

AGENDA ITEM: 8

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Meeting	Business Management Overview and Scrutiny Committee
Date	9 January 2012
Subject	Adults In-House Service Review: TheBarnetGroup LTD Business Plan
Report of Summary	Cabinet Member, Adult Services Annex 1 provides the Committee with the Cabinet Resources Committee report relating to the Adult In-House Service Review: TheBarnetGroup LTD Business Plan.

Officer Contributors	Richard Harrison, Project Manager
Status (public or exempt)	Public (with separate exempt part)
Wards affected	All
Enclosures	Annex 1: Adults In-House Service Review: TheBarnetGroup LTD Business Plan, Report to Cabinet Resources Committee on 12 January 2012
For decision by	Business Management Overview and Scrutiny Committee

Contact for further information:

Richard Harrison, Project Manager, 020 8359 2109, Commercial Services Directorate
020 8359 2109

1. RECOMMENDATION

- 1.1 That the Business Management Overview and Scrutiny Committee make comments and recommendations to the Cabinet Resources Committee on the Adults In-House Service Review: TheBarnetGroup LTD Business Plan, as set out in Annex 1 to this report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The One Barnet Overview and Scrutiny Panel considered a presentation outlining the key points of the options appraisal on 11 August 2010 (decision item 10). The Panel highlighted the risk that some services, such as care homes, might be forced to close due to a decline in client numbers as a consequence of increasing use of personalised budgets. It was resolved that;
- (i) the Panel support the option for Adult Social Service in-house provisions and staff to be transferred to a Local Authority Trading Company; and
 - (ii) the long-term future of Barnet Homes be carefully assessed when exploring options for establishing a Local Authority Trading Company with / Arms Length Management Organisation;
- 2.2 Cabinet (29 November 2010, decision item 8) approved the decision to develop a business case for the implementation of a Local Authority Trading Company, which would result in the transfer of Learning Disability Services, Physical and Sensory Impairment Disability Services and Mental Health in-house provider services to the Local Authority Trading Company.
- 2.3 The Development of the Business Case for a Local Authority Trading Company, was presented to Adults Social Service's Overview and Scrutiny Sub-Committee on 7 February 2011 (Decision item 7). It was resolved that the Sub-Committee note the report and the development of a full business case.
- 2.4 On 24 May 2011, Cabinet Resources Committee approved the Adults In-House Service Review Business Case and initiation of a full business plan (decision item 12). It was resolved; that the Cabinet Resources Committee approved the Adult In House Services Business Case, in order that the Council can:
- Appoint a Local Authority Trading Company shadow board to begin contract negotiation between the Council and Local Authority Trading Company;
 - Set up a holding company in the form of a Local Authority Trading Company, of which Barnet Homes would be a subsidiary;

- Set up a subsidiary Local Authority Trading Company for the management of those Adult Social Services currently provided in-house; and
- Transfer the adult social care service provision from the management of the Council to the Local Authority Trading Company following approval of the business plan.

2.5 On 12 July 2011, Council approved appointments to the Shadow Boards for the Local Authority Trading Company Holding Company (TheBarnetGroup LTD) and the Adult Social Care subsidiary (Your Choice(Barnet) Limited), (decision item 19).

2.6 On 21 July 2011, an Adults In-House Service Review: Project Update was presented to The Budget and Performance Overview and Scrutiny Committee. It was resolved that;

- (i) The One Barnet Adults In-House Service Review: Project Update be noted.
- (ii) The Cabinet Member for Adults be requested to note the concern of the Committee that the tax implications for the Local Authority Trading Company, the Council and Barnet Homes had not been fully resolved, particularly as these would have an impact on the overall viability of the project;
- (iii) The Director of Adult Social Services and Health be requested to provide a detailed breakdown to the Committee of the total project costs, particularly: project set-up costs; implementation costs; and anticipated future costs; and
- (iv) The Cabinet Member for Adults and Director of Adults Social Services and Health provide assurance to the Committee governance structures would ensure that elected Members would be able to scrutinise the performance of the Local Authority Trading Company.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Overview and Scrutiny Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.

3.2 The three priority outcomes set out in the draft 2011-13 Corporate Plan are: –

- Better services with less money
- Sharing opportunities, sharing responsibilities
- A successful London suburb

3.3 The One Barnet programme has three overarching aims: –

- A new relationship with citizens
- A one public sector approach

- A relentless drive for efficiency

3.4 Corporate priorities and policy considerations as they relate to the Adults In-House Service Review project are set out in the Cabinet Resources Committee report attached at Annex 1.

4. RISK MANAGEMENT ISSUES

4.1 The One Barnet programme recognises that Barnet residents deserve and expect high quality, efficient public services. The Council accepts that it is not best placed to deliver all services and that some will be delivered more effectively and efficiently and with greater quality by public sector partners, or the private or third sector.

4.2 To enable the Council's Overview and Scrutiny function to provide a critical friend challenge to the executive, it is essential that the Committee have the opportunity to provide a robust, proportionate and timely challenge to the One Barnet workstreams as they progress through the Council's decision-making framework. Failure to facilitate pre-decision scrutiny in this way might result in reputation damage to the Council.

4.3 Risk management considerations as they relate to the Adults In-House Service Review: TheBarnetGroup LTD Business Plan are set out in the attached report at Annex 1.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is to perform the Overview and Scrutiny role in relation to:

- The Council's leadership role in relation to diversity and inclusiveness; and
- The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.

5.2 Equalities and diversity considerations as they relate to the Adults In-House Service Review: TheBarnetGroup LTD Business Plan are set out in the attached report at Annex 1.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 As set out in the attached report at Annex 1

7. LEGAL ISSUES

7.1 As set out in the attached report at Annex 1

7.2 Section 122 of the Local Government and Public Involvement in Health Act 2007 places a duty on the executive to respond to overview and scrutiny committees where the committee makes a report or recommendations to the executive. The legislation requires the executive to:

- (a) consider the report or recommendations;
- (b) respond to the overview and scrutiny committee indicating what (if any) action the authority propose, or the executive proposes to take; and
- (c) if the overview and scrutiny committee has published the report or recommendations, to publish the response; and to do so within two months beginning with the date on which the authority or executive received the report or recommendations or (if later) the notice.

8. CONSTITUTIONAL POWERS

8.1 The scope of the Overview and Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.

8.2 The Terms of Reference of the Overview and Scrutiny Committees are set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution).

8.3 Scrutiny of matters relating to the One Barnet Programme fall within the terms of reference of the Budget and Performance Overview and Scrutiny Committee which has the following responsibilities:

“To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues.

To receive and consider options appraisals, business cases and closure reports for One Barnet projects.

To monitor the implementation of One Barnet projects throughout the programme lifecycle.

To engage with partner organisations, other relevant public sector bodies, private sector organisations, trade unions, local residents or any other appropriate witnesses when fulfilling the overview and scrutiny role in relation to the One Barnet programme.”

- 8.4 Due to the timing of project, deferring consideration of the Adults In-House Service Review until the next meeting of the Budget and Performance Overview and Scrutiny Committee on 26 January 2012 will have an adverse impact on delivery of the project within the scheduled timelines. Accordingly, the Chairmen of Budget and Performance Overview and Scrutiny Committee and the Business Management Overview and Scrutiny Committee have agreed that pre-decision scrutiny of the Adults In-House Service Review should take place at this meeting of the Business Management Overview and Scrutiny Committee.
- 8.5 The Chairman of the Business Management Overview and Scrutiny Committee has agreed that the Cabinet Resources Committee decision (as set out at Annex 1) will be exempted from call-in on the grounds of urgency. Reasons for the exemption are set out at paragraphs 8.5 to 8.9 of Annex 1.
- 8.6 To ensure that the comments and recommendations made by the Committee are given due consideration, the Cabinet Resources Committee will be requested to provide a formal response to recommendations made by the Committee, in accordance with the provisions of the Section 122 of the Local Government and Public Involvement in Health Act 2007 (as referred to at paragraph 7.2 above).
- 8.7 Constitutional powers as they relate to the Adults In-House Service Review: TheBarnetGroup LTD Business Plan are set out in the attached report at Annex 1.

9. BACKGROUND INFORMATION

- 9.1 The Committee are requested to make comments, representations and recommendations to the Cabinet Resources Committee on the Adults In-House Service Review: TheBarnetGroup LTD Business Plan as set out in Annex 1.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

ANNEX 1

Meeting	Cabinet Resources Committee
Date	16 January 2012
Subject	Adults In-House Service Review: TheBarnetGroup LTD Business Plan
Report of	Cabinet Member for Adults Cabinet Member for Customer Access and Partnerships
Summary	This report asks the Committee to: (i) approve the current business plan for the Adults In House Service Review project; (ii) confirm the transfer of Learning Disability and Physical Sensory Impairment Adult Social Care service provision to the Local Authority Trading Company “TheBarnetGroup LTD” and its subsidiary Your Choice (Barnet) Limited and both are to commence trading on 1 February 2012; and (iii) approve the recommendations as set out in paragraph 1 of this report.

