



# Annual Service and Financial Plan 2019/20

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# Annual Service & Financial Plan 2019/20

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## Foreword by the Chair of the Board of Directors

### ***Homes First***

When Eastbourne and Lewes Councils decided to work together, a new single housing team called 'Homes First' was set up. Overall this has worked well but there are some areas, such as sheltered housing, where we need to rethink how we deliver some services.

To help with this a new Head of Homes First has been appointed. He has extensive housing experience and we look forward to working with him.

### ***Hearing from Residents***

One of the vital things we must do is hear what you, our residents, think about your homes and the neighbourhoods you live in. The Grenfell tragedy has made us all think about how we listen to what residents have to say. We are working hard on this, so please get involved and have your say.

### ***Leaseholders***

Eastbourne Homes looks after over 3,600 plus homes and another 600 plus "right to buy" leaseholders. Recently EHL set up a new way of paying for service charges and major works called Reserve Funds. The majority of leaseholders have signed up to this new approach but not everyone is happy about this change. We are pleased that a new group of leaseholders is being formed that we can work with to make sure Leaseholder's concerns are listened to.

### ***New Homes***

As you may have seen the latest Housing Minister has been pushing for Councils to build more homes. In Eastbourne we have been working on this for some years, but the government relaxation in borrowing limits means that we should be able to build more in the future, so watch this space.

Please let us know if you have any questions by contacting me at [chair@lewes-eastbourne.gov.uk](mailto: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 £7,650,000.

This plan is an integral part of the Management Agreement and summarises our priorities and what we want to achieve.

The key focus is to provide a high quality housing management and maintenance service and to continue with a programme which will provide new homes through our partnership with the Council and its investment company.

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.

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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.

## 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 during 2019/20.

### 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 Homes First Management Team, 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 11<sup>th</sup> 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

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

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- 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.

There is some tightening of regulation underway within the sector. A review of the Decent Homes Standard along with the Housing Health & Safety Rating System is likely to happen in 2019/2020. Changes in legislation and best practice in relation to fire safety are likely to happen soon.

On 20<sup>th</sup> March 2019 the Homes (Fitness for Human Habitation) Act 2018 came into force. This act strengthens existing provisions in the Landlord and Tenant Act particularly around landlord repairing obligations.

## 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
- On an annual basis the Managing Director, Chair, Chief Executive (EBC/LDC) and Leader of the Council meet to review the performance of the ALMO, the strategic issues both the ALMO and the Council faces, as well as how the Company can support the Council meet its strategic objectives in an ever changing environment.

## Review of Achievements in 2018/19

In 2018/19 we:

- Carried 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.
- Reviewed and aligned tenant involvement service and in consultation implemented a Homes First Tenant Involvement strategy that will allow for a variety of methods of involvement, choice and influence.
- Produced draft strategies for Asset Management and Procurement that identified linkages and synergies with LDC – these will be considered and signed off by Board early 2019/20 financial year.

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- Worked with ESCC to examine the STEPS 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 of ESCC.
- Brought forward a number of new homes within the borough.

## Key Objectives for 2019/20

In 2019/20 we will:

- Implement the new Tenant Involvement Strategy.
- Implement the outcomes of the Sheltered Housing Review.
- Utilise new technologies and business intelligence to adopt an active Asset Management approach to deliver the aims and objectives of our Asset Management Strategy 2019/2024.
- In response to the reduction in the budget from ESCC adult social care, we will ensure the new STEPS housing contract (24 months from Nov 2018) remains viable and relevant in the financial landscape. To ensure the continuance of the service we will pilot a new paid for support service.
- Complete East Sussex College Group Estate Strategy.

## Reviews

### Summary of Reviews Undertaken in 2018/19

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

- Estate (Block) Management

### Housing and Welfare Policy

Social Housing has been put on the government agenda, financial opportunities are now available with the lifting of the debt cap and an announcement that the 1% rent cuts will end in 2020. We can be even more ambitious in our plans for new homes and supporting the Council in tackling homelessness.

Alongside these new opportunities, we also need to be ready for a re-introduction of some degree of regulation. At present we are working hard alongside the NFA and government to determine how this will look. It seems clear though that the focus will be on customers and how they perceive the quality of the services they receive. We also need to remain conscious of safety issues and the recommendations that arise from the Grenfell Enquiry.

