

**BUSINESS SUB-GROUP  
BARNET HOMES  
WEDNESDAY 8 MARCH 2006  
3.00PM  
10<sup>th</sup> Floor Meeting Room, Barnet House**

**AGENDA**

<b>Item No</b>	<b>Item</b>	<b>Status</b>	<b>Author</b>
<b>1</b>	Introduction & Apologies		
<b>2</b>	Declaration of Interests		
<b>3</b>	Minutes & Matters Arising		
<b>4</b>	Budget Monitor to end of January and Draft Statutory Accounts	Information	Paul Cleveland/ Gary Pliskin
<b>5</b>	Budget & Business Plan 2006/11	Decision	Mike Wiffen/ Peter Headland
<b>6</b>	Internal Audit Plan	Decision	Mike Wiffen/ Tribal
<b>7</b>	Review of Risk Registers – Corporate and Red/Ambers	Information	Mike Wiffen
<b>8</b>	New Business	Decision	Derek Rust
<b>9</b>	External Auditors Project Plan	Information	Mike Wiffen
<b>10</b>	<b>Confidential Item</b> Bank Holiday Pay	Information	Mike Wiffen/ Gary Pliskin
<b>11</b>	Agenda Planning	Decision	Mike Wiffen
<b>12</b>	Date of Next Meeting <b>Wednesday 5 April 2006, 3pm</b>	Information	

Attendees:	David Sidbury (Chair) Monroe Palmer Eileen Douglas Mike Wiffen Paul Cleveland	Tim Sims Lucia Fiveash Ingrid Beal Gary Pliskin (Trevor Renouf)
------------	---	---

The meeting will commence at 3.00pm, 10<sup>th</sup> Floor Meeting Room, Barnet House. Any Director who wishes to attend as an observer please advise Karen Flood in advance on: Tel: 020 8359 4915  
Email: [karen.flood@barnethomes.org](mailto:karen.flood@barnethomes.org)

**BARNET HOMES  
BUSINESS SUB-GROUP MINUTES  
8 March 2006**

**Attendees:** David Sidbury (Chair)      Tim Sims  
 Trevor Renouf                              Ingrid Beal  
 Eileen Douglas                              Monroe Palmer  
 Mike Wiffen                                 Peter Headland (Item 5)  
 Gary Pliskin                                 Paul Cleveland  
 Dominic Humblet

**Tribal Business Assurance (Internal Auditors)**  
 Andrew Townsend, Director Business Assurance, Audit Services  
 Simon Cox, Director Business Assurance, Risk Management

**Circulation:**      Those Above                              All Directors

**Minutes:**              Karen Flood

ITEM	TITLE	ACTION
1.	<b>Introductions &amp; Apologies</b>	
1.1	<b>Introductions</b>  Introductions were made.	
1.2	<b>Apologies</b>  Lucia Fiveash.	
2.	<b>Declaration of Interests</b>	
2.1	Monroe Palmer stated that if any item arose concerning London Borough of Barnet Finance he may have conflicting interests.	
3.	<b>Minutes 8 February 2006 &amp; Matters Arising</b>	
3.1	Minutes agreed.	
3.1.1	<b>Item 3.1.4 Lambeth Council Fraud</b> – Item for 5 April 2006 meeting.	
3.1.2	<b>Item 3.1.5 ICT</b> – Item for 5 April 2006 meeting.	
3.1.3	<b>Item 3.1.9 Review of Risk Registers</b> – Agenda item for meeting.	



ITEM	TITLE	ACTION
4.5	Repairs predicting overspend, looking at what can be charged to Capital spend on voids, figures will come down but not within budget.	
4.6	Some SLAs still not billed, and payroll vendors to be cleared down (£1.8M) before year end.	
4.7	Computer Equipment supplied by LBB still awaiting invoice, approximately £50k, all accrued for, but means that fixed assets are understated.	
5.	<b>Budget and Business Plan</b>	
5.1	Apologies given for late circulation of paper, group expressed concern the paper was not made available earlier.	
5.2	Peter Headland outlined the Business Plan (Appendix 1) and advised that the Operation Plan timetable is to be adjusted.	
5.3	Mike Wiffen presented budget sections of report to the Sub-Group.	
5.3.1	2006/07 Budget (Page 21 Financial Summary). Figures provisional until all SLA's signed. Projections based on 3% increase in Management Fee.	
5.3.2	New Business – assumed £150k next year rising by £100k per year thereafter.	
5.3.3	Contingency/contribution to reserves - £300k per year for the next 5 years.	
5.3.4	Pressures on the HRA will adversely affect BHL in future years, will need efficiencies and develop new business.	
5.3.5	Repairs and Maintenance budget increase of 2.5% next year, this is less than inflation within the building trade. There are severe pressures on budget, discussions taking place with LBB on policies. Sub-Group concerned with the increase BHL have been allocated.	
5.3.6	ED proposed an external Business Planning Manager be employed to oversee repairs and maintenance.	
5.4	<b>Capital Programme</b> – ODPM ALMO funding included 2% efficiency savings and made no allowance for inflation.	

ITEM	TITLE	ACTION
5.4.1	Pressures on building cost inflation, currently looking at first packages and detailed analysis is being undertaken.	
5.5	<b>HRA</b> – Working closely with LBB on efficiencies.	
5.6	Details of budget to next meeting of the Sub-Group on 5 April 2006.	MW
5.7	<b>Sub-Group approved Budget and Business Plan to go to Board and the Council.</b>	MW
6.	<b>Internal Audit Plan</b>	
6.1	MW thanked Tribal for putting plan together within a short timescale.	
6.2	Andrew Townsend outlined the skeleton plan (Annex A); this is subject to change if required and is an overview and guidance only. <b>Group proposed 6 monthly review of Leasehold System be added to plan.</b>	Tribal
6.3	Internal Auditors keen to receive assurance certificates from LBB (see item 3.1.11).	
6.4	Heads of Service observations are being sought and more discussions taking place within the Technical Services area.	
6.5	<b>The Sub-Group supported the plan as presented.</b> Internal Audit Plan 2006/08 to 5 April 2006 meeting.	MW
7.	<b>Review of Risk Registers</b>	
7.1	No significant changes to register, LAPN item now included.	
7.2	<b>Compliance with Procedures</b> – Report on learning from Lambeth to 5 April 2006 meeting.	MW
7.3	<b>Office Moves</b> – to return to Red item due to Call Centre moves being deferred to end of April 2006.	MW
7.4	<b>Delivery of Capital Programme</b> – moved to amber from red.	
7.5	DS expressed disappointing so few improvements made.	

ITEM	TITLE	ACTION
8.	<b>New Business Strategy</b>	
8.1	Referred back to group from 8 March 2006 meeting, report agreed.	
9.	<b>External Auditors Project Plan</b>	
9.1	RSM Robson Rhodes on site this week, no issues so far to report.	
9.2	MW meeting with Judith Newton on 13 March 2006 for feedback on audit.	
9.3	Draft accounts tabled for 7 June 2006 meeting.	<b>MW</b>
10.	<b>Confidential Item</b>	
11.	<b>Agenda Planning</b>	
11.1	<b>Value for Money &amp; Efficiency – forward look (5 April 2006)</b> - MW report to include what efficiencies BHL can make - for discussion at meeting.	<b>MW</b>
12.	<b>Date of Next Meeting</b>	
12.1	Wednesday 5 April 2006, 3pm, 10 <sup>th</sup> Floor Meeting Room, Barnet House.	<b>ALL</b>

**Title: Budget Monitoring**

**1. Statement of Purpose**

- 1.1 Regular financial reporting is key to the sound financial management of Barnet Homes Limited and in supporting the company in achieving its business objectives.

**2. Summary**

- 2.1 The report sets out the detailed budgetary position for the Company as at the end of January 2006, and projects the end-year position. At this point a net under-spend of £59,162 is projected assuming that most of the contingency is utilised. This is a slight improvement on the previous month.
- 2.2 We also attach the draft balance sheet at 31 January 2006 for your consideration.

**3. Recommendations**

- 3.1 That the Sub-Group consider and note the report.

**4. Financial & Risk Management Issues**

- 4.1 See body of report.

**5. Resident Consultation and Equalities Issues**

- 5.1 None in context of this report.

**6. Background Information**

- 6.1 Attached as Appendix 1 are the revenue budget monitoring reports for Barnet Homes at the end of January 2006. Data migration from LAFIS to the new SAP system has not yet been implemented for the Balance Sheet items. Validation of the previous data migration is continuing with errors now being corrected in-house.

- 6.2 Service Level Agreements. There has been some improvement and five agreements have now been signed off for 2005/06:-  
Environment, Legal, HR, Accommodation and Building Cleaning.

Those still awaiting agreement and signing off are:-  
ICT, Finance, Transport, Facilities Management and Customer Care.  
We will update the meeting orally on any further progress.

- 6.3 Chief Executive and Financial Services

There are no major issues here.

- 6.4 Housing Services

In the operational area the forecast overspend has been reduced by reining in expenditure on Tree Works and the Elderly Gardening scheme. Rubbish collection has continued to be controlled.

6.5 Corporate Services

There has been no significant change since we reported last month. The main area of concern is uncertainty around invoicing for IT hardware purchased via the Council.

6.6 Technical Services

There has been no significant change since we reported last month.

6.7 DLO

The position with regards to the DLO continues to give concern and a trading loss is being forecast. Steps have been taken to reduce overheads and increase income to close the gap and progress has been made.

6.8 Repairs and Maintenance

Attached as Appendix 2 is a summary of the position at the end of January. The repairs budget is fully considered at the Procurement Sub Group and is provided for information only.

6.9 Employee Statistics

As at end of January the number of staff employed was as follows:-

Head of Service	No Of Permanent Staff in Post	No of Full-time posts FTE	No of Vacancies	No of Agency & Temporary Staff
Chief Executive	14	15	1	0
Head of Financial Services	13	15	2	1
Head of Housing Services	198	221	23	15
Head of Technical Services	62	76	14	7
Head of Corporate Services	15	25	10	6
<b>Total</b>	<b>302</b>	<b>352</b>	<b>50</b>	<b>29</b>
<b>DLO</b>	<b>60.5</b>	<b>64.5</b>	<b>4</b>	<b>12</b>

6.10 At Appendix 3 we attach a draft balance sheet and notes band on the position at 31 January 2006. The figures as at 31 March 2005 are included for comparative purposes. No account has been taken at this stage of FRS17, the requirement for reporting and inclusion of the pension fund position.

**Author: Paul Cleveland/Gary Pliskin**  
**Date: 1 March 2006**

*FINANCIAL SERVICES*

Management and Operational Costs

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	543,720	459,715	333,321	453,100	6,615	85%	551,658	7,938
Office Accommodation	395,180	329,317	0	329,317	0	83%	395,180	0
IT & Communications	0	11,879	0	0	11,879	#DIV/0!	14,255	14,255
Other Supplies and Services	0	1,180	4,376	0	1,180	#DIV/0!	1,415	1,415
Start up Costs	0	0	0	0	0	0%	0	0
Support and Professional Services	892,120	745,793	164,367	743,433	2,360	84%	894,952	2,832
<b>Sub Total Management costs</b>	<b>1,831,020</b>	<b>1,547,884</b>	<b>502,064</b>	<b>1,525,850</b>	<b>22,034</b>	<b>85%</b>	<b>1,857,461</b>	<b>26,441</b>
<b>Operational Costs</b>	<b>330,840</b>	<b>287,448</b>	<b>239,427</b>	<b>275,700</b>	<b>11,748</b>	<b>87%</b>	<b>344,938</b>	<b>14,098</b>
<b>Total Management and Operational Costs</b>	<b>2,161,860</b>	<b>1,835,332</b>	<b>741,491</b>	<b>1,801,550</b>	<b>33,782</b>	<b>85%</b>	<b>2,202,398</b>	<b>40,538</b>

*CHIEF EXECUTIVE OFFICE*

Management and Operational Costs

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	592,860	507,027	502,634	494,050	12,977	86%	608,432	15,572
Office Accommodation	0	0	459,316	0	0	#DIV/0!	0	0
IT & Communications	33,170	20,500	276,923	27,642	(7,142)	62%	24,600	(8,570)
Other Supplies and Services	98,520	57,720	186,270	82,100	(24,380)	59%	69,265	(29,255)
Start up Costs	0	0	235,350	0	0	0%	0	0
Support and Professional Services	67,220	61,750	246,860	56,017	5,734	92%	74,100	6,880
<b>Sub Total Management costs</b>	<b>791,770</b>	<b>646,997</b>	<b>1,907,353</b>	<b>659,808</b>	<b>(12,811)</b>	<b>82%</b>	<b>776,397</b>	<b>(15,373)</b>
<b>Operational Costs</b>	<b>122,110</b>	<b>129,283</b>	<b>91,088</b>	<b>101,758</b>	<b>27,524</b>	<b>106%</b>	<b>155,139</b>	<b>33,029</b>
<b>Total Management and Operational Costs</b>	<b>913,880</b>	<b>776,280</b>	<b>1,998,441</b>	<b>761,567</b>	<b>14,713</b>	<b>85%</b>	<b>931,536</b>	<b>17,656</b>

*CORPORATE SERVICES*

Management and Operational Costs

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	1,050,630	915,877	457,729	875,525	40,352	87%	1,099,053	48,423
Office Accommodation	0	0	0	0	0	#DIV/0!	0	0
IT & Communications	319,940	268,973	71,796	266,617	2,356	84%	322,768	2,828
Other Supplies and Services	226,390	121,011	81,143	188,658	(67,647)	53%	145,213	(81,177)
Start up Costs	0	0	0	0	0	0%	0	0
Support and Professional Services	102,170	90,929	46,807	85,142	5,788	89%	109,115	6,945
<b>Sub Total Management costs</b>	<b>1,699,130</b>	<b>1,396,791</b>	<b>657,475</b>	<b>1,415,942</b>	<b>(19,151)</b>	<b>82%</b>	<b>1,676,149</b>	<b>(22,981)</b>
<b>Operational Costs</b>	<b>0</b>	<b>(9,052)</b>	<b>7</b>	<b>0</b>	<b>(9,052)</b>	<b>#DIV/0!</b>	<b>(10,863)</b>	<b>(10,863)</b>
<b>Total Management and Operational Costs</b>	<b>1,699,130</b>	<b>1,387,738</b>	<b>657,482</b>	<b>1,415,942</b>	<b>(28,203)</b>	<b>82%</b>	<b>1,665,286</b>	<b>(33,844)</b>

**BARNET HOMES LIMITED**  
**BUDGET MONITORING**  
 Period: 10  
 Ending: 31/01/2006

Appendix 1

**HOUSING SERVICES**

**Management and Operational Costs**

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	6,250,280	5,292,316	4,679,997	5,208,567	83,750	85%	6,350,780	100,500
Office Accommodation	0	0	0	0	0	#DIV/0!	0	0
IT & Communications	50,600	44,161	6,101	42,167	1,994	87%	52,993	2,393
Other Supplies and Services	89,740	55,312	161,747	74,783	(19,472)	62%	66,374	(23,366)
Start up Costs	0	0	0	0	0	0%	0	0
Support and Professional Services	33,030	26,437	194,649	27,525	(1,088)	80%	31,725	(1,305)
<b>Sub Total Management costs</b>	<b>6,423,650</b>	<b>5,418,227</b>	<b>5,042,494</b>	<b>5,353,042</b>	<b>65,185</b>	<b>84%</b>	<b>6,501,872</b>	<b>78,222</b>
<b>Operational Costs</b>	<b>2,319,790</b>	<b>1,920,107</b>	<b>1,611,951</b>	<b>1,933,158</b>	<b>(13,051)</b>	<b>83%</b>	<b>2,304,129</b>	<b>(15,661)</b>
<b>Total Management and Operational Costs</b>	<b>8,743,440</b>	<b>7,338,334</b>	<b>6,654,445</b>	<b>7,286,200</b>	<b>52,134</b>	<b>84%</b>	<b>8,806,001</b>	<b>62,561</b>

*TECHNICAL SERVICES*

Management and Operational Costs

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	2,666,310	2,211,783	1,964,408	2,221,925	(16,791)	83%	2,646,213	(20,097)
Office Accommodation	0	27	0	0	27	#DIV/0!	32	32
IT & Communications	0	15,662	10,164	0	5,232	#DIV/0!	6,278	6,278
Other Supplies and Services	5,000	25,808	44,192	4,167	2,395	516%	7,879	2,879
Start up Costs	0	0	0	0	0	0%	0	0
Support and Professional Services	50,000	17,254	0	41,667	745	35%	50,894	894
<b>Sub Total Management costs</b>	<b>2,721,310</b>	<b>2,270,534</b>	<b>2,018,764</b>	<b>2,267,758</b>	<b>(8,393)</b>	<b>83%</b>	<b>2,711,295</b>	<b>(10,015)</b>
<b>Operational Costs</b>	<b>290,492</b>	<b>275,717</b>	<b>131,128</b>	<b>218,150</b>	<b>33,397</b>	<b>95%</b>	<b>334,133</b>	<b>43,641</b>
<b>Total Management and Operational Costs</b>	<b>3,011,802</b>	<b>2,546,251</b>	<b>2,149,892</b>	<b>2,485,908</b>	<b>25,004</b>	<b>85%</b>	<b>3,045,428</b>	<b>33,626</b>

*TOTAL COMPANY*

Management and Operational Costs

	Original Budget £	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
Employee Expenses	11,065,520	11,103,800	9,386,719	7,938,089	9,253,167	126,902	85%	11,256,135	152,335
Office Accommodation	395,180	395,180	329,344	459,316	329,317	27	83%	395,212	32
IT & Communications	729,800	403,710	361,175	364,984	336,425	14,320	89%	420,894	17,184
Other Supplies and Services	399,050	419,650	261,031	477,728	349,708	(107,924)	62%	290,146	(129,504)
Start up Costs	0	0	0	235,350	0	0	0%	0	0
Support and Professional Services	770,850	1,144,540	942,165	652,683	953,783	13,539	82%	1,160,786	16,246
<b>Sub Total Management costs</b>	<b>13,360,400</b>	<b>13,466,880</b>	<b>11,280,433</b>	<b>10,128,150</b>	<b>11,222,400</b>	<b>46,864</b>	<b>84%</b>	<b>13,523,174</b>	<b>56,294</b>
<b>Operational Costs</b>	<b>3,311,180</b>	<b>3,063,232</b>	<b>2,603,503</b>	<b>2,073,601</b>	<b>2,528,767</b>	<b>50,566</b>	<b>85%</b>	<b>3,127,476</b>	<b>64,244</b>
<b>Total Management and Operational Costs</b>	<b>16,671,580</b>	<b>16,530,112</b>	<b>13,883,936</b>	<b>12,201,751</b>	<b>13,751,167</b>	<b>97,430</b>	<b>84%</b>	<b>16,650,650</b>	<b>120,538</b>

## BARNET HOMES LIMITED

## BUDGET MONITORING 2004/05

Period Ending 10  
31/01/2006

## INCOME AND EXPENDITURE

	Original Budget £	Full Year Budget £	Actual YTD £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
<b>INCOME</b>								
<i>LBB Fees and Allowances</i>								
General Management Fee	12,322,893	12,369,440	10,307,867	10,307,867	0	83%	12,369,440	0
Provision of Estate and Warden Services	4,912,540	4,912,540	4,093,783	4,093,783	0	83%	4,912,540	0
Repairs and Maintenance Allowance	8,468,000	8,468,000	7,329,683	7,056,667	273,016	87%	8,867,619	399,619
<b>TOTAL INCOME</b>	<b>25,703,433</b>	<b>25,749,980</b>	<b>21,731,333</b>	<b>21,458,317</b>	<b>273,016</b>	<b>84%</b>	<b>26,149,599</b>	<b>399,619</b>
<b>EXPENDITURE</b>								
Management Costs	13,313,853	13,466,880	11,280,433	11,222,400	58,033	84%	13,523,174	56,294
Operational Costs	3,311,180	3,063,232	2,603,503	2,552,693	50,809	85%	3,127,476	64,244
Repairs and Maintenance	8,468,000	8,468,000	7,329,683	7,056,667	273,016	87%	8,867,619	399,619
Contingency	610,400	479,700	250,000	399,750	(149,750)	52%	300,000	(179,700)
<b>TOTAL EXPENDITURE</b>	<b>25,703,433</b>	<b>25,477,812</b>	<b>21,463,619</b>	<b>21,231,510</b>	<b>232,109</b>	<b>84%</b>	<b>25,818,269</b>	<b>340,457</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>0</b>	<b>272,168</b>	<b>267,714</b>	<b>226,807</b>	<b>40,908</b>	<b>1</b>	<b>331,330</b>	<b>59,162</b>

