

**BUSINESS SUB-GROUP
BARNET HOMES
Wednesday 6 February 2008 at 3.00pm
9th Floor Board Room, Barnet House**

AGENDA

Item No	Item	Status	Author
1	Introductions & Apologies		
2	Minutes and Matters Arising		
3	Declaration of Interests		
4	Election of the Chair		
5	Terms of Reference	Decision	Mike Wiffen
	This report proposes amendments to the Sub-Group's Terms of Reference.		
6	Budget Monitor – end December	Information	Laura Awosile/Gary Pliskin/Jo Moore
	This report sets out the budgetary position for the Company and provides a balance sheet as at the end of December 2007. It projects the year-end position and describes any significant budget variations. It also includes the third-quarter position on the Council's Housing Revenue Account.		
7	Budget Headlines 2008/09	Decision	Mike Wiffen Paul Cleveland
	Sets out the headline position for the 2008/09 budget, taking account of the results of consultation, decisions of the Board and the financial position.		
8	Resident Resource Centre	Decision	Shirley Neighbour Mirko Sidoli
	This report provides an update on the resident resource centre at Cheshir Hall.		
9	Statement of Internal Control – Annual Review	Information	Mike Wiffen
	The Statement of Internal Control to December 2007 is presented for consideration of the Sub-Group.		
10	Innovations Fund	Information	Gary Pliskin
	This report provides information on the bids approved at the last panel meeting in November and an update on the outcomes of and/or progress on previously accepted projects.		
11	SLA Monitor	Information	Melanie Rutherford
	This report updates the Sub-Group on the position regarding SLAs for 2008/09 and the progress on monitoring them.		
12	Leasehold Service Charges 2008/09	Decision	Kevin Turnpenney
	Sets out the rationale for the estimation of leaseholder service charges and proposes increases for the 2008/9 estimates.		
13	Payroll Policy	Decision	Jo Moore
	The report proposes a Payroll Policy for approval, following a recommendation in an internal audit review.		
14	Agenda Planning	Decision	Mike Wiffen
	Sets out the proposed agenda for the next meeting of the sub group and for the meetings to September 2008.		

**BUSINESS SUB-GROUP
BARNET HOMES
Wednesday 6 February 2008 at 3.00pm
9th Floor Board Room, Barnet House**

AGENDA

Item No	Item	Status	Author
15	Any Other Business		
16	Date of Next Meeting – Wednesday 5 March 2008 at 5.00pm, 10th Floor Meeting Room, Barnet House		

Attendees:	David Sidbury (Chair)	Monroe Palmer
	Dorothy Badrick	Trevor Renouf
	Ingrid Beal	Ian Sharp, Tribal
	Mike Wiffen	Gary Pliskin
	Paul Cleveland	Jo Moore
	Laura Awosile	Kate Laffan
	Shirley Neighbour	Kevin Turnpenney

The meeting will commence at **3.00pm, 9th Floor Board 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

**BARNET HOMES
BUSINESS SUB-GROUP MINUTES
6 February 2008**

Attendees: David Sidbury (Chair) Monroe Palmer
Vi Britchfield Gary Pliskin
Mike Wiffen Jo Moore
Shirley Neighbour (Item 8) Kate Laffan (Item 11)
Melanie Rutherford (Item 11) Kevin Turnpenney (Item 12)

Circulation: Those Above All Directors
Grant Thornton

Minutes: Karen Flood

ITEM	TITLE	ACTION
1.	Introductions & Apologies	
1.1	Apologies Ingrid Beal, Trevor Renouf, Laura Awosile, Paul Cleveland and Ian Sharp.	
2.	Minutes 9 January 2008 & Matters Arising	
2.1	Minutes agreed.	
2.2	Matters Arising	
2.1	Item 2.1 Laminate Machine – cost of machine not yet known.	
2.2	Item 2.2 BCP Phase 4 (Joint test with LBB) – revised date for testing awaited.	
2.3	Item 2.3 Closure of Barnet House (16-19 October) – Information now collated and estimate claim to be approximately £5k.	
2.4	Item 2.4 Level of Agency Staff – discussed at Resources Sub-Group, levels of agency staff are unacceptable, felt BHL should look at use.	
2.5	Item 2.4.2 Agency staff & Consultants. Costs to be defined separately within reports from April 2008.	
2.6	Item 2.5 Purchase Order System – No further progress. Issue discussed at Senior Management Team meeting, recognised this will be a key project for 2008/09, JM progressing.	JM

ITEM	TITLE	ACTION
2.7	Item 4.1.2 Printing Costs – It was noted that within the £149k cost for printing to the end of December 2007 £75k was charged by LBB, there is no centralised service for printing and service areas arrange independently. MW to take up issue and consideration to be given to developing arrangements independent of LBB.	MW
2.8	Item 4.7.2 £120k Salary recharge to Capital Projects – processed and included in budget and projection.	
2.9	Item 4.9.1 Bank Interest – Budgeted projection to year end being reviewed.	PEC
2.10	Item 8 Outcome of Neighbourhood Warden Pilot – included within Budget Headlines 2008/09 for meeting (Item 7).	
2.11	Item 9.2 Software – confirmed software written off when obsolete.	
3.	Declaration of Interests	
3.1	If any item arose concerning London Borough of Barnet Finance Monroe Palmer may have conflicting interests.	
4.	Election of Chair	
4.1	Nominations were received for David Sidbury and position accepted at meeting.	
5.	Sub-Group Terms of Reference	
5.1	It had been noted that the Terms of Reference for Sub-Groups were inconsistent and it is proposed they be redrafted before 17 th March 2008 Board Meeting.	
5.2	It was agreed that this item be deferred until Sub-Group Terms are clarified. Once redrafted copies to be circulated to the group.	KLF
6.	Budget Monitoring 2007/08 – end December 2007	
6.1	Total Barnet Homes Limited	
6.1.1	Projected full year loss reduced by £22k to £50k. This will require draw down from reserves although probable increase in bank interest will further reduce forecast loss.	
6.2	Total Barnet Homes Limited – Other Costs	
6.2.1	Consultants £245k – a significant proportion of this is LAPN.	LA

ITEM	TITLE	ACTION
6.2.2	Insurance – full year projection of £12k adverse variance, overspend due error of coding Insurance Premium Tax.	
6.2.3	Travelling - £59k adverse variance to December 2007, relates to payment of staff car lump sum, issue now being taken forward.	
6.2.4	Telephone - £18k adverse variance to December 2007, relates to mobile and lifeline alarms, inadequate budget provision made within 2007/08.	
6.2.5	Postage - £35k adverse variance to year end, relates to £12k not accrued 2006/07, mailshots and freepost.	
6.3	Barnet Homes Limited – Total Heads of Service	
6.3.1	£185k adverse variance to year end of Other Costs (see 6.2 above).	
6.3.2	Estate, Hostel and Warden Service - £87k adverse variance to December 2007 mainly due to price increase for gas.	
6.3.3	Legal - £71k positive variance to year end, savings made due to improved rent collection and has requirement for Court action.	
6.3.4	Projecting full year overspend of £253k this has reduced by £177k due to the backdated pay rise being less than forecasted. £125k has also been recharged to the capital salaries.	
6.4	Service area reports were noted.	
6.5	Tax on Housing Officers re accommodation at sheltered homes - No provision made within 2007/08 accounts, cost would fall on reserves. Grant Thornton to act on behalf of BHL in negotiations with HMRC.	JM
6.6	Invoice Payment Statistics – 98.6% reported at meeting for January, agreed that this should now be reported at Standards Sub-Group as PI from 2008/09.	JM
6.7	Repairs & Maintenance 2007/08	
6.7.1	It was noted that estimated figures are still being reported for repairs and report is being accrued to budget. Work is ongoing to rectify the duplication of orders.	
6.8	Balance Sheet – noted.	
6.9	Housing Revenue Account – Quarter 3	
6.9.1	Approximately £60k surplus predicted for year, no significant changes with a marginal improvement from the 2 nd quarter.	

ITEM	TITLE	ACTION
7.	Budget Headlines 2008/09	
7.1	<p>The report set out BHL budget proposals for next year, the following was noted:</p> <ul style="list-style-type: none"> ▪ Poor HRA settlement for 2008/09 ▪ Increase in Management Fee only approximately £66k ▪ Pay award set at 2% in line with Government recommendations ▪ Increase in Pension Fund contribution to 25.2% ▪ £250k Contingency Fund provided ▪ £50k provided for the accommodation review ▪ £50k provided for the Innovations Fund ▪ Propose the Floating Support bid be met from reserves ▪ Backdated claim for tax in relation to accommodation for sheltered housing officers be met from reserves 	
7.2	A small deficit of £109k at present, further efficiencies to be made. It was noted that various Value for Money reviews are scheduled.	
7.3	Budget headlines to be reported to Barnet Housing Consultative Panel on 21 February 2008.	MW
7.4	Detailed budget report scheduled for 5 March 2008 meeting of the Sub-Group.	MW
8.	Resident Resource Centre (Shirley Neighbour)	
8.1	The report was noted by the Sub-Group and it was agreed a maximum of £30k be allocated for the works to Cheshir Hall, £5k to be provided from the Resident Participation budget for equipment. To be referred back to the Sub-Group if found costs will exceed £30k.	SN
9.	Statement of Internal Control	
9.1	It was noted that a significant improvement had been made since previous reports in July 2006 and January 2007.	
9.2	Statement of Assurance (last paragraph) should read "Tenant and leaseholder satisfaction".	MW
9.3	Management Statement of Assurance (Section 13) with covering report to Board on 17 th March 2008.	MW
10.	Update on Innovations Fund	
10.1	The Sub-Group received an update on the progress of the projects undertaken as a result of successful bids from the innovations panel, the group were also advised of the projects approved at the November meeting of the Panel.	

ITEM	TITLE	ACTION
10.2	It was reported that the Innovations Panel were trying to attract future bids with an emphasis on value for money.	
11.	Service Level Agreements (Kate Laffan & Melanie Rutherford)	
11.1	The Sub-Group received an update on the position for 2008/09 and progress made in monitoring SLAs.	
11.2	Procedures are being developed for improving the financial monitoring and it is proposed that future reports will include performance information.	
11.3	It is aimed to conclude all 2008-09/10 SLAs by 1 st April 2008, with the exception of Building Cleaning this is currently out to tender by LBB.	
11.4	It was proposed that the Service Level Agreement Monitor be reported back to the Sub-Group in April instead of its May meeting, to be reviewed/rescheduled if necessary.	KL/MW
11.5	Kate Laffan and Melanie Rutherford were congratulated on the progress made.	
12.	Leasehold Services Charges 2008/09 (Kevin Turnpenney)	
12.1	The Sub-Group noted the report and estimate proposals for this year.	
12.2	Legal advice being sought on invoicing estimates, a consultation letter will be sent out to all leaseholders.	
12.3	Noted report tabled for the Standards Sub-Group on 13 th February 2008.	
13.	Payroll Policy	
13.1	The Sub-Group approved the recommendations that the Payroll Policy be implemented immediately.	
14.	Agenda Planning	
14.1	Agenda Items 5 March 2008: <ul style="list-style-type: none"> • Budget Monitor – end January • Budget 2008/09 and Business Plan • Review of Risk Registers • Internal Audit Plan 2008/09 • Internal Audit – Management Action • Value for Money – 2008/09 Programme and Action Plan • Accommodation Review • LAPN Business Plan 	LA/GP/JM MW/PEC MW MW MW MW MW

ITEM	TITLE	ACTION
	<ul style="list-style-type: none"> • Agenda Planning 	MW
14.2	Agenda Item 2 April 2008:	
	<ul style="list-style-type: none"> • Service Level Agreement Monitor 	KL/MR
14.3	Date of Next Meeting: Wednesday 5 March 2008, 5pm, 10 th Floor Meeting Room, Barnet House.	
15.	Any Other Business	
15.1	John Macfarlane to attend the 5 March 2008 meeting, to be included in circulation of papers.	KLF

1. Statement of Purpose

1.1 Barnet Homes is committed to achieving effective governance and ensuring that we deliver our objectives and commitments to target. Having well-defined terms of reference supports clarity of decision-making and ensures a transparent and accountable governance structure.

2. Summary

2.1 Amendments are proposed to the Sub-Group's Terms of Reference.

3. Previous Reports

3.1 The Sub-Group last agreed changes to its Terms of Reference at its meeting on 3 January 2007.

4. Recommendations

4.1 That the proposed amendments are approved for submission to the Board on 17 March 2008, and that the Sub-Group considers whether any further amendments should be proposed.

5. Financial & Risk Management Issues

5.1 None applicable to this report.

6. Resident Consultation and Equalities Issues

6.1 None applicable to this report.

7. Background

7.1 At the Board meeting on 17 December 2007, the Board agreed changes to the Sub-Groups' Terms of Reference in relation to the election of their Chairs. The amendment is shown at section 3.2 of the Appendix (which has tracked changes) to this report.

7.2 It is also proposed that responsibility for the development of the office accommodation strategy should pass to this Sub-Group from the Resources Sub-Group, given the links with it and future business planning. Sections 1.4 and 2.6 in the Appendix include this item, and there are consequent changes in numbers of following sections. A similar recommendation is going to the Resources Sub-Group at its meeting on 7 February 2008.

Author: Mike Wiffen, Head of Financial Services

Date: 29 January 2008

1. Objectives

- 1.1 The Sub-Group will make decisions with the aim of ensuring that Barnet Homes Limited's business objectives are achieved through the best use of the Company's financial resources.
- 1.2 The Sub-Group will ensure that risk is properly assessed, managed and monitored within Barnet homes Limited, and will ensure that action is taken where deemed necessary to cover or mitigate that risk.
- 1.3 The Sub-Group will ensure that all financial issues are properly addressed within the Company.

1.4 The Sub-Group will lead on the development of an office accommodation strategy for Barnet Homes to ensure that future office provision is closely aligned to business needs and provided in the most cost effective way.

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1.5 The Sub-Group will act as the Company's Audit Committee.

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2. Purpose

- 2.1 To monitor Barnet Homes' budgets on a monthly basis.
- 2.2 To monitor the Housing Revenue Account on behalf of the Council.
- 2.3 To approve and review the Company's Financial Regulations Standing Orders including schemes of virement and cost centre management.
- 2.4 To agree, review and promote the Company's Risk Management Strategy, to maintain the Risk Register and to monitor this on a quarterly basis.
- 2.5 To lead on business planning for the Company and to agree the budget-setting and forward planning process for the Company, and to receive regular reports on the forward plan.

2.6 To develop an office accommodation strategy for Barnet Homes.

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2.7 To consider areas of new business for the Company and agree development opportunities.

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- | 2.8 To ensure that the effects of reducing levels of stock are properly reflected in business planning. ← Formatted: Bullets and Numbering
 - | 2.9 To agree the Value for Money programme, receive reports on the Core Group's activity and approve recommendations resulting from the reviews. ← Formatted: Bullets and Numbering
 - | 2.10 To agree the Company's IT Strategy and receive regular reports on its implementation. ← Formatted: Bullets and Numbering
 - | 2.11 To agree and monitor the Company's Business Continuity Plan. ← Formatted: Bullets and Numbering
 - | 2.12 To lead on general procurement (non-construction related). ← Formatted: Bullets and Numbering
 - | 2.13 To receive a six-monthly report of internal audit activity in the Company, and to review the planned programme of work of the internal auditor. ← Formatted: Bullets and Numbering
 - | 2.14 To recommend the appointment of external auditors and the fee to be paid to them to the Board. ← Formatted: Bullets and Numbering
 - | 2.15 To receive reports on any financial issues and to agree appropriate action. ← Formatted: Bullets and Numbering
 - | 2.16 To agree exceptions to Contract Procedure Rules standing orders, authorise post-tender negotiations and accept tenders which are not the lowest. ← Formatted: Bullets and Numbering
 - | 2.17 To satisfy the Board that there is sufficient, systematic review of the internal control arrangements of the Company, both operational and financial reporting controls, and to ensure that weaknesses in control are being corrected and reported accordingly to the Board. Deleted: 6
 - | 2.18 To consider the external auditor's management letter. Deleted: 17
 - | 2.19 To commission special investigations into matters of particular concern relating to internal control. Deleted: 18
 - | 2.20 To learn from the internal audit function of any major audit findings, and to advise thereon. Deleted: 19
 - | 2.21 To ensure that the Company has appropriate internal audit arrangements and to approve the scope and/or limitations of such arrangements; to approve the appointment or removal of the internal auditors. Deleted: 20
 - | 2.22 To provide an annual report to the Board on internal control. Deleted: 21
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| Business Sub-Group Item 5 Appendix 6 February 2008

2.23 To receive assurance reports including internal audit findings.

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2.24 To review the audited financial statements and the external auditor's report on them.

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3. Membership

3.1 The membership will consist of at least 4 Directors, one of whom will be nominated as Chair.

3.2 The position of Chair will be agreed by the members of the Sub-Group at the first meeting following the election of the Chair of the Board.

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3.3 A minimum of 3 Board Directors will represent a quorum.

3.4 The Chair of the Board has the right to attend and vote at any Sub-Group meeting and will also form part of the quorum.

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3.5 Where designated members of the Sub-Group are unable to attend a Sub-Group meeting, it will be their responsibility to find a positive confirmed replacement Board Director to attend in their place and also to inform the Chair and the Board & Governance Manager in advance. A substituted Board Director will be able to vote and form part of the quorum.

3.6 Other Board Directors are free to attend any Sub-group meeting but other than 3.4 and 3.5, they will not be able to vote or form part of the quorum.

3.7 In attendance will also be the Head of Financial Services and a representative(s) from the Financial Services team. Additional representation will be requested when required relating to specific issues.

3.8 Working groups may be convened for specific projects and will disband on the completion of projects. Not all members of the working groups need to be formal members of the Sub-Group. Any proposed policy changes arising from working groups should be referred to the appropriate Board/Sub-Group for approval.

4. Meetings

4.1 Meetings will take place at least two-monthly. Dates and times of meetings will be set at the first scheduled meeting of each calendar year and should take place approximately two weeks before the Board meeting.