Welfare Reform will continue to affect our customers. Eastbourne is now in full roll out of Universal Credit (UC) and have been since October 2017.

It is still not clear what the on-going negotiations around Brexit will have on our service and our customers.

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In developing this plan, we scan current and future issues in our external operating environment and what implications they might have for EHL.

## 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 2019. 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 2019, and will assist in the process.

## Areas to be reviewed in 2019/20

- Customer Service – from first point of contact with EHL (EBC/LDC)
- Alignment of EHL to Shareholder in synergy of effort on homelessness
- Sheltered Housing
- Implications of the Green Paper

## 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
- 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
- Providing challenging Performance Indicators to drive service improvement
- Utilising the opportunities provided by internal companies to offer a range of service options and to build resilient partnerships
- Ensuring services are effectively tailored to meet the challenges faced by customers in areas such as Welfare Reform
- Offer a range of tenant engagement opportunities to ensure customers are involved in shaping effective and efficient services
- Utilise modern technology to drive service efficiency

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- Review collection methods to maximise income for all elements of service delivery

During 2018, EHL commissioned a Value for Money Review which was carried out by Housing Quality Network (HQN).

The key highlights from the report are:

- Eastbourne Homes Limited (EHL), the ALMO that manages and maintains Eastbourne Borough Council's council housing stock, has a distinct identity and residents see it as "my landlord". It is valued highly by residents and staff and well regarded by stakeholders.
- There is strong political support for the ALMO within Eastbourne Borough Council.
- EHL's Board has been effective in leading the organisation and in providing an appropriate level of scrutiny and control.
- EHL has been able to achieve significant savings in its overall operating costs in recent years. It has been able to focus on customers, to innovate, to create new business, and to contribute to Eastbourne Borough Council's strategic objectives to an extent that would not have been possible if the housing service had been retained within the Council.
- Services are provided to a good standard and residents receive a service that represents good value for money.
- EHL's management costs are much lower than the median for the sector
- Maintenance costs are reasonable, although above average compared to peer housing providers.
- EHL is well positioned for the future.
- EHL will also need to develop new business and shared services going forward if it is to retain political support.
- The Homes First team needs to be promoted and branded more effectively in the future.

The recommendations contained within the report have been produced as an Action Plan and will be considered quarterly by the Board, who will monitor the progress and actions.

## Homes First Team

Homes First was formally launched on the 1<sup>st</sup> March 2018 bringing staff working for Eastbourne Homes Ltd and Lewes District Council's housing service together as a single team. This delivery model is intended to provide a more holistic approach to cross-tenure Housing, an inclusive customer service offer and be an exemplar of efficiency and value for money.

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 (JTP2).

## **New Business Team**

Through the new business team EHL continue to help Eastbourne Borough Council and Lewes District Council to bring forward, fund and deliver an ambitious programme of new housing development and regeneration. New housing delivery has focused on how we can best utilise existing assets and on the types of homes needed to support current and future residents. This includes innovative pilot work around intergenerational and key worker housing. Through this new business work EHL are making sure our future housing programme offers a range of choices that support sustainable tenancies and communities

We are also working with other key local public sector providers to help them review their own estates and future delivery plans. As well as helping to bring forward more homes these new business activities have a regeneration impact and make a revenue contribution to EHL.

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## Budget Summary 2019/20

The following table summarises the movement in resources between 2018/19 and 2019/20

	<u>£k</u>
Management fee for 2018/19	7,261
Deficit Budget brought forward	84
One-off Additional Management Fee for Specific Housing Initiatives	300
New/Increased Income or Savings	(248)
Cost Pressures and Inflation	253
Management Fee 2019/20	7,650

## Performance Management Framework

EHL is focussed on the continuous improvement of all its services. The Performance Management Framework is a foundation for us to drive improvement and achieve the best results for EHL. Having a framework in place 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 Management Team.

The Management 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 2019/20

- 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 Management Team members who are responsible for delegating within their service area and setting individual targets within personal performance plans.