TOTAL COMPANY

Management and Operational Costs

	Revised Budget £	Actual YTD £	Actual 2004/5 £	Profiled YTD £	Variance YTD £	Spend of Full Year %	Full Year Estimate £	Full Year Variance £
115994 BH Rent Serv Accom	265,690	221,408	N/A	221,408	0	83%	265,690	0
210000 Bldg Reps & Maint	257,470	229,638	N/A	193,975	35,663	89%	301,610	44,140
212990 Vandalism Repairs	29,980	14,666	N/A	24,983	-10,317	49%	17,600	-12,380
212991 CCTV Cameras	54,070	45,058	N/A	45,058	0	83%	54,070	0
212992 Environmental Works	50,000	14,607	N/A	41,667	-27,060	29%	17,528	-32,472
213000 Gas	115,919	95,861	N/A	95,842	19	83%	115,945	26
213010 Electricity	416,330	350,335	N/A	345,750	4,585	84%	422,435	6,105
213020 Other Energy	0	0	N/A	0	0	#DIV/0!	0	0
214000 Rents	58,860	51,667	N/A	49,050	2,617	88%	62,000	3,140
215000 Rates	42,754	44,307	N/A	35,533	8,774	104%	54,553	11,799
216000 Water Services	11,634	56,231	N/A	9,175	47,056	483%	68,600	56,966
217000 Fixtures & Fittings	240	0	N/A	200	-200	0%	0	-240
219000 Clean & Dom Mats	29,640	8,410	N/A	24,700	-16,290	28%	10,092	-19,548
219010 Contract Cleaning	84,191	69,508	N/A	69,508	0	83%	84,191	0
219020 Rubbish Collection	215,800	217,656	N/A	179,833	37,823	101%	261,187	45,387
219991 BH Window Cleaning	24,860	17,287	N/A	20,717	-3,429	70%	20,745	-4,115
219992 BH Rodent Control	91,150	86,758	N/A	75,958	10,799	95%	104,109	12,959
219993 BH Bin Chute Clean	8,800	3,109	N/A	7,333	-4,224	35%	3,731	-5,069
220000 Grounds maintenance	461,123	384,075	N/A	384,250	-175	83%	460,890	-233
220990 BH Grnds Maint Cyc	0	0	N/A	0	0	#DIV/0!	0	0
220991 BH Gardens	76,190	38,769	N/A	63,492	-24,723	51%	46,522	-29,668
220993 BH Tree works	85,350	58,420	N/A	71,125	-12,705	68%	70,104	-15,246
221000 Insurance-Premises	23,560	18,650	N/A	19,633	-983	79%	22,380	-1,180
221990 BH Other Prop Costs	30,090	2,308	N/A	25,075	-22,767	8%	2,770	-27,320
311010 Vehicle Run Costs	0	0	N/A	0	0	#DIV/0!	0	0
311991 Barnet Homes Fuel	15,000	3,083	N/A	12,500	-9,417	21%	3,699	-11,301
311992 BH Accid Dam	0	0	N/A	0	0	#DIV/0!	0	0
315000 Hire Charges	52,050	45,812	N/A	43,375	2,437	88%	54,974	2,924
321991 BH Recharge of Tran	0	0	N/A	0	0	#DIV/0!	0	0
410001 Equip-Mats-Rep	0	0	N/A	0	0	#DIV/0!	0	0
410010 Furn-Purc-Rep	0	8,156	N/A	0	8,156	#DIV/0!	9,788	9,788
410990 BH Equip Hire	820	31	N/A	683	-652	4%	37	-783
410991 BH Cent Ala fees	0	3,905	N/A	0	3,905	#DIV/0!	4,686	4,686
420000 Legal & Crt Fees	0	2,789	N/A	0	2,789	#DIV/0!	3,346	3,346
420030 Bank Charges	3,000	2,500	N/A	2,500	0	83%	3,000	0
420990 BH Court Fees - Ten	64,170	53,475	N/A	53,475	0	83%	64,170	0
420992 BH Ins	219,540	182,950	N/A	182,950	0	83%	219,540	0
420993 BH Ext Aud Fee	0	-8,159	N/A	0	-8,159	#DIV/0!	-9,791	-9,791
422600 Telephones Calls	0	1,469	N/A	0	1,469	#DIV/0!	1,763	1,763
422610 Telephone Rentals	0	6,455	N/A	0	6,455	#DIV/0!	7,747	7,747
422991 BH Tel- Fixed Lines	50,350	55,117	N/A	41,850	13,267	109%	66,140	15,790
422992 BH Tel - Alarms	16,820	5,404	N/A	14,017	-8,613	32%	6,485	-10,335
423010 Conference Expenses	0	4,133	N/A	0	4,133	#DIV/0!	4,959	4,959
424990 BH Resid Part Init	122,110	113,956	N/A	101,758	12,198	93%	136,748	14,638
424991 BH Ten Rew	10,000	8,964	N/A	8,333	631	90%	10,757	757
424992 BH Nuis Pol	25,670	17,518	N/A	21,392	-3,873	68%	21,022	-4,648
424993 BH Ten Rem Exp	0	8,041	N/A	0	8,041	#DIV/0!	9,649	9,649
424994 BH Ex Gratia Pay Te	50,000	35,017	N/A	41,667	-6,650	70%	42,020	-7,980
424995 BH Home Loss Dist	0	0	N/A	0	0	#DIV/0!	0	0
427000 Misc Exes	0	-13	N/A	0	-13	#DIV/0!	-16	-16
	3,063,232	2,579,333	0	2,528,767	50,566	84%	3,127,476	64,244

Operations: 0 0 0 3,063,232 0 2,603,503 0 2,073,601 0 2,528,767 0 50,566 0 85% 0 3,127,476 0 64,244

**BARNET HOMES REPAIRS BUDGET 2005/6****MONTHLY MONITORING****MONTH 10**

	Original Budget	Revised Budget	Paid	Committed	Total	Expected	Variance To Date	% Paid To Date	Percentage of Expected
<b>RESPONSIVE REPAIRS</b>									
TOTAL	£3,050,000	£3,380,000	£2,962,362	£346,365	£3,308,727	£2,816,667	£492,060	88%	39.91%
<b>VOIDS REPAIRS</b>									
TOTAL	£1,180,000	£1,180,000	£1,299,783	£169,996	£1,469,779	£983,333	£486,446	110%	13.93%
Voids Recharges	£0	£0		£0	£0	£0	£0		0.00%
<b>CYCLICAL REPAIRS</b>									
TOTAL	£2,763,000	£2,433,000	£1,906,362	£168,887	£2,075,249	£2,027,500	£47,749	78%	28.73%
<b>PLANNED REPAIRS</b>									
TOTAL	£1,475,000	£1,475,000	£1,161,176	£109,456	£1,270,632	£1,229,167	£41,465	79%	17.42%
<b>TOTAL REPAIRS FUND (SAFFRON)</b>	£8,468,000	£8,468,000	£7,329,683	£794,704	£8,124,387	£7,056,667	£1,067,720	87%	100.00%
<b>SAP Actuals</b>									

Forecast Repairs Fund Spend

**£8,867,619**

Please note change in reporting Paid amount. Previous figures showed the payments on orders raised since 01/04/05  
To bring reporting in line with Capital we are now reporting Payments made in year with no allowance for accruals

**BARNET HOMES LTD**  
**BALANCE SHEET**  
**AS AT 31 JANUARY 2006**

**APPENDIX 3**

	Note	At 31 Jan 06 £	At 31 Jan 06 £	At 31 Jan 06 £	At 31 Mar 05 £	Movement £
<b>Fixed assets</b>						
Plant, Furniture & Fittings			154,449			
Computer Equipment			<u>47,628</u>			
	1			202,077	246,187	(44,110)
<b>Current assets</b>						
Trade debtors TP	2		82,213		99,554	(17,341)
Trade debtor LBB (unpaid invoices sent to LBB)	3		1,036,618		2,412,300	(1,375,682)
Inter-company and prepayments	8				1,274,278	(1,274,278)
Cash & imprest a/c's		3,674				
Bank Current a/c		(505,772)				
Bank Deposit a/c		<u>10,002,796</u>				
Net cash at bank and in hand	4		9,500,698		1,566,184	7,934,514
			<u>                    </u>	10,619,529	<u>5,352,316</u>	<u>5,267,213</u>
<b>Current liabilities</b>						
Trade creditors	5		(850,368)		(47,831)	(802,537)
Payroll creditors	6		(1,785,559)			(1,785,559)
VAT	7		(505,181)		(1,002,720)	497,539
Other net liabilities (made up of inter-co, accruals & misc)	8		(6,868,916)		(3,985,284)	(2,883,632)
			<u>                    </u>	(10,010,024)	<u>(5,035,835)</u>	<u>(4,974,189)</u>
Net current assets/ (liabilities)				<u>609,505</u>	<u>316,481</u>	<u>293,024</u>
<b>Long-term liabilities</b>						
Loan repayable to parent undertaking				(500,000)	(500,000)	0
Provisions for liabilities					(18,800)	18,800
				<u>311,582</u>	<u>43,868</u>	<u>267,714</u>
<b>Capital and Reserves</b>						
Profit and Loss Account				<u>311,582</u>	<u>43,868</u>	<u>267,714</u>

## NOTES TO THE BALANCE SHEET

### Note 1 - Fixed Assets

Based on manual fixed asset workings.

	Plant, Furniture & Fixtures £	Computer Equipment £	Total £
Net book value at 1 April 2005	180,240	65,947	246,187
Additions	14,249	0	14,249
Disposals	(10,000)	0	(10,000)
Depreciation	(30,040)	(18,319)	(48,359)
Net book value at 31 January 2006	<u>154,449</u>	<u>47,628</u>	<u>202,077</u>

### Note 2 - Trade debtors TP

Based on LAFIS outstanding balance as at 31 July 05 and manual sales day book analysis from 1 Aug 05.

### Note 3 - Trade debtor LBB (unpaid invoices sent to LBB)

Based on manual sales day book analysis.

### Note 4 - Cash at bank and in hand

Based on manual cash book workings. The functionality has now been made available so that we can start reconciling the bank on SAP, but there is obviously a large backlog of work to clear before we can produce a cash balance from SAP. The balance has increased, mainly because Barnet Homes has not paid for most of it's SLA's yet. Also, there is a backlog of payments due to payroll creditors as a result of SAP problems relating to LBB's payroll service, which has increased our cash balance.

### Note 5 - Trade creditors

From SAP - aged analysis not available due to a technical problem with SAP.

### Note 6 - Payroll creditors

Based on manual workings on figures from SAP. The comparative payroll creditor figure is not available in LAFIS. A large number of these creditors were cleared in February and the intention is to clear all "over-due" creditors by the end of March.

### Note 7 - VAT

Calculated using SAP's purchase tax movement and manual sales day book tax movement in Dec 05 and Jan 06.

### Note 8 - Inter-company debtor/ creditor

This is a balancing figure. It has not actually been calculated. The backlog of transactions on the bank account need to be posted and the bank fully reconciled before this figure can be calculated automatically from SAP. The other issue is that the SLA's need to be agreed and finalised before a true inter-company debt position can be established. The inter-company balance will also need to be agreed and fully reconciled with LBB.

**Title: Budget and Business Plan 2006/11**

**1. Statement of Purpose**

- 1.1 Forward financial and business planning are essential in meeting the business aims of the Company and the Council. Budgets must be set realistically and match those aims.

**2. Summary**

- 2.1 The draft Business Plan for 2006/11 is presented for your comments and approval, along with the budget 2006/7. The Council's Housing Revenue Account budget (HRA) for 2006/7 and HRA Forward Plan, which are due to be agreed by the Council on 7 March are also set out.

**3. Recommendations**

- 3.1 That the Sub-Group consider the draft Budget and Business Plan for 2006/11 and agree its submission to the Board on 20 March 2006.
- 3.2 That the Housing Revenue Account Budget and Forward Plan be noted.
- 3.3 That the detailed Barnet Homes budgets be presented to the April meeting of the Sub-Group.

**4. Financial and Risk Management Issues**

- 4.1 Covered within the report.

**5. Resident Consultation and Equalities Issues**

- 5.1 Residents have been consulted throughout the budget process and their views have been taken into account in drawing up the business plan.

**6. Background Information**

- 6.1 The timetable that has been followed for the business plan this year is set out below:

Action	Date
Board meeting – budget pressures & priorities, headline findings of face to face surveys	19/12/2005
Board - headline budget & priorities, findings of face to face surveys, key changes to the plan, agreed proposed new roles of the Partnership Panels/tenant compact action plan	16/1/2006
BHCP - consultation on headline budget & priorities, changes to the business plan	19/1/2006

Delivery plan meeting with LBB - progress on 05/06 plan, key changes to the business plan 06/07	10/2/2006
Tackling Crime & Housing Scrutiny & Overview Committee - report on key changes to the business plan	23/2/2006
Joint meeting of Heads of Service to draft operational plan summary	27/2/2006
Internal "critical challenge" of Heads of Service operational plan headlines	28/2/2006
Amendments to the draft business plan agreed with LBB Head of Housing	Mid March
Business Sub Group - draft final budget & business plan inc operational plan summary	8/3/2006
Board - Final budget & business plan sign off	20/3/2006

## 6.2 Business Plan 2006/11

6.2.1 The Board on 16<sup>th</sup> January 2006 agreed the following key changes to the Plan:

- Emphasis on the five priorities discussed at the Board meeting on 19<sup>th</sup> December 2005 – IT, efficiency, customer care, preparing for inspection and governance
- A strengthened section on working in partnership with the council to meet its housing strategy objectives, corporate plan objectives, and the importance of the Comprehensive Performance Assessment to both parties
- A strengthened section on the impact of our business plan – to replace the section on achievements. There would be a page on the impact of each business aim with a case study which we would use as a stand alone document
- A new section on the key milestones in preparing for the next inspection which were agreed by the Board on 19<sup>th</sup> December 2005

6.2.2 Consultation on the budget process sought views on the use of resources, on efficiencies and on proposed service developments. The Barnet Housing Consultative Panel (BHCP) generally supported the proposals. They made two specific requests to the Board:

- Additional resources for work with young people, a high priority for residents  
*Response:*
  - *The operational plan summary includes:*
  - *Sustainable communities projects aimed at young people including externally funded youth workers - at the Grange, and a bid for youth workers at Stonegrove*

- *Area Partnership Panels to develop area based customer involvement and sustainable communities projects which can target younger people – residents will prioritise a small budget to support this*
  - *Developing a strategy for employing young people*
  - *Develop young people apprenticeship schemes with partners*
  - For resources to be made available for the establishment of a Resource Centre
- Response*
- The Business Sub Group will receive a report on the setting up of a Resource Centre/Community Development Trust in May 06. This will contain a proposal to second on a part time basis a member of the Resident Participation team to work up these proposals further. £1,000 will also be allocated from the Resident Participation budget for pump priming funding.

6.2.3 Feedback from staff confirmed the approach for investing in front line priorities. The feedback also identified the need for an annual provision for face to face surveys and that there was room for improvement in dealing with complaints. There was a desire to invest in IT and deliver efficiencies.

6.2.4 The Tackling Crime and Housing Overview & Scrutiny Committee were supportive of the Business Plan proposals.

6.2.5 The draft Business Plan is attached as Appendix 1 to this report. At the time of writing comments on the draft Business Plan have not been received from the Head of Housing for Barnet Council and these will be verbally reported to the Sub Group and the Board. There are also sections that remain to be finalised, but it is presented in its present form for your consideration and comment.

### 6.3 Budget 2006/7

6.3.1 The Barnet Homes' management fee from the Council for 2006/7 will increase by 3% from that in 2005/6, in line with our initial agreement. However, as has been previously reported to Directors the subsidy settlement received by the Council for 2006/7 was poor and will lead to significant pressure on the HRA in 2007/8 onwards which will inevitably impact on Barnet Homes.

6.3.2 At the time of writing this report there remain outstanding issues in relation to our Service Level Agreements (SLA) with the Council, meaning that final figures can still not be provided. Adjustments to the fee remain to be made as a result and you will note in the HRA budget at Appendix 2 that provision has been made for additional support service costs in the 2006/7 budget.

6.3.3 As such the detailed operational budget has not been finalised and this will be presented to the next meeting of the Sub-Group for approval.

- 6.3.4 Provisional overall figures for 2006/7 are included in Section 9 of the Business Plan. Amounts are also shown for the following four years which take account of reductions that will be necessary as a result of the falling number of dwellings managed through the Council's regeneration projects getting underway. The HRA Forward Plan at Appendix 3 indicates that efficiencies will need to be made to bring the HRA closer to a balanced annual position – Barnet Homes' expenditure makes up around 89% of the total HRA so many of these efficiencies will fall on to Barnet Homes.
- 6.3.5 In compiling the budget we have taken account of the priorities of the BHCP and the Board, and Heads of Service have been identifying efficiency gains to enable monies for development to be provided. Fuller detail will be provided in the operational budgets at the next meeting, along with the proposed value for money review programme. Some 65% of our budget relates to employee costs and efficiency proposals will inevitably affect staffing levels.
- 6.3.6 The Repairs and Maintenance budget receives a 2.5% increase to around £8.67 million. This is below the level of inflation faced in the industry, with indices typically showing increases at present around the 6% mark. Thus, even though the number of dwellings has reduced this is a real reduction in the budget level requiring efficiencies to be made. The major piece of work in this area in 2006/7 will be in procuring new partners for the service from April 2007 when our existing arrangements have expired.

#### 6.4 Capital Programme

- 6.4.1 The capital programme for 2006/7 to 2010/11 and its proposed funding are set out in Section 9 and Appendix B of the Business Plan.
- 6.4.2 There are a number of factors that should be noted. The Office of the Deputy Prime Minister (ODPM) announced the allocations of ALMO funding for 2006/7 and 2007/8, and as had been widely anticipated, these showed a 2% reduction for efficiency gains, reducing Barnet's allocation by some £605,800. No allowance was made for any variations in dwelling numbers, and the figures take no account of real building cost inflation.
- 6.4.3 Major Repairs Allowance (MRA) funding was also reduced by 1.4% per dwelling and £173,000 in total. The original submission for ALMO funding assumed the deferral of use of some MRA to meet component failures anticipated after 2011, so the shorter term funding reduction can be covered.
- 6.4.4 Thirdly on funding there has been a sharp shortfall in the numbers of right to buy sales, leading to a fall in the amount of capital receipts available to support the programme from around £12.9 million to £9.3 million.
- 6.4.5 There are also pressures on costs. Inflation in the building industry continues to rise well above normal price inflation and is expected to continue to do so. Further, works that have been found to be required have been in excess of

that in the stock condition survey that formed the basis of the original bid submission to ODPM.

6.4.6 Significant pressures have emerged in the adaptations budget and we are presently in discussion with the Council as to how this can be addressed.

6.4.7 The first packages of work under the partnering arrangements have now been completed, and detailed analysis of this is being undertaken to understand the various factors at play and the lessons that can be taken forward into later packages and in assessing budgetary requirements. Further through the London ALMO Procurement Network (LAPN) we are working with consultants to develop open book arrangements with our partners and to drive efficiencies out of the packages.

## 6.5 Housing Revenue Account

6.5.1 The Council will consider the proposed HRA budget for 2006/7 and Forward Plan at its meeting on 7 March 2006. The summaries of both are attached as Appendix 2 and Appendix 3 respectively to this report. The following is extracted from the Council's report.

6.5.2 Rent Restructuring - Government introduced rent restructuring and convergence for local authority and registered social landlords (RSLs) over a 10-year period starting April 2002. All rents would be calculated on the same basis, with 70% based on average earnings for the region (adjusted for numbers of bedrooms) and 30% based on the valuation as at January 1999.

6.5.3 The Government undertook consultation during the summer of 2005 on the three-year review of rent restructuring. The proposals therein were not introduced for 2005/6 but are to be implemented for 2006/7. They involve a recalculation of the base formula rents in line with those used for housing association properties, together with higher weightings for those properties with three or more bedrooms. The result is that rent increases for tenants will be higher than under the previous formula.

6.5.4 Rents will still move towards a target figure for each property. Following the formula, rents in Barnet would increase by an average of 5.56% in 2006/7 – however the Government has capped the average increase at 5%. It has promised that local authorities will be compensated in full for this, although full details as to how are still awaited. The increase to any individual property is limited to inflation (deemed to be 2.7%) plus 0.5% plus £2 per week (on a 52 week basis). The average rent for 2006/7 will therefore be £70.91 on a 52 week basis, or £76.82 on a 48 week basis.

6.5.5 Housing Subsidy – The trend of shifting resources away from London has been continued in this year's subsidy settlement. For Barnet the management allowance has been set at £634.72 (an increase of 6.1%) while the maintenance allowance is set at £1,099.30 per dwelling (an increase of

7.6%). The above inflation increases are meant to offset the effect of subsidy withdrawn through the guideline rent – as a result of the changes to the rent restructuring calculations described above this has risen by 8.1%. The net result is that Barnet suffers a loss of £1.5 million on these elements, before the effect of the compensation referred to above is considered.

6.5.6 The Major Repairs Allowance is also paid as part of housing subsidy. Barnet's allocation has reduced by 0.5% per dwelling to £712.22 despite the level of inflation affecting the building industry. The total for 2006/7 is £7.939 million, a reduction of £173,000 from 2005/6.