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- 4.2 Meetings will be open to the public unless exempt items are being discussed in which case the public will be excluded from that part of the meeting. Dates of meetings will be published on the website, however, any members of the public wishing to attend meetings will be required to notify the Board & Governance Manager in advance.
- 4.3 In the event of the minimum quorum of 3 not being achieved, meetings will still be able to proceed, however, any decisions taken by the Sub-Group will be subject to subsequent ratification by the Board.
- 4.4 The Sub-Group shall have the ability to meet with the internal and/or external auditors without executive staff being present.

5. Reporting arrangements

- 5.1 Papers for meetings will be sent out hard copy and electronically to all members of the Business Sub-Group seven days prior to the date of the meeting.
- 5.2 All papers will be sent electronically to wider Board Directors.
- 5.3 Directors wishing to attend meetings other than their allocated group must print out their own papers.
- 5.4 The Chair of the Business Sub-Group will arrange through the appropriate Head of Service, to provide written feedback on key decisions/discussions of the Sub-Group to the following Board meeting.

Author: Mike Wiffen: Head of Financial Services
Date: 29 January 2008

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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 This report sets out the budgetary position for the Company on a year to date basis as at the end of December 2007 and projects the full year figures for 2007/08. It also sets out the position on the Council's Housing Revenue Account (HRA) for the same period.

3. Previous Reports

- 3.1 The budget monitor is reported every meeting of the Sub-Group.

4. Recommendations

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

5. Financial & Risk Management Issues

- 5.1 See body of report.

6. Resident Consultation and Equalities Issues

- 6.1 None in context of this report.

7. Background Information

- 7.1 Attached as Appendix 1 are the Revenue Budget monitoring reports for Barnet Homes year to date as at December 2007. As at December 2007, the full year projection is a **Net Loss of £49,934**, an improvement of £22,041 from last month. This position is before any funds from the budgeted transfer from reserves is utilised. It is forecast that £49,934 from reserves will be required to fund the net loss. At the start of the year, it was budgeted that £204,686 will be needed from reserves to fund the company's operations. **This leaves £154,752 funds still available in the budgeted reserve pool of funds.**

- 7.2 There are notes on the appendix and the corresponding schedules for each service area.

- 7.3 Attached as Appendix 1a is the quarterly report on other costs. The main areas of projected overspend are travelling costs (£80K), printing & stationery costs (£65K), and postage (£35K). The travelling cost overspend is in respect of car allowances where the proposed actions

following the value for money review have been delayed. We have reported previously in respect of printing and postage.

7.4 Repairs and Maintenance

The budget as at December 2007 is showing an overspend of £244,987 but the full year costs have been projected to come in on budget. The overspend for the year to date is primarily due to the timing of the gas works. Gas and Void Decoration voucher costs have been accrued based on the actual expenditure incurred. The accruals in the other areas are estimates. Progress has made to rectify the duplication of orders within the Saffron system and work is still ongoing.

7.5 The total paid to Connaught Ltd stands at £3,365,641 excluding VAT, an increase of £851,064 from last month.

7.6 Housing Revenue Account (HRA)

Attached as Appendix 3 is the HRA monitoring report to the end of December 2007. This shows a projected contribution to the working balance of some £59,069, compared to the budgeted figure of a contribution from the balance of £243,350. The main variations are detailed in the Appendix.

7.7 Balance Sheet

The balance sheet as at 31 December 2007 is attached as Appendix 2.

7.8 Invoice Payment Statistics

The target for 2007/8 is to make 92% of invoice payments within target. We are pleased to note that the measures introduced to improve performance have started to show some fruition with 89.82% being paid on time in December. The year to date figure is now 82.74%.

April	92.98%	May	89.68%	June	88.95%	July	84.40%
Aug	74.23%	Sept	77.93%	Oct	71.80%	Nov	81.78%
Dec	89.82%	Jan		Feb		March	

Authors: Laura Awosile, Chief Management Accountant
 Gary Pliskin, Deputy Head of Financial Services
 Jo Moore, Financial Controller

Date: 29 January 2008

BARNET HOMES LIMITED
PROFIT AND LOSS STATEMENT 2007/08

Period: 9
 Year to date as at: 31/12/2007

TOTAL BARNET HOMES LTD

Schedules	December 2007 YTD			Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£000	£000	£000	£000	£000	£000
Income						
LBB - General Management Fee	14,047	13,819	228	18,729	18,426	303
LBB - Repairs and Maintenance Allowance	6,656	6,656	(0)	8,875	8,875	(0)
LBB - Other Fees	577	643	(66)	769	858	(89)
Third Party Income - Grants & Other	36	56	(21)	65	75	(10)
Total Income	21,316	21,175	141	28,439	28,234	205
Expenditure						
Management Costs excl. contingency	10,744	10,720	(24)	14,351	14,399	49
Operational Costs	2,415	2,378	(37)	3,180	3,171	(9)
Other Costs	1,608	1,474	(134)	2,151	1,965	(186)
Depreciation	126	114	(11)	168	153	(15)
Repairs and Maintenance Costs	7	6,901	(245)	8,875	8,875	0
Contingency	1	0	0	0	0	0
Total Expenditure	21,794	21,343	(451)	28,725	28,563	(162)
Operating Profit/(Loss)	(478)			(286)		
Third Party Income - bank interest receivable	311	0	311	328	0	328
Corporation Tax Charge	(87)	0	(87)	(92)	0	(92)
Net Profit/(Loss)	(254)			(50)		
Memorandum				£	£	£
07/08 Projected Full Year Net Profit/(Loss)				(49,934)	(204,686)	154,752
07/08 Forecast Transfer from P&L Reserves (currently £204,686 in the latest budget)				49,934	204,686	
07/08 Forecast Surplus/(Deficit) after transfer from Reserves				(0)	0	

Notes

- As at December 2007 year to date, the full year projection is a **Net Loss of £49,934**, an improvement of **£22,041** from last month. This loss is before any funds from the budgeted transfer from reserves is utilised. As a consequence, **£49,934** transfer from reserves is required, with funds of **£154,752** still available in reserves.
- The improvement in the net loss position is primarily due to the backdated pay rises processed in December 2007 being less than previously forecast, and as a consequence the salary budget is able to fund the costs of agency staff.

BARNET HOMES LIMITED
QUARTERLY REPORT ON OTHER COSTS CATEGORY

Period: 9
 Year to date as at: 31/12/2007

TOTAL BARNET HOMES LTD - OTHER COSTS REPORT

Schedules	December 2007 YTD			Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	£	£	£
Other Costs						
Consultants costs	245,909	293,302	47,393	342,277	391,069	48,792
Insurance costs	255,332	250,485	(4,847)	346,443	333,980	(12,463)
Miscellaneous Expenses	129,520	107,560	(21,960)	145,508	143,414	(2,095)
Printing & Stationery costs	188,757	139,988	(48,770)	251,676	186,650	(65,026)
SLA costs	180,944	171,195	(9,749)	236,960	228,260	(8,700)
Equipment & Material costs	137,891	149,775	11,884	199,700	199,700	(0)
Travelling costs	111,095	51,848	(59,248)	149,451	69,130	(80,321)
Telephone costs	87,616	69,113	(18,504)	116,822	92,150	(24,672)
Bank Interest & Charges	88,557	83,723	(4,835)	117,630	111,630	(6,000)
External & Internal Audit Fees	51,765	51,765	0	69,020	69,020	0
Postage costs	52,670	26,400	(26,270)	70,226	35,200	(35,026)
Photocopier costs	16,181	20,115	3,934	26,820	26,820	0
Food & Subsistence costs	12,714	12,500	(214)	16,952	16,667	(286)
Corporate Subscriptions	14,676	13,493	(1,183)	17,990	17,990	0
Grant Payments	4,750	3,750	(1,000)	5,000	5,000	(0)
Books & Publications	3,446	3,285	(161)	4,380	4,380	0
Conference Expenses	3,016	2,250	(766)	3,500	3,000	(500)
General Office Expenses	23,162	23,470	309	30,882	31,293	411
Stock Write Offs	0	0	0	0	0	0
Profit/Loss on sale of assets	(170)	0	170	(170)	0	170
Total Other Costs	1,607,831	1,474,015	(133,816)	2,151,067	1,965,353	(185,714)

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 9
 Year to date as at: 31/12/2007

BARNET HOMES LIMITED - TOTAL HEADS OF SERVICE

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	14,601,241	14,462,663	138,578	75%	19,593,321	19,408,550	184,771
Rechargeable Works	22,546		22,546		30,061		30,061
Third Party (includes bank interest)	346,941	56,250	290,691	463%	393,360	75,000	318,360
Total Income	14,970,728	14,518,913	451,815	77%	20,016,742	19,483,550	533,192
Expenditure							
Management Costs							
Salaries and Wages costs	8,310,431	9,209,065	898,634	67%	11,069,438	12,384,686	1,315,248
Staff Agency costs	1,133,618	241,919	(891,700)	351%	1,507,391	322,558	(1,184,833)
Other Employee Related costs	393,739	397,593	3,854	74%	561,683	530,124	(31,559)
Office Accommodation costs	369,083	367,793	(1,291)	75%	525,944	490,390	(35,554)
Information Technology	537,457	503,730	(33,727)	80%	686,424	671,640	(14,784)
Contingency					(0)		0
Total Management Costs	10,744,328	10,720,099	(24,229)	75%	14,350,880	14,399,398	48,518
Operational Costs							
Transport costs	130,555	123,450	(7,105)	79%	174,140	164,600	(9,540)
Grounds Maintenance	505,298	505,298		75%	673,730	673,730	(0)
Estate, Hostel & Warden Services	1,393,010	1,304,936	(88,073)	80%	1,827,092	1,739,915	(87,177)
Tenant Related Costs	145,936	152,265	6,329	72%	186,971	203,020	16,049
Legal Costs	240,123	292,215	52,092	62%	318,263	389,620	71,357
Total Operational Costs	2,414,920	2,378,164	(36,757)	76%	3,180,196	3,170,885	(9,311)
Other Costs							
Depreciation	1,607,831	1,474,015	(133,816)	82%	2,151,067	1,965,353	(185,714)
Corporation Tax Charge	87,159	114,450	(27,291)	82%	167,693	152,600	(15,093)
					91,840		(91,840)
Total Expenditure	14,980,007	14,686,727	(293,280)	76%	19,941,676	19,688,236	(253,440)

Notes

- The full year projection on income shows an extra £533,192 will be received above the budgeted amount. This is primarily the bank interest receivable projected for the full year (£328,000) and the extra pension contribution income of £310,400, which were not budgeted for.
- The full year projection on expenditure is an overspend of £253,440 above the total budget, a decrease of £176,729 from last month. This is primarily due to the backdated pay rises processed in December being less than previously forecast, and the extra £125,000 increase in the salary budget as a result of the recharge to the Capital Project.
- The extra projected income of £533,192 above budget exceeds the extra projected expenditure of £253,440 by £279,752. This is the position before any funds from reserves are utilised.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 9
 Year to date as at: 31/12/2007

FINANCIAL SERVICES

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	13,872,270	13,639,470	232,800	76%	18,496,359	18,185,960	310,400
Third Party	311,283	37,500	273,783	623%	328,000	50,000	278,000
Total Income	14,183,552	13,676,970	506,582	78%	18,824,359	18,235,960	588,400
Expenditure							
Management Costs							
Salaries and Wages costs	615,267	636,270	21,003	71%	820,356	863,360	43,004
Staff Agency costs	29,154	11,250	(17,904)	194%	47,205	15,000	(32,205)
Other Employee Related costs	2,626	0	(2,626)		2,800	0	(2,800)
Office Accommodation costs	321,533	321,533	0	75%	462,764	428,710	(34,054)
Information Technology	301,341	290,055	(11,286)	78%	401,143	386,740	(14,403)
Contingency	0	0	(0)		(0)	0	0
Total Management Costs	1,269,920	1,259,108	(10,813)	75%	1,734,267	1,693,810	(40,457)
Operational Costs							
Estate, Hostel & Warden Services	1,075	0	(1,075)		1,200	0	(1,200)
Tenant Related Costs	25	0	(25)		25	0	(25)
Legal Costs	19,246	16,500	(2,746)	87%	22,000	22,000	0
Total Operational Costs	20,559	16,500	(4,059)	93%	23,509	22,000	(1,509)
Other Costs	623,255	578,228	(45,027)	81%	810,034	770,970	(39,064)
Depreciation	125,769	114,450	(11,319)	82%	167,693	152,600	(15,093)
Corporation Tax Charge	87,159	0	(87,159)		91,840	0	(91,840)
Total Expenditure	2,126,662	1,968,285	(158,377)	81%	2,827,343	2,639,380	(187,963)

Notes

1. The full year projection on income is an extra £588,400 above the budgeted amount.
2. The expenditure for the full year is showing an overspend of £187,963, an increase of £39,060 from last month.
 The increase in the projected expenditure is primarily due to estimated increased accommodation costs for Barnet House (£34K) and increased bank charges (£5K).

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 9
 Year to date as at: 31/12/2007

CHIEF EXECUTIVE OFFICE DIVISION

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
Third Party	5,688	0	5,688		5,688		5,688
Total Income	5,688	0	5,688		5,688	0	5,688
Expenditure							
Management Costs							
Salaries and Wages costs	444,379	538,388	94,009	57%	592,505	777,850	185,345
Staff Agency costs	175,754	22,500	(153,254)	586%	214,006	30,000	(184,006)
Other Employee Related costs	13,500	15,000	1,500	68%	20,000	20,000	0
Office Accomodation costs	1,291	0	(1,291)		1,500	0	(1,500)
Information Technology	65	0	(65)		65	0	(65)
Total Management Costs	634,989	575,888	(59,101)	77%	828,076	827,850	(226)
Operational Costs							
Transport costs	4,449	4,500	51	74%	6,000	6,000	(0)
Estate, Hostel & Warden Services	7,613	7,613	0	75%	10,150	10,150	0
Tenant Related Costs	75,675	68,670	(7,005)	83%	91,560	91,560	(0)
Legal Costs	1,381	0	(1,381)		1,600	0	(1,600)
Total Operational Costs	89,118	80,783	(8,335)	83%	109,310	107,710	(1,600)
Other Costs	220,276	180,203	(40,074)	92%	284,702	240,270	(44,432)
Total Expenditure	944,383	836,873	(107,510)	80%	1,222,088	1,175,830	(46,258)

Notes

1. The full year projection on expenditure is showing an overspend of £46,258, a decrease of £78,861 from last month. The decrease in expenditure is primarily due to the increase in the salary budget of £60,000, being extra funds received from the recharge of salaries to the Capital Project.
2. The "Other Costs" category has increased to an overspend of £44,432. This mainly represents the forecast increased costs of printing £35,000.

**BARNET HOMES LIMITED
BUDGET MONITORING REPORT**

Period: 9
Year to date as at: 31/12/2007

CORPORATE SERVICES

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	29,108	29,108	0	75%	38,810	38,810	0
Total Income	29,108	29,108	0	75%	38,810	38,810	0
Expenditure							
Management Costs							
Salaries and Wages costs	1,188,331	1,315,043	126,712	68%	1,584,441	1,753,390	168,949
Staff Agency costs	228,533	103,755	(124,778)	165%	307,211	138,340	(168,871)
Other Employee Related costs	119,595	126,398	6,803	71%	196,530	168,530	(28,000)
Information Technology	235,815	213,675	(22,140)	83%	284,900	284,900	(0)
Total Management Costs	1,772,273	1,758,870	(13,403)	76%	2,373,082	2,345,160	(27,922)
Operational Costs							
Estate, Hostel & Warden Services	16	0	16		21	0	21
Tenant Related Costs	0	1,125	1,125	0%	1,500	1,500	0
Legal Costs	24,852	31,110	6,258	60%	35,135	41,480	6,345
Total Operational Costs	24,882	32,235	7,353	58%	36,676	42,980	6,304
Other Costs							
	304,885	300,203	(4,683)	76%	430,514	400,270	(30,244)
Total Expenditure	2,102,041	2,091,308	(10,733)	75%	2,840,272	2,788,410	(51,862)

Notes

1. The full year projection on expenditure is an overspend of £51,862, a decrease of £20,933 from last month.
2. The decrease in expenditure is primarily due to the backdated actual pay rises processed in December 2007 being less than the forecast salary costs projected over the last 9 months. A budget for COLT Telecom (£28K) has now been transferred to Corporate Services.
3. Forecast staff advertising costs is projected to be £28,000 overspent due to extra recruitment costs associated with the chief executive post as discussed at board.