## Key Business Activities 2019/20

Ref	Key Actions	Completion dates	Responsible Management Team Member	Rationale for action
1.	Review EHL's strategic housing input to the wider strategic objectives of EBC.	31/03/20	Managing Director	Carry out a strategic housing review, where will consider the Company's reserve position with a view to aligning it with the strategic priorities of the shareholder.
2.	Undertake a review of EHL's Corporate Plan which will inform the Business Plan.	31/03/20	Managing Director	A review of the Corporate Plan is due this year. This review will inform the Business Plan for the organisation, ensuring that it is fit for purpose in the ever changing operating environment. This will be underpinned by a robust risk and financial management framework to support the delivery of the objectives.
3.	Implement the new Tenant Involvement Strategy. Roll out a menu of involvement options and ensure that involved tenants have a strong strategic voice for Homes First services.	31/03/20	Homes First Neighbourhood Management Lead	To enable wider resident participation to be more representative of the tenant and resident base across Homes First.  To enable residents to shape the services of Homes First and become empowered to own its success.
4.	Implement the outcomes of the Sheltered Housing Review.	31/03/20	Homes First Neighbourhood Management Lead	To deliver a modern Retirement Housing Service for elderly tenants within our communities.

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Ref	Key Actions	Completion dates	Responsible Management Team Member	Rationale for action
5.	Utilise new technologies and business intelligence to adopt an active Asset Management approach to deliver the aims and objectives of our Asset Management Strategy 2019/2024.	31/04/20	Homes First Property Services Lead	Adopting an active Asset Management approach will enable us to be more proactive and plan further ahead. Active Asset Management processes will maximise the use of property assets and other resources and deliver improvements in efficiency, value for money and resident satisfaction.
6.	In response to the reduction in the budget from ESCC adult social care, we will ensure the new STEPS housing contract (24 months from Nov 2018) remains viable and relevant in the financial landscape. To ensure the continuance of the service we will pilot a new paid for support service.	31/03/20	Head of Homes First	We will achieve this by: 1. Developing a suite of KPI's 2. Maintaining referrals 3. Piloting the new 'paid for' service
7.	Complete East Sussex College Group Estate Strategy.	30/09/19	New Business Project Director	The strategy has the potential to produce over 600 new homes and have a positive regeneration impact on 3 x town centres.

## Appendix 2

### Key Performance Indicators 2019/20

Strategic Theme	Objective What do we need to achieve?	Measure How will we know when we succeed?	Suggested Target
Developing our People	Staff have the skills and tools they need to do their job well	Percentage of staff completed mandatory training	100%
	Engaged and high performing teams	Average days staff absence per employee per year	8
Focussing 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%
		How many residents are actively involved in developing housing services	Measure impact ¼ by ¼
		Customer profile of tenants	100%
	Improved wellbeing of the communities we service	Average time post assessment for aids and adaptations:	Working days
		Minor Major	17 100
	A great customer experience	Total number of Housing Ombudsman complaints and outcomes	N/A
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by EHL?		100%	
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	60%
	Empty properties are let quickly and	Average void time key to key overall (days)	Q1 – 23

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	efficiently to house people in need		Q2 – 22 Q3 – 21 Q4 - 20	
		Average void time (without exceptions)	30 days	
	Response repairs are completed quickly and effectively	Number of non-emergency repairs completed within target time		100%
		Percentage of repairs completed right first time		100%
		Percentage of appointments made and kept		100%
		Percentage of tenants satisfied with responsive repairs		100%
	Planned repairs keeping our homes safe and in good condition	Gas – percentage of homes with a valid landlords gas safety certificate		100%
Tenants and Leaseholder satisfaction with major repairs and improvements (overall score of either satisfactory, good or excellent)		85%		
<b>Providing Good Value</b>	Ambitious growth and investment	How many affordable housing units delivered	N/A	
	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 2019/20

#### Key to the Categories of Risk:

EHL will in conducting its business aim to ensure the health and safety of its customers and all individuals involved in its operations. EHL will actively manage risk. It will make business decisions after carefully evaluating the balance between risk and reward.

While a social business and mindful of its responsibilities of safeguarding public funds, it also recognises that taking minimum risk does not necessarily provide best value for money. EHL will accept certain elements of risk where it considers it in the best interest of the business and its customers to do so.