Officer Contributors	Richard Harrison, Project Manager, Commercial Services
Status (public or exempt)	Public (with separate exempt part)
Wards affected	All
Enclosures	Appendix A: The Barnet Group High Level Business Plan Appendix B: TheBarnetGroup LTD Articles of Association Appendix C: Your Choice (Barnet) Limited Articles of Association Appendix D: Barnet First Limited Articles of Association Appendix E: Community Equalities Impact Assessment Appendix F: Employee Equalities Impact Assessment Appendix G: Response to Unison Trade Union Interim Report

Appendix H: Response to GMB Trade Union Interim Report
Appendix I: Transfer of Council assets to Your Choice (Barnet)
Limited
Appendix J: Indemnities of the Council

For decision by

Function of

Reason for urgency /
exemption from call-in (if
appropriate)

Cabinet Resources Committee

Executive

To achieve a go-live date of 1 February 2012 it is requested
that this report is exempt from call in on grounds of urgency.
The report will be presented at pre-decision Scrutiny stage at
the Business Management Overview and Scrutiny Committee
on 9 January 2012.

Contact for further information: Richard Harrison, Project Manager, 020 8359 2109

1. RECOMMENDATIONS

- 1.1 To agree the analysis and conclusions presented in the current Adults In House Business Plan;**
- 1.2 To agree the setting up of TheBarnetGroup LTD (the holding company), Barnet First Limited (temporary shell company to enable incorporation of TheBarnetGroup LTD) and Your Choice (Barnet) Limited (the subsidiary established to deliver Adult Social Care services) from 1 February 2012 (adopting the Articles of Association as set out in appendix B, C and D to this report);**
- 1.3 To agree to the Council entering into a contract with TheBarnetGroup LTD relating to the provision of Adult Social Care services for a three (3) year period with the option to extend for a further two (2) years;**
- 1.4 To agree to the transfer of Council assets, as listed in appendix I to this report, to Your Choice (Barnet) Limited;**
- 1.5 To agree as sole member of the Barnet Homes Limited to the transfer from the Council to the TheBarnetGroup LTD;**
- 1.6 To approve the Council entering into a deed of novation and variation with TheBarnetGroup LTD and Barnet Homes relating to Housing Management services;**
- 1.7 To approve the appointment of board members to TheBarnetGroup LTD in accordance with the governance arrangements set out in section 5 of this report**
- 1.8 To authorise the Assistant Director of Legal services to complete any necessary documentation to give effect to the above decisions; and**
- 1.9 To agree to a waiver of the Council's Contract Procedure Rules for the procurement of Adult Social Care services from TheBarnetGroup LTD without competition for the reasons set out in paragraphs 7.5 to 7.7 of this report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Learning Disability Commissioning Strategy approved by Cabinet in June 2007 (decision item 12), set out an objective to establish the in house learning disability services within the Council as a separate business unit within the Council at arms length from Adult Social Services to enable it to operate as an**

independent provider. The business unit was created in 2009 as part of the Council's approach to the delivery of the vision for Adult Social Services of Choice and Independence.

2.2 On 7 April 2008, General Functions Committee approved a new staffing structure and terms and conditions for in-house staff (decision item 14). The structure removed pay and grade inconsistencies and modernised the in-house services in line with the wider Council.

2.3 The Housing Strategy was agreed by Cabinet on 12 April 2010 (decision item 8). This included the following:

“The Council views Barnet Homes as a potential vehicle for providing additional services on its' behalf, as well as extending its role as a provider of housing related services, and we will explore options for progressing this through the Future Shape programme.”

2.4 The One Barnet Overview and Scrutiny Panel considered a presentation outlining the key points of the options appraisal on 11 August 2010 (decision item 10). The Panel highlighted the risk that some services, such as care homes, might be forced to close due to a decline in client numbers as a consequence of increasing use of personalised budgets. It was resolved that;

- (i) the Panel support the option for Adult Social Service in-house provisions and staff to be transferred to a Local Authority Trading Company; and
- (ii) the long-term future of Barnet Homes be carefully assessed when exploring options for establishing a Local Authority Trading Company with / Arms Length Management Organisation;

2.5 Cabinet (29 November 2010, decision item 8) approved the decision to develop a business case for the implementation of a Local Authority Trading Company, which would result in the transfer of Learning Disability Services, Physical and Sensory Impairment Disability Services and Mental Health in-house provider services to the Local Authority Trading Company.

2.6 The Pension Fund Committee (21 March 2011, decision item 6) noted the Designated Body Status proposed for the Local Authority Trading Company and approved in principle Admission Body Status in the event the Local Authority Trading Company does not meet the Designated Body Status criteria.

2.7 On 24 May 2011, Cabinet Resources Committee approved the Adults In-House Service Review Business Case and initiation of a full business plan

(decision item 12). It was resolved; that the Cabinet Resources Committee approved the Adult In-House Services Business Case, in order that the Council can:

- Appoint a Local Authority Trading Company shadow board to begin contract negotiation between the Council and Local Authority Trading Company;
- Set up a holding company in the form of a Local Authority Trading Company, of which Barnet Homes would be a subsidiary;
- Set up a subsidiary Local Authority Trading Company for the management of those Adult Social Services currently provided in-house; and
- Transfer the adult social care service provision from the management of the Council to the Local Authority Trading Company following approval of the business plan.

2.8 General Functions Committee (30 June 2011, decision item 9) resolved –

(1) The Director of Adult Social Care and Health is instructed to take the necessary action to transfer the in-house staff employed within the Council's Adult Social Care Services to the Social Care subsidiary of the Local Authority Trading Company in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), with effect from the date the Local Authority Trading Company commences trading.

(2) The posts in scope for transfer are deleted from the Council's establishment.

2.9 On 12 July 2011, Council approved the appointments to the Shadow Boards for the Local Authority Trading Company Holding Company (TheBarnetGroup LTD) and the Adult Social Care subsidiary (Your Choice (Barnet) Limited), (decision item 19).

2.10 Pensions Fund Committee (1 September 2011, decision item 8) resolved -

(1) That the Committee approve admission to the Local Government Pension Scheme (LGPS) under Designated Body Status for the Local Authority Trading Company Holding Company and Adult Social Care subsidiary; and

(2) That the Committee notes the proposal for Barnet Homes to retain Scheduled Body Status subject to confirmation from the Department for

Communities and Local Government (CLG) and the criteria under the LGPS for Scheduled Body Status is still met.

- 2.11 On 14 November 2011, a decision was taken by the Director of Adult Social Care and Health to enable the formation of TheBarnetGroup LTD (Delegated Powers Report No: 1492). The authorisation of Delegated Powers Report No: 1492 was based on the following;
- (i) The appointments are subsequently reported to the next General Functions Committee meeting (currently scheduled to meet on the 16 January 2012) for consideration; and
 - (ii) The General Functions Committee determines whether to ratify the appointments.
- 2.12 Legal advice from Trowers & Hamlins LLP indicated that TheBarnetGroup Limited could only be incorporated with 'group' within its name if it had at least two other members within its group at the moment of incorporation. As Barnet Homes is due to remain as a direct subsidiary of the Council until the point in time at which the new arrangements 'go live', an additional company called Barnet First LTD has been incorporated. It is necessary for corporate authority to be given for the completion of the company formation questionnaire in respect of Barnet First LTD and for registration with Companies House. The company articles for Barnet First LTD are set out in appendix D.
- 2.13 A further decision was taken on 29 November 2011 by Director of Adult Social Care and Health in conjunction with the Cabinet member for Adult Social Services to incorporate Barnet First Limited as part of The Barnet Group LTD (Delegated Powers Report No: 1509) to enable the incorporation of the TheBarnetGroup LTD as per the Delegated Powers Report 1492 to proceed. This has been incorporated with the incumbent Director of Business Services for Barnet Homes as interim director to provide the corporate authority necessary in order to incorporate Your Choice (Barnet) LTD.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Since 2007 the Council has undertaken work to prepare the transfer of Adult Social Care services to a Local Authority Trading Company. These service changes have necessitated changes to Adult Social Care in-house staffing structures and terms of conditions, removing inconsistencies in pay and grading and flattening the management structure.