**BARNET HOMES LIMITED
BUDGET MONITORING REPORT**

 Period: 9
 Year to date as at: 31/12/2007

HOUSING SERVICES

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	232,223	326,445	(94,222)	53%	309,631	435,260	(125,629)
Third Party	29,971	18,750	11,221	120%	59,672	25,000	34,672
Total Income	262,194	345,195	(83,001)	57%	369,302	460,260	(90,958)
Expenditure							
Management Costs							
Salaries and Wages costs	4,858,380	5,404,520	546,140	67%	6,477,840	7,206,026	728,186
Staff Agency costs	565,212	104,414	(460,798)	406%	759,016	139,218	(619,798)
Other Employee Related costs	257,259	256,196	(1,063)	75%	341,594	341,594	(0)
Office Accomodation costs	12,510	12,510	0	75%	16,680	16,680	0
Information Technology	236	0	(236)		315	0	(315)
Total Management Costs	5,693,597	5,777,639	84,042	74%	7,595,445	7,703,518	108,073
Operational Costs							
Transport costs	125,877	118,950	(6,927)	79%	167,836	158,600	(9,236)
Grounds Maintenance	505,297	505,298	1	75%	673,730	673,730	(0)
Estate, Hostel & Warden Services	904,748	840,281	(64,467)	81%	1,206,330	1,120,375	(85,955)
Tenant Related Costs	70,292	82,470	12,178	64%	93,722	109,960	16,238
Legal Costs	164,646	214,605	49,959	58%	219,528	286,140	66,612
Total Operational Costs	1,770,860	1,761,604	(9,256)	75%	2,361,147	2,348,805	(12,342)
Other Costs	357,933	263,623	(94,311)	102%	477,244	351,497	(125,747)
Total Expenditure	7,822,390	7,802,865	(19,525)	75%	10,433,837	10,403,820	(30,017)

Notes

- The full year projection on income shows that the annual income will be £90,958 less than budgeted. The Supporting People income is forecast to be £12,839 less than budgeted, and a duplicate Residents Involvement Mgr. post (£48,750) was budgeted for. Third party income projection has increased due to partial funding of 2 posts.
- The full year projection on expenditure is an overspend of £30,017, a decrease of £53,335 from last month. The decrease in expenditure is primarily due to the backdated actual pay rises processed in December 2007 being less than the forecast salary costs projected over the last 9 months.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 9
 Year to date as at: 31/12/2007

ASSET MANAGEMENT

	December 2007 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2007/08 Projection	2007/08 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	467,640	467,640	0	62%	748,520	748,520	0
Total Income	467,640	467,640	0	62%	748,520	748,520	0
Expenditure							
Management Costs							
Salaries and Wages costs	1,204,075	1,314,845	110,770	67%	1,594,297	1,784,060	189,763
Staff Agency costs	134,965	0	(134,965)		179,954	0	(179,954)
Other Employee Related costs	759	0	(759)		759	0	(759)
Office Accomodation costs	33,750	33,750	0	75%	45,000	45,000	0
Total Management Costs	1,373,549	1,348,595	(24,954)	75%	1,820,010	1,829,060	9,050
Operational Costs							
Estate, Hostel & Warden Services	344,602	344,438	(164)	75%	459,250	459,250	0
Legal Costs	30,000	30,000	0	75%	40,000	40,000	0
Total Operational Costs	374,724	374,438	(287)	75%	499,413	499,250	(163)
Other Costs	101,135	151,760	50,625	50%	148,574	202,346	53,772
Total Expenditure	1,849,408	1,874,792	25,384	73%	2,467,996	2,530,656	62,660

Notes

1. The income budget for the full year has increased by £125,000, which is extra salary costs to be recharged to the Capital Project. This increases the salary budget of Asset Management (£50,000), CEO (£60,000) & Finance (£15,000).
2. The projected underspend of £62,660 is primarily due to the higher salary budget (£50K) as a result of the extra salary costs recharged to the Capital Project.

TOTAL REPAIRS AND MAINTENANCE COSTS 2007/08
DECEMBER 2007 YTD

Period 9

	Description	December YTD			Full Year		
		YTD Actual £	YTD Budget £	Variance (ADV)/FAV £	2007/08 Projection £	2007/08 Budget £	Variance (ADV)/FAV £
VOIDS							
	Void Works & Decorations	961,447	963,750	2,303	1,387,057	1,285,000	(102,057)
	Other costs	2,303		(2,303)	3,071		(3,071)
	Void Decoration Vouchers	80,154	159,000	78,846	106,872	212,000	105,128
	Total Voids	1,043,904	1,122,750	78,846	1,497,000	1,497,000	0
RESPONSIVE REPAIRS							
	Repairs & Maintenance	2,614,690	2,615,250	560	3,486,252	3,487,000	748
	Other costs	561		(561)	748		(748)
	Responsive Gas	712,204	315,000	(397,204)	850,000	850,000	0
	Total Responsive Repairs	3,327,455	2,930,250	(397,205)	4,337,000	4,337,000	(0)
PLANNED REPAIRS							
	Repairs & Maintenance	505,139	526,500	21,361	673,519	702,000	28,481
	Other costs	21,361		(21,361)	28,481		(28,481)
	Total Planned Repairs	526,500	526,500	0	702,000	702,000	0
CYCLICAL WORKS							
	Repairs & Maintenance	458,707	462,375	3,668	611,609	616,500	4,891
	Other costs	3,668		(3,668)	4,891		(4,891)
	Gas Contract	528,602	585,000	56,398	622,632	600,000	(22,632)
	Heating & Ventilation Boiler Gas	28,026	45,000	16,974	37,368	60,000	22,632
	Total Cyclical Works	1,019,003	1,092,375	73,372	1,276,500	1,276,500	(0)
PLANNED ESTATE MTCE							
	Repairs & Maintenance	984,374	984,375	0	1,062,500	1,062,500	0
	Total Planned Estate Mtce	984,374	984,375	0	1,062,500	1,062,500	0
	Total Repairs Fund	6,901,236	6,656,250	(244,987)	8,875,000	8,875,000	0

DECEMBER 2007 YTD	95200 Voids	95300 Responsive Repairs	95400 Planned Repairs	95500 Cyclical Works	95600 Planned Estate Maintenance	TOTAL R&M YTD
Repairs Fund						
Repairs & Maintenance	1,041,601	2,614,690	505,139	458,707	984,374	5,604,511
Gas Costs		712,204		556,628		1,268,832
Other Costs Paid to Date	2,303	561	21,361	3,668	0	27,893
Total Expenditure	1,043,904	3,327,455	526,500	1,019,003	984,374	6,901,236

Notes

1. The total costs as at December 2007 YTD is showing an overspend of £244,987. This is primarily due to Gas costs, which is projected to come in on budget as the high costs YTD are based on the timing of the gas works.
2. The costs in all areas, apart from *Gas and Void Decoration Vouchers*, are estimates, and have been accrued to budget. The work to rectify the duplication of orders in Saffron has progressed and is still ongoing.
3. The full year overall repairs & maintenance costs have been projected to come in on budget.

**BARNET HOMES LTD
BALANCE SHEET
AS AT 31 DECEMBER 2007**

APPENDIX 2

	Note			AT 31 March 2007 £	Movement £
	At 31 DEC 2007 £	At 31 DEC 2007 £	At 31 DEC 2007 £		
Fixed assets					
Tangible fixed assets					
Fixtures, Fittings & Equipment		141,408		168,518	
Vehicles, Plant & Machinery		18,299		12,540	
Computer Equipment		169,469		228,926	
			329,176	409,984	(80,808)
Investments					
Loan to LAPN			36,943	36,943	0
			366,119	446,927	(80,808)
Current assets					
Stock		0		12,449	
Trade debtors		50,650		32,477	
Amounts owed by Parent Undertaking		1,514,059		5,148,059	
VAT		0		212,786	
Other debtors		5,243		9,303	
Prepayments and accrued income TP		224,698		192,503	
Net cash at bank and in hand					
Cash & imprest bank a/c's	2,183			(2,207)	
Bank Current a/c	(92,492)			(580,767)	
Bank Deposit a/c	1,763,029			12,972	
Overnight Treasury Deposit	0			1,000,000	
Weekly Treasury Deposit	0			2,000,000	
Monthly Treasury Deposit	2,700,000			3,000,000	
		4,372,720		5,429,998	
			6,167,370	11,037,575	(4,870,205)
Current liabilities					
Trade creditors		(257,715)		(3,428,306)	
Amounts owed to Parent Undertaking		(1,412,689)		(3,232,497)	
VAT		(482,531)		0	
Corporation tax		0		(112,259)	
Other Taxation and Social Security		(273,254)		(266,528)	
Accruals and Deferred Income (TP)		(3,214,697)		(3,299,301)	
Other creditors		(1,398)		(140)	
			(5,642,284)	(10,339,031)	4,696,747
Net current assets/ (liabilities)			525,086	698,544	(173,458)
Total assets less current liabilities			891,205	1,145,471	(254,266)
Long-term liabilities					
Provisions for liabilities		(29,660)		(29,660)	
FRS17 Pension Deficit		(8,578,000)		(8,578,000)	
			(8,607,660)	(8,607,660)	0
Net (Liabilities)/Assets			(7,716,455)	(7,462,189)	(254,266)
Capital and Reserves					
Profit and Loss Account			(7,716,455)	(7,462,189)	(254,266)

NOTES TO THE BALANCE SHEET

HRA Income and Expenditure Account - 2007-08 - Quarter 3

	2007/2008				Explanations
	Original Budget	Latest Approved	Projected Outturn	Variance	
	£	£	£	£	
Income					
Dwelling rents	(42,679,000)	(42,679,000)	(42,710,000)	(31,000)	Void position slightly better than anticipated
Non-dwelling rents	(1,352,000)	(1,352,000)	(1,305,000)	47,000	Garage rents based on week 39 position, other rents reflects 2006-07 actual.
Charges for services and facilities	(2,887,400)	(2,887,400)	(2,887,400)	0	
Contributions towards expenditure	(3,640,250)	(3,640,250)	(3,643,750)	(3,500)	New quarterly caretaking service mid-Nov start
Housing Revenue Account subsidy receivable	0	0	0	0	
Sums directed by the Secretary of Stte that are income in accordance with UK GAAP	0	0	0	0	
Total Income	(50,558,650)	(50,558,650)	(50,546,150)	12,500	
Expenditure					
Repairs and Maintenance	8,875,000	8,875,000	8,875,000	0	
Supervision and management					
General	15,098,990	15,098,990	15,397,771	298,781	Additional expenditure to reflect 2006-07 level of support service recharges. Overspend on retained HRA of £60k mainly on employees
Special	6,071,300	6,071,300	6,074,800	3,500	New quarterly caretaking service mid-Nov start
Rents, Rates, taxes and other charges	115,710	115,710	115,710	0	
Negative housing revenue account subsidy payable	9,320,000	9,320,000	9,622,600	302,600	Recalculation (relates in part to Debt Management costs below)
Depreciation and impairment of fixed assets	8,098,000	8,098,000	8,097,400	(600)	
Debt Management Costs	3,123,000	3,123,000	2,529,000	(594,000)	Re-assessment of budget requirement
Increase in bad debt provision		0	0	0	
Sums directed by the Secretary of Stte that are income in accordance with UK GAAP	350,000	350,000	0	(350,000)	Provision no longer necessary (no rent rebated subsidy limitation) - may need to be revised pending audit of 2006-07 HB & CTB claim
Total Expenditure	51,052,000	51,052,000	50,712,281	(339,719)	
Net Cost of HRA Service per Authority Income and Expenditure Account	493,350	493,350	166,131	(327,219)	
HRA services share of Corporate and Democratic Core		0	0	0	
HRA share of other amounts included in the whole authority Net Cost of services but not allocated to specific services		0	0	0	
Net Cost of HRA Services	493,350	493,350	166,131	(327,219)	
interest and investment income	(250,000)	(250,000)	(250,000)	0	
(Surplus) or deficit for the year on HRA services	243,350	243,350	(83,869)	(327,219)	
Statement of Movement on the Housing Revenue Account Balance					
(Surplus)/Deficit for year on HRA services	243,350	243,350	(59,069)	(302,419)	
Capital Expenditure funded by the HRA			0		
HRA share of MRP			0		
Transfer to/(from) Major Repairs Reserve			0		
	243,350	243,350	(59,069)	(302,419)	

Revenue Balances	(4,835,464)
(Surplus)/Deficit for the year	(59,069)
Projected Balances at the year end	(4,894,533)

- 1. Statement of Purpose**
 - 1.1 Forward financial and business planning are essential in meeting the business aims of the Company.
- 2. Summary**
 - 2.1 The report sets out the headline position for the 2008/9 budget, taking account of the consultation carried out, decisions of the Board and the external factors, such as inflation that will influence decision-making.
- 3. Previous Reports**
 - 3.1 The Sub-Group on 9 January 2008 and Board on 21 January 2008 received reports that summarised the results of consultation and the housing subsidy settlement from the Department for Communities and Local Government.
- 4. Recommendations**
 - 4.1 That the Sub-Group agree that the detailed budget be drawn up on the basis outlined in the report.
 - 4.2 That the Sub-Group agree to the use of reserves to support the 2008/9 budget and confirms the amount to be so utilised.
 - 4.3 That the budget headlines be presented to the Barnet Housing Consultative Panel at its February meeting.
- 5. Financial & Risk Management Issues**
 - 5.1 As set out in the body of the report.
- 6. Resident Consultation and Equalities Issues**
 - 6.1 Consultation with residents is an important part of the budget process and the outcomes are taken into account in the proposals set out in this report.
- 7. Background Information**
 - 7.1 As outlined previously the Housing Revenue Account settlement for 2008/9 was very poor for Barnet, leading to significant pressures on the company's budget. The Board confirmed that whilst the company's priorities should remain unchanged, 2008/9 should be a year of consolidation and of reducing the unit costs of our services.
 - 7.2 Consultation with residents brought similar views to those expressed in the 2007/8 budget round, with their priorities being the improvement

of the estate environment, caretaking services, support for youth work and customer care issues.

- 7.3 The net increase in the management fee (including repairs and maintenance) for 2008/9 is only £66,000. This is necessary to achieve a balanced Housing Revenue Account.
- 7.4 Appendix 1 to this report sets out the budget headlines to be considered. It shows the 2007/8 base for both expenditure and income, cost increases, developments, savings and efficiencies and increased income. A key assumption is that the pay award from April 2008 will be set at 2%. All budgets have been scrutinised in detail, and have been tightly set. Only a limited amount of inflation has been allowed for non-pay budgets, with many set at 2007/8 cash levels or lower. Nonetheless, there is at this point a shortfall of £109,000 identified. The triennial valuation of the pension fund has resulted in an increase in our employer's contribution to 25.2% in 2008/9, rising to 25.6% and 26.0% in the following two years respectively. A contingency of £250,000 is again provided, and the Innovations Fund of £50,000 is also retained.
- 7.5 A limited number of developments are provided for. It is proposed that the £50,000 provided for both the accommodation and IT review and for the possible floating support bid be met from reserves. We would also draw your attention to the potential tax liability in relation to service accommodation provided to sheltered housing officers. Her Majesty's Revenue and Customs have revised their views in this area and a number of housing organisations have already faced backdated bills for recovery of tax foregone. We are presently discussing this with Grant Thornton. Should we face a backdated claim then this would need to be met from reserves – the sum shown only represents 2008/9. The matter has been flagged with the Unions.
- 7.6 The anticipated position on the Company's reserves at 31 March 2008 is as follows:-

	£'000
Balance at 31 March 2007 (excluding FRS17 liability)	1,116
<u>Less</u>	
Estimated use of reserves 2007/8	<u>50</u>
Estimated balance at 31 March 2008	<u>1,066</u>

- 7.7 As described above the draft budget figures at present show a small deficit of £109,000 which requires further efficiencies to be identified.

- 7.8 Proposals for the company's capital expenditure will be brought to the next meeting of the Sub-Group with the detailed budget.
- 7.9 The level of the management fee and repairs and maintenance budgets will need to be agreed by the Council at its meeting on 4 March 2008.
- 7.10 It is proposed that the budget headlines be presented to the meeting of the Barnet Housing Consultative Panel later this month.

**Authors: Mike Wiffen, Head of Financial Services,
Paul Cleveland, Procurement & Budget Planning
Manager**

Date: 31 January 2008

Barnet Homes Limited
Budget Headlines 2008/9

	£'000	£'000
Base Budget 2007/8 - Expenditure (incl Repairs)		28,694
Base Adjustments		
Removal of one-off costs 2007/8	(205)	
Additional pension contributions - early retirements	31	
Other base changes	<u>42</u>	(132)
Cost increases		
Employee costs - pay and pension increases	450	
Non-pay inflation	460	
Increased requirement for Depreciation	<u>15</u>	925
Proposed Developments		
Introduction of Neighbourhood Warden Service	45	
Introductory tenancies	18	
Financial Inclusion and Support Officer	19	
Additional provision for tree works	20	
Net funding for Decant Officer - regeneration	25	
Health and Safety - consolidate additional post	29	
IT Software and Hardware budgets	28	
IT staffing and consultancy	43	
New Occupational Health and Absence Management contract	10	
Additional Provision for Money Advice	5	
Stonegrove Surgery	5	
Accommodation and IT review	50	
Floating Support Commissioning	50	
Rent Reviews - Accommodation	70	
Potential Tax liability - service accommodation	<u>30</u>	447
Proposed Savings and Efficiencies		
Repairs and Maintenance	(641)	
Review of Payments Team	(13)	
Reduced requirement for Right to Buy team	(32)	
Efficiencies in Rental Income	(28)	
Review of Central Services	(100)	
Further conversion to Direct Debits	(7)	
Reduction in HR Consultancy	(25)	
Reduction in energy costs - new procurement	(30)	
Cash-limiting certain non-pay budgets	<u>(38)</u>	(914)
Efficiencies to be determined		(109)
		<u><u>28,911</u></u>
Base Budget 2007/8 - Income		(28,694)
Base Adjustments		
Bank Interest (net)	(150)	
Remove planned use of Reserves 2007/8	205	
Other adjustments	<u>42</u>	97
Increased Income		
Increase capitalisation of salaries (Decent Homes)	(125)	
Additional external income	(23)	
Increase in Management Fee	<u>(66)</u>	(214)
Use of Reserves		(100)
		<u><u>(28,911)</u></u>

1. Statement of Purpose

- 1.1 One of our business aims is to "provide excellent services driven by customer involvement".
- 1.2 The provision of a resident resource centre would help us to achieve this aim.

2. Summary

- 2.1 The report provides an update on the proposed resident resource centre at Cheshir Hall.

3. Previous Reports

- 3.1 The Sub Group received a report at its meeting on 5 December 2007.

4. Recommendations

- 4.1 The Sub Group are requested to note the current position and to delegate authority to agree the scope and procurement route for the capital works to its Chair.

5. Financial and Risk Management Issues

- 5.1 The capital works will be funded through the environmental works element of the Decent Homes budget.
- 5.2 The additional revenue costs identified will be contained within the resident participation budget.

6. Resident Consultation and Equalities Issues

- 6.1 The Barnet Housing Consultative Panel (BHCP), and the Tenant Compact Residents Steering Group (TCRSG), have both requested that the Board give priority to resources for this project.
- 6.2 Discussions have begun with interested residents to work with us to develop proposals and to form a steering group.