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

#### Measurement of Risk

Risks are measured in two ways:

- 1 **The impact on EHL should the risk materialise:**
  - Low** impact on the strategy/operational activities/low stakeholder concern
  - Moderate** impact on the strategy/operational activities/moderate stakeholder concern
  - Critical** impact on the strategy/operational activities/significant stakeholder concern

**2 The likelihood of the risk occurring:**

**Low** likelihood – has not or is unlikely to occur

**Medium** likelihood – could occur more than once within the time period; a history of occurrence; difficult to control due to external influences

**High** likelihood – likely to occur; has occurred recently or has the potential to occur several times in the period

**A number is attached to the risk rating as follows:**

Impact: Low = 1

Moderate = 3

Critical = 5

Likelihood:

Low = 1

Medium = 3

High = 5

These are multiplied to create a risk score between 1 and 25 with 25 being the highest.

Impact	1	2	3	4	5	Likelihood
5	4, 5, 14, 20					
4	17	1, 2, 8, 21	13, 22	16		
3	19, 23	6, 7, 9, 11, 12	3, 10, 15, 18			
2						
1						

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Risk Reference	Category of Risk	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	STEPS Contract no longer viable post 2020.	<p>Supporting People Floating Support Contract (STEPS) funding reduces by ESCC, leading to a potential loss of contract.</p> <p>Support to vulnerable people who are currently being supported will cease, placing pressure upon ESCC and clients and potential future clients are left without critical signposting support.</p>	4	3	12	<p>EHL have no control over the decision regarding STEPS funding from ESCC.</p> <p>We are piloting a viable paid service offer that gives us a potential STEPS contract beyond November 2020.</p> <p>Regular scrutiny of KPI's to ensure we can demonstrate impact and outcomes on the vulnerable client group.</p> <p>ESCC are required to give SEILL three months' notice of any changes to the contract.</p>	MD HOHF	4	2	8
R2	R,I,P	Changes to Welfare Reform lead to decreased rent collection.	<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.</p> <p>Customers who are subject to welfare reform measures are left vulnerable to further debt, due to an inability to manage personal budgets.</p> <p>Customers who are subject to welfare reform measures become vulnerable to loan shark activity</p> <p>Digitally excluded customers are unable to make claims for Universal Credit</p> <p>Rental income for EHL homes becomes affected and rent arrears</p>	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>We have maintained close working relationships with the Job Centre Plus. They will assist in resolving any individual issues and pass on to the relevant departments any issues we have with the administration of UC.</p> <p>Identify vulnerable client group.</p> <p>Refer tenants to the CAB for Personal Budgeting Support and Assisted Digital Support where this would benefit the tenant</p> <p>Promote the places where tenants can get free online access and where they can get digital support</p>	HOHF	4	2	8

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Risk Reference	Category of Risk	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
			increase. Customers unable to pay rent are at risk of losing their homes				<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> <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> <p>Information to be sent to tenants regarding the 53 week rent year(2019/20)to try to mitigate impact upon rent collection from customers on Universal Credit</p> <p>Consider requesting direct payments of UC from the outset of a claim in appropriate cases</p> <p>Consider instigating a procedure where direct payments are requested when a tenant is in arrears by a certain number of weeks.</p> <p>Consider informing tenants that they can request an advance to at least cover their rent when they make the first claim for UC.</p>				
R3	R,P,Y	Not being able to sustain a culture that supports organisational objectives and future development.	Decline in performance. High turnover of staff. Decline in morale.	3	4	12	<p>Staff TUPE'd to EBC on the 1<sup>st</sup> August 2017 to form part of the Homes First Team.</p> <p>Transition action to ensure culture remains positive as the service continues to develop. Review of</p>	MD	3	3	9

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Risk Reference	Category of Risk	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>Increase in absenteeism.</p> <p>Service failure.</p> <p>Increased possibility of fraud.</p>				performance monthly and quarterly as part of the SLA monitoring continues and is reported to Board via the Service and Performance Committee.				
R4	R,F,Y	Changes to the economic environment, makes the organisation less economically stable.	<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 Tenant Board Directors.</p> <p>Quarterly tenant satisfaction surveys undertaken to monitor 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.</p>	MD	5	1	5
R5	Y,P	Failure to meet legal safety obligations-leading to risk of litigation, sanction and reputational damage	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</p>	<p>HFPSL</p> <p>HOHF</p>	5	1	5