- 3.2 As outlined in the Council Corporate Plan 2011-13 the Council is seeking an alternative delivery vehicle for services currently provided 'in-house' by Adult Social Services. This will achieve the strategic objective of creating a more customer-centric Council that enables customers to efficiently achieve the desired outcomes.
- 3.3 The aim of the proposal to implement a Local Authority Trading Company is aligned with the One Barnet objective of "a new relationship with citizens" to promote choice and independence for residents. This is a strategic fit with the personalisation agenda for Adult Social Care; the latest statement of policy in the 2010 adult social care vision sets out the ambition is to have all service users on personal budgets, preferably as direct payments, by 2013. This is supported with the increase in the number of personal budgets as a priority outcome in the Adult Social Care and Health 2011/12 business plan.
- 3.4 The personalisation agenda will empower service users to select the services they require from the open market. Setting up TheBarnetGroup LTD and the 'Your Choice (Barnet)' Limited subsidiary will ensure the continued provision of Adult In-House Services, registered by the Care Quality Commission within a free market environment. In turn this will leave the Council free to focus on becoming a commissioner of Adult Social Services as the core business of the authority thus providing a relentless drive for efficiency with the services which remain in-house.

4. RISK MANAGEMENT ISSUES

- 4.1 **Risk:** Commercial risk such as venture failure and financial loss ultimately resides with the Council.

Planned Mitigation: The business case modelled two scenarios relating to sensitivity analysis and flexibility for potential service modification in response to market conditions. Scenario 1 being where the "growth" in income was reduced by 10 per cent, and secondly where the "growth" in income was reduced by 20 per cent. The business case was validated through a joint due diligence exercise conducted by the Council and Barnet Homes LTD. This validation has reduced income growth expectations and also included an increase in expenditure to cover additional costs not included within the original model. This is reflected in the Business Plan attached at appendix A.

- 4.2 **Risk:** Demand levels may be less than anticipated as the level of service users taking their personal budgets increase. There may be further impact as the market develops and becomes more competitive.

Planned Mitigation: Market analysis has been undertaken with Care and Health Solutions as part of a due diligence exercise. The Council are currently well established within the market for Adult Social Services. It is envisaged that in the short to medium term covered within the current business plan, demand and competitors will remain largely unchanged.

In the longer term, TheBarnetGroup LTD will continue to further engage with service users to ensure that the service offer remains attractive. As a commercial company, TheBarnetGroup LTD will be able to adapt and respond to changes within the market to remain competitive. This is outlined in paragraphs 9.11-9.13 below where the post go-live activities of TheBarnetGroup LTD are set out including detailed business planning and refinement.

- 4.3 **Risk:** There is a risk that the setting up of TheBarnetGroup LTD which incorporates Barnet Homes as a subsidiary will affect the corporation tax exemption status of the existing Arms Length Management Organisation (ALMO). This is because the ALMO will not now be directly owned by the Council but will be owned by the Local Authority Trading Company holding company. This could result in Barnet Homes becoming liable for Corporation Tax.

Planned mitigation: A review of the 2011/12 budgets of Barnet Homes by their advisors Grant Thornton, has estimated a potential corporation tax liability of £69,100. The liability for the first and subsequent years will depend on the taxable surpluses that are made by Barnet Homes. The Council has obtained advice from KPMG which confirmed it was likely Barnet Homes would lose their corporation tax exemption. It is possible that HMRC will rule for Barnet Homes to retain this exempt status however, a definitive position will not be known until a formal application is made to HMRC post go-live. It is noted should Barnet Homes lose the taxation exemption that TheBarnetGroup LTD could offset any corporation tax liability with additional trading activities. It is noted that the Essex Cares Local Authority Trading Company has received a Corporation Tax exemption and it is intended that TheBarnetGroup LTD will also apply for a Corporation Tax exemption once trading. The loss of ALMO status is not considered significant enough to prevent progress.

- 4.4 **Risk:** Housing Needs Resources have conducted an Options Appraisal to propose a TUPE transfer from the Council to the Barnet Homes subsidiary of TheBarnetGroup LTD by April 2012. This will be presented to Cabinet Resources Committee on 12 January 2012. The proposal may impact how the Housing Revenue Account (HRA) operates potentially leaving the Council open to substantial losses if the self-servicing debt is not managed sufficiently

stringently. This could also increase the potential taxation liability should Barnet Homes lose their tax exemption status.

Planned mitigation: A recent review of the impact on the HRA has concluded that there will not be a detrimental impact from the setting up of TheBarnetGroup LTD. The potential subsequent increase in profit for Barnet Homes could have Corporation Tax implications whereby any increase in profit would incur corporation tax. Should the proposal for transfer be agreed, taxation implications will need to be managed and could be offset by potential trading activities of TheBarnetGroup LTD. This analysis will need to be included within the Housing Needs Resources Business Case.

- 4.5 **Risk:** The supply of back office services from Barnet Homes to Your Choice (Barnet) Limited is subject to the Teckal exemption. Depending on the growth rate of TheBarnetGroup LTD, the Teckal exemption may no longer be applicable for the supply of services within the group.

Planned Mitigation: TheBarnetGroup LTD structure includes three entities. Should the organisation no longer be able to rely on the Teckal exemption and wish to continue supplying back office services within the group, the company will be in a position to move the back office support function elsewhere within the group structure.

- 4.6 **Risk:** The supply of back office services from Barnet Homes to Your Choice (Barnet) Limited may have a material impact on the essential part of activities limb of the Teckal exemption, and therefore may impact on whether the Teckal exemption will apply to Barnet Homes.

Planned Mitigation: Should the provision of these services by Barnet Homes to Your Choice (Barnet) Group mean that Barnet Homes could potentially lose its reliance on the Teckal exemption, then these services may need to be delivered by TheBarnetGroup LTD or an independent third party.

- 4.7 **Risk:** Establishing TheBarnetGroup LTD (holding company) and a subsidiary (Your Choice (Barnet) Limited) to specifically deliver Adult Social Care services and a further subsidiary (Barnet Homes) to deliver the management of Council housing stock is an innovative corporate structure.

Planned Mitigation: Although at present only a limited number of local authorities are in advance of the Council in the setting up of a private company to deliver Adult Social Care services, there has been contact with those that have in order to learn from their experiences.

At a time when many Local Authorities are bringing their ALMOs back in house following the completion of the decent homes programme, a number of ALMOs are striving to become vehicles for providing services and are exploring similar and different opportunities depending on local needs and strategies. The National Federation of ALMOs have been engaged from the outset and are very supportive of the development of TheBarnetGroup LTD and the ambition to tackle the wider issues and offer choices to residents about their services. The National Federation of ALMOs intend to cover the development of TheBarnetGroup LTD at their next annual conference.

- 4.8 **Risk:** Change and upheaval can, if not managed properly, impact on the quality of service delivery during a period of transition and post-change establishment.

Planned Mitigation: In order to help Your Choice (Barnet) Limited to become established, it is proposed that the Council pays for services delivered monthly in advance, with mid year and first year adjustments. This support is reflected in the historic business case as change costs.

- 4.9 These risks have been assessed and managed in accordance with the Council's project management methodology.
- 4.10 Upon the transfer of Adult Social Care services to Your Choice (Barnet) Limited, the ownership of the risks outlined above will transfer to TheBarnetGroup LTD. Adult Social Care and Health as commissioners will continue to monitor risks and provide appropriate escalation routes through the commissioner relationship and performance management framework with TheBarnetGroup LTD in accordance with the Council's project management methodology.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 From 6th April 2011 the previous separate equality duties on public authorities covering race, disability and gender were replaced by a single public sector equality duty. Section 149 in Chapter 1 of Part 11 of the Equality Act 2010, is the new public sector equality duty. This includes a 'general duty', which obliges the Council to have due regard to the need to:
- a) eliminate unlawful discrimination, harassment, victimisation;
 - b) advance equality of opportunity between those covered by the Equality Act and those not covered, e.g. between disabled and non-disabled people; and
 - c) foster good relations between these groups.

By section 149(2) of the Equality Act 2010, the 'general duty' also applies to 'a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty'. This means that TheBarnetGroup LTD, Your Choice (Barnet) Limited and Barnet Homes LTD will need to have regard to their general equality duty.