7. Background

7.1 Capital Works

We reported to the December meeting that the initial estimate for the scheme was £80-100,000, while for Disability Discrimination Act compliance, plus a computer room and kitchen costings of £20,000 were received.

- 7.2 It was anticipated that Apollo would have submitted their fully costed schedule by 7 December 2007. In the event this was not received until

23 January 2008 and the full scheme was costed in excess of £161,000. We are presently going through the detail with a view to determining the scope of works actually required.

7.3 It had been hoped to obtain the benefit from our partner working on the adjoining sheltered scheme in reduced site costs – however this work is due to complete in mid-February so this opportunity will be lost.

7.4 It is proposed that once the scope is determined we consider the most appropriate procurement route, and to expedite this quickly the Sub-Group may wish to delegate approval for this to its Chair.

7.5 Revenue Costs

Anticipated start-up revenue costs are as follows:

- Computers x 4 = £2,000
- PC tables x 4 = £400
- PC Chairs x 4 = £320
- Phone line = £150
- 1x Printer/Fax/Copier = £500
- Consumables = £300

It is assumed that heating and lighting will be covered by existing arrangements at Cheshir Hall.

Authors: Shirley Neighbour, Partnership and Involvement Manager
Mirko Sidoli, Sheltered Programme Manager

Date: 30 January 2008

Title: Statement of Internal Control – Annual Review

1. Statement of Purpose

1.1 The Statement of Internal Control (SIC) is intended to provide assurance to Directors and to the Council that the control environment within the Company is adequate.

2. Summary

2.1 Attached to the report are the SIC and the summary of responses to the questionnaire provided by each service area within the company.

3. Previous Reports

3.1 The Sub-Group last considered the SIC on 7 February 2007.

4. Recommendations

4.1 That the SIC be noted and reviewed by this Sub-group annually.

5. Financial & Risk Management Issues

5.1 Covered within the SIC.

6. Resident Consultation and Equalities Issues

6.1 None in context of this report.

7. Background Information

7.1 The questionnaire element was completed within each service area and proved to be an extremely useful exercise. The visual presentation readily identifies those areas of most concern and these are addressed in the SIC. Some areas of the questionnaire do not readily apply to all service areas – for example business continuity.

7.2 The table below demonstrates the improvements that have been made since the SIC was first presented in July 2006:-

Status	July 2006	January 2007	January 2008
Effective (Green)	48.5%	65.3%	86.3%
Improvement Required (Amber)	44.1%	32.0%	13.7%
Inadequate or Ineffective (Red)	7.4%	2.7%	0%

7.3 Heads of Service have action plans to mitigate the identified shortfalls monitored through the Barnet Homes Finance Group. We will be presenting the SIC to the next Partnership Meeting with the Council.

Author: Mike Wiffen, Head of Financial Services

Date: 30 January 2008

BARNET HOMES LIMITED

STATEMENT OF INTERNAL CONTROL

1. Executive Summary

1.1 This report is intended to provide assurance to the Board of Barnet Homes and to the London Borough of Barnet that

- The Company's policies are put into practice and that values are met
- Laws and regulations are complied with;
- Required processes are adhered to;
- Financial statements and other published information are accurate and reliable
- Human, financial and other resources are managed efficiently and effectively
- Services are delivered efficiently and effectively

The Statement of Internal Control (SIC) is endorsed and signed by the Chief Executive. It links together work on risk management and assurances obtained from all divisions of Barnet Homes and provides supporting evidence on the controls embedded within the Company.

1.2 The report focuses on the following areas for Barnet Homes and covers the period until 31 December 2007:

- Services provided by Barnet Homes
- Control environment in place to deliver these services
- Process of monitoring the performance of the services provided
- Statement of compliance with corporate policies and procedures
- Assurance of the structure in place to effectively manage risk
- Risk management activities undertaken during 2006/7 and 2007/8
- Changes in the nature and extent of significant risks since 2005/6
- Assessment of the key risks to service delivery
- Contractual arrangements in place to deliver these services through third parties
- Monitoring contractual relationships with third party suppliers
- Forms of assurance with a summary of findings from each form of assurance;
- External audit matters
- Significant control failings reported during the year 2006/7 and 2007/8.

- Fraudulent activity or service failures that have taken place during 2006/7 and 2007/8.

The document concludes with a signed and dated Management Statement of Assurance provided by the Chief Executive.

2. Services provided by Barnet Homes

2.1 Chief Executive Office

- 2.1.1 Resident participation and community development are the core of this department. Through this team we continue to develop strong links with residents, helping to set up panels, groups on estates and constantly looking out for innovative ways to involve residents in the running of their estates.
- 2.1.2 This service area also includes service development which provides a strategic consultancy service and analyses customer feedback, and the public relations and publicity team which produces 'ATHome' the newsletter for our residents and the staff newsletter.
- 2.1.3 The Equalities Strategy is developed through this service to ensure that we are able to offer a complete service to all our customers.

2.2 Housing Services

- 2.2.1 Housing Services is made up of two main areas of service delivery, and is the largest service area within Barnet Homes. Housing Management is responsible for the provision of the landlord functions through both generic and specialist teams, while Supported Housing is responsible for frontline services funded through the Supporting people regime to assist elderly and vulnerable residents to maintain full and independent lives.
- 2.2.2 Housing Management is further divided into two areas:- Core Performance includes the rental income team, who maximize income collection while ensuring tenants receive full benefit entitlements, the home ownership service dealing with leaseholders and the right to buy and the voids and lettings team; while Sustainability includes the regeneration teams, the nuisance team, providing a specialist response to nuisance, harassment and domestic violence, neighbourhood teams responsible for the estate environment and caretaking.
- 2.2.3 Housing Services has achieved Chartermark accreditation for nuisance and caretaking.

2.2.4 Supported Housing includes the sheltered housing service, who manage the Council's sheltered housing stock, the lifeline service, monitoring elderly residents in the Council's stock, RSL accommodation and the private sector, and a housing support officer service providing floating support to vulnerable residents.

2.2.5 Supported Housing has achieved a Level B rating in the Quality Assessment Framework (QAF) under the Supporting People Programme for Sheltered Housing.

2.3 Asset Management

2.3.1 This team is working to transform the fabric of our homes by delivering the decent homes plus standard, as well as carrying out the everyday maintenance service which is so much a part of our work. The team also delivers on the external decorations programme, carries out the annual gas safety checks and deals with emergency repairs.

2.3.2 Asset Management has been restructured so that service has a geographic focus for operational delivery, this creates and enables:

- A clear message to residents of who is accountable for works to their homes
- Integration of repairs and maintenance work with capital works which have been historically separated within the organisation.
- To balance economy of management with proper discharge of the Landlord obligations and secure maximum release of resources to the front line.

2.4 Financial Services

2.4.1 This team is responsible for all financial matters relating to the company. They produce a medium-term financial plan, provide advice across the company from Board members to budget holders and prepare budgets and final accounts. All invoices are paid through the team who also account for the rent and service charges collected on behalf of the Council.

2.4.2 The Service has also taken over responsibility for the delivery of the Company's procurement strategy. Progress against the action plan is monitored by the Business Sub-Group.

2.4.3 Financial Services are also responsible for risk management, insurance and audit.

2.5 Corporate Services

2.5.1 Corporate Services has five distinct areas of service delivery. Information technology is the first point of contact for any IT related issues and is responsible for Barnet Homes' IT support and development. It is responsible for developing the company's business continuity plan.

2.5.2 The human resources team is responsible for the management and development of human resources and health and safety to support the delivery of the company's aims and objectives. An HR strategy has been developed to ensure a coordinated and effective approach to HR management. Investors in People accreditation was awarded in July 2007. The performance management team drives continuous improvement through the organization and has a comprehensive framework for monitoring performance at all levels across key performance areas.

2.5.3 Governance and efficiency are responsible for company administration and board support, management of the office accommodation strategy, service level agreements and planning for our inspection which took place in November 2007.

2.5.4 Corporate Services is also responsible for the Customer Care Policy and the Customer Care and Quality Contact Centre.

3. **Services delivered through partnership arrangements**

3.1 Our key partner is the Council, with whom we work closely to help achieve its housing strategy objectives. A key priority is vulnerable people and the Supported Housing service has considerable impact in this area, working together with the Council on the Sheltered Housing Review and developing a vulnerability strategy.

3.2 In addition Barnet Homes in conjunction with its partners has been addressing the issue of affordable warmth within its investment programmes by combining heating installations with insulation programmes and maximizing the amount of funding they can obtain via utility grants. This has seen an improvement from the 2005/6 SAP rating of 68% to an average of 68.61% by the end of 2006/7. The target for 2007/8 is 70% (including our regeneration properties) and good progress is being made against this target.

- 3.3 A great success has been the work on anti-social behaviour team, who work with a dedicated solicitor from the Council and who won a Municipal Journal Award for their performance and innovation. We work borough wide with the Barnet Safer Communities Partnership, at neighbourhood level with the Police and at community level with youth workers at the Grange Estate.
- 3.4 We have entered into key partnership arrangements to deliver the Decent Homes plus programme. There are three partners – United House, covering the Barnet and Finchley packages, Balfour Beatty covering Hendon/Edgware, and Apollo who are managing the sheltered housing and hostel programme. Each agreement covers the programme to 2010. We are continuing to work with our partners and the London area Procurement Network (LAPN) to deliver efficiency gains on these contracts.
- 3.5 We work in partnership with the Council and its partner RSLs and developers on the regeneration estates, and have specific teams set up for this purpose.
- 3.6 In April 2007 both the delivery of the repairs and maintenance and gas servicing contracts were let on long term partnering basis. Connaught Partnership Ltd is responsible for day to day repairs and Village Heating Ltd are providing the gas repairs/servicing works the latter being procured in conjunction with LAPN.
- 3.7 Barnet Homes have a good record with regard to Value for Money. A good example of our achievements has been recently recognized by the CLG who produced a report which shows we were placed 3rd in the country in 2006/7 for efficiencies gained (£2.6m) via the partnering programme for decent homes.

4. Contractual arrangements in place to deliver these services

- 4.1 As well as the arrangements above we have a number of contracts with contractors, suppliers and service providers, including service level agreements with the Council, to ensure that we are able to deliver our services.

5. Monitoring contractual relationships

- 5.1 Monitoring the performance of contracts is the responsibility of the procuring manager. Procurement was recognized as an area of weakness

and a corporate procurement strategy and action plan has been agreed. These put in place clear guidance for managers in relation to contracts including performance management and value for money.

6. Key/Critical Systems

6.1 The following is a list of key/critical systems used by Barnet Homes to deliver services to tenants and leaseholders:-

System	Service Provided
Saffron – Rents Repairs Leaseholders Service Charges Needall (LBB) Homeless (LBB) Voids Customer Services	Rent collection and accounting Repairs ordering, tracking, payment Service charge calculation, collection and accounting Voids processing For use by Anti-Social Behaviour Team
Home Ownership Service database	Cash incentives/Major Works/Right to Buy
HIP database	Information on capital programme
Stock database	Stock condition information (new system being implemented from April 2008)
Contact Manager	Customer contact record including complaints
SAP (LBB System)	Core financial system, including accounting, payment, income. Payroll
AXIS (LBB System)	Cash receipts, interface with SAP/Saffron
Pericles (LBB System)	Housing Benefit System – interface with Saffron

7. Financial Control within Barnet Homes

7.1 Budget Managers are responsible for monitoring budgets, reviewing actual spend, forecast spend and budget variances. This is undertaken by utilizing the functionality within SAP. Any immediate concerns are reported upwards to the line manager, and on a monthly basis each Head of Service will review the budgetary position with their budget managers. Advice is provided by representatives of the Head of Financial Services. The Company's Financial Regulations set out Heads of Services' responsibilities.

- 7.2 The Barnet Homes Finance Group, comprising Heads of Service and other finance staff, meets monthly to consider financial issues affecting Barnet Homes, including budget monitoring. Action will be agreed to mitigate against significant budget variances.
- 7.3 The Board delegates financial issues to the Business Sub-Group and management accounts are presented here on a monthly basis.

8. Delegated Powers

- 8.1 Barnet Homes works within a framework of delegated powers which were reviewed and amended in September 2007. Management of the Council's housing stock and delivery of the Decent Homes programme have been delegated to Barnet Homes by the Council through the Management Agreement.
- 8.2 The Barnet Homes Board has delegated certain functions to a number of Sub-Groups each with specific responsibilities. These are the Business, Resources and Standards Sub-Groups.
- 8.3 The Board has also delegated certain powers to the Chief Executive Officer, who in turn has delegated powers to Heads of Service and other Barnet Homes managers. Within the Scheme of Delegation actions taken are required to be recorded and maintained.

9. Overall control environment to deliver services

- 9.1 Heads of Service Meeting
The Chief Executive Officer and Heads of Service meet monthly to deal with strategic issues relating to the company, to act as an escalation point for high level risks and issues, to consider service developments or other issues affecting the whole company and to report back on external meetings and events relevant to their work.
- 9.2 Senior Management Team
The Senior Management Team comprises managers at the next tier and also meets monthly, chaired by the Deputy Chief Executive. Its key role is in monitoring the company's performance against a range of indicators and to develop cross-company working.
- 9.3 Service Management Team Meetings
Each service holds management team meetings where performance against operational plans is reviewed, and issues arising from heads of service and senior management team meetings are cascaded.

9.4 Team Meetings

These are usually held on a monthly basis, attended by the manger and staff, and are there to understand day to day issues against service provision and to review performance and set targets. They act as channel for communication of issues in both directions.

9.5 Appraisals and One to Ones

The company has a clear appraisals process, linked to the business plan, and all staff will receive an annual appraisal between April and June each year. Clear objectives are set against the business aims and required competencies and these are reviewed at appraisal and during subsequent one to one meetings with managers.

9.6 Audit Engagement

9.6.1 Barnet Homes has appointed Grant Thornton as its external auditors and its internal auditors are Tribal Business Assurance. Together their work is designed to provide satisfactory assurance that risks are effectively managed and that the control environment is robust and ensures compliance with policy and procedure.

9.6.2 Internal Audits completed in 2006/7 and 2007/8 to date provided the following results. Assurance is rated as substantial, reasonable, limited or none.

Audit Subject	Assurance Level
Responsive Maintenance	Reasonable
Payments	Substantial (see paragraph 9.6.3)
Governance – Strategic Control	Substantial
Budgetary Control	Reasonable
Payroll	Reasonable (see paragraph 9.6.3)
Voids and lettings management	Reasonable
New leaseholder system	Reasonable
Service Level Agreements	Limited
Treasury and Banking	Reasonable
Risk Management	Reasonable
Governance – Perf. Management	Substantial
Procurement – non-partnered	Reasonable
IT Strategy and Policy	Reasonable
Risk Management – new business	Reasonable
Procurement - partnered	Reasonable

- 9.6.3 Both Payments and Payroll were the subject of compliance reviews in 2007/8. Both had initial ratings of 'reasonable assurance.'
- 9.6.4 There is a programme of reviews of the management action plans arising out of the internal audits undertaken which are reported to the Barnet Homes Finance Group. The aim is to bring the assurance levels to substantial in all cases.
- 9.6.5 The external auditors completed their work on the 2006/7 accounts and there were no issues that required to be brought to the attention of the Board.

10. Assurance of the structures in place to effectively manage risks

- 10.1 Barnet Homes has a Risk Management Strategy agreed by the Board which sets out the responsibilities of the Board and of managers. The Head of Financial Services is the lead executive responsible for risk management.
- 10.2 Risk registers are maintained for each service area, with risks assessed as to the likelihood and impact with four levels for each. A traffic-light system is used for speedy identification. The registers identify proposed mitigating action together with responsible officer and timescale. These are reviewed by the appropriate management team.
- 10.3 We worked on our corporate risks with our insurers, Zurich Municipal and identified and ranked the most serious risks. Each now has an action plan with a lead officer, aimed at improving the risk rating.
- 10.4 The Business Sub-Group reviews the Corporate Risks and the 'red and amber' service area risks on a quarterly basis. Some attempt has been made at ranking risks further by the use of a likelihood factor (e.g. 0.5 represents 50% chance) and an impact value (say cost to the company of £100,000). Multiplying the two together gives a risk value – in the above example £50,000.
- 10.5 Other risk registers are maintained for specific projects. There are a number of registers associated with the Decent Homes Programme and a register for the procurement of the repairs and maintenance contracts.

11. Key risks that affected quality of service delivery in 2006/7 and 2007/8

- 11.1 The following issues were identified during 2006/7 and 2007/8 to have had a significant impact on service delivery provided by Barnet Homes.
- 11.2 Regeneration – the long lead-in time to development of the regeneration estates has increased the call on resources within Barnet Homes, both in housing management and repairs. More intense levels of support are necessary to improve levels of satisfaction with tenants and leaseholders on the four estates. A Regeneration Strategy has now been developed in conjunction with the Council.
- 11.3 Information Technology (IT) – resources continue to be stretched on IT, particularly in relation to the interfacing of the systems of Connaught with Saffron. Again work on Business Continuity has suffered to a degree, although Phase IV of the project is on target.
- 11.4 Decent Homes – the partnering contracts commenced on site from August 2005. There have been a number of risks that have affected service delivery and are the subject of major review – unreliable information from the stock condition survey, problems of access and/or refusal, leaseholder consultation, scope of environmental works, cost, government funding reductions and available staffing resource to deliver the programme.
- 11.5 To address the above Barnet Homes and the LBB have robust strategies to deliver an effective investment programme to meet the Decent Homes target. The Decent Homes Programme Master Plan has been finalised by LAPN between Barnet Homes and the contractors and is now enabling us to deliver the programme more effectively. The plan for all three contractors has now been in place since the early 2007 and is being used as a monitor to track the remaining 3 years of the Decent Homes programme.
- 11.6 The new Investment Value and Planning Manager, is leading on this plan. The programme has been compiled to list the number of key milestone activities which must be achieved to ensure delivery and has a detailed cashflow forecast to monitor expenditure to the end of the programme.
- 11.7 This will improve the management of the process by allowing early identification of any problems/issues and will improve financial monitoring to ensure appropriate and timely action can be taken to maintain the programme and deliver the annual spend. In addition, during the course of 2007, the Asset Management Service had been reorganised to place

increased emphasis on its role as Client Manager of the process and the delivery of project and performance based information to improve the quality of the service and be more responsive to residents needs.