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							gas servicing; electrical testing, asbestos, fire risk, Legionella and lifts.  A comprehensive suite of KPIs for monitoring compliance with statutory duties is in place.				
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 Act.	Increased cost of managing the implications of the Homeless Reduction Act 2018.  Pressure upon the service which lead to further resources being required	3	3	9	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 following the implication of the Homeless Reduction Act 2018.  Greater emphasis on Prevention work to ensure that pressures are mitigated and reliance of temporary accommodation and attendant cost is reduced	MD HOHF	3	2	6
R7	F,R	Failure to comply with statutory obligations.	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	Strong governance procedures and monitoring tools to ensure compliance with reviews.  Well trained staff that follow aligned policies and procedures accordingly.  Internal audit and EBC audit of compliance with and benchmarking of procedures.  Ensure that the appropriate suite of policies are in place and maintained accordingly.	MD CFO	3	2	6
R8	F,R	Failure to meet regulatory or legal requirements.	Serious detriment is caused to tenants and residents by an inability to comply with national regulatory standards  Reputational damage of being unable to offer a modern, regulatory compliant range of services.  The regulatory framework for social	5	2	10	Strong governance procedures and monitoring tools to ensure compliance with standards  Well trained staff that follow procedures accordingly.  Internal audit and EBC audit of compliance with and benchmarking of regulatory standards.  Review of Tenant Involvement service carried out. Strategy to be implemented and outcomes monitored.	MD HOHF	4	2	8

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			<p>housing in England from the 1st April 2015 is made up of:</p> <ul style="list-style-type: none"> <li>• regulatory requirements</li> <li>• codes of practice</li> <li>• regulatory guidance</li> </ul> <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"> <li>• the Governance and Financial Viability Standard</li> <li>• the Value for Money Standard</li> <li>• the Rent Standard</li> </ul> <p>Consumer:</p> <ul style="list-style-type: none"> <li>• the Tenant Involvement and Empowerment Standard</li> <li>• the Home Standard</li> <li>• the Tenancy Standard</li> <li>• the Neighbourhood and Community Standard</li> </ul> <p>Failure to meet the consumer standards could lead to the HCA intervening where possible serious detriment has been caused to our</p>				Track progress of Social Housing Green Paper.				

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Risk Reference	Category of Risk	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	Breakdown in internal financial controls.	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> <p>Controls embedded in the IT systems providing facilities for purchase ordering, payments of expenditure and income collection.</p>	MD CFO	3	2	6
R10	F,Y,P	<p>Retirement service does not meet the needs of a vulnerable and changing client group.</p> <p>Costs are not met by charges levied, leading to further re-alignment of the service</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.</p> <p>Implement the outcomes of the Sheltered Housing Review to ensure it meets the challenges of the issues raised by tenants by Retirement Housing.</p>	HOHF	3	3	9

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Risk Reference	Category of Risk	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
R11	R,F,Y	Costs are not met by charges levied leading to increased tribunal cases.	<p>Necessary repairs, safety and maintenance works are not carried out</p> <p>Challenge by a leaseholder to the First Tier Tribunal (FTT) with respect to service charges levied for routine maintenance and major repairs.</p> <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>	3	3	9	<p>We will actively engage with independent groups that represent the interests of EBC leaseholders</p> <p>We follow all legislative requirements of Section 20 of the Landlord and Tenant Act as amended by the Commonhold and Leasehold 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, HQN Leasehold Excellence Network and liaise closely with them on legislation affecting mixed tenure property. We monitor FTT determinations to challenges made by leaseholders 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>A follow up independent review of leasehold services was commissioned in October 2018 which will inform new service improvement plans for 2019 to 2021.</p>	HFPSL HOHF	3	2	6
R12	R,F,Y	Costs are not met by charges levied leading to increased recovery of major works.	<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</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 maintain strong internal controls and</p>	HFPSL HOHF	3	2	6