6.5.7 Service Charges - Service charges for tenants were introduced in 2003/4 for specific services (mainly caretaking), and it is proposed that these be increased in line with the overall rent increase cap of 3.2%. Charges for these services will not generally recover the full cost of their provision. The proposed weekly rates are as follows on a 48 week basis:-

Caretaking	£4.74
Caretaking Plus	£6.13
Block Lighting	£0.76
Grounds Maintenance	£0.49

6.5.8 HRA Summary & Working Balance - Total expenditure for 2006/7 is estimated at £49.118m, including payment of £8.999 million to the Government in respect of housing subsidy. The proposed average rent increase of 5% and increase in tenant service charges will raise £1.992 million before the effect of sales is taken into account.

6.5.9 Energy prices have continued to rise far in excess of inflation and it is necessary to pass these charges on in respect of space and water heating. It is proposed to increase these charges by 25%.

6.5.10 It is proposed that rents for the Council's shared ownership schemes and hostels be increased in accordance with the general rent increase. It is also recommended that rents on garages be increased by 5%.

6.5.11 2006/7 will be the third year of Barnet Homes' management of the housing stock. Further adjustments remain necessary in respect of service level agreements, both in respect of Barnet Homes and of the 'retained' HRA.

6.5.12 The HRA working balance stood at £5.8m on 31 March 2005. It is now anticipated that the HRA will break even in 2005/6 but for 2006/7 the estimates provide for a contribution from the balance of £785,000 resulting in a reduction to £5.1 million at 31 March 2007.

**Authors: Peter Headland & Mike Wiffen**  
**Date: 6 March 2006**

# Barnet Homes

## Five year business plan for 2006 –2010

Draft 7.3.2006

Improving lives, not just housing

	Contents	Page	Progress
1.	Introduction		
2.	Mission statement and business aims		
3.	Who we are – the Board and panel structure		
4.	Our impact		Case studies to be included
5.	Our customers		
6.	Our staff		Employee profile to be updated (HR)
7.	Our services		
8.	Working in partnership with the council		
9.	Financial summary – VFM, efficiency savings, resources		
10.	Operational plan summary Where we are now – where do we want to be in one year and in 5 years time		
11.	Heads of service		
	Appendices		
A	Performance indicators and targets 2006/7		
B	Major works programme		
C	Project timetable to achieve 3 stars in 2007/8		

# 1. Introduction

Barnet Homes has had a very successful first two years of operation. The Audit Commission assessed us as being a good two star service with excellent prospects for improvement.

Our business plan describes how we intend to achieve excellence over the next five years and focus our efforts on delivering our six business aims. During this period we will invest over £150 million improving our homes.

We have looked at the trends, which are likely to affect us over that period and identified the following:

- Increased emphasis on performance management
- Government requirement to achieve efficiency and value for money
- Commitment to involving residents in service development
- Loss of property through Right To Buy and regeneration proposals

Our Board has identified five key priorities to focus the company in achieving three stars:

- Information Technology
- Efficiency
- Customer Care
- Governance
- Preparing for the next inspection

## 2. Mission statement and business aims

Our mission statement is:

“To achieve excellence by delivering high quality and improving services to all residents.”

We have six business aims:

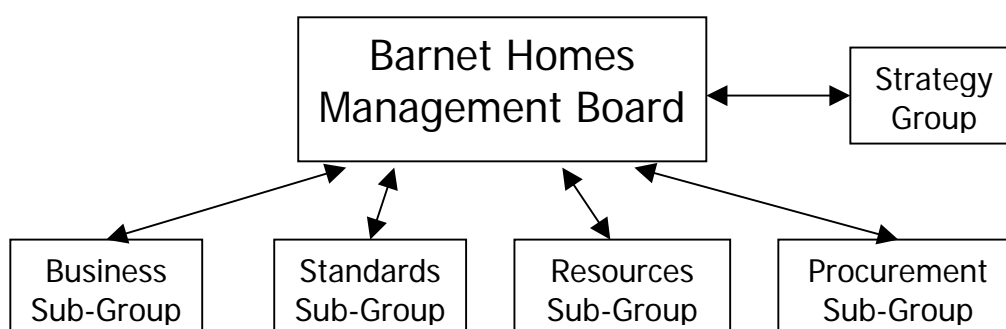
- to provide **excellent services** driven by **customer involvement**
- to bring all homes up to **decent homes plus** standard by 2010
- to provide services that meet the needs of all our **diverse & vulnerable** customers
- to develop **safe** sustainable & cohesive **communities** through partnership
- to develop a highly skilled, motivated and satisfied **workforce**, which is reflected in high quality services to residents, and
- to develop **new business** areas for Barnet Homes.

### 3. Who we are – the Board and panel structure

Our board has 15 directors – five residents (four tenants and one leaseholder), five council nominees and five independent people.

The Board reviewed its sub-committee structure in 2005 to ensure that the company is well-equipped to meet the major challenges that lie ahead. These are:

- delivery and management of the Decent Homes plus programme
- the need to develop value for money, procurement and the efficiency agenda
- the need to drive business growth for the company, and
- the need to ensure our staff are skilled to deliver the business.



Each Sub Group takes a lead on a business aim

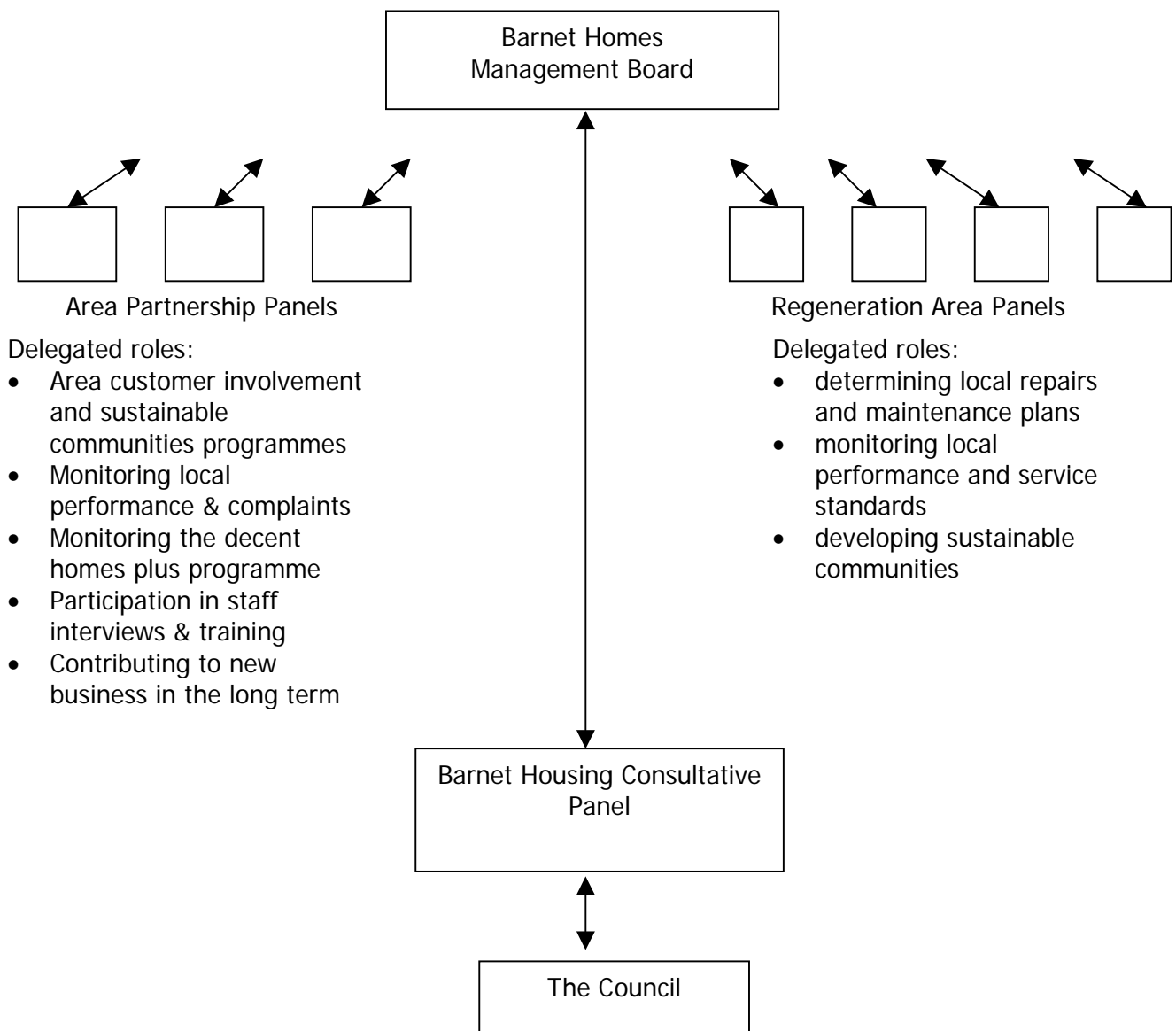
Sub Group	Business Aim	Other main roles
Business	New Business	Business planning, budgets, IT, value for money, risk management
Standards	Excellent services/customer involvement Safe, sustainable communities	Inspection, reviewing services, reputation
Resources	Workforce	Change management, accommodation, health & safety, publicity
Procurement	Decent homes plus	Investment, technical services procurement
All	Needs of our diverse customers	

Implementation of Barnet Homes' Equalities and Diversity policy and action plan is monitored by each sub-group for their respective area. The chairs of each sub-group also form a steering group to set the strategic direction for the Board and provide the lead on across service issues such as equalities and diversity.

Sub-groups can also co-opted members to bring additional relevant skills and experience.

The Board delegates roles to area partnership and regeneration panels as set out below. A fundamental review of the roles of the Area Partnership Panels was carried out in 2006 – the aim was to consider how the Panels can best help in delivering the six business aims of Barnet Homes. The new roles are:

<b>Role</b>	<b>Business aim</b>
<p><b>Localised working</b></p> <ul style="list-style-type: none"> <li>• Developing &amp; monitoring an area customer involvement strategy – targeting preferences for involvement</li> <li>• Developing &amp; monitoring an area sustainable communities programme</li> <li>• Responsibility for a budget to fund and pump prime involvement and sustainable communities initiatives</li> </ul>	<p>Excellent services driven by customer involvement</p> <p>Meeting the needs of our diverse customers</p> <p>Safe, sustainable communities</p>
<p><b>Performance and complaints</b></p> <ul style="list-style-type: none"> <li>• Monitoring local performance and service standards</li> <li>• Part of the Panel meetings to be open advertised sessions for tenants to raise issues (a role of “Area Housing Forums”)</li> <li>• Review outcomes of complaints in the area</li> </ul>	<p>Excellent services driven by customer involvement</p> <p>Meeting the needs of our diverse customers</p>
<p><b>Decent homes</b></p> <ul style="list-style-type: none"> <li>• Monitoring the decent homes plus programme in the area</li> </ul>	<p>Decent homes plus</p> <p>Safe, sustainable communities</p>
<p><b>Staff development</b></p> <ul style="list-style-type: none"> <li>• Participation in staff interviews (after appropriate guidance and training) and training</li> </ul>	<p>Highly skilled workforce</p>
<p><b>New business</b></p> <ul style="list-style-type: none"> <li>• Contribute to developing new business in the longer term (for example via the development of the Resource Centre/Community Development Trust)</li> </ul>	<p>Developing new business</p>



There are area partnership panels for Edgware/Hendon, Finchley and Barnet.

We are also setting up mechanisms on regeneration estates (Grahame Park, West Hendon, Stonegrove/Spur Road and Dollis Valley) for residents to have a greater say on the housing management services provided by Barnet Homes. A separate steering group on each estate is responsible for working with partners on the regeneration proposals for the estate.

There are also specialist partnership panels for Sheltered Housing and leaseholders.

The Barnet Housing Consultative Panel is the main consultation forum for Barnet Homes on boroughwide operational issues and for Barnet Council on strategic housing issues.

## 4. Our impact

Please note that this section will also form a stand alone document. There will be two pages for each business aim – one on key achievements and the other with a person based case study for the business aim.

To provide **excellent services** driven by **customer involvement**

Objective	Key outcomes 2005/6
Achieve excellent services <i>performance</i>	<ul style="list-style-type: none"> <li>➤ The way we deliver our services is reflected in a high level of satisfaction from tenants - 78% of tenants are satisfied with the overall service we provide</li> <li>➤ 91% of tenants prefer to contact by phone and our Repairs and Housing Management Reporting Centres continue to have high levels of customer satisfaction</li> <li>➤ We have implemented a plan to improve the turnround time of empty properties and performance has improved (x days)</li> </ul>
Continuous improvement and value for money <i>money</i>	<ul style="list-style-type: none"> <li>➤ We have a programme of value for money and service level agreements reviews in place</li> <li>➤ <i>X%, Ex efficiencies achieved</i></li> <li>➤ We are reinvesting efficiencies into priority areas for Barnet Homes and tenants</li> <li>➤ Information technology is essential for providing excellent services – and we agreed a clear strategy for improving this, for example we replaced the leaseholder service charge system this year</li> </ul>
Customer involvement drives our service improvement <i>customer</i>	<ul style="list-style-type: none"> <li>➤ We know how residents prefer to be involved and we target these preferences for example through a programme of focus groups</li> <li>➤ Residents reviewed the role of Area Panels, refocusing them to meet preferences for involvement and the business aims of Barnet Homes</li> <li>➤ Residents are more satisfied with opportunities for involvement – this has increased by 11% in two years to 65%</li> <li>➤ We have improved the way we deal with complaints and agreed proposals with residents to increase their role in the process</li> </ul>

*Case study: to be completed (repairs & maintenance)*

To bring all homes up to **decent homes plus** standard by 2010

Objective	Key outcomes 2005/6
Achieve excellent services <i>performance</i>	<ul style="list-style-type: none"> <li>➤ Construction partners were appointed</li> <li>➤ X properties were improved under the decent homes programme</li> <li>➤ Tenant satisfaction with major works has increased to 92%</li> <li>➤ Our homes are more energy efficient (SAP rating increased to 68%)</li> </ul>
Continuous improvement and value for money <i>money</i>	<ul style="list-style-type: none"> <li>➤ We completed modern partnering arrangements for decent homes</li> <li>➤ Our capital expenditure increased to over £24million</li> <li>➤ We developed with residents the methodology for allocating money to be spent on environmental improvements</li> <li>➤ We've agreed the options and a timetable for the procurement of new repairs and maintenance contracts</li> </ul>

Customer involvement drives our service improvement <i>customer</i>	<ul style="list-style-type: none"> <li>➤ Tenants told us their number one priority was major improvements to their homes and we're making good progress on delivering decent homes</li> <li>➤ We agreed a definition of decent homes plus with residents</li> <li>➤ We appointed an Occupational Therapist to work with residents on adaptations</li> <li>➤ Individual needs of tenants are identified ahead of work through surveys</li> <li>➤ Environmental improvements are based on residents priorities identified through a programme of surveys</li> </ul>
--	---

*Case study: to be completed (Drummond House?)*

To provide services that meet the needs of all our **diverse & vulnerable** customers

Objective	Key outcomes 2005/6
Achieve excellent services <i>performance</i>	<ul style="list-style-type: none"> <li>➤ Black, minority and ethnic tenants are now much more satisfied with our services – this has increased by 11% in two years and is now approximately the same as other tenants</li> <li>➤ We set ourselves new challenging targets for collecting equalities information and are making good progress on these</li> <li>➤ We've continued to expand our translation &amp; interpreting service, and our letterhead paper now has a translation statement on the reverse</li> </ul>
Continuous improvement and value for money <i>money</i>	<ul style="list-style-type: none"> <li>➤ Our offices are accessible to disabled tenants (assuming BHouse complete March 06)</li> <li>➤ We employ a Energy Efficiency Advisor and have a fuel poverty action plan</li> <li>➤ We piloted the use of external advice services such as the CAB in the Rental Income Team</li> <li>➤ <i>Bullet point on the number and budget for adaptations</i></li> </ul>
Customer involvement drives our service improvement <i>customer</i>	<ul style="list-style-type: none"> <li>➤ We've targeted the preferences for involvement by black, minority and ethnic tenants for example through focus groups – and they are approximately as satisfied as other tenants (65%)</li> <li>➤ We funded advice and interpretation surgeries with community groups – for example the Somali Family Support Group</li> <li>➤ We held successful surgeries for disabled tenants in partnership with DabB</li> <li>➤ We've done much more this year to improve services and involve non secure tenants on regeneration estates -</li> <li>➤ We know our customers much better than before – who they are, their needs and how they feel about our services. We know much more about vulnerable tenants in particular.</li> <li>➤ Community development projects – such as a IT project for sheltered tenants funded by a £67,000 grant from the government</li> </ul>

*Case study: to be completed (Interview with Vice-Chair of the BHCP)*

To develop **safe** sustainable & cohesive **communities** through partnership

Objective	Key outcomes 2005/6
-----------	---------------------

<p>Achieve excellent services</p> <p><i>performance</i></p>	<ul style="list-style-type: none"> <li>➤ Our Nuisance Team continued to outperform on its targets for action on Anti-Social Behaviour Orders, Acceptable Behaviour Contracts and injunctions – the team were shortlisted in the Municipal Journal national awards</li> <li>➤ We have a more robust approach to tackling Domestic Violence including new procedures, leaflets and web pages</li> <li>➤ We have developed our role in strategic partnerships such as the Barnet Safer Communities Partnership, Multi-Agency Racial Harassment Group, Multi Agency Public Protection Panel</li> <li>➤ We have a range of sustainable communities projects providing diversionary activities – for example football coaching, the “ExpressIT FM radio station at Grahame Park, the Community Safety Forum at Dollis Valley and youth action plan/ bid for youth workers at Stonegrove</li> </ul>
<p>Continuous improvement and value for money</p> <p><i>money</i></p>	<ul style="list-style-type: none"> <li>➤ We applied for CharterMark quality accreditation for the Nuisance Team (awaiting outcome at the time of writing)</li> <li>➤ Our resident participation team have bought in £200,000 in external funding over the last two years for community projects for example youth workers at the Grange funded by Safer Communities</li> <li>➤ We reviewed the bulk refuse collection service and as a result (<i>insert outcomes</i>)</li> <li>➤ We reviewed the grounds maintenance service and as a result (<i>insert outcomes</i>)</li> </ul>
<p>Customer involvement drives our service improvement</p> <p><i>customer</i></p>	<ul style="list-style-type: none"> <li>➤ Tenants told us anti-social behaviour was a key issue for them and we've continued to improve our service delivery</li> <li>➤ Independent surveys of victims of harassment and serious nuisance show we are moving in the right direction increasing satisfaction levels – 57% now satisfied with the advice received</li> <li>➤ The review by residents of Area Partnership Panels includes an increased focus on delivering sustainable communities in their area</li> <li>➤ There is increased reporting of hate crime</li> </ul>

*Case study: to be completed (G.Park radio project)*

To develop a highly skilled, motivated and satisfied **workforce**, which is reflected in high quality services to residents, and

Objective	Key outcomes 2005/6
<p>Achieve excellent services</p> <p><i>performance</i></p>	<ul style="list-style-type: none"> <li>➤ 67% of our staff would recommend Barnet Homes as an employer</li> <li>➤ We have progressed a Human Resources strategy which will set out the longer staffing structure for the company</li> <li>➤ A new appraisal and competency framework has been introduced</li> <li>➤ Staff now have a much greater input into the business planning process and this cascades down into their targets (the “Golden Thread”)</li> <li>➤ We raised awareness of Health &amp; Safety (H &amp; S week, training) and obtained external funding for fire safety</li> </ul>
<p>Continuous improvement and value for</p>	<ul style="list-style-type: none"> <li>➤ We have a “People First” initiative for staff development</li> <li>➤ We have identified and invest in learning and development priorities for our staff</li> </ul>

money  <i>money</i>	<ul style="list-style-type: none"> <li>➤ <i>We were not successful in our Investors in People application but we are well on the way to achieving this– 6 out of 10 new indicators and confident of obtaining this accreditation in 06/07 – should we include?</i></li> <li>➤ We reviewed our use of agency staff and as a result (<i>insert outcomes</i>)</li> <li>➤ We achieved efficiencies by implementing the remaining office moves to Barnet House (<i>assume complete by March?</i>)</li> <li>➤ We have significantly reduced long term sickness</li> </ul>
Customer involvement drives our service improvement  <i>customer</i>	<ul style="list-style-type: none"> <li>➤ Our workforce is broadly representative of our customers and we carried out positive recruitment initiatives where it is not – for example advertising for female trade operatives</li> <li>➤ We have highlighted the overriding importance of customer care to staff – at our awayday for all staff and through a rolling programme of training</li> <li>➤ 91% of residents now find staff helpful, and 79% consider they are able to deal with their query</li> </ul>

*Case study: to be completed (interview with member of staff)*

To develop **new business** areas for Barnet Homes.