- 11.8 As mentioned in above (3.6) both the responsive repairs and the gas repairs/servicing contracts were let in April 2007. As this case with many new contracts there are number of risks during the mobilization and embedding period, to consider. For example, service delivery maintaining and improving performance as well interface problems.
- 11.9 To address these risks, Connaught produced a sixty day action plan to ensure service delivery is maintained and performance is improved. Coupled with close monitoring and partnership working with our contractor's responsive repairs are being delivered to a high standard and in the main performance has been improving since the commencement of the contract. The gas contract is providing a good service and performance in relation to CP12 (gas safety certificates) has improved on last years outrun performance. There are number measures being taken by both the partners and BH to ensure performance is improved as well as achieving value for money. This included quarterly Core groups, and monthly operational meetings which are being used to monitor performance and budget spends.

12. Conclusion

- 12.1 The control environment in Barnet Homes compliments its culture of excellent service delivery. The level of performance management, risk awareness and reporting processes ensure that the Chief executive Officer and her management team have clear visibility of the level of service provision delivered by Barnet Homes. Any areas of risk or weakness that may impact on its ability to provide continuous and consistent service delivery are identified and closely monitored. Mitigating action and contingency plans are built into the service plans for each area of the Company.

13. Management Statement of Assurance

- 13.1 I confirm the following to the Board: -

- 13.1.1 I understand the requirements of my job as set out in my contract of employment and my job description;

- 13.1.2 I have specific targets, established through the appraisal process, which are clearly defined and achievable and which I both understand and agree with;
- 13.1.3 I acknowledge that one of my key managerial tasks is to develop, maintain and operate effective control systems in all areas for which I have responsibility. These are correctly set out in Appendix A. I confirm that I understand what this involves and that I have the necessary authority to establish and operate such controls effectively;
- 13.1.4 I have communicated the key elements of the control systems for which I am responsible to relevant staff and I am satisfied that they are aware of their responsibilities in areas of high risk, empowered to operate such control procedures, and aware of their responsibility to report upwards any unresolved matters of concern about internal control and to deal with any matters reported to them in an expeditious manner.
- 13.1.5 I confirm that all significant internal control matters brought to my personal attention by staff have been properly dealt with and that any such matters that remain unresolved have been recorded and assigned to relevant officers for resolution. Such unresolved matters will be monitored until satisfaction related to their resolution can be assured
- 13.1.6 Throughout the financial year 2006/7 and 2007/8 to date, I consider that the internal controls for which I am responsible have been sufficient to provide reasonable assurance of effective financial and operational control, compliance with the Company's policies and procedures, and with other laws and regulations. To the best of my knowledge, these arrangements have been complied with in all material respects throughout the period;
- 13.1.7 I confirm that no material findings or recommendations relating to internal control made by internal audit, external audit or others remain outstanding;
- 13.1.8 I am not aware of any weaknesses in internal control or other irregularities in accounting practice which should be brought to your attention;
- 13.1.9 I am not aware of any change in business practice in my area of responsibility that may have weakened internal control. I confirm that any future plans will be assessed for their internal control

implications and that sufficient controls will be put in place before such plans are implemented.

13.1.10 Exceptions to the above are set out below:-

Procurement and Contracts – the Company has agreed a corporate procurement strategy. More work is necessary in developing non-technical procurement.

Project management – there is some improvement required in this area but senior managers in all areas have now received training and there is a Barnet homes template to follow.

Partnerships – our asset management service was restructured to provide the appropriate client side input. Managing two new partnering contracts (repairs and maintenance and gas servicing) on top of the Decent Homes contracts has proved to be onerous and the structure is being reviewed.

Performance Management – there were a number of concerns in this area during the period in question which caused the Council to intervene. We have increased our focus on performance management and are now reviewing this area as part of the value for money review of central services.

Tenant satisfaction – levels of satisfaction have slipped and we will be developing an action plan aimed at improving them. The review of resident involvement, including value for money, is due for completion by March 2008.

Signed by Margaret McPeake
Date 31 January 2008

BARNET HOMES LIMITED

STATEMENT OF INTERNAL CONTROL JANUARY 2008

	Chief Exec	Housing Services	Financial Services	Asset Manage't	Corporate Services
1.00 General Risk Management					
1.01 Are appropriate arrangements in place to ensure that your service is aware of the requirements of the Company's corporate governance policies and receive effective training.	Effective	Effective	Effective	Effective	Improvement Required
1.02 Are all staff in your service aware of the Business Aims and the associated Operational Plans	Effective	Effective	Effective	Effective	Effective
1.03 Does your Service have in place processes that seek to identify, record, evaluate, prioritise, allocate and manage key areas of risk and uncertainty.	Effective	Effective	Effective	Effective	Effective
1.04 Are key areas of risk and uncertainty linked to the Service / Team plans and reviewed on an on-going basis.	Effective	Effective	Effective	Effective	Effective
1.05 Is the process of reviewing risk embedded within your management meetings.	Effective	Effective	Effective	Improvement Required	Effective
1.06 Are actions to improve the control environment identified with responsibilities and timescales defined	Effective	Effective	Effective	Improvement Required	Effective
1.07 Are appropriate arrangements in place to ensure that your team are aware of the compliance requirements from the corporate policies and procedures	Effective	Effective	Effective	Effective	Effective
2.00 Performance Management					
2.01 Does your Service have clear priorities which have been translated into measurable targets and linked to the Business Plan and business aims	Effective	Effective	Effective	Effective	Effective
2.02 Does your Service have clear plans in place with clear targets and ownership, that link to your Service priorities.	Effective	Effective	Effective	Effective	Effective
2.03 Are your Service plans reflected in individual staff objectives with clearly documented targets and deliverables, which are reviewed on a regular basis.	Effective	Effective	Effective	Improvement Required	Effective
2.04 Are the objectives for your service SMART objectives Specific, Measurable, Attainable, Realistic, Time bound	Effective	Effective	Effective	Effective	Improvement Required
2.05 In developing these targets, has the service identified measures which will show whether: A. The correct inputs and outputs are effective and efficient. B. The processes and procedures have been reviewed and are up to date. C. The outputs from the processes meet with the customers requirements.	Effective	Effective	Effective	Effective	Improvement Required
2.06 Are the measurements against these targets qualitative / quantitative.	Effective	Effective	Effective	Effective	Effective
2.07 Do the measurements demonstrate "value for money"	Effective	Effective	Effective	Effective	Effective
2.08 Are performance reports published regularly which identify performance against target and are monitor by your Management Team.	Effective	Effective	Improvement Required	Effective	Effective
2.09 Are continuous improvement programs in place to address under performance or how to increase service levels	Effective	Effective	Effective	Effective	Effective
2.10 Are risks considered as part of the performance monitoring meetings	Effective	Effective	Effective	Effective	Effective
3.00 Financial & Financial Management					
3.01 Are clear delegated powers and levels of authorisation in place within your Service Area	Effective	Improvement Required	Effective	Effective	Improvement Required
3.02 Are all decisions taken under the delegated powers framework recorded and retained	Effective	Effective	Effective	Improvement Required	Effective
3.03 Are processes in place for the regular monitoring of compliance with these financial instructions	Effective	Effective	Effective	Improvement Required	Improvement Required
3.04 Is there adequate separation of duties	Effective	Improvement Required	Effective	Effective	Effective
3.05 Are all staff with financial responsibilities aware of, and adequately trained to discharge their responsibilities	Effective	Effective	Effective	Improvement Required	Effective
3.06 Is budget monitoring and management clearly identified as the responsibility of the Budget Holder	Effective	Effective	Effective	Effective	Effective
3.07 Is budget monitoring completed by the Budget Holder regularly and any over or under spends identified and reported.	Effective	Effective	Effective	Improvement Required	Effective
3.08 Are procedures are in place to ensure that proper accounting records are maintained and entries in them are properly authorised	Effective		Effective	Effective	
3.09 Are Service budgets set in accordance with key objectives and targets	Effective	Effective	Effective	Effective	Effective
3.10 Are agreed budget plans clearly documented and disseminated within the service.	Effective	Effective	Effective	Improvement Required	Effective
3.11 Are arrangements in place to ensure that all assets, for which your area is responsible, are properly safeguarded, controlled and protected from unauthorised use or theft	Effective	Improvement Required	Effective	Effective	Improvement Required
3.12 Are financial transactions processed through SAP, or has written approval been obtained from the Head of Financial Services agreeing to the use of other systems	Effective	Effective	Effective	Effective	Effective
3.13 Are procedures in place to ensure that all cash is collected and banked in a timely manner		Effective	Effective		
3.14 Are measures in place to ensure the security of financial information	Effective	Improvement Required	Effective	Effective	

BARNET HOMES LIMITED

STATEMENT OF INTERNAL CONTROL JANUARY 2008

		Chief Exec	Housing Services	Financial Services	Asset Manage't	Corporate Services
4.00 Legislation						
4.01	Are processes in place to ensure compliance with all relevant statutory and regulatory requirements	Effective	Improvement Required	Effective	Effective	Effective
4.02	Are processes in place to ensure that legal advice is sought before commencement of any new initiative	Effective	Effective	Effective	Effective	Effective
4.03	Is the impact of new legislation considered in a formal and structured way and the response clearly documented.	Effective	Effective	Effective	Improvement Required	Effective
5.00 Human Resources						
5.01	Is authority, responsibility and accountability clearly defined, such that decisions are made and actions are taken by the appropriate people	Effective	Effective	Effective	Effective	Effective
5.02	Are staff aware of their responsibilities through the appraisal and objective setting process	Effective	Effective	Effective	Effective	Effective
5.03	Are adequate procedures in place for disseminating training, guidance and monitoring.	Effective	Effective	Improvement Required	Effective	Effective
5.04	Are appropriate procedures in place for the following: A. Safer Recruitment B. Staff induction C. Identification of training needs D. Personal development programs E. Monitoring of sickness and absence	Effective	Effective	Effective	Effective	Effective
5.05	Are procedures and monitoring arrangements in place to ensure that staff are not influenced by prejudice, bias or conflicts of interest (including the influence of gifts and hospitality)	Effective	Effective	Effective	Effective	Effective
5.06	Are processes in place to ensure compliance with Health and Safety policies.	Effective	Effective	Effective	Effective	Effective
5.07	Are appropriate emergency procedures in place for all buildings in which your Service operates.	Effective	Effective	Effective	Effective	Effective
6.00 Procurement & contracts						
6.01	Is all procurement undertaken in accordance with the requirements of the Contract Procedure Rules by officers with the necessary delegated authority	Effective	Effective	Effective	Effective	Effective
6.02	Do all contracts clearly identify the key deliverables, SLAs and performance monitoring processes that demonstrate that the Company receives best value	Effective	Improvement Required	Effective	Effective	Effective
6.03	Is contractors performance closely monitored to ensure that the Company receives best value and service improvements identified, and are actions allocated and clearly documented.	Effective	Effective	Effective	Effective	Effective
6.04	Where applicable and in line with Contract Procedure Rules, are all contracts supported by an approved business case, contract evaluation process and record of award.	Effective	Effective	Effective	Effective	Effective
6.05	Are all contracts recorded in SAP or in the Contracts Register	Effective	Effective	Effective	Effective	Effective
6.06	Is a list of all key contracts and partnership arrangements available within your Service Area.	Effective	Improvement Required	Effective	Effective	Improvement Required
7.00 Information Technology						
7.01	Are processes in place to ensure compliance with the IT Security Policy	Effective		Effective		Improvement Required
7.02	Have any breaches against IT security policy during the past year been recorded and dealt with appropriately					
7.03	Are all key systems required to deliver your service provision identified and reported to the IT Manager	Effective		Effective	Effective	Effective
7.04	Do all key systems required to deliver your service provision have a clear back up strategy, disaster recovery program and support arrangements in place.	Improvement Required		Improvement Required		Effective
		Chief Exec	Housing Services	Financial Services	Asset Manage't	Corporate Services
8.00 Project Management						
8.01	Are all key projects within your service controlled via formal project management disciplines required for managing the major projects.	Improvement Required	Improvement Required	Improvement Required	Effective	Effective
8.02	Have all project managers received formal project management training	Effective	effective	Effective	Improvement Required	Effective
8.03	Are there standard documented procedures in place for monitoring and controlling projects during their lifetime	Effective	Effective	Improvement Required	Effective	Effective
8.04	Are procedures in place for reviewing project outcomes	Improvement Required	Effective	Improvement Required	Improvement Required	Effective
8.05	Are Risk Registers in place for all major projects and are updated on a regular basis.	Improvement Required	Effective	Effective	Effective	Effective

BARNET HOMES LIMITED

STATEMENT OF INTERNAL CONTROL JANUARY 2008

		Chief Exec	Housing Services	Financial Services	Asset Manage't	Corporate Services
9.00 Partnerships						
9.01	Are all partnership arrangements with outside organisations clearly documented with SLAs identified				Effective	Effective
9.02	Are there documented partnership arrangements which include details covering the nature of the relationship and which clearly identify the responsibility and liability of each partner				Effective	0
9.03	Are procedures in place to monitor adherence and performance to partnership arrangements				Effective	0
10.00 Business Continuity Plans						
10.01	Have you identified all essential functions within your area					Effective
10.02	Is there an effective Business Continuity Plan in place					Effective
10.03	Have you tested your Business Continuity plan					Effective
10.04	Do you have a list of key contacts covering key / critical staff					Effective
10.05	Do you have an emergency pack that all staff can refer to when required					Effective
10.06	Is there a business recovery plan in place					Effective
10.07	Have you identified alternative accommodation for key / critical staff if their normal office is inaccessible					Effective
10.08	Have you identified local back-ups for key / critical staff					Effective
10.09	Are you aware of you critical IT dependency					Effective
10.10	Have you tested your IT recovery plan					Improvement Required
10.11	Do your key partners have Business Continuity Plans in place.					Effective
10.12	In the event of an emergency, are you aware of the key stakeholders you will need to communicate with and do you have their contact details					Effective
10.13	Have you assessed the risks to location					Improvement Required
10.14	Do all your staff know their role in an emergency situation					Effective
10.15	Have your staff been trained in the Emergency Plans					Improvement Required
10.16	Do you have your own fully documented Emergency plan					Effective
11.00 Audit Recommendations						
11.01	Are you aware of the Internal Audit plans	Effective	Effective	Effective	Effective	Effective
11.02	Are you aware of any external audit plans that will impact either directly or indirectly on your department.	Effective	Effective	Effective		
11.03	Do you review all priority 1 audit recommendations on a regular basis		Effective	Effective	Effective	Effective
11.04	Are all priority 1 audit recommendations recorded in your services risk log.		Effective	Effective	Improvement Required	Effective
12.00 Other significant Internal Control Issues						
12.01	Apart from the issues raised above, are there any significant control or other matters arising in your area which could adversely affect the signing of the SIC?					

CONTROL CATEGORIES Do not remove these cells otherwise the drop down options will not work.	Effective	Effective	Effective	Effective	Effective
	Improvement Required	Improvement Required	Improvement Required	Improvement Required	Improvement Required
	Inadequate or Ineffective	Inadequate or Ineffective	Inadequate or Ineffective	Inadequate or Ineffective	Inadequate or Ineffective
	yes	yes	yes	yes	yes
	no	no	no	no	no

Title: Update on Innovation Fund Projects

1. Statement of Purpose

- 1.1 Barnet Homes' mission statement undertakes to "achieve excellence by delivering high quality and improving services to all residents". Encouraging innovation in Barnet Homes is seen as key in achieving this.

2. Summary

- 2.1 This paper updates the Sub Group on the progress of the projects that have now taken place as a result of receiving funding from the Innovations Fund. It also informs the Sub Group of the projects that were approved during the November meeting of the Innovations Fund Panel.

3. Previous reports

- 3.1 This report follows on from the previous update on the Innovations Fund that was tabled at the August meeting of the Business Sub Group. That report updated the Group of the progress of projects funded up to March 2007.

4. Recommendations

- 4.1 That the Sub Group considers and notes the report.

5. Financial & Risk Management Issues

- 5.1 Many of the ideas funded by the Innovations Fund are pilot schemes designed to prove whether a particular idea can deliver long term value for money. There is always a financial risk in funding a pilot scheme as the idea may not succeed in practice.
- 5.2 The attached schedule 1 provides an analysis of the expenditure from the Innovation Fund to date. The fund is on target to come in within its £50,000 budget for the current financial year.

6. Resident Consultation and Equalities Issues

- 6.1 Two residents are now members of the Innovation Fund Panel. Ideas are more likely to receive funding if they can demonstrate that they meet residents' needs or if they address a particular equalities issue.

7. Background Information

Update on projects funded during the first year of the Fund

- 7.1 The last paper updated the Sub-Group on projects funded during the first year of the Innovation Fund. The following projects have become

mainstream or are expected to deliver continuing benefits to the business in the future:-

- Covert CCTV cameras. Their use is continuing.
- Dedicated Graffiti removal team pilot. A permanent team and a van is being set up.
- Virtual mini-tour. Now live on the Barnet Homes web-site.
- Grounds maintenance improvements using spare capacity and residents help. The resident gardening schemes that were developed are ongoing.
- Dog fouling reduction/ awareness pilot for the West Hendon Estate. Residents have requested a similar scheme on the Stonegrove estate.
- Talksign notice boards. These boards are in place.

Update on projects funded during the second year of the Fund

An update on projects funded during the second year of the Innovation Fund (since April 2007) follows:-

- 7.2 Multi- language audio information CD's for tenants. The production of these CD's is underway and they should be ready by early March. This has been a joint project with Barnet College. The College has provided a number of native foreign language speakers for the recordings for free. Barnet College intends to do publicise this, with the students who participated being presented with certificates.

The CD's have been carefully designed to compliment the DVD's that were released last year.