- 5.2 The vision of Your Choice (Barnet) Limited is to "Empower people to live the lives they chose, as independently as possible." Consequently creating TheBarnetGroup LTD with Your Choice (Barnet) Limited as a subsidiary company will support the implementation of the personalisation agenda which aims to increase choice and control for individuals.
- 5.3 The Council has, in accordance with its statutory obligations, considered the impact on equalities arising from its proposals. The Community Equalities Impact Assessment has concluded 'Neutral Impact' and this will continue to be monitored by Your Choice (Barnet) Limited. It has been recognised that as the Council moves to a more consumer led model, services provided by Your Choice (Barnet) Limited could be subject to change if demand decreases in the long run. In this case Your Choice (Barnet) Limited will conduct further Equalities Impact Assessments as part of any proposed change in order to mitigate any potential risk of inequality.
- 5.4 Service users may choose support that is more appropriate for their individual preferences and/or needs, including some that may relate to their age, disability, ethnicity and religion or belief. This may have a positive impact on meeting equality obligations.
- 5.5 Due to the nature of the services, and service users, equalities and diversity issues have been carefully assessed by the Council. An 'Easy Read' version of community communications and presentations has been produced for service users with learning disabilities. This will continue to be the case and this approach has also been adopted by Your Choice (Barnet) Limited, including development of the company website which will incorporate 'Easy Read' throughout to ensure accessibility for service users.
- 5.6 The Employee Equalities Impact Assessment is attached as appendix F. This presents the workforce profile against the protected characteristics throughout the process from milestone 1 to 4. The proposal as set out in the original business case presented to Cabinet Resources Committee in May 2011 and agreed by General Functions Committee in June 2011 is for the in-scope workforce to transfer to Your Choice (Barnet) Limited. Any emergent equalities impacts are monitored through the Equalities Impact Assessment

and 1-1 discussions with transferring staff. At this point there are no equalities impacts which require action and it is not envisaged that there should be any adverse equalities impact on any protected characteristic grouping. The workforce profile will continue to be monitored by Your Choice (Barnet) Limited as a business activity.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 It is important to distinguish between the financial implications for Your Choice (Barnet) Limited, and that for the Council. The budget for Your Choice (Barnet) Limited will include the income specifically relating to that company, earned from delivering services on behalf of the Council, and also from other sources. Your Choice (Barnet) Limited will make a profit or loss dependant on whether the income exceeds the costs or not, and profits can be distributed to the Council in the form of dividends. Losses will be underwritten by the Adult's Social Services budgets.

6.2 Moving to a Local Authority Trading Company model for the delivery of Adult Social Care services should reduce the costs for the Council for the longer term. The financial benefits for setting up the Local Authority Trading Company for the Council may be summarised as follows: Reduced expenditure, as a result of cost savings, and increases in clients (and therefore income) for the Local Authority Trading Company.

6.3 The financial implications for the implementation of Your Choice (Barnet) Limited can be viewed from two perspectives:

(i) The financial position of Your Choice (Barnet) Limited; and

(ii) The financial implications for the Council in 2012/13 compared to the 2011/12 position (as both a purchaser of Your Choice (Barnet) Limited services, and the parent company TheBarnetGroup LTD).

The financial implications set out in the original business case and the subsequent validation (due diligence) are as follows:

Table 1: Original Business case – Your Choice (Barnet) Limited:

Your Choice Barnet Limited	£	£	£	£
Original Business Case - Loss / (Profit)	282,260	48,107	(106,665)	(143,145)
Due Diligence Adjustments				
Irrecoverable VAT on trading - reduction	(231,700)	(231,700)	(231,700)	(231,700)

VAT on support Services - reduction	(71,036)	(71,036)	(71,036)	(71,036)
Group Cost Adjustments	(800)	(800)	(800)	(800)
Additional direct costs	157,000	168,500	197,500	212,000
Buildings Contract Budget- Council retained	(294,000)	(294,000)	(294,000)	(294,000)
Transport Budget (Council retained)	(537,644)	(537,644)	(537,644)	(537,644)
Overheads not previously charged to ASCH	55,655	55,655	55,655	55,655
Reduction of income (volumes and profile)	817,168	648,974	532,554	569,034
LD income - omitted from model	(262,242)	(262,242)	(262,242)	(262,242)
Profit - Revised	(85,338)	(476,186)	(718,378)	(703,878)

6.4 This original business case financial position predicted a loss in Years 1 and 2 with surpluses being made from Year 3 onwards. Following the due diligence exercise, profits can be expected for all 4 years. The position outlined in the above table has been agreed with Barnet Homes LTD who have been producing reports in tandem with the Council for their Board Members

6.5 Business Case Validation (Due Diligence)

6.6 From the due diligence exercise the taxation position is improved. The original business case was pessimistic in relation to the additional VAT liability, but this was because the model assumed all services provided would be classed as "exempt". As only Supported Living and Valley Way are to be registered as exempt, the amount of irrecoverable VAT will be minimised. VAT on support costs have been largely eliminated due to the likely setting up of a VAT Group covering Barnet Homes LTD, Your Choice (Barnet) Limited and TheBarnetGroup LTD. VAT costs on exempt activity have been revised down following detailed calculations.

6.7 The revised financial modelling in the business plan assumes a certain amount of growth but in order to achieve this there will need to be additional staffing. Additional direct costs were added to the model costs to achieve increases in income.

6.8 There has been a legal review of the four contracts between the Council and Notting Hill Housing Trust (NHHT) which provide for the buildings from which Rosa Morison, Community Space, Supported Living, Valley Way and Flower Lane services are delivered for. These are a general agreement, Facilities Management Agreement, Referrals agreement and Surplus and Deficits agreement. These contracts were entered into in 2003. NHHT have since (in 2008), returned two properties to the Council and have been granted 75 year leases and the new obligations under these leases have not been amended within the contracts. It has been agreed that these contracts are not fit for purpose and could not be novated as they stand. Further work is needed to re-draft these contracts to reflect the completion of the capital development and to be fit for purpose for the new arrangements. These

contracts will therefore not be novated for the go live date of 1 February 2012 and will remain with the Council until such time as the redrafting has been completed. Accordingly the budget of £294,000 relating to one of these contracts will remain with the Council.

6.9 The original business case assumed that the Transport budget would transfer to Your Choice (Barnet) Limited as an integral component of the operating budgets of the day services. This budget will now remain with the Council within the ASCH Commissioning team enabling transport services to be commissioned in line with Council policies regarding eligibility.

6.10 Additional overheads have also been included as Your Choice (Barnet) Limited costs. This does not result in additional cost for the Council but this is a cost for the Local Authority Trading Company.

6.11 Income projections have been revised down by £817,000 in Year 1. This is only a marginal financial issue for the Council, as over 85 per cent of the Local Authority Trading Company income is expenditure for the Council. This follows the due diligence review which has been agreed with commissioners and is reflected in the volumes and pricing set out in the business plan in order to ensure a deliverable trajectory for development and growth in the Local Authority Trading Company.

6.12 The overall position for Year 1 is an £85,000 surplus, which is significantly different to the loss position set out in the original business case. It is assumed that the Council will benefit from this profit and the future years' profit by receiving dividends. The position below assumes that the Local Authority Trading Company surpluses will be returned to the Council in the form of dividends.

6.13 Impact on LBB Finances

6.14 The table below compares the prospective budgetary positions for the Council as stated in the original business case should it not set up a Local Authority Trading Company, with the forecasted financial position after setting up a Local Authority Trading Company. It can be seen that the Council would be worse off in Year 1, but would gain a financial benefit from Year 3.

Table 2: Original Business case – implications for the Council

LBB Budget reductions	Year 1 £	Year 2 £	Year 3 £	Year 4 £
Net (Gain)/Loss	191,440	37,904	(145,245)	(274,950)

6.15 Following business case validation (due diligence review), the financial position for the Council has altered to the following:

Table 3: Revised implications for the Council

Budgetary Comparison				
	2012/13	2013/14	2014/15	2015/16
Available purchasing budget for services provided by LATC	5,808,566	5,993,594	6,236,457	6,480,160
Council position with LATC				
Payments to the LATC	5,223,837	5,578,285	5,817,465	5,817,465
LD payments	262,242	262,242	262,242	262,242
Transport (Retained Budget)	537,644	537,644	537,644	537,644
Buildings Contract-LBB retain	294,000	294,000	294,000	294,000
Recharges "sold" to LATC	(150,000)	(150,000)	(150,000)	(150,000)
Reduction in Council Support Service Budget	(70,000)	(70,000)	(70,000)	(70,000)
LATC profit	(85,338)	(476,186)	(718,378)	(703,878)
Future Council position	6,012,385	5,975,986	5,972,974	5,987,474
Council - Loss / (Surplus)	203,819	(17,609)	(263,484)	(492,687)

6.16 The key factors considered are set out in paragraphs 6.17 – 6.23 below.

6.17 As is the case in any financial comparison it is imperative that a like for like comparison is made. Therefore the “true” cost of the status quo position combines the budgets from the purchasing budget and un-recharged costs in order to obtain a true comparator.

6.18 The table above shows the cost of services bought from Your Choice (Barnet) Limited. This is shown as income from the Council in the Your Choice (Barnet) Limited accounts. Negotiations have been carried out between the Council and Barnet Homes to determine the value of support services “sold” by the Council to Your Choice (Barnet) Limited. The services bought comprise IT, HR and payroll.

6.19 The budgetary comparison below assumes that the profits earned by TheBarnetGroup LTD will be distributed as a dividend to its 100 per cent shareholder, the Council. It must be realised however that the principal duty of TheBarnetGroup LTD Board will be to the company, not the Council, and they may want to reinvest profits rather than distribute as a dividend. However the

Council will through the contracting process set out clear expectations for dividends; efficiencies to ensure that the company is sustainable but also that any surpluses are reinvested to support the achievement of Council priorities in relation to housing and adult social care and health.