Objective	Key outcomes 2005/6
Achieve excellent services  <i>performance</i>	<ul style="list-style-type: none"> <li>➤ Barnet Homes developed a positive image in the media – this is essential for attracting new business</li> <li>➤ We now provide the emergency standby service and have achieved high levels of customer satisfaction</li> </ul>
Continuous improvement and value for money  <i>money</i>	<ul style="list-style-type: none"> <li>➤ Fresh Start Officer funded by Barnet Council</li> <li>➤ There has been a 2% increase in the take up of the LifeLine Service (120 connections)</li> <li>➤ Our Resident Participation team has been very successful in attracting external funding into Barnet Homes</li> <li>➤ We submitted a Supporting People growth bid</li> <li>➤ We gave presentations to the tenants or staff of over x other social landlords</li> </ul>
Customer involvement drives our service improvement  <i>customer</i>	<ul style="list-style-type: none"> <li>➤ Staff, residents and Barnet Council support the development of new business</li> <li>➤ Area Partnership Panels have agreed to explore ways of contributing to new business</li> <li>➤ We've started to explore the provision of repair services for elderly &amp; disabled leaseholders</li> </ul>

*Case study: to be completed (Lifeline)*

## 5. Our customers

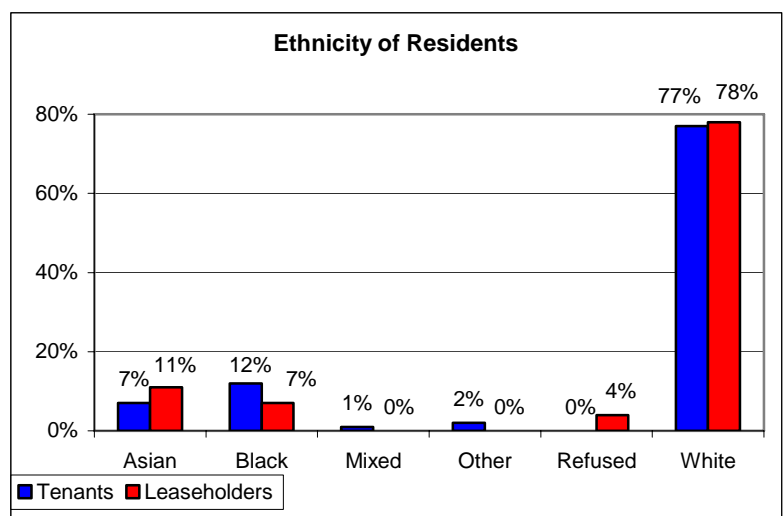
### Who are our customers?

Customer focus is at the heart of all that Barnet Homes does, and we have a business aim to meet the needs of all of our diverse and vulnerable customers. We can best anticipate and meet the needs of our customers if we know who they are, where they live and have an understanding of their lifestyle or cultural.

We have a diverse community: 21% of the tenant population are from black and minority ethnic (BME) groups (11% black, 6% Asian, 2% south east Asian, 1% mixed backgrounds) and 79% are from white backgrounds. These proportions are broadly consistent across tenures, with 20% of leaseholders from BME communities.

Somali and Farsi translations are requested by far the most often. A mix of other languages are requested from Language Line (Portugese, Spanish, Gujerati, Urdu, Albanian and Chinese) – but the second highest category is “other” indicating the large mix of languages in used resident.

We have a largely elderly and ageing population of tenants. This is reflected in the relatively high number of tenants who have a longstanding and limiting illness or disability (33% compared to 14.6% in the general Barnet population). 3% of these tenants use wheelchairs all the time, and 6% use them some of the time.



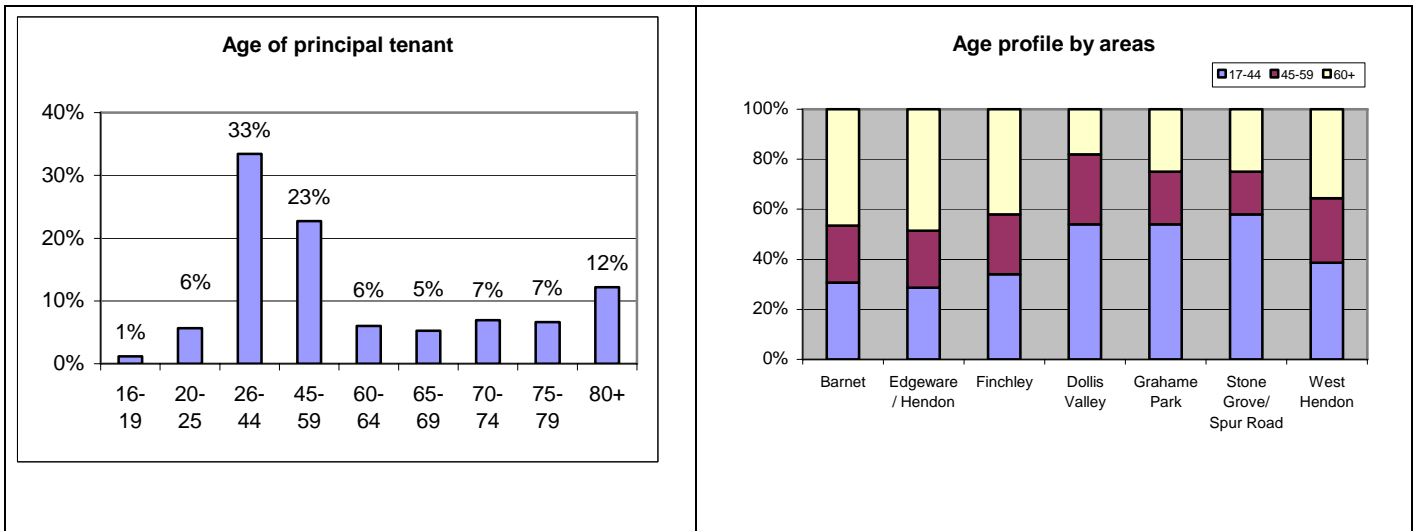
We aim to continue to meet the needs of these residents (and of those aging residents who may begin to experience health problems) through appropriate service design and stock provision.

Tenants, who have been tenants for less than a year, account for 7% of all tenants. However, 27% of BME tenancies are under 2 years old. 39% of tenants and 30% of leaseholders are either single pensioners or pensioner couples. The demolition of our regeneration stock will remove homes with the highest turnover and youngest age profile.

Approximately 400 homes (3% of all tenancies) are non –secure. This rises to 15% on three of the regeneration estates (West Hendon, Grahame Park and Stonegrove/Spur Road).

The most mobile tenancies are those on the regeneration estates. It is likely that over the next five years the age profile of the remaining residents in Barnet Homes stock will be the same as it is now or older. This may also increase the current gender imbalance. Two-thirds of our tenants are female at present, although only 55% of our residents in sheltered housing are women.

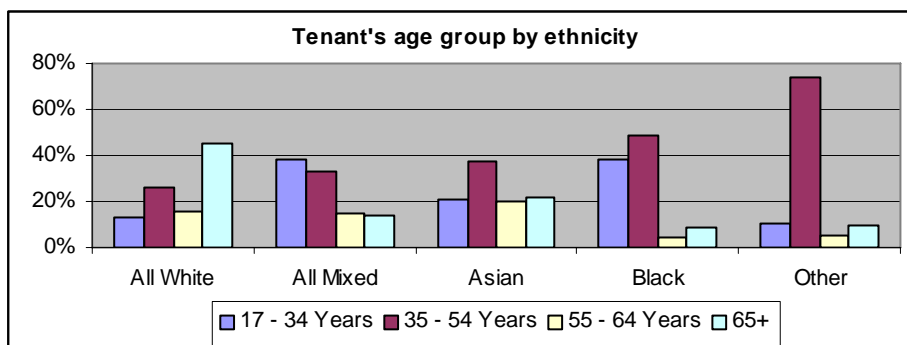
With this age profile we are still serving a relatively settled population. 46% of tenants have occupied their current home for 11 years or more, 22% for 6-10 years, 16% for 3-5 years, 14% for under one year to 2 years.



Value for money services and appropriate support and advice for those on low incomes is increasing important, as 62% of tenants rely wholly on state benefits and a further 15% rely partly on state benefits.

Leaseholders make up 26% of our current customer base. 44% of leaseholders have bought on the open market rather than being former council tenants. The leaseholder customer profile is likely to remain static. The reduction in leaseholders and freeholders on regeneration estates is approximately off set by the continued trickle of RTB sales.

In common with other landlords, Barnet Homes' leaseholders display significantly lower levels of satisfaction than tenants. However our BME tenants are increasingly satisfied and on a number of indicators have the same or higher satisfaction that non-BME households. 34% of tenanted households have children compared with 17% of leaseholders. BME residents are more likely to be younger than white residents and are more likely to have families. This makes the importance of effective engagement with younger as well as BME communities particularly on mixed tenure estates vital.



## 6. Our staff

Barnet Homes recognises that people are our most important asset. One of our six business aims is "to develop a highly skilled, motivated and satisfied **workforce** which is reflected in high quality services to residents".

### Culture

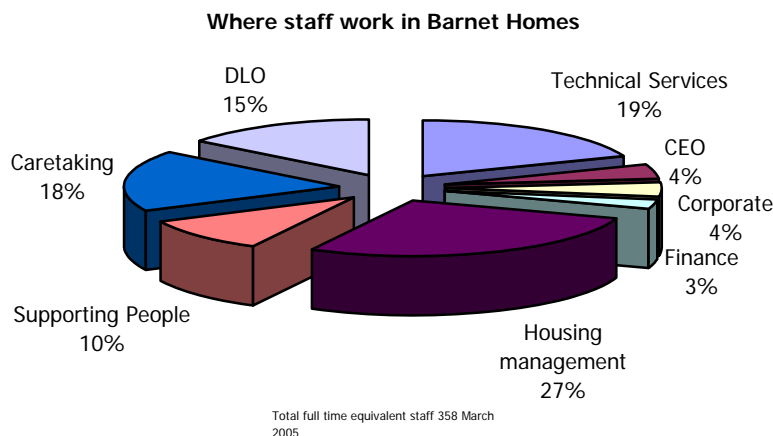
Forming a new organisation enabled us to grasp this unique opportunity to change the culture of the organisation. We initiated a cultural change programme through staff focus groups and developed our own statement of "how we do things around here". This challenges Barnet Homes to be better than before and to treat each enquiry, request for service, problem or complaint as an opportunity to impress its customers.

We believe this is recognised in our inspection report, which found that staff have a "can do" attitude and the "freedom to be excellent". The inspectors also found that residents had a high regard for staff.

### Profile

*Update: We employ 367 f/t equivalent staff and 52 Direct Labour Organisation operatives. Staff transferred from the Housing Service of Barnet Council in April 2004 on the same terms and conditions. New staff are employed under the same terms.*

Our staff are broadly representative of the community we serve. We carry out workforce monitoring and positive action employment initiatives such as advertising for female trade operatives.



*Update chart*

We carried out an employee opinion survey in 2005, which gauged our approach to people management from an employee perspective and we will carry out a further survey in 2007 to assess whether we are demonstrating continuous improvement in meeting our business aim.

## **Vision**

We aim to be an employer of choice within five years with at least 80% of staff recommending Barnet Homes as one of the best employers. We are well on the way to this with our employee opinion survey in 2005 finding that 67% of staff would recommend Barnet Homes as an employer.

We have a "People First" initiative to help us in achieving this vision.

Although we were unsuccessful in our Investors in People application in February 2006 we achieved six of the ten indicators and have a clear focus on what we need to do to obtain this accreditation in 2006/7.

## **Learning and development**

Learning and development is key to meeting this business aim. All staff have access to learning and development opportunities through structured plans, with a variety of learning styles (mentoring, shadowing, meetings, training and self learning).

We believe that developing people's capability is key to achieving our aspirations. We will devise a management development programme to ensure all staff with line management responsibility are highly skilled in people management.

A competency framework reflecting the business aims was implemented as part of the performance and development scheme in 2005.

## 7. Our services

We provide the following services.

- Housing and estate management services for tenants and leaseholders
- Managing voids, lettings and transfers
- Resident involvement
- Supporting people services
- Delivering the decent homes plus programme
- Responsive repairs
- Right to Buy administration

We also purchase services from Barnet Council and other providers. There is a review programme for all services to ensure value for money and high standards of service (see section 9 on finance).

## 8. Working in partnership with the council

Barnet Council's strategic housing vision is "... that everyone in Barnet has a right to an excellent quality home, in which they would choose to live, in a sustainable, safe and welcoming community". Our business plan fully embraces this vision.

We have a vital role to play in meeting each of the council's five strategic priority areas for housing.

Barnet Council's housing strategy objectives	Examples of Barnet Homes' contribution to achieving these
Creating quality local environments	<ul style="list-style-type: none"> <li>• Holistic approach to improving homes and neighbourhoods through decent homes plus</li> <li>• Supporting the council's regeneration partners, providing quality services on these estates</li> <li>• High satisfaction rates with caretaking service</li> </ul>
Improving the quality of housing and delivering decent homes	<ul style="list-style-type: none"> <li>• Delivering decent homes plus programme on time and to cost through partnering</li> <li>• Area panels monitoring decent homes programme</li> <li>• High satisfaction rates with responsive repair service</li> </ul>
Increasing housing supply and balancing housing needs	<ul style="list-style-type: none"> <li>• Joint work with the council to ensure optimum use of the homes we manage, for example void turnaround times</li> <li>• Cash incentive scheme</li> <li>• Tenant profile and customer feedback drives our service improvements</li> </ul>
Providing quality services	<ul style="list-style-type: none"> <li>• Inspection found we provide a "good service, with excellent prospects for improvement"</li> <li>• Top quartile performance on three BVPIs</li> <li>• Improvement plan to achieve three star service</li> </ul>
Supporting vulnerable people	<ul style="list-style-type: none"> <li>• Manage the council's sheltered housing schemes, community alarm assisted blocks and lifeline service</li> <li>• Provide adaptations for disabled tenants</li> <li>• Housing support service</li> <li>• DDA compliance</li> </ul>

Barnet Council's housing strategy was assessed as fit for purpose in January 2004. It is being updated in 2006 following a new housing needs survey and following consultation is due to be considered by Cabinet in July 2006.

We will work on meeting emerging issues on the housing strategy for example:

Emerging issues	Examples of Barnet Homes' contribution to achieving these
Managing growth: meeting needs and aspirations	<ul style="list-style-type: none"> <li>• Providing quality housing for those people who cannot afford high house prices in Barnet and those who are vulnerable</li> <li>• Responding to ODPM consultation on the future of ALMO's</li> <li>• Supporting regeneration schemes and providing quality services to residents living on these estates</li> </ul>
A new vision for housing in Barnet – recognition that for some people tenure is a journey from social rented, through low cost home ownership to eventual outright ownership	<ul style="list-style-type: none"> <li>• Increasing customer satisfaction for people who have chosen owner-occupation through leasehold properties</li> <li>• Working with LBB on social homebuy pilot for council tenants</li> </ul>
Older peoples housing	<ul style="list-style-type: none"> <li>• Supporting people service</li> <li>• Lifeline services</li> </ul>
Preventing homelessness and reducing temporary accommodation	<ul style="list-style-type: none"> <li>• Working with the Council to minimise void rates</li> <li>• Working with the Council to ensure the Choice Based lettings scheme continues to be a success</li> <li>• Accompanied viewings</li> </ul>

Barnet Council's corporate plan has 5 key priorities for the community developed through "Key Priority Plans". Barnet Homes contributes in particular to the priorities for vulnerable people and crime and works in partnership with the council and other agencies to meet these.

Barnet Council Key Priority	Objective	Examples of Barnet Homes' contribution to achieving these
<b>Vulnerable People</b>	<ol style="list-style-type: none"> <li>1. Helping people stay in control of their lives <ul style="list-style-type: none"> <li>➤ Maximising the independence of older people and those requiring care or support</li> <li>➤ Promote choice</li> <li>➤ Increase the availability of affordable housing and provide real alternatives to homelessness</li> </ul> </li> <li>2. Achieve better outcomes for vulnerable adults <ul style="list-style-type: none"> <li>➤ Continue to improve the quality, effectiveness, accessibility and customer satisfaction of housing and social care services</li> <li>➤ Meet the decent homes standard by 2010</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>➤ Working with LBB on the Sheltered Housing review</li> <li>➤ Lifeline service</li> <li>➤ Provide adaptations for disabled tenants</li> <li>➤ Housing support service</li> <li>➤ Developing a vulnerability strategy</li> <li>➤ Knowing who are customers are and responding to their needs</li> <li>➤ Preventative rent arrears work</li> <li>➤</li> <li>➤ Focus on raising customer satisfaction for all customers with our services</li> <li>➤ Continuous independent assessment through annual face to face surveys</li> <li>➤ Customer care – identified as one of our 5 priorities</li> <li>➤ Implementing decent homes plus</li> </ul>
<b>Crime</b>	<ol style="list-style-type: none"> <li>1. Work to achieve a safer Barnet through development of the Barnet Safer Communities Partnership</li> <li>2. Communicate the facts about crime and involve more local people in community safety issues</li> <li>3. Work with partners to reduce crime, anti-social behaviour and respond to the fear of crime</li> <li>4. Promote and improve public safety</li> <li>5. Work with partners to reduce drug and alcohol abuse</li> <li>6. Support the Safer Enforcement Service and the Police's Safer Neighbourhood teams</li> </ol>	<ul style="list-style-type: none"> <li>➤ Partnership Working <ul style="list-style-type: none"> <li>• <b>boroughwide</b> with the Barnet Safer Communities Partnership, Multi-Agency Racial Harassment Group, Multi Agency Public Protection Panel</li> <li>• <b>neighbourhood</b> with Police and Task Groups for example at Burnt Oak and Dollis Valley</li> <li>• <b>community</b> level for example the Safer Communities funded youth workers at the Grange</li> </ul> </li> <li>➤ Successful Anti-Social Behaviour Team</li> <li>➤ Victim satisfaction survey</li> </ul>

	7. Maintaining Barnet's strong and cohesive communities	<p>recognised as positive practice by the Audit Commission</p> <ul style="list-style-type: none"> <li>➤ Community development initiatives for example <ul style="list-style-type: none"> <li>• "ExpressIt FM" radio project for young people on Grahame Park</li> </ul> </li> <li>➤ New roles for the Area Partnership Panels on area sustainable communities and customer involvement programmes</li> <li>➤ Developing a young peoples strategy</li> </ul>
--	---	---

Barnet Homes also contributes to other priorities in the Council's corporate plan for example "Every Child Matters" (increased work with young people) and the Health Plan (delivery of decent homes *(Paul – where do these appear in the Corporate Plan?)*)

The monitoring arrangements for Barnet Homes are set out in the management agreement. We have a performance monitoring framework designed to achieve continuous improvement and excellent services. Performance information is displayed in reception areas and monitored by residents on area panels. Their views are incorporated in reports to the Standards Sub Group and to the Board.

The Comprehensive Performance Assessment demonstrates the interdependency of excellent performance for both Barnet Homes and Barnet Council. Our performance targets for 06/07 take into account the harder test thresholds in the CPA.

We are committed to rigorous control of performance, finance, risk management, anti-fraud provision and business continuity planning. These issues are closely monitored by our board sub-groups and through a cycle of meetings with the council. These meetings also review our contribution to the council's strategic objectives, annual efficiency requirements and the proposals for future business plans.

There is an "open book" approach to sharing performance information and regular meetings on joint operational issues such as void properties.

The approach is robust and ensures Barnet Homes delivers its key objectives agreed with the council, whilst allowing the organisation the operational freedoms required to flourish as an ALMO.

Barnet Homes contributes to the council's requirement to produce annual efficiencies.

## 9. Financial Summary

Barnet Homes' primary source of income is the management fee it receives from the Council for the provision of housing management and maintenance services. It is free to spend the money as it considers best to deliver services and agreed aims. The company also manages the housing revenue account on behalf of the Council.

The Council is responsible for setting the rents, but rents and service charges are collected by the company on their behalf and paid directly into the Council's bank account. The Council makes appropriate provision against bad debt. Barnet Homes has recently implemented a new leaseholders' income module which along with developments to the rents module will improve our income collection.

We have a rigorous approach to financial management, and have recently appointed new internal auditors, Tribal Business Assurance, who as well as providing assurances around our control environment will also provide added value in our lead-in to the next inspection. The audit plan will take account of key risks identified. RSM Robson Rhodes provide external audit and tax advice services. The Board receives a quarterly financial summary and the Business Sub-Group considers financial matters on a monthly basis. Regular meetings take place with the Council's finance staff to discuss any financial issues arising.

The table below sets out the projected budget for the next five years:-

	2006/7 £'000	2007/8 £'000	2008/9 £'000	2009/10 £'000	2010/1 £'000
Income					
Management Fee	18,169	18,705	19,257	19,825	20,409
Mgmt Fee reduction	0	(268)	(544)	(828)	(1,121)
Efficiency reduction	0	(225)	(450)	(675)	0
Other Income	150	250	350	450	550
Repairs & Mtce	8,670	8,887	8,934	8,929	8,900
<b>Total Income</b>	<b>26,989</b>	<b>27,349</b>	<b>27,547</b>	<b>27,701</b>	<b>28,738</b>
Expenditure					
Management	18,019	18,162	18,313	18,472	19,538
Repairs & Mtce	8,670	8,887	8,934	8,929	8,900
Contingency/ contribution to reserves	300	300	300	300	300
<b>Total Expenditure</b>	<b>26,989</b>	<b>27,349</b>	<b>27,547</b>	<b>27,701</b>	<b>28,738</b>

A number of assumptions have been made in assessing the available resources:

- A 3% per annum increase in the management fee
- The management fee reduced by 1.5% for each loss of 300 dwellings
- Property numbers reduce through regeneration phasing and right to buy sales

- Additional efficiencies required to bring HRA into balance
- HRA subsidy position continues in line with 2006/7 settlement
- Modest rising income from new business
- Repairs and maintenance budgets rise by 2.5% per annum, but reduce in line with fall in dwelling numbers
- Intention to build up reserves

The financial situation means that irrespective of the Gershon agenda that efficiencies must be identified. We are aiming for at least 2.5% per annum of cashable efficiencies that can be diverted into front-line services or pump-prime new development. The value for money programme has now entered its second phase of reviews and by the end of 2007/8 will have covered the whole company. There is a continuous drive to reduce costs while improving services to residents.

