

## **POLICY & FINANCE COMMITTEE**

**2 APRIL 2020**

### **ALLOCATION AND APPROVAL OF SAVINGS ACCRUED AS PART OF THE HOUSING MANAGEMENT IMPLEMENTATION PROJECT**

#### **1.0 Purpose of Report**

- 1.1 To request delegated authority be given to the Homes & Communities Committee to approve the allocation of savings which have been accrued as part of the Housing Management Implementation project.

#### **2.0 Background Information**

- 2.1 On 26 September 2019, the Policy & Finance Committee made the decision, following an extensive tenant consultation, to bring the housing management service in-house for direct service provision by the Council. This included the decision to dissolve the Council's the housing management company, Newark and Sherwood Homes Ltd.
- 2.2 The transfer of the housing management service to the Council successfully took place on 1 February 2020, two months ahead of schedule. Company activities, contracts, employees, assets and liabilities were all included in the transfer agreement and are now under direct service provision by the Council.
- 2.3 The Company will continue in existence to enable the finalising of any existing arrangements for contracts and suppliers and whilst the wind-up process is implemented. It is anticipated that after approximately three months, the process will begin to wind-up and dissolve the company. The company will be required to file final accounts and submit the relevant paperwork to Companies House in order to formalise the dissolution.

#### **3.0 Proposals**

- 3.1 The re-integration of the housing service was undertaken to deliver significant efficiencies identified for the Housing Revenue Account of £0.950m. The savings were identified as part of a report by Savills which was presented to committee on 4 April 2019. These savings will directly accrue to the HRA and the Council made a commitment that they would be reinvested back into housing services for tenants.
- 3.2 A detailed framework approach for how the savings and efficiencies will be utilised to meet tenant priorities and to improve the housing service is set out in the Homes and Communities Report. The Homes and Communities Committee, due to take place on 16 March, was cancelled due to the coronavirus situation. However, it is noted that the Chairman and Vice-Chairman of the Committee support the proposals and recommendations detailed in the report. The report and detailed framework prepared for the Homes and Communities Committee is attached as an **Appendix A** to this report.
- 3.3 It is proposed that this Committee delegate authority to the Homes & Communities Committee to consider and approve the specific areas of allocation of savings in line with the framework as identified in Appendix A.

#### **4.0 Equalities Implications**

4.1 There are no equalities implications arising from this report.

#### **5.0 Financial Implications (FIN19-20/8765)**

5.1 As mentioned in the above text, the detailed financial implications can be found in the Homes & Communities Committee report, which is attached as Appendix A.

#### **6.0 Community Plan – Alignment to Objectives**

6.1 The proposals align with the Council's community plan objective 'build more homes and provide an excellent housing management service'. There are commitments within this objective to ensure tenants and other customers live in safe, well maintained, affordable homes and receive quality, value for money services. It is considered that the second tranche of work and the reinvestment in housing services from the savings identified will contribute to this.

#### **7.0 RECOMMENDATION**

**That delegated authority be given to the Homes & Communities Committee to approve the allocation of savings to the Housing Revenue Account that have accrued as part of the Housing Management Implementation project, in line with the framework approach as set out in Appendix A to the report.**

#### **Reason for Recommendation**

**To give delegated authority to the Homes and Communities Committee to approve the allocation of HRA savings as part of the housing management transfer to the Council.**

#### **Background Papers**

None.

For further information please contact Deborah Johnson, Business Manager, Organisational Improvement & Development on ext 5800 or Natalie Cook, Projects Officer, Organisational Improvement & Development on ext 5275.

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