

**BARNET HOMES BOARD**  
**15 November 2010**  
**6pm – 8.30pm**

**AGENDA**

<b>ITEM</b>	<b>TITLE</b>	<b>STATUS</b>	<b>PRESENTING</b>
<b>1</b>	Introductions & Apologies		
<b>2</b>	Declaration of Interests		
<b>3</b>	Agree Minutes & Matters Arising & agree confidential minutes <i>(pages 4-18 )</i>		
<b>4</b>	Election of the Chair and Vice Chair to the Board & the retirement of Peter Brown <i>(page 19)</i>	<b>Decision</b>	<b>Cora Vigar</b>
This report asks the Board to approve the re-election of Vi Britchfield as the Chair and Terry Rogers as the Vice Chair of the Board and to note the retirement of Board member Peter Brown.			
<b>5</b>	Adult Social Services In House services – an opportunity for Barnet Homes	<b>Information</b>	<b>Kate Kennally</b>
Kate Kennally will attend the Board meeting and speak to the Board regarding opportunities for Barnet Homes in relation to Adult Social Services.			
<b>6</b>	The Comprehensive Spending Review (CSR) – Impact on Barnet Homes and Social Housing <i>(pages 20-24 )</i>	<b>Decision</b>	<b>Cora Vigar</b>
This report advises Directors on the key issues arising from the Comprehensive Spending Review.			
<b>7</b>	CEO Updates <i>(pages 25-29)</i>	<b>Information</b>	<b>Tracey Lees</b>
This report aims to provide the Board with information on important external and internal issues which impact on the business of Barnet Homes.			
<b>8</b>	Housemark cost benchmarking survey 2009/10	<b>Information</b>	<b>David Thomas</b>

	<i>(pages 30-33)</i>		
This report summarises the results from the Housemark Cost and Performance Benchmarking survey for 2009/10.			
<b>9</b>	Budget Monitoring – six months to 30 September 2010 <i>(pages 34-38)</i>	<b>Information</b>	<b>Mike Wiffen</b>
This report is to advise Board Directors of the budgetary position.			
<b>10</b>	Performance Management Information <i>(pages 39-51)</i>	<b>Monitoring</b>	<b>David Thomas</b>
This report with attachment outlines the outturn performance of Barnet Homes in its Pulse performance areas for the year up to September 2010.			
<b>11</b>	Changes to the Board structure and Scheme of Delegation <i>(pages 52-63)</i>	<b>Decision</b>	<b>Cora Vigar</b>
This report asks the Board to approve the streamlining the Board operation and to revise and update the Scheme of Delegation.			
<b>12</b>	Amendments to contract procedure rules <b>Report to follow</b>	<b>Information</b>	<b>Mike Wiffen</b>
<b>13</b>	Repairs and Maintenance contract <b>(Confidential Item)</b> <i>(pages 64-68)</i>	<b>Information</b>	<b>Mike Wiffen</b>
This report aims to update Directors on the progress of the Repairs and Maintenance contract.			
<b>14</b>	New Business Strategy <b>(Confidential Item)</b> <i>(pages 69-73)</i>	<b>Decision</b>	<b>Mike Wiffen</b>
This report proposes a new business strategy and updates all of the current new business initiatives across the company.			
<b>15</b>	Forward Agenda Planning <i>(pages 74-75)</i>	<b>Decision</b>	
This report provides future agenda items for the Board to consider.			
<b>16</b>	Minutes of Sub Group meetings (previously circulated) Standards and Asset Management (7 <sup>th</sup> September 2010) Business and Resources (9 <sup>th</sup> September 2010)		
<b>17</b>	Any Other Business		

<b>18</b>	Meeting Debrief	<b>Verbal</b>	
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**BARNET HOMES BOARD MEETING**  
**20 September 2010**  
**MINUTES**

**Attending:**

Vi Britchfield (Chair)  
Peter Brown  
Terry Rogers OBE FCIH JP (Vice Chair)  
Jane Nelson  
John Macfarlane  
Cllr Helena Hart  
Ken Bennett  
Yetunde Onifade  
Sharon Slotnick  
Charmaine Young CBE (Co-opted Director)

**Apologies:**

Ingrid Beal  
Cllr Ross Houston (RSH)

**Management & Staff:**

Tracey Lees (Chief Executive Officer)  
Derek Rust (Director of Operations)  
Cora Vigar (Head of Corporate Services)  
Mike Wiffen (Head of Financial Services)  
Mandy Dunstan (Head of Operations, Environment)  
David Thomas (Head of Business Services)  
Carol Connah (Procurement officer)

**Observing:**

Julia Cotton (Chair of the Board, Lewisham Homes)

**Guests:**

Mathew Baxter (Echelon consultancy)  
Ashley Norman (Tribal)

**Minutes**

Corinna Demetriou (PA to CEO)

ITEM	TITLE	ACTION
<p><b>1.</b></p> <p>1.1</p> <p>1.2</p>	<p><b>Introductions &amp; Apologies</b></p> <p>Apologies were noted.</p> <p>VB introduced Julia Cotton, Chair of Lewisham Homes to all present.</p>	
<p><b>2.</b></p> <p>2.1</p>	<p><b>Declaration of Interests</b></p> <p>HH declared her interest as a London Borough of Barnet Councillor.</p>	
<p><b>3.</b></p> <p>3.1</p> <p>3.2</p> <p>3.2.1</p>	<p><b>Minutes &amp; Matters Arising</b></p> <p><b>5.3 – Equality &amp; Diversity strategy and action plan – TR</b> asked if a date had been set for focus groups to discuss aids and adaptations. CV advised that a date has not yet been set but will inform the Board when this is arranged. <b>A focus group with 8 disabled residents was held on 8<sup>th</sup> October. This covered a number of issues including adaptations. We took away some actions which are now being following up.</b></p> <p><b>Confidential Minutes &amp; Matters arising</b></p> <p>None</p>	<p>CV</p>
<p><b>4.</b></p> <p>4.1</p>	<p><b>Repairs and Maintenance Contract</b></p> <p>Confidential item minuted separately.</p>	
<p><b>5.</b></p> <p>5.1</p>	<p><b>Board and Executive team away day</b></p> <p>Confidential item minuted separately.</p>	
<p><b>6.</b></p> <p>6.1</p>	<p><b>Asset Management procurement strategy</b></p> <p>The report asked the Board to formally approve the procurement strategy and to agree to begin its implementation.</p>	

<p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p> <p>6.7</p> <p>6.8</p>	<p>TR asked if separation of repairs and capital works would bring the contracts below the EU tendering level. MB confirmed that the aggregated value of the contracts would still apply.</p> <p>CY sought clarification regarding the break clause provisions and whether a rolling 6 month break provision was proposed. MB advised that a 10 year contract would provide better value for money and opportunity for greater upfront investment by the contractor. The proposed contract would also be performance driven and provide for a rolling 6 month break clause by either party.</p> <p>HH queried what ratio of price to quality applied to previous contracts. MB explained that some were evaluated on the basis of 70 (quality)/30 (cost) and others were 60/40. The key consideration is how cost criteria are assessed and if contractors score poorly on cost they will not pass the minimum threshold. An initial pre-qualification stage would be held to determine whether tenderers should pass to the next stage.</p> <p>HH asked how often break clauses were invoked and MB explained that this had happened twice in his experience.</p> <p>JN commented that there were many 'lots' and asked whether the possibility of just one lot had been explored. MB explained that the same bidder could bid for 1 or 9 lots and if bidding for all 9 would be expected to offer a discount. .</p> <p>JM asked why the contract was not being packaged into larger lots. MB advised that the work had been scoped to include smaller and specialist contractors and that further sub-division was not recommended as this would become unmanageable and the lots too small to attract medium sized companies.</p> <p>The Board agreed the Asset Management Procurement Strategy.</p>	
<p><b>7.</b></p>	<p><b>Governance Issues</b></p>	

7.1	The report outlined a number of proposed governance changes.	
7.2	JM commented that he could see the benefit of a further reduction in the size of the Board but would firstly like to see changes made to the Sub Groups.	
7.3	HH asked whether the 3 <sup>rd</sup> nominee was not a councillor would they still be nominated by the Council. CV confirmed that they would.	
7.4	TL advised the Board that LBB was not intending to make a Council nomination until the issue of further reducing the size of the Board was decided. In the meantime two new directors will join the Board in November. HH queried whether this was right if a reduction was still being considered.	
7.5	CV reminded the Board that the new independent Board member was a qualified accountant which had been identified as a key missing skill.	
7.6	The Board considered the further reduction in Board members and agreed to keep this in abeyance pending the proposed changes to the sub-group.	
7.7	The Board approved the proposed resolution and amendment to the Articles of Association and the Scheme of Delegation.	
7.8	The Board approved the proposed notice for this years AGM.	
7.9	The Board recommended the proposed appointment of Bob Colquhoun as independent board member (subject to satisfactory references) and noted the appointment of David Atta as tenant board member from the regeneration areas.	
<b>8.</b>	<b>Changes to CYNTRA Ltd company structure</b>	
8.1	The Board were asked to consider the proposed changes to CYNTRA's constitution and to ratify the 2 year extension to the period for CYNTRA's loan.	

<p>8.2</p> <p>8.3</p> <p>8.4</p> <p>8.5</p> <p>8.6</p> <p>8.7</p>	<p>CV advised that Barnet Homes had asked CYTNRA to consider a counter proposal to protect Barnet Homes' investment. A reply has in the meantime been received which recommends deferring this until an overall surplus is achieved.</p> <p>YO asked how much Barnet Homes had saved by being a member of CYNTRA, formerly LAPN. MW advised that Barnet Homes had saved in the region of £10 million and that an overall surplus was not expected for another 2 years.</p> <p>YO asked whether Barnet Homes could suggest extending the period before new members could receive a share in any surpluses.</p> <p>JN agreed with this reasoning.</p> <p>CY supported the proposal outlined but with the qualification that this should be subject to protecting Barnet Homes' original position.</p> <p>The Board agreed the recommendation subject to the above qualification and ratified the extension to the loan (previously agreed by the Chief Executive under urgency provisions). <b>An alternative proposal has been suggested by CYNTRA and is currently being evaluated.</b></p>	<p>CV</p>
<p><b>9.</b></p> <p>9.1</p> <p>9.2</p> <p>9.3</p>	<p><b>Annual Report to Tenants</b></p> <p>The Board were asked to approve the proposed Annual Report to residents.</p> <p>JN commented that the annual report was good, informative and interesting and she very much liked the calendar format. She also felt that the Chief Executive's letter was well balanced.</p> <p>JN asked if the following points could be considered:</p> <ul style="list-style-type: none"> <li>• The possibility of sponsorship investigated</li> <li>• Include a reference to Board and Executive remuneration</li> <li>• Include a reference to actions taken to address</li> </ul>	

	fuel poverty	
9.4	The Board approved the annual report with these provisos. <b>The annual report was finalised and sent to the TSA by 1<sup>st</sup> October deadline, and will be dispatched to residents in December. Unfortunately due to the tight deadline for production it was not possible to explore sponsorship this time although this will be explored in good time for next year's annual report. References to the other two items were included in the final version.</b>	<b>CV/DB</b>
<b>10.</b>	<b>Internal Audit – Annual Plan</b>	
10.1	The report asked the Board to approve the Internal Audit Annual Plan for 2010/11.	
10.2	MW advised the Board that an assurance review of day to day repairs would be included. He also advised that there is scope to include additional work on rents as requested by the Business & Resources Sub-group.	<b>MW</b>
10.3	CY asked why the Board was being asked to approve this plan retrospectively. MW explained that Tribal had only been re-appointed in June and this was the first opportunity to present the plan to the Board.	
10.4	HH asked whether the reduction from 150 days per annum to 100 days was warranted and if so would this reduce the overall cost. MW advised that the proposed reduction followed the high level of assurance ratings received and benchmarking with other ALMOs showed between 80-100 days to be an average. The proposed reduction would also translate into reduced costs.	
10.5	The Board approved the Internal Audit – Annual Plan for 2010/11.	
<b>11.</b>	<b>Annual Report and Financial Statements</b>	
11.1	The report asked the Board to approve the Annual Report and Financial Statements for 200/1for presentation to the AGM on 3 <sup>rd</sup> November 2010.	
11.2	MW also circulated a post balance sheet amendment relating to the position with Connaught and confirmed	

11.3	<p>that the Annual Report and Financial Statements had previously been approved at the Business and Resources meeting of 9<sup>th</sup> September 2010.</p> <p>JM asked why the pensions deficit had increased from £5m to £19m and MW explained this was due to assumptions made and Barnet Homes' contribution would be determined by the pension fund actuaries.</p>	
11.4	<p>The Board approved the Annual Report and Financial Statements 2009/10.</p>	
<b>12</b>	<b>Budget Monitor</b>	
12.1	<p>The report set out the budgetary position for the company of a year to date basis as at the end of July 2010.</p>	
12.2	<p>MW advised the Board that we currently have a loss for this financial year however he advised that Barnet Homes is trying to reduce expenditure where possible. TR added that this had been the subject of a long discussion at the Business &amp; Resources Sub-group</p>	
12.3	<p>The Board noted the contents of the report.</p>	
<b>13</b>	<b>Regeneration update</b>	
13.1	<p>The report updated the Board on the progress of the regeneration schemes, the work of the regeneration taskforce and Barnet Homes 'Managing Regeneration Successfully' strategy.</p>	
13.2	<p>CY declared her interest in the Dollis Valley regeneration estate and any conversations surrounding this estate.</p>	
13.3	<p>HH asked if the empty properties on the Stonegrove/Spur Road estate were being kept vacant. <b>Yes, in consultation with the council some properties are being kept empty at Stonegrove &amp; Spur Road. This is where it is felt they have insufficient lettable life before redevelopment. We will keep this under review with the council should any regeneration deadlines slip for this accommodation.</b></p>	