Funding of the Decent Homes Plus programme is routed through the Council. Appendix B gives a summary of the programme from 2006/7 onwards, while the basis of funding is set out below. The Government has made reductions in anticipated ALMO funding in assuming 2% efficiencies for 2006/8 and not reflecting real building cost inflation in the settlement. Available monies from the Major Repairs Allowance and capital receipts from right to buy sales are also declining. Considerable sums will fall to be collected from leaseholders and we will ensure that resources and systems are adequate for the purpose. There is some flexibility between years and we anticipate that efficiencies can also be driven out of the packages of work undertaken by our major partners.

	2006/7	2007/8	2008/9	2009/10	2010/11	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Supported Borrowing	2,128	2,128	1,000	1,000	1,000	7,256
Capital receipts	2,860	4,068	1,168	0	0	8,096
Major Repairs Allowance	4,502	3,604	8,218	9,162	7,657	33,143
ALMO Funding	15,753	13,932	15,198	15,608	8,328	68,819
Revenue leaseholders Contribution	4,158	6,014	3,037	1,500	1,500	16,209
Other	250					250
Total	29,651	29,746	28,621	27,270	18,485	133,773

## 10. Operational plan summary

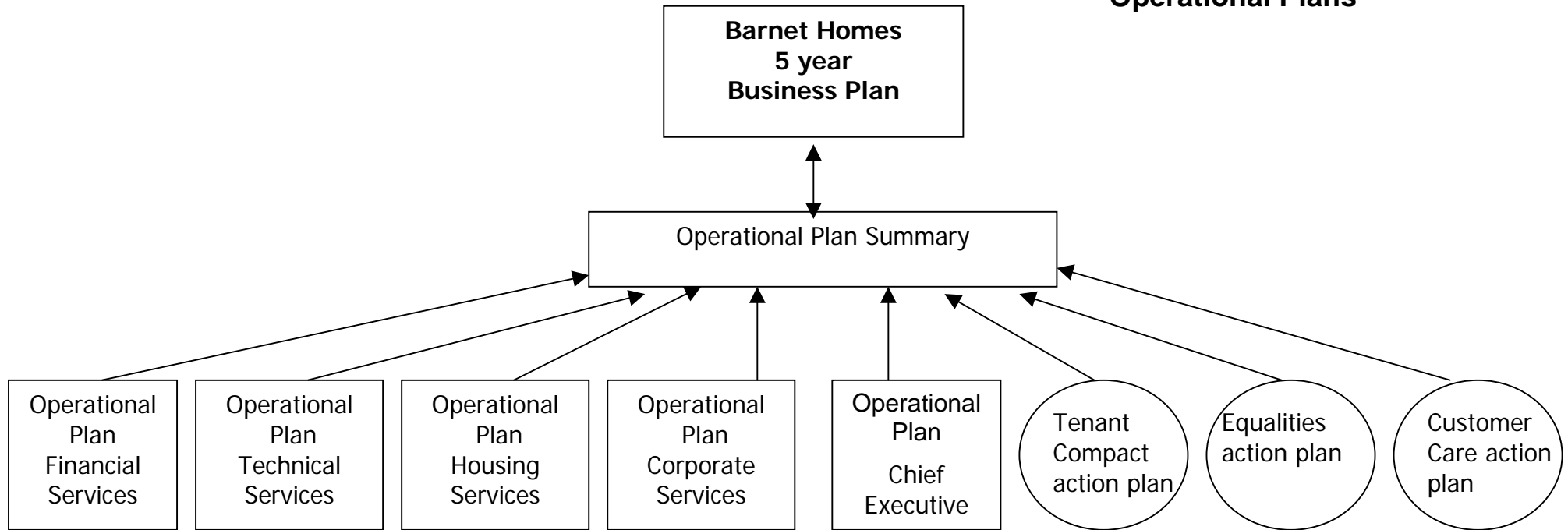
Our operational plan summary sets out where we want to be in one year and five years time for each of our business aims. It states how we will assess whether we have been successful in our aims. The key performance indicators are in Appendix A.

The business plan and the operational plan summary have been developed as follows.

- Top down direction from the Board
- Bottom up planning through detailed operational plans, and service development plans by each Head of Service and their staff
- Development of action plans for the Tenant Compact, customer care and equalities and diversity
- Consultation with residents through partnership panels, Barnet Housing Consultative Panel and the Barnet Homes' open day
- Consultation with the council's Head of Housing and the Housing, Neighbourhoods and Community Safety Overview Committee.

This approach provides clarity between the overall business aims and service direction of the organisation and the detailed service planning by heads of service in their operational plans. This forms the basis for our performance and development scheme.

## Framework for Business Plan & Operational Plans



# **Barnet Homes**

## **Operational Plan Summary**



Business aim no 1: To provide excellent services driven by customer involvement  
 Lead Sub Group - Standards: Lead Officer - Deputy Chief Executive & Head of Housing

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
2. Continuous improvement and value for money  <i>Money</i>	*"Excellent prospects for improvement" (inspection report)	2.5% efficiencies across services from reviews	VFM/SLA review programme on track, & robust monitoring	All services clearly demonstrate VFM	Reinvestment of efficiencies into priority service areas
	* Programme of VFM, SLA & procurement reviews		Review the future of Stag House office	Resources are clearly linked to agreed service priorities	
	*Clarity on IT priorities			Management & maintenance costs per property have reduced in real terms over 5 years	
	*Model in development for reinvestment of efficiencies into priority areas	<i>insert success measure</i>	Implement IT strategy & critical priorities	Reduce paper storage requirements by 50%	Full implementation of the IT strategy including digital imaging and CRM
	* Voids action plan implemented	Increase Council's income	Maximise all income collection		
	* Inspection improvement plan on track		Deliver empty property management plan phase 2		
* Inspection improvement plan on track	Efficiencies achieved. Customer satisfaction with contact remains high - see aim no 5 re customer care	VFM review of the Repairs and Housing Management			

Business aim no 1: To provide excellent services driven by customer involvement  
 Lead Sub Group - Standards: Lead Officer - Deputy Chief Executive & Head of Housing

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement	*"Considerable opportunities for residents to be at the heart of the service" (inspection report)	Increase satisfaction with opportunities for involvement to 66%	Further develop customer feedback mechanisms inc mystery shopping across key services	* High level of awareness of residents of the impact of their involvement	All key services are based on comprehensive customer feedback and in response to our customer profile
Customer	*Beacon scheme application on resident involvement rated BH as "very good"		*Partnership Panels to develop area customer involvement programmes targetting residents preferences for participation	* Achieve greater equity of satisfaction between secure, non secure tenants and leaseholders	
	* 4% increase in tenants satisfied with opp's for involvement to 65%		Training, job descriptions/appraisals for panel membership	Residents have taken on greater responsibility for running of services	
	* 75% of tenants feel their views make a difference		Introduce "Our Standards" PI's for residents		
	*Focus groups held with non secure tenants		Increase tenant satisfaction to 80%, leaseholder satisfaction to 40%	Resident involvement in VFM reviews	
	*Review completed of the roles of Partnership Panels		Effective participation, residents not feeling consultation overload	Participation structures in place for all regeneration estates for BH services	
			Increase satisfaction with complaints - with handling of complaint to x%, and resolution to x%	Develop complaints response and resident input	
		Increase % of tenants who feel their views make a difference to 77%	Customer feedback and resident influence mapping, and publicity		

Business aim no 2: To bring all homes up to the decent homes plus standard by 2010

Lead Sub Group - Procurement: Lead Officer - Head of Technical Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
1. Achieve excellent services	Clear plan for the achievement of decent homes	Published Asset Management Strategy through to 2010 and beyond	Produce Asset Management Strategy for the future maintenance and investment of the stock	Dynamic Asset Management Strategy, fit for modern construction environment, and planning at least 5 years in advance	Revise Asset Management Strategy each year to meet current requirements and resources
Performance	Quality of major works high"  * Partnering arrangements, preferred constructors in place"	High level of resident satisfaction - above 90% (point of service surveys) Levels of complaint and satisfaction with handling	Deliver Programme for 2006/07 and monitor KPIs. Use Investment complaints forum to identify improvements. Close down the transitional programme	Progress on meeting the Council's housing vision - "all residents have an excellent quality home, in which they would choose to live, in a sustainable, safe and welcoming community"  Achieve Decent Homes Plus across all stock High resident satisfaction with completion of work (98%) <i>98% probably not achievable</i>	Complete 2005-2010 programme. Programme in place post 2010
		Programme on Target. <i>Insert KPI targets</i>	Established Core and Project Team meetings driving performance improvement		
		Number of apprentices working on BHs schemes	Develop young people apprenticeship schemes		
		Target required	Implement CDM construction site inspection and monitoring		

<p>x properties completed by Partners * 52% of homes non decent (April 06)</p> <p>Existing Repairs contracts entering final year</p> <p>LPSA SAP target of 68 exceeded</p>	<p>x properties completed by Partners</p>	<p>Deliver programme 2006/07</p>	<p>Works completed to all non decent retained stock</p>	
	<p>Insert non decent % for March 07</p>	<p>Deliver programme 2006/07</p>	<p>100% of retained stock decent</p>	
	<p>New Repairs and Maintenance Frameworks in Place</p>	<p>Procure new contracts for Repairs and Maintenance services, including gas and heating. Take account of opportunities for collaborative working through LAPN</p>	<p>Integrated services for planned and responsive maintenance. Top quartile PIs for R &amp; M Services</p>	
	<p>Target required</p>	<p>Establish system of regular fire safety inspections as part of estate and void inspections</p>		
	<p>insert target for 2006/07</p>	<p>Improved heating, window and insulation installations included in Investment programme</p>	<p>Maintaining SAP rating in top quartile performance</p>	<p>Include heating improvements and other energy efficiency measures in asset management strategy</p>

Business aim no 2: To bring all homes up to the decent homes plus standard by 2010

Lead Sub Group - Procurement: Lead Officer - Head of Technical Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)	
2. Continuous improvement and value for money  <i>Money</i>	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective	
	Areas for potential efficiencies reported agreed by Procurement sub-group <i>Date required</i>  Major shift in existing practice to modern partnering methods *Capital spend of over £24m in 2005/6  * Supply chain for main components in place  5% of decent homes programme agreed for environmental work  Options & timetable for R & M Procurement agreed by Board Jan 06	Efficiencies identified in BHs AES	Capital, analysis and improved profiling of revenue spend, including voids.	Develop protocols for open book working . Agree scheme of incentivisation with constructor partners .	Able to identify and reinvest savings through the introduction of efficient procurement and working practices across all areas of R & M - capital and revenue.	Continued review and analysis of spend. Rationalisation of processes
		Established process for calculation of AMPs and savings identified through incentivisation	Develop protocols for open book working . Agree scheme of incentivisation with constructor partners .	Existing programme delivered in budget and financial business plan in place for at least the next five years.	2005/10 investment programme fully delivered. Frameworks set up for future investment.Partnering and VfM tests fully developed	
		Planned capital spend achieved for 2006/07	Programme for 2006/07 delivered	Open book arrangements through the entire supply chain	Incorporate main suppliers into framework agreements	
		Secure financial benefit from the partnering relationship	Develop Relationships through Core Groups	Residents satisfied with balance of spend between dwellings and environment	Incorporate environmental requirements into programmes of work	
		First schemes of work completed	Deliver environmental schemes	Asset Management Strategy Plan in place	Apply Asset Management	
		Framework for R & M services in place	Procure R & M contracts for the next 5 years. Take account of opportunities for collaborative working through LAPN			

	* Planned/responsive ratio 57/43% (revenue definition)		Procure integrated R & M services. Target resources into planned programmes of work.	Integrated programmes of work encompassing planned maintenance and capital programmes in 6 year programme	Apply Asset Management Strategy
--	---	--	--	---	---------------------------------

Business aim no 2: To bring all homes up to the decent homes plus standard by 2010

Lead Sub Group - Procurement: Lead Officer - Head of Technical Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement  <i>Customer</i>	* "Residents have been closely involved in procurement and selection of partners for major works" * Repairs & Maintenance Consultative Group, Partnering, Core teams	Residents satisfied with involvement in Procurement of R & M services	Resident Consultation Plan for Procurement Process through range of informal and formal mechanisms	High levels of understanding of and support for the approach to investment.   Residents consider they live in decent homes, and that we have delivered on our promises to them	Residents fully involved in decisions about the future of the housing stock for the next 5 years
	* Increase in satisfaction with major works to 92%	Continued high levels of satisfaction with works	Deliver Programme for 2006/07 and monitor KPIs. Use Investment complaints forum to identify improvements.		
	* Decent homes Plus standard agreed	Improved reports presented quarterly in format agreed by residents	Develop Area Partnership Panel monitoring on decent homes and increase links with decent homes project/core teams		
	*Information packs agreed with residents	High levels of understanding of and support for the approach to investment.	Information packs provided to all residents as programmed. Latest programme position published in At Home and on Internet		

*Programme of surveys for environmental improvements in place	Priorities identified and incorporated into each works package	Complete resident surveys and consultation on environmental priorities in advance of each works package	Our estates contribute to sustainable, safe and welcoming communities	Completion of environmental programme as part of overall investment programme through to 2010
* Allocation of environmental spend methodology agreed with residents	Successful completion of first environmental programmes	Sustainable communities projects based on resident priorities working with RP and Neighbourhood Housing Teams		
Lower levels of satisfaction with R & M services from Regeneration residents	R & M plans agreed for each of the regeneration estates	Identify level of revenue and capital budgets for each estate. Work with newly formed Regeneration Panels to agree plans	Continued plans for any stock remaining	Revise requirements each year taking account progress on regeneration schemes



Business aim no 3: To provide services that meet the needs of all our diverse and vulnerable customers  
 Lead Sub Group - Strategic: Lead Officer - Chief Executive

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
2. Continuous improvement and value for money  <i>Money</i>	* "Clear equalities & diversities policy & action plan to move the organisation forward"  *Level 3 of the Equalities Standard (to be independently assessed)  *Review of equalities targets completed	Info held on needs of disabled tenants matches the number of disabled tenants estimated from face to face surveys	Implement equalities PI's/targets review	Level 5 of the Equalities Standard	Year on year improvement on equalities & diversity practice
		100% equalities information captured on new tenants		Caseload capacity of floating support to have doubled on 04/05 target (75)	
		Level 4 of Equalities Standard	Action plan in place to meet Level 4 of the Equalities Standard, any gaps from earlier standards	Lifeline customer base increased by 20% and achieving 97% satisfaction	
		Compliance with code	Fully meet new CRE Code of Practice on Housing, joint working with LBB	Offer consultancy advice/equalities auditing to other social landlords	

Business aim no 3: To provide services that meet the needs of all our diverse and vulnerable customers  
Lead Sub Group - Strategic: Lead Officer - Chief Executive

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement  Customer	<p>* "Services are focussed on users and reflect the needs of a diverse community"</p> <p>* Step change achieved in BME satisfaction with opportunities for participation - now at the same level as non BME tenants (65%)</p> <p>*96.5% satisfaction with Lifeline users</p> <p>*90% satisfaction with the sheltered service</p> <p>x% of disabled tenants satisfied with overall service</p>	Increase satisfaction of disabled tenants with the service to x%	Carry out a postal survey of disabled tenants in partnership with DabB	All services specifically designed to meet the needs of all our customers	100% knowledge of the profile of our customers and comprehensive information on their needs and aspirations
			Develop our contribution to the Disability Equality Duty	There is minimal difference in the satisfaction levels between our diverse customers with the overall service and opportunities for involvement	
		Increase satisfaction with opportunities for involvement to 66% (BME/non BME)	Partnership Panels area customer involvement programmes to progress initiatives meeting preferences of all residents	?	Remodelled sheltered service delivered following the Council's commissioning team review
			Set area based equalities & geographical targets for panel membership	Council stock maximises availability of adapted property to meet the needs of tenants with disabilities.	Insert task
Comprehensive involvement with community groups					

	<p>Dedicated occupational therapist for housing appointed. Systems in place to manage progress and spend.</p>	<p>Agreed standards for adaptations service published</p>	<p>Complete VFM review for adaptations service. Develop standards with residents. Document procedures. Information packs provided to all residents as programmed.</p>		
--	---	---	---	--	--

Business aim no 4: Through partnership develop safe, sustainable and cohesive communities  
Lead Sub Group - Standards: Lead Officer - Deputy Chief Executive & Head of Housing

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
1. Achieve excellent services	*"A robust approach for tackling anti-social behaviour and racial harassment"	Establish baseline satisfaction levels and measures	Develop a sustainable communities strategy and implementation plan, linking with the work of Partnership Panels	Satisfaction with services is consistently high by tenure and ethnicity	Measurable improvements to peoples lives delivered through the sustainability strategy
		57% satisfaction with advice received and 60% with how well options explained on nuisance	Establish base line non secure tenancy satisfaction levels		
	Increased focus on work with young people	Reduce tenancy failures	Develop service provision to maximise tenancy sustainment	Nuisance enforcement actions have reduced by 5% on 2005/6 levels	Emphasis on positive behaviour and "respect" focussed around community development, diversionary activities and wider neighbourhood sustainability
Performance	Robust approach to domestic violence in place	Portfolio of successful projects in place Evidence of positive work from partnerships	Develop preventative strategies for nuisance and harassment	Regeneration and sheltered milestones met for the council	Regeneration schemes are well advanced and BH teams are working seamlessly with RSL partners delivering quality services to existing council and RSL tenants

Business aim no 4: Through partnership develop safe, sustainable and cohesive communities  
 Lead Sub Group - Standards: Lead Officer - Deputy Chief Executive & Head of Housing

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
2. Continuous improvement and value for money	Specialist nuisance team exceeding targets 13 ASBO's, 23 ABC's, 9 injunctions (Dec 05)	Insert targets	?	Income, reputation	Provide advice and support to other social landlords on serious nuisance or harassment on a fee earning basis
	Chartermark application made for ASB team	Progress report to Board, BHCP	Commence implementation of feasibility study for Resource Centre/Community Development Trust	Community Development Trust established	Further success in attracting external funding for sustainable communities
	External funding: Resident Participation team have obtained over £200k in funding eg grant for Sheltered IT Project from IIA, for youth workers on Grange from Safer Communities	Income. New funding/exit strategies for pilot projects	External funding secured for sustainable communities projects		
Money					

Business aim no 4: To provide excellent services driven by customer involvement  
 Lead Sub Group - Standards: Lead Officer - Deputy Chief Executive & Head of Housing

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement  <i>Customer</i>	Innovative victim satisfaction survey recognised as positive practice by the Audit Commission  90 Hate Crimes reported (up to Dec 05)  Non secure focus groups held	Model projects developed by RP, ASB and Neighbourhood Housing teams	Partnership Panels to develop area sustainable communities programmes	80% satisfaction with sensitivity of Housing Officer dealing with nuisance and harassment	Best practice in victim focussed services
		Co-ordinated initiatives to involve young people Work with community groups to promote cohesion and involvement		Improve victim satisfaction by 50% on all indicators on 03/04 levels	
		Success measure needed	Review resident role in developing ASB strategy		
		10% increase in reporting	Raising awareness of hate crime		

Business aim no 5: To develop a highly skilled, motivated and satisfied workforce which is reflected in high quality services to residents

Lead Sub Group - Resources: Lead Officer - Head of Corporate Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
1. Achieve excellent services	* Inspectors found that staff have "can do attitude" and "freedom to be excellent"	Positive feedback from mock inspection	Implement priorities in HR strategy action plan, Evaluation of reward options for good performance	Performance Management culture embedded	Reward scheme in place linking achievement of business aims & incentives for excellent performance
<i>Performance</i>	* Employee survey carried out	2nd survey completed	Carry out a further employee opinion survey	80% of staff recommend BH as an employer	HR strategy fully implemented Modern working methods (remote working/hot desking)
	* 67%? Check of staff would recommend BH as an employer	10% increase in staff stating that internal communications are good	Improve Intranet and use		
	* "Cultural changes have been achieved ... staff are signed up to them"	Target for sickness reduced to 10 days	Develop and implement a Workforce Violence Policy	Ave sickness reduced to ave 7 days	Change management strategy
	People First initiative	Value communicated to staff, increased employee satisfaction	Develop proposals to be a positive employer of disabled people	% disabled employees?	Strong health & safety culture
	Investors in People application Feb 06 - 6/10 indicators achieved	IIP accreditation	IIP re-application		