- 6.20 It has been confirmed that there will be no detrimental impact on the Council employer's costs relating to the contribution to the pension scheme, as a result of the staff transferring to TheBarnetGroup LTD. Your Choice (Barnet) Limited will be a designated body within the London Borough of Barnet pension fund.
- 6.21 The £203,819 shortfall to the Council that will be attributed to the Adult's Social Services budget from setting up Your Choice (Barnet) Limited for 2012/13 compared to the £191,000 shortfall anticipated in the original business case (see Table 2 above). It can be seen that from Year 2 (2013/14) the Council should benefit financially from the creation of the Local Authority Trading Company.
- 6.22 The assets to be transferred to TheBarnetGroup LTD, other than the leases with the Notting Hill Housing contract described above, will be transferred at a value that reflects their current condition as set out in appendix I. These will form part of the balance sheet of the Your Choice (Barnet) Limited and comprise IT equipment, software, furniture and fittings.
- 6.23 **Taxation**
- 6.24 In order to determine the taxation implications from the setting up of Your Choice (Barnet) Limited and TheBarnetGroup LTD, advice has been sought from HMRC and KPMG. Alongside this Barnet Homes LTD obtained advice from independent taxation advisors.
- 6.25 The impact of bringing Barnet Homes LTD under the umbrella of TheBarnetGroup LTD was considered and the conclusion is that there could be a corporation tax impact on Barnet Homes. Currently Barnet Homes benefits from corporation tax exemption by virtue of being an ALMO. It is possible that as Barnet Homes LTD will not be directly owned by the Council it could fall foul of the rules governing ALMO status, and hence lose its corporation tax exemption status. The potential impact of this is set out in paragraph 4.3 of this report.
- 6.26 **VAT**
- 6.27 The Council is a section 33 body within the VAT Act 1994, and this allows the Council to recover all the VAT which it incurs, including VAT related to non-

business and VAT exempt activities, subject to a 5 per cent de minimis limit. As long as the exempt input tax that a Council incurs is less than 5 per cent of the total input tax which it incurs, the Council can recover all of its VAT. This is a much more generous allowance than that available to Your Choice (Barnet) and other commercial organisations.

6.28 Based on advice from KPMG, the loss of irrecoverable VAT from Your Choice (Barnet) Limited has been reduced from the £303,000 figure in the original business case to a much lower £42,000. This is due to only 2 services being classed as “exempt” enabling more VAT incurred on expenditure to be recovered.

6.29 **Corporation Tax**

6.30 As Your Choice (Barnet) Limited and TheBarnetGroup LTD are companies limited by shares it is likely they will be subject to corporation tax on any profits on income or management charges they generate.

6.31 It is possible that the HMRC may look favourably on an application for corporation tax exemption on the grounds that the majority of the income is derived from the Council. There is a precedent for this in that Essex Cares LTD achieved exemption from Corporation Tax on those profits earned from transactions with the parent Council. As Your Choice (Barnet) Limited is predicted to make profits for the first four years, there is a risk that corporation tax will be payable on these profits

6.32 Transactions between the Council and the TheBarnetGroup LTD will need to be at arms-length to ensure the transfer pricing rules do not become an issue. The Council is to charge for any goods and services which it will provide to the Local Authority Trading Company in such a way that doesn't contravene competition rules. The Local Authority Trading Company should charge full market value for the goods or services it provides to the Council given that its tax liability will be based on the market value for such goods / services.

6.33 **Savings**

6.34 There is a requirement within the Council's Medium Term Financial Strategy (MTFS) for Adults Social Care to make a £200,000 saving in 2012/13 in respect of the Local Authority Trading Company. The analysis above shows that the Local Authority Trading Company will not generate this saving until 2013/14, so Adults Social Care will fund this cost for 2012/13, but will also make a greater surplus from 2014/15 onwards.

7. LEGAL ISSUES

- 7.1 Section 95(1) of the Local Government Act 2003 (the **Act**) authorises the Secretary of State to make an order allowing Local Authorities to "do for a commercial purpose anything which they are authorised to do for the purpose of carrying on any of their ordinary functions". This has been exercised most recently through the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 (the "**Order**").
- 7.2 The Council's proposals take account of the restrictions in the scope of the Order, including that:
- The Council cannot do in relation to a person anything which it is required to do in relation to that person under its ordinary functions (Section 95(2)(a)). The Council cannot convert a service which it has a duty to provide into a traded service.
 - The power cannot be used where the Council is already specifically authorised to act for a commercial purpose (Section 95(2)(b)).
 - The power is only exercisable through a company (Section 95(4)).
- 7.3 The Order also contains the following two important provisions which the Council have complied with when finalising their Local Authority Trading Company proposals:
- before exercising the power, the Council must prepare a Business Case in support of the proposed exercise of the power which will be approved by the Council.
 - where the Council provides the company with assistance in the way of accommodation, supplies, staff, etc, it shall recover the costs thereof.
- 7.4 In accordance with section 96 of the Act, the Council when formulating its Local Authority Trading Company, has also taken account of the statutory guidance titled "General Power for Local Authorities to Trade in Function Related Activities through a Company".
- 7.5 Legal advice has been given by the external Legal Advisors to the One Barnet Programme relating to the setting up of a Local Authority Trading Company for the provision of the 'Adult Social Care In-House Provider Services', without having to engage in a full EU procurement compliant exercise, taking advantage of the Teckal case law exemption.
- 7.6 In order for the Teckal exemption to apply, the Council will need to demonstrate that it has satisfied the tests relating to 'control' and 'essential part of activities' established by the European Court of Justice. This means that the Council must exercise control, in the sense of exercising decisive

influence over both strategic objectives and significant decisions of the TheBarnetGroup LTD and secondly, TheBarnetGroup LTD must provide the essential part of its activities to the Council and ensure that other services provided to third parties are of marginal significance only.

- 7.7 The Council has set up its Local Authority Trading Company in order to ensure, in accordance with the Teckal exemption that it:

"exercise over the person concerned a control similar to that which it exercises over its own departments and, at the same time, that person carries out the essential part of its activities with the controlling authority or authorities."

- 7.8 Company directors can incur personal liability arising out of their actions in respect of TheBarnetGroup LTD. As a result of this personal liability, it is common practice for Council employees appointed to become a director of a Council controlled company to request an indemnity from the Council. The Council has the power using article 3 of the Local Authorities (Indemnities for Members and Officers) Order 2004/3082 to indemnify the directors of the TheBarnetGroup LTD. This will protect the officers from personal liability incurred due to their role as directors but will not cover criminal or fraudulent acts of the officers. The appointment of the Directors will require the Council to amend its insurance arrangements accordingly to facilitate the giving of indemnities. The terms of the proposed indemnities are set out in appendix J.

- 7.9 Correspondence was initiated with the Department for Communities and Local Government/Tenant Services Authority in September to establish whether updated or amended ministerial consent, under section 27 of the Housing Act 1985, to Barnet Homes' ALMO status is required given that Barnet Homes will move within the Local Authority Trading Company structure, as a subsidiary of TheBarnetGroup LTD. Correspondence from the Office of the Deputy Prime Minister providing s27 approval of Barnet Homes' ALMO status has been provided to the Tenant Services Authority together with a full explanation of the Local Authority Trading Company structure and a decision as to whether there is a requirement for updated or amended approval is anticipated imminently

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution, in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including "approval of schemes not in performance management plans but not outside the Council's budget or policy framework".

- 8.2 Any necessary consequential changes to the Council's Constitution as a result of Cabinet Resources Committee's approval of the Business Plan will be considered by the January 2012 meeting of Special Committee (Constitution Review) for ratification at Council.
- 8.3 This report seeks authorisation to waive the Council's Contract Procedure Rules when procuring Adult Social Care services from TheBarnetGroup LTD without competition.
- 8.4 The circumstances where these rules can be waived have been provided to the Council in independent advice provided by Trowers & Hamlins LLP dated 22 December 2010 (as revised on 16 February and 17 February 2011) and as detailed in paragraphs 7.5 - 7.7 above.
- 8.5 Any necessary consequential changes to the constitution of Barnet Homes will be considered by the board of Barnet Homes, as set out in the Barnet Homes Board delegated powers (note: include BH Board Delegated Powers under background papers; available on the BH website here: <http://barnethomes.org/Aboutus/governance/Pages/constitution.aspx>).
- 8.6 As the decision as requested of the Committee affects all wards of the borough, this is classified as 'key' and would thus normally be liable to call-in to the Business Management Overview and Scrutiny Committee (OSC).
- 8.7 The Overview and Scrutiny Rules in the Council's Constitution (section 16) provide that where the delay involved in call-in would seriously prejudice the Council's or the public's interests the decision may be regarded as urgent and exempted from call-in.
- 8.8 Before a decision can be exempted in this way the chairman of the Business Management OSC must be consulted and must agree that the decision is reasonable in the circumstances and urgent and may therefore be exempted from call-in.
- 8.9 The decisions to approve the Business Plan for the Adults In-House Service Review is considered to be urgent as the delay involved in awaiting any potential call-in to the Business Management Overview and Scrutiny Committee (whose next meeting is not due to take place until 5 March 2012), would mean that the project would fail to achieve its go-live date of 1 February 2012. The decision is therefore regarded as urgent and an exemption from the call-in process has been obtained from the Chairman of the Business Management Overview and Scrutiny Committee. In accordance with

paragraph 16 of the Overview and Scrutiny Procedure Rules, this decision will be reported to the next available meeting of the Council (24 January 2012).