13.4	TL advised that she and Pam Wharfe had met with CLG to further discuss the options for letting regeneration properties and concluded that CLG were responsive to the proposals and formal approval to proceed was now expected.	
13.5	SS asked how we would be assisting Middlesex University with their housing needs. DR advised that the proposed assured shorthold tenancies initiative would provide a basis for this.	
13.6	TR expressed his concern and frustration at the pace of progress being made by the regeneration taskforce and felt there was a need for greater urgency to improve the position for tenants on the regeneration estates.	
13.7	CY reminded the Board that the Council is responsible for the pace of regeneration schemes which are subject to principal development agreements with RSLs and developers. Barnet Homes' role is purely as a managing agent for these estates pending the regeneration.	
13.8	TL suggested that there was a need to review the remit of the taskforce.	
13.9	JM suggested that Barnet Homes should develop options for the taskforce to then consider. DR agreed to take this forward.	
13.10	JN asked if there had been any updates on the HRA review. MW advised that there is likely to be an announcement before the spending review which is likely to take place in approximately 4 weeks time.	<b>DR</b>
13.11	CY said that as part of developing options, the works required until the completion of all the phases should be identified (not just the next 3 years). TL agreed that officers would start work on this.	
13.12	All agreed the need for new options to be brought to the next regeneration taskforce meeting.	
<b>14.</b>	<b>Health and Safety update</b>	
14.1	The report provided an update to the Board on Health	

	and Safety issues.	
14.2	CY commented that she would like the health and safety implications included in the options report for the next taskforce.	<b>DR</b>
14.3	The Board noted the contents of the report.	
<b>15.</b>	<b>Performance Management Information</b>	
15.1	The report with attachment gave the Board an update on progress with Business Plan projects and outlined the performance of Barnet Homes in its Pulse performance areas for the year up to July 2010.	
15.2	DT advised the Board the Standards and Asset Management Sub Group have previously seen the KPI's at their meeting of 7 <sup>th</sup> September 2010 but had not seen the Business Plan Priority Projects. JM corrected that the sub-group had only seen information reported up to June.	
15.3	TL advised the Board that the Business Plan Priority Projects would in future be brought to every Board meeting as well as KPI's as these make up Barnet Homes Business Plan 2010/11.	
15.4	JN commented on the good news in relation to the future jobs funding and suggested that this should be publicised in a future edition of Athome. <b>An article has been drafted for inclusion in December's athome.</b>	<b>CV</b>
15.5	TR asked if Barnet Homes were using external consultants to help with the office accommodation project. CV advised that the majority of the work is being undertaken in house. TL added that consultants may be needed for the negotiation stage once an alternative location has been decided upon.	
15.6	The Board noted the contents of the report.	
<b>16.</b>	<b>Forward agenda planning</b>	
16.1	Agenda items for the Board meeting of 15 <sup>th</sup> November 2010 are:	

16.2	<ul style="list-style-type: none"> <li>• Performance Monitoring</li> <li>• Forward Agenda Planning</li> <li>• CEO Updates</li> <li>• Sub Group Minutes</li> <li>• Meeting Debrief</li> <li>• Election of a Chair and Vice Chair</li> <li>• Internal Audit – Half yearly report</li> <li>• Strategic Risk Registers</li> </ul> <p>Additional Agenda items are:</p> <ul style="list-style-type: none"> <li>• Reform of Council Housing Finance</li> <li>• HouseMark benchmarking survey 2010/11</li> </ul> <p>It was agreed that there is an open invitation to all PAG members to attend Board meetings. Future updates on resident involvement will be programmed into the agenda for the year ahead.</p>	CD
<p><b>17.</b></p> <p>17.1</p> <p>17.2</p>	<p><b>Any other business</b></p> <p>VB expressed her thanks to YO and for her contribution on the Board for the years that she has been a member.</p> <p>JC was invited to comment on the Board meeting and stated that she was impressed with the professionalism of the meeting and thanked the Board for letting her observe.</p>	
<b>18.</b>	<p><b>Date &amp; Venue of next meeting</b></p> <p>Monday 15<sup>th</sup> November 2010</p> <p>6.00pm – 8.30pm</p> <p>9<sup>th</sup> Floor meeting room</p> <p>Barnet House</p>	

Circulation:  
All present  
Ingrid Beal  
Cllr Ross Houston (RSH)

## Barnet Homes

Board / Sub Group:	Board
Date:	15 <sup>th</sup> November 2010
Title of Report:	Election of the Chair and Vice Chair of the Board
Purpose of Report:	To provide leadership to the Board
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

<b>Recommendations:</b>
1. That the Board approves the re-election of Vi Britchfield as the Chair and Terry Rogers as the Vice Chair of the Board.

Report Author:	Cora Vigar Head of Corporate Services	Date:	18 <sup>th</sup> October 2010
Telephone:	0208 359 4120	Email:	Cora.vigar@barnethomes.org

**1. Policy context/ Business Aim**

- 1.1 As leader of the Board, the Chair has the overarching responsibility for ensuring that under his/her guidance the organisation meets its planned objectives for service delivery and has a clear understanding of its culture and its values.

**2. Outline of the issue**

- 2.1 At the first board meeting following the annual general meeting the Board should appoint a Chair who will hold office until the first board meeting following the next annual general meeting. The Board may also appoint a Vice Chair.
- 2.2 In line with previous elections, nominations were sought from Board Members for these two positions. Four nominations were received. Vi Britchfield was the only nomination received for the position of Chair and Terry Rogers was the only nomination for the position of Vice-Chair. As both are unopposed, the Board is duly asked to approve their re-appointment to these positions.

**Approved by Chief Executive Officer:**

**Date: 4<sup>th</sup> November 2010**

**Barnet Homes**

Board / Sub Group:	Board
Date:	15 November 2010
Title of Report:	The Comprehensive Spending Review (CSR) – Impact on Barnet Homes and Social Housing
Purpose of Report:	To advise Directors on the key issues arising from the CSR
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

<b>Report Summary:</b>
<p>The CSR was presented on 20 October 2010, and as widely anticipated outlined the government’s proposals for reducing the financial deficit.</p> <p>The report summarises the key issues that will have a direct or indirect effect on Barnet Homes and/or its customers, including the reform of council housing finance, security of tenure, welfare reforms (including housing benefit) and local government finance generally.</p>

<b>Recommendations:</b>
1. That the Board notes and comments on the report.

Report Author:	Mike Wiffen, Head of Financial Services	Date:	3 November 2010
Telephone:	020 8359 4153	Email:	mike.wiffen@barnethomes.org

## **1. Policy context/ Business Aim**

- 1.1 The funding of the public sector is crucial to the future of Barnet Homes and its ability to achieve its business aims.

## **2. Outline of the issue**

- 2.1 The Chancellor, George Osborne, announced the results of the Comprehensive Spending Review (CSR) on 20 October 2010. Overall, the Review set out spending cuts of £81bn by 2014/15 which, setting aside the protected areas of health and overseas aid meant average real budget cuts for departments of around 19% over the Spending Review period. Housing has fared far worse than the average. The main issues affecting Barnet Homes and social housing are described in the following paragraphs.

### HRA Reform

- 2.2 The news that the government was going ahead with the reform was announced prior to the CSR. The reform will be included in the Localism Bill and there will be no voluntary scheme. Whilst this should lead to implementation in April 2012 there is no guarantee that the legislation will be in place by then and it could be delayed until April 2013.
- 2.3 The CSR did not provide much new information. However it did state that the new system would build in the resources necessary to carry out future disabled housing adaptations required to the housing stock. This is welcomed and was one of the issues raised in Barnet's response to the consultation.
- 2.4 On the down side the CSR states that 75% of right to buy receipts will continue to be paid into a national pool, whereas previously the proposals stated that these would be retained locally. It is not clear whether this is permanent or just for the period of the CSR.
- 2.5 On the day of the review the government raised Public Works Loans Board rates, which coupled with the proposals above emphasises the need to ensure that prudent assumptions are made in modelling the proposals and kept up to date.
- 2.6 A further announcement is expected by early December. It follows that an HRA subsidy determination for at least 2011/12 will be required, which is expected by mid-November. In the light of the CSR this could be a challenging settlement.

### New Homes

- 2.7 The CSR pledges to make social housing more responsive, flexible and fair so that more people can access social housing that better reflect their needs. There is a cut in the capital budget for affordable housing to £4.4bn over the next four years, compared with an £8.4bn budget over the last three year period. This gives an effective grant rate of 29%.
- 2.8 To make up for the reduction the government is proposing to allow flexibility on new lettings up to a maximum of 80% of market rent. Rents for existing social housing tenants in the same home would be kept at current levels. It claims that the measures will be sufficient to deliver up to 155,000 new

homes over four years.

- 2.9 The National Housing Federation (NHF) has made an assessment that even with only one in four lettings made on this basis the government's targets could be met. However modelling done by the Chartered Institute of Housing, which appears to be based on relets only, suggests that 15,000 new dwellings per annum could be constructed.
- 2.10 It is not clear whether local authorities will be able to provide new housing in this way. Presently the government prevents rents rising above a certain level through rent rebate subsidy limitation, and the reform proposals stated that this policy would continue. This would have to change to allow local authorities to participate.

#### Tenure Reform

- 2.11 The CSR says that landlords will be able to offer new tenants rental contracts that are more flexible but goes on to say that the terms of existing social tenancies and their rent levels remain unchanged. This implies that proposals to limit the security of tenure through the use of assured shortholds (for housing associations) and a new form of time-limited tenure (for local authorities). The latter would require legislation.

#### Welfare Reform

- 2.12 The Chancellor announced a sweeping package of savings totalling £7bn per annum by 2014/15 under the guiding rule that 'it will always pay to work.' Key points include:-
- A cap on benefits of around £500 per week for couple and lone parent households and £350 per week for single adult households
  - On housing benefit, the age threshold for the shared room rate will be raised from 25 to 35. From 2012 single claimants under 35 will be paid a shared room rate rather than a rate for a self-contained flat or house.
  - 10% cut in spending on council tax benefits
  - The new universal credit to promote work and personal responsibility
  - A new work programme, harnessing the expertise of private and third sector specialists to provide personalised support. Providers would be paid on the basis of benefit savings.
  - Withdrawal of child benefit for higher rate taxpayers.
- 2.13 It is also anticipated that housing benefit will be restricted by measures to reduce the local housing allowance. The impact of the welfare changes, in particular the cap on total benefits where the household is being charged rent at 80% of the market rent, will be significant, and is likely to lead to an increase in bad debts.

### Regeneration

- 2.14 Of the Regional Growth Fund's allocation of £1.42bn for the CSR period only £580 million is for capital spending. This could be allocated anywhere in the country following a competition organised by Lord Heseltine and the NHF considers that this is more likely to go to economic projects that generate the most jobs. The word 'regeneration' does not appear anywhere in the CSR report.

### Local Authority revenue grants

- 2.15 These are to be cut by 28% over four years, which will undoubtedly impact on housing options and strategic housing. It will be important for local authorities to ensure that sufficient resources are available to fulfil their duties to those in housing need.
- 2.16 From April 2011 ring-fencing is to be removed from all revenue grants with the exception of schools grants and a new public health grant.

### Supporting People

- 2.17 There is an allocation of £6.5bn over the review period, which represents an 11.6% cut in real terms and is therefore less than the reductions suffered in other areas. However the funding for this support will in future be channelled through the formula grant as part of the devolution of more financial control to local authorities and therefore they have the freedom to make larger cuts in this area.

### Conclusion

- 2.18 This report has inevitably concentrated on financial issues. However underpinning the CSR is a commitment from government to fairness and social mobility, providing sustained routes out of poverty for the poorest. It promises radical reform of public services to build the 'Big Society' where everyone plays their part, shifting power away from central government to the local level.
- 2.19 Such large reductions in public sector funding will lead to a significant loss of jobs which the government believes will be replaced by new employment in the private sector.
- 2.20 Inevitably much more will come out in the detailed proposals in due course and Barnet Homes will need to consider these carefully and, with its partners, react appropriately. As a local organisation Barnet Homes is in a great position to play its part in these wide reforms and to deliver the best for its customers.

## **3. Tenant & leaseholder implications**

- 3.1 Social housing tenants are among the most vulnerable in the community and the changes proposed will have significant impact.

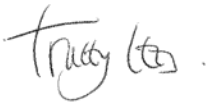
## **4. Equality & Diversity Implications**

- 4.1 The proposals around adaptations for the disabled are welcomed. The impact of the welfare reforms will need to be closely monitored.

**5. Financial & Risk Management Implications**

- 5.1 The direct effect on Barnet Homes financially will be through the outcome of the HRA subsidy settlement for 2011/12 and in the detail of the new self-financing HRA from April 2012 (at the earliest). We have been working on the basis of a £1 million reduction in the management fee for 2011/12 – the subsidy announcement will help determine whether or not that is sufficient. The supporting people changes could also have an impact.
- 5.2 The wholesale changes to and reductions in welfare benefits, coupled with potentially higher rent levels are likely to lead to increased levels of debt and require more intensive housing management.

**Approved by Chief Executive Officer:**



**Date: 4<sup>th</sup> November**

**Barnet Homes**

Board / Sub Group:	Board
Date:	15 November 2010
Title of Report:	Chief Executives Report to the Board
Purpose of Report:	To provide the Board with information on important external and internal issues which impact on the business of Barnet Homes.
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

**Report Summary:**

This report aims to provide the Board with brief updates on both important external and internal matters that impact on Barnet Homes. This report provides updates on:

- The Tenant Services Authority
- Implementation of new Leadership structure
- Accommodation
- Housing Allocations Policy
- Changes in Senior Management at LBB
- Leasehold Satisfaction Survey
- Staff Survey

**Recommendations:**

That this report is noted.

Report Author:	Tracey Lees Chief Executive	Date:	15 November 2010
Telephone:	020 8359 4803	Email:	Tracey.Lees@barnethomes.org

## **1. Policy context/ Business Aim pressure**

To provide the Board with information on important external and internal issues which impact on the business of Barnet Homes.

## **2. External Matters**

### **2.1 The Tenant Services Authority**

- 2.1.1 The TSA is to be abolished and its functions transferred to the Homes and Communities Agency (HCA). There will be a sharper focus on the role of consumer regulation with localised solutions to tenant's problems.
- 2.1.2 Co-regulation will continue with the fundamental responsibility for effective service delivery being with the landlord not the regulatory system. Landlords will be expected to make robust and honest self-assessments of their own performance and being accountable to their tenants not the regulator.
- 2.1.3 The Government is expecting landlords complaints processes to be clear and trusted with no automatic role for the regulator. Intervention from the regulator will be proportionate and only in a very serious breach will they intervene. This will lead to an enhanced role for the Ombudsman, Members of Parliament and Members of the Council. Landlords and Tenants will be expected to develop flexible scrutiny structures.
- 2.1.4 The HCA will retain the power to commission an inspection but a smaller number of targeted inspections are envisaged. The HCA will be able to commission inspections from the private sector.
- 2.1.5 The TSA's best practice work will cease, its work in promoting Tenant Empowerment will be scaled back. Data submission and collection will be significantly reduced.
- 2.1.6 This presents a real opportunity to develop local standards and scrutiny of those standards with Barnet residents and a complete move away from the regulators prescriptions of what an excellent housing service should look like.