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Risk Reference	Category of Risk	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>to the Council.</p> <p>Lack of interest by leaseholders is challenging the viability of the Leasehold Panel</p> <p>Further financial pressure on the services to leaseholders</p> <p>Necessary repairs, safety and maintenance works are not carried out</p> <p>Further potential legal challenges- cost and reputational damage</p> <p>No meaningful and co-ordinated representation for Leaseholder</p>				<p>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>Leaseholders are receiving 30 year forecasts on future major repairs costs on an annual basis</p> <p>Reserve funds were established on a voluntary basis for leaseholders in 2018</p> <p>Survey conducted in 2018 asking leaseholders to vote for their preferences on how they wish to engage with Homes First</p> <p>Technical check of service charges taking place in 2019</p>				
R13	P,F,RI	Lack of succession planning.	<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,PY	EHL fails to meet its contractual obligations within the Management	The contract between both parties could be terminated. This could take place using the break clauses	5	3	15	Clear performance guidelines and targets in place from EBC within a contractual framework of joint working supported by regular performance reporting	MD CFO	5	1	5

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		Agreement;	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.				to EBC. EBC appoint councillors to the EHL Board to support their oversight.  Strict compliance with the Management Agreement through regular internal contract monitoring.  Regular annual review of the KPIs with EBC to ensure they remain fit for purpose and demonstrate service delivery and accountability in line with the Sub-Delegation Agreement.				
R15	F,R,P	New business proposals do not perform as expected.	<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 the Council's Commercial Business 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>	3	3	9	<p>We aim to maintain good working relationships and meeting and review structures. We have worked closely together to resolve any difficulties.</p> <p>The Commercial Business 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>	MD	3	3	9

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R16	F	Finances of housing stock under the LA become uneconomic.	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.	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>Explore use of HRA balances and headroom. Continue to build relationships with neighbouring Social Housing Providers and 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	4	4	16
R17	R,F	Organisation materially impacted by the medium to long-term effects of an event under the Civil Contingencies Act.	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 the Management Team of EBC/LDC and PR agency to ensure management response can be obtained as part of the wider Business Continuity Management Plan (BCMP).</p> <p>Communications brief to Residents and staff.</p> <p>Involvement of out of hour's staff.</p>	MD	4	1	4
R18	R,F	Operating costs are higher than expected.	The combined EBC/EHL operating costs are higher than Self Financing Business Plan expectation for management and maintenance and or stock reinvestment. This could	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 on-going JTP process.</p>	MD CFO	3	3	9

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			result in the overall debt repayment being extended or reinvestment being delayed or curtailed.				Test case assumptions on rental income. Risk shared between Council/EHL via Management Agreement and Annual Service and Financial Plan.				
R19	R,F	Poor performance of the Management Contract.	Action by clients against EHL for poor performance of a management contract: <ul style="list-style-type: none"> <li>Financial Risk.</li> <li>Reputational Risk.</li> <li>Regulatory Risk.</li> </ul>	4	3	12	Performance is monitored routinely at a Contract Review Meeting, led by the MD of EHL. EHL Committees and Board review performance quarterly. EBC scrutiny of EHL performance is undertaken quarterly.	MD	3	1	3
R20	R	Scheme proposals do not perform as expected.	Reputational loss if individual projects fail	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 PRSO Panel has approved the bid.	MD	5	1	5
R21	F	Failure/Lack of availability of Institutional funding	Failure to complete planned pipeline programme.	5	2	10	The Pipeline Programme will be reviewed and amended if any change occurs in the funding regime.	MD	4	2	8
R22	F	Changes to the economic environment and government policy make the HRA and the Company economically less sustainable	Stock condition and services to tenants and leaseholders decline. EHL's objectives cannot be met.	5	4	20	<ul style="list-style-type: none"> <li>Prudent budgeting and retention of adequate reserves</li> <li>Inclusive financial planning aligned to priorities</li> <li>Commercial approach to service development</li> <li>Partnership working in particular with EBC and LDC</li> <li>Growing a value for money based culture in the organisation</li> <li>Benchmarking and being an outward looking learning organisation</li> </ul>	MD CFO	4	3	12

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							<ul style="list-style-type: none"> <li>External expertise recruited to the Board</li> </ul>				
R23	R,F,P	Sudden loss of major supply chain partner through insolvency or operation of break clause.	Loss of critical services to tenants and residents in EHL homes.	5	1	5	<p>Ensure annual financial checks of major supply chain partners are undertaken so financial strength and stability can be assessed.</p> <p>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.</p>	HFPSL HOHF	3	1	3

# Annual Service & Financial Plan 2019/20

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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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