- 8.10 The full report is due to be considered as pre-decision Scrutiny at the Business Management Overview and Scrutiny Committee meeting of 9 January 2012.

9 BACKGROUND INFORMATION

- 9.1 Since 2007 work has been undertaken to prepare for the transfer of adult social care in house services to an arms length management organisation as part of the Council's programme to deliver greater choice and control through personalisation of adult social care services. In April 2010, the More Choices project was established to undertake a high level options appraisal to explore the most appropriate delivery model for these service.
- 9.2 The high level options appraisal was approved by Cabinet in November 2010, which allowed officers to proceed to business case production for the establishment of a Local Authority Trading Company incorporating Barnet Homes to manage the adult social care in-house services.
- 9.3 The business case for the Local Authority Trading Company was approved on the 24 May 2011 by Cabinet Resources Committee, noting that a business plan based on the business case would need to be presented to Cabinet Resources Committee in the future to allow for the establishment of the Local Authority Trading Company. The business case set out a group structure for the Local Authority Trading Company, consisting of a holding company with two subsidiaries, Barnet Homes and Adult Social Care.
- 9.4 To develop the business plan, a due diligence exercise of the business case has been conducted through the establishment of Shadow Boards for Local Authority Trading Company and Adult Social care subsidiary and Barnet Homes Board.
- 9.5 To facilitate business case validation and decision making for inclusion within the current business plan, the membership for two shadow boards were approved by Council in July 2011 to make recommendations on behalf of TheBarnetGroup LTD and Your Choice (Barnet) Limited for ratification by the Council.
- 9.6 During this transition period, the Council has incorporated TheBarnetGroup LTD, Your Choice (Barnet) Limited and as a temporary shell company Barnet

First Limited in November 2011 to allow for the proposed go live date of the 1st February 2012.

- 9.7 The development of the transition plan for the establishment of the Local Authority Trading Company has been overseen by a Programme Board incorporating housing to take account of the inclusion of Barnet Homes within the group structure.

The Barnet Group Limited Business Plan

- 9.8 TheBarnetGroup LTD business plan attached at appendix A sets out the aspirations, intentions, vision and objectives of TheBarnetGroup LTD. The business plan builds on the original business case, referring to the application of improvement levers to improve income levels and reduce expenditure. It has been developed in close collaboration with commissioners in the Council to reflect the Council's priorities set out in the medium term financial strategy and related service strategies.
- 9.9 The business plan has been developed to ensure that the benefits set out in the business case approved by Cabinet Resources Committee in May 2011 are realised and sets out the risks associated with the Local Authority Trading Company following due diligence and how these will be mitigated.
- 9.10 The Business Plan sets out a three stage process for The Barnet Group and its subsidiary organisations of Optimise, Refine and Transform which is reflected in the financial planning assumptions set out in the table below.

	BILS	Communi ty Space	Flower Lane	Rosa Morrison	Supported Living (inc Agatha House)	Valley Way	Total
Income Growth over 4 Years	190,600	104,810	45,600	128,800	221,630	247,520	938,960
Growth Profile (%)							
Yr 1	50	50	40	30	30	30	345,330
Yr 2	50	50	60	30	30	30	699,780
Yr3				40	40	40	938,960

The activities associated with each of these phases is detailed below.

- 9.11 Optimise – 8 months from go live
- Embed the Group structure
 - Make appropriate adjustments to structures and policies
 - Ensure delivery against service specifications and management agreements

- Begin culture transformation programmes with employees and customers
- Develop partnership models for new business and service delivery.

9.12 Refine – 12 months from go live

- Detailed business planning (based on actuals)
- Competitively challenge for external new business opportunities
- Embed partnership models for service delivery and new business
- Defined models of joint working across the group and some examples of success
- Efficiencies identified and programmes, quick wins delivered

9.13 Transform – 18 months from go live

- Complete culture transformation programmes
- Maximised revenue streams
- Delivery of external new business opportunity
- Joined up working across the group fully embedded and clear outcomes achieved
- Main efficiency programme completed.

9.14 In addition to these three phases of change, the Group will continue to respond to changes in the marketplace and the business plan identifies opportunities in the market place for adult social care that will be explored.

9.15 The board of Your Choice will also have the benefit of Service User and Carer representation to ensure the strategic vision of the organisation matches the aspirations of service users.

Governance Arrangements

9.16 The Board positions for the structure are set out in the table below:

Company	Role	Board membership	Frequency
TheBarnetGroup LTD	<ul style="list-style-type: none"> • Commercial focus • Reporting on subsidiary performance back to the Council and holding subsidiary companies to account • Contracting with the subsidiary companies 	<p><u>Non Executive Directors</u></p> <ul style="list-style-type: none"> • Chairman • Council shareholder representation • Vice chair (Your Choice) • Vice chair (Barnet Homes) <p><u>Executive Directors</u></p> <ul style="list-style-type: none"> • LATC Chief Executive • Financial Director • Operations Director (Your Choice) 	Quarterly (and as and when required)

	<ul style="list-style-type: none"> • Setting the strategic objectives for the subsidiary companies • Facilitate shareholder input from elected Members 	<ul style="list-style-type: none"> • Operations Director (Barnet Homes) 	
Your Choice (Barnet) Limited	Deliver Adult Social Care services	<u>Non Executive Directors</u> <ul style="list-style-type: none"> • Service users / carers (x2) • Chair • Vice chair <u>Executive Directors</u> <ul style="list-style-type: none"> • LATC Chief Executive • Operational Director • Financial Director 	Monthly (during establishment), then bi-monthly or quarterly (and as and when required)
Barnet Homes	Deliver Housing Management services	<u>Non Executive Directors</u> <ul style="list-style-type: none"> • Residents (x3 including one leaseholder) • Vice chair • Independent Director <u>Executive Directors</u> <ul style="list-style-type: none"> • LATC Chief Executive • Operational Director • Financial Director 	Bi-monthly (and as and when required)

9.17 In respect of the operations of The Barnet Group, the existing governance policies and procedures of both Barnet Homes and the London Borough of Barnet will be adapted as appropriate to be in place at the go-live date of 1 February 2012. Once operational, the Barnet Group Board may elect to amend these at a later date.

9.18 Upon inception, TheBarnetGroup LTD will not have any employees and will be governed by a board of directors to set strategic direction of the organisation, manage the contracts and relationship with the Council for Your Choice (Barnet) Limited and Barnet Homes LTD. The group will oversee delivery of the contracted services from the Council as set out in the specification. It will oversee a group budget of nearly £49 million per annum.

9.19 Your Choice (Barnet) Limited will be the delivery arm within TheBarnetGroup for Adult Social Care services which are currently provided in-house by the Council. At inception, the services will cover learning disabilities and physical and sensory impairment disabilities. The workforce will consist of 214

employees due to TUPE transfer from the Council. Your Choice (Barnet) Limited will oversee a budget of over £6.4million per annum. The board of directors for Your Choice Barnet Limited will take operational decisions and make recommendations to TheBarnetGroup LTD board of directors for strategic decisions.

- 9.20 Barnet Homes LTD was set up as an ALMO by the Council in 2004, and will be transferred to TheBarnetGroup LTD as a subsidiary company alongside Your Choice (Barnet) Limited. Barnet Homes will continue to operate in the same way as under its current ALMO management agreement with the Council. As part of a new group structure it will be necessary for the relationship with the Council will be managed through TheBarnetGroup LTD as parent company.
- 9.21 Barnet Homes LTD will also provide back office support services to Your Choice (Barnet) Limited as set out in the business plan attached at appendix A. Consequently, Barnet Homes LTD will increase its current headcount of 300 employees to accommodate the increase in support services provided to Your Choice (Barnet) Limited.
- 9.22 Barnet Homes LTD activities will be restricted to Housing and will need to seek permission from Barnet Homes LTD board of directors for any change in strategic direction. Barnet Homes LTD will continue to oversee a budget of £42.5 million per annum.
- 9.23 As part of the Local Authority Trading Company project, consideration has been given to the potential transfer of Housing Needs Resources to Barnet Homes LTD within the Barnet Group structure. There is alignment with the Local Authority Trading Company project which has been set out in the Housing Needs Resources High Level Options Appraisal and Full Business Case for consideration by Cabinet Resources Committee on 12 January 2012.