- 7.3 Trained and supported resident gardeners. Samantha Neville from Finchley and Stephen Davidson from Dollis Valley have been employed as trainee gardeners. The two gardeners (through the Resident Gardening Club) will help residents and leaseholders in their communal areas. There has been an article in At Home about the two gardeners, who will also benefit from a formal horticultural BTEC college course.

- 7.4 Online job application form pilot. This is still in the development stage and is due to go live in February. It will enable people to apply for jobs at Barnet Homes using an online job application form. This functionality will form part of the new Barnet Homes website. (Advertising jobs online is relatively cheap compared to traditional methods, and if you are going to advertise online it's useful for candidates to be able to also apply online.)

- 7.5 Campaign count software for the call centre. The software has been installed. A number of new projects are now being set up to use this functionality. It will enable the Customer Care Team to better understand the nature of the calls received by customers and therefore help tailor the service to customer needs. It will also help ensure more staff are available at peak times.
- 7.6 Feedback and survey collection boxes. Several feedback and collection boxes have been put up in the Stonegrove/ Spur Road area. More are due to go up. Customers can put general comments or the results of feedback surveys in these boxes. Usage and vandalism of these boxes will be monitored. And the hope is that they will help drive up the response rate to customer feedback surveys.
- 7.7 Leaf-clearance scheme. The Barnet Garden Project (BGP) is a horticultural project for adults with learning disabilities and comes under the umbrella of the Council's Adult Social Services. The BGP was given funding to purchase two leaf-blowers to use on Barnet Homes Estates. Under the direction of caretakers the project occurred in October/ November and provided a large amount of leaf clearance for a relatively small outlay.

Projects approved at the November Innovation Fund Meeting

The meeting of the November Innovation Fund Panel occurred during the second week of the Inspection, and an Inspector sat in on the meeting. The following ideas were approved for funding:-

- 7.8 Magnifying sheets for the visually impaired. Plastic magnifying sheets are going to be purchased that can be sent out to the visually impaired. This will enable them to read normal font sized publications from Barnet Homes.
- 7.9 Energy efficient light bulbs for new tenants. Two energy-saving light bulbs will be put in each new tenant starter pack. Dina Gillespie has managed to source several hundred bulbs from an energy supplier scheme for free in 2007 and intends to apply for another batch for 2008 to support this idea. The bulbs should help save the tenants money and also support the Council's green agenda. Residents will also be given a green energy information leaflet.
- 7.10 Interactive Tenant Consultation Quiz Nights. Funding has been approved to pilot the use of Interactive Tenant Quiz Nights as a potentially very cost effective means of resident consultation. Cheaper than traditional methods (such as focus groups) the aim is to give residents an entertaining evening in the process of obtaining useful information from residents.

- 7.11 CO detectors. Funding was approved to give 250 of our most vulnerable tenants the opportunity for the installation of a carbon monoxide detector when they next receive a gas service.
- 7.12 Resident caretaker pilot in Burnt Oak. The use of a resident caretaker in a relatively deprived area is to be trialled. Residents will then be consulted to see if they want to pay for such a service in the long-term.
- 7.13 Resident involvement – photo & video clips. Several digital cameras and a camcorder will be purchased to enable the Resident Involvement Team to “capture the moment” at the various events that they hold throughout the year. This should help save on photography fees and also better publicise the events.
- 7.14 It should be noted that a total of 25 ideas have been presented to the Innovation Fund Panel since its first meeting in July 2006.

Author: Gary Pliskin, Deputy Head of Financial Services
Date: 29 January 2008

**BARNET HOMES LTD
INNOVATIONS FUND
SCHEDULE 1 - FINANCIAL UPDATE FOR THE FEBRUARY 2008 BUSINESS SUB GROUP**

Ref	Meeting	Idea	Funding approved (Y/N)	YE 31/3/07 £	YE 31/3/08 £	YE 31/3/09 £
1	Jul 06	Installation costs for covert CCTV cameras	Y	9,000	0	
2	Jul 06	"Payback scheme"	N			
3	Jul 06	Dedicated graffiti removal team pilot.	Y	5,000	0	
4	Jul 06	Virtual mini-tour for website	Y	4,000	720	
5	Dec 06	Utilise spare capacity in Grounds Maintenance	Y	12,766		
6	Dec 06	Dog fouling awareness pilot	Y	2,128	3,405	
7	Dec 06	Mystery shoppers Network	Y	8,700		
-	Dec 06	Chocolates for Innovation bids	Y	50		
8	Mar 07	Audio CD's for new tenants	Y		2,370	
9	Mar 07	Printing BACS remittance advices in-house	N			
10	Mar 07	Community texting	Y	250	5,000	
11	Mar 07	Talksign boards	Y	5,100		
TOTAL AWARDED YE 31 MARCH 2007				46,994		
12	Jul 07	Trained and supported resident gardeners	Y		8,080	
13	Jul 07	Online job application form pilot	Y		6,000	
14	Jul 07	Campaign Count software for call centre	Y		6,500	
15	Jul 07	Reduce, Re-use, Recycle	N			
16	Jul 07	Feedback & survey collection boxes	Y		600	
17	Jul 07	Post box/ feedback box for West Hendon Office	Y		50	
18 *	Jul 07	Resident involvement - photos & video clips	N			
19	Nov 07	Leaf clearance scheme (Bid 1)	Y		1,000	
-	Nov 07	Chocolates for Innovation bids	Y		62	
20	Nov 07	Magnifying sheets for visually impaired (Bid 5)	Y		400	
21**	Nov 07	Energy efficient light bulbs for new tenants (Bid 6)	Y		175	
22	Nov 07	Interactive tenant consultation quiz nights (Bid 2)	Y		3,000	3,000
23	Nov 07	Mobile phones for Resident Associations (Bid 4)	N			
24	Nov 07	CO Detectors for 250 vulnerable tenants (Bid 7)	Y		3,750	
25	Nov 07	Resident caretaker pilot in Burn Oak (Bid 8)	Y		4,877	
18 *	Nov 07	Resident involvement - photos & video clips (Bid 3)	Y		1,722	
TOTAL AWARDED SINCE APRIL 2007					47,711	3,000

* Idea 18 was re-presented from July

** Some free energy efficient light bulbs were sourced by Dina. Funding is only needed for printing leaflets.

1. Statement of Purpose

- 1.1 The establishment of service level agreements (SLAs) with clear service definitions and competitive charging structures supported by systematic approach to performance management will demonstrate a rigorous approach to value for money (VfM).

2. Summary

- 2.1 This paper updates the Sub-Group on the position regarding SLAs for 2008/09 and also progress on monitoring them.

3. Previous reports

- 3.1 The last quarterly progress update to the Business Sub-group was on 31st October 2007.

4. Recommendations

- 4.1 That the sub-group consider and comment on the report.

5. Financial & Risk Management Issues

- 5.1 Barnet Homes currently purchases approx £3m of support services from the Council via SLAs.
- 5.2 Ideally SLAs should be agreed and in place by the start of each financial year so that performance can be monitored throughout the year with corrective action taken as necessary, under the terms of the agreement. Having agreements with clearly defined services and standards and a clear pricing structure also enables services and costs to be benchmarked, and decisions to be taken on future commissioning.
- 5.3 Our management of this relationship with the Council (LBB) formed an important part of the Audit Commission's assessment at the inspection (KLOE 1 prospects for improvement and KLOE 32 – Value for Money). As a mature ALMO, Barnet Homes is expected to have completed reviews of all its SLA support services to demonstrate that value for money is being achieved.

6. Resident Consultation and Equalities Issues

6.1 Not applicable to this report.

7. Background

7.1 Performance Monitoring of 2007-08 SLAs

7.1.1 A summary of current progress in terms of scheduling and completing performance monitoring meetings is shown at *Appendix 1*. This shows that regular monitoring meetings are taking place and that minutes are being recorded.

7.1.2 In 2007 some of the SLA monitoring meeting schedules were held bi-monthly. However in some instances it is now considered more appropriate to hold quarterly monitoring meetings. This adjustment will be reflected in the revised SLA documents for the new financial year.

7.2 Financial Monitoring of 2007-08 SLAs

7.2.1 Procedures for improving financial monitoring of SLAs are being developed, and once finalised, these will allow for closer scrutiny and reporting.

7.2.2 It is proposed that future reports to the Business Sub Group will include financial performance information such as invoices received within timescales, amount spent year to date against budget.

7.3 Drafting and Negotiations of 2008-09 SLAs

7.3.1 Drafting and negotiation of 2008-09/10 SLAs, with the aim of having all SLAs concluded by 1st April 2008. This excludes the Building Cleaning SLA which is dependent on the outcome of the LBB office cleaning re-tendering process, which is due to be completed by April 2008.

7.3.2 Please refer to *Appendix 2*, which shows the status of each SLA in the drafting and negotiating process.

7.4 Reviews and Benchmarking

7.4.1 Value for Money reviews have been completed on the following SLAs:

- Grounds Maintenance
- ICT
- Legal
- Transport
- Building Cleaning

7.4.2 Reviews underway/proposed for the new financial year include:

- Revenues
- Payroll/ Human Resources

7.4.3 We are also currently seeking to benchmark with other organisations to compare our SLA Template, in terms of quality, length, style, and format.

7.5 Progression of Service Level Agreement Action Plan

7.5.1 Please refer to *Appendix 3* for the current Service Level Agreement action plan.

7.5.2 An internal review of SLA agreements was carried out by Tribal in February 2007. A follow-up internal audit review of our implementation of the recommended management actions is scheduled for April 2008.

7.5.3 Recommendations from the 2007 audit that have been successfully completed include:

- Inclusion of SLA risks in the Finance risk register
- Development of an SLA policy
- Incorporation of Key Performance Indicators into SLA agreements, and robust monitoring of performance

7.5.4 The final recommendations from the audit that are due for completion by 31st March 2008 are as follows:

- Improvement of financial monitoring of SLAs (through development of procedures and monitoring arrangements)
- Consideration of completing an annual review of the financial performance of SLAs

7.5.5 The action plan is a 'living' document, and will be updated as a result of the second audit from Tribal, and incorporate any recommendations that arise. The action plan also incorporates other tasks and recommendations that have been identified through our own monitoring, and reviews.

7.6 **Next Report:** April 2008

Author: Melanie Rutherford
Best Value & SLA Project Officer
Date: 31 January 2008

SLA Minutes of Monitoring Meeting 07- 08

SLA	Freq	April	May	June	July	August	September	October	November	December	January	February	March
Abandoned Vehicles	Quarterly	X	3rd	X	X	X	7th	X	X	X	29th		
Accommodation	Nil	X	X	X	X	X	X	X	X	X	X	X	X
Building Cleaning	Nil	X	X	X	X	X	X	X	X	X	X	X	X
CCTV	Quarterly	X	X	X	X	X	7th	X	X	X	29th		
Customer Care	Bi Monthly	X	X	X	4th	22nd	12th	X	27th	X	29th	X	31st
Facilities	Bi Monthly	X	X	X	26th	X	6th	X	X	X	31st	X	X
Finance	6 Monthly	X	X	X	X	X	10th	X	X	X	X	X	TBA
Grounds Maintenance	Monthly	12th	X	14th	30th	X	X	X	2nd	X	X	1st	X
HB	Quarterly	X	X	12th	X	X	11th	X	X	X	8th	X	X
HR	Bi Monthly	27	X	X	20th	X	11th	X			14th		
ICT	Monthly	23rd	29th	X	2nd / 24th	X	24th	X	27th	X	4th	4th	TBA
Legal	Bi Monthly	X	24th	X	13th	X	10th	X	5th	X	31st	X	5th
Transport	Monthly	X	24th	X	X	15th	X	X	21st	X	X	20th	19th
Valuers	SLA Not Final												

Key

Meeting Not Held	X
Meeting Scheduled	
Meeting Held	
Minutes Received	

Barnet Homes Service Level Agreements (2008-09/10)

SLA Name	Duration	End Date	LBB / External Owner	BH Owner	Status	Comments
Abandoned Vehicles	1 year	Until March 2009	Dorne Kanareck	Sheila Oliver	In Negotiations	Draft prepared. Meeting scheduled for 26th January 2007 with LBB where negotiations and discussion will take place.
Accommodation	2 years	Until March 2009	Peter Cridland	Kate Laffan	In Negotiations	A rent review was scheduled in late 2007 between the landlord and LBB in respect of Barnet House. This is likely to result in increased accommodation costs for Barnet Homes. Awaiting update from LBB
Building Cleaning	1 year	Awaiting Retendering	TBC	Kate Laffan	Awaiting Outcome of Retendering	Awaiting outcome of retendering. LBB are in the process of retendering the office cleaning contract – with the target of letting a new contract from April 2008. We propose to continue using this service as the current arrangement represents good value for money. Negotiations will include a requirement to have a more direct relationship with the new cleaning contractor (ie direct fault reporting, invoicing).
CCTV	1 year	Until March 2009	Dorne Kanareck	Sheila Oliver	In Negotiations	Draft prepared. One year agreement only, as will carry out market testing/VFM Review in 08-09 financial year. Meeting scheduled for 26th January 2007 with LBB where negotiations and discussion will take place.
CHAS	1.5 years	Until March 2009	Stuart Freeman	Kevin Turnpenney	Review Required	Scheduled for February / March
Customer Care	1 year	Until March 2009 (TBC)	Kirsty Elderton	Jacky Nelson	Ready for Negotiation	Draft prepared - have incorporated comments from BH Owner. Ready for Negotiation.
Facilities	2 years	Until March 2009	Peter Cridland	Kate Laffan	Review Required	Review and negotiation of costs will occur once new rent costs are confirmed.
Grounds Maintenance & Tree Management	1 year	Until March 2009	Roger Jones	Sheila Oliver	In Discussion	Currently market testing grounds maintenance, so one year only. Draft prepared and sent to owners for comments. SRO to discuss market testing with LBB and Paul Cleveland and agree way forward before progressing the SLA for next year.
Housing Benefit	2 years	Until March 2010	Ann Buchanan	Kevin Turnpenney	Ready for Signing	Will be signed in March 2008.
Human Resources	1 year	Until March 2009	Peter Dempsey / Nick Walkley	Catherine Solomon (All except Payroll) Jo Moore (Payroll)	In Negotiations	Agreed to sign a one year SLA only, as a review of Payroll is scheduled for 08-09. Meeting held with LBB on 14th January to discuss and negotiate SLA.
ICT	1 year	Until March 2009	Jenny Coombs	Eva Maciejczyk	In Negotiations	Control Team Manager underway with negotiations. External review recently completed by Tribal has been reported to the Strategic Steering Group. The ICT strategy will be reviewed as part of the planned review of future accommodation requirements, and will link into the planned Accommodation Strategy that will be developed from this project.

SLA Name	Duration	End Date	LBB / External Owner	BH Owner	Status	Comments
Legal	2 years	Until March 2009	Margaret Martinus	Kevin Turnpenney, Sheila Oliver, Mandy Dunstan	Review Required	The existing SLA runs until March 2009. Negotiations in the end of year review will include discussions over the ASB solicitor role, along with confirming hourly rate and fixed cost fees for the forthcoming year. We may also consider introducing competition to further drive up service levels.
Money Advice Unit (MAU)	1.5 years	Until March 2009	Tim Clark	Kevin Turnpenney	Review Required	Review scheduled for February / March
Revenue	2 years	Until March 2009	Dave Sharpe / Nick Walkley	Mike Wiffen	Review Required	
Transport	1.5 years	Until September 2008	Bernard McGreevy	Sheila Oliver	No Action - Runs Until Sept 08	LBB is tendering this service with a view to letting a new contract from Autumn 2008. We need to review our future arrangements for transport management and as part of this will explore joining LBB in its procurement exercise or procuring our own services.
Valuers	2 years	Until March 2010	Peter Cridland / Judith Ellis	John Gargan	In Negotiations	Draft prepared and negotiations underway