## **3 Internal Matters**

### **3.1 Update on Implementation of the new Executive/Senior Management Structure**

- 3.1.1 Interviews were held for all posts (except Head of I.T) during September. The following appointments were made:
  - Director of Operations- Derek Rust
  - Director of Business Services – no appointment made. A 'search' is about to commence and interviews will follow. In the interim Cora Vigar is covering the post.

Operations: Head of Operations (Environment) – Mandy Dunstan  
Head of Operations (Customer Service) – Kevin Turnpenney  
Head of Operations (Property) – vacant (being covered on an interim basis pending an advert and recruitment in January 2011).

Business Services: Head of Finance – Gary Pliskin  
Head of Human Resources – Gladys Mhone  
Head of Business Improvement – David Thomas

- 3.1.2 The Head of I.T post was advertised externally and an external appointment, subject to references, has been made. This post is currently reporting to the Head of Finance and I will review this again once we appoint a Director of Business Services.
- 3.1.3 Handovers has in a number of cases been fully completed or is about complete.
- 3.1.4 We are saying goodbye to Mike Wiffen, Chris Wilkins, Ramsay Hood, Andrew Campion and Sheila Oliver, all of whom have contributed to the successes at Barnet Homes and I am sure the Board will want to record their thanks and appreciation of their contributions.
- 3.1.5 The number of PA posts supporting the Executive Directors has also been reduced by one. Sarah Gillett and Denise Ashley have been appointed. Karen Flood has been offered redeployment opportunities.

#### Executive Team/Senior Management Team Away Day

- 3.1.6 A successful awayday has already been held for the new team. This involved:
- An analysis of our internal and external environment
  - A review of our achievements over the last year
  - Identifying Business Plan priorities for the next 3 years which will now be developed further and brought to you for your approval
  - Some initial work on what our organisations values and culture should be. This will also be developed and reported to you.

### **3.2 Accommodation**

- 3.2.1 Earlier this year, we commissioned an agent to undertake an initial search of office accommodation available for rent/ leasing in the Barnet area. This identified 21 properties, of which 10 were considered worthy of further exploration by virtue of their size and proximity to the stock. These 10 were visited during September and a report prepared for the Executive Team recommending a shortlist of two sites. A third property has since been identified and added to the shortlist, which is as follows:
- Two properties in the West of the Borough (one is located just outside the boundary of Barnet in Brent). One property in the East of the Borough.
- 3.2.2 The Executive Team visited these properties on 4/11/2010 and one of the West of the Borough properties was considered to offer the most potential in terms of location, customer access and flexibility of layout. The costs associated with moving and fitting out this building are now being further explored.
- 3.2.3 We are currently also investigating the possibility of an office share with the Primary Care Trust and Job Centre Plus and are also looking into the feasibility of purchasing as opposed to renting/leasing and will report back to a future Board meeting with costed options for the Board to consider.

### **3.3 Housing Allocations Policy**

- 3.3.1 As Board members are aware one of the outcomes of the systems thinking or lean review of the Council's re housing and homelessness function has been a proposed new housing Allocations Policy. The new policy involves a move away from a points based system to assess housing need to a banded system according to priority. One of the more high profile areas of the proposed policy is to give more priority to applicants who are making a community contribution through employment or volunteering. This is very much in keeping with the ideals of the new Coalition Government around the "Big Society".
- 3.3.2 Following Cabinet approval the policy has now been the subject of public consultation. This consultation included focus groups for residents which involved in some instances Barnet Homes' own tenants. The consultation outcomes will now be pulled together into a report for Cabinet to consider at their January 2011 meeting. However, if approved it is not anticipated that implementation will take place until at least April 2011, subject to outcome of the consultation and further legal advice.
- 3.3.3 We will consider the implications of this policy implementation for council tenant transfer applications over the next three to four months alongside the proposed project plan for the potential integration of the housing and homeless function into Barnet Homes, under the Council's "One Barnet" programme.

### **3.4 Changes in Senior Management staff at LBB**

- 3.4.1 Brian Reynolds, Deputy Chief Executive and Dorne Kanareck, Director of Environment and Operations both left the authority in October. Brian Reynolds' post has been deleted. Pam Wharfe is acting assistant Director of Environment and Operations. Andrew Milne is acting assistant Director of Housing and Environmental Health. In the longer term it is intended to create one Directors post reporting directly to the Chief Executive covering the whole of the Environment/Operations, Planning, Housing and Regeneration.

### **3.5 Leasehold Satisfaction Survey**

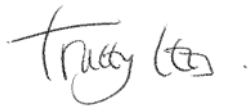
- 3.5.1 In 2008 our leasehold satisfaction survey found a drop in satisfaction of 6% to 31% on 2004 levels. As a result of this we have undertaken significant work through our Leasehold Management Strategy. It is therefore good to report that the headline findings of our 2010 survey is that overall satisfaction with landlord for leaseholders has risen by 9% to 40%. The survey was undertaken on over a quarter of all leaseholders (around 1,000) randomly selected across the stock and was delivered in house by postal questionnaire to a STATUS compliant standard. A response rate of 18.3% was achieved.
- 3.5.2 Whilst we are pleased with the outcome which has taken us back to a more average London wide result we are anxious to improve this further. The full results of the survey will now be analysed and an appropriate proportionate action plan developed. The current Leasehold Management Strategy Project

Board that has overseen the implementation of the strategy will meet to consider the outcomes and agree the resulting actions.

### **3.6 Staff survey**

- 3.6.1 We have had the results of the 2010 staff survey and we are currently undertaking some analysis of the results. There are a wide number of indicators and compared with the results of the 2008 survey some indicators have improved and others have deteriorated. We will draw out the main themes and most importantly identify areas we need to concentrate on. This will be reported to the Board in January 2011.

**Approved by Chief Executive Officer:**

A handwritten signature in black ink, appearing to read "Tracy Lee".

**Date: 5 November 2010**

## Barnet Homes

Board / Sub Group:	Barnet Homes Board
Date:	15 November 2010
Title of Report:	Housemark Cost Benchmarking Survey 2009/10
Purpose of Report:	This report summarises the results from the Housemark Cost and Performance Benchmarking survey for 2009/10.
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

Recommendations:
1. That the Board notes the contents of the report.

Report Author:	David Thomas Head of Business Improvement	Date:	25 October 2010
Telephone:	0208 359 4949	Email:	david.thomas@barnethomes.org

## 1. Policy context/Business Aim

- 1.1 Barnet Homes Business Aim 1 commits us to delivering excellent services for all our customers – the Housemark results include satisfaction data from 2008/09 STATUS and performance outturns from 2009/10 against a London ALMO peer group. Business Aim 2 concerns value for money and this report focuses on the cost of our services compared to a London ALMO peer group and also acts as a pointer for internal areas for closer examination.

## 2. Outline of the issues

### 2.1 Background

This report takes cost, staffing and performance information from 2009/10.

The peer group includes 14 participating London ALMOs:

Ascham Homes	Barnet Homes
Brent Housing Partnership	Citywest Homes
Hackney Homes	Hillingdon Homes
Homes for Islington	Hounslow Homes
Kensington and Chelsea TMO	Lewisham Homes
Newham Homes	Redbridge Homes
Sutton Housing Partnership	Tower Hamlets Homes

## 2.2 Overview of findings – costs, quality and performance

<b>Back Office (IT, Finance, Premises, HR and other Central services)</b>	09/10	Rank	08/09	Rank
Cost per direct employee – office premises	£3,225	7 <sup>th</sup>	£3,075	4 <sup>th</sup>
Cost per direct employee - IT	£5,595	7 <sup>th</sup>	£5,328	4 <sup>th</sup>
Cost per direct employee - Finance	£2,704	7 <sup>th</sup>	£2,707	8 <sup>th</sup>
Cost per direct employee – Central	£9,928	11 <sup>th</sup>	£10,108	12 <sup>th</sup>
Total full-time equivalent staff	290	-	306	-
Total Back Office costs per property	£457	-	£476	-
Average days lost to sickness	7.0	2 <sup>nd</sup>	9.3	7 <sup>th</sup>
<p><b>Comment:</b>            In real terms total back office costs have reduced but the per-staff measure used by Housemark gives the impression of either an increase or little movement. Paradoxically when using this measure costs per employee may increase as the company becomes more efficient (reducing employees against fixed costs). However when assessing 2009/10 to 2008/09 using cost per property the drop in costs becomes clearer.</p> <p>The effect of closing West Hendon office and moving that regeneration team into Grahame Park will be shown in the equivalent report for 2010/11.</p> <p>Our performance on sickness was second best in group (Tower Hamlets were first with 6.8 days) and well below the median level of 10.2 days.</p>				

<b>Resident Involvement</b>	09/10	Rank	08/09	Rank
Cost of Resident Involvement per property	£58	11 <sup>th</sup>	£68	13 <sup>th</sup>
Satisfaction that views are taken into account - Barnet Homes 58%, group average 56% (2008 STATUS)				
<p><b>Comment:</b>            Resident involvement costs are down by 15% on last year but remain high compared to the group median of £49. These costs include the time spent by staff on this area of work and also cover surveys, resident communications and consultations.</p> <p>An independent analysis of our resident involvement service carried out in 2010 by Housing Quality Network reported that our numbers of specialist staff were average or below average and that costs of involvement compare well to other providers. This may highlight that the way other ALMOs are recording these costs differs so direct comparison should be treated with caution here.</p>				

<b>Repairs and Maintenance</b>	09/10	Rank	08/09	Rank
Cost of repairs and voids per property	£632	5 <sup>th</sup>	£636	6 <sup>th</sup>
Cost of repairs client-side per property	£100	5 <sup>th</sup>	£108	8 <sup>th</sup>
Cost of repairs contractor-side per property	£401	6 <sup>th</sup>	£414	7 <sup>th</sup>
Contractor-side cost of void re-servicing per property	£112	6 <sup>th</sup>	£101	5 <sup>th</sup>

Repairs completed right first time	95.2%	3 <sup>rd</sup>	91.6%	6 <sup>th</sup>
Priority repairs as % of all repairs	37%	5 <sup>th</sup>	49%	10 <sup>th</sup>
Valid gas safety certificate	100%	1 <sup>st</sup>	99.9%	4 <sup>th</sup>
Our 2008 STATUS satisfaction with repair score of 70% was at the average level for the ALMO group.				
<p><b>Comment:</b> There are some pleasing movements here, with improvements in direct costs of repairs on both client and contractor sides.</p> <p>Contractor-side cost of void re-servicing increased by 10% on last year and we will be looking into this in more detail as part of our Void Improvement Plan.</p> <p>Performance scores compared well to the peer group our right first time performance moved us into top quartile.</p> <p>An indicator of efficiency in diagnosis and prioritisation of repairs is performance on priority repairs as a proportion of all repairs. In 2009/10 we showed a stepped improvement from 49% down to 37%, which moved us from third to second quartile.</p>				

<b>Major Works</b>	09/10	Rank	08/09	Rank
Contractor-side major works costs per property	£2,360	10 <sup>th</sup>	£2,507	11 <sup>th</sup>
Client-side major works costs per property	£52	4 <sup>th</sup>	£84	11 <sup>th</sup>
Satisfaction with quality of home (STATUS 2008) scored 70% against a group average of 71%				
<p><b>Comment:</b> Major works contractor-side costs have reduced and there has been a stepped improvement in client-side costs which are down 38% and moved us into the top quartile.</p> <p>Our SAP rating (energy efficiency rating of dwellings) is the lowest in the group. Confusingly there are ALMOs behind us in their Decent Homes programmes who report better scores and another where their programme is complete who also scored poorly. It is likely that an inconsistent methodology is being used. We feel more investigation is needed here before confirming these results.</p>				

<b>Housing Management</b>	09/10	Rank	08/09	Rank
Direct cost of housing management per property	£305	9 <sup>th</sup>	£319	11 <sup>th</sup>
Direct rent arrears cost per property	£90	7 <sup>th</sup>	£99	11 <sup>th</sup>
Direct estate services cost per property	£183	5 <sup>th</sup>	£181	4 <sup>th</sup>
ASB cost per case	£769	7 <sup>th</sup>	£599	5 <sup>th</sup>
Average days to relet empty properties	58 days	14 <sup>th</sup>	30 days	11 <sup>th</sup>
Satisfaction with Overall Landlord Services (STATUS 2008) 71%, group average 71%				
Satisfaction with ASB Handling scored 82% and ranked first against a group median of 65%				
Satisfaction with the Outcome of ASB scored 88% and ranked first against a group median of 60%				

**Comment:**

Direct housing management per property costs are down by 5% which is pleasing. However they are still higher than the group average of £301 and upper quartile level of £248. In previous analyses we have seen that our pension costs, stock-type (predominately flatted and widely dispersed) and two-tier retained and regeneration management models have been influential factors. We will need to refresh our analysis to see if these still apply.

Relet time has fallen to bottom quartile level (group median 27 days) with only Hounslow worse at 69 days.

The cost per property of Estate Services which includes caretaking, cleaning and grounds maintenance, increased slightly (1%) but we are very close to upper quartile level of £182.

10% improvement in Rent Arrears cost per property which moved us up two quartiles and is set against a backdrop of excellent performance against the benchmarking group.

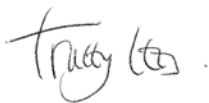
ASB per case cost increased by 28% and is based on a similar level of cost against fewer cases and this is an area we will be investigating further. Satisfaction levels are high and have increased on 2008/09 and it may be the cases that increased costs per case are as a result of a higher quality service.

2.3 A full copy of the report is available to directors on request.

2.4 Next steps

- Closer examination of cost drivers for void re-servicing
- Better understanding of poor SAP score compared to group
- Closer examination of cost drivers behind overall housing management
- Closer examination of ASB costs per case
- Using this information in the budget-setting and business planning processes

**Approved by Chief Executive:**



**Date: 5<sup>th</sup> November 2010**

**Barnet Homes**

Board / Sub Group:	Board
Date:	15 November 2010
Title of Report:	Budget Monitoring – six months to 30 September 2010
Purpose of Report:	To advise Directors of the budgetary position.
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

**Report Summary:**

This report sets out the budgetary position for the Company on a year to date basis as at the end of September 2010 and projects the full year figures for 2010/11.

