

**BUSINESS SUB-GROUP
BARNET HOMES
Wednesday 6th August 2008 at 3.00pm
10th Floor Meeting Room, Barnet House**

AGENDA

Item No	Item	Status	Author
1	Introductions & Apologies		
2	Minutes and Matters Arising <i>Pages 3-9</i>		
3	Declaration of Interests		
4	Service Level Agreement Monitor	Information	Kate Laffan/Melanie Rutherford
	The paper provides an update on Service Level agreements for 2008/9 and the progress in monitoring them. <i>Pages 10 – 20</i>		
5	Annual Report and Accounts 2007/8	Decision	Jo Moore/Peter Headland
	This paper includes the statutory annual report together with the annual report of activity for residents. <i>Pages 21 -42</i>		
6	Budget Monitor – end June 2008	Information	Gary Pliskin, Laura Awosile, Jo Moore
	This report sets out the budgetary position for the Company on a year to date basis as at the end of June 2008 and projects the full year figures for 2008/09. <i>Pages 43 -55</i>		
7	Repairs and Maintenance Variation Orders	Information	Mandy Dunstan
	This paper explains the levels of control used during 2007/08 <i>Pages 56 - 58</i>		
8	Budget Planning 2009/10 & Later Years	Decision	Mike Wiffen
	The report sets out some of the pressures facing the Company and suggests a process and timetable for the revised Business Plan and budget for 2009/14. <i>Pages 59 – 61</i>		
9	Innovations Fund	Information	Gary Pliskin
	This paper updates the Sub Group on the projects that have recently been funded by the Innovations Fund. <i>Pages 62 - 63</i>		
10	Review of Risk Registers	Information	Mike Wiffen
	The report provides an update on the company's strategic risks and action plans, and on the red and amber operational risks identified. <i>Pages 64 – 89</i>		
11	Exemption from Contract Procedure Rules – Neighbourhood Warden Scheme	Decision	Sheila Oliver

**BUSINESS SUB-GROUP
BARNET HOMES
Wednesday 6th August 2008 at 3.00pm
10th Floor Meeting Room, Barnet House**

AGENDA

Item No	Item	Status	Author
	This report outlines the current procurement position of Neighbourhood Solutions in providing neighbourhood warden service on "hotspots" areas on estates and request exemption from the contract procedure rules to extend the current company until the end of March 2009. <i>Pages 90 - 91</i>		
12	Request for allocation from contingency funds – Decent Homes	Decision	Ramsay Hood
	This report outlines the case for a contingency sum to be made available employing an additional Project Officer to manage external works and deal with consultation and provision of leasehold information on a fixed-term 18 month contract. <i>Pages 92 – 94</i>		
13	Request for allocation from contingency funds – Burnt Oak Library reception	Decision	Cora Vigar
	The paper seeks an allocation from contingency funds to resource a part-time surgery at the Council's newly refurbished customer access point at Burnt Oak Library for a trial period of 6 months. <i>Pages 95 - 96</i>		
14	Amendment to loan agreement with London Area Procurement Network	Decision	Mike Wiffen
	This report seeks approval to extend the existing loan agreement with LAPN. <i>Pages 97 – 98</i>		
15	Agenda Planning	Decision	Mike Wiffen
	Sets out the proposed agenda for the next meeting of the sub group and for the meetings to March 2009. <i>Pages 99 – 100</i>		
16	Any Other Business		
17	Date of Next Meeting – Wednesday 3 September 2008 at 4.00pm (private meeting with External Auditors) and 5.00 pm (main meeting) 10 th Floor Meeting Room, Barnet House		

Attendees:

David Sidbury (Chair)	Monroe Palmer, OBE, FCA
Vi Britchfield	Ingrid Beal
Ian Sharp, Tribal	Mike Wiffen
Gary Pliskin	Jo Moore
Kate Laffan (Item 4)	Melanie Rutherford (Item 4)
Peter Headland (Item 5)	Chris Wilkins (Item 6)
Mandy Dunstan (Item 7)	Sheila Oliver (Item 11)
Ramsay Hood (Item 12)	Cora Vigar (Item 13)

The meeting will commence at **3.00pm, 10th Floor Meeting Room**, Barnet House. Any Director who wishes to attend as an observer please advise Karen Flood in advance on: Tel: 020 8359 4915

Email: karen.flood@barnethomes.org

**BARNET HOMES
BUSINESS SUB GROUP MINUTES
6 August 2008**

Attending:

Board Directors

David Sidbury
Monroe Palmer, OBE, FCA
Vi Britchfield

Apologies

Ingrid Beal

Management & Staff:

Mike Wiffen
Jo Moore
Kate Laffan (Item 4)
Peter Headland (Item 5)
Mandy Dunstan (Item 7)
Sheila Oliver (Item 11)
Ramsay Hood (Item 12)
Cora Vigar (Item 13)

Denise Ashley (*minutes*)

Apologies:

Gary Pliskin
Chris Wilkins

Visitors:

Ian Sharp, Tribal

ITEM	TITLE	ACTION
1	<p>Introductions & Apologies</p> <p>Introductions were made. Apologies were noted.</p>	
2	<p>Agree Minutes & Matters Arising</p>	
2.1	<p>The minutes were agreed.</p>	
2.2	<p>Item 5.2.1 Purchase Ordering System – JM confirmed to the Sub Group that this project is to be progressed in September.</p>	JM
2.3	<p>Item 5.2.2 Review Options for Sharing Services – deferred to 3 September 2008 meeting.</p>	MW

2.4	<p>Item 5.3.4 Finance Team Benchmarking with Other Public Sector Bodies – Final report now been received. A summary of this and other Central Services reviews will be presented at the 3 September 2008 meeting.</p>	GP
2.5	<p>Item 6.4 Statutory Accounts 2007/08 – Awaiting response from the Auditors.</p>	JM/MW
2.6	<p>Item 7.3 Value for money 2007/08 - MW confirmed that the report has now been submitted to the London Borough of Barnet.</p>	MW
3	<p>Declaration of Interests</p>	
3.1	<p>If any item arose concerning London Borough of Barnet Finance Monroe Palmer may have conflicting interests.</p>	
4	<p>Service Level Agreement Monitor</p>	
4.1	<p>The Sub-Group were updated on the position regarding Service Level Agreements for 2008/09 and the progress on monitoring them.</p>	
4.2	<p>All but one of the SLAs has been finalised. Customer Care SLA was still outstanding.</p>	
4.3	<p>Appendix 2, The financial breakdown and performance on SLAs - The variable costs in some SLAs, for example legal costs were noted.</p>	
4.4	<p>KL to add main headings to Appendix 2 to provide more clarity.</p>	KL
4.5	<p>Ownership of SLAs will be transferred to the Finance service area. The formal handover is to be determined.</p>	
4.6	<p>The Sub Group considered the report and noted the considerable progress that had been made.</p>	
5	<p>Annual Reports and Accounts 2007/08</p>	
5.1	<p>The Sub Group received the updates on the 2007/08 accounts.</p>	
5.2	<p>JM circulated proposed changes to the accounts 2007/08 and noted the additional minor amendments to be made subject to the agreement of the external auditors.</p>	JM

<p>5.3</p>	<p>Correction - Page 27, Principal Risks and Uncertainties - last sentence should read: ... <i>The company is that it is not able to deal with.....</i> Also on page 28, SAP to be described as "Standard Assessment Procedure."</p>	<p>JM</p>
<p>5.4</p>	<p>Annual Review - To be inserted into the next AtHomes Magazine due in September 2008. The report was discussed and comments noted:</p> <p>Page 34 – clarification that the 2000 homes benefiting last year was not only to do with the Decent Homes works. Page 39 – portion of rent to be returned to the government; replace electric and gas pictures Page 41 – VfM, £628k related to Housing Management.</p>	<p>PH</p>
<p>6</p>	<p>Budget monitor - end June 2008</p>	
<p>6.1</p>	<p>The Sub-Group considered the report on budgetary position as at the end of June 2008 and projection on the full year figures for 2008/09.</p>	
<p>6.2</p>	<p>The Sub-Group also noted the advice on the position on the Council's Housing Revenue Account (HRA).</p>	
<p>6.3</p>	<p>Report showed a small projected surplus of £21,013 to year end.</p>	
<p>6.4</p>	<p>Appendix 1A Other Costs, Adverse Variance – Main area of concern to do with telephone costs. A piece of work is being undertaken around this.</p>	<p>MW</p>
<p>6.5</p>	<p>Repairs and Maintenance - Overspend as at June is £172k. Noted that if budget for Planned maintenance is spent and the level responsive repairs continued there will be a projected overspend of £500k, which is a big area of concern.</p> <p>Asset Management Team to give assurance to the Sub Group on how they will get within budget for the current financial year.</p>	<p>CW/MD</p>

	MD to look into the availability of European funding for assistance on estate works.	MD
7.	Repairs and Maintenance Variation Orders	
7.1	The Sub Group considered the report explaining the levels of control used within variation orders for repairs and maintenance during 2007/08 and 2008/09.	
7.2	CPL Variation levels reduction - MD to come back with statistics to indicate whether we can move from a fixed sum of money to a percentage.	MD
7.3	Ian Sharp to update the Sub Group with an audit review on maintenance at the next meeting.	IS
8.	Budget Planning 2009/10 and later years	
8.1	The Sub Group received the report setting out the pressures to the Company and noted the proposed timetable for the Business Plan and budget for 2009/14.	
8.2	Members of the Business Sub Group as well as Sub Group Chairs to attend the Business Planning session in September 2008.	
9.	Update on Innovation Fund Projects	
9.1	The Sub Group considered an update on the projects recently funded by the Innovation Fund.	
9.2	Sheltered Scheme Garth House NW2 – ongoing problems with accessing computer system. VB to investigate.	VB
10.	Review of Risk Registers	
10.1	The Sub-Group considered the updates on the company's strategic risks and actions plans and on the red and amber operational risks identified.	
10.2	Strategic Risk and Action Plan - Appendix 2 shows that the position has slightly worsened since the last report. Improvement shown for Software Development (in-house).	

	<p>10.3 Resident Participation Target Risk Score - 4</p> <p>10.4 Resource Sub Group appointed to lead on Health & Safety.</p> <p>10.5 The Sub Group considered the red and amber risks for the operational risk registers.</p> <p>10.6 Ref F1 – should read, Financial Control Procedures.</p> <p>Ref F2 – should read, Payment of Invoices.</p> <p>11. Exemption from Contract Procedure Rules - Neighbourhood Warden Scheme</p> <p>11.1 Sub-group received the report outlining the current procurement position of Neighbourhood Solutions to provide neighbourhood warden service on estates which have been identified as “hotspots” of ASB.</p> <p>11.2 Noted that wardens stay on estates for approximately 6 weeks and that a positive feedback has been received from residents.</p> <p>11.3 For information, the Sub Group requested a progress report of the warden service on estates.</p> <p>Residents feedback to also be obtained during Reality Checks.</p> <p>11.4 The Sub Group noted the report and approved an exemption to contract procurement rules so that Neighbourhood Solutions can continue to provide the service until March 2009.</p> <p>SO to comeback to the Sub Group with a full review towards the end of the year.</p> <p>12. Request for allocation from contingency funds - Decent Homes</p> <p>12.1 The Sub-Group considered the request for contingency sum to employ an additional Project Officer for a fixed-term 18 month contract in order to deal with Decent Homes works.</p>	<p>SO</p> <p>SO</p>
--	--	-----------------------------------

12.2	External works have always required higher input on Barnet Homes staffing.	
12.3	Project Officer to have building surveying experience. Post to be advertised internally and externally.	
12.4	The Costs to be included in the calculation of management fees.	
12.5	The Sub-Group approved the request that an allocation from contingency funds of £23,000 is made in 2008/9 and that provision of £46,000 is made in the 2009/10 budget to support this role.	
13.	Request for allocation from contingency funds – Burnt oak Library reception	
13.1	The Sub-Group considered the request to resource a part-time surgery at the Council's newly refurbished customer access point at Burnt Oak Library for a trial period of 6 months.	
13.2	Confirmation received from Council that costs for using the workstation would be £125 for half day; a total of £11k. There would be no charge for the first 2 months of the pilot. This was in addition to the staffing costs of £9k.	
13.3	The Sub Group noted that the majority of contact with Barnet Homes is made via the telephone.	
13.4	CV to investigate the suggestion to provide a free phone for residents to contact the call centre directly.	CV
13.5	It was agreed that the Council would be advised that Barnet Homes did not have the budget to support this pilot and would look into the provision of installing a free phone as an alternative. However, this decision would be reconsidered if the £11k was waived.	
13.6	The Sub-Group did not approve the request for an allocation of £9,000 from contingency to fund a part-time surgery at the Council's Burnt Oak Library for 6 months.	

14.	Amendment to loan agreement with London Area Procurement Network	
14.1	The Sub-Group considered the report requesting an extension of the existing loan agreement with LAPN.	
14.2	Following a discussion the Sub-Group agreed to defer a decision for the loan to LAPN be extended to 31 March 2011, until the new CEO is in post.	
15.	Agenda Planning	
15.1	Agenda items for 3 September 2008	
	<ul style="list-style-type: none"> • Private Session with External Auditors (4pm) • Budget Monitor – end July • Final Annual Report and Accounts 2007/8 • Value for Money Action Plan • Internal Audit Management Action • Options for Shared Services • Signatory Levels 	GP/LA/JM MW/PH
15.2	Additional items:-	
	<ul style="list-style-type: none"> • Benchmarking 	GP
15.3	Additional items for 7 October 2008	
	<ul style="list-style-type: none"> • Appointment of Chairs 	
15.4	Meeting on the 5 November 2008 - MP gave his apologies.	
16.	Any other Business	
16.1	None	
17.	Date & Venue of Next Meeting	
17.1	Wednesday 3 September 2008 at 4.00pm (private meeting with External Auditors) and 5.00 pm (main meeting) 10th Floor Meeting Room, Barnet House	

Circulation: as above
all Directors
Grant Thornton

Barnet Homes Limited
Business Sub Group
6th August 2008
Title: Service Level Agreements

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 on SLAs came to the Business Sub-group on 5th May 2008.

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

7.1.1 A summary of 2008-09 performance monitoring meetings is shown at *Appendix 1*. This shows that regular monitoring meetings are scheduled and being held, and minutes recorded.