SLA Action Plan

ID	📌	Task Name	% Complete	Milestone	Resource Names	Comments
1	✓	Fill Best Value & SLA Project Officer Post	100%	Mon 15/01/07	KL	
2	✓	Finalise all 2006-07 SLA's	100%	Wed 31/01/07	KL	
3	✓	Identify all Local SLA Owners	100%	NA	-	
4	✓	Accommodation	100%	Thu 25/01/07	KL / MR	Owners: Kate Laffan & Gerry Hall
5	✓	Building Cleaning	100%	Thu 25/01/07	KL / MR	Owners: Kate Laffan, Gerry Hall & Bridget Mullins
6	✓	Customer Care	100%	Thu 25/01/07	KL / MR	Owners: Jacky Nelson
7	✓	Facilities	100%	Thu 25/01/07	KL / MR	Owners: Kate Laffan & Gerry Hall
8	✓	Grounds Maintenance & Tree Management	100%	Thu 25/01/07	KL / MR	Owners: Sheila Oliver & Debra Gould
9	✓	Human Resources	100%	Thu 25/01/07	KL / MR	Owners: Cora Vigar & Catherine Solomon
10	✓	ICT	100%	Thu 25/01/07	KL / MR	Owners: Ewa Maciejczyk
11	✓	Legal	100%	Thu 25/01/07	KL / MR	Owners: Kate Laffan (Corporate). Sub Owners: Kevin Turnpenney, Sheila Oliver, Mandy Dunstan, John Gargan, Ed Wichusen
12	✓	Revenues	100%	Thu 25/01/07	KL / MR	Owners: Mike Wiffen & Jo Moore
13	✓	Transport	100%	Thu 25/01/07	KL / MR	Owners: Sheila Oliver & Pauline Chappell
14	✓	Abandoned Vehicles (Possible New SLA for 07-08)	100%	Fri 30/03/07	KL / MR	Owners: Sheila Oliver
15	✓	CCTV (Possible New SLA for 07-08)	100%	Fri 30/03/07	KL / MR	Owners: Sheila Oliver
16	✓	Valuation Services (Possible New SLA for 07-08)	100%	Fri 30/03/07	KL / MR	Owners: John Gargan
17	✓	Hold Meetings with all SLA Owners	100%	NA	-	
18	✓	Define role of SLA Owners	100%	Mon 30/04/07	KL / MR	
19	✓	Discuss performance monitoring of SLA service standards	100%	Mon 30/04/07	KL / MR	
20	✓	Agree on performance monitoring (SMART, is it measurable etc) and finalise reporting (who provides data - BH/LBB)	100%	Mon 30/04/07	KL / MR	
21	✓	Provide each owner with information on their SLA - service standards, frequency of meetings etc	100%	Fri 30/03/07	MR	
22	✓	Draft, Negotiate & Finalise 2007-08 SLA's	100%	NA	-	
23	✓	Accommodation	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
24	✓	Building Cleaning	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
25	✓	Customer Care	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
26	✓	Facilities	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
27	✓	Grounds Maintenance & Tree Management	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
28	✓	Human Resources	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
29	✓	ICT	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
30	✓	Legal	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
31	✓	Revenues	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
32	✓	Transport	100%	Fri 30/03/07	KL / LBB	Signed and Completed.
33	✓	Look into creating new SLA - 'Abandoned Vehicles'	100%	Fri 14/09/07	KL / MR	Signed and Completed.
34	✓	Look into creating new SLA - 'CCTV'	100%	Fri 14/09/07	KL / MR	Signed and Completed.
35	✓	Look into creating new SLA - 'Valuation Services'	100%	Fri 14/09/07	KL / MR	Agreed to develop for 2008-10.
36	✓	Contact Paul Cleveland & Peter Dowle once each SLA is agreed and email them a copy	100%	Fri 14/09/07	MR	
37	✓	Schedule Meeting with Finance - Agree Financial Controls	100%	NA	-	
38	✓	Create list of SLAs and invoice frequency	100%	Thu 24/05/07	MR	
39	✓	Develop process for SLA invoices for sign off	100%	Fri 29/06/07	MR	
40	✓	Organise to receive copies of all invoices for file	100%	Mon 31/03/08	MR	
41	✓	Monitor 2007-08 SLA's	100%	NA	-	
42	✓	Set up meeting planner for new financial year, showing scheduled meetings due for each SLA	100%	Fri 29/06/07	SC	New document created that shows all meeting dates and minutes collected. Updated regularly.
43	✓	Organise to become part of circulation list for monitoring meeting minutes, and get past copies of minutes to store on drive.	100%	Wed 20/06/07	MR	Email sent out to all SLA owners 19/6, G&E team now included in circulation list for minutes.
44	✓	Finalise procedure notes and flow chart of SLA processes for SLA Owners (including monitoring meetings, financial control etc)	100%	Wed 20/06/07	MR	Email sent out to all SLA owners, 19/6 with procedure diagrams on monitoring meetings, escalation process and invoicing.
45		Implement Recommendations from Tribal Internal Audit (February 2007)	90%	NA	-	

SLA Action Plan						
ID		Task Name	% Complete	Milestone	Resource Names	Comments
46	✓	Consideration be given to including risks in relation to Service Level Agreements in the risk map. (Para Ref: 15.1)	100%	Fri 31/08/07	MW	SLA's are now included in the strategic risk register as reported to Business SG quarterly.
47	✓	A Service Level Agreement policy be developed. (Para Ref: 18.1)	100%	Fri 07/09/07	CH	Completed
48	✓	A set of procedures outlining the development, approval, monitoring and reporting of SLAs be developed, approved and implemented as soon as possible. (Para Ref: 18.2)	100%	Mon 30/04/07	MR	Completed
49	✓	The process of benchmarking be added to the SLA Action Plan. (Para Ref: 21.1)	100%	Mon 20/08/07	MR	Benchmarking of SLAs will take place as a part of all VFM and SLA Reviews (eg recent reviews of Legal and ICT).
50	✓	The Transport SLA be finalised as soon as possible to ensure that the vehicles are in place in a timely manner to meet the needs of the organisation. (Para Ref: 21.2)	100%	Thu 01/03/07	KL	Signed and completed
51	✓	Consideration be given to timetabling discussion over the contract period of future agreements into the action plan. (Para Ref: 21.3)	100%	Fri 30/03/07	KL	Discussions of contract period reviewed in 06/07 negotiations and 2 year agreements were negotiated for Accommodation, Facilities, Legal. Further consideration for contract period will be reviewed as part of 08/09 negotiations.
52	✓	Consideration be given to incorporating Key Performance Indicators into each agreement (where appropriate). (Para Ref: 24.1)	100%	Fri 30/03/07	KL/MR	Through the monitoring of the SLAs, the agreed KPIs continue to be reevaluated and will be further reviewed as part of the 08/09 negotiations.
53	✓	Robust performance monitoring arrangements be developed, approved and implemented. (Para Ref: 24.2)	100%	Fri 30/03/07	KL/MR	Although SLA owners are responsible for monitoring of their individual SLAs, there is a centralised system of capturing the minutes of these meetings to ensure that they are taking place.
54	✓	Consideration be given to bringing forward the deadline for the consultation on SMART targets for SLA's to ensure that they can be incorporated into the 07-08 agreements. (Para Ref: 24.3)	100%	Fri 30/03/07	KL/MR	Through the monitoring of the SLAs, the agreed KPIs continue to be reevaluated and will be further reviewed as part of the 08/09 negotiations.
55		A set of procedures outlining the financial processes relating to the SLA's: authorisation, late invoicing, late payment, reconciliation to the original SLA and financial reporting be developed, approved and implemented. (Para Ref: 27.1)	80%	Mon 30/04/07	MR/KL	Procedure for invoicing has been developed and sent to all SLA owners. There is ongoing dialogue with Finance.
56	✓	Consideration be given to flexing the 2006-07 budget to reflect the actual arrangements being ratified by the signed SLA's. (Para Ref: 27.2)	100%	Mon 30/04/07	MW	07/8 budgets reflect agreed SLAs
57		Consideration be given to implementing an annual review of the financial performance of the SLA's. (Para Ref: 27.3)	0%	Sun 01/03/09	MW/GP	
58		Complete Annual Review of 2007-08 SLA's	8%	NA	-	
59		Ensure annual review meetings occur for each SLA and get copy of minutes/outcomes	0%	Mon 31/03/08	KL / MR	
60		Complete satisfaction survey for each SLA Owner	25%	Mon 31/03/08	MR	SLA Satisfaction survey sent out to all users for completion. Milestone: 15th February 2008.
61		Analyse satisfaction survey results and incorporate any areas for improvement into the SLA Action Plan for 08-09	0%	Mon 31/03/08	MR	
62		Draft, Negotiate & Finalise 2008-09/10 SLA's	34%	NA	-	
63		Abandoned Vehicles	29%	NA	-	
64	✓	Create draft SLA agreement	100%	Mon 31/12/07	MR	
65	✓	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
66		Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
67		File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
68		File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
69		Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
70		Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
71		Accommodation	29%	NA	-	
72	✓	Create draft SLA agreement	100%	Mon 31/12/07	MR	

SLA Action Plan

ID	Task Name	% Complete	Milestone	Resource Names	Comments
73	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
74	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
75	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	Agreement runs until March 2009, but need to update and reflect rent review in
76	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
77	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
78	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
79	Building Cleaning	29%	NA	-	
80	Create draft SLA agreement	100%	Mon 31/12/07	MR	
81	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
82	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
83	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
84	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
85	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
86	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
87	CCTV	29%	NA	-	
88	Create draft SLA agreement	100%	Mon 31/12/07	MR	
89	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
90	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
91	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
92	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
93	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
94	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
95	CHAS (Money Advice)	71%	NA	-	
96	Create draft SLA agreement	100%	Mon 31/12/07	MR	
97	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
98	Carry out negotiations with LBB/Supplier and finalise draft	100%	Fri 14/03/08	KL	
99	File final copy of SLA Agreement (electronic)	100%	Mon 31/03/08	MR	Signed and completed (runs till March 09)
100	File signed copy of SLA Agreement (hard copy)	100%	Mon 31/03/08	MR	
101	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
102	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
103	Customer Care	29%	NA	-	
104	Create draft SLA agreement	100%	Mon 31/12/07	MR	
105	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
106	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
107	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
108	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
109	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
110	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
111	Facilities	29%	NA	-	
112	Create draft SLA agreement	100%	Mon 31/12/07	MR	
113	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
114	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
115	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	Signed and completed (runs till March 09)
116	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
117	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
118	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
119	Grounds Maintenance & Tree Management	29%	NA	-	

SLA Action Plan

ID	Task Name	% Complete	Milestone	Resource Names	Comments
120	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
121	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
122	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
123	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
124	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
125	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
126	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
127	Human Resources	29%	NA	-	
128	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
129	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
130	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
131	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
132	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
133	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
134	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
135	ICT	29%	NA	-	
136	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
137	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
138	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	EM	
139	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
140	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
141	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
142	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
143	Legal	29%	NA	-	
144	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
145	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
146	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
147	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	Signed and completed (runs till March 09)
148	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
149	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
150	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
151	Money Advice Unit (MAU)	71%	NA	-	
152	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
153	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
154	✓ Carry out negotiations with LBB/Supplier and finalise draft	100%	Fri 14/03/08	KL	
155	✓ File final copy of SLA Agreement (electronic)	100%	Mon 31/03/08	MR	Signed and completed (runs till March 09)
156	✓ File signed copy of SLA Agreement (hard copy)	100%	Mon 31/03/08	MR	
157	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
158	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
159	Revenues	29%	NA	-	
160	✓ Create draft SLA agreement	100%	Mon 31/12/07	MR	
161	✓ Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
162	Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
163	File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	Signed and completed (runs till March 09)
164	File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
165	Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
166	Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	

SLA Action Plan

ID	📌	Task Name	% Complete	Milestone	Resource Names	Comments
167		Transport	29%	NA	-	
168	✓	Create draft SLA agreement	100%	Mon 31/12/07	MR	
169	✓	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
170		Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
171		File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	Signed and completed (runs till September 08)
172		File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
173		Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
174		Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
175		Valuers	29%	NA	-	
176	✓	Create draft SLA agreement	100%	Mon 31/12/07	MR	
177	✓	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	100%	Thu 31/01/08	MR	
178		Carry out negotiations with LBB/Supplier and finalise draft	0%	Fri 14/03/08	KL	
179		File final copy of SLA Agreement (electronic)	0%	Mon 31/03/08	MR	
180		File signed copy of SLA Agreement (hard copy)	0%	Mon 31/03/08	MR	
181		Email Finance final version of SLA Agreement	0%	Wed 30/04/08	MR	
182		Update Contract Register with SLA Details	0%	Wed 30/04/08	MR	
183		Monitor 2008-09/10 SLA's	0%	NA	-	
184		Further develop the financial processes in SLA Monitoring. (e.g. - late invoicing, late payment, reconciliation to the original SLAs, financial reporting)	0%	Mon 31/03/08	MR	
185		Send out SLA Procedures to all 'Owners - for new financial year'	0%	Mon 31/03/08	MR	
186		Create schedule of all SLA Monitoring meetings for the year ahead	0%	Mon 31/03/08	MR	
187		Receive & file copies of all minutes of meetings that occur	0%	NA	MR	
188		Receive and file copies of all SLA invoices	0%	NA	MR	
189		Carry out Benchmarking & Reviews of SLA's	71%	NA	-	
190		Complete Benchmarking of SLA Templates (style, quality, length, content)	0%	Mon 30/06/08	KL/MR	
191	✓	Complete VFM Review of Grounds Maintenance	100%	Thu 23/02/06	GS	Completed
192	✓	Complete VFM Review of Building Cleaning	100%	Tue 01/11/05	GS	Completed
193	✓	Complete VFM Review of Legal	100%	Fri 31/08/07	MR	Completed
194	✓	Complete VFM Review of ICT & Telephony	100%	Sat 07/06/08	GP	Completed
195	✓	Complete VFM Review of Transport	100%	Fri 01/09/06	MR	Completed
196		Complete VFM Review of Payroll	0%	NA	JM	VFM Core Group to advise of milestone
197		Report to Business Sub Group on SLAs (Quarterly)	13%	NA	-	
198		Submit Report to Business Sub Group	50%	Thu 31/01/08	MR	
199		Submit Report to Business Sub Group	0%	Wed 30/04/08	MR	
200		Submit Report to Business Sub Group	0%	Thu 31/07/08	MR	
201		Submit Report to Business Sub Group	0%	Thu 30/10/08	MR	

1 Statement of Purpose

- 1.1 Barnet Homes' mission statement undertakes to "achieve excellence by delivering high quality and improving services to all residents". The estimated billing and collection of service charges is a core housing management activity.

2 Summary

- 2.1 This report advises the Business Sub Group on the proposed service charge estimates for the year 2008/09.
- 2.2 It should be noted that this is the first time this matter has been reported to the Sub-Group and follows a recommendation made by the internal auditors following their audit of Leasehold Management in April 2007.

3. Previous Reports

- 3.1 None

4. Recommendations

- 4.1 That the Sub-Group note this report
- 4.2 That the Sub- Group approve and agree the recommendations outlined at section 7.11 of the report

5. Financial and Risk Management Issues

- 5.1 The lease requires that we issue an estimated service charge bill before the 31st March for the new financial year. It is our normal practice to issue this towards the latter part of February/ early March. It is good financial practice to issue estimates as this assists the council's cash flow. Not issuing estimates would mean that we were constantly recovering costs long after the expenditure had been incurred.
- 5.2 The failure to either issue the bill on time can clearly impact on our ability to collect the service charge due.
- 5.3 Failure to accurately estimate the bill results in leaseholders either receiving a further bill seeking additional monies when the actual costs are known or receiving a credit because of an over-estimate.
- 5.4 Generally deciding on a percentage increase across a diverse stock of 3,500 leaseholders inevitably means that some get overcharged whilst others get undercharged.

6. Resident Consultation and Equalities Issues

- 6.1 Officers sought the views of the members of the Leasehold Partnership Panel at their January meeting regarding the proposed increases outlined in section 6.11 of the report. Panel members were in agreement with proposed increases and the reasons for them
- 6.2 There are no specific equalities issues relevant to this paper.

7. Background Information

- 7.1 Every late February / late March we issue over 3,500 leaseholders with a service charge bill setting out what we believe to be the estimated costs for the year ahead.
- 7.2 The bills themselves are broken down into several elements, these being:-
- (a) estate costs – this is broken down into estate maintenance/repair and grounds maintenance.
 - (b) block costs – this is broken down into block maintenance/repair, lift maintenance/ repairs and caretaking costs.
 - (c) block lighting – communal lighting to stairs etc
 - (d) block heating – this only applies to a small % of leaseholders often where the heating to their flat is provided by a District Heating system
 - (e) Management costs – this is the direct costs of the Home Ownership staff providing the service, other staff whose work involves services to leaseholders and other indirect costs such as IT systems, legal fees etc. The management fee for leaseholders is currently made up of a fixed part (£102) and a variable part (23.7% of the total charges (a) to (d) above). Grahame Park freeholders pay a management fee of £25 only.
 - (f) insurance – the cost of the building insurance and cover for the communal areas and structure.
 - (g) ground rent – a fixed fee of £10 per year.
- 7.3 Historically the bills issued have been based on an average of the previous 2 to 3 years' actual bills.

- 7.4 Unfortunately it is not possible to tailor any increase in the estimated bills to each and every block as our expenditure is not ring-fenced to individual blocks and/or estates. However when applying an increase in charges across the 3,500 leaseholder properties we do try and make adjustments to bills where we believe there to be a significant discrepancy between the estimate and reality.
- 7.5 Within 6 months of the accounts closing for a financial year we are required to issue leaseholders with an actual bill for that year. For example leaseholders issued in March 2006 with an estimated bill for the financial year 2006/07 received their actual bill in September 2007.
- 7.6 Whilst every effort is made to accurately estimate bills it is difficult in view of the fact that it is impossible to predict what responsive repairs work is likely to take place on a specific estate within the next 12 months. For example, we may increase estimated bills by an average of 3% but there could be a 20% increase in the repair works undertaken to a specific estate. This would lead to an increased actual bill for leaseholders living on that estate.
- 7.7 Four of the last 5 years have seen significant negative adjustments applied to leaseholder accounts. One of these adjustments related primarily to additional repairs expenditure in the run up to the 2004 Inspection, whilst another related to a lengthy backdated pay increase for caretakers following the introduction of the single status pay agreement.
- 7.8 There is a threefold effect of sizeable negative adjustments. Firstly most leaseholders receive another actual bill on top of their original estimated bill. Secondly a negative adjustment results in an increased volume of complaints/queries and also affects our performance collecting service charge arrears as can be demonstrated by Appendix A.
- 7.9 Thankfully the financial year 2006/07 saw a sizeable positive adjustment to leaseholder accounts, which resulted in the majority of leaseholders receiving a credit. This resulted in a reduction in the volume of complaints received and has positively helped with our service charge collection performance.
- 7.10 Discussions at the Leasehold Partnership Panel confirmed that whilst leaseholders wish us to more accurately predict the estimate they prefer to receive a higher estimate and then an actual credit adjustment than receive an estimate and a further bill because of our under-estimation.
- 7.11 Following discussions between officers within Barnet Homes and having sought the views of the Panel it is proposed to:-

- (a) increase the charges for estate/block repairs, caretaking, lift maintenance and grounds maintenance by 3%, the RPI for the year to December 2007 being 3.1 %;
- (b) increase the charges for block heating and estate/block lighting by 15%. This is based on the fact that most of our supplies are through the major energy suppliers and around 25% are through the Council's bulk contract, which expires in October 2008. Although it is anticipated that costs may not greatly increase, the current volatility in prices means that this cannot be guaranteed; and
- (c) increase the charges for Insurance by 3% – it is the Council intention to tender the insurance portfolio in the middle of the coming year, which will require leaseholder consultation. The Council's Insurance Manager has indicated that he does not anticipate a large increase.

7.12 The management fee is presently a fixed £102 per annum, plus 23.7% of costs (excluding heating and insurance) over £50. It is proposed that this be increased by £5 to £107, with the additional percentage remaining unchanged. This increase is necessary to ensure that all costs associated with the administration of leaseholder services are recovered, and will need to be agreed by the Council.

