR agency that is the first point of contact for media enquiries at this level.</p> <p>Extensive engagement through Agency Partners to take a combined approach to mitigation action.</p> <p>Disaster contact telephone lists maintained by SLT, EBC/LDC and PR agency to ensure management response can be obtained as part of the Business Continuity Management Plan (BCMP).</p> <p>Communications brief to Residents and Homes First Staff.</p> <p>Involvement of out of hour's staff.</p>	MD	4	1	4
R18	R,F	The combined EBC/EHL operating costs are higher than Self Financing Business Plan expectation for management and maintenance and or stock reinvestment. This could result in the overall debt repayment being extended or reinvestment being delayed or curtailed.	4	4	16	<p>Review cost base of EHL/EBC.</p> <p>Remove any duplication of activity and streamline processes between the two organisations as part of the JTP process.</p> <p>Test case assumptions on rental income.</p> <p>Risk shared between Council/EHL via Management Agreement and Annual Plan.</p> <p>Keep combined management fee and controllable HRA costs at or below 2017/18 levels for medium-term.</p>	MD CFO	3	3	9
R19	R,F	<p>Action by clients against EHL for poor performance of a management contract:</p> <ul style="list-style-type: none"> • Financial Risk. • Reputational Risk. • Regulatory Risk. 	4	3	12	<p>Performance is monitored routinely by Strategic Leadership Team monthly. EHL Committees and Board review performance quarterly.</p> <p>EBC scrutiny of EHL performance is undertaken quarterly</p>	MD	3	1	3
R20	R	Reputational loss if individual	5	3	15	Thorough due diligence enquiries will be made at each stage of the development of every project. No firm offers will be made until the	NBPD	5	1	5

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		projects fail				PRSO has approved the bid.				
R21	F	Failure/Lack of availability of Institutional funding	5	2	10	The Project Programme will be reviewed and amended if any change occurs in the funding regime.	NBPD	4	2	8
R22	F	Changes to the economic environment and government policy make the HRA and the Company economically less sustainable <ul style="list-style-type: none"> • Stock condition and services to tenants and leaseholders decline. • EHL's objectives cannot be met. 	5	4	20	<ul style="list-style-type: none"> • Prudent budgeting and retention of adequate reserves • Inclusive financial planning aligned to priorities • Commercial approach to service development • Partnership working in particular with EBC and LDC • Growing a value for money based culture in the organisation • Benchmarking and being an outward looking learning organisation External expertise recruited to the Board	MD CFO	4	3	12
R23	R,F,P	Sudden loss of major supply chain partner through insolvency or operation of break clause.	5	1	5	Ensure annual financial checks of major supply chain partners are undertaken so financial strength and stability can be assessed. Develop a contingency plan to ensure continuity of service in the event of a major supply chain partner ending a contract early or the contractor becomes insolvent.	HFPSL HOHF	3	1	3

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Contact and Further Information

If you have any comments or questions relating to this Annual Service and Financial Plan please contact:

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Eastbourne Borough Council