TUPE Transfer and Appointment of Board of Directors

- 9.24 For staff in scope to transfer to TheBarnetGroup LTD, terms and conditions are protected for 1 year in accordance with the Council's TUPE transfer commitments agreement.
- 9.25 As sole shareholder, the Council would have the ability to appoint and remove Board Members as required.
- 9.26 In addition to robust contract monitoring arrangements, it is envisaged that oversight of the operation and performance of The Barnet Group be

undertaken by Barnet's Overview and Scrutiny function. A proposed amendment to the Overview and Scrutiny Procedure Rules to reflect this will be presented to Special Committee (Constitution Review) for their consideration upon approval of the current Business Plan by Cabinet Resources Committee.

- 9.27 Shadow boards were established on 12 July 2011 as resolved by Council (decision item 4.4.2) to represent TheBarnetGroup LTD and Your Choice (Barnet) Limited by making recommendations for ratification by the Council's project board until the companies were formed.
- 9.28 An external recruitment process is underway and will result in the following appointments being made:
- Non Executive Director (Chair) for TheBarnetGroup LTD, Your Choice (Barnet) Limited and Barnet Homes LTD.
 - Non Executive Director (Vice Chair) for TheBarnetGroup LTD and Your Choice (Barnet) Limited.
- 9.29 The Council are in the process of appointing the Chair for all companies within TheBarnetGroup LTD with relevant commercial and other skills and experience to deliver both Housing Management and Adult Social Care services. This process will conclude in early January 2012. Once selected, this appointment along with all executive appointments will be presented to General Functions Committee for ratification.
- 9.30 Once appointed, the chair will conclude the director appointment process which includes service user/carer board appointments supported by directors in post by 31 March 2012.
- 9.31 The board of directors for TheBarnetGroup LTD will be responsible for:
- Setting the vision and objectives for all companies within the group structure
 - Defining the strategy for the entire group structure
 - Defining the core values of how the entire group structure should act and behave
 - Management of the client relationship with the Council
 - Generating new business for the entire group structure
 - Overseeing day to day decision making for the entire group structure within the group strategy.
- 9.32 The board of directors for Your Choice (Barnet) Limited will be responsible for:
- Providing strategic direction
 - Delivery against the Council's specification

- Ensuring financial viability
- Achieving growth/generating new business

9.33 The companies will operate as individual entities with their own accounts, services and agreed business plans, however they will work together where appropriate to maximise the benefits of the group structure in sharing appropriate resources and services to meet their aspirations.

Output Specification

9.34 The contract between Barnet Council and TheBarnetGroup LTD includes an output specification for the Adult Social Care services to be delivered by Your Choice (Barnet) Limited through a subsidiary contract. The specification responds to the priorities of Adult Social Care and Health and to the views of service users engaged with as part of the More Choices events. The specification has a strong emphasis on Your Choice (Barnet) Limited delivering quality support that responds flexibly to individuals.

9.35 A Performance Framework is set out in the contract establishing the outcome and output measures for Your Choice (Barnet) Limited linked to key benefits in the original Business Case.

Clienting Relationship

9.36 A clienting relationship will be established between the Council and TheBarnetGroup LTD. This will define the strategic partnership between the two organisations as well as the contract management of the subsidiaries contracts.

9.37 The clienting relationship will include a schedule of partnership meetings, performance reporting, contract management and service reviews. This will ensure the outcomes and priorities set by the Council are delivered by TheBarnetGroup LTD through the contracts with Your Choice (Barnet) Limited and Barnet Homes LTD.

9.38 There will be six monthly strategic partnership meetings attended by the Directors of Adult Social Care and Health and Environment, Planning & Regeneration, the CEO of TheBarnetGroup LTD and Chair of TheBarnetGroup board. Governance arrangements, including the Board's Terms of Reference and the Scheme of Delegation will define this relationship. The Board will establish strategic direction for TheBarnetGroup LTD in response to full Council and cabinet members, shareholders and to council priorities. The first meeting will be held in February 2012.

Service User/Carer and Staff Engagement

- 9.39 Service user/carers and staff events were held in January and February 2011 to obtain input in delivery of innovation to take the Local Authority Trading Company structure forward. Feedback from these key stakeholder groups were set out in the original business case presented to Cabinet Resources Committee on 24 May 2011. This feedback has been the basis of service transformation as set out in the current business plan.
- 9.40 In preparation for the transfer, work has already undertaken significant staff engagement via workshops; newsletters and other events. This activity will continue throughout the transition period to ensure that the new Local Authority Trading Company has the best possible foundations to enable its success.
- 9.41 Service users and staff have also been included in the naming and branding of TheBarnetGroup LTD and Your Choice (Barnet) Limited.
- 9.42 The Learning Disability Services currently have representatives (MPs) on the Learning Disabilities Parliament Board (LDPB) and it is envisaged this will continue. Going forward, there will be an opportunity to explore views on Your Choice (Barnet) Limited business arrangements and to test with a wide group representing the voice of people with Learning Disabilities in Barnet.
- 9.43 It is the intention of Adult Social Care and Health for the relationship with the LDPB to be maintained with a place secured for the Your Choices (Barnet) Limited Operations Director. This forum will be used to test service changes or developments and maintain advocacy for Learning Disability services within Barnet.
- 9.44 For Physical and Sensory Impairment (PSI) service users, existing relationships with Barnet Disabled for Independence with Support in the Community (BDISC) and Barnet Centre for Independent Living (BCIL) will be maintained with these independent organisations for service user engagement.

Go-Live

- 9.45 The go-live date for service delivery by Your Choice (Barnet) Limited is 1 February 2012. All employees in-scope for transfer are outlined in the final establishment set out in the Employee Equalities Impact Assessment at appendix F.

- 9.46 Staff who have “As and when” contracts (zero-hours contracts) are not automatically due to be transferred under the TUPE Regulations. Each of these staff have however been offered the opportunity for their details to be passed on to the management of Your Choice (Barnet) LTD to be considered for employment by the new company. To date a number of staff has indicated they would wish to continue their involvement with the services. This will be picked up with the Human Resources department within TheBarnetGroup LTD
- 9.47 Further to final approval received from Barnet Homes board on 5 December 2011, a notice has been served for novation to TheBarnetGroup LTD as a subsidiary and sister company to Your Choice (Barnet) Limited. The Extraordinary Board meeting for final passing of the resolution will be held subject to approval of this report at Cabinet Resources Committee on 12 January 2012.
- 9.48 Subject to Cabinet Resource Committee approval of this report and appendices, an event is planned for 1 February 2012 go-live. This event will be aimed primarily at service users and staff within the services in-scope for transfer to Your Choice (Barnet) Limited. The regular staff panel which includes representation from the Barnet Independent Living Services and each of the Learning Disability Services and will be used as a forum to assist in the planning of the event and inclusion of service users and staff.

Business Continuity

- 9.49 During the service user and staff engagement events held in January and February 2011, service users were reassured there will be a seamless transition of services at the point of transfer. Much work has been undertaken to ensure a smooth transfer of the services to Your Choice (Barnet) Limited. This has included due diligence work to validate the original business case working closely with back office support services.
- 9.50 Particular attention has been given to resources to ensure staff remain focused on supporting service users. A detailed project plan underpins all of this work to ensure delivery. Each service in scope for transfer has a Business Continuity Plan in place to ensure minimal service disruption particularly where service users are most vulnerable such as the Supported Living service.
- 9.51 Each service area has conducted a business continuity plan review in light of the change and adaptation to future working arrangements. There is much interdependence between the plans as constituent services support each other. A full suite of Risk Assessments underpin the suite of plans.