7.13 The administration charge for capital works is currently 15% for the first £1,000, plus 4.6% on costs above £1,000. It is not proposed to amend this.

Author: Kevin Turnpenney
Housing Core Performance Manager

Date: 30 January 2008

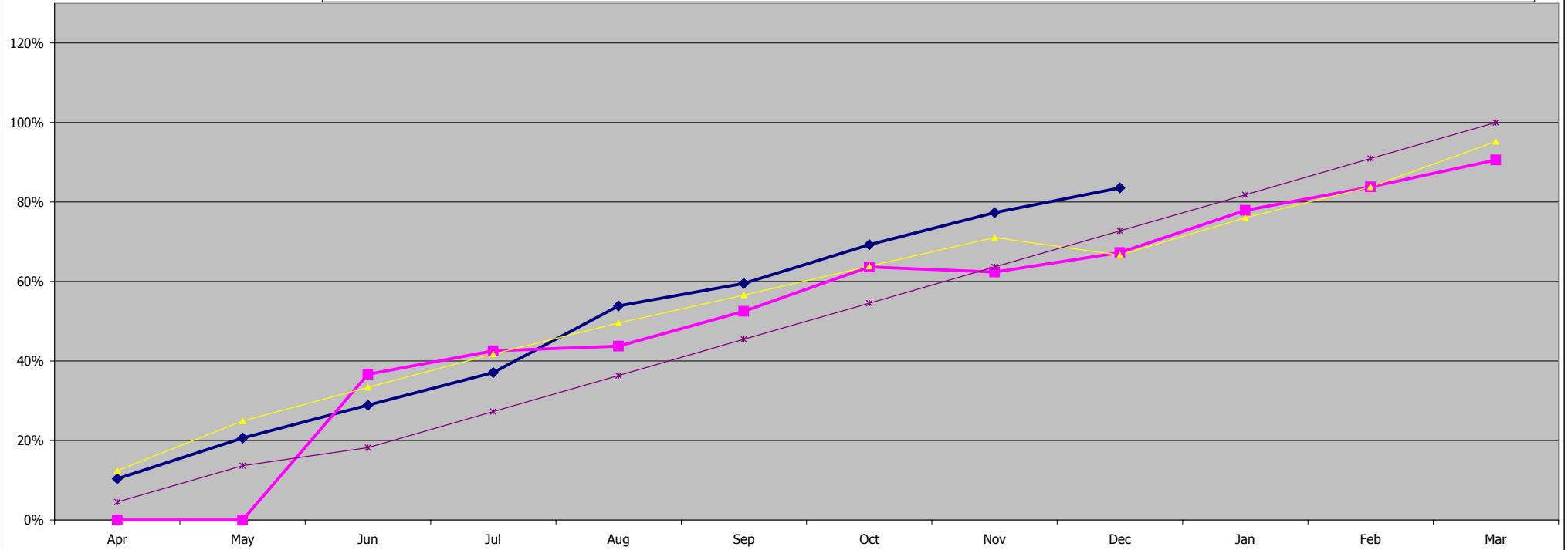
% Annual SC Collected

Annual Service Charge - % Collected (KLOE 12)

2006-07 Comparison

Average Collection Rate 03/04 to 06/07

HOS Collection Target



	Target	Mar-07	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Annual Service Charge Arrears	£1,778,196.70	£5,117,355	£4,771,426.43	£4,382,220.00	£4,107,806	£3,834,225	£3,273,378	£3,026,899	£2,691,923	£2,414,581	£2,200,670			
Annual Service Charge - Amount Collected	£3,339,158.49	£3,472,337	£345,928.76	£689,374.73	£963,789	£1,237,370	£1,798,217	£2,044,696	£2,379,672	£2,657,014	£2,870,925			
Annual Service Charge - % Collected (KLOE 12)	104%	90.6%	10.36%	20.65%	28.9%	37.1%	53.9%	59.5%	69.2%	77.3%	83.5%			
Average Collection Rate 03/04 to 06/07			12.43%	24.92%	33.4%	41.8%	49.6%	56.6%	63.9%	71.1%	66.6%	76.0%	83.8%	95.2%
2006-07 Comparison	104%		-	-	36.7%	42.5%	43.7%	52.5%	63.7%	62.4%	67.2%	77.9%	83.8%	90.6%
2005-06 Comparison	109%		14.00%	22.00%	31.0%	36.7%	44.4%	50.6%	57.5%	62.9%	57.5%	68.1%	75.6%	86.0%

Estimated service charges raised at 01/04/05 = £2,558,174.68,
 Estimated service charges raised at 01/04/06 = £3,321,090.
 Estimated service charges raised at 01/04/07 = £3,306,097.51

Actual service charge adjustment raised Dec 2005 = £710,000.
 Actual service charge adjustment raised November 2006 = £309,555

1 Statement of Purpose

- 1.1 The internal audit compliance review of the payroll arrangements gave reasonable assurance as to the effectiveness of internal controls. One of the recommendations was the implementation of the draft payroll policy.

2 Summary

- 2.1 The proposed Payroll Policy is attached.

3. Previous Reports

- 3.1 None

4 Recommendations

- 4.1 That the Payroll Policy be agreed for immediate implementation.

5 Financial & Risk Management Issues

- 5.1 The internal audit report arising from the initial review identified a risk that the payroll arrangements may not be carried out in a duly authorised manner which may lead to financial loss due to absence of direction and to lack of accountability. The introduction of a formal payroll policy would govern the approach and set the overall control processes.

6 Resident Consultation and Equalities Issues

- 6.1 None

7 Background Information

- 7.1 The internal audit review of the payroll arrangements was carried out in late 2006, and the findings reported to this Sub-Group in May 2007. A compliance review in December 2007 confirmed the previous opinion of 'Reasonable Assurance.'
- 7.2 It noted that there was no formal payroll policy in place and that one should be established that includes:-
- Mechanics of pay;
 - Amounts of pay;
 - Changes to pay;
 - Deductions from salary; and
 - Correction of errors.
- 7.3 The proposed policy attached at Appendix 1 addresses these issues. It has been discussed with Heads of Service and is recommended for immediate implementation.

Author: Joanne Moore, Financial Controller

Date: 30 January 2008



BARNET HOMES LTD PAYROLL POLICY

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PAYROLL POLICY

1. PURPOSE

- 1.1 This document sets out our overall policy in relation to the payment of staff and sets the overall control processes. Some of the specific policies and procedures notes for individual elements are detailed as appendices to this document. Other relevant information may be contained within individual employee contracts and/or the staff handbook.

2. BACKGROUND

- 2.1 Payroll services are provided by the London Borough of Barnet under a service level agreement (SLA) which is reviewed and agreed annually.
- 2.2 The activities relating to the processing of the monthly payroll are split between Barnet Homes' Human Resources (HR) and LBB payroll division.
- 2.3 HR is responsible for processing permanent changes to employee details and salaries. LBB payroll are responsible for processing all other adjustments as well as initiating the payroll BACS file for submission to BACS Ltd.
- 2.4 Managers' ability to authorise payroll payments is set out in the Barnet Homes' Scheme of Delegations.

3. MECHANICS OF PAY

3.1 Payment date and method

Existing staff

- 3.1.1 Staff are paid on the 15th of every calendar month or the last working day prior to the 15th if this day falls on a weekend or public holiday.
- 3.1.2 Staff are paid by direct BACS credit into their nominated bank or building society account. It is the employee's responsibility to ensure

that they have submitted the correct bank details to Human Resources and notified them of any changes using the appropriate form.

- 3.1.3 If an employee fails to receive their salary on the due date as a result of an administration error the Company will initiate an immediate CHAPS payment. Any reasonable financial loss as a result of the salary being unavailable on the due date will be reimbursed to the staff member upon production of the relevant supporting documentation.
- 3.1.4 If an employee fails to receive their salary on the due date as a result of incorrect details being supplied to HR the Company will endeavour to effect an immediate payment. The company will not compensate the individual for any financial loss in these circumstances.

New starters

- 3.1.5 New starters who commence employment after the HR/Payroll input deadlines (see intranet for timetable) will receive their first salary payment on the 15th of the following month.

3.2 Payment authorisation

- 3.2.1 In accordance with the terms of the SLA, LBB payroll submit the payroll BACS file to Barnet Homes Ltd for approval four working days before the payroll due date.
- 3.2.2 Financial Services will give the authorisation to release the BACS file for payment once appropriate checks have been carried out by both HR and Financial Services.

3.3 Itemised pay statements

- 3.3.1 The company will provide employees, on the pay due date or before, with payslips itemising those details as required by law.
- 3.3.2 Employees are responsible for checking that their pay in is line with their expectations and are responsible for querying any anomalies with HR as soon as possible.
- 3.3.3 The Company will operate the relevant tax code as determined by HM Revenue and Customs (HMRC). Barnet Homes cannot advise on an employee's personal tax affairs and any queries should be taken up by the employee with the relevant tax office direct.

3.3.4 The Company will also provide employees with an annual statement of their earnings as required by law. A P60 form will be given to employees by 31 May following the tax year in question.

4. AMOUNTS OF PAY

4.1 Method of calculation of monthly pay

Permanent employees

4.1.1 Salaries are calculated at the rate of 1/12th of the annual salary for each calendar month. The annual salary comprises the pay attached to the relevant spinal column point in accordance with employees' contracts, based on the Outer London pay spines, which are agreed by the Greater London Provincial Council and increased in line with the National Joint Council (NJC) pay settlement.

4.1.2 Part-time employees are paid on a pro-rata annual basis on the number of contractual hours.

Fixed-term and temporary staff

4.1.3 Fixed-term staff members are paid at the rate of 1/12th of the annual salary.

4.1.4 Part-time staff members are paid on a pro-rata annual basis on the number of contractual hours.

Casual and "As and When" staff

4.1.5 Casual and "as and when" staff will be paid in accordance with the number of hours worked on a prior month basis and on the submission of authorised time sheets.

4.2 Elements of Pay

4.2.1 In addition to salaried pay the Company also makes payments in respect of other awards and allowances in certain circumstances.

4.2.2 These additional pay elements can be divided into two main categories:

- those elements that are of a more permanent nature (unless withdrawn by contract or change in eligibility); and
- those that are temporary or "one-off" by nature.

A comprehensive breakdown of the individual pay elements can be found in the HR/Payroll glossary (Appendix A).

- 4.2.3 An employee's eligibility to receive any of the continual payments will usually be set out in their statement of employment particulars.
- 4.2.4 All temporary and one-off payments and some of the more permanent elements are paid through submission of an application form, authorised by the relevant line manager to either Human Resources or Financial Services. Once the necessary internal control checks have been carried out these forms are then forwarded to LBB Payroll for input into the payroll system.
- 4.2.5 Detailed policies and claim procedure notes on the individual elements of pay can be found in the "HR Policies and Procedures – Pay and Conditions" document available on the HR section of the intranet.

5. PAYMENTS FOR AUTHORISED ABSENCES

5.1 Payments for sickness absence/industrial injury

- 5.1.1 In the case of absence from work due to sickness Barnet Homes will pay an employee in accordance with the company Occupational Sick Pay scheme (see Staff Handbook) and the Statutory Sick Pay scheme (details can found at www.hmrc.gov.uk).
- 5.1.2 Failure to comply with the Attendance Management Policy and Procedures (see HR section of intranet) may result in sick pay being withheld.

5.2 Payments for adoption/maternity/paternity leave

- 5.2.1 Payments will be made in accordance with the relevant company policy and statutory schemes.
- 5.2.2 Relevant policy documents can be found on the HR section of the intranet:
- Maternity Code of Practice
 - Paternity Leave and Adoption Code of Practice
- 5.2.3 Statutory details can be found at www.hmrc.gov.uk .

5.3 Payments for other authorised absences

5.3.1 Paid leave of absence for special leave (eg jury service) is also payable in certain circumstances. See Staff Handbook for details.

6. CHANGES TO PAY

6.1 Re-grading of a post

6.1.1 The re-grading of a post may follow on as the result of a job evaluation exercise or change in service area structure.

6.1.2 Changes to pay will be processed by HR as soon as is practicable following notification. Arrears will be paid if applicable.

6.2 Annual pay review

6.2.1 Any changes to pay as a result of an annual review will be processed as soon as is practicable following confirmation of the award but will be back dated, if applicable, in accordance with the terms of the award.

6.3 Changes to contract

6.3.1 Any changes to contractual terms will be processed by HR as soon as possible after notification is received.

6.4 Award of an additional allowance or one-off payment

See 4.2 above.

7. EXPENSES AND BENEFITS

7.1 Details of the amounts and types of expenses that the Company will reimburse staff can be found in the Company Expenses and Benefits Policy document which can be found on the Financial Services section of the intranet.

7.2 Currently, only mileage expense claims are paid through the payroll process. This payment is initiated by monthly claim submitted to Financial Services.

- 7.3 Any employees who are in receipt of a taxable “benefit-in-kind” will be sent a copy of the P11D return by 6 July following the tax year in question.

8. ERRORS

8.1 Underpayment of salary

8.1.1 Where an error has arisen in the award and/or calculation of the monthly salary due HR will investigate the reasons for the error in conjunction with LBB Payroll.

8.1.2 Errors will be rectified in the following month’s payroll and will usually be paid in the following month. However, HR may, depending on the circumstances, agree with the employee an advance on the following month’s salary either by making:

(a) An interim BACS payment on the first available Friday following the confirmation of the error (subject to meeting payroll deadline requirements); or

(b) A same day CHAPS payment (but this will only be for significant underpayments and will be assessed on an individual case-by-case basis).

This will not apply if the underpayment of salary arises as a result of non compliance with the payroll timetable deadlines.

8.1.3 A list of the current year’s payroll timetable is available on the HR section of the intranet.

8.2 Overpayment of salary

8.2.1 Where an overpayment of salary has arisen the Company will reclaim amounts owed in accordance with the Company Indemnity Policy (see Appendix B) and the Overpayment Policy and procedures (Appendix C).

9. DEDUCTIONS FROM SALARY

9.1 Mandatory deductions

9.1.1 The Company will automatically deduct from an employee’s salary those deductions that:

- (a) it is required to do so by law (e.g. PAYE/NI and attachment to earnings orders);
- (b) are provided for within an employee's contract;
- (c) are provided for within the Company Indemnity Policy;
- (d) are in accordance with the Unauthorised Absence policy (Appendix D).

9.2 Voluntary deductions

- 9.2.1 Employees may instruct HR to make other deductions from their salary but this only applies to payments to specific third parties. A list of the eligible organisations is contained at HR/Payroll Wagetype glossary.
- 9.2.2 Application forms to authorise deductions can be obtained from HR or the relevant third party organisation (e.g. union body).
- 9.2.3 This agreement will remain in place until written notice of revocation is given to HR.

10. SALARY ADVANCES

- 10.1 The Company does not permit advances on salary except in accordance with the correction of an error (see 8.1 above).

11. LEAVERS

- 11.1 When an employee ceases to be employ by Barnet Homes Ltd their entitlement to wages or salary ends on their last day of service.

11.2 Notification

- 11.2.1 It is the line manager's responsibility to notify HR of any employees that are terminating their employment by completion and submission of the appropriate form or resignation letter. Line manager's should ensure that they familiarise themselves with the payroll deadlines to ensure that leavers are not paid for working after their leave date.

11.3 Holiday pay

- 11.3.1 The Company will not normally pay leavers for annual leave that is not taken before their leave date. Therefore, anyone leaving the Company should ensure that they have taken any annual leave owing by their

last day of service. The same will apply to outstanding flexi-time if applicable.

11.3.2 In instances where leave has been taken in excess of an individual's annual leave entitlement the company will calculate the amount of salary that this equates to and deduct this amount from the individual's final salary payment.

11.4 Forms P45

11.4.1 All leavers not in receipt of an occupational pension from Barnet Homes Ltd will be given a form P45. This will be forwarded to their home address (in accordance with their employee record) after their last day of service.

11.5 Amounts owed to the Company

11.5.1 A deduction will be made from an employee's final salary for any amounts owed to the company in accordance with their contract and/or the company's Indemnity Policy.

- 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. Previous Reports**
 - 3.1 This is a regular item at each meeting of the Sub-Group.
- 4. Recommendations**
 - 4.1 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.
- 5. Financial & Risk Management Issues**
 - 5.1 Not applicable
- 6. Resident Consultation and Equalities Issues**
 - 6.1 None in context of this report.
- 7. Background Information**
 - 7.1 The table below sets out proposed agenda items for the next meeting and up to September 2008. The Sub-Group is asked to note and suggest further items for inclusion.

Meeting Date	Agenda Items
5 March 2008 5.00 p.m.	Budget Monitor – end January Budget 2008/9 and Business Plan 2008/13 Review of Risk Registers Internal Audit Plan 2008/9 Internal Audit – Management Action Value for Money - 2008/9 Programme and Action Plan Accommodation Review LAPN Business Plan Agenda Planning
2 April 2008 3.00 p.m.	Budget Monitor – end February Value for Money – 2008/9 Forward Look AES Business Continuity Plan Internal Strategy Audit Plan Agenda Planning
7 May 2008 5.00 p.m.	Budget Monitor – end March Service Level Agreements Monitor Agenda Planning

Meeting Date	Agenda Items
4 June 2008 3.00 p.m.	Draft Statutory Accounts and Final Management Accounts 2007/8 Review of Risk Registers New Business Update Value for Money Action Plan Agenda Planning
2 July 2008 5.00 p.m.	Budget Monitor – end May Insurance Arrangements Value for Money – 2007/8 Backward Look AES Agenda Planning
6 August 2008 3.00 p.m.	Budget Monitor – end June Annual Report and Accounts 2007/8 Budget Planning 2009/10 and later years Service Level Agreements Monitor Innovations Fund Agenda Planning
3 September 2008 5.00 p.m.	Budget Monitor – end July Final Annual Report and Accounts 2007/8 and Residents' Annual Report Value for Money Action Plan Review of Risk Registers Internal Audit Management Action Agenda Planning

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Date: 28 January 2008