**Recommendations:**

1. That the Board consider and note the report.

Report Author:	Gary Pliskin Head of Finance	Date:	4 <sup>th</sup> November 2010
Telephone:	020 8359 4944	Email:	<a href="mailto:gary.pliskin@barnethomes.org">gary.pliskin@barnethomes.org</a>

**1. Policy context/ Business Aim**

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

**2. Outline of the issue**

- 2.1 Attached as Appendix 1 is the profit and loss account for Barnet Homes for the six months to 30<sup>th</sup> September 2010, together with the full-year projection. The projection is a full year net loss of £379,000 compared with the budgeted net loss of £349,000, a net £30,000 overspend. This is a considerable improvement on the position last reported which showed a projected net overspend of £210,000.

- 2.2 Legal costs remain an area of concern, and we are currently projecting a £107,000 overspend for the full year. However, there have been a number of one-off legal costs, for example relating to employment tribunals. We may also be able to obtain reimbursement from the Council for some of our legal costs relating to illegal occupancy.

- 2.3 The situation regarding utility costs has improved as more actual electricity reads have been completed. We are now projecting utility costs to come in on budget at £983,000.

- 2.4 Attached as Appendix 2 is the position on the repairs and maintenance budget. The total repairs cost reported for the six months to 30<sup>th</sup> September 2010 is £3.44m, which is an under-spend of £723,000 compared to budget. This under-spend is a direct result of the Connaught crisis and the resultant backlog of work. We are anticipating that Lovell will clear the backlog, and we are projecting full year spend to come in on budget at £8.33m. This will continue to be monitored very closely.

- 2.5 The balance sheet as at 30<sup>th</sup> September 2010 is attached as Appendix 3.

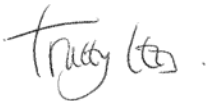
**3. List of Appendices**

- 3.1 Appendix 1 – Profit and Loss Statement, six months to 30<sup>th</sup> September 2010.

- 3.2 Appendix 2 – Repairs and Maintenance Summary Report, six months to 30<sup>th</sup> September 2010.

- 3.3 Appendix 3 – Balance Sheet as at 30<sup>th</sup> September 2010.

**Approved by Chief Executive Officer:**



**Date: 4<sup>th</sup> November 2010**

	Year to date			Full Year (2010/11)		
	Actual	Budget	Variance Fav/(Adv)	Projection	Budget	Variance Fav/(Adv)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
LBB - General Management Fee	9,178	9,175	3	18,349	18,350	(1)
LBB - Repairs & Maintenance	4,150	4,150	0	8,300	8,300	-
LBB - Capital Works	341	339	3	682	677	5
LBB - Other Fees	42	38	5	85	75	10
Rechargeable Works	27	-	27	55	-	55
General Fund Hostels	35	75	(40)	70	150	(80)
Third Party Income - Grants	80	81	(1)	154	161	(7)
Third Party Income - Other	43	47	(4)	82	93	(11)
<b>Total Income</b>	<b>13,896</b>	<b>13,903</b>	<b>(7)</b>	<b>27,777</b>	<b>27,806</b>	<b>(29)</b>
<b>Expenditure</b>						
Management Costs excl. contingency	7,246	7,347	101	14,514	14,694	180
Operational Costs	1,804	1,783	(21)	3,579	3,567	(12)
Other Costs	608	584	(24)	1,187	1,168	(19)
Depreciation	73	77	4	146	154	8
Repairs and Maintenance	3,440	4,164	723	8,327	8,327	0
Rechargeable Works	27	-	(27)	54	-	(54)
General Fund Hostels	35	75	40	70	150	80
HRA Hostels	2	-	(2)	5	-	(5)
Contingency	73	73	-	325	146	(179)
<b>Total Expenditure</b>	<b>13,309</b>	<b>14,103</b>	<b>794</b>	<b>28,207</b>	<b>28,206</b>	<b>(1)</b>
<b>Operating Profit/(Loss)</b>	<b>587</b>	<b>(200)</b>	<b>787</b>	<b>(430)</b>	<b>(400)</b>	<b>(30)</b>
<b>Bank interest income receivable</b>	<b>27</b>	<b>35</b>	<b>(8)</b>	<b>69</b>	<b>69</b>	<b>(0)</b>
<b>Corporation tax payable</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>18</b>	<b>19</b>	<b>1</b>
<b>Net Profit/ (Loss)</b>	<b>605</b>	<b>(175)</b>	<b>780</b>	<b>(379)</b>	<b>(349)</b>	<b>(30)</b>

**Memorandum**

2010/11 projected full year Net Profit/(Loss)	(379)	(349)	(30)
2010/11 forecast transfer from P&L reserves (budgeted loss is £348,500)	379		
<b>2010/11 Forecast surplus after transfer from Reserves</b>	<b>-</b>		

**Notes**

1. As at September 2010 year to date, the full year projection is a Net Loss of £378,672, a reduction of £169,000 from last month. The reduction in the net loss position is mainly as a result of the reduced forecast in full year utility costs in Housing Services (£136,000). The increased forecast underspend in Corporate Services (£22,000) and Asset Management (£11,000) have contributed to the improved position. Senior Management Restructure increased full year forecast costs by £50,000 has been offset by the underspend in Financial Services across a number of expenditure items.

2. For this financial year, Barnet Homes current budgeted outturn is a net loss of £348,500. The current full year forecast loss is greater than the budgeted position by £30,171.

3. Current full year Repairs and Maintenance expenditure is forecast to budget. Full year repairs expenditure budget exceeds the income budget by £27,009. This represents additional funding for repairs of £25,000 from reserves, and a grant of £2,009 from United House.

REPAIRS AND MAINTENANCE  
SEPTEMBER 2010 YEAR TO DATE

APPENDIX 2

SUMMARY REPORT

	SEPTEMBER 2010 YTD			FULL YEAR			
	YTD Actual	YTD Budget	Variance (ADV)/FAV	2010/11 Projection	2010/11 Budget	Variance (ADV)/FAV	2009/10 Actual
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>EXPENDITURE</b>							
<i>Direct Cost</i>							
Total Responsive Repairs	1,286	1,520	234	3,040	3,040	0	3,478
Total Planned Repairs/Works	255	475	220	951	951	0	679
Total Cyclical Works	129	328	199	649	655	6	557
Total Planned Estate Maintenance	96	445	349	478	890	412	516
Total Void Works	809	600	(209)	1,593	1,200	(393)	1,466
Total Gas Repairs/Works	844	790	(54)	1,580	1,580	0	1,751
<b>Total Direct Cost</b>	<b>3,419</b>	<b>4,158</b>	<b>739</b>	<b>8,291</b>	<b>8,316</b>	<b>25</b>	<b>8,447</b>
<i>Indirect Cost</i>							
Insurance Recharge Write Back	0	0	0	0	0	0	36
Other Costs	21	6	(16)	37	11	(25)	23
<b>Total Indirect Cost</b>	<b>21</b>	<b>6</b>	<b>(16)</b>	<b>37</b>	<b>11</b>	<b>(25)</b>	<b>59</b>
<b>Total Repair Costs</b>	<b>3,440</b>	<b>4,164</b>	<b>723</b>	<b>8,327</b>	<b>8,327</b>	<b>(0)</b>	<b>8,506</b>

The full year forecast underspend is primarily used to subsidise the forecast overspend in total void costs.

Year to date Void costs overspend is mainly as a result of **Void Works (£171,584)** and **Decoration Vouchers (£37,485)**. Total Void Works includes the expenditure relating to United House revenue void works. The decoration vouchers overspend is mainly as a result of using vouchers to refurbish properties mainly in the Regeneration areas (Lean Review).

Year to date Gas cost overspend is mainly as a result of Village Heating being ahead of programme with the servicing of boilers. This is a seasonal variation over the summer months when servicing takes place, and the monthly costs are expected to drop significantly in the winter period.

Year to date cost includes an accrual for Tenant Decant costs (£12,000), which relates to temporary accommodation.

Full year costs are forecast to come in on budget.

Notes

The repairs year to date expenditure is £3.440m, with an underspend of £723,272. This does not include any active commitment costs which are expected to be completed in this financial year.

The full year expenditure is currently forecast to budget.

**BARNET HOMES LTD**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2010**

**APPENDIX 3**

	At 30 September 2010 £	At 30 September 2010 £	At 30 September 2010 £	At 31 March 2010 £	Movement £
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Fixtures, Fittings & Equipment		48,897		59,091	
Vehicles, Plant & Machinery		35,058		36,759	
Computer Equipment		237,637		260,243	
			321,593	356,093	(34,500)
<b>Investments</b>					
Loan to LAPN			40,196	40,196	0
			361,789	396,289	(34,500)
<b>Current assets</b>					
Stock		14,235		20,605	
Trade debtors		4,923		10,945	
Amounts owed by Parent Undertaking		458,969		3,206,496	
VAT		69,513		446,396	
Other debtors		1,887		11,305	
Prepayments and accrued income TP		287,326		313,966	
Net cash at bank and in hand					
Cash & imprest bank a/c's	3,194			2,388	
Bank Current a/c	(1,131,469)			(448,824)	
Bank Deposit a/c	9,082,259			5,430,068	
Overnight Treasury Deposit	0			0	
Weekly Treasury Deposit	0			0	
Monthly and > Treasury Deposit	3,000,000			5,000,000	
		10,953,984	11,790,838	13,993,345	(2,202,507)
<b>Current liabilities</b>					
Trade creditors		(374,927)		(3,223,636)	
Amounts owed to Parent Undertaking		(7,250,866)		(5,923,617)	
VAT		0		0	
Corporation tax		(26,385)		(17,507)	
Other Taxation and Social Security		(213,841)		(258,627)	
Accruals and Deferred Income (TP)		(1,699,914)		(3,001,786)	
Other creditors		(194,901)		(178,977)	
			(9,760,833)	(12,604,150)	2,843,317
Net current assets/ (liabilities)			2,030,005	1,389,195	640,810
<b>Total assets less current liabilities</b>			2,391,794	1,785,484	606,310
<b>Long-term liabilities</b>					
Provisions for liabilities		(52,477)		(52,477)	
FRS17 Pension Deficit		(19,306,000)		(19,306,000)	
			(19,358,477)		
<b>Net (Liabilities)/Assets</b>			(16,966,683)	(17,572,993)	606,310
<b>Capital and Reserves</b>					
Profit and Loss Account			(16,966,683)	(17,572,993)	606,310

## Barnet Homes

Board / Sub Group:	Barnet Homes Board
Date:	15 November 2010
Title of Report:	Performance Management Information
Purpose of Report:	This report with attachments outlines the performance of Barnet Homes in its Pulse performance areas for the year to September 2010.
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

## Report Summary:

Performance is shown on PULSE indicators at the end of the September 2010.

Compared to quarter two last year, performance has improved or remained on target in many key areas, notably:

	<i>Qtr 2 10/11</i>	<i>Qtr 2 09/10</i>
Call Waiting Times	27.3	25.1
Calls classed as Avoidable Contact	10%	19%
Complaints Responded in Time	98%	93%
Gas Servicing	99.9%	99.1%
Rent Arrears	£1,090,537	£1,201,258
New Tenant Arrears	£166	£181
Service Charge Arrears	£2,143,876	£2,418,166
Major Works Income Collected	£2,765,257	£1,743,782
% Estates Achieving 2 stars or better	95%	96%
% Regeneration Estates Achieving 2 stars or better	92%	80%
Average Days Lost to Sickness	2.9	2.6

## Appendices to this report:

1. September 2010 PULSE performance report

## Recommendations:

1. That the Board notes the contents of the report.

Report Author:	David Thomas Head of Business Improvement	Date:	1 November 2010
Telephone:	0208 359 4949	Email:	david.thomas@barnethomes.org

## 1. Policy context/ Business Aim

1.1 Barnet Homes Business Aim 1 commits us to delivering excellent services for all our customers. This report seeks to measure our performance against our key targets and to identify corrective actions where targets are not being met. Business Aim 2 concerns value for money and this report measures that by tracking the effectiveness of income collection. Our third Business Aim is to manage our regeneration estates successfully and there are specific performance measures within the PULSE Performance report to follow this.

## 2. Outline of the issues

### 2.1 Tenancy Involvement and Empowerment

TSA Standard:	<b>Tenant Involvement and Empowerment</b>
Which Pulse indicators are monitoring this?	<ul style="list-style-type: none"><li>• % Calls captured (call centre)</li><li>• Average waiting time (call-centre)</li><li>• Stage 1 Complaints Responded in 10 Working Days</li><li>• Average Waiting Time for Major Adaptations</li><li>• Assist Response Time</li></ul>

2.1.1 There are no significant concerns.

2.1.2 Major Adaptations indicator continues to improve and is now very close to target level. This indicator currently runs from referral to start on site and we will be reviewing it to find a better method to track the end to end experience for clients.

### 2.2 Home

TSA Standard:	<b>Home - Repairs and Maintenance &amp; Quality of Accommodation</b>
Which Pulse indicators are monitoring this?	<ul style="list-style-type: none"><li>• CP12 coverage</li><li>• Repair Appointments</li><li>• Repairs Completed in Time</li><li>• Right First Time</li><li>• Fire Safety Actions Completed</li><li>• % Non-Decent Homes</li><li>• Satisfaction with Decent Homes</li></ul>

2.2.1 It is pleasing to report excellent performance in Gas servicing with coverage of 99.9% leaving only 8 cases outstanding.

2.2.2 A separate update on Lovell repair service is scheduled for this meeting.

2.2.3 Lovell have assured us that the backlog of all 2,100 orders will be completed by 30 November which is a slight delay on their original estimate. They have brought in additional resources to ensure this happens.

2.2.4 There are no September repair PIs to report due to difficulty in distinguishing between Connaught and Lovell performance. From 1 October repair PIs will be reported again and will be based solely on Lovell performance.