Business aim no 5: To develop a highly skilled, motivated and satisfied workforce which is reflected in high quality services to residents

Lead Sub Group - Resources: Lead Officer - Head of Corporate Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
2. Continuous improvement and value for money  <i>Money</i>	* Staff suggestion scheme  * Learning and development programme (£83k)  8.72% ratio of agency to permanent staff. VFM review completed. *Average days lost through sickness projected to be 10.7 days  * Staff moves to Barnet House	Scheme regularly used and Improved working practices introduced	Review HR function and implement new structure	Efficiencies from modern working (eg office overheads)	Modern ways of working in place across organisation
		Learning & development plan focused on delivering the business aims	Evaluation of L&D at team level	Improved ratio of costs between back office and front line	Reinvestment of efficiencies into frontline services
		Target for agency to permanent staff ratio	Develop a resourcing strategy to underpin BH's business strategy	Staff turnover improved	Staff fully equipped to do the job (IT, machinery, knowledge, learning & development)
		10 day target for sickness	Work with managers to reduce routine sickness absence	Sickness absence in line with top performing organisations in sector	
		Cashable/ non-cashable efficiencies identified	Develop Learning & Development Plan including Continuous Professional Development		
Ensure the right people in the right jobs	Evaluate options for equal pay audit				
		Evaluation of reward options			
		Health & Safety training programme for managers			

Business aim no 5: To develop a highly skilled, motivated and satisfied workforce which is reflected in high quality services to residents

Lead Sub Group - Resources: Lead Officer - Head of Corporate Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement	* "Residents have a high regard for staff"	92% of staff find staff helpful, 82% consider they are able to deal with their query and 72% satisfied with the outcome of their query	Customer care training programme for staff - pitched at external & internal customers	There is minimal difference in the satisfaction levels between our diverse customers	Workforce fully representative of our customers
Customer	* Workforce broady representative of customers * Customers involved in interviewing caretakers, resident participation staff	regular monitoring in place and reported	Equalities & diversities training programme for staff, maximise SAP reporting	Workforce representative in all service areas and at all levels	
	91% of staff find staff helpful, 79% able to deal with their query, 68% satisfied with the outcome	?	Develop strategy for employing young people	Customers involved in interviewing & training for a range of staff	
	Modern apprenceships, coaching, links with colleges & schools	?	Develop role of residents in interviewing and staff development		
		Increased number of schemes/ places achieved			

Business aim no 6: To develop new business areas for Barnet Homes  
 Lead Sub Group - Business: Lead Officer - Head of Financial Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
1. Achieve excellent services	* Barnet Homes will lose approximately 14% (check) of stock over the next 5 years and 22% (check) over 10 years	Our positive image & recognition of our achievements has led to progress in starting to develop business growth opportunities	See business aim no 1	Acknowledgement nationally as a leading ALMO which has enabled us to achieve a range of new business	See business aim no 1
<i>Performance</i>	* Board developing new business strategy			Communications strategy to raise profile of BH	3 star with excellent prospects for improvement
	* 50% of Lifeline business is outside Barnet stock				

Business aim no 6: To develop new business areas for Barnet Homes  
Lead Sub Group - Business: Lead Officer - Head of Financial Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
2. Continuous improvement and value for money  <i>Money</i>	* Lifeline services provided to other landlords, individuals	Increased income	Develop the business opportunities around the Lifeline and Housing support services	Efficiency/income	Joint procurement/ collaborative working with other ALMO's
		Increased income	Housing Services to develop and evaluate one new business opportunity with an external provider	Significant core business outside of the council's own stock	New business growth strategy implemented & business diversification well developed
		Increased income	Develop repairs service for elderly & disabled leaseholders in partnership with contractors	Reducing costs to the London average while keeping customer satisfaction high	Business Plan setting out a viable and successful long term future for BH
		Increase in annual turnover through new business Council support for new business options Further LAPIN Links	Finalise strategy and action plan to progress business growth options with other ALMO's and the Council		
		HR strategy dovetails with Business Strategy	HR strategy	We have fully explored "new ways of doing the same thing"	

Business aim no 6: To develop new business areas for Barnet Homes  
 Lead Sub Group - Business: Lead Officer - Head of Financial Services

Objective	Where we are now (March 06)	Where do we want to be in 1 year (March 07)	Where do we want to be in 1 year (March 07)	Where do we want to be in 5 years (March 10)	Where do we want to be in 5 years (March 10)
	Impact & progress	How success will be monitored	Task to achieve objective	How success will be monitored	Task to achieve objective
3. Customer involvement drives our service improvement	* Consultation shows support of residents for development of new business	Develop benchmark satisfaction levels with new service areas achieved	Undertake market research into possible business growth areas	High level of new customer satisfaction	Year on year review of possible business growth areas
Customer		Success measure?	Develop and agree interim management arrangements on the regeneration estates with the Council and RSL partners		
		Empowerment, income	Develop proposals for residents to be involved in new business		

## 11. Heads of Service

Margaret McPeake  
Chief Executive  
020 8359 4804  
e-mail: [margaret.mcpeake@barnethomes.org](mailto:margaret.mcpeake@barnethomes.org)

Derek Rust  
Deputy Chief Executive and Head of Housing  
020 8359 4826  
e-mail: [derek.rust@barnethomes.org](mailto:derek.rust@barnethomes.org)

Barbara Collins  
Head of Technical Services  
020 8359 4923  
e-mail: [barbara.collins@barnethomes.org](mailto:barbara.collins@barnethomes.org)

Mike Wiffen  
Head of Financial Services  
020 8359 4153  
e-mail: [mike.wiffen@barnethomes.org](mailto:mike.wiffen@barnethomes.org)

Cora Vigar  
Head of Corporate Services  
020 8359 4120  
e-mail: [cora.vigar@barnethomes.org](mailto:cora.vigar@barnethomes.org)

Barnet Homes  
9<sup>th</sup> Floor  
Barnet House  
1255, High Road  
Whetstone  
London  
N20 0EJ  
0800 389 5225

## **12. Appendices**

- a. Performance indicators 2006/7**
- b. Decent Homes plus programme**
- c. Project plan to achieve 3 stars in 2007/8**

## Pulse Performance Indicators 2006/07

Business Aim	Description	BVPI	CPA	05/06 target	Results - December 05	06/07 target
Customer Care	% complaints responded to in time - Stage 1			90.0%	77%	90%
Customer Care	% Satisfaction of tenants with overall service	BV74a	✓	80.0%	77%	80%
Customer Care	% Satisfaction of tenants with overall service - of which minority ethnic	BV74b		77.0%	79%	80%
Customer Care	% Satisfaction of tenants with overall service - of which not minority ethnic	BV74c		80.0%	77%	80%
Customer Care	Improve satisfaction of non-secure tenants			TBA	Annual	TBA
Customer Care	Improve satisfaction of leaseholders			40%	37%	40%
Customer Involvement	Satisfaction of tenants with opportunities to participate	BV75a	✓	62%	65%	66%
Customer Involvement	Satisfaction of tenants with opportunities to participate - of which minority ethnic	BV75b		57%	64%	66%
Customer Involvement	Satisfaction of tenants with opportunities to participate - of which not minority ethnic	BV75c		64%	65%	66%
Meeting the Needs of Diverse and Vulnerable Customers	Lifeline response time - within 30 seconds			80%	90%	90%
Meeting the Needs of Diverse and Vulnerable Customers	Income/Benefits Achieved for HSO clients			new	new	
Safe, Sustainable and Cohesive Communities	% estates achieving agreed standard following reality checks			new	new	
Safe, Sustainable and Cohesive Communities	% Contact made with complainants within 1 day in Serious ASB/Harassment cases			100%	100.0%	100%
Safe, Sustainable and Cohesive Communities	Increase reporting of 'hate crime' (Harassment/Domestic Violence)			Increase by 10% on 04/05 = 98	90 YTD	107
Excellent Services - Income and Arrears	% Annual Service Charge collected			104%	58.0%	104%
Excellent Services - Income and Arrears	% Budget MW invoiced			new		100%
Excellent Services - Income and Arrears	Proportion of rent collected (including arrears b/f)	BV66a	✓	96.90%	95.83%	97.3%
Excellent Services - Income and Arrears	% of average current tenants with more than 35 days rent arrears	BV66b		26.00%	15.13%	
Excellent Services - Income and Arrears	% average current tenants in arrears with NSP served	BV66c		45.50%	38.68%	30.00%
Excellent Services - Income and Arrears	% tenants evicted due to rent arrears	BV66d		(34) 0.31%	(28) 0.26%	31 total
Excellent Services - Income and Arrears	Former tenant arrears as a % of rent roll			N/A	3.44%	

## Pulse Performance Indicators 2006/07

Business Aim	Description	BVPI	CPA	05/06 target	Results - December 05	06/07 target
Excellent Services - Voids and Lettings	Proportion of new tenants visited within 8 weeks			100%	87.88%	100%
Excellent Services - Voids and Lettings	New tenant satisfaction - Permanent/Temporary			95% by year end	88%/81.25%	95% by year end
Excellent Services - Voids and Lettings	Average relet time (YTD)	BV212	✓	30 days	30.03	29 days
Decent Homes	Repairs Service Satisfaction Survey			98%	98.8%	98%
Decent Homes	Responsive repairs - appointments made & kept		✓	98%	98.8%	
Decent Homes	Urgent repairs completed in time		✓		98.0%	
Decent Homes	Avg. time non urgent repairs		✓	8 days	7 days	
Decent Homes	% of Properties That Have Had Gas Appliances Serviced In Last 12 Months			100%	97%	100%
Decent Homes	Average SAP rating	BV63	✓	68.00	66.90	69.00
Decent Homes	Number of homes made decent					
Decent Homes	% Stock non-decent at 1st April	BV184a	✓	61%	Annual	63%
Decent Homes	Percentage change in Non Decent Homes	BV184b	✓	19.67%	Annual	23.81%
Highly Skilled, Motivated & Satisfied Workforce	Working Days Lost Due to Sickness Absence	BV 12		9.5 days	7 days	7 days
New Business	External Funding Attained			£170,000	£92,000 (0.5%)	
Finance	Avg weekly management cost		✓	-	-	
Finance	% invoices paid within timescale	BV 8		-	-	

## Barnet Homes – programme of works 2005 to 2010

Appendix B

### Barnet

Group	Package	Contract Location	Dw	Estimated Year
1	BH4	Barnet Houses (N11, N12, N20) - Southgate, Finchley, Whetstone	138	2005/06
1	BF4	Barnet Flats (N11) - New Southgate	258	2005/06
1	BF5	Barnet Flats (N12, N20) - Finchley, Whetstone	119	2006/07
1	BF6	Barnet Flats (N20) - Whetstone (incl 3 houses)	161	2006/07
2	BF7	Barnet Flats (N10) - Muswell Hill West	90	2006/07
2	BH5	Barnet Houses (N10) - Muswell Hill	103	2007/08
2	BF8	Barnet Flats (N10, N11) - Muswell Hill East, Friern Barnet	261	2007/08
3	BF3	Barnet Flats (EN5) - New Barnet	139	2007/08
3	BF2	Barnet Flats (EN5) - Chipping Barnet	261	2007/08
3	BH2	Barnet Houses (EN5) - Chipping Barnet	349	2008/09
4	BF1	Barnet Flats (EN4) - New Barnet, East Barnet	195	2009/10
4	BH3	Barnet Houses (EN4, EN5) - East Barnet, Underhill	249	2009/10
4	BH1	Barnet Houses (EN4) - New Barnet	139	2010/11
			2462	

### Finchley

Group	Package	Contract Location	Dw	Estimated Year
1	FH1	Finchley Houses (N12, N2, N3) - North and East Finchley	217	2005/06
1	FF4	Finchley Flats (N3) - Finchley Central	100	2006/07
1	FF1	Finchley Flats (N12) - North Finchley	202	2006/07
1	FF5	Finchley Flats (N3, NW11) - Finchley Central, Temple Fortune	175	2007/08
2	FF6	Finchley Flats (NW2) - Clitterhouse	162	2007/08
2	FH2	Finchley Houses (NW2) - Clitterhouse	250	2008/09
2	FF7	Finchley Flats (NW2) - Cricklewood	348	2008/09
3	FF3	Finchley Flats (N2) - East Finchley (East End Road)	294	2009/10
3	FF2	Finchley Flats (N2) - East Finchley (High Road)	292	2010/11
			2040	

### Hendon & Edgware

Group	Package	Contract Location	Dw	Estimated Year
1	HF3a	Hendon Flats (HA8) - Burnt Oak	92	2005/06
1	HH3a	Hendon Houses (HA8) - Burnt Oak	57	2005/06
1	HF3b	Hendon Flats (NW9) - West Hendon	300	2005/06
1	HH3b	Hendon Houses (NW9) - Colindale	150	2006/07
1	GP	Grahame Park (Retained dwellings)	198	2006/07
2	HH2	Hendon Houses (NW7) - Mill Hill	152	2006/07
2	HF2	Hendon Flats (NW7) - Mill Hill	194	2007/08
3	HF4	Hendon Flats (HA8) - Edgware	82	2007/08
3	HH4	Hendon Houses (HA8) - Edgware	149	2007/08
4	HH1	Hendon Houses (NW4) - Hendon	151	2007/08
4	HF1	Hendon Flats (NW4) - Hendon	434	2007/08
		Watling Estate may need to be re-prioritised:		
5	HW4	Hendon Houses (Watling Estate)	71	2008/09
5	HW7	Hendon Houses (Watling Estate)	208	2008/09
5	HF5 (W)	Hendon Flats (Watling Estate)	238	2008/09
5	HW3	Hendon Houses (Watling Estate)	143	2009/10
5	HW6	Hendon Houses (Watling Estate)	131	2009/10
5	HW5	Hendon Houses (Watling Estate)	175	2009/10

5	HW8	Hendon Houses (Watling Estate)	206	2009/10
5	HW2	Hendon Houses (Watling Estate)	132	2010/11
5	HF6 (W)	Hendon Flats (Watling Estate)	140	2010/11
5	HW1 H	Hendon Houses & Flats (Watling Estate)	117	2010/11
5	HW9	Hendon Houses (Watling Estate)	106	2010/11

3626

### Sheltered Housing And Hostels

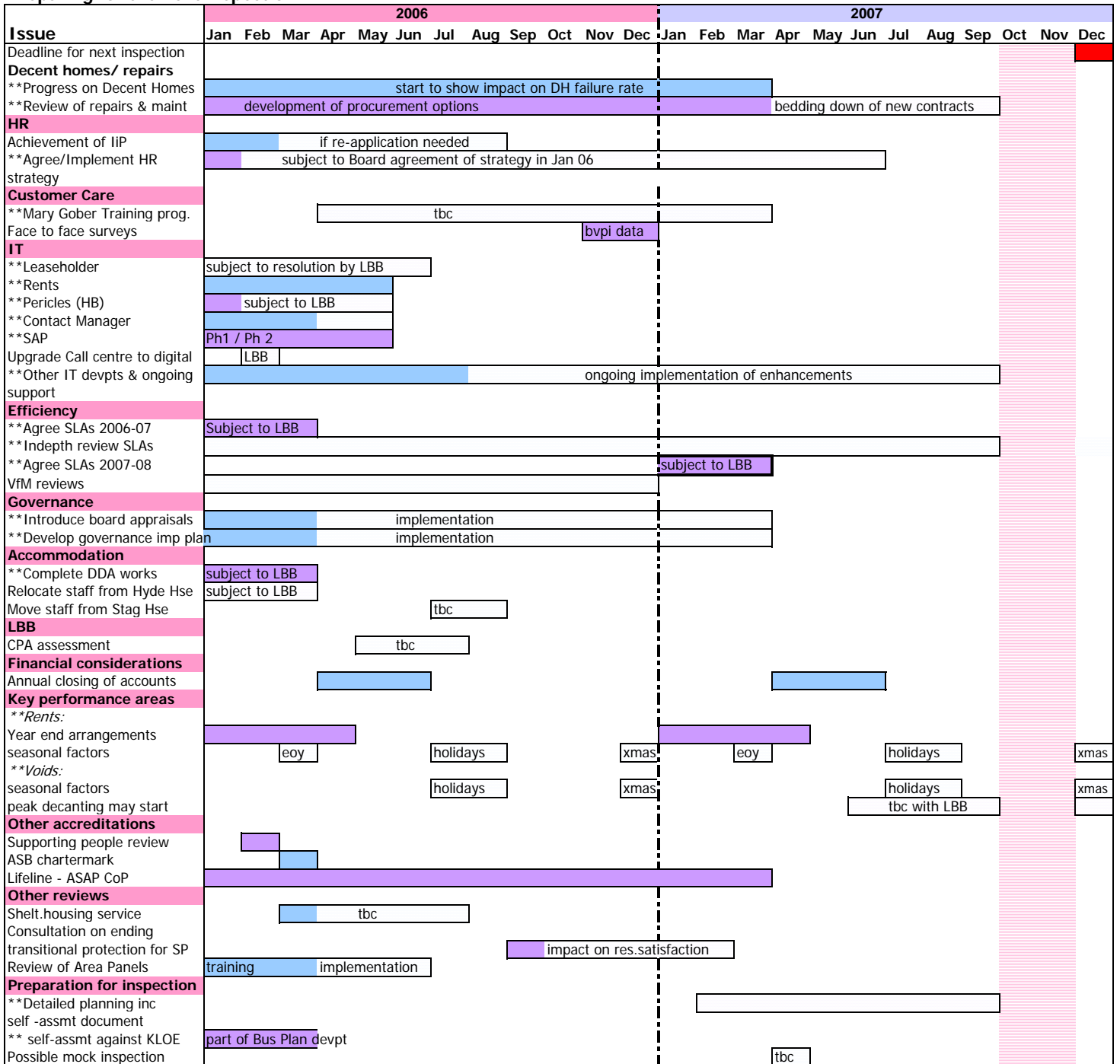
Group	Package	Contract Location	Dw	Estimated Year
	SH	Moreton Close	33	2005/06
	SH	Drummond House	34	2005/06
	SH	Market Place	13	2006/07
	SH	Derby House	17	2006/07
	SH	Little Larkins	24	2006/07
	HL	Adamson Court	11	2007/08
	SH	Rectory Close	23	2007/08
	HL	Summers Lane	12	2007/08
	SH	The Potteries	39	2007/08
	HL	Woodside Avenue	11	2007/08
	SH	Sarnes Court	21	2008/09
	HL	Alexandra Grove	1	2008/09
	HL	Thyra Grove	6	2008/09
	HL	Victoria Park Lodge	6	2008/09
	SH	St Johnstone House	25	2008/09
	SH	Wimbush House	31	2008/09
	SH	Gadsbury Close	39	2008/09
	HL	Etchingham Park Road	7	2009/10
	HL	Finchley Road	12	2009/10
	SH	Prospect Place	27	2009/10
	HL	Victoria Avenue	15	2009/10
	SH	Garth House	30	2009/10
	HL	The Croft	22	2009/10
	HL	Oakhill Park Lodge	1	2009/10
	SH	Hanshawe Drive	41	2009/10
	SH	Rosa Freedman Centre	25	2010/11
	SH	St Johns Close	17	2010/11
	SH	Cheshir House	28	2010/11
	HL	Friern Barnet Road	22	2010/11
			593	

Note: There is no work programmed for Christchurch Close or Vale Court before 2011



APPENDIX C

Preparing for the next inspection



optimum window for next inspection  
 \*\* key priorities

Other issues which may impact on the timetable for inspection:

- ODPM - future of ALMOs
- London Almos Procurement Network

**APPENDIX 2**

<b>HOUSING REVENUE ACCOUNT Expenditure</b>	<b>2005/6 ORIGINAL</b>	<b>2006/7 ESTIMATE</b>
<b>Supervision &amp; Management - General</b>		
LBB Retained	2,923,640	2,995,200
Management fee	11,715,520	12,566,990
<b>Supervision &amp; Management - Special</b>		
LBB Retained	0	0
Management Fee	5,059,920	5,211,750
<b>Supervision &amp; Management - Other</b>		
LBB Retained	17,720	18,000
Management Fee	88,500	91,150
<b>Repairs &amp; Maintenance</b>	8,458,000	8,669,450
<b>Capital Financing Costs</b>	550,000	2,227,000
<b>Depreciation (MRA)</b>	8,112,170	7,939,140
<b>Housing Subsidy</b>	8,300,000	8,999,000
<b>Housing Benefits</b>	500,000	400,000
<b>Total Expenditure</b>	45,725,470	49,117,680
<b>Income</b>		
<b>Supervision &amp; Management - General</b>	(2,361,860)	(2,621,860)
<b>Supervision &amp; Management - Special</b>	(3,294,500)	(3,337,250)
<b>Interest</b>	(300,000)	(250,000)
<b>Rents - dwellings</b>	(38,984,000)	(40,702,860)
<b>Rents - garages</b>	(721,000)	(740,000)
<b>Rents - other</b>	(698,790)	(679,790)
<b>Total Income</b>	(46,360,150)	(48,331,760)
<b>Contribution to/(from) balances</b>	634,680	(785,920)
<b>Net Expenditure</b>	0	0

**HOUSING REVENUE ACCOUNT 2006/10  
BUDGET AND FORWARD PLAN**

**APPENDIX 3**

Housing Revenue Account	2006/7 £	2007/8 £	2008/9 £	2009/10 £
<b>Base Budget (net expenditure met by/(contribution to) working balance)</b>	<b>(634,680)</b>	<b>785,920</b>	<b>538,160</b>	<b>488,710</b>
<b>Base Budget Adjustments</b>				
Pay awards (LBB)	44,350	39,690	39,690	39,690
Standard Inflation (LBB)	6,840	7,000	7,000	7,000
Pension Fund Revaluation (LBB)	37,650	38,100	0	0
Housing Subsidy	576,000	1,273,230	1,565,670	1,227,680
Rent and service charge increase	(1,991,950)	(2,065,850)	(2,356,810)	(2,476,020)
Loss of rent through sales	230,340	177,940	192,410	209,140
Additional income from leaseholders	(260,000)	(62,500)	(62,500)	(62,500)
Capital Financing Costs	1,677,000	0	0	0
Management Fee Inflation	505,920	536,090	552,180	568,750
Repairs and Maintenance Inflation	211,450	216,740	222,150	227,710
Housing Benefits - reduced HRA cont.	(100,000)	(50,000)	(50,000)	(50,000)
Additional provision for support services	500,000			
	1,437,600	110,440	109,790	(308,550)
<b>Pressures</b>				
Regeneration/sheltered schemes - rent loss through dwellings vacated	0	359,840	741,850	1,068,910
	0	359,840	741,850	1,068,910
<b>Efficiencies, Budget Reductions</b>				
Regeneration schemes - removal of start up costs	0	(200,000)	(200,000)	(200,000)
Repairs and Maintenance - reduced nos of dwellings	0		(175,000)	(233,000)
Revenue Contributions to Capital Outlay	0			
Management Costs - Barnet Homes	0	(268,040)	(276,090)	(284,380)
Restructuring Needs and Resources	(17,000)			
Efficiencies/Savings to be identified**	0	(250,000)	(250,000)	(250,000)
	(17,000)	(718,040)	(901,090)	(967,380)
<b>2006/7 Budget and Forward Plan - required contribution from/(to) working balance</b>	<b>785,920</b>	<b>538,160</b>	<b>488,710</b>	<b>281,690</b>

\*\* Without reductions of this level, the HRA will become unsustainable as the deficit increases year  
This results from the subsidy settlements for the last two years which have taken resources away fr

**1. Statement of Purpose**

- 1.1 Internal audit assists Directors and staff in the effective discharge of their responsibilities. It provides assurance, information and recommendations on the activities reviewed, and its independence allows impartial and unbiased judgements to be made.