7.1.2 There have been several instances this financial year where meetings have not gone ahead as scheduled, and have been cancelled or rescheduled by the council. This is being closely monitored, and if a trend develops where meetings are regularly being cancelled or not attended for a particular SLA, it will be addressed via the escalation process.

7.2 Financial Monitoring

7.2.1 Please refer to *Appendix 2*, which shows the financial breakdown for the Service Level Agreements in place with LBB during 2007-08, and also the financial performance for 2008-09 (April-June).

7.2.2 Increased Barnet House accommodation cost has been accrued – and awaiting the final outcome of the rent review.

7.3 Drafting and Negotiations of 2008-09 SLAs

7.3.1 Please refer to *Appendix 3*, which shows the status of each SLA in the drafting and negotiating process.

7.3.2 There is still one SLA outstanding that has not yet been finalised for 2008-09 - the Customer Care SLA. We have been in negotiations since early this year, and are still awaiting resolution of final costs. The main area that needs resolution is in relation to the agreed percentage of Barnet Homes' footfall for the shared reception area. We aim to have resolved this issue and finalised the SLA within the next month.

7.4 Reviews and Benchmarking

7.4.1 There are currently no reviews of SLAs taking place. Agreement of any reviews that will be undertaken of SLAs during 2008-09 will be agreed by the Value for Money Group and included in their annual programme.

7.5 Progression of Service Level Agreement Action Plan

7.5.1 Please refer to *Appendix 4* for the current Service Level Agreement action plan. The action plan is currently running to schedule.

7.6 Ownership of SLAs within Barnet Homes

7.6.1 As outlined in the May report, the responsibility of SLAs is due to be transferred to the Finance service area. This has not yet occurred but a handover from Corporate Services will take place within the next couple of months.

7.7 **Next Report:** 3rd December 2008

Author: Melanie Rutherford
Best Value & SLA Project Officer
Phone: 0208 359 4755
Email: Melanie.Rutherford@barnethomes.org
Date: 28th July 2008

Appendix 1: SLA Monitoring Meetings Schedule (2008-09)

SLA Name	Frequency	April	May	June	July	August	September	October	November	December	January	February	March
Abandoned Vehicles	Quarterly	X	X	4th	X	27th	X	X	19th	X	X	X	X
Accommodation	Nil	X	X	X	X	X	X	X	X	X	X	X	X
CAB	Quarterly	30th	X	X	30th	X	X	29th	X	X	28th	X	X
CCTV	Quarterly	X	X	4th	X	27th	X	X	19th	X	X	X	X
CHAS	Quarterly	X	28th	9th	X	21st	X	X	13th	X	X	9th	X
Customer Care	Bi Monthly	X	22nd	X	30th	X	11th	X	6th	X	6th	X	23rd
Facilities	Quarterly	X	X	16th	X	X	15th	X	X	15th	X	X	16th
Grounds Maintenance	Bi-Monthly	X	2nd	X	4th	X	5th	X	7th	X	2nd	26th	X
Trees	Quarterly	X	4th	26	X	3rd	X	X	2nd	X	X	1st	X
Housing Benefit	Quarterly	22nd	X	X	22nd	X	X	28th	X	X	27th	X	X
Human Resources	Quarterly	X	X	5th	X	28th	X	X	20th	X	X	12th	X
ICT	Monthly	11th	9th	24th	17th								
Legal	Bi Monthly	X	7th	X	2nd	X	3rd	X					
Money Advice Unit	Quarterly	X	22nd	20	X	22nd	X	X	21st	X	X	20th	X
Revenues	6 Monthly												
Transport	Monthly	14th	21st	18th	30th	20th	17th						
Valuers	6 Monthly												

Key

Meeting Not Required	X
Meeting Cancelled / Did Not Occur	
Meeting Scheduled	
Meeting Held	
Minutes Received	

Appendix 2: BH SLA EXPENDITURE REPORT (APRIL 2007 - MARCH 2008)

S.L.A. Expenditure Report

Reporting Period April 2007 to March 2008

Person responsible: Cora Vigar

Cost Elements	Actual Full Year £	Budget Full Year £	Variance (Adv)/Fav £	Comments
568980 BH SLA Accomodation	519,199	400,000	119,199	Increased Barnet House accomodation costs accrued, Includes Facilities Mgt & Barnet House Building Cleaning
568982 BH SLA IT	401,143	386,740	14,403	Full Year costs is £14,403 overspend, inflationary increase added after budget set
568983 BH SLA Property Services	900	100,000	(99,100)	There is no SLA agreement for Property Services. Budget managed by Financial Services HOS
568985 BH SLA Payroll Charges	28,796	30,000	(1,204)	
568986 BH SLA Payments	29,614	20,000	9,614	Budget below actual expenditure - SLA for cashiers, security collections etc
568992 BH SLA Customer Care	71,660	63,260	8,400	Year end overspend is £8,400 (increase advised by cora Vigar)
568993 BH SLA HR	5,278	15,000	(9,722)	Actual Invoice below budget
212991 BH CCTV	45,472	57,360	(11,888)	Payments to LBB - £43,262
221990 BH Abandoned Vehicles	3,000	3,000	0	
219000 BH Contract Cleaning	74,639	116,200	(41,561)	Payments to LBB - £60,931 for Sheltered Housing, GP etc
220000 BH Grounds Maintenance	44,684	36,710	7,974	Majority of costs paid to third party suppliers
220990 BH Grounds Maintenance Cyclical	493,417	488,440	4,977	Payments to LBB - £491,150
220993 BH Tree Works	84,819	86,780	(1,961)	Payments to LBB - £18,800
315000 BH Hire Charges	127,335	103,600	23,735	Includes other vehicle costs (accidental damage etc) - SLA Annual Vehicle hire £87,381.63
321991 BH Recharge of Transport	33,137	36,500	(3,364)	Includes other vehicle costs - SLA Annual Vehicle hire £32,500
TOTAL SLA EXPENDITURE, excluding SLA Legal Costs	1,963,092	1,943,590	19,502	
568981 BH SLA Legal	70,703	241,040	(170,337)	Budget from SLA Legal also funds Legal and Court Fees costs
420000 Legal and Court Fees	353,056	82,480	270,576	The SLA Legal budget covers LBB and other Third party suppliers of legal services.
	423,759	323,520	100,239	Overspend is mainly due to LBB legal disbursement invoices for 06/07 & 07/08 processed and above budge

Appendix 2: BH SLA EXPENDITURE REPORT (APRIL - JUNE 2008)

S.L.A. Expenditure Report

Reporting Period April to June 2008

Person responsible: Cora Vigar

Description	Actual £	Budget £	Variance (Adv)/Fav £	Comments
212991 BH CCTV	14,643	13,823	(821)	Accruals. No SLA Invoices received to date. Innovation Fund third party costs to date £1,630, budget to be transferred for this.
221990 BH Abandoned Vehicles	3,000	3,000	0	Accruals. No SLA Invoices received to date
220000 BH Grounds Maintenance	9,408	9,408	0	Accruals. No SLA Invoices received to date
220990 BH Grounds Maintenance Cyclical	125,163	125,163	0	Accruals. No SLA Invoices received to date
220993 BH Tree Works	26,695	26,695	0	Accruals. No SLA Invoices received to date
315000 BH Hire Charges	26,548	26,548	0	Accruals. No SLA Invoices received to date
321991 BH Recharge of Transport	9,353	9,353	0	Accruals. No SLA Invoices received to date
568980 BH SLA Accommodation	142,500	142,500	0	Accruals. No SLA Invoices received to date
568981 BH SLA Legal	93,163	78,318	(14,845)	April legal service invoices received. May & June 08 legal services & disbursement costs accrued.
568982 BH SLA IT	99,103	99,103	0	Accruals. No SLA Invoices received to date
568983 BH SLA Property Services	10,213	10,213	0	Accruals mainly. No SLA Invoices received to date. Third Party Invoices paid to date £300
568985 BH SLA Payroll Charges	6,826	7,688	862	April to June 08 invoices received, and 08/09 annual service invoice which was prepaid.
568987 BH SLA Income & Cashiers	7,825	5,125	(2,700)	Accruals. No Invoices received to date. Projecting a small overspend based on last year's trend.
568992 BH SLA Customer Care	16,210	16,210	0	Accruals. No SLA Invoices received to date
568993 BH SLA HR	3,845	3,845	0	Accruals. No SLA Invoices received to date
TOTAL SLA EXPENDITURE,	594,492	576,988	(17,504)	

Notes

568981 BH SLA Legal Services

This GL now only has LBB SLA costs.

568983 BH SLA Property Services

This budget includes right to buy surveys for third party suppliers mainly Countrywide Surveyors.

568987 BH SLA Income & Cashiers

This Budget for 07/08 was held in 568986 SLA Payments but has being transferred to 568987 SLA Income & Cashiers in this financial year.

Appendix 3 - Barnet Homes Service Level Agreements (2008-09/10) - Status of Agreements / Negotiations

SLA Name	Duration	End Date	LBB / External Owner	BH Owner	Status	Comments
Abandoned Vehicles	1 year	Until March 2009	Dorne Kanareck	Sheila Oliver	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
Accommodation	2 years	Until March 2009	Peter Cridland	Kate Laffan	Being Signed	SLA finalised, agreed, signed by BH. Awaiting signed copy return from LBB.
CAB	1 year	Until March 2009	Tim Clark	John Gargan	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
CCTV	1 year	Until March 2009	Dorne Kanareck	Sheila Oliver	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
CHAS	1.5 years	Until March 2009	Stuart Freeman	Kevin Turnpenney	Review Completed	
Customer Care	1 year	Until March 2009 (TBC)	Kirsty Elderton	Jacky Nelson	In Negotiations	Outstanding issues: Barnet Homes % footfall (which relates to BH proportion of reception costs)
Facilities	2 years	Until March 2009	Peter Cridland	Kate Laffan	Being Signed	SLA finalised, agreed, signed by BH. Awaiting signed copy return from LBB.
Grounds Maintenance & Tree Management	1 year	Until March 2009	Roger Jones	Sheila Oliver	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
Housing Benefit	2 years	Until March 2010	Ann Buchanan	Kevin Turnpenney	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
Human Resources	1 year	Until March 2009	Peter Dempsey / Nick Walkley	Catherine Solomon (All except Payroll) Jo Moore (Payroll)	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
ICT	1 year	Until March 2009	Jenny Coombs	Eva Maciejczyk	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
Legal	2 years	Until March 2009	Margaret Martinus	Kevin Turnpenney, Sheila Oliver, Mandy Dunstan	Completed	SLA Variation finalised, agreed, signed by both parties, with a copy on file.
Money Advice Unit (MAU)	1.5 years	Until March 2009	Tim Clark	Kevin Turnpenney	Review Completed	

SLA Name	Duration	End Date	LBB / External Owner	BH Owner	Status	Comments
Revenue	2 years	Until March 2009	Dave Sharpe / Nick Walkley	Mike Wiffen	Being Signed	SLA finalised, agreed, signed by BH. Awaiting signed copy return from LBB.
Transport	1.5 years	Until September 2008	Bernard McGreevy	Sheila Oliver	No Action - Runs Until Sept 08	Meeting with BH and LBB held on 9/4. Relevant SLA Owners and Finance now following up on actions. New ESM position advertised and recruited for. Draft SLA prepared and with SLA owners for comments.
Valuers	2 years	Until March 2010	Peter Cridland / Judith Ellis	John Gargan	Completed	SLA finalised, agreed, signed by both parties, with a copy on file.
Building Cleaning	N/A	TBC?	N/A	Kate Laffan	No SLA Needed	It has been agreed that building cleaning for Barnet House will be included in the Accommodation SLA. All other cleaning will be invoiced directly to BH.

Appendix 4 - SLA Action Plan

Note: all Milestones showing as N/A reflect that the action is ongoing (or that it is a 'summary task')

ID		Task Name	Status	Milestone	Resource Names	Comments
1	✓	Fill Best Value & SLA Project Officer Post	Complete	Mon 15/01/07	KL	
2	✓	Finalise all 2006-07 SLA's	Complete	Wed 31/01/07	KL	
3	✓	Identify all Local SLA Owners	Complete	Fri 30/03/07	KL / MR	
17	✓	Hold Meetings with all SLA Owners	Complete	Mon 30/04/07	KL / MR	
22	✓	Draft, Negotiate & Finalise 2007-08 SLA's	Complete	Fri 30/11/07	KL / MR	
39	✓	Schedule Meeting with Finance - Agree Financial Controls	Complete	Fri 29/06/07	MR	
42	✓	Monitor 2007-08 SLA's	Complete	Mon 31/03/08	MR	
46	✓	Implement Recommendations from Tribal Internal Audit (February 2007)	Complete	Mon 31/03/08	KL / MR	
59	✓	Complete Annual Review of 2007-08 SLA's	Complete	Wed 30/04/08	KL / MR	
63		Implement Recommendations From Annual SLA Satisfaction Survey	Complete	Tue 31/03/09	KL / MR	
64		Improve the attendance of monitoring meetings to ensure that they occur as specified in each SLA.		NA	MR	
65	✓	Agree dates for monitoring meetings at the beginning of the financial year and set up in Outlook. Provide dates of all meetings to G&E Team.	Complete	Wed 30/04/08	BH SLA Owners	Meeting dates agreed for first six months
66		Maintain spreadsheet of all SLA monitoring meetings and follow up to ensure they occur as per the schedule and get copy of the minutes.	Ongoing	NA	MR	Ongoing
67		If meetings do not occur or are not attended/regularly cancelled by LBB, escalate the issue using the process outlined in the SLA procedure.	Ongoing	NA	BH SLA Owners	Ongoing action.
68		Improve SLA users understanding of the VFM of the SLAs relating to them	Ongoing	NA	KL / MR	
69		Schedule a VFM Review for all SLAs that have not yet had one completed.	Ongoing	NA	MR / KL	This needs to be fed into the VFM Review Timetable. No reviews currently scheduled
70		For those SLAs that have had a review; schedule an additional benchmarking exercise of costs and/or alternate service provision on a 2-yearly basis.	Ongoing	NA	MR / KL	Timetable developed
71		Disseminate results of VFM reviews and/or benchmarking to all users of the SLA	Ongoing	NA	MR / KL	Ongoing action.
72		Improve the responsiveness of LBB under the Facilities SLA.		NA	KL	
73		Continue to closely monitor the timeliness and quality of response for any issues under the Facilities SLA.	Ongoing	NA	GH	Ongoing action.
74		Identify these issues at the regular monitoring meetings and seek to resolve.	Ongoing	NA	GH	Ongoing action.
75		Escalate any issue that continues to be a problem or that is unable to be resolved at the monitoring meeting, as per the SLA procedure.	Ongoing	NA	GH	Ongoing action.
76		Improve the timeliness of response of LBB under the ICT SLA.		NA	EM	
77		Raise the issue of customer/client relationship with LBB at the regular monitoring meetings – especially in terms of the perception that Barnet Homes is 'at the end of the line' and of timeliness in response and implementation of particular issues.	Ongoing	NA	EM	Ongoing action.
78		Continue to monitor the timeliness of response from LBB for BH requests/issues.	Ongoing	NA	EM	Ongoing action.
79		Consider including an article in 'Working Together' to make BH staff aware of the roles of LBB Vs BH IT staff; and the expected timescales for resolving issues.	In Progress	Tue 30/09/08	EM	
80		Improve the invoicing of all the SLAs.	Ongoing	NA	MR	
81		Use SAP to monitor the invoices for all SLAs, and advise BH SLA 'Owner' when invoices are not submitted as specified within the SLA.	Ongoing	NA	MR	Ongoing action.
82		Use 'Invoice' and 'Escalation' processes within SLA procedure to resolve if problem persists.	Ongoing	NA	BH SLA 'Owner'	Ongoing action.
83		Draft, Negotiate & Finalise 2008-09/10 SLA's		NA	KL / MR	
84	✓	Abandoned Vehicles	Complete	NA	-	