2.2.5 At the end of quarter 2 we remain on track to meet our Decent Homes target

### 2.3 Tenancy

TSA Standard:	<b>Tenancy</b>
Which Pulse	<ul style="list-style-type: none"><li>• Average Relet Times</li></ul>

indicators are monitoring this?	<ul style="list-style-type: none"> <li>• New Tenant Satisfaction</li> <li>• Number of Outstanding Voids</li> </ul>
---------------------------------	--

2.3.1 Our mid-year turnaround target has been achieved but there remains work to be done. The progress on the Void Improvement plan is outlined below:

2.3.2 There continue to be high levels of lettings and improved performance on major works and hostel void turnaround times. Sheltered housing and regeneration lettings present performance challenges although the latter is in line with original expectations for the first half of the year

September saw a reduction in numbers of voids outstanding as a result of decant activity on Stonegrove estate and problems experienced as a result of the Connaught situation.

The highest levels of empty properties overall remain on the regeneration estates generally and Grahame Park and Stonegrove specifically. There has been an ongoing steady decline in numbers of one bedroom vacancies on regeneration estates.

New tenant satisfaction continues to be a cause for concern with 5 of the first 6 months of the year being slightly below target.

Overall there remains considerable work to clear the large volume of lettings on regeneration estates before improved void turnaround times will be delivered. However it should be noted that the number of voids over 200 days has steadily decreased from 29 in March to 12 as at August 2010 but rose slightly in September.

## 2.4 Tenancy - Leaseholders

TSA Standard:	<b>Barnet Homes' own commitment to apply TSA standards to leaseholders</b>
Which Pulse indicators are monitoring this?	<ul style="list-style-type: none"> <li>• % Annual Service Charge Collected</li> <li>• Major Works Income Collected</li> </ul>

2.4.1 The performance on billing major works has been affected by three main factors: i) reductions to scope of works producing budget savings and better value, ii) slippage because of delivering more consultation with leaseholders and iii) slippage resulting from the more complex types of projects now being delivered, eg. smaller size projects, separately procured and delivered across more dispersed areas.

2.4.2 The Home Ownership Team are up to date with all billing and in our view this performance does not represent a significant concern.

2.4.3 Major works income collection is strong with collection of £2.76m so far this year which is £1m above the same point last year.

2.4.4 Service charge arrears are £274k (11%) lower than the same point last year.

## 2.6. Tenancy – Rents

TSA Standard:	<b>Rent</b>
Which Pulse	<ul style="list-style-type: none"> <li>• Current rent arrears</li> </ul>

indicators are monitoring this?	<ul style="list-style-type: none"> <li>• Average arrears of new tenants</li> <li>• Arrears as % debit</li> </ul>
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2.6.1 Income collection is strong with rent arrears £110k (9%) lower than same point last year against a higher debit.

**2.7 Neighbourhood and Community**

TSA Standard:	<b>Neighbourhood and Community</b>
Which Pulse indicators are monitoring this?	<ul style="list-style-type: none"> <li>• Estates achieving 2 stars at reality checks</li> <li>• Estates achieving 2 stars at reality checks (Regen)</li> <li>• Contact with serious ASB clients in 1 day</li> <li>• Tenancy sustainment of floating support cases</li> </ul>

2.7.1 Reality checking volumes are down on last month and may in part be due to management restructure and Connaught work going on over the last month. We will be actively ensuring managers are back on track with their programme of visits and where relevant involving other staff and PAG members.

2.7.2 The regeneration estate reality checks have shown an improved standard on last year and are at target level.

**2.8 Value for Money**

TSA Standard:	<b>Value for Money</b>
Which Pulse indicators are monitoring this?	<ul style="list-style-type: none"> <li>• Average days lost to sickness</li> </ul>

2.8.1 Performance is good and we predict that we can achieve our target. We have a slightly higher average than the same point last year although it is still within the same general level.

**3. Tenant & leaseholder implications**

3.1 The production of appropriate and relevant performance information is one of the acknowledged ways in which social landlords are held accountable by their residents. Barnet Homes publishes its performance information on our website, within *AtHome* and through posters in receptions. In addition a resident PI report is on the website.

3.2 The Performance Advisory Group comprising residents and staff is the top-level basis of resident involvement in performance scrutiny.

**4. Equality & Diversity Implications**

4.1 Reporting layout has been agreed with Directors to and replicates the layout used for Performance Advisory Group to ensure information is clear and easily understandable.

**5. Financial & Risk Management Implications**

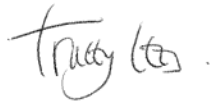
5.1 Our main area of concern and risk is around levels of void properties and turnaround times where there is a clear relationship to increased rent loss

5.2 Income collection has a direct relevance to the financial health of the Housing Revenue Account (HRA) and therefore Barnet Homes. In general terms the income collection indicators across Barnet Homes are performing strongly within this report with a potentially positive impact on the HRA.

**6. List of Appendices**

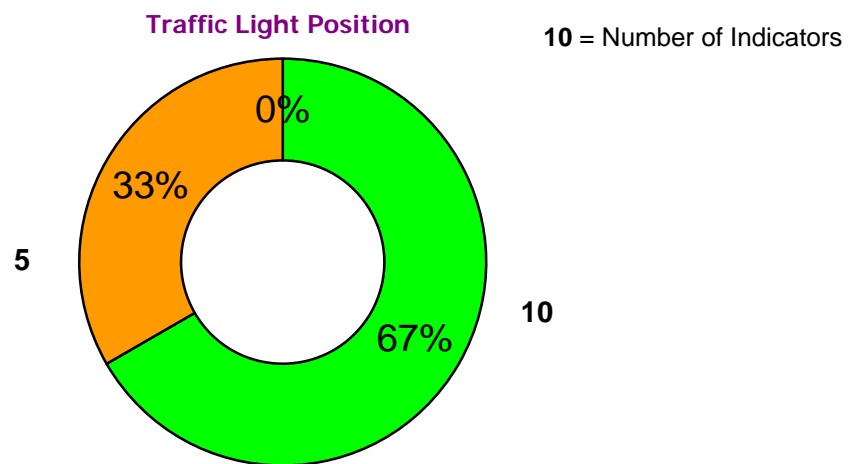
6.1 Appendix 1 – Pulse Performance Report September 2010

**Approved by Tracey Lees Chief Executive Officer:**

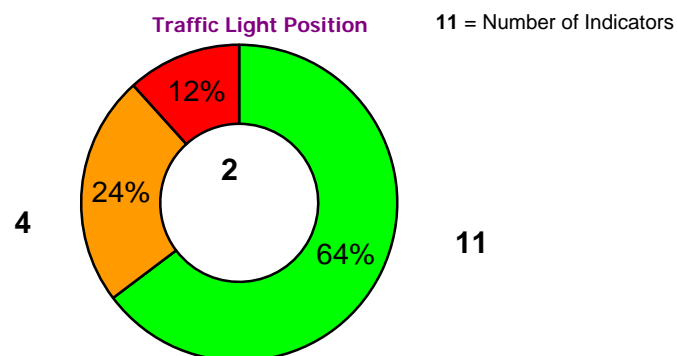
A handwritten signature in black ink, appearing to read 'Tracey Lees'.

**Date: 5<sup>th</sup> November 2010**

# Barnet Homes PULSE Report



September 2010



August 2010

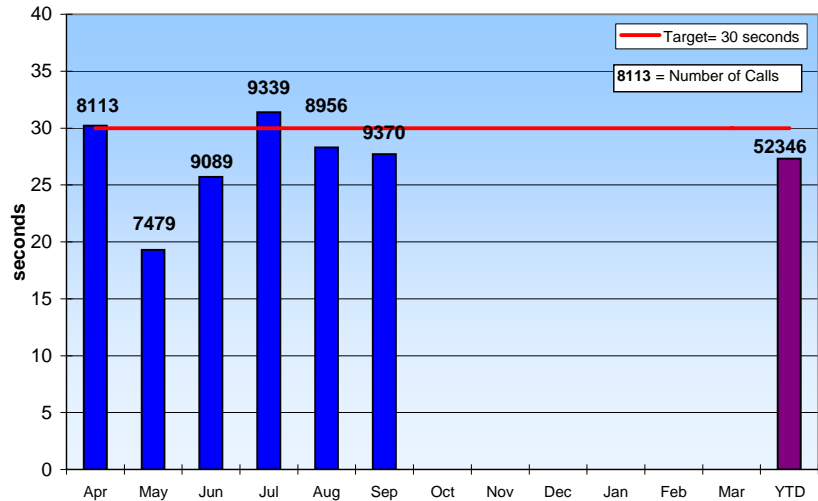
## 1) Tenancy Involvement & Empowerment

- customer service, choice & complaints; involvement & empowerment; understanding/responding to the diverse needs of tenants

### Average Wait Time ↑ ●

**Average time a caller has to wait to speak to an operator after message**

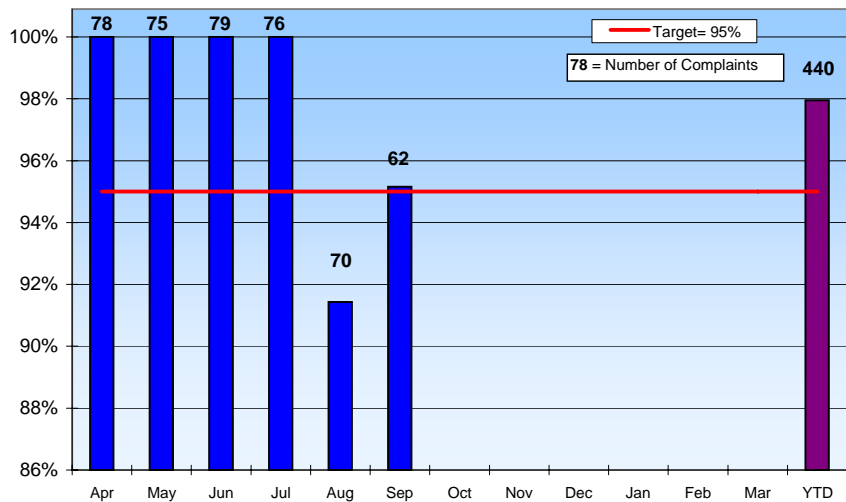
<i>End of Year Target</i> (Low is good)	30 secs
Sep 10 Performance	28 secs
Sep 09 Performance	34 secs
<b>YTD Performance</b>	<b>27 secs</b>



### Complaints ↑ ●

**The percentage of stage 1 complaints replied in 10 working days**

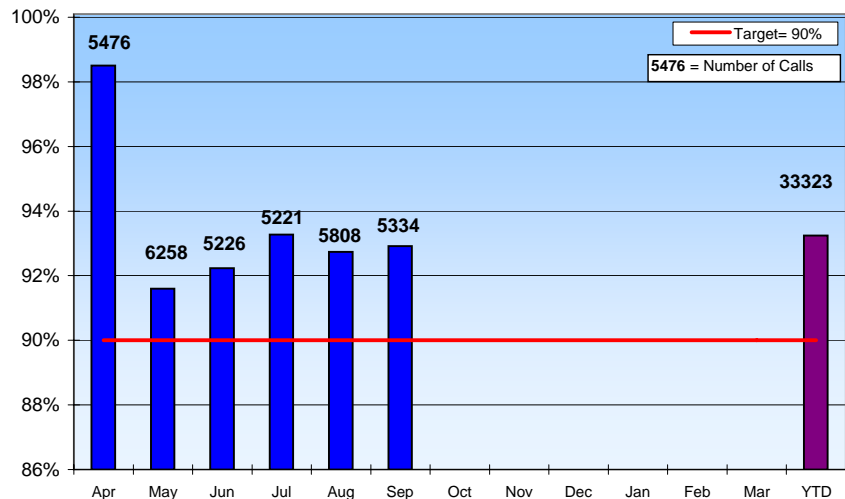
<i>End of Year Target</i> (High is good)	95%
Sep 10 Performance	95%
Sep 09 Performance	95%
<b>YTD Performance</b>	<b>98%</b>



### Assist ↑ ●

**The percentage of calls responded to in 30 seconds**

<i>End of Year Target</i> (High is good)	90%
Sep 10 Performance	93%
Sep 09 Performance	100%
<b>YTD Performance</b>	<b>93.2%</b>

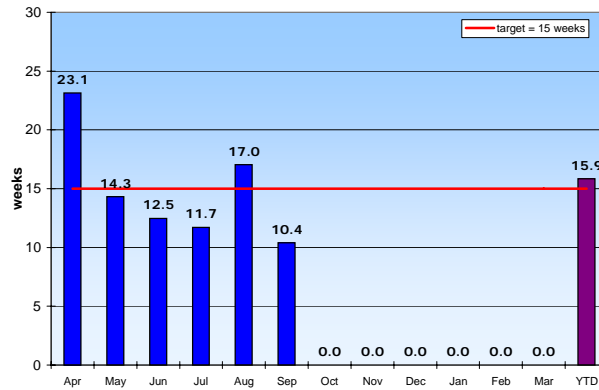


## Adaptations



The average wait time from referral to start on site for major adaptations

End of Year Target (Low is good)	15 weeks
Sep 10 Performance	10 weeks
Sep 09 Performance	13 weeks
<b>YTD Performance</b>	<b>16 weeks</b>



## 2) Home

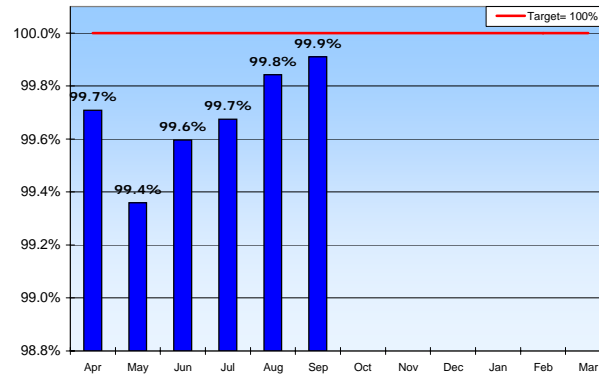
- quality of accomodation; repairs & maintenance

### Gas Safety Checks



The percentage of homes with a CP12 safety certificate

End of Year Target (High is good)	100%
Sep 10 Performance	99.9%
Sep 09 Performance	99.1%
<b>Top Quartile (BPSA) = 99.6%</b>	

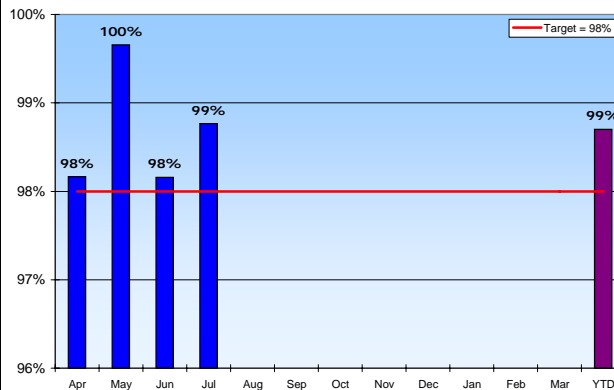


### Appointments

The percentage of appointments which were made and then kept

End of Year Target (High is good)	98.0%
Sep 10 Performance	
Sep 09 Performance	100.0%
<b>YTD Performance</b>	<b>98.7%</b>
<b>Top Quartile (HouseMark) = 96.9%</b>	