**2. Summary**

- 2.1 The Sub-Group is asked to comment on the draft audit plan attached to the report.

**3. Recommendations**

- 3.1 That the Sub-Group makes comments on the draft audit plan and identifies any other areas it wishes to be included.

**4. Financial & Risk Management Issues**

- 4.1 Budgetary provision exists for internal audit services at the level proposed.
- 4.2 The draft plan takes into account the levels of risks to Barnet Homes associated with its systems and activities.

**5. Resident Consultation and Equalities Issues**

- 5.1 None in the context of this report.

**6. Background Information**

- 6.1 Attached as Appendix 1 is the draft Internal Audit Plan for 2006/7 to 2008/9 prepared by Tribal Business Assurance. This has been produced following discussions with senior management and a review of previous audit reports, the major risks register and the business plan. In addition to being presented here, it has been distributed to senior management for comments.
- 6.2 It is proposed that these comments, together with any the Sub-Group may have are incorporated into a final plan which will be reported to the Sub-Group.
- 6.3 Simon Cox and Andrew Townsend from Tribal Business Assurance will be attending the meeting and will present the draft plan. We are grateful to them for meeting a very tight deadline in producing this draft.

**Author: Mike Wiffen**  
**Date: 1 March 2006**

BARNET HOMES

**INTERNAL AUDIT STRATEGIC PLAN  
2006/07 – 2008/09**

**Report issued: February 2006**

The matters raised in this report are only those, which came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and should not be quoted in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

# Internal Audit Strategic Plan

## - EXECUTIVE SUMMARY -

### INTRODUCTION

1. This Internal Audit Strategic Plan has been drawn up in accordance with the requirements of the CIPFA Code of Practice for Internal Audit in Local Government.

### INTERNAL AUDIT STRATEGIC PLAN

2. The Internal Audit Strategic Plan (Annex A) is the overall template for the rolling review of Barnet Homes systems of internal control. The Internal Audit Strategic Plan assumes that there is no change in the risk assessments or in the operations of Barnet Homes. It also assumes that no significant control weaknesses will be identified by the internal audit reviews.

### ANNUAL PLANS

3. An Annual Plan will be prepared prior to the start of each financial year. The programme of work within the Annual Plan will be in accordance with that set out in the Internal Audit Strategic Plan, subject to any proposed changes arising from matters identified subsequent to the preparation of the Strategic Plan. Any proposed changes will be agreed with the senior management at Barnet Homes and will be reported to the Business Sub-Group.

### RESPONSIBILITY

4. It is the responsibility of the Business Sub-Group to recommend to the Board that the number of audit days to be provided and the planned audit coverage is sufficient to meet the requirements of Barnet Homes.

### RELEASE OF REPORT

5. The table below sets out the history of this report.

Date draft report issued:	27 February 2006
Date management responses recd:	
Date final report issued:	

## Internal Audit Strategic Plan 2006/07 – 2008/09

System	Risk			Type of review	Days Required		
	M	A	P		2006/07	2007/08	2008/09
Budgetary Control	✓	✓		system	8	5	5
Direct Operations - Materials		✓	✓	system	8		
Governance –Strategic Control	✓	✓	✓	system	6		
Investment Programme – Transitional Contract Mgmt	✓	✓	✓	system	10		
IT Project Management	✓	✓		system	6		
IT Security – network controls	✓	✓		system	8		
Payments		✓		system	8	5	5
Payroll		✓		system	8	5	5
Responsive Maintenance	✓	✓		system	15		
Treasury and Banking		✓		system	6		
Voids & Lettings Management		✓	✓	system	10		
Works Procurement – non-partnered	✓	✓	✓	system	6		
Works Procurement –partnered	✓	✓	✓	system	8		
Service Level Agreements	✓	✓	✓	compliance	9	8	8
Internal Controls Assurance	✓	✓	✓	appraisal	6		
Risk Mgt – Risk Identification & Monitoring	✓	✓	✓	appraisal	6		
Caretaking Services		✓	✓	system		8	
Governance – Performance Monitoring	✓	✓	✓	system		6	
IT Security – management	✓	✓	✓	system		8	
Lifeline		✓	✓	system		5	
Planned Maintenance	✓	✓		system		10	
Rent Setting/Collection/Arrears	✓	✓	✓	system		10	
Risk Mgt – New Business Appraisal		✓		appraisal		7	
Operational - Maintenance	✓	✓		operational		15	
Investment Programme – Partnered Contract Mgmt	✓	✓	✓	system		15	10
Direct Operations – Service Delivery	✓	✓	✓	system		10	
Assets		✓		system			8
Cyclical and Void Works		✓		system			10
Governance – Conflicts of Interest		✓	✓	system			4
HR Management	✓	✓	✓	system			8
Insurance		✓		system			6
IT Security – disaster planning	✓	✓		system			6
Non-building Works Procurement		✓		system			8
Risk Mgt – Risk Review Arrangements		✓		appraisal			6
Supported Housing		✓	✓	system			10
Operational – Housing Mgt		✓	✓	operational			18
Follow Up		✓		follow up	3	6	6
Half Year ICA Update					3	3	3
Annual Report					2	2	2

Contingency						8	8
Quality management review					3	3	3
Planning					5	5	5
Reporting					6	6	6
Totals					150	150	150

DRAFT

- DETAILED REPORT -

## Internal Audit Strategic Plan

### Scope of the Audit Strategy

6. The scope of the Audit Strategic Plan is limited to those operational activities undertaken by Barnet Homes. The internal audit programme of work, outlined in the Internal Audit Strategic Plan, is designed to determine the extent to which the Barnet Homes network of risk management, control and governance processes are adequate and operating in the designed manner.
7. The Internal Controls Needs Assessment identifies the full internal control environment and the Strategic Plan is drawn up without regard to the agreed number of contracted audit days. The Strategic Plan enables the Business Sub-Group to determine whether the contracted number of audit days provides the level of assurance required by Barnet Homes.

### Identification of Internal Control Systems

8. The scope of the control framework of Barnet Homes was determined through discussions with the senior management and a review of:
  - previous internal audit reports;
  - the major risks register;
  - the business plan.
9. The overall control framework has been broken down into discrete operational systems for the purpose of assessing the risk.

### Assessing the audit risk attached to each system

10. In order to obtain the best use of the internal audit resource it was necessary to assess the risk to Barnet Homes of a failure of the internal controls in each system. A risk analysis model, drawn up by Tribal Business Assurance, has been used to determine the risk category for each system. The model considered the:

**Barnet Homes identified major risk** – The Barnet Homes risk register lists the business significant risks. Many of these risks are academic or relate to external factors where internal audit could have very limited impact. Major risks, which relate to internal operational factors have been considered as part of the Internal Audit Strategic Plan process. (shown in Strategic Plan in column marked 'M').

**Audit risk** - This element considers the financial and operational control risks associated with the operation of an activity. The risk analysis model also makes allowance for other assurance procedures put in place by the Barnet Homes. The highest risk areas identified are included in the Strategic Plan. (shown in Strategic Plan in column marked 'A').

**Public relations risk** - The risk is not just the immediate financial loss that may arise but also the impact of the adverse publicity that may occur from a control failure. In the medium to longer term it is likely that the latter will have the greater adverse impact for Barnet Homes. (shown in Strategic Plan in column marked 'P').

### Determining the period over which all systems will be audited

11. All key financial systems will be reviewed on an annual basis. These reviews will be either system or compliance reviews, with each key financial system being subject to a full system review at least once every three years. A full system review of a key financial system will be carried out in the year of any significant changes being made to that financial system, irrespective to when the previous system review was carried out.
12. A three-year cycle will be used for system reviews of operational systems. A cyclical approach to audit work can be used if a system has been subject to an internal audit review, which has indicated that there are effective controls as it is then not necessary to undertake detailed system reviews on that system in each year.
13. Internal audit has traditionally reviewed aspects of an organisation's operations on a rolling basis with reviews being carried out once every three or five years. Tribal Business Assurance considers that with the key business critical areas there is a need for a modular approach thereby ensuring that aspects of these areas are being reviewed every year. Tribal Business Assurance has adopted a modular approach for:
  - Governance and strategic control
  - Risk management
  - IT

### Types of Internal Audit Reviews

14. For Barnet Homes it is appropriate to have an integrated audit programme that is comprised of five types of audit review.
  - **System Reviews** - Each system review entails identifying the objectives of the operation being reviewed, identifying the risks to the operation and then establishing that controls are in place to minimise the potential risk. The appropriate level of testing is carried out to assess the actual effectiveness of the controls.
  - **Compliance Reviews** - To provide an ongoing assurance, the programme of system reviews needs to be supplemented by a programme of compliance reviews. The emphasis of the compliance reviews is on establishing by detailed testing the integrity of the arrangements being operated and re-affirming the reliance that can still be placed on the opinion provided on the full system reviews.

- **Follow Up Reviews** – These reviews complement the system reviews by testing the extent of effective implementation of previous internal audit recommendations.
- **Appraisal Reviews** – These reviews consider whether the arrangements in place accord with good practice but do not extend to detailed compliance checking.
- **Operational Reviews** - These reviews are effectively 'zero based' with the first stage being the identification of what the service is that needs to be delivered. The next stage considers the extent to which the current arrangements effectively deliver the required service. All operational reviews explicitly consider the extent to which the Audit Commission's Key Lines of Enquiry (KLOEs) are being met.

### Levels of Testing

15. The levels testing carried out in each system review have been designed to provide reasonable assurance that the expected controls are operating. In the event that an expected control is absent a higher level of testing will be conducted. The timings shown in the Strategic Plan assume that the expected controls will be in place. Substantive testing will only be carried out with the prior approval of Barnet Homes and additional time will be required to carry out such testing.

### Timings

16. The times allocated to the individual reviews in the Internal Audit Strategic Plan include preparation and issue of terms of reference, production and review of working papers and reports. For each system review time has also been allocated to providing Barnet Homes with documented flowcharts of the system.

### Strategic Three Year Rolling Programme

17. A three year rolling programme cycle will be used for Barnet Homes. The three year rolling programme requires that at the end of each year, as the last year drops off, the Strategic Plan is reviewed to take into account any changes to the risks assessed a year earlier. This review evaluates the required programme of work for the next three years including the appropriateness of the next two planned years of audits that may need to be amended as a new third year is added. This provides for an ongoing, continually reviewed and evolving three year programme of work.

### Reporting

18. A separate report will be prepared for each block of reviews carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with Tribal Business Assurance and which accord with the requirements of the CIPFA Code of Practice for Internal Audit in Local Government.
19. An Annual Report will be prepared for each year in accordance with the requirements set out in the CIPFA Code of Practice for Internal Audit in Local Government.

**Responsibility**

20. It is the responsibility of Barnet Homes Business Sub-Group to determine that the number of audit days to be provided and the planned audit coverage is sufficient to meet the requirements of Barnet Homes.
- 

DRAFT

**1. Statement of Purpose**

- 1.1 An effective risk management process will assure management that objectives can be met effectively and efficiently. Results can be expected to include increased efficiency, reduced costs and a greater ability to meet targets.

**2. Summary**

- 2.1 This report combines the Corporate Risks and red and amber risks from the Heads of Services' operational registers, ranked according to an assessment of costs.

**3. Recommendations**

- 3.1 That the Sub-Group review the registers and comment accordingly.

**4. Financial & Risk Management Issues**

- 4.1 Covered within the report.

**5. Resident Consultation and Equalities Issues**

- 5.1 None in the context of this report.

**6. Background Information**

- 6.1 The Corporate Risks now include the London ALMO Procurement Network (LAPN) as requested at an earlier meeting. The assessment of the cost of the risk relates to the sum that may be lost through efficiencies not being generated as a result of LAPN's failure rather than any direct financial loss to Barnet Homes.

- 6.2 For the red and amber operational area risks there are two that have changed status, both for the better. Within Corporate Services office moves is now showing as amber rather than red, with the Barnet House moves likely to be complete by 31 March.

- 6.3 Within Technical Services delivery of the capital programme 2006/7 is now graded as amber rather than red although the values have remained unchanged. The allocation from the Office of the Deputy Prime Minister has now been confirmed and funding agreed with the Council, although there remain issues around costs and the scope of works that can be carried out.

- 6.4 The Sub-Group is asked to review and comment accordingly.

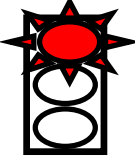
**Author: Mike Wiffen**  
**Date: 1 March 2006**

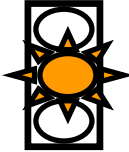
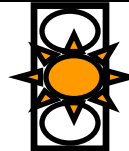
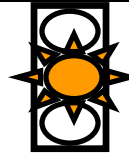
**Barnet Homes Business Sub-Group – 8 March 2006  
Risk Register Attachment – Item7**


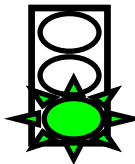
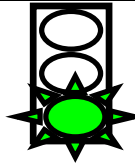
<b>Service: Barnet Homes</b>	<b>Reference</b>
<b>Risk Management Register</b>	<b>Date: 8 March 2006</b>

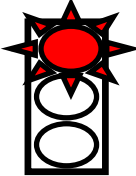

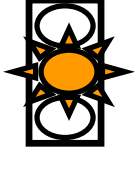
**BARNET HOMES: OUR BUSINESS AIMS (BA)**

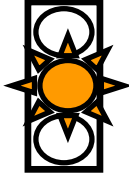
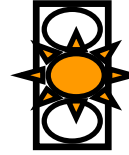
1. To provide excellent services driven by customer involvement
2. To bring all homes up to decent homes plus standard by 2010
3. To provide services that meet the needs of all our diverse and vulnerable customers
4. Through partnership develop safe sustainable and cohesive communities
5. To develop a highly skilled, motivated and satisfied workforce which is reflected in high quality services to residents
6. To develop new business areas for Barnet Homes

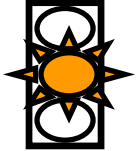
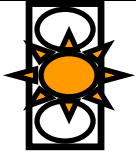
BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
	<b>Corporate Risks</b>							
<b>ALL BAs</b>	IT Systems	Poor service experienced. Lack of experienced staff. Changing systems.		↔	<b>H 0.6</b>	<b>VH £500,000</b>	<b>£300,000</b>	SLA issues remain outstanding. Identified as one of Board's key priorities. Concentration on closing down Rents, Leaseholders, SAP, Contract Manager and Pericles.

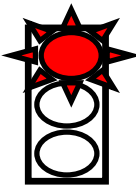
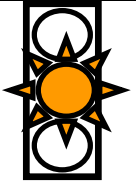
BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>BA 1,2</b>	London ALMO Procurement Network	Efficiencies not identified. Work programme not suited to Barnet Homes. Government Funding withdrawn. Unfundable gap in Business Plan.		New	M 0.25	VH £1M	£250,000	Chief Executive attending Board Meetings. HOFS involved in work on Business Plan. Working with LAPN on Gas Servicing Contract.
<b>ALL BAs</b>	Compliance with Procedures	No rules or procedures Poor training No auditing of processes Lack of managerial control Budget overspends		↔	M 0.3	H £300,000	£90,000	Work on contract procedure rules and Procurement Strategy now underway (MW). HoS reporting on issues arising from Lambeth. SAP to be utilised to match requirements. Clarity needed on ex-LBB Contracts.
<b>All BAs</b>	Financial and Forward Planning	Unclear of long-term forecasts Poor financial controls Lack of expertise Managers not taking responsibility Control/accounting issues raised by external auditors.		↔	M 0.25	H £300,000	£75,000	SLA's remain major risk though some resolved for 2005/06. External factors such as adverse subsidy settlement affecting ability to plan with confidence.

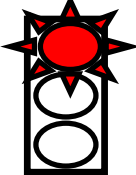
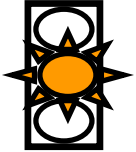
BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>ALL BAs</b>	Business Continuity and Disaster Recovery	Failure of IT Systems. Loss of accommodation through disaster. Insurance cover of £300,000 taken out.		↔	VL 0.01	VH £1M	£10,000	Maintain business through emergency plan. Develop business Continuity Plan – project officer appointed. Project Officer seconded to assist in leaseholder project. To return to BCP following Go Live.
<b>ALL BAs</b>	Reputation	Bad press coverage High level of complaints Low satisfaction levels Dissatisfied Council		↔	VL 0.05	M £50,000	£2,500	Monthly analysis of press coverage circulated to Directors and staff. High levels of satisfaction achieved. Review of complaints being undertaken. Customer Care major focus for learning and development.
<b>ALL BAs</b>	Continuous Improvement	Poor performance figures Costly services Resident dissatisfaction Lowest quartile on performance No benchmarking		↔	VL 0.05	VL £10,000	£500	Performance Management Team now enhanced – performance reviewed and monitored regularly at variety of levels. Learning culture throughout organisation.
	<b>Corporate Services</b>							

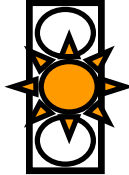
BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>All BAs</b>	Monitoring and review of Service Level Agreements with the Council	Lack of systematic SLA monitoring, uncontrolled SLA costs, poor support services, SLAs not negotiated for 05/06/ SLA monitoring and review framework in place		↔	H 0.5	H £400,000	£200,000	5/10 SLAs now agreed. Remainder need close down by beginning March. <b>[CV/KL/MW]</b> . More rigorous monitoring underway e.g. Legal and HR. Negotiations on 06/07 SLAs started e.g. HR <b>[CV/KL]</b>
<b>All BAs</b>	Implementation of all inspection recommendations and preparation for next inspection	Non-implementation of inspection recommendations. No forward planning e.g. formation of project team, last minute preparations.		↔	M 0.25	H £500,000	£125,000	Strategy being developed to ensure preparations in place for next inspection in October 2007 learning lessons from last inspection. Will also be a key priority in BP for 06/07. Report to Standards Sub0Group with proposed draft project plan – March 2006 <b>[CV/KL]</b>
<b>All BAs</b>	Implementation of Core Financial systems including Pericles, SAP, AXIS (LBB)	Impact on key BH systems (costs and resources – CT/Finance). More visibility at implementation (Change Management Stage), training, procedures e.g. orders, interfacing, deeper involvement in related projects (AXIS, SAP)		↔	M 0.4	H £300,000	£120,000	Continue on SAP ph 2 and AXIS/Pericles projects <b>[EM]</b> . Participate in LBB/BH IT initiatives and long-term IT protocols with LBB <b>[KL/EM]</b>

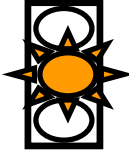
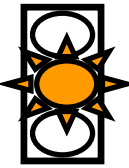
BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
All BAAs	Management of sickness absence	High levels of sickness absence, costs to the organisation, adverse effects on staff morale/ clear framework and policy for tackling sickness absence, regular monitoring and reporting of performance, benchmarking with other organisations		↔	M 0.4	M £100,000	£40,000	Rate of sickness absence better than 04/05 but not on target. Long-term absence greatly reduced although routine absence increased. Workshops held for managers on tackling absence. Managers are also monitored on following up all cases of > 8 days absence. <b>[CV]</b>
All BAAs	Office moves programme not working to timetable	Accommodation plan slips, redundant offices retained with resultant financial costs, high impact on other projects e.g. Call Centre/Moves timetable established and interim plan agreed.		↓	M 0.25	M £100,000	£25,000	Sovereign House move completed, Hyde Hse (inc Call Centre) due to complete 31/3. Accommodation SLA agreed. Works for West Hendon scoped and out to tender, works should be complete by May 2006 and facilitate moving the regeneration teams to WHB. Future of Stag House due for review in 06/07. Consultation with residents to commence in May <b>[KL]</b> .

BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
BA1	Maintaining Call Centre	Existing call centre equipment incompatible with proposed telephony systems at Barnet Hse (IP), Financial impact (cost, resources)		↔	M 0.25	H £100,000	£25,000	Leaseholder system implemented. Monitor functionality and performance post implementation. Rents ph II and CM roll-out on track (end May 2006). <b>[EM]</b> (These elements now green).  Interfacing with Pericles and SAP ongoing <b>[EM/MW]</b>
All BAs	Health and Safety	H&S culture not embedded across the organisation, serious incidents arise, procedures not followed, no ownership from staff and managers, breach of the law/H&S Officer appointed, H&S consultant advisor appointed, regular briefings, monitoring of incidents and trends.		↔	M 0.25	M £100,000	£25,000	Progress continuing to be made but further work still to do e.g. risk and DSE assessments <b>[BK]</b>
	<b>Strategic Housing Service Issues</b>							

BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>All BAs</b>	Performance Management	Poor performance outcomes, unresponsive and uninformed management/B&P meetings established for HOPs, Performance regime agreed for SPO, SPO budget and performance meetings commenced.		↔	H 0.5	H £400,000	£200,000	VOIDS performance currently stable and improving. Rent arrears performance currently poor but subject to an intense improvement plan. Service charges expected large debit from actual adjustment will be subject to close scrutiny.
<b>BA1, 2,4</b>	Information Technology <ul style="list-style-type: none"> <li>• Rents project</li> <li>• Leasehold module</li> <li>• HM call centre</li> <li>• Lifeline</li> <li>• Future plans</li> </ul>	Slippage of timetables, impact on SIP implementation, poor service standards, regular breakdowns.		↔	M 0.3	H £400,000	£120,000	Leaseholders has now successfully gone live with some residual issues over cash interface and data migration. Rents implementation making slow but steady progress. Pericles start up over next 6-9 months could be critical although project officer identified.

BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>BA2, 3,4,5 ,6</b>	Budget Management and VFM	Overspend, budget pressures to develop services in a shrinking organisation, / Regular budget meeting and information established. Develop HS strategy to define service development priorities for the future and assess VFM.		↔	H 0.5	H £200,000	£100,000	VFM review of bulk rubbish now progressing with short-term reduction in costs achieved. More medium term work required to tease out further savings. Review of vacancy rate underway and further VFM reviews imminent. SP contract variation requested following work on costs.
	<b>Financial Services</b>							
<b>BA1</b>	Financial Controls and Procedures	Issues raised by external auditor including trial balance, cash flows, reconciliation and SLAs		↔	M 0.25	M £100,000	£25,000	Work plan in place for documentation of all procedures. All processes being mapped following SAP implementation.
	<b>Technical Services</b>							

BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
BA1, 2,3,4	<p>Delivery of Capital Programme – 2006/07</p> <ul style="list-style-type: none"> <li>Funding Construction Industry overload</li> </ul> <p>Controlling construction costs</p>	<p>Funding for 2006/08 is subject to ODPM review – demanding 2% efficiency savings in climate of building inflation rate above % assumed in Building Cost Model.</p> <p>Keep up to date with collaborative working opportunities.</p>		↓	H 0.75	H £1M	£750,000	<p>AMP costs coming in over budget. Attend LAPN meetings and CEO on Board – LAPN providing assistance on AMP negotiation and development of Open Book protocols.</p> <p>Detailed analysis and cost comparisons being undertaken alongside review of standard.</p> <p>ALMO funding for 2006/08 has now been confirmed, though reduced by 2% from original bid and makes no concessions for increased building costs or additional properties resulting from the DV houses and the slow down in stock reductions.</p> <p>We are however able to bring forward some MRA funding which had been deferred in the HRA Business Plan until after 2010.</p> <p>In order to control costs, we have reduced the scope of work within packages, but still delivering to at least the DHS</p>

BA	Risk	Early warning mechanisms/ mitigating actions	Traffic light indicator	Residual Risk (VH,H,M,L,VL)			Risk Value	Further Action
				Change	Likelihood	Impact		
<b>BA1, 2,3,4</b>	<p>Delivery of Capital Programme – 2005/06</p> <ul style="list-style-type: none"> <li>Funding Construction Industry overload</li> </ul>	<p>Difficulties with Supply Chain and labour difficulties. Timetable slippage on Partnering Programme. The end of year spend is expected to be lower than originally planned because: Pre-construction activities caused late starts on the Partnering packages Projects on the transitional programme slipped.</p> <p>For future years, there will be fewer projects to manage and we expect that the constructor partners will be able to accelerate delivery with no loss to the overall programme.</p> <p>This is the last time for this to appear</p>		↔	M 0.5	H £500,000	£250,000	<p>Improved budget monitoring and controls now in place through regular scheme monitoring (HW). Partnering programmes all now on site. Although satisfactory cash flow scheduled to year-end, dependent on very large number of schemes progressing without difficulty. Increased monitoring of payments against cash flow profile (HC). Initial PIs for Partner and Contractor performance established (HW/HC). Risk Register agreed with Constructors (HC).</p>
<b>BA5</b>	Information Technology	<p>Requirements of BHIT Strategy Limited resources for systems improvements and project implementation.</p> <p>No change</p>		↔	M 0.25	H £200,000	£50,000	<p>Agree priorities and timescales with Corporate Services (Control Team/Harry Williams). This is not one of the identified priorities for IT, therefore work largely on hold.</p>

**1 Statement of Purpose**

- 1.1 Barnet Homes' business aims include "to develop new business areas for Barnet Homes." This report aims to help define and place structure around the development of new business.

**2 Summary**

- 2.1 This report provides an revised statement on our approach to new business.

**3 Recommendations**

- 3.1 That the sub group note and approve the New Business Policy Statement, and ask the Board to amend the scheme of delegation accordingly.

**4 Financial & Risk Management Issues**

- 4.1 Barnet Homes faces a number of risks to the ongoing viability of the company. New business (alongside the efficiency agenda) represents a real opportunity to manage these issues. However, new business also raises further potential company risks that need to be carefully evaluated and managed. This paper outlines what constitutes new business, the process for evaluating risks, the responsibilities involved and clarifies the delegation of new business decisions.

**5 Resident Consultation and Equalities Issues**

- 5.1 None currently in the context of this paper although individual new business opportunities may well be the subject of specific resident consultation.

**6 Background Information**

- 6.1 The last meeting of the Sub-Group agreed the new business process outlined, but asked that the new business policy statement be simplified and shortened. This is attached as Appendix 1. The new business proposal form with minor amendments is attached as Appendix 2.
- 6.2 The Board will need to be requested to amend the scheme of delegation in line with the responsibilities set out in the policy statement.

**Author:**

**Derek Rust**

**Deputy Chief Executive & Head of Housing Services**

**Date: 21 February 2006**

## New Business Policy Statement

### What is New Business?

**In its simplest terms 'new' business covers any activity that improves our financial viability by increasing efficiency and supporting our core functions.**

Increasing turnover is not enough – new business must demonstrate that it increases viability at the same time and supports our core aims. New business may come from the Council through the management fee, through external grants including Supporting People, and from other housing providers or the private sector.

Seeking out new business is not simply about growth for growth sake. It is about developing a more pragmatic and business like approach to developing the future of the organisation. In areas of strength we will develop wider markets and in areas where we are weak we will consider withdrawing from being a service provider.

#### Framework to Act:

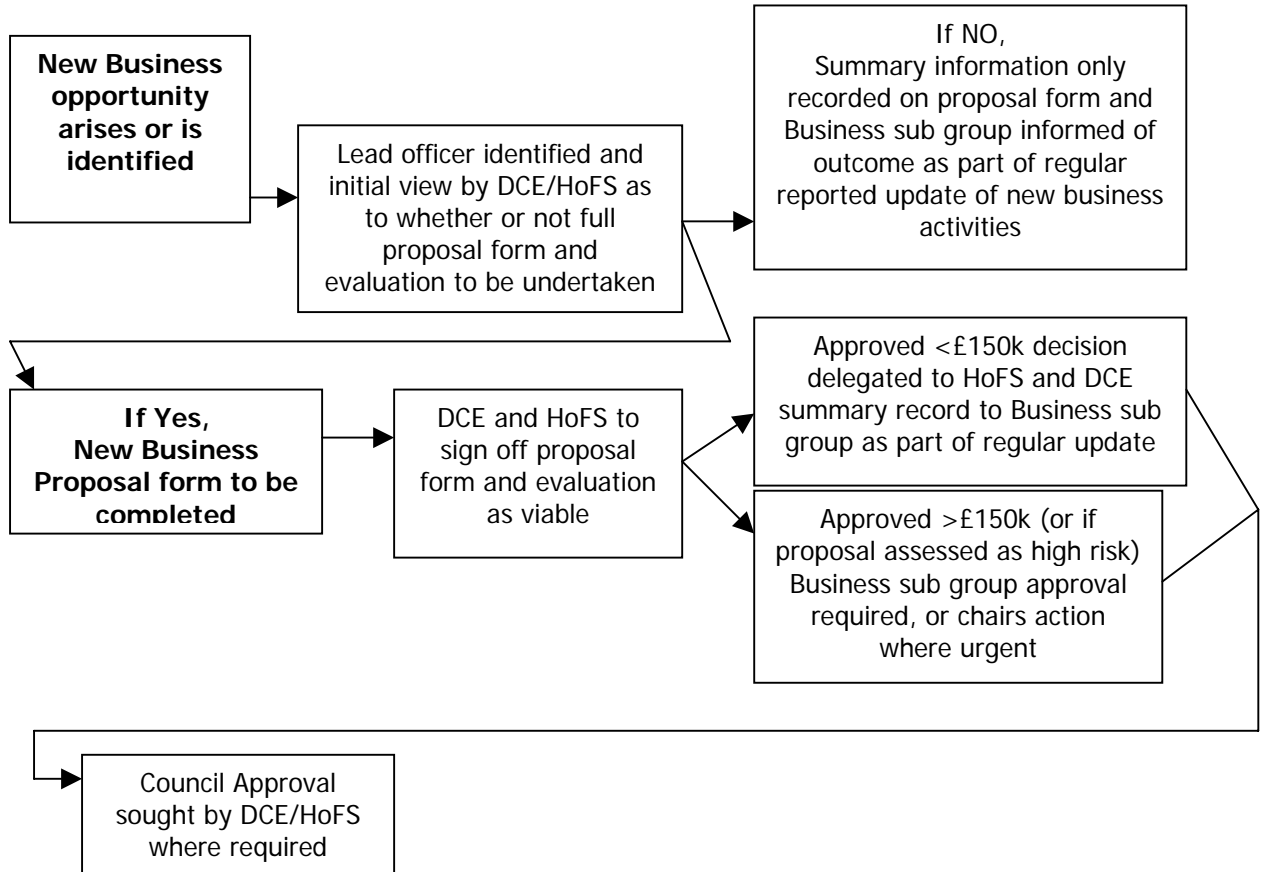
- The management agreement permits the ability for Barnet Homes to carry out work or services with third parties with consent (25.3).
- The Local Government Act 2003 s95 enables ALMOs to trade in any activities related to the well-being function where the local authority is not rated as "weak" or "poor" in the CPA rating.
- The Business sub group have responsibility for overseeing the overall approach to new business and approving specific proposals where appropriate.

#### Responsibilities:

- Deputy Chief Executive is responsible for monitoring and leading on the development of new business.
- Head of Financial Services is responsible for ensuring financial viability and robust risk analysis has been undertaken of any new business proposals
- Business Sub Group is responsible for overseeing and approving all new business proposals assessed as high risk or above a contract value of £150,000
- Staff are responsible for following the correct procedures in pursuing a new business growth area.

Process:

New business initiatives will be evaluated using the New Business Proposal Form (appendix2)



DR/CC Jan06

**New Business Proposal Form**

Number.....

<b>New Business Title</b>	
Lead Executive	
Description of the new business proposal	
Link to Business Objectives of Barnet Homes?	
<b>Base Information</b>	
How will the new business be provided?	
Staffing Numbers (specify any new staff anticipated)	
Volumes of Service	
*Financial Information – budgets, set up costs, running costs, overheads, income, efficiencies achieved etc.	
Quality and Performance Measures	
Equalities Issues	
How was the new business opportunity identified?	
<b>Challenge</b>	
What is the business case for making this proposal?	
What is the expected life of the proposal?	
Is there an exit strategy if needed?	
Risk Issues?	

<p>Legal, Financial, HR, Insurance, Reputational etc. Risk Register Required</p>	
<p><b>The market</b></p>	
<p>Who are the competitors, if any? What alternatives are there to this proposal?</p>	
<p><b>User Consultation</b></p>	
<p>Outline user views</p>	

<b>Recommendation</b>	
What recommendation are you making to officers/Board Directors?	
<b>Effects of Proposals</b>	
- efficiency savings - quality measures - staffing - performance	
<b>Implementation Timetable</b>	
- proposed key dates/actions	

Submitted by Lead Executive (Sign and print)  
..... Date.....

Initial approval by HoFS and DCE to develop more detailed proposal  
.....  
Date.....

Final approval by HoFS and DCE to develop more detailed proposal  
.....  
Date.....

Approved by Business Sub Group for detailed proposal to proceed  
Date.....

Council approval  
.....  
Date.....

**Title: External Auditors Project Plan**

**1. Statement of Purpose**

- 1.1 External Audit gives Directors independent assurance about the financial standing and probity of the company.

**2. Summary**

- 2.1 The report sets out a Project plan for the closure of the 2005/6 accounts and updates the Sub-Group on outstanding issues in relation to pensions and Corporation Tax.

**3. Recommendations**

- 3.1 That the report be noted and that the Head of Financial Services report to the next meeting of the Sub-Group if necessary on matters arising from the interim audit.
- 3.2 That the Sub-Group be kept informed of developments in relation to the Corporation Tax status of Barnet Homes.
- 3.3 That progress against the Project Plan be reported to future meetings of the Sub-Group.

**4. Financial & Risk Management Issues**

- 4.1 Planning for the main audit is essential for both parties in ensuring a smooth process with no surprises.

**5. Resident Consultation and Equalities Issues**

- 5.1 Not applicable.

**6. Background Information**

- 6.1 The production of statutory accounts for 2004/5, our first year of operation, was a sometimes fraught affair, partly due to inadequate financial systems, the level of support received from the Council and our reliance on temporary staff in key positions.
- 6.2 We aim, with our external auditors to be in a far better position this year and, along with the Council, have much tighter deadlines to achieve. To this end pro forma statutory accounts are now produced on a monthly basis and presented to this Sub-Group.
- 6.3 Robson Rhodes' interim audit visit is taking place from 6 to 10 March, so they will be in Barnet House during this meeting. If any matters arise that need to be brought to the attention of the Sub-Group I will report on them orally. I will be meeting with Judith Newton and Rachel Cranke on 13 March to further discuss any matters arising.

6.4 There are two particular issues that will need to be resolved. Firstly in relation to FRS17 whereby our accounts will have to include the deficit from the pension fund. This will require some guarantee from the Council that this is covered otherwise the Company would not be a going concern. The matter has been raised with the Council and we hope to resolve by the end of the financial year.

6.5 The second item relates to the status of the Company for Corporation Tax purposes. This has been an issue for all ALMOs across the country – the basic point being why should tax be payable on activities carried out for the Council. KPMG have been acting for a number of northern ALMOs and draft guidance was issued by Her Majesty's Revenue and Customs (HMRC) which deemed that ALMOs were non-trading and therefore not liable to Corporation Tax.

6.6 However there are several variations to ALMO management agreements across the country, so the guidance may not apply to all. Final guidance has not been issued, but some clarification has been provided as to relevant areas, including:-

- Constitution of the ALMO
- Nature of the activities carried out by the ALMO on behalf of the Council
- Activities are funded by a management fee from the Council which in turn is funded by the HRA
- Money held by the ALMO must be applied to its objects and is ultimately returnable to the Council
- Council parent is the decision maker.

6.7 We will need to take a view as to our position having obtained advice from our tax advisers, Robson Rhodes. The 2004/5 accounts assumed a liability for Corporation Tax, albeit that tax due on bank interest was utilised to offset operating losses. The effect of being non-trading will mean that this tax will be repayable. I will keep the Sub-Group informed of any developments.

6.8 A timetable for the closing programme is set out below:-

<b>Date</b>	<b>Action</b>	<b>Responsible</b>
2006 6-10 March	Interim audit visit – testing of key transaction cycles, key controls, review internal audit, board minutes, management accounts and risk management.	Robson Rhodes
13 March	Meeting of Robson Rhodes and Head of Financial Services	Robson Rhodes /BHL(HOFS)

31 March	Have resolved FRS17 issue with the Council.	BHL (HOFS)/ LBB
31 March	Have resolved all outstanding 2005/6 SLA issues with Council, including adjustments to management fee.	BHL (HOCS/ HOFS)/LBB
31 March	Provide list of working papers and schedules required to support the financial statements	Robson Rhodes
31 May	Draft final accounts produced and circulated to Business Sub-Group.	BHL (HOFS)
7 June	Business Sub-Group approve draft accounts	
8 June	Draft accounts submitted to Council	BHL (HOFS)
23 June	Draft accounts and statements supplied to Robson Rhodes for review prior to visit	BHL (HOFS) Robson Rhodes
3 – 7 July	Final audit visit. Analytical review and tests of detail to be carried out on account balances. Level of testing depends on previous risk assessment at planning stage	Robson Rhodes
TBA	Completion of audit, opinion and management letter	Robson Rhodes
30 August	Annual Report and Accounts circulated to Business Sub-Group	BHL (HOFS)
6 September	Business Sub-Group approves Annual Report and Accounts. Meeting includes private session with Robson Rhodes	
18 September	Board approves Annual Report and Accounts	
October	Barnet Homes AGM	
By 31 January 2007	Annual Report and Accounts submitted to Companies House	BHL (HOFS)

6.9 I will keep the Sub-Group informed of progress against this Plan and any amendments that may be made.

**Author: Mike Wiffen**

**Date: 2 March 2006**

**1. Statement of Purpose**

- 1.1 Barnet Homes is committed to achieving effective governance and ensuring we deliver our objectives and commitments to target.

**2. Summary**

- 2.1 This paper sets out proposed agenda items to the sub-group.

**3. Recommendations**

- 3.1 That the sub-group consider the proposed agenda items and agree or amend as it wishes, and propose any items for inclusion on future agendas.

**4. Financial & Risk Management Issues**

- 4.1 Not applicable

**5. Resident Consultation and Equalities Issues**

- 5.1 None in context of this report.

**6. Background Information**

- 6.1 The table below sets out proposed agenda items for the next meeting and up to December 2006. The sub-group is asked to note and suggest further items for inclusion.

<b>Meeting Date</b>	<b>Agenda Items</b>
5 April 2006	Budget Monitor end February and draft statutory accounts ICT Priorities New Business Update Value for Money and Efficiency – forward look External Audit – issues from interim visit Learning from Lambeth Fraud Internal Audit Plan 2006/8 Agenda Planning
3 May 2006	Budget Monitor – Closing Update Value for Money and Efficiency Former Tenants' Arrears Pilot Agenda Planning
7 June 2006	Draft Final Accounts 2005/6 Budget Monitor 2006/7 – end April Review of Risk Registers Procurement Strategy New Business Update Agenda Planning

5 July 2006	Budget Monitor 2006/7 – end May Value for Money and Efficiency – backward look Agenda Planning
2 August 2006	Budget Monitor 2006/7 – end June New Business Update Agenda Planning
6 September 2006	Annual Audited Report and Accounts, including private session with external auditors Budget Monitor 2006/7 – end July Review of Risk Registers Agenda Planning
4 October 2006	Budget Monitor 2006/7 – end August New Business Update Agenda Planning
1 November 2006	Budget Monitor 2006/7 – end September Value for Money and Efficiency – mid-year review Internal Audit – six monthly report Agenda Planning
6 December 2006	Budget Monitor 2006/7 – end October Review of Risk Registers Agenda Planning

**Author: Mike Wiffen**

**Date: 1 March 2006**