Mon 28/07/08

Appendix 4 - SLA Action Plan

Note: all Milestones showing as N/A reflect that the action is ongoing (or that it is a 'summary task')

ID	Task Name	Status	Milestone	Resource Names	Comments
92	Accommodation (2 year agreement until March 2009 - new SLA not required)	In Progress	NA	-	
93	Review SLA with LBB and agree any amended costs for new financial year	Complete	Fri 14/03/08	KL	
94	File signed copy of any SLA Variations to terms and/or costs (hard copy)	In Progress	Mon 31/03/08	MR	Awaiting signed copy returned by LBB
95	Email Finance final copy of any SLA Variations	Complete	Wed 30/04/08	MR	
96	Update Contract Register with any changes to SLA Details	Complete	Wed 30/04/08	MR	
97	Building Cleaning	Complete	NA	-	
99	CCTV	Complete	NA	-	
115	CHAS (Money Advice)	Complete	NA	-	
120	Customer Care	In Progress	NA	-	
121	Create draft SLA agreement	Complete	Mon 31/12/07	MR	
122	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	Complete	Thu 31/01/08	MR	
123	Carry out negotiations with LBB/Supplier and finalise draft	In Progress	Fri 14/03/08	KL	Negotiations still underway - outstanding queries
124	File final copy of SLA Agreement (electronic)	Not Started	Mon 31/03/08	MR	
125	File signed copy of SLA Agreement (hard copy)	Not Started	Mon 31/03/08	MR	
126	Email Finance final version of SLA Agreement	Not Started	Wed 30/04/08	MR	
127	Update Contract Register with SLA Details	Not Started	Wed 30/04/08	MR	
128	Facilities (2 year agreement until March 2009 - new SLA not required)	In Progress	NA	-	
129	Review SLA with LBB and agree any amended costs for new financial year	Complete	Fri 14/03/08	KL	
130	File final copy of any SLA Variations to terms and/or costs (electronic)	Complete	Mon 31/03/08	MR	
131	File signed copy of any SLA Variations to terms and/or costs (hard copy)	Not Started	Mon 31/03/08	MR	Awaiting signed copy returned by LBB
132	Email Finance final copy of any SLA Variations	Complete	Wed 30/04/08	MR	
133	Update Contract Register with any changes to SLA Details	Complete	Wed 30/04/08	MR	
134	Grounds Maintenance & Tree Management	Complete	NA	-	
142	Human Resources	Complete	NA	-	
150	ICT	Complete	NA	-	
158	Legal	Complete	NA	-	
163	Money Advice Unit (MAU)	Complete	NA	-	
168	Revenues (2 year agreement until March 2009 - new SLA not required)	In Progress	NA	-	
169	Review SLA with LBB and agree any amended costs for new financial year	Complete	Wed 30/04/08	KL	
170	File final copy of any SLA Variations to terms and/or costs (electronic)	Complete	Wed 30/04/08	MR	
171	File signed copy of any SLA Variations to terms and/or costs (hard copy)	Not Started	Wed 30/04/08	MR	Awaiting signed copy to be returned by LBB
172	Update Contract Register with any changes to SLA Details	Complete	Wed 30/04/08	MR	
173	Transport (Runs Until September 2008)	In Progress	NA	-	
174	Create draft SLA agreement	Complete	Tue 01/07/08	MR	
175	Send draft to SLA Owner/s and request and incorporate their feedback into draft SLA	Complete	Fri 18/07/08	MR	
176	Carry out negotiations with LBB/Supplier and finalise draft	Not Started	Fri 29/08/08	KL	
177	File final copy of SLA Agreement (electronic)	Not Started	Mon 01/09/08	MR	Signed and completed (runs till September 08)
178	File signed copy of SLA Agreement (hard copy)	Not Started	Mon 01/09/08	MR	
179	Email Finance final version of SLA Agreement	Not Started	Mon 01/09/08	MR	
180	Update Contract Register with SLA Details	Not Started	Mon 01/09/08	MR	
181	Valuers	Complete	NA	-	
189	Monitor 2008-09/10 SLA's	Ongoing	Tue 31/03/09	MR	
190	Further develop the financial processes in SLA Monitoring. (e.g. - late invoicing, late payment, reconciliation to the original SLAs, financial reporting)	Complete	Mon 31/03/08	MR	New processes created in conjunction and consultation with Finance.
191	Send out SLA Procedures to all 'Owners - for new financial year'	Complete	Mon 31/03/08	MR	Sent out to all SLA Owners / Users in March 2008
192	Create schedule of all SLA Monitoring meetings for the year ahead	Complete	Mon 31/03/08	MR	
193	Receive & file copies of all minutes of meetings that occur	Ongoing	NA	MR	Ongoing
194	Receive and file copies of all SLA invoices	Ongoing	NA	MR	Ongoing

Mon 28/07/08

Appendix 4 - SLA Action Plan

Note: all Milestones showing as N/A reflect that the action is ongoing (or that it is a 'summary task')

ID		Task Name	Status	Milestone	Resource Names	Comments
195		Carry out Benchmarking & Reviews of SLA's	Ongoing	NA	MR / KL	
196	✓	Complete Benchmarking of SLA Templates (style, quality, length, content)	Complete	Mon 30/06/08	KL/MR	Posted on Housemark, but received no responses. Contacted some ALMOs direct - received templates from Citywest, Hounslow, and Brent. Comparison and review underway.
197	✓	Complete VFM Review of Grounds Maintenance	Complete	Thu 23/02/06	GS	Completed
198	✓	Complete VFM Review of Building Cleaning	Complete	Tue 01/11/05	GS	Completed
199	✓	Complete VFM Review of Legal	Complete	Fri 31/08/07	MR	Completed
200	✓	Complete VFM Review of ICT & Telephony	Complete	Sat 07/06/08	GP	Completed
201	✓	Complete VFM Review of Transport	Complete	Fri 01/09/06	MR	Completed
202		Complete VFM Review of Payroll	Not Started	Thu 01/01/09	JM	Not needed at this point. Have Housemark Report that has significant benchmarking information on payroll. On hold until January 09
203		Report to Business Sub Group on SLAs (Quarterly)	In Progress	Tue 31/03/09	MR / KL	
204	✓	Submit Report to Business Sub Group	Complete	Thu 31/01/08	MR	
205	✓	Submit Report to Business Sub Group	Complete	Wed 30/04/08	MR	
206	✓	Submit Report to Business Sub Group	Complete	Thu 31/07/08	MR	
207		Submit Report to Business Sub Group	Not Started	Wed 03/12/08	MR	
208		Implement Recommendations from April 2008 Internal Audit	In Progress	NA	MR / KL	
209	✓	Review the Schedule of Delegations for consistency with the SLA policy to ensure that the Head of Corporate Services is formally delegated authority to sign off SLAs on behalf of Barnet Homes	Complete	Tue 29/04/08	CV	A governance report is due to go to the BH Board on 29/4/08.
210	✓	Consider including an action log as an appendix to the minutes of performance monitoring meetings.	Complete	Mon 30/06/08	KL / MR	Completed. Developed Action Log - included in Procedures and Circulated
211		Consider sending staff on training courses such as those offered by ETC (www.etccorp.co.uk)	Not Started	Tue 31/03/09	MW / GM	Needs to be considered by Finance as part of transfer of SLA function.

Mon 28/07/

Title: Annual Reports and Accounts 2007/8

1. Statement of Purpose

- 1.1 Regular financial reporting is key to the sound financial management of Barnet Homes. The production of our Annual Report and Accounts is a statutory requirement under the Companies Act.

2. Summary

- 2.1 Attached to this paper are the statutory annual report together with the annual report of activity for residents.

3. Previous Reports

- 3.1 The Sub-Group has received regular updates on the 2007/8 accounts.

4. Recommendations

- 4.1 **That the statutory annual report be approved.**
- 4.2 **That the Sub-Group consider and comment on the residents' annual report.**

5. Financial & Risk Management Issues

- 5.1 See body of the report.

6. Resident Consultation and Equalities Issues

- 6.1 None in the context of this report.

7. Background Information

- 7.1 Attached as Appendix 1 is the statutory annual report. At the time of writing this and the financial statements had not been finally signed-off by the external auditors although all their queries had been addressed. In particular we await their response as to the presentation of the profit figures within the accounts as requested by the Sub-Group.
- 7.2 The accounts and statements will be available in their final form at your next meeting.
- 7.3 Attached as Appendix 2 is the draft annual report (in Word form) aimed specifically at tenants and leaseholders. As with last year this has been produced as a supplement to 'AtHome' which will ensure the widest circulation. The properly designed version will be distributed with the September edition. Some amendments may be required as a result of plain languaging and/or design and it will need to go to the Resident Editorial Board for their "stamp of approval." Some minor changes may result from this process.

- 7.4 The report covers our activity and performance in 2007/8 and includes some summarised financial information as to how an average rent has been spent. The reader is referred to where to access the accounts if desired.
- 7.5 The Sub-Group is invited to comment on the residents' annual report.

**Authors: Jo Moore, Financial Controller,
Peter Headland, Service Development Manager**

Date: 31 July 2008

Barnet Homes Limited

Annual Report and Financial Statements

Year ended 31 March 2008

Improving lives not just housing

Version 31 July 2008

Contents

	<u>Page</u>
1. Company Information	3
2. Report of the Board	4
3. Independent Auditors report	10
4. Financial statements	12

1. Company Information

Directors

Vi Britchfield (Chair from April 2008)
Ingrid Beal (Vice-Chair from April 2008)
Brian Altman (until May 2008)
Dorothy Badrick (until July 2008)
Kenny Bennett (from October 2007)
Peter Browne (from July 2008)
Maria Colaco (until October 2007)
Jem Fouweather (until October 2007)
Councillor Helena Hart (from October 2007)
Councillor Ross Houston (from October 2007)
Councillor Julie Johnson (until October 2007)

John MacFarlane (from October 2007)
Tosin Okuzu (until May 2007)
Yetunde Onifade
Councillor Monroe Palmer OBE, FCA
Councillor Hugh Rayner (until October 2007)
Trevor Renouf (to July 2008, Chair to April 2008)
David Sidbury FCA (Vice-Chair to April 2008))
Tim Sims JP (until October 2007)
Sharon Slotnick
Angela Spooner (from October 2007)
Charmaine Young, CBE (from October 2007)

(Unless stated current director who served for whole of 2007/8)

Chief Executive Officer

Tracey Lees (from 1 September 2008)
Margaret McPeake (until 31 August 2008)

Heads of Service

Derek Rust (Deputy Chief Executive and Head of Housing Services)
Cora Vigar (Head of Corporate Services)
Mike Wiffen (Head of Financial Services)
Chris Wilkins (Head of Asset Management, from 1 June 2007)

Company Secretary

Cora Vigar

Registered Office

1255 High Road
Whetstone
London
N20 0EJ

Registered Number

04948659

Auditors

Grant Thornton
Bryanston Court
Selden Hill
Hemel Hempstead
HP2 4TN

Bankers

The Co-operative Bank plc
3/7 Market Street
Watford
Herts
WD1 7AB

2. Report of the Board

The Board is pleased to present the financial statements of the company for the year ended 31 March 2008.

Principal Activities

Barnet Homes Limited is an arms-length management organisation (ALMO) owned by the London Borough of Barnet, that commenced its operations on 1 April 2004. The Council has delegated the management of its housing stock to the company under Section 27 of the Housing Act 1985 (as amended by the Housing and Urban Development Act 1993). Under that delegation the company is responsible for the following functions:

- Maintenance of the Council's residential stock including stock investment decisions and procurement, planned maintenance and responsive repairs
- Housing management of the Council's residential stock, including rent collection, leasehold management, enforcement of tenancy and lease conditions, managing voids and estate management
- Home ownership services
- Calculation and collection of leasehold charges
- Financial management of the Housing Revenue Account (HRA)
- Services under the Supporting People programme
- Tenant involvement and resident participation

Review of Results

Barnet Homes' fourth year of operation proved to be another success. A surplus of around £453,000 was recorded in the Profit and Loss Account after taxation but before taking account of the accounting adjustments in relation to pensions that added some £658,000 to the published profit figure. Our usable reserves are now at £1.569 million which is ahead of our five-year financial plan. On behalf of the Council we delivered a capital programme of some £36.3 million, utilising some £18.9 million of ALMO Decent Homes funding provided through central government. As a result an additional 1,833 homes were made decent in 2007/8. We are now two-thirds of the way through the programme, and the sheltered housing programme is due to finish in 2008/9. We continue to strive for efficiencies in the provision of our services, and last year we achieved an estimated £2million cashable

efficiencies on capital works and some £628,000 in relation to housing management and maintenance. These contribute to the Council's overall efficiencies and mean that we are ahead of our targets.