Note: No Data in September due to Connaught Administration

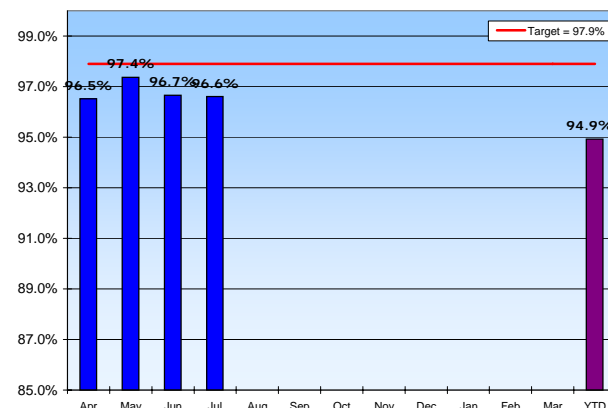


### Urgent Repairs

The percentage of urgent repairs completed within government time limits

End of Year Target (High is good)	97.9%
Sep 10 Performance	0.0%
Sep 09 Performance	98.9%
<b>YTD Performance</b>	<b>94.9%</b>
<b>Top Quartile (BPSA) = 98.0%</b>	

Note: No Data in September due to Connaught Administration



# Barnet Homes Pulse Report

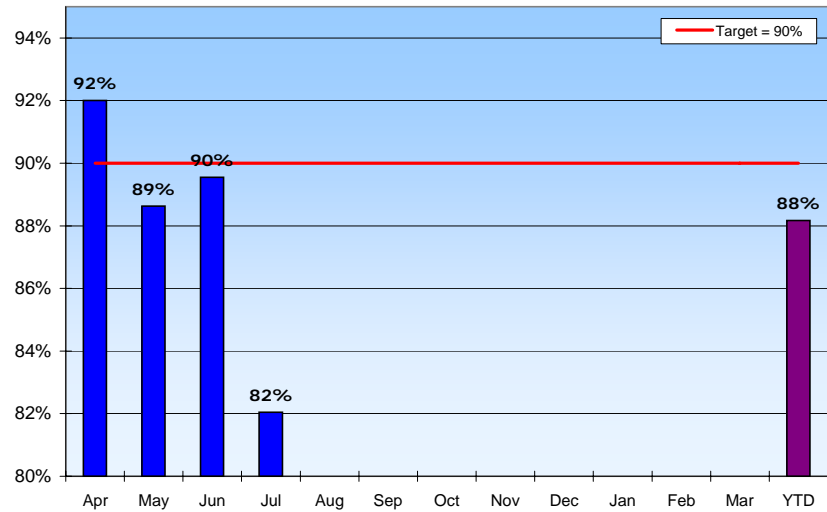


## Right First Time

The percentage of repairs which are completed right first time

<i>End of Year Target</i> (High is good)	90%
Sep 10 Performance	
Sep 09 Performance	96.3%
<b>YTD Performance</b>	<b>88.2%</b>

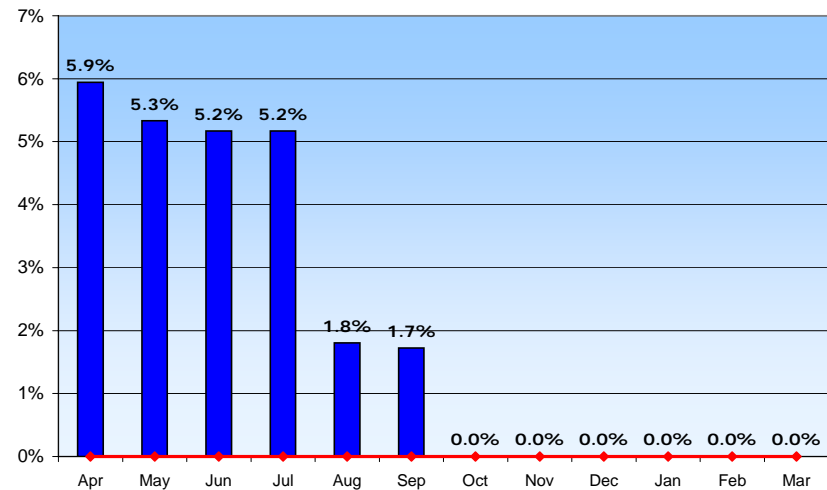
Note: No Data in September due to Connaught Administration



## Decent Homes ↑ ●

The percentage of non-decent homes excluding regeneration properties.

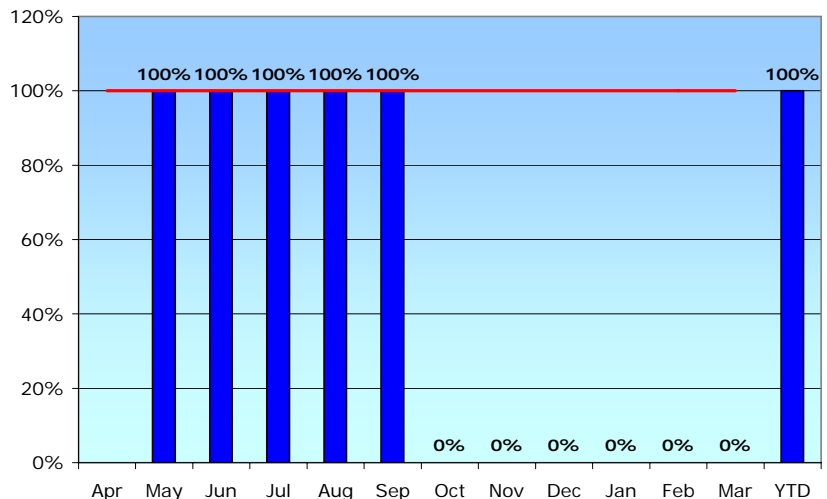
<i>End of Year Target</i> (Low is good)	0%
Sep 10 Performance	1.7%



## Fire Safety ↔ ●

The percentage of fire safety actions complete within one month

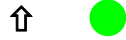
<i>End of Year Target</i> (High is good)	100%
Sep 10 Performance	100%
Sep 09 Performance	New PI
<b>YTD Performance</b>	<b>100%</b>



## 3) Tenancy

- allocations; rents; tenure

### Relet Time



The average time it takes to relet an empty property.

End of Year Target (Low is good) 49 days

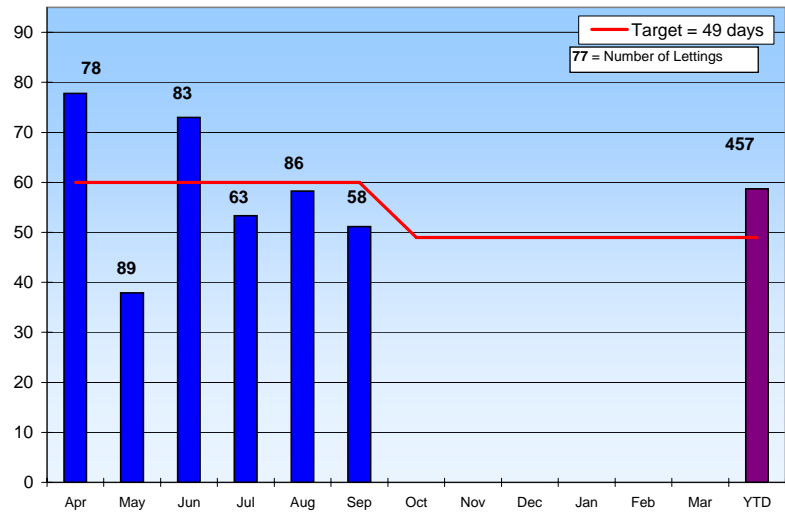
Sep 10 Performance 51 days

Sep 09 Performance 44 days

YTD Performance 59 days

Top Quartile (BPSA) = 23.8 days

Note: Mid-year target being met



### Tenant Satisfaction



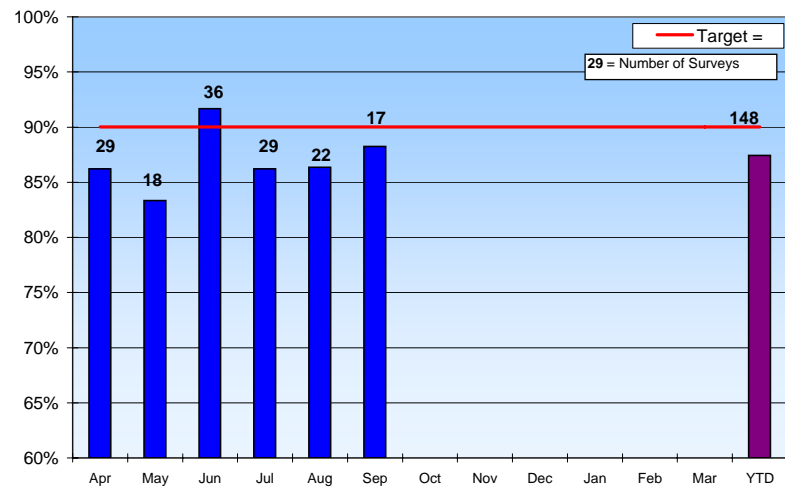
The percentage of new tenants satisfied with the condition of their new property

End of Year Target (High is good) 90%

Sep 10 Performance 88.2%

Sep 09 Performance 84.6%

YTD Performance 87%



### Outstanding Voids

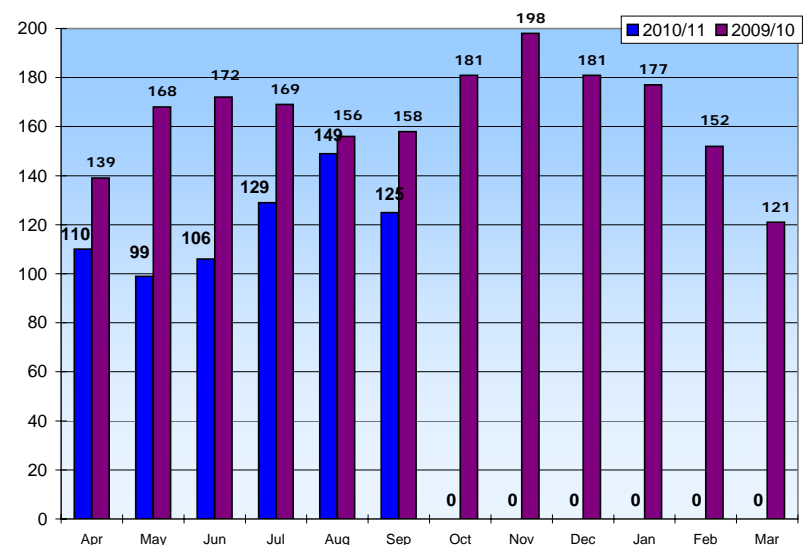


The number of empty properties at the end of each month

(Low is good)

Sep 10 Performance 125

Sep 09 Performance 158



# Barnet Homes Pulse Report

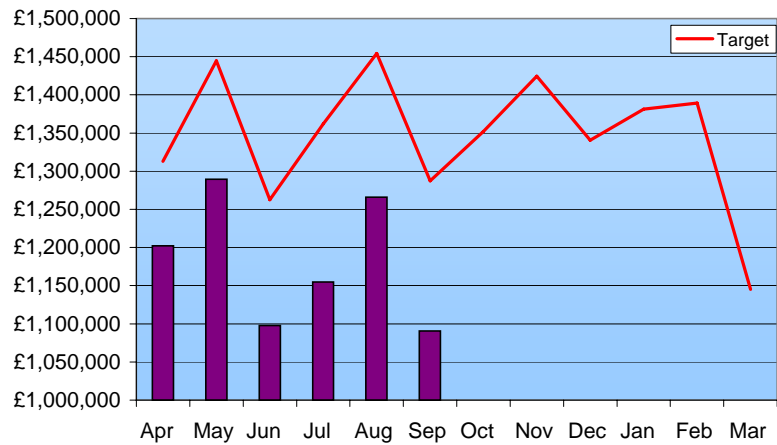


## Arrears



The level of rent arrears at the end of each month

End of Year Target (Low is good)	£1,145,000
Month Target	£1,287,522
Sep 10 Performance	£1,090,537
Sep 09 Performance	£1,201,258

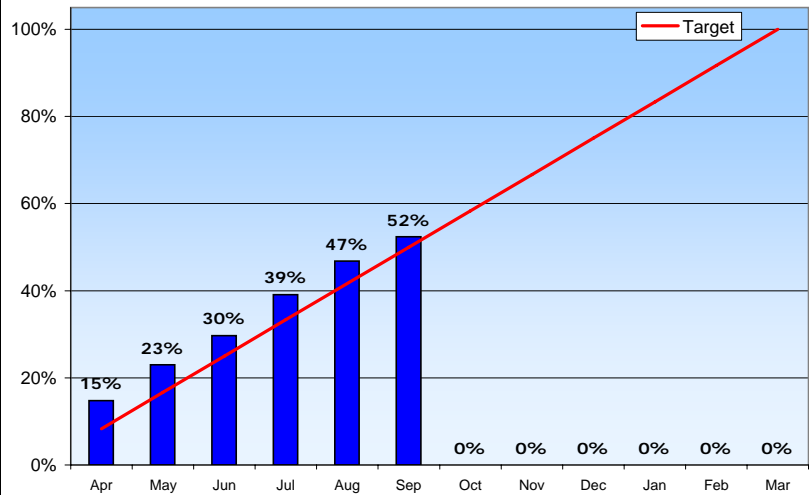


## Service Charge



% Annual Service Charge Collected this year

End of Year Target (High is good)	103%
Month Target	50.0%
Sep 10 Performance	52.4%
Sep 09 Performance	48.9%



