



Report subject	Seascope Group Limited 5 Year Strategic Plan (2020-25)
Meeting date	27 May 2020
Status	Public Report
Executive summary	<p>The purpose of this report is to seek approval for the Seascope Group Limited 5-year Strategic Plan.</p> <p>Seascope Group Limited’s Strategic Plan sets out a 5 year vision for the period 2020-25 for how the Group will continue to deliver and grow its quality services, support communities and help deliver the Council’s Corporate Strategy.</p> <p>The activities within Seascope Group Limited will contribute towards the Council’s key objectives in many ways but primarily by ensuring investment in the homes needed, tackling homelessness and rough sleeping, and supporting people to live safe and independent lives.</p> <p>The Strategic Plan 2020-25 has been approved by the Directors of Seascope Group Limited, and those of the subsidiary companies, and sets out the growth ambitions moving forwards. The Plan builds on the existing activities, bringing in additional expertise and capacity to help drive a step-change in delivery and generate increased financial returns for the Council as its sole shareholder.</p> <p>The ambitions set out in this Plan remain current despite the context of Covid-19. However, the impact and timing of being able to deliver this Plan will be considered in due course once the full impact of Covid-19 is understood.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> (a) Cabinet approves the Seascope Group Limited’s Strategic Plan 2020-25 attached in Appendix A and; (b) Cabinet authorises officers to change the current obligation in the Shareholder Agreement between BCP Council and Seascope Group Limited from the requirement to produce an annual plan to a longer term 5 year strategic plan, in order to facilitate planning in the medium term.

Reason for recommendations	Seascope Group Limited enables the Council to trade and generate income in order to support its core services to residents through surpluses. It is a requirement of the shareholders agreement between the Council and Seascope Group Limited that Council/Cabinet approves the Strategic Plan.
Portfolio Holder(s):	Cllr Kieron Wilson, Portfolio Holder for Housing
Corporate Director	Kate Ryan, Corporate Director of Environment and Community
Report Authors	Lorraine Mealings, Director of Housing
Wards	Council-wide
Classification	For Recommendation

Background

1. Seascope Group Limited is a 100% owned Council Company, with BCP Council as the sole shareholder.
2. It is a current requirement of the Shareholders Agreement between the Council and Seascope Group Limited that the company produces an annual strategic plan. An Annual Strategic Plan was last produced and approved for 2017/18. Previous plans took the form of an annual report rather than a medium term Strategic Plan as intended and the production of subsequent plans were put on hold pending Local Government Reorganisation (LGR) and the creation of BCP Council.
3. The Board of Directors recognised that the production of annual plans would not enable the company to develop its medium-term vision and development potential, and a longer term 5 year Strategic Plan was required.
4. This Seascope Strategic Plan sets out a five year plan which allows a more longer term ambition to be articulated in addition to agreeing plans on an annual basis. It is critical however that this plan, including the financial forecasts, remains flexible and fluid over time as external factors impact and different opportunities are presented.
5. The Strategic Plan has been influenced by a range of issues, challenges and opportunities arising from the internal and external operating environment. The Plan outlines the priorities, objectives, ambition, direction and financial projections of the Group's subsidiaries which consist of Seascope South Limited and Seascope Homes and Property Limited.
6. The Plan will help deliver the Council's Corporate Strategy and its key objectives :-
 - Sustainable Environment
 - Dynamic Places
 - Connected Communities
 - Brighter Futures

- Fulfilled Lives
7. The activities within Seascope Group Limited will contribute towards these key objectives in many ways but primarily by ensuring investment in the homes needed, tackling homelessness and rough sleeping, and supporting people to live safe and independent lives.
 8. Overall, the Strategic Plan presents an ambition of growth and a 'step-change' for both subsidiary companies across the wider BCP geography.
 9. The ambitions set out in this Plan remain current despite the context of Covid-19. However, the impact and timing of being able to deliver this Plan will be considered in due course once the full impact of Covid-19 is understood.

Seascope South Limited

10. The Strategic Plan for Seascope South Limited involves being a trusted contractor of choice for the wider BCP Disabled Facilities Grant (DFG) programme works, providing adaptation works for people living independently. This will involve incrementally growing to a turnover of over £900k per year within five years.
11. Seascope South Limited is also committed to grow the provision of construction services to additional private sector customers by 2025 across BCP. During year one (2020/21), core services will be consolidated as the DFG works programme is expanded. The service will be streamlined to drive through efficiencies and secure an excellent base on which to further grow. Work will be carried during this time to plan additional staffing during Year 2 involving an additional £100k investment. Additional investment in terms of staffing capacity and entrepreneurial expertise is essential to bring an exciting step-change in activity as we move forwards over the next few years. This is needed to develop and deliver a marketing strategy, test the local market, ensure access to the labour force we need and to secure the additional business in what is a competitive market.