In November 2007 we were inspected by the Audit Commission and achieved a rating of two stars (good) with promising prospects for improvement. This was disappointing in that our prospects for improvement had previously been judged as excellent. An action plan has been developed to address the main areas of concern around satisfaction and performance. Nonetheless overall our strengths outweighed our weaknesses and there were a number of examples of positive practice cited by the Commission.

Key financial performance indicators

Key Performance indicator	Target	2008	2007
Percentage of expenditure to budget on housing management	100%	100.59%	99.29%
Percentage of expenditure to budget on repairs and maintenance	100%	96.82%	94.42%
Percentage of expenditure to budget on capital programme	100%	101.71%	93.05%
Percentage of invoices paid on time	90%	86.70%	89.08%

Our robust financial management has ensured that our expenditure was broadly in line with budget and that we were able to divert resources during the year to areas where they were most needed. Our payment of invoices on time is now running at over 98%.

Principal Risks and Uncertainties

Barnet Homes' Management Agreement with the Council is for a ten-year period to 2014, with a break clause at 31 March 2009. Our principal source of income is the management fee from the London Borough of Barnet which is paid monthly in advance in accordance with the Agreement. The fee is set in advance, and the main risk to the Company is that it is able to deal with inflationary pressures in excess of that allowed for.

The levels of stock managed under the Agreement will reduce as the Council's regeneration programme gets underway and the company is assessing opportunities to replace this loss of activity with new business. However the present economic climate has led to uncertainty around the regeneration timetable and a need for investment in the management and maintenance of properties that was not previously planned.

Barnet Homes has been working with the Council to develop a revised Business Plan for its HRA, the main source of our income via the management fee, to assess its long-term sustainability. In the short-term the HRA faces a continuing withdrawal of government subsidy with contributions from the HRA reserves necessary to balance the account each year. Nationally a review of council housing finance is underway with the purpose of developing a sustainable, long-term system for financing council housing consistent with wider housing policy. We will contribute to the review and with the Council will continue to lobby the government for such a solution.

Environment

Our commitment to improving the environment is evidenced by our work on improving the energy efficiency of our local authority housing stock. We have an average SAP score of 70.04 which is in line with our target. We are presently working on an Eco-House project that will demonstrate to tenants how the energy efficiency of existing property can be improved, which will also inform the remainder of our Decent Homes Programme.

Corporate Governance

Barnet Homes Board comprises fifteen Directors, made up of five residents (four tenants and a leaseholder), five Council nominees and five independents. A list of current Directors and as at 31 March 2008 is shown in the Company Information section above.

There have been a number of changes in the composition of the Board since the last annual report. In April 2008 a new Chair, Vi Britchfield and Vice-Chair, Ingrid Beal were elected. Both are residents of Barnet Homes which emphasises our desire to give residents a greater say in how our services are run. The previous Chair, Trevor Renouf, has now left the Board but the previous Vice-Chair, David Sidbury, remains as Chair of the Business Sub-Group. Their hard work and enthusiasm since our inception has left a legacy on which we can build.

Three more of our original Directors have also left – Tosin Okuzu in May 2007, and Jem Fouweather and Tim Sims in October 2007. Councillors Julie Johnson and Hugh Rayner were replaced in October 2007 by Helena Hart and Ross Houston, when the Council also nominated Charmaine Young CBE to the Board. The resident Board Directors have also changed. Brian Altman, Dorothy Badrick and Maria Colaco have all left, while Ken Bennett and, most recently, Peter Browne, have joined the Board. The Board also agreed the co-option of two independent Directors at its meeting in July 2008.

We would like to thank all those past Directors for their service to Barnet Homes.

The Board is responsible for strategic decisions such as budget-setting and business planning. As the ultimate decision-making body it is also accountable to the London Borough of Barnet as the sole shareholder. It met eight times during 2007/8. These meetings are open to residents and reports and minutes are published on our website as being open and transparent is central to Barnet Homes' philosophy.

The Board has delegated some decision-making responsibilities to a number of Sub-groups.

The Barnet Tenant Compact is the joint agreement between residents, Barnet Homes and the Council setting out how residents will be involved in decision making. Our aims include "providing excellent services driven by customer involvement".

During 2007/8 we agreed with residents and Barnet Council a major overhaul of our participation structure based on value for money principles and resident preferences for involvement. This involved moving from traditional formal meetings to activities such as focus groups, surveys and community involvement projects. Many residents like the ability to "dip in and out " of involvement. A quarterly Involvement Hub has been set up to co-ordinate the new process and the first meeting was held in June 2008.

The Chief Executive Officer and Heads of Service are listed under Company Information above. They act as executives within the authority delegated to them by the Board. The detailed scrutiny of performance, development of policy and procedures and approvals of expenditure within budget are carried out by them. They meet regularly as a management team.

We have a new Chief Executive Officer, Tracey Lees, who joined the company on 1 September 2008. She replaces Margaret McPeake who is retiring, and we must record our appreciation for her commitment, drive, energy and enthusiasm that has made Barnet Homes the success it is.

Insurance

The Company maintains insurance policies for the members of the Board and the Executive Team against liabilities in relation to the company.

Employees

We aim to achieve and promote equality of opportunity in all aspects of our recruitment, training, policy and practice and to facilitate a working environment where employees feel safe, supported, able to challenge and where any discrimination is dealt with effectively.

We ensure that applicants with disabilities receive fair treatment and are considered solely on their ability to do the job, taking into account any

reasonable adjustments required. We also ensure appropriate training for employees with disabilities as for other employees.

We strive to become an employer of choice and are committed to developing our people to deliver our business aims. In keeping with our culture we value feedback from our employees on people management issues. We commissioned an external employee opinion survey in 2007 which had a response rate of 65%, compared with 35% in 2005. Highly positive feedback with 82% of employees stating that their manager recognises and acknowledges when they have done well and 70% believing that they have the opportunity for personal development and growth in Barnet. The work of People First (a group of managers committed to driving best practice in people management) was rewarded by the company achieving Investors in People accreditation in June 2007. Learning and Development within the organisation continues to grow with more and more employees developing through various learning methods of which training is just a part.

All staff have one-to-one meetings and appraisals with their line managers; they also have access to learning and development and this is monitored and evaluated on a regular basis.

We have a comprehensive internal communication strategy which aims to encourage two-way communication within the organisation and enhances learning and development. Initiatives have included an annual roadshow for all staff on the business plan and what it means for them, team meetings, lunchtime learning sessions, regular staff newsletters, corporate induction for new staff and a staff recognition scheme. Managers also meet regularly with recognized trade unions both informally and formally, for the purposes of furthering involvement, consultation and negotiation.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed,
- prepare the financial statements on the going concern basis unless it is

inappropriate to presume that the entity will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The accounts are prepared on a going concern basis. Following the introduction of FRS 17 the Company's pension deficit is now recognised in full on the balance sheet and this is set at £5.857 million as at 31 March 2008. However, the London Borough of Barnet has fully guaranteed the Company's pension deficit at the point of its incorporation (on 1st April 2004) and has provided letters of comfort to the Directors of Barnet Homes, setting out its intention to fund Barnet Homes' ongoing operational cash flow requirements from the point of incorporation onwards via the timing of the payment of the agreed monthly management fee.

Disclosure of Information to Auditors

At the date of making this report each of the company's directors, as set out on page 3, confirm the following:

- So far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

Grant Thornton UK LLP has expressed their willingness to remain in office and a resolution to reappoint them will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 15 September 2008 and signed on its behalf by

Cora Vigar, Company Secretary

3. Independent Auditors Report

We have audited the financial statements on pages ... to These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only Report of the Board, the Chairman's Message and the Chief Executive's message. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting

policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Hemel Hempstead, England

Making improvements, tackling challenges

Barnet Homes Annual Review 2007/08

*Resident approved stamp
(subject to approval by Editorial Board)*

Message from the Chair

Barnet Homes Board Chair and Vice –Chair are Vi Britchfield and Ingrid Beal who are both residents.

“I’m delighted that Ingrid and I have become the first resident Chair and Vice-Chair of Barnet Homes. Giving residents a greater say in how services are run is what Barnet Homes is all about. Last year we listened to your feedback and introduced flexible ways for you to have a say.

This report tells you about some of our achievements. Residents agreed their top ten performance measures and we let you know how we did on these. I am especially proud of the progress we have made in making homes decent with over 2000 homes benefiting last year. The report also looks ahead at some of the challenges we face – these include making sure our services reflect your needs and ensuring the best long term investment in your homes and estates.

My thanks to Trevor Renouf and David Sidbury the previous Chair and Vice-Chair of Barnet Homes for their hard work and enthusiasm over the last few years and the legacy they have left for us to build on.”

Vi Britchfield
Chair of the Board

Key achievements 2007/8

Decent homes

- the programme is ahead of schedule
- over 2000 homes improved in 07/08, over 4000 homes in total now
- we have spent £66million on replacing 3000 kitchens, new windows for 1,700 homes, rewiring 3,900 homes and improving heating for over 1000 homes
- we spent £33 million alone last year

Regeneration estates

- We agreed an extra £4.36 million for repairs and maintenance of homes on regeneration estates

Government watchdog approval

- We provide a “good, two star” service and have “promising prospects for improvement” (Audit Commission inspection 2007)

Our staff

- Our staff are our greatest asset and we were awarded “Investors in People” status last year.

Highlights for 2007/8

Brief stories and quotes from residents to be inserted throughout the report

- Helping you get back into work
- Young people
- Regeneration estates
- Neighbourhood warden schemes
- Financial inclusion/financial advice
- Gardening project
- Decent homes
- Message in a bottle

How well did we do? Your “top ten” performance measures

Customer care

	Our target 07/08	Actual 07/08	
Stage 1 complaints answered in 10 working days	92%	93%	☺
Correspondence answered in 10 working days	90%	92%	☺

Overall our performance on customer care has been good, although we would like to do better. How do we compare with other landlords?

- we have higher than average number of calls received by our call centre
- we are amongst the top 25% of landlords on the % of calls answered within target (we answered 89.7% of our calls – our target was 90% and we just missed this by 0.3%)

We’ve introduced a new Stage 3 Complaints Panel involving residents.

Estates

	Our target 07/08	Actual 07/08	
Estates rated good at our “reality checks”	100%	91%	☹
Dumped rubbish cleared within 2 days	75%	90%	☺

There was mixed performance here. While we did not meet our target for the standards of estates there was an improvement from the previous year. We have improvement plans for each estate. Our caretaking team were awarded “Chartermark” for the quality of their service.

You said, we did

Following your feedback we have introduced a successful bulk refuse service which has saved £80,000 over the last year and set up a dedicated graffiti team.

Nuisance


	Our target 07/08	Actual 07/08	
Contact made with complainants within 1 day in serious nuisance and harassment cases	100%	100%	☺

Tackling nuisance and harassment is a priority for you and we met the target for contacting complainants. The Nuisance team retained their "Chartermark" award for quality services.

You said, we did

Following your feedback we've funded Neighbourhood Wardens on estates where there have been nuisance problems.

Empty properties





	Our target 07/08	Actual 07/08	
Average time to relet empty properties	26.5 days	27.9 days	

We did not meet the target and we are reviewing options for how we can improve this.

How do we compare with other landlords?

While we did not meet the target we were still 10th best out of 28 London boroughs and ALMO's.

Maintaining your homes

	Our target 07/08	Actual 07/08	
Appointments made and kept for responsive repairs	98%	97%	
Emergency repairs completed in 24 hours	98%	92%	
Properties that have a up to date gas servicing check	100%	99.9%	
Average time to carry out minor adaptations	7 working days	15.2 working days	

There was mixed performance here. Performance on gas servicing was excellent with only 13 properties overdue for a service at the end of March. We introduced a new repairs contract with Connaughts in April 2007 and it has taken time to get this service right - however performance on repairs is now on an upward trend. Your involvement is of great help to us – with residents involved for example in checking quality of work and the standards of estates.

We have met all our performance indicators on decent homes and we are ahead of schedule on the programme - the percentage of stock which did not meet the decency standard was 39% (our target was 41%).

You said, we did

Disabled tenants told us the number one issue for them was adaptations and the budget for 07/08 was doubled to £1.36 million. While we did not meet the target for minor adaptations we made great progress in reducing the waiting list for major adaptations – the average waiting time reduced from 46 weeks to 6.5 weeks.

Fact file:

71% of tenants were satisfied with our services in 2006. This was joint 8th best amongst 30 other London boroughs and ALMO's. We're carrying out another survey in September 2008 to see if this has improved.

Leaseholders

On the whole performance was good:

- We collected income equivalent to all of the 07/08 service charges and we also collected £430,000 of arrears
- We collected £2,345,000 of income for major works against a target of £1,953,000 (again including arrears)

However we did not reach our target for the days taken to produce invoices for major works – we've put a plan in place to improve this.

How do we compare with other landlords?

49% of leaseholders were satisfied with our service which was the second best of nine London ALMO's which had this information.

How much do our services cost?






Credit crunch? Many of us are feeling the impact of the economy on our pockets with rising prices for many basic items.



This is how your rent is spent ...

The average weekly rent is £78.08 including a £3.03 service charge. The table shows how this is spent. We've also listed household items and bills which cost about the same.

Service	How much per week?	Or ...
Grounds maintenance	£1.49	 <p>3 cans of beans</p>
Caretaking	£4.01	 <p>1 pair boys school trousers</p>
Repairs and maintenance	£14.99	 <p>3 packs of size 3 nappies (34 per pack)</p>
Anti-social behaviour	£0.98	 <p>1 loaf of bread</p>
Rent losses through bad debt £0.85 per week	£0.85	 <p>1 kg of bananas</p>
Loan interest	£4.43	 <p>2 large 750g packets of cornflakes</p>
Money we have to return to the government	£17.61	 <p>an average weekly electricity bill for a 2 bed flat in the UK</p>
Contribution to costs of major works	£14.18	 <p>an average weekly gas bill for a 3 bed semi detached house in the UK</p>

Repairs and maintenance team staff & costs	£3.71	 1 kg packet of basmati rice
Housing management team staff & costs	£10.56	 third of a tank of petrol for a small family car
Call centre team staff & costs	£1.30	 2.5kg of potatoes
Other estate services staff and costs per week	£1.48	 1 kg of apples
Other service areas	£2.48	 a pint down the pub
Total	£78.08	

How well do we do at collecting rent?