10. LIST OF BACKGROUND PAPERS

10.1 None

Legal: PD

CFO: MC

APPENDIX A



High Level Business Plan

2012 - 2015

Draft version 7.0
November 2011

Public Version

Document & Version Control

Document owner	The Barnet Group Executive Team
Contact details	kate.laffan@barnethomes.org
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1.0	Initial draft for comment	Troy Henshall	25/10/11	Draft
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3.0	Revised draft for comment (includes feedback from LBB Governance & Legal)	Troy Henshall	16/11/11	Draft
4.0	Revised draft for comment (includes feedback from ASCH SMT)	Troy Henshall	23/11/11	Draft
5.0	Revised draft for comment following LBB Project Board	Troy Henshall	30/11/11	Draft
6.0	Revisions in respect of ASC Schemes – current and future capacity	Amanda Jackson	2/12/11	Draft
7.0	Revised following feedback from LBB Project Board	Richard Harrison	12/12/11	Draft

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- 2.0 Background to the Business Plan
- 3.0 The Barnet Group
- 4.0 Developing the Group
- 5.0 Contracts, Service Specification and Management Agreements
- 6.0 Payment Mechanisms
- 7.0 Financials

Appendices:

- A - The Barnet Group Customer Data
- B - The Barnet Homes Business Plan 2011-13
- C – The Barnet Group draft Risk Register
- D – The Benefits Realisation Matrix

1.0 Overview of the Business Plan

- 1.1 This high level Business Plan sets out the plans for and benefits of Barnet Council's establishment of The Barnet Group, a local authority trading company (LATC) consisting of Barnet Homes, an arm's length management organisation (ALMO) established in 2004 and a new company, Your Choice Barnet Ltd, created as a vehicle to reprovide the council's Adult Social Services in-house disabilities provision.
- 1.2 This document is intended to be read in conjunction with existing documents, including the original business case for the creation of the LATC and the Barnet Homes Business Plan¹. It is intended to be an iterative document setting out the proposed approach to establishing and successfully delivering the aims of the Group and its shareholder, Barnet Council.
- 1.3 It is important to note that many of the aspects surrounding The Barnet Group and Your Choice Barnet Ltd as the companies are established are to be fully developed and are therefore documented as draft within this plan and subject to change.
- 1.4 This Business Plan covers the period 2012–2015. The plan covers the first 18 months of this period post-implementation in more detail. This timeframe covers the transition of Barnet Homes and the in-scope adult social care services to The Barnet Group, ensuring business continuity, embedding and optimising the services while identifying opportunities for increased efficiencies, realignment and growth. It is intended that the Business Plan is thoroughly reviewed by October 2012 and a revised plan developed through consultation with staff across the group, customers, service users and Board directors in dialogue with the shareholder.
- 1.5 It is intended that the Business Plan is thoroughly reviewed by October 2012 and a revised plan developed through consultation with staff across the group, customers, service users and Board directors in dialogue with the shareholder. The business plan will be approved by the Shadow Boards on behalf of TheBarnetGroup LTD and Your Choice (Barnet) LTD. The Council will also approve the business plan through Adult Social Care and Health Senior Management Team, LATC project board, Corporate Directors Group, Business Management Overview and Scrutiny (for comment only) and finally by Cabinet Resources Committee on 12 January 2012.

2.0 Background to the Business Plan

- 2.1 On 29 November 2010, The London Borough of Barnet (LBB) Cabinet approved the development of a business case for the establishment of a Local Authority Trading Company (LATC) as the preferred option for an alternative delivery model for its Adult Social Services in-house provision. This decision was based on a previous options appraisal exercise that was undertaken in June 2010. This explored seven options for the future of the in-house services.
- 2.2 The LBB Cabinet considered the business case on 24 May 2011 and approved the implementation of the LATC subject to a final business plan submission in January 2012.

¹ Appendix B

2.3 The financial and non-financial benefits sought within the business case were as follows:

- The quality of the services delivered are maintained or approved
- Social care service users can buy the services directly from the LATC (they cannot purchase in-house services)
- Social care service users want to buy the services: at least 30% of income comes from individuals with direct payments/self-funders
- Service users are at the heart of the LATC governance arrangements, co-producing the design and delivery of services
- Services are financially viable within a competitive environment
- Savings are generated through reduced corporate and support costs (£1.2m potentially non-cashable savings)
- Costs to LBB are reduced for the longer term
- The speed of implementation is in line with the roll-out of personal budgets
- There is flexibility and ability to respond to a changing market
- The potential to reach a wider group of service users is realised
- There is Increased income and additional income streams
- There is a rebalancing of top management priorities for LBB
- An alternate delivery vehicle for LBB services is provided in a pseudo-commercial setting

2.4 The original business case illustrated the financial position for the Adult Social Care Company, now entitled Your Choice Barnet Ltd, to be as follows:

Your Choice	Year 1	Year 2	Year 3	Year 4
Income	£6,421,768	£ 6,608,022	£ 6,730,782	£ 6,767,262
Net (profit) / loss	£ 282,260	£ 48,107	£ (106,665)	£ (143,145)
Cumulative (profit) / loss	£ 282,260	£ 330,367	£ (223,701)	£ (80,556)

2.5 In August 2011 Barnet Homes worked with colleagues in the council to undertake a robust due diligence exercise. Many of the outputs from this are included within this report.

2.6 Specifically, due diligence refined the financial position of Your Choice Barnet Ltd and was able to determine the impact on The Barnet Group of providing shared services. External validation of the new business opportunity was also undertaken.

3.0 The Barnet Group

- 3.1 The Barnet Group and its subsidiary organisations will sit in a group structure as follows:



- 3.2 The Barnet Group is a parent company limited by shares. The company will be created with 100 shares purchased by LBB for £1 each. Whilst this 100% shareholding has the opportunity to be diluted in the future, under the rules for a LATC a minimum of 51% control must be maintained. The articles of association present limited restrictions on business purpose or activity similar to that of a normal commercial organisation.
- 3.3 At its inception The Barnet Group will not have any employees. Its responsibility will be to contract with and oversee delivery of the contracted services from LBB. It will oversee a group budget of nearly £49 million per annum.
- 3.4 **Your Choice Barnet Ltd** is a subsidiary company limited by shares. The company will be created with 100 shares purchased by The Barnet Group for £1 each. Opportunity for share dilution through a variety of different options, such as a joint venture, exist for the future. The articles present a few more restrictions on business purpose or activities than The Barnet Group but do not restrict its ability to grow and develop new services around adult social care.
- 3.5 At its inception Your Choice Barnet Ltd will consist of the following services, transferring from LBB with the 214 associated employees TUPE transferring with their existing terms and conditions protected:

Learning Disabilities Services

- Rosa Morison: building-based day opportunities for people with profound, multiple learning disabilities
- Flower Lane Autism Service: building and community-based day opportunities for people with Autistic Spectrum conditions
- CommunitySpace: building and community-based day opportunities to promote inclusion, skills development and access to employment.
- Valley Way: a short breaks respite service
- Barnet Supported Living Service: daily living support for people within their own tenancies.

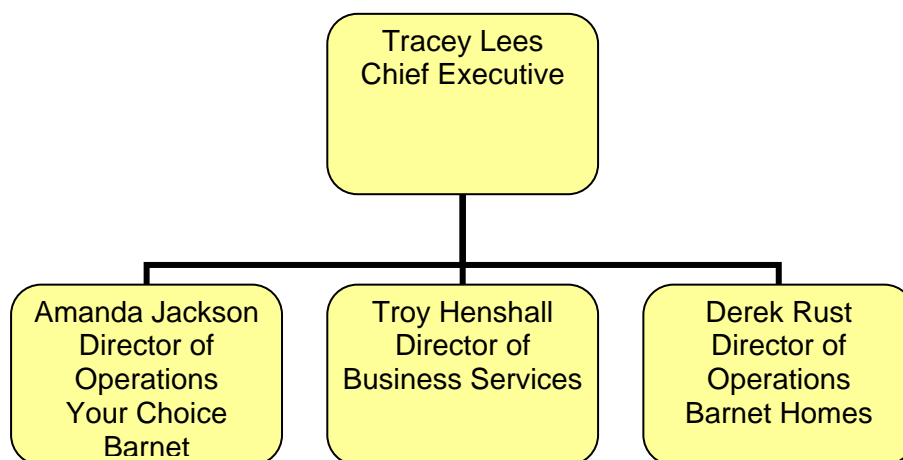
Physical and Sensory Impairment Services

- Barnet Independent Living Service (BILS): building and community-based day opportunities to promote inclusion and independent living.

- 3.6 Your Choice Barnet Ltd will oversee a budget of over £5.8 million per annum.
- 3.7 **Barnet Homes Ltd** is a subsidiary company originally set up in 2004 as an arms length management organisation (ALMO) to take over responsibility for Barnet's 15,000 council homes, including 3,900 leasehold properties.
- 3.8 Barnet Homes will be set up as a Company limited by guarantee using a similar set of articles to its existing model. Its articles are far more restrictive in respect of business purpose or activities than The Barnet Group or Your Choice Barnet Ltd, limiting activities outside of housing.
- 3.8 Barnet Homes will continue to operate in the same way as under its current ALMO management agreement with LBB, albeit under a group structure. It will increase its current headcount of 300 employees to accommodate the increase in support services provided to Your Choice Barnet Ltd.
- 3.9 Barnet Homes will continue to oversee a budget of £42.5 million per annum.

3.10 Governance Arrangements

- 3.10.1 The Barnet Group has an Executive team of four, consisting of the Chief Executive, Director of Business Services and a Director of Operations