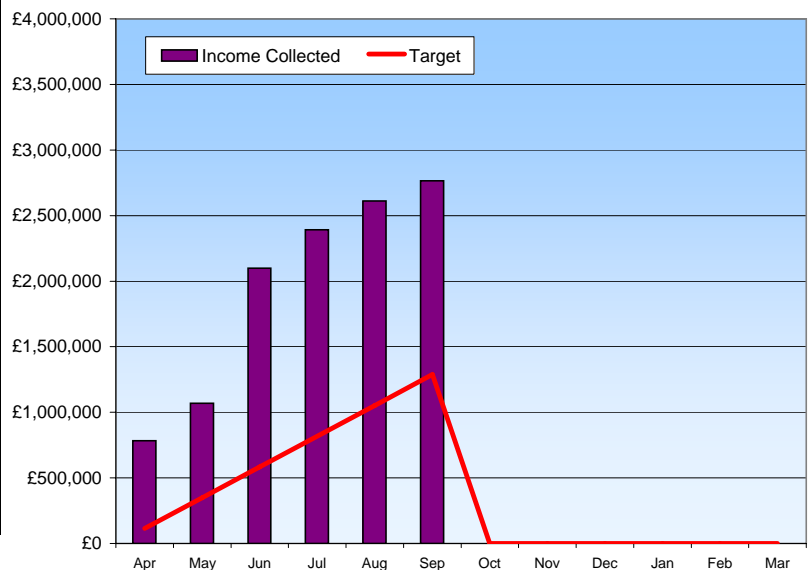
## Major Works Income



The amount of major works income collected from leaseholders this year

(High is good)

Sep 10 Performance	£2,765,257
Target	£1,287,793



## 4) Neighbourhood & Community

- neighbourhood management; local area cooperation; anti-social behaviour

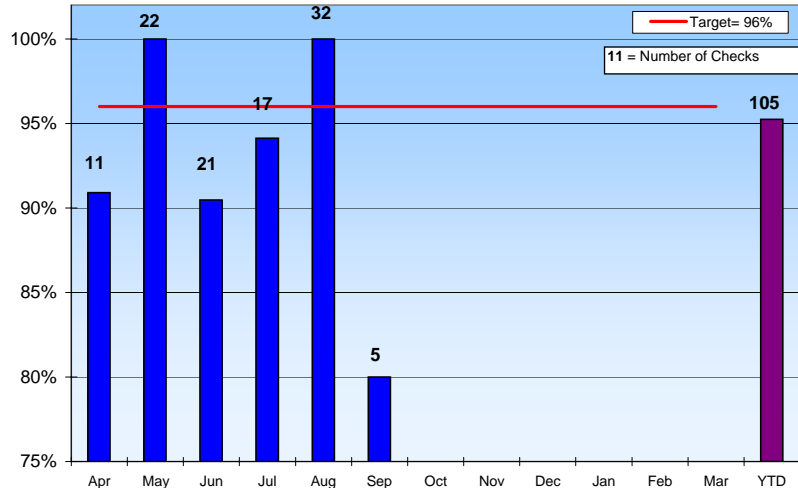
### Reality Checks - Non Regen



The percentage of reality checks achieving 2 star or above on all estates

End of Year Target (High is good)	96%
Sep 10 Performance	80%
Sep 09 Performance	100%
<b>YTD Performance</b>	<b>95%</b>

Number of checks in month	5
Number of checks YTD	105



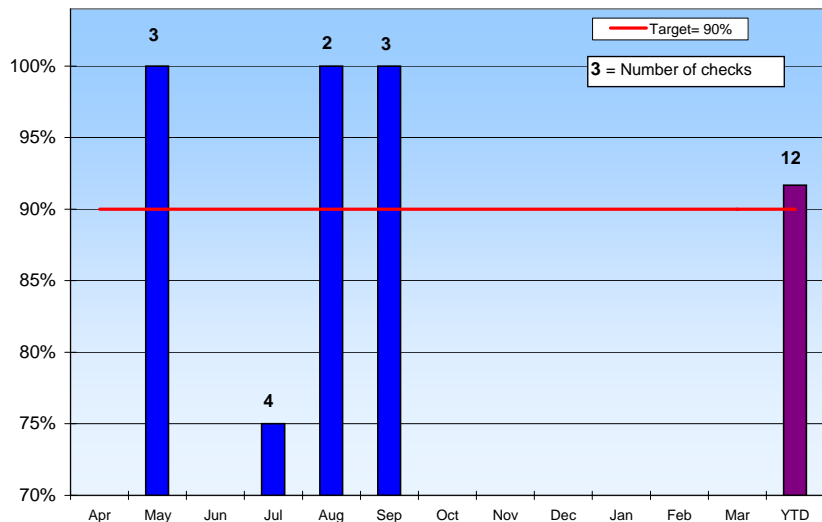
### Reality Checks - Regeneration



The percentage of reality checks achieving 2 star or above on regeneration estates only

End of Year Target (High is good)	90%
Sep 10 Performance	100%
Sep 09 Performance	100%
<b>YTD Performance</b>	<b>92%</b>

Number of checks in month	3
Number of checks YTD	12



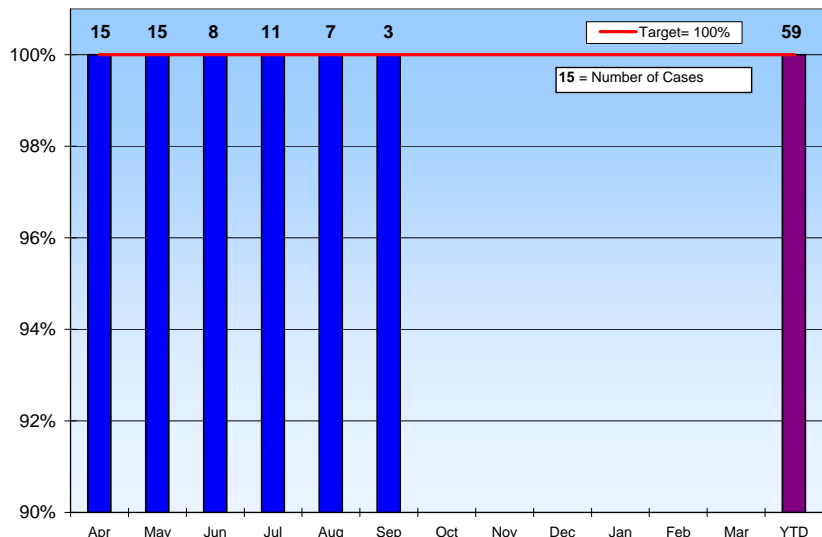
### ASB



The percentage of serious ASB cases responded to in 1 day.

End of Year Target (High is good)	100%
Sep 10 Performance	100%
Sep 09 Performance	100%
<b>YTD Performance</b>	<b>100%</b>

No. of cases reported in month	3
No. of cases reported YTD	59



## 5) Value for Money

### Sickness ●

The average number of days lost due to sickness per employee

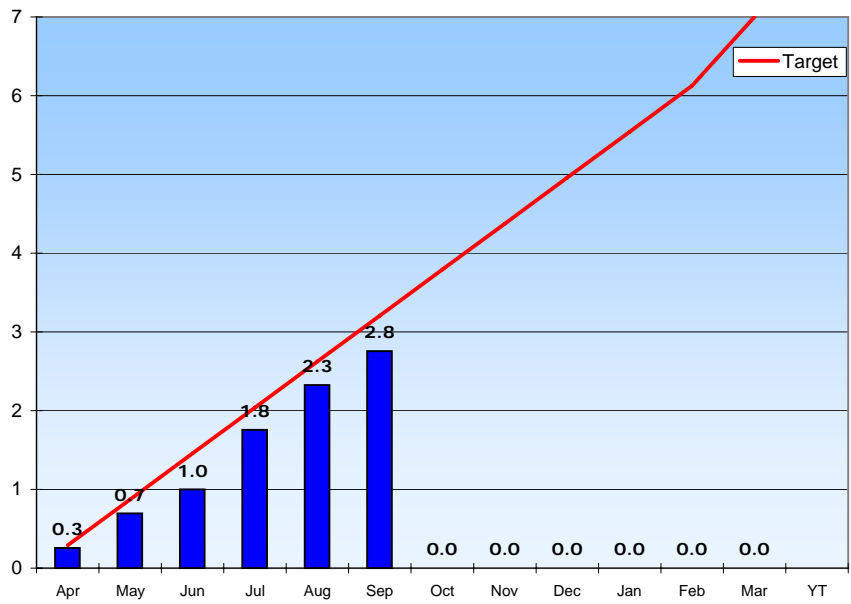
End of Year Target (Low is good) 7 days

Sep 10 Performance 0.4 days

Sep 09 Performance 3.2 days

YTD Performance 2.8 days

Note: End of year projection is 6.5 days



## Barnet Homes

Board / Sub Group:	Board
Date:	15 November 2010
Title of Report:	Changes to the Board Structure and Scheme of Delegation
Purpose of Report:	To streamline the Board's operation and to revise and update the Scheme of Delegation
Classification: General Release / Exempt (if exempt state relevant ground)	General Release

<b>Recommendations:</b>
<ol style="list-style-type: none"> <li>1. That the Business &amp; Resources Sub-group and the Standards &amp; Asset Management Sub-group are disbanded following the November cycle.</li> <li>2. That the proposed new board reporting cycle and forward agenda are agreed.</li> <li>3. That a new Audit &amp; Risk Committee is established and proposed terms of reference for this committee together with its membership and chairing are agreed.</li> <li>4. That remuneration for the Audit &amp; Risk Committee chair is set at £3,000 p.a.</li> <li>5. That the other proposed changes to the scheme of delegation are approved.</li> </ol>

Report Author:	Cora Vigar Acting Director of Business Services	Date:	1 November 2010
Telephone:	0208 359 4120	Email:	Cora.vigar@barnethomes.org

## 1. Review of the sub-groups

- 1.1 At the September meeting the Board agreed in principle to disband the sub-groups and called for a report outlining proposals for implementation. The Board was also keen to see role of resident scrutiny increased and agreed that discussions to this end should commence with the Performance Advisory Group (PAG).
- 1.2 The Board may delegate any of its powers to a committee consisting of two or more Board members (article 23). The proposal to disband the Sub-groups therefore does not require any further authority and can be determined by the Board.
- 1.3 Matters requiring a Board decision have been mapped out and are shown in a proposed forward plan for the coming year, shown at Appendix 1. It is proposed that the Board's business should be conducted over 7 board meetings, i.e. one additional board meeting during the year.

- 1.4 In addition to decision items, it is proposed to report the following information and monitoring items:

**Every board meeting**

- performance monitor – report on high level indicators and results of scrutiny by the PAG
- budget monitor – overall headline budget position for Barnet Homes with an exception report highlighting any significant concerns
- Chief Executive's information report – as currently

**Alternate board meetings:**

- health & safety (H&S) update – as currently
- progress on key business plan priorities agreed by the Board

The Board is asked to consider and approve the frequency and level of reporting proposed.

**Proposed Audit & Risk Committee**

- 1.5 The role of an audit committee, currently provided by the Business & Resources Sub-group, is important in contributing to the board's overall process for ensuring effective internal control and risk management. With the disbanding of the sub-groups it is proposed to establish a new Audit & Risk Committee to fulfil this role. The proposed terms of reference for this committee have been drawn up with the assistance of Tribal Assurance and feedback from Bob Colquhoun, the Board's new director, who has considerable experience in this area. It is proposed that the Audit & Risk Committee will meet 4 times a year and report annually to the Board and more frequently in the event of any significant risks arising. The minutes of the Committee will also be circulated to all Board members.

The proposed terms of reference for the new committee are provided at Appendix 2 for the Board's consideration and approval.

- 1.6 It is proposed that the Audit & Risk Committee should comprise 4 Board members (who should not include the Board Chair). At least one member should be financially qualified although this individual does not have to be the chair. The requirements for the chair are objectivity, independence and good chairing skills.
- 1.7 The Board is asked to nominate 4 board members to serve on this committee and also to decide who will chair. It is recommended that Bob Colquhoun, who is financially qualified, should be one of the 4 nominees.

**Impact on Board Remuneration**

- 1.8 The disbanding of the Sub-groups removes the category of Sub-group chair from the remuneration scale. However, in recognition of the additional responsibilities involved, it is proposed that the chair of the Audit & Risk Committee should receive remuneration of £3,000 p.a., in line with the level of payment to sub-group chairs.

## Proposed implementation

- 1.9 It is proposed that the new board reporting cycle will commence from January 2011 and that the Business & Resources and Standards & Asset Management Sub-groups should be disbanded following the November cycle.

## 2. Increasing the Resident Scrutiny Role

- 2.1 The Department of Communities and Local Government has recently completed a review of social housing regulation<sup>1</sup> and proposes a revised model of regulation based on co-regulation, a reduced role of the state and greater tenant involvement and empowerment. The expectation is that landlords should welcome scrutiny via a tenant panel (or equivalent body) as well as encouraging the role of residents in adjudicating complaints. This very much complements our approach in establishing the PAG and stage 3 complaints panel. Further information on this is set out in the CEO's update report on this agenda.
- 2.2 Officers will meet with PAG members over the coming weeks to consider how the role of resident scrutiny can be further expanded and an update will be reported to a future meeting.

## 3. Other revisions to the Scheme of Delegation

- 3.1 The following other changes are proposed to the scheme of delegation:

Document	Summary of change
Remuneration & Nomination Committee terms of reference	To amend membership from Chair of the Board and two Sub-group chairs, to Chair of the Board, Vice-chair and one other Board Member.  To also expand the committee's remit to include the new Heads of Service.
Standards & Ethics Committee procedure (SEC)	Proposed amendment that the SEC findings in relation to executive team grievance and disciplinary matters should be final with no further appeal to the full board (as the SEC already includes the Chair)
Anti Fraud Policy and response plan	Director of Business Services to be the named lead officer for fraud prevention (in place of the Head of Financial Services)
Schedule of Board Members' delegation and Board terms of reference	Currently the Sub-groups are responsible for electing their own chair. It is proposed that the Board should retain responsibility for appointments to the Audit & Risk Committee and to the position of Audit & Risk Committee chair
	Wording to also be amended from "appointing the external auditor" to "recommending appointment of the external auditor" (as this is a shareholder decision)
Board Members' Whistleblowing policy	Director of Business Services to be the named whistleblowing officer (in place of the Head of Corporate Services)

<sup>1</sup> "Review of social housing regulation" – October 2010

Appointment of Board Members & rotation	The schedule of rotation has been updated and is attached at Appendix 3.
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- 3.2 A number of other minor revisions are proposed to the scheme of delegation. These reflect the new senior management structure, disbanding of the sub-groups, the establishment of a new Audit & Risk Committee and to ensure the use of consistent terminology throughout the document. The Board is asked to approve these minor changes which will then be incorporated in the scheme of delegation and revisions issued.