Seascope Homes and Property Limited

12. Seascope Homes and Property Limited is committed to growing and providing housing options to the BCP community by providing a lettings solution for homeless households. It will continue to expand its portfolio of properties for homeless purposes across the wider Bournemouth, Christchurch and Poole area, securing a further 26 homeless properties over the next few years. The portfolio will help further scale up the delivery of Housing First for our most vulnerable residents. A strategic review of housing options for homeless households is underway as the services across BCP come together and it is likely that there will be scope for further growth of this portfolio in future years. The opportunities for growth of this element of the portfolio will be reviewed over time with an ambition to expand where possible.
13. Seascope Homes and Property Limited will grow its Private Rent Sector (PRS) activity by renting properties out at full market rent levels. This portfolio will grow from the 12 existing portfolio to more than 90 by 2025. Additional investment is needed at key points during the 5 year plan to secure further staffing capacity and marketing expertise, as reflected in the financial plan, to help ensure the delivery of a robust upmarket rental offer to this client group.
14. The ambition is for Seascope Homes and Property Limited to also directly build homes on Council owned land, primarily homes for private rent and private sale. The resulting homes will be built to high standards of sustainability in response to the Climate and Ecological Emergency. Council owned sites have already been identified which could

deliver approximately 1,000 new homes over the next 5 years and the ambition is that a proportion of the private homes within that programme would be built within the Seascope Group. The financial benefits of this activity cannot yet be quantified but the ambition is for this growth area to significantly contribute to the short, medium and long term financial pressures faced by the shareholder, BCP Council. The resulting PRS homes will then be let through the company.

Options Appraisal

15. The objectives within the Strategic Plan have been identified as those which will best support the Group's Vision and Mission, as well as the Council's Corporate Strategy, so are recommended.
16. The Strategic Plan could present a status quo position of maintaining existing levels and types of activity within the companies. This however would not fully pursue the opportunities that are presented and would not generate the potential financial returns back to the Council as the sole shareholder.
17. It is currently a requirement of the Shareholder Agreement to produce a Strategic Plan. This could remain as an annual activity but a 5 year approach is recommended because it provides valuable medium term planning.

Summary of financial implications

18. The financial forecasts detailed in the Strategic Plan in Appendix A have been prepared by the Company's Finance Director and Company Accountant in consultation with the Section 151 officer.

Summary of legal implications

20. It is a requirement of the Shareholders Agreement that Seascope Group Limited produces an Annual Strategic Plan for the Council as sole shareholder to approve.
21. Approval is now being sought from the Shareholder to amend the requirement to produce an annual plan to a 5 year plan in order to aid medium term planning.
22. The Plan has been approved by the Directors of Group and the Directors of the two subsidiary companies.

Summary of human resources implications

23. There are no human resource implications associated with the approval of this strategy.

Summary of sustainability impact

24. The Strategic Plan's vision and aims reflect the Council's sustainability agenda and this will be further incorporated into subsidiary business plans as appropriate to consider the impact on the range of different products and services.
25. The resulting homes through Seascope Homes and Property Limited will be built to high standards of sustainability in response to the Climate and Ecological Emergency. Homes will be built using standards such as 'Passiv Haus' principles to make sure we are building sustainable, good quality homes that are fit for the future.

Summary of public health implications

26. A core business activity of one of Groups subsidiaries Seascope Homes and Property Limited is to provide good quality housing options to homeless customers which attributes to a healthier living environment.

Summary of equality implications

27. The Strategic Plan considers the profile of the Group's customers and additional demographic information on the population of BCP as a whole, which has influenced the identified priorities and objectives.
28. An initial, high-level Equality Impact Assessment has been completed and it is not anticipated that the Strategic Plan will cause any detriment to any particular group. The objectives are expected to broadly have a positive impact upon and advance equal opportunities for most protected groups.

Summary of risk assessment

29. The Strategic Plan and high-level objectives within it do not represent a risk in themselves, but rather are intended to help mitigate risks within Seascope Group Limited.
30. The subsidiary companies have a robust risk management system and risks are shared with the Council throughout the year, with joint risk activities undertaken. There are inherent risks in delivering construction services, building and managing homes - these risks are managed appropriately and regularly reviewed.

Background papers

Appendices

Appendix A - Seascope Group Limited Strategic Plan 2020-2025