We collected income equivalent to all of the 07/08 rent due as well as some arrears from previous years.

How are rents set?

The government really decide rent levels and it changed the system to ensure councils and all other social landlords (such as housing associations) work out their rent charges in the same way, based on:

- Average manual wages in the area
- Property values in the area
- The number of bedrooms in your home

There's a limit to how much your rent can go either up or down every year, and the changes are phased in over time. By 2013, two tenants living in identical properties on the same estate should be paying the same rent whether their landlord is the council or a housing association.

The whole system of housing finance is complex, but the net effect is that we have to return over £10 million to the government last year. The budget comes under increasing pressure every year. As a result of this we are exploring with Barnet Council longer term options for Barnet Homes.

Value for money

We are one of the best performing ALMO's on achieving efficiencies in our services. Last year we exceeded our targets and made an estimated £2 million efficiencies on major works and some £628,000 in relation to housing management and maintenance.

We consulted Viewpoint residents on what were the most important services to review – they said caretaking, grounds maintenance and empty properties. Are you interesting in getting involved in these reviews, for example by attending a focus group? Then contact 020 8359 4821.

More information about how much our services cost can be found on our website: www.barnethomes.org

You said, we did

Following consultation with residents for over the last two years we have based our budget on your priorities

Resident priority	Budget increase 07/08	Budget change 08/09	08/09 developments include
Improve the estate environment	+£65,000	+£65,000	Neighbourhood warden service pilot, tree works
Customer care initiatives	+£189,000	+£96,000	Helping people maintain tenancies (financial inclusion, money advice), IT developments
More investment in working with young people	+£60,000	Budget maintained	Increase bids by residents to the Fund
Improving the caretaking service	+£20,000	Budget maintained	Maintain/improve high satisfaction levels
Adaptations – priority for disabled tenants	+£800,000	Budget maintained	Clear waiting list
Regeneration estates – major works	n/a	+£3,460,000	Essential works to estates

Looking ahead - key challenges and issues

We have a new involvement hub open to all residents, see At Home for meeting dates.

Our board have agreed 4 key issues to consult with residents this year:

- Increasing tenant satisfaction
- Increasing leaseholder satisfaction
- The future options for Barnet Homes and investment in your homes after the decent homes programme is due to finish in 2010
- The future shape of Barnet Homes and our accommodation

Residents at the involvement hub agreed their key issues for the year were:

- Grounds maintenance
- Repairs
- Customer care
- Security and anti-social behaviour issues
- Decent homes and investment in homes
- Youth issues

Your views are important to these issues – perhaps the most important of them all is the future options for Barnet Homes and investment in your homes. This will be a major consultation exercise over the next few months.

We have identified a shortfall in funding for capital investment to the stock in the period following decent homes after 2010. We therefore need your help in determining the priorities for investment and will be consulting with you on this in the near future. Look out for the articles in AtHome and on our website.

Are you interested in being involved? Join Viewpoint and win the chance of a prize, if you get involved in at least two consultation exercises each year.

A full set of our accounts can be downloaded from our website www.barnethomes.org or ring 0800 3895225.

Title: Budget Monitoring 2008/09 – Year to end June 2008

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 June 2008 and projects the full year figures for 2008/09. It also advises the Sub-Group of the position on the Council's Housing Revenue Account (HRA).

3. Previous Reports

- 3.1 The budget monitor is reported at 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 June 2008. As at June 2008, the full year projection is a **Net Profit of £21,013**. This position is before any funds from the budgeted transfer from reserves are utilised. For this financial year, funds from reserves of £145,860 were budgeted to be used to fund the company's operations. The full year's current forecast is that no funds will be required from reserves.
- 7.2 The Sub-Group will note that elsewhere on the agenda are two requests for use of contingency monies which if approved will adversely affect the above position.
- 7.3 There are notes on the appendix and the corresponding schedules for each Head of Service area.
- 7.4 Repairs and Maintenance
The overall cost as at June 2008 YTD has been accrued to the Saffron orders paid, finished and invoiced as at the end of June 2008. 25% of current active orders have been accrued. The total repairs cost

reported year to date of £2.303m includes active commitment orders of £156K.

The main areas of overspend to date in responsive repairs are carpentry (£77,000), plumbing (£42,000) and emergency standby (£37,000). The carpentry overspend is mainly due to the replacement of new doors being charged to responsive instead of planned repairs. Emergency standby overspend is as a result of the miscoding of follow on works to the standby budget. We will make the necessary adjustments in due course. The full year costs have been projected to come in on budget.

Total payments on account of £1,334,359 have been made to Connaught Ltd in this financial year for work carried out in the previous financial year. All 2008/9 invoices are processed and paid via the interface system, and it is envisaged that there will not be any more on account payments to Connaught Ltd.

The Connaught Ltd 2008/09 reconciliation as at the end of June 2008 shows signed certificates of payments totalling £1,041,888 have been processed. This leaves a payment on account balance of £292,471. More certificates of payments have been received in July (£219,000) and the reconciliation is ongoing.

7.5 Balance Sheet

The balance sheet as at 30 June 2008 is attached as Appendix 2.

7.6 Housing Revenue Account

Attached as Appendix 3 is the position on the Council's HRA as at 30 June 2008. At this stage there are no changes to the projected outturn although there is a potential shortfall of income due in respect of the regeneration schemes. This will need to be monitored closely.

Author: Laura Awosile, Chief Management Accountant
Gary Pliskin, Deputy Head of Financial Services
Jo Moore, Financial Controller
Date: 29 July 2008

BARNET HOMES LIMITED**PROFIT AND LOSS STATEMENT 2008/09**

Period: 3
Year to date as at: 30/06/2008

TOTAL BARNET HOMES LTD

Schedules	June 2008 YTD			Full Year			
	Actual YTD	Budget YTD	Variance (ADV)/FAV	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV	
	£000	£000	£000	£000	£000	£000	
Income							
LBB - General Management Fee	4,758	4,730	28	18,921	18,921	0	
LBB - Repairs and Maintenance Allowance	2,125	2,125	0	8,500	8,500	0	
LBB - Other Fees	192	226	(34)	890	905	(15)	
Rechargeable Works	17		17	68		68	
Third Party Income - Grants & Other	16	20	(4)	83	81	2	
Total Income	7,108	7,102	6	28,462	28,407	55	
Expenditure							
Management Costs excl. contingency	1	3,720	3,835	115	15,088	15,339	251
Operational Costs	1	860	751	(109)	3,298	3,005	(293)
Other Costs	1	329	318	(11)	1,311	1,272	(39)
Depreciation	1	44	44	0	177	177	0
Repairs and Maintenance Costs	7	2,303	2,131	(172)	8,525	8,525	0
Rechargeable Works		17		(17)	68		(68)
Hostels		39	38	(1)	154	154	(1)
Contingency	1	0	58	58	0	231	231
Total Expenditure	7,312	7,176	(137)	28,622	28,703	81	
Operating Profit/(Loss)	(204)	(74)	(130)	(160)	(296)	136	
Third Party Income - bank interest receivable	76	56	20	270	225	45	
Corporation Tax Charge Payable	26	19	(7)	89	75	(14)	
Net Profit/(Loss)	(153)	(36)	(117)	21	(146)	167	
Memorandum							
	£	£	£				
08/09 Projected Full Year Net Profit/(Loss)	21,013	(145,860)	166,873				
08/09 Forecast Transfer from P&L Reserves (currently £145,860 in the latest budget)	0	145,860					
08/09 Forecast Surplus/(Deficit) after transfer from Reserves	21,013	0					

Notes

- As at June 2008 year to date, the full year projection is a **Net Profit of £21,013**.
The Net Profit position is before any funds from the budgeted transfer from reserves are utilised (£145,860), and includes the present contingency funds of £230,700 which have not been utilised.
- For this financial year, funds from reserves of £145,860 were budgeted to be used to fund the company's operations. The full year projection forecasts that no funds will currently be required from reserves, as the full year's projection is a profit figure.

BARNET HOMES LIMITED
QUARTERLY REPORT ON OTHER COSTS CATEGORY

Period: 3
 Year to date as at: 30/06/2008

TOTAL BARNET HOMES LTD - OTHER COSTS REPORT

Schedules	June 2008 YTD			Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
	£	£	£	£	£	£
Other Costs						
Insurance costs	68,213	68,535	322	274,140	274,140	(0)
Miscellaneous Expenses	21,075	19,770	(1,305)	85,801	79,080	(6,721)
Printing & Stationery costs	37,248	35,930	(1,318)	143,720	143,720	(0)
SLA costs	44,918	43,080	(1,838)	177,173	172,320	(4,853)
Equipment & Material costs	49,236	48,358	(878)	198,444	193,430	(5,014)
Travelling costs	4,752	2,953	(1,800)	19,009	11,810	(7,199)
Telephone costs	25,025	21,193	(3,832)	95,709	84,770	(10,939)
Bank Interest & Charges	26,855	26,855	0	107,420	107,420	0
External & Internal Audit Fees	17,688	17,688	0	70,750	70,750	0
Postage costs	13,278	13,273	(5)	53,090	53,090	(0)
Photocopier costs	4,227	4,373	145	17,490	17,490	(0)
Food & Subsistence costs	2,676	1,250	(1,426)	9,206	5,000	(4,206)
Corporate Subscriptions	10,514	11,110	596	44,440	44,440	0
Grant Payments	1,283	1,283	0	5,130	5,130	0
Books & Publications	623	623	0	2,490	2,490	0
Conference Expenses	770	770	0	3,080	3,080	0
General Office Expenses	834	942	108	3,766	3,766	0
Total Other Costs	329,214	317,982	(11,233)	1,310,858	1,271,926	(38,931)

Notes

- The year to date expenditure as at June 08 is £11,233 overspent. This is primarily due to a number of small overspends in telephone costs (£4K), SLA costs (£2K) and travelling costs (£2K).
- Some work needs to be done on the budget allocation of telephone costs, and SLA Income & Cashiers have been accrued based on last year's expenditure trend.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

BARNET HOMES LIMITED - TOTAL HEADS OF SERVICE

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
<u>Income</u>	£	£	£	%	£	£	£
LBB	4,949,659	4,956,488	(6,828)	25%	19,810,360	19,825,950	(15,590)
Third Party (includes bank interest)	91,113	76,500	14,613	30%	351,000	306,000	45,000
Total Income	5,040,773	5,032,988	7,785	25%	20,161,361	20,131,950	29,411
<u>Expenditure</u>							
<u>Management Costs</u>							
Salaries and Wages costs	2,790,708	3,208,180	417,472	22%	11,385,943	12,832,720	1,446,777
Staff Agency costs	341,749	63,218	(278,532)	135%	1,366,997	252,870	(1,114,127)
Other Employee Related costs	165,650	148,078	(17,573)	28%	651,907	592,310	(59,597)
Office Accommodation costs	166,788	165,665	(1,123)	25%	667,151	662,660	(4,491)
Information Technology	173,058	171,759	(1,299)	25%	688,852	687,035	(1,817)
Consultant costs	81,825	77,888	(3,938)	26%	327,301	311,550	(15,751)
Contingency		57,675	57,675			230,700	230,700
Total Management Costs	3,719,778	3,892,461	172,683	24%	15,088,150	15,569,845	481,695
<u>Operational Costs</u>							
Transport costs	45,719	42,180	(3,539)	27%	182,875	168,720	(14,155)
Grounds Maintenance	177,103	177,103		25%	708,410	708,410	
Estate, Hostel & Warden Services	433,372	377,625	(55,747)	29%	1,678,507	1,510,500	(168,007)
Tenant Related Costs	77,028	52,389	(24,639)	37%	257,652	209,555	(48,097)
Legal Costs	126,595	101,955	(24,640)	31%	470,385	407,820	(62,565)
Total Operational Costs	859,817	751,251	(108,566)	29%	3,297,830	3,005,005	(292,825)
<u>Other Costs</u>							
Depreciation	329,214	317,982	(11,233)	26%	1,310,858	1,271,926	(38,931)
Corporation Tax Charge	44,365	44,365	0	25%	177,460	177,460	(0)
	25,511	18,750		34%	89,100	75,000	(14,100)
Total Expenditure	4,978,685	5,024,809	46,124	25%	19,963,397	20,099,236	135,839

Notes

1. The full year projection on income shows that £29,411 will be received above the budget. This is the net effect of the forecast bank interest income above budget (£45K), and the Emergency Lifeline Income budgeted for (£16K).
2. The full year projection on expenditure is an underspend of £135,839 below the total budget. This forecast position is with the current contingency funds of £230,700 not utilised.
3. The total projected income of £20.161m exceeds the total projected expenditure of £19.963m by approximately £198K. This is the position before any funds from reserves are utilised. £146K has been budgeted for as funds required from reserves to fund the company's operations in this financial year.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

FINANCIAL SERVICES

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	4,757,750	4,730,250	27,500	25%	18,921,000	18,921,000	0
Third Party	88,733	68,750	19,983	32%	320,000	275,000	45,000
Total Income	4,846,482	4,799,000	47,482	25%	19,241,000	19,196,000	45,000
Expenditure							
Management Costs							
Salaries and Wages costs	224,419	256,173	31,754	22%	959,652	1,024,690	65,038
Staff Agency costs	7,515	3,845	(3,670)	49%	30,060	15,380	(14,680)
Other Employee Related costs	3,654	3,300	(354)	28%	14,616	13,200	(1,416)
Office Accomodation costs	149,858	149,858	0	25%	599,430	599,430	0
Information Technology	101,028	100,603	(425)	25%	404,111	402,410	(1,701)
Consultant costs	10,558	10,558	0	25%	42,230	42,230	0
Contingency	0	57,675	57,675	0%	0	230,700	230,700
Total Management Costs	497,030	582,010	84,980	21%	2,050,099	2,328,040	277,941
Operational Costs							
Estate, Hostel & Warden Services	1,495	375	(1,120)	100%	3,000	1,500	(1,500)
Tenant Related Costs	0	0	0		0	0	0
Legal Costs	10,250	10,250	0	25%	41,000	41,000	0
Total Operational Costs	11,745	10,625	(1,120)	28%	44,000	42,500	(1,500)
Other Costs	142,458	142,302	(156)	25%	569,830	569,206	(624)
Depreciation	44,365	44,365	0	25%	177,460	177,460	0
Corporation Tax Charge	25,511	18,750	(6,761)	34%	89,100	75,000	(14,100)
Total Expenditure	721,109	798,052	76,943	23%	2,930,489	3,192,206	261,717

Notes

1. The full year projection on income is that an extra £45K will be received above the budgeted amount. This is due to the forecast bank interest receivable increasing by £20K from last month.
2. The expenditure for the full year is showing an underspend of £261,717, a small increase of £18,559 from last month. The underspend is primarily due to the contingency funds (£230,700) still available.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

CHIEF EXECUTIVE OFFICE DIVISION

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
Total Income	0	0	0		0	0	0
Expenditure							
Management Costs							
Salaries and Wages costs	164,967	167,205	2,238	25%	659,867	668,820	8,953
Staff Agency costs	27,334	2,063	(25,272)	331%	109,337	8,250	(101,087)
Other Employee Related costs	4,124	5,950	1,826	17%	19,800	23,800	4,000
Office Accomodation costs	1,123	0	(1,123)		4,491	0	(4,491)
Information Technology	0	0	0		0	0	0
Consultant costs	16,188	16,188	0	25%	64,750	64,750	0
Total Management Costs	213,735	191,405	(22,330)	28%	858,244	765,620	(92,624)
Operational Costs							
Transport costs	1,538	1,538	0	25%	6,150	6,150	0
Estate, Hostel & Warden Services	3,853	3,853	0	25%	15,410	15,410	0
Tenant Related Costs	25,921	25,921	0	25%	103,685	103,685	0
Legal Costs	0	0	0		0	0	0
Total Operational Costs	31,311	31,311	0	25%	125,245	125,245	0
Other Costs	27,496	26,768	(729)	26%	109,984	107,070	(2,914)
Total Expenditure	272,542	249,484	(23,058)	27%	1,093,473	997,935	(95,538)

Notes

- The full year projection on expenditure is showing an overspend of £95,538, a small increase of £4,810 from last month. This is because £100K of central salary cost savings was budgeted for in this service area. It is envisaged that after the restructuring of a number of teams, the salary budget saving will be transferred to the relevant service areas. This is why there is not a large underspend in the salaries and wages cost category, which would be used to fund the agency staff costs.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

CORPORATE SERVICES

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	10,084	9,993	91	25%	40,061	39,970	91
Total Income	10,084	9,993	91	25%	40,061	39,970	91
Expenditure							
Management Costs							
Salaries and Wages costs	391,675	434,673	42,997	23%	1,609,908	1,738,690	128,782
Staff Agency costs	51,858	24,625	(27,233)	53%	207,433	98,500	(108,933)
Other Employee Related costs	43,793	39,405	(4,388)	28%	167,171	157,620	(9,551)
Information Technology	71,914	71,156	(758)	25%	284,625	284,625	(0)
Consultant costs	26,143	26,143	0	25%	104,570	104,570	0
Total Management Costs	585,383	596,001	10,618	25%	2,373,707	2,384,005	10,298
Operational Costs							
Estate, Hostel & Warden Services	4	0	4		14	0	14
Tenant Related Costs	0	385	385	0%	1,540	1,540	0
Legal Costs	8,130	8,130	0	25%	32,520	32,520	0
Total Operational Costs	8,134	8,515	381	24%	34,074	34,060	(14)
Other Costs							
	77,413	73,593	(3,821)	26%	304,653	294,370	(10,283)
Total Expenditure	670,930	678,109	7,179	25%	2,712,435	2,712,435	0

Notes

1. The projected full year income is slightly more than budget by £91, being miscellaneous other fees for fire warden training.
2. The full year projection on expenditure is forecast to come in on budget, the same as last month.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

HOUSING SERVICES

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
<u>Income</u>	£	£	£	%	£	£	£
LBB	52,846	87,265	(34,419)	15%	333,380	349,060	(15,680)
Third Party	2,381	7,750	(5,369)	8%	31,000	31,000	0
Total Income	55,227	95,015	(39,788)	15%	364,380	380,060	(15,680)
<u>Expenditure</u>							
<u>Management Costs</u>							
Salaries and Wages costs	1,644,347	1,903,678	259,331	22%	6,725,226	7,614,710	889,484
Staff Agency costs	170,263	26,435	(143,828)	161%	681,050	105,740	(575,310)
Other Employee Related costs	110,921	99,423	(11,498)	28%	437,684	397,690	(39,994)
Office Accommodation costs	4,275	4,275	0	25%	17,100	17,100	0
Information Technology	116	0	(116)		116	0	(116)
Consultant costs	12,500	12,500	0	25%	50,000	50,000	0
Total Management Costs	1,942,421	2,046,310	103,889	24%	7,911,176	8,185,240	274,064
<u>Operational Costs</u>							
Transport costs	44,181	40,643	(3,539)	27%	176,725	162,570	(14,155)
Grounds Maintenance	177,103	177,103	0	25%	708,410	708,410	0
Estate, Hostel & Warden Services	262,084	217,463	(44,621)	30%	1,006,334	869,850	(136,484)
Tenant Related Costs	51,107	26,083	(25,024)	49%	152,427	104,330	(48,097)
Legal Costs	97,966	73,325	(24,641)	33%	355,865	293,300	(62,565)
Total Operational Costs	632,440	534,615	(97,825)	30%	2,399,762	2,138,460	(261,302)
Other Costs	77,741	74,550	(3,191)	26%	310,962	298,200	(12,762)
Total Expenditure	2,652,602	2,655,475	2,873	25%	10,621,900	10,621,900	0

Notes

1. The full year projection on income is currently £16K less than the budgeted income. This is due to the Emergency Lifeline Income which was budgeted for but will not be received. Supporting people income of £188K has being accrued to budget in the full year's projection.
2. The full year projection on expenditure is forecast to come in on budget. Ex gratia and disrepair payments to tenants account for £22K of the current overspend in tenant related costs. Legal costs are currently showing an overspend due to accruals to cover the legal disbursement costs for the first quarter of the year, and legal services costs for May 08 and June 08.

BARNET HOMES LIMITED
BUDGET MONITORING REPORT

Period: 3
 Year to date as at: 30/06/2008

ASSET MANAGEMENT

	June 2008 YTD				Full Year		
	Actual YTD	Budget YTD	Variance (ADV)/FAV	% of full year budget	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV
	£	£	£	%	£	£	£
Income							
LBB	128,980	128,980	0	25%	515,920	515,920	0
Total Income	128,980	128,980	0	25%	515,920	515,920	(0)
Expenditure							
Management Costs							
Salaries and Wages costs	365,300	446,453	81,152	20%	1,431,290	1,785,810	354,520
Staff Agency costs	84,779	6,250	(78,529)	339%	339,116	25,000	(314,116)
Other Employee Related costs	3,159	0	(3,159)		12,636	0	(12,636)
Office Accommodation costs	11,533	11,533	0	25%	46,130	46,130	0
Consultant costs	16,438	12,500	3,938	33%	65,751	50,000	15,751
Total Management Costs	481,209	476,735	(4,474)	25%	1,894,923	1,906,940	12,017
Operational Costs							
Estate, Hostel & Warden Services	165,937	155,935	(10,002)	27%	653,749	623,740	(30,009)
Legal Costs	10,250	10,250	0	25%	41,000	41,000	0
Total Operational Costs	176,187	166,185	(10,002)	27%	694,749	664,740	(30,009)
Other Costs							
	4,107	770	(3,337)	133%	15,428	3,080	(12,348)
Total Expenditure	661,503	643,690	(17,813)	26%	2,605,100	2,574,760	(30,340)

Notes

1. The projected full year income is forecast to come in on budget at £515K, the same as last month.
2. The full year projection on expenditure is a £30,340 overspend. This is mainly as a result of pest control in the Estate, Hostel and Warden Services cost category which is currently £10K overbudget as at June 2008 YTD.
 Work is currently being carried out to ascertain the details of the current pest control expenditure. Early indications show that there are some miscoding of other categories of costs in this area.

**BARNET HOMES LIMITED
REPAIRS AND MAINTENANCE**

JUNE 2008 YTD

PERIOD 3

SUMMARY REPORT

	JUNE YTD			FULL YEAR			
	YTD Actual	YTD Budget	Variance (ADV)/FAV	2008/09 Projection	2008/09 Budget	Variance (ADV)/FAV	2007/08 Actual
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<u>EXPENDITURE</u>							
<i>Direct Costs</i>							
Total Responsive Repairs	1,055	809	(247)	3,702	3,235	(467)	3,923
Total Planned Repairs/Works	181	160	(21)	640	640	0	755
Total Cyclical Works	189	184	(5)	735	735	0	608
Total Planned Estate Maintenance	144	278	133	577	1,110	533	559
Total Void Works	331	300	(31)	1,259	1,200	(59)	1,252
Total Gas Repairs/Works	401	400	(1)	1,600	1,600	(0)	1,426
Total Direct Cost	2,302	2,130	(172)	8,514	8,520	6	8,523
<i>Indirect Cost</i>							
Other Costs	1	1	(0)	11	5	(7)	75
Total Indirect Cost	1	1	(0)	11	5	(7)	75
Total Repair Costs	2,303	2,131	(172)	8,525	8,525	(0)	8,597

Notes

1. Responsive repairs as at June08 YTD is currently £247K overspent which is mainly due to Carpentry (£77K), Plumbing (£42K) and Emergency Standby (£37K). These are being investigated.
2. The full year overall repairs & maintenance costs have been projected to come in on budget.
3. All commitments with finished and invoiced status have been accrued, and 25% of current active orders have been accrued. The value of active commitments accrued as at June year to date is £155,914.
4. The Repairs & Maintenance budget has increased by £20,000, funded by a virement from Housing Services Environmental Budget for planned estate maintenance work.

**BARNET HOMES LTD
BALANCE SHEET
AS AT 30 JUNE 2008**

APPENDIX 2

	Note			AT 31 March 2008 £	Movement £
	At 30 June 2008 £	At 30 June 2008 £	At 30 June 2008 £		
Fixed assets					
Tangible fixed assets					
Fixtures, Fittings & Equipment		125,129		137,644	
Vehicles, Plant & Machinery		25,331		26,262	
Computer Equipment		162,730		187,336	
			313,190	351,242	(38,052)
Investments					
Loan to LAPN			39,086	39,086	0
			352,276	390,328	(38,052)
Current assets					
Stock		0		0	
Trade debtors		6,854		21,154	
Amounts owed by Parent Undertaking		726,311		3,566,609	
VAT		0		44,065	
Other debtors		3,275		6,960	
Prepayments and accrued income TP		323,523		304,389	
Net cash at bank and in hand					
Cash & imprest bank a/c's	2,180			2,482	
Bank Current a/c	(43,504)			(418,197)	
Bank Deposit a/c	358,376			123,234	
Overnight Treasury Deposit	0			4,900,000	
Weekly Treasury Deposit	2,000,000			0	
Monthly Treasury Deposit	2,000,000			2,500,000	
		4,317,052	5,377,015	11,050,696	(5,673,681)
Current liabilities					
Trade creditors		(888,111)		(4,905,959)	
Amounts owed to Parent Undertaking		(1,081,402)		(1,942,345)	
VAT		(217,665)		0	
Corporation tax		(133,438)		(133,438)	
Other Taxation and Social Security		(237,807)		(224,576)	
Accruals and Deferred Income (TP)		(1,620,618)		(2,532,819)	
Other creditors		(3,034)		(1,405)	
			(4,182,075)	(9,740,542)	5,558,467
Net current assets/ (liabilities)			1,194,940	1,310,154	(115,214)
Total assets less current liabilities			1,547,216	1,700,482	(153,266)
Long-term liabilities					
Provisions for liabilities		(131,292)		(131,292)	
FRS17 Pension Deficit		(5,857,000)		(5,857,000)	
			(5,988,292)		
Net (Liabilities)/Assets			(4,441,076)	(4,287,810)	(153,266)
Capital and Reserves					
Profit and Loss Account			(4,441,076)	(4,287,810)	(153,266)

NOTES TO THE BALANCE SHEET

HOUSING REVENUE ACCOUNT QUARTER 1 2008/9 UPDATE

Expenditure	2008/9 PROJECTION	2008/9 BUDGET	VARIANCE	COMMENTS
	£	£	£	
Supervision & Management - General LBB Retained	3,221,000	3,221,000	0	There has been some restructuring that has impacted the YTD costs, but overall costs are projected to come in on budget for the full year.
Management fee	12,495,000	12,495,000	0	
Supervision & Management - Special Management Fee	6,501,000	6,501,000	0	
Supervision & Management - Other LBB Retained	83,000	83,000	0	
Management Fee	35,000	35,000	0	
Repairs & Maintenance	8,500,000	8,500,000	0	See also Barnet Homes Monitoring - currently projecting to budget although overspending at week 13.
Capital Financing Costs	4,142,000	4,142,000	0	Will be reviewed in second quarter on completion of second advance claim to CLG.
Depreciation (MRA)	8,060,000	8,060,000	0	
Housing Subsidy	10,872,000	10,872,000	0	
Total Expenditure	53,909,000	53,909,000	0	
Income				
Supervision & Management - General	(3,571,000)	(3,571,000)	0	£570k of the forecast income relates to regeneration. LBB Finance are currently verifying the likelihood of receiving this income as there is some uncertainty over the recoverability of some of the money due from partners.
Supervision & Management - Special	(4,055,000)	(4,055,000)	0	
Interest	(254,000)	(254,000)	0	Although income is ahead of budget at the first quarter, there is uncertainty as to the full year impact of regeneration. This will also allow for write-offs of former tenant arrears.
Rents - dwellings	(44,675,000)	(44,675,000)	0	
Rents - garages	(695,000)	(695,000)	0	
Rents - other	(659,000)	(659,000)	0	
Total Income	(53,909,000)	(53,909,000)	0	
Contribution to/(from) balances	0	0	0	
Net Expenditure	0	0	0	

1. Statement of Purpose

- 1.1 In order to support the provision of excellent services to its residents it is essential that the company's repairs management systems are robust and efficient.

2. Summary

- 2.1 This paper explains the levels of control used on variation orders for repairs and maintenance during 2007/8 and 2008/9.

3. Previous Reports

- 3.1 None.

4. Recommendations

- 4.1 That the Business Sub-Group supports the approach for the current variation levels for our repairs and maintenance contracts

5. Financial & Risk Management Issues

- 5.1 The company spends around £3.5 million per annum on responsive repairs through its contract with Connaught. By their nature these are primarily of relatively low value but high volume. If the control level is set too low there is a risk that the administrative cost outweighs any efficiency benefit that a partnering contract may achieve. Further the impact of delays in approving variations impacts adversely on service delivery and on customer satisfaction.

- 5.2 Conversely, setting the level too high could be seen as giving the repairs provider too much freedom. Whilst this may lead to reduced administration costs the financial management of the contract may become impaired. Thus a balanced approach is necessary. In particular as outlined in the report circumstances required a higher control level of variation to ensure continuation of good service delivery.

6. Resident Consultation and Equalities Issues

- 6.1 Not applicable.

7. Background Information

- 7.1 At its last meeting the Sub-Group requested an explanation of the control level on variation orders in its repairs and maintenance contract.

- 7.2 Barnet Homes use Saffron our housing management system to collate variation requests and payment authorization. This is an electronic process which is audited at agreed levels of responsibility.
- 7.3 Prior to entering into a partnering contract for repairs and maintenance with Connaught, the variation control level was set at £75 for all contractors. This was achievable as Barnet Homes had an internal Direct Labour Organisation with a larger client capacity.
- 7.4 In implementing the contract, to enable Connaught more flexibility to deliver our right first time ethos we gave them a control level to the value of £250. To support this, they implemented an internal supervision and audit process for operatives to request permission from senior Managers to vary a works order over the value of £75
- 7.5 Due to the teething problems with the interface in the first three months of the contract we were unable to monitor variations using Saffron and therefore had to revert to a manual checking process using e-mail.
- 7.6 The impact of this was operationally we had to revert to a paper based management system to ensue that the customer continued to receive the service.
- 7.7 Given the way in which the Asset management team was structured with a very lean Repairs team resulted in a considerable backlog and the lack of ability to make timely decisions in relation to incoming variation orders. A review was carried out and it was agreed that the control level be temporarily increased to £500.
- 7.8 This gave more flexibility to deliver our right first time ethos and manage the service thorough this challenging period. Clearly there were risks in this strategy for a new contract in understanding the composite codes and new pricing mechanisms, but the needs of our customers were paramount. We were given assurances by Connaught that they had adequate internal resources in place to manage the process and achieve value for money.
- 7.9 All works over a value of £500 were agreed by the Barnet Homes Operational Inspection Team or the Performance and Service Development Manager.
- 7.10 For the second quarter we were still reconciling data and completed a 5% check of variations against all orders raised for responsive repairs. The results gave an early indication that overall our estimation of the cost of jobs at that time was correct and this was validated by the Audit Commission Inspectors in November 2007.

Current position

- 7.11 We are now 12 months into the contract and have shown a 10% increase in variation orders for 2007/8.
- 7.12 As stated above the £500 control level was intended to be temporary and would be reviewed. The contract is now embedded and the systems and processes are working effectively. We have also increased the resources within our Repairs team to create a more structured and stronger client role. The control level of variations has therefore been reduced to the originally intended level of £250.
- 7.13 We have also set up spend analysis reporting which monitors the levels of variations. Actions are agreed at the monthly budget and operational meetings to pre-empt any financial or customer satisfaction risks.

Author: Mandy Dunstan Operational Asset Manager

Telephone: 0208 359 5202

Email: mandy.dunstan@barnethomes.org

Date: 23 July 2008

Title: Budget Planning 2008/9 and Later Years

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 some of the pressures facing the Company and suggests a process and timetable for the revised Business Plan and budget for 2009/14.

3. Previous Reports

- 3.1 A similar report was brought to the Sub-Group at the commencement of the 2008/9 budget process in August 2007.

4. Recommendations

- 4.1 That the proposed process and timetable be agreed.
- 4.2 That members of the this Sub-Group along with the Sub-Group Chairs should attend the Business Planning session in early September 2008.

5. Financial & Risk Management Issues

- 5.1 Covered within the report.

6. Resident Consultation and Equalities Issues

- 6.1 The proposals allow for two stages of detailed consultation with residents and other stakeholders. This was successful in 2008/9 with a number of priorities identified by residents that we were able to include in the budget.

7. Background Information

- 7.1 The Board discussed and agreed the principles of the Medium Term Financial Strategy at its meeting on 21 July 2008. This now needs to inform the development of the Medium Term Financial Plan which will sit alongside the budget process for 2009/10.
- 7.2 It is now necessary to begin work for the 2009/10 budget for Barnet Homes. The 2008/9 budget was a difficult one and 2009/10 is not expected to be any easier. The earlier work undertaken on the Housing Revenue Account (HRA) business plan with the Council suggests that we face an annual deficit of at least £0.5m in 2009/10, rising to over £2m by 2012/13 we clearly must have plans for dealing with this. Short-term levels of inflation are presently higher than included in the above projections which also include a modest level of new business.

- 7.3 It is clear therefore that we must concentrate on how we can achieve efficiencies while improving services for the duration of the business plan. Part of the consideration will also be around the use of reserves to fund one-off items and/or investing to save projects.
- 7.4 Last year's budget timetable was impacted adversely by our inspection and by late announcements of housing subsidy by central government. Although the review of council housing finance will not be completed until later this year an early announcement is expected as to how the 2009/10 settlement will be determined.
- 7.5 Set out below for your consideration is a proposed timetable for the Business Plan and Budget 2009/14:-

Action	Milestone
Head of Financial Services to produce and circulate a scene-setting position statement. Heads of Service to commence work on budget proposals.	End July/beginning August
Board and Executive Business Planning Session	early-September
Paper to Business Sub-Group to agree content for consultation to residents	7th October
Heads of Service to provide comments on position statement, including potential growth/savings items to Head of Financial Services	Mid October
Update to Board on Medium-Term Financial Strategy/Plan	November
Resident Consultation – Hub and Viewpoint, internet, At Home	November
Staff Consultation – team meetings, newsletter, intranet	November
Paper to Council Scrutiny Committee	November
Results of consultation to Board/BSG	December
Firm up budget	December/January
Detailed operational plans finalised	End January 2009
Final consultation with Heads of Service and Business Sub-Group to finalise budget	January/February 2009
Draft Operational Plan Summary	Early February 2009?
Business Plan to Council Scrutiny	February 2009
Final Business Plan, Budget and Medium Term Financial Plan to Board	March 2009

- 7.6 The programme is designed to provide sufficient time for wide consultation, in November when proposals are being formulated, with a further round during December and January as details are finalised.

- 7.7 Residents will be consulted through the Hub and via Viewpoint. There will also be a feature in 'At Home' and on the website.
- 7.8 Direct involvement of Board Members is shown in bold in the table above, beginning with a proposed Business Planning session with the Executive in early September. This has been successful in previous and it is suggested that this be attended by the Business Sub-Group with the Chairs of the other Sub-Groups.
- 7.9 The Sub-Group is asked to consider the above and suggest any improvements that may be made.

Author: Mike Wiffen, Head of Financial Services
Date: 30 July 2008

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 projects that have recently been funded by the Innovations Fund.

3. Previous reports

- 3.1 This report follows on from the previous update on the Innovations Fund that was tabled at the February meeting of the Business Sub Group.

4. Recommendations

- 4.1 That the Sub Group consider and note 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.

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

- 7.1 Two bids have received funding from the Panel this year. They are as follows:-

- **Chartered Institute of Housing Conference.** Seven new residents joined the framework of involvement and consultation on the Asset Management Investment Delivery Panel and the Tenants Inspection Panel. These residents will be contributing to the decision making process for asset management strategy, as well as budget setting and tracking delivery and quality. The Innovation Fund awarded £2,284 for the seven residents to accompany asset management staff to the Chartered Institute of Housing Conference. The conference was part of the induction process for the residents.

- **Furniture for elderly and sheltered residents.** An article was written in At Home inviting residents to come up with ideas for the Innovations Fund. One idea developed into a bid and received funding. It was from an elderly resident who complained that the communal garden furniture outside her block appeared to be in desperate need of replacement. As a result, the Panel awarded £3,000 to replace dilapidated furniture for elderly and sheltered residents in a number of locations around Barnet, in time for the residents to enjoy the summer weather!

7.2 **Next meeting of the Panel**

Despite a slow start to the year, a number of interesting ideas have recently been put forward by members of staff. Bids should be ready for consideration by the Panel in September.

Author: Gary Pliskin Principal Financial Accountant
Telephone: 0208 359 4944
Email: gary.pliskin@barnethomes.org
Date: 25 July 2008

1. Statement of Purpose

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

2. Summary

- 2.1 The report provides an update on the company's strategic risks and action plans, and on the red and amber operational risks identified.

3. Previous Reports

- 3.1 Risk registers are reviewed at this Sub-group on a quarterly basis.

4. Recommendations

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

5. Financial & Risk Management Issues

- 5.1 Covered within the report.

6. Resident Consultation and Equalities Issues

- 6.1 None in the context of this report.

7. Background Information

- 7.1 The strategic risk register and action plans have been updated and are attached for your consideration. Each action plan has key dates and a target risk assessment that the plan aims to achieve. None of the positions has worsened from the last report and one, 'Software development' shows an improvement.

- 7.2 The red and amber operational risks are also shown for your attention. The number of red and ambers has increased from 14 to 18, with new items on SLA negotiation for 2008/9, the Saffron replacement by the Council, Regeneration estates and the delivery of the Inspection action Plan in Housing Services.

- 7.3 The Sub-Group is invited to comment on the content.

Author: Mike Wiffen, Head of Financial Services

Date: 31 July 2008

Likelihood	4			CP	
	3				
	2			A	
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
1	12	6	<p style="text-align: center;">Viability of the HRA</p> <p>Currently, the HRA doesn't look too viable. The Council management fee comes directly from the HRA and every time stock is lost, through regeneration for example, a percentage of the fee is lost. Barnet Homes is working with the Council on a Business Plan for HRA which will give greater certainty on the figures.</p> <p style="text-align: center;">Others in same cluster - Funding uncertainty</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Barnet Homes is working with the council on an HRA Business Plan that will give greater certainty on the figures.	As effective as can be. Subsidy mechanism and determination outside BH control.	<ul style="list-style-type: none"> ▪ Verification checks with HQN ▪ Financial modelling on basis of latest subsidy information ▪ Consultation with residents ▪ Ensure assumptions are realistic ▪ Ensure efficiencies achievable both by BH and LBB ▪ Review Self-financing options ▪ Contribute to Government review of Council Housing Finance ▪ Creation of Barnet Homes Medium Term Financial Plan 	Head of Financial Services	<ul style="list-style-type: none"> ▪ Fit for purpose Business Plan ▪ Outturns in line with budget and performance targets ▪ LBB Cabinet agrees way forward ▪ Appraisal of options with residents 	Quarterly	October 2008

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3		A	CP	
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
2	9	6	<p style="text-align: center;">Funding uncertainty</p> <p>Uncertainty around Capital funding streams post 2010/11 makes it difficult to plan for the future and manage contractors. We have certainty over the programme and funding to 2010/11.</p> <p style="text-align: center;">Others in same cluster – Viability of the HRA</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
High level meetings DCLG and lobbying them.	DH allocation has been confirmed via DCLG and there have been no reductions in spending streams for 2008/9. However, there is need to have strategies in place to address funding uncertainty especially post 2010	<ul style="list-style-type: none"> DH programme needs to project managed effectively to ensure budgets and DH targets are met (using the master plan effectively). Demonstrate to DCLG we are fit for purpose organisation and able to spend within deadlines. HRA Business Plan to address how post 2010 works will be addressed such as how will shortfalls within the HRA will be addressed i.e. efficiency savings, prudential borrowing or LVT Carry out options appraisal to determine how future funding requirement will be met and consider options contained in the Business Plan i.e. LVT 	Andy Campion Chris Wilkins Mike Wiffen	Meeting Decent Homes targets by 2010/11 Core Pls DH Government returns A fit for purpose HRA Business Plan	Quarterly	October 2008

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3				
	2		A	CP	
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
6	6	4	<p>Relationship with the Council (SLAs)</p> <p>Barnet Homes have a number of SLA's with the Council including for IT. There are issues about how robust these are with some areas of poor service and lack of clarity over roles and responsibilities. Sharing of and access to information can be difficult so VFM hard to demonstrate.</p> <p>Others in same cluster - Partnerships</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
<ul style="list-style-type: none"> o Process for SLA negotiation established o System for regular SLA monitoring and review in place and recorded o SLA invoicing arrangements reviewed and new flow chart procedure established o Internal audit review of SLA management in April 2008 – substantial assurance o Quarterly reporting on progress to Business Sub-group started in 07/08 	Effective	<ul style="list-style-type: none"> o ICT SLA benchmarking exercise – Dec 2007 – to be completed o Timetable of cost reviews in line with open book to be established with LBB for 2009/10 SLA's 	Cora Vigar/ Kate Laffan (Mike Wiffen from Sept 2008 TBC)	<ul style="list-style-type: none"> o SLAs in place by May each year (achieved for 07/08 – outlook for 2008/09 - great improvement on previous years) o Regular monitoring and review of all SLAs according to agreed frequencies implemented o SLA review recommendations implemented o Improved internal audit findings in Q4 o Further work needed with LBB on costs/open book approach 	Quarterly	Sept 08 – Open book reviews to start with LBB for 09/10 SLAs

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3				
	2	A	CP		
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
7	4	2	<p style="text-align: center;">Software Development (in-house)</p> Retention and maintenance of SQL systems (in-house development). Functionality problems now resolved but the cost implications still high and impact on long-term strategy <p style="text-align: center;">Others in same cluster - None</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
<p>1. SQL Development:</p> 3.1 Development based on user specification (see above), monitored and planned. <p>3.2. Testing environment set up for users to test changes before rolling to Live.</p> <p>3.3. SQL developer working together with users to gain better understanding of processes.</p> 3.4 Audit controls in place	Effective at the moment. Positive feedback from users as testing more controlled.	Risk factors include:- <ul style="list-style-type: none"> • No in-house contingency for skilled SQL development and system administration. • Difficult to retain in-house staff following SQL training (previous SQL developers left BH). • Skill transfer affected by competition from private sector (rates for SQL development) • Dependency on external resources (contractual) for reasons above. • High increase in costs (see above). <p>Review of CM/HOS Planned for 2008/09 – currently on hold (planning for real and VfM review opf call centre)</p>	<p>Ewa Maciejczyk (IT budget holder)</p> <p>Ewa Maciejczyk</p>	<ul style="list-style-type: none"> • Better quality of complaints performance measurement. • Higher user satisfaction levels. 		

Matrix: CP = Current Position A = Aim

Item 10

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
3.5 Retention of external SQL resources (p/t)				Planning for real in place	annual	

Matrix: CP = Current Position A = Aim

Likelihood	4			CP	
	3				
	2			A	
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
9	12	6	<p style="text-align: center;">Regeneration Schemes</p> <p>Barnet Homes is responsible for managing the stock and estates on 4 schemes until the demolition and rebuild programme commences. There is no clear agreement as to when this will happen. The longevity of the schemes indicates more investment than the budget allows for. There is already a big difference in satisfaction between these areas and others and management of this will only get more difficult.</p> <p style="text-align: center;">Others in same cluster – Resident Participation</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Regeneration strategy developed and adopted by the Board for implementation	Adequate but under regular review	Development of "Managing Regeneration Successfully" strategy including the key elements of: <ul style="list-style-type: none"> • Investment strategy to be finalised for regeneration estates by fourth quarter 07/08 and communicated • Enhanced resident involvement work • Improved communication and maximising certainty • Developing the future approach towards non secure tenants with the council • Review Group to reconsider Caretaking on Grahame Park to be developed 	Sheila Oliver	F2F survey outcomes and core KPIs	Monthly	Late Summer 2008

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3			CP	
	2		A		
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
4	9		<p style="text-align: center;">Resident Participation</p> <p>Barnet Homes aims to put residents at the heart of service delivery and resident participation and satisfaction are key indicators. In face to face surveys, satisfaction with opportunities to participate has reduced. The current system of Resident/ Consultation Panels is not working well and officers struggle to see tangible outcomes from them. Resident participation is seen as the job of the dedicated team so is not embedded or consistent across the organisation.</p> <p style="text-align: center;">Others in same cluster - Regeneration</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key Dates
<ul style="list-style-type: none"> ▪ Residents Involvement Strategy agreed November 2007 ▪ Communication Plan agreed ▪ VfM Review underway ▪ View point established ▪ R I month planned for new year ▪ Resident Participation HUB approved 	<ul style="list-style-type: none"> ▪ Targeted action for first two quarters of 2008/09 to raise satisfaction levels by 4% 	<ul style="list-style-type: none"> ▪ Communication Strategy ▪ All staff to buy into R I as key element of job ▪ Connaught Bus and Road Shows needed ▪ More ownership and relationship of DHs programme ▪ Structured campaign required ▪ Regeneration Strategy needs to be operational 	<p>Peter Headland for VfM and Strategy</p> <p>All staff for raising awareness</p>	<p>Increase in overall satisfaction with landlord and involvement</p>	<p>Quarterly</p>	<ul style="list-style-type: none"> ▪ Launch HUB in May 2008 ▪ Review RLO's role in Contract Review Quarter 4 2007/08 ▪ Status survey by September 2008-05-02 ▪ Event Planner for first and second quarters 2008/09

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3			CP	
	2		A		
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
11	9	4	<p>Partnerships</p> <p>Barnet Homes has outsourced a lot of services and must ensure that it is clear about who's doing what, how robust the arrangements are and that effective monitoring takes place. The organisation lacks experience of the size and complexity of partnership it is now entering into and there have been issues with some arrangements as a result. Contract management and monitoring skills are lacking in many areas.</p> <p>Others in same cluster – Relationship with Council</p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
<p>5 year master plan developed in conjunction with our DH partners to ensure DH works is delivered within timescale and spend</p> <p>Professional services matrix devised to ensure partnering arrangements are clearly defined as well as roles and responsibilities within the Decent Homes partnering arrangements.</p> <p>Partnership core groups in place for each contract</p> <p>Strategic partnering forum in place for all partnered contractors</p> <p>Support mechanises in place via LAPN to support partnering ethos</p>	<p>To ensure BH is delivering an efficient repair service and meeting key performance targets as well as meeting the 2010 Decent Homes Standard</p>	<ul style="list-style-type: none"> Continue to review the master plan on monthly basis Partnering workshop(s) Training in regard to open book and supply chain management Continue to reinforce the partnering ethos at all levels as team briefs and partnering meetings 	Chris Wilkins	<p>Delivering DH programmes within timescale and budget</p> <p>Core KPIs</p> <p>Tenant satisfaction with the repair service</p>	Quarterly	October 2008

Matrix: CP = Current Position A = Aim

Item 10

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Quality forum in place to measure performance and quality of work.						
Resident Inspection Panel.						
BH Investment panel use to monitor partnership performance						

Matrix: CP = Current Position A = Aim

Likelihood	4				
	3			CP	
	2		A		
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
17	9	4	<p style="text-align: center;">Health and Safety</p> <p>Barnet Homes has a duty to maintain robust health and safety procedures. The Chief Executive attends the H&S welfare group but SMT as a whole needs to increase it's ownership of health and safety and ensure that it's embedded across the organisation. There are concerns about whether this is the case at present particularly with relation to HSG65.</p> <p style="text-align: right;"><i>others in same cluster - None</i></p>

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Health and Safety Policy	Does not adequately meet HSG65 Guidance	Review of policy and management arrangements to reflect improvements made in monitoring of performance; management reporting; training programme; communication with staff managers and contractors; etc.....	Bambos Kakouratos		Annual	August 2008
CDM 2007 arrangements	Adequate system now in place	CDM Policy and procedure in place. Training and briefing of staff complete. Appointment of effective CDM Coordinators and improved communication with CDM Partners on CDM issues.	Bambos Kakouratos		Annual	Complete

Matrix: CP = Current Position A = Aim

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Asbestos Management Plan	Inadequate plan	Review of processes, database, information provision to contractors and residents and training of staff/contractors	Phil Buck/Mamta Malhotra	Action Plan agreed with asbestos Manager that includes improved system of asbestos data capture fro contractors; independent inspection of asbestos works; cyclical programme of asbestos surveys; clear procedures regarding repair and disposal of asbestos materials	Annual	March 2009
Legionella Management Plan	Adequate plan now in place, new legionella contract is now required	Review of risks in buildings, responsibilities of staff, staff training, review of contract with specialist provider	Phil Buck/ Mamta Malhotra	Risk assessments for at risk buildings complete, maintenance procedures agreed with current contractor, timescale agreed for tendering of new contract	Annual	October 2008
Gas Servicing	Adequate system in place	Annual delivery of Gas Servicing program through partners Village heating and Barnet Homes Gas Safety team, target set at 100%	Mandy Dunstan	PULSE KPI's	Annual	

Matrix: CP = Current Position A = Aim

Item 10

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates
Fire Safety in Residential Accommodation	In need of further development	Sheltered Housing blocks have all had Fire Risk assessments (completed July 2008), a second contract signed with LFB for domestic fire safety checks 2008/9, A new project to carry out fire risk assessments in 21 alarm assisted sheltered housing blocks has started.	Bambos Kakouratos		Annual	March 2009
Raising tenants awareness	Information system now in place	Regular articles in Athome. H&S information required on website for tenants	Rachel Bancroft		Annual	Complete
Central Risk register	Not in place. All risk assessments to be approved by H&S Team and put on central list that will be reviewed annually	A central record of all risk assessment in Barnet Homes	Rachel Bancroft		Annual	October 2008
Flow of Health and Safety management information within Barnet Homes	Good practice requires embedding and there is continual improvement	HSW Group meets regularly, regular reports to Resources sub-group, HOS has agreed to quarterly H&S performance updates, SMT to be updated by HR Manager. H&S coordinator is attended monthly partnership group meetings.	Heads of Service		Monthly or Quarterly depending on management group	
Appointment of Board director to lead on H&S for Board	Not in place	HSE guidance on Directors' Responsibilities mentions this as a requirement for successful management of H&S. The Resources Sub Group has taken the lead on health and safety for the Board	Board			Complete
Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates

Matrix: CP = Current Position A = Aim

Risk Matrix - Operational Registers

May 2008

Likelihood				
		C6, C7, H3, F2, A3, A4	C3, C5,	
		H1, H2	C4, H4, H5, F1, A2, A6	
			A1	
		Impact		

July 2008

		C4, C5, C6, H1, H5, F2, A2, A3	C3, C7, H4	
			C1, C2, H2, H3, F1, A1, A4	
		1	2	3
		Impact		

Likelihood

- 4 Very Likely
- 3 Likely
- 2 Unlikely
- 1 Almost Impossible

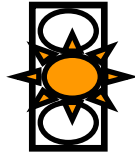

Impact

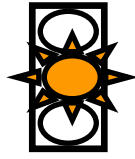

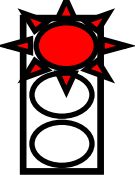

- 4 Catastrophic
- 3 Severe
- 2 Moderate
- 1 Low

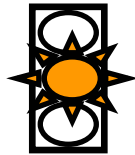

Service: Barnet Homes	Reference
Risk Management Register	Date: 30 July 2008

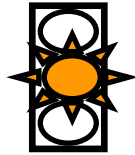
BARNET HOMES: OUR BUSINESS AIMS (BA)

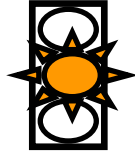
1. To provide excellent services driven by customer involvement
2. To bring all homes up to decent homes plus standard by 2010
3. To provide services that meet the needs of all our diverse and vulnerable customers
4. Through partnership develop safe sustainable and cohesive communities
5. To develop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

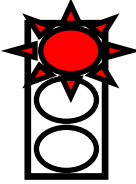
Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
	Corporate Services								
C1	Sickness	<ul style="list-style-type: none"> ▪ High levels of sickness absence 	<ul style="list-style-type: none"> ▪ Adverse effects on staff morale ▪ Inefficient service ▪ Additional costs to Company 	UNL 0.3	SEV £300k	£90k			Target for 08/09 is 7 days and is tracking at a projected 7.3 days at the end of June. New Occupational Health contract in place from 01/07/08. New attendance management policy in place. Regular review of staff reaching trigger points and also performance

Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
C2	Recruitment and retention of skilled Board Members	<ul style="list-style-type: none"> Resignations 	<ul style="list-style-type: none"> Inability to attract response to advert increased workload for remaining Board Unbalanced Board 	UNL 0.2	SEV £300k	£60k			Currently 3 casual vacancies. Casual tenant appointment and 2 independent co-options agreed on 21/07/08. Council also asked for a replacement nominee. Have approved principle of introducing board pay and will consider a proposal to reduce board size at their away day in October 08.
C3	Sustaining Contact Centre call handling performance	<ul style="list-style-type: none"> Over-establishment Senior Manager input not sustainable 	<ul style="list-style-type: none"> Additional costs to the company Impact on other projects Adverse effects on staff morale High turnover of staff Missed opportunities 	LIK 0.5	SEV £300k	£150k			Team currently over establishment to handle increased call volumes and maintain satisfactory service levels. Further review needed in early 2008 to assess workload

Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
			<ul style="list-style-type: none"> Increased costs following Barnet House rent review 						and impact of new repairs contract. Following outcome of Central Service Review this function will transfer to Asset Management. The strategy for this is currently being planned by HoS. Average waiting time at 25.6 seconds (June pulse – again target of 20) but target has been re profiled to ensure end of year target is met. One deputy post currently vacant and the other LTS (agency manager in place). Recruitment is being progressed.
C4	Provision of effective support services	<ul style="list-style-type: none"> Support services not meeting corporate priorities effectively 	<ul style="list-style-type: none"> Duplication of effort/resources Inconsistencies in performance management 	LIK 0.5	MOD £200k	£100k			Proposed VfM central services has completed. New structure agreed and being

Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
			<ul style="list-style-type: none"> Missed communications opportunities Increased pressure on other staff 						implemented. Aim to complete all internal appointments by 1 st September. Some external recruitment to key position will not complete until October.
C5	Office Accommodation	<ul style="list-style-type: none"> Uncertainties over LBB's strategy for Barnet House 	<ul style="list-style-type: none"> Duplication of resources Missed opportunities Impact on customer service/access 	LIK 0.5	MOD £300k	£150k			Accommodation project underway – PID and Project Plan agreed. Discussion held with LBB about NLBP and LBB's future accommodation plan. Options report presented to Board 21 st July.. agreed to pursue options 2 & 3 (alternative accommodation subject to cost implications)

Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
C6	Negotiation of SLAs for 08/09	<ul style="list-style-type: none"> Lack of control co-ordination of SLAs by LBB 	<ul style="list-style-type: none"> Delays in concluding negotiations 	LIK 0.4	MOD £100k	£40k		(NEW)	<p>SLAs now finalised and signed off – except for Customer Care (dispute over reception footfall % and agreement of Burnt Oak Library pilot costs) After significant discussion with LBB final agreement was for a 3.5% increase across SLAs, but will work towards open book next year.</p>

Ref	Vulnerability	Trigger	Consequence	Rating					Further Action
				Likelihood	Impact	Value	Traffic Light	Change	
C7	LBB Saffron Replacement	<ul style="list-style-type: none"> ▪ Risk to data integrity ▪ Need to develop interfaces between Saffron and LBB's housing system ▪ Limited information of LBB's data transfer requirement ▪ Conflicting details of planned functionality ▪ Danger of LBB not involving existing provider in setting out the initial scope of interfaces and risks to LBB and BH 	<ul style="list-style-type: none"> ▪ Ineffective data transfer between both organisations and our ability to deliver services e.g. voids management ▪ Potential costs implications if the interface requirement are not dealt with at the early stage ▪ Impact on BH strategic plans e.g. s/w development upgrade to v7, diversity & ethnicity screens. 	LIK 0.5	SEV £200k	£100k		(NEW)	<p>LBB should involve existing provider in the initial discussion about required data transfer and definition of the "outcome" interface specification (so the details can be agreed with the selected supplier at a later stage) The need for this input has been flagged to LBB Project Manager at the beginning of the project. Meeting scheduled for 15 August 2008. LBB need to set up a working session with existing provider, LBB and BH (Voids, Rents, Finance) (action: LBB, Anne Gonzalez)</p>