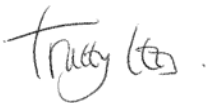
**4. Financial & Risk Management Implications**

- 4.1 The establishment of an Audit & Risk Committee will provide independent scrutiny of the accounting, audit, control and risk management policies and systems and ensure that this important function, currently undertaken by the Business & Resources Sub-group, continues. The views of internal and external auditors have been incorporated in the terms of reference proposed for this committee.
- 4.2 The increase from 6 to 7 board meetings a year should ensure sufficient time for the board to consider decisions and monitor the company's overall performance while maintaining a strategic focus. Information items of significance will be disseminated via the regular Chief Executive's update or board members' briefing as appropriate. It is suggested that the Board should review how the new arrangements are working after the first 6 months.
- 4.3 The discontinuation of sub-groups reduces the overall number of meetings by 7 a year and creates an efficiency in terms of report production and meeting support. This is reflected in the new leaner senior management structure and support arrangements.

**5. List of Appendices**

- Appendix 1 – Proposed revised Board reporting cycle and forward agenda
- Appendix 2 – Proposed Audit & Risk Committee Terms of Reference
- Appendix 3 – Revised Board Member Appointment & Rotation

**Approved by Chief Executive Officer:**



**Date: 4<sup>th</sup> November 2010**

Proposed Board Meeting Planner - 2011

<b>Board Meeting</b>	<b>No. weeks since last Board meeting</b>	<b>Decision /monitoring items</b>
<b>24/1/11</b>	10 weeks [xmas]	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget monitor<sup>2</sup> (every meeting) – <b><i>November accounts</i></b></li> <li>• Performance<sup>3</sup> (every meeting)</li> <li>• H&amp;S update (alternate meetings)</li> <li>• CEO update (every meeting)</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Draft business Plan and budget for 11/12</li> </ul>
<b>7/3/11</b>	6 weeks	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <b><i>January accounts</i></b></li> <li>• Performance</li> <li>• Business Plan Priority projects (alternate meetings)</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Budget 2011/12</li> <li>• E&amp;D strategy</li> </ul>
<b>18/4/11</b>	6 weeks	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <b><i>February accounts</i></b></li> <li>• Performance</li> <li>• H&amp;S update</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p>
<b>30/5/11</b>	6 weeks	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Performance</li> <li>• Business Plan priority projects</li> <li>• Budget monitor – <b><i>April accounts</i></b></li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Draft management accounts – outturn 2010/11</li> </ul>

<sup>2</sup> Budget monitor to also include financial monitoring of capital programme

<sup>3</sup> Performance report - high level report to include feedback from PAG /HUB and performance aspects of capital programme. Additional reports may be needed during the year for: annual complaints report, Survey findings and unit costs statement

Board Meeting	No. weeks since last Board meeting	Decision /monitoring items
		<ul style="list-style-type: none"> <li>• Procurement - appointment of new contractor(s)</li> <li>• Actions from Board away day (<i>assuming one held in March</i>) and board self-appraisal (<i>if not part of the awayday</i>)</li> </ul>
11/7/11	6 weeks	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <i>May accounts</i></li> <li>• Performance</li> <li>• H&amp;S update</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Board recruitment</li> <li>• Budget and Business Plan Project Plan for 2012/17</li> <li>• Annual report on work of the Audit &amp; Risk Committee (internal audit, review of risk registers, results of external audit, annual statement of internal control)</li> </ul>
26/9/11	11 weeks [August]	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <i>August accounts</i></li> <li>• Performance</li> <li>• Business Plan Priority Projects</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Residents’ annual report</li> <li>• Annual report &amp; financial statements</li> <li>• AGM notice</li> </ul>
7/11/11	6 weeks	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <i>Sept accounts</i></li> <li>• Performance</li> <li>• H&amp;S update</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Election of Chair &amp; Vice Chair</li> </ul>
23/1/12	11 weeks [xmas]	<p><b>Standing items</b></p> <ul style="list-style-type: none"> <li>• Budget Monitor – <i>November accounts</i></li> <li>• Performance</li> <li>• Business Plan Priority Projects</li> <li>• CEO update</li> </ul> <p><b>Decision items</b></p> <ul style="list-style-type: none"> <li>• Draft Budget and Business Plan for 2012/17</li> </ul>

## **AUDIT & RISK COMMITTEE**

### **PROPOSED TERMS OF REFERENCE**

#### **Purpose**

The Audit & Risk Committee's primary role is to independently contribute to the board's overall process for ensuring that an effective internal control and risk management systems are maintained. The board will always retain responsibility for all aspects of internal control and risk management.

#### **Accountability**

The Audit & Risk Committee is accountable to the board for the fulfilment of the responsibilities delegated to it as set out in its terms of reference. All committee members share responsibility for its decisions and should act only in the interests of the organisation and not on behalf of any subsidiary, constituency or interest group, putting the interests of the organisation before their own interests. The board will obtain assurance on the Committee's work via minutes of all of its meetings which will be made available to the board.

The chair of the Audit & Risk Committee will ensure that key issues are promptly brought to the attention of the board and has the right to attend and speak on matters of concern at any board meeting. The Audit & Risk Committee will present a report annually to the board on its work. A separate section in the annual report will set out how the Audit & Risk Committee has discharged its responsibilities.

#### **Lead director:**

Director of Business Services

**Authority and access** The Committee has an unfettered right of access to all information within the organisation and the active co-operation of any of the organisation's employees so as to be able to carry out its responsibilities. The Committee may obtain independent legal or other professional advice and secure the attendance of others with relevant experience and expertise, within a pre-set budgetary limit set by the board, to assist in fulfilling its responsibilities. The chair of the Audit & Risk Committee, external and internal auditor meet as necessary and the auditors have direct access to the chair of the Audit & Risk Committee to ensure the independence of the audit functions. Any member of a board, committee or employee with serious concerns has the right of access to the chair of the Audit & Risk Committee under provisions of the organisation's whistleblowing policy.

#### **Membership**

Members will be appointed by the board. The Committee will comprise a minimum of four non-executive directors. Terms on the Committee will be

coterminous with the member's board tenure. The maximum period on the Audit & Risk Committee is six years. Executive directors may not be members of the Audit & Risk Committee. The chair will be appointed annually by the board. The chair of the board cannot be a member of the Audit & Risk Committee. The Committee's membership should never include more than 50% co-opted members. Co-opted members will be (re)appointed annually.

### **Meetings**

The Committee will meet four times a year.

### **Attendance**

The Committee shall meet on its own regularly. Employees and others may attend all or part of meetings at the invitation of the Committee. Attendees will usually include:

- Chief Executive;
- Director of Business Services/ Director of Operations
- Head of Finance;
- Internal auditor;
- Other non-executive directors and managers as required; and
- Company secretary if required.

At least annually the Committee shall meet in closed session with the external and internal auditors together. At least annually the Committee shall meet in closed session with the external auditors.

### **Quorum**

A quorum for any meeting will be three or 50% of membership whichever is the greater; if there are co-opted members, a quorum requires a minimum of two non-executive directors.

## **TERMS OF REFERENCE**

### **General**

- To advise the board on whether there is an appropriate culture of control throughout the organisation;
- To oversee the effectiveness of the system of internal control throughout the organisation and ensure this focuses on the key business risks;
- To review on an annual basis the framework and processes for risk assessment, quantification and management within the organisation, making recommendations for change as necessary or appropriate;
- To ensure the Board is kept in touch regarding any significant changes to the external or internal risk environment;
- To ensure the effective co-ordination between internal and external audit;
- To advise the board of the budget needed to resource effective external and internal audit and other responsibilities of the Committee;

- To assess the effectiveness of, and value added by, the Committee and contribute to an assessment of the effectiveness of the governance of the organisation; and
- To review, and make recommendations to the board on, these terms of reference.

### **External audit**

- To make recommendations to the board, for approval in general meeting, on the appointment, reappointment or otherwise, of the external auditor;
- To approve the fees and terms of engagement of the external auditor;
- To review, agree and monitor a planned programme of work with the external auditor;
- To review and monitor the company's accounting policies and their implementation and where appropriate recommend changes to ensure continuing compliance with current accounting standards and best practice;
- To consider, and report to the board on, the annual statutory audit and make recommendations on the response to any audit management letters, reports and investigations;
- To obtain assurance that external audit recommendations, which have been endorsed by the board or Committee, are implemented by management as timetabled;
- To discuss with the external auditor any problems, reservations or issues arising from the interim or final audit or other investigations;
- To review and monitor the external auditor's independence and objectivity and annually appraise the effectiveness and value for money of the external audit service; and
- To develop, implement and monitor a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.

### **Internal control framework**

- To oversee the embedding and maintenance of an effective system of internal control that focuses on the key business risks;
- To satisfy the board that there is a sufficient and systematic review of the internal control arrangements within the organisation and the controls around prevention and detection of fraud, whistleblowing and money laundering are adequate;
- To review the statement on internal control systems and make appropriate recommendations to the board;
- To ensure that any significant weaknesses identified are remedied and reported to the board;
- To commission special investigations into matters of particular concern relating to internal control;
- To ensure that the impact of alleged or fraudulent activity on the organisation's framework of internal control is properly assessed and, where it considers it necessary, to recommend changes to strengthen the control framework; and

- To receive reports relating to any matters of whistleblowing or alleged or actual fraudulent activity which may have an effect upon the organisation.

### **Internal audit**

- To consider and make recommendations to the board on the internal audit arrangements, including the appointment, reappointment or otherwise, fees, methods and terms of engagement, of the internal auditor, whether on the organisation's payroll or outsourced;
- To review and approve the internal audit needs assessment and strategy and the annual plan and monitor delivery of the plan, approving any changes during the year;
- To review and approve the internal audit charter;
- To receive and consider reports by the internal auditor on significant audit findings, together with the response from managers to these reports;
- To obtain assurance that internal audit recommendations, which have been endorsed by the Committee, are implemented by management as timetabled;
- To review and annually appraise the effectiveness of the approach, nature and scope of internal audit activities and compliance with professional standards, good practice guidance and performance indicators and whether these have addressed the key business risks; and
- To receive and review the annual report from the internal auditor.

### **High level risk framework**

- To provide assurance to the board that risk management is embedded in the culture of the organisation;
  - To satisfy the board that there is a sufficient and systematic review of the risk management arrangements within the organisation;
  - To advise the Board on an acceptable balance between risk and reward for activities that Barnet Homes is involved in or planning to become involved in;
  - To ensure that all new ventures are properly assessed in respect of the risk involved;
  - To advise the Board on the quantum of risk that Barnet Homes can prudently be exposed to, (the Risk Appetite), having regard to mitigation and control of the risks;
  - To advise the Board on the numbers and scale of risks to which Barnet Homes is exposed, (the Risk Profile);
  - To advise the Board on insurance cover which shall be designed to mitigate and manage risk;
  - To approve the annual risk register and risk management framework.
- 
- To advise the Board on the risk implications of the Business Plan.
  - To review the strategic risks quarterly and the operational risk registers annually;

- To ensure that control risks are reflected in the internal audit plan;
- To establish, if these are not already in place, whatever monitoring systems it feels to be necessary to properly exercise its duties;
- To bring to the Board's attention (as necessary) any material control or risk management issues that arise during the year; and
- Prior to the approval of the financial statements each year the Committee will report formally to the Board on the following matters so that this can be reflected in the Statement of Internal Controls:
  - the risk environment
  - the state of control systems;
  - the state of reporting processes;
  - the external audit management letter;
  - the performance of internal auditors;
  - major matters arising from internal audit reports;
  - any regulation reports;
  - any reports of fraud;

#### **Other**

- To consider and make recommendations to the board on the selection and terms of appointment of other appropriate advisers and consultants;
- To receive, as appropriate, regular reports on any governance issues which may affect the operation of the Committee or the scope or extent of its responsibilities;
- To receive, as appropriate, regular reports on any regulatory or compliance issues which may affect the operation of the Committee or the scope or extent of its responsibilities;
- To review the proportionality, independence and appropriateness of the organisation's whistleblowing policy and follow-up action; and
- To ensure that appropriate disaster recovery and contingency plans are in place and are tested regularly.

## 7. APPOINTMENT OF BOARD MEMBERS TERM OF OFFICE AND AGE LIMIT

	<b>AGM 2010</b>	<b>AGM 2011</b>	<b>AGM 2012</b>	<b>AGM 2013</b>	<b>COMMENTS</b>
Council Board Members	All retire	Then Board Member will stand for 3 years (subject to conditions)			
Tenant Board Members	1 Tenant retires	1 Tenant retires	1 Tenant retires 1 Leaseholder retires	1 Tenant retires	
Independent Board Members	1 Independent retires	1 Independent retires	2 Independents retire	1 Independent retires	

The Board agreed on 21 June 2004 that a maximum term of office for Individual Board Directors, the Chair and other officers of the Board to be three terms that eligibility for re-election or reappointment to be after one full term and that there will be no upper age limit

Issue	Nov 2010	Jan 2011	Mar 2011	April 2011	May 2011	Sept 2011	Comments
<b>Standard Agenda Items</b>	<b>15th</b>	<b>24th</b>	<b>7th</b>	<b>18th</b>	<b>30th</b>	<b>26th</b>	
Performance Monitoring	✓	✓	✓	✓	✓	✓	
Forward Agenda Planning	✓	✓	✓	✓	✓	✓	
CEO Updates	✓	✓	✓	✓	✓	✓	
Sub Group Minutes	✓	✓	✓	✓	✓	✓	
Meeting Debrief	✓	✓	✓	✓	✓	✓	
<b>Other Agenda Items</b>							
Health & Safety							
Equality & Diversity							
Annual Report and Financial Statements							
Regeneration update Report							
Election of a Chair	✓						
Equalities and Diversity Action Plan							
Budget Monitor							
Internal Audit - half yearly report	✓						
Strategic Risk Registers	✓						
Feedback from PAG/ HUB							
Approval of Business Plan							
Budget 2011/12							
Internal Audit Annual Plan							

**Author:** Corinna Demetriou – PA to Tracey Lees, Chief Executive Officer

**Chief Executive Officer Approved:**

Tracy Lee

**Date: 4<sup>th</sup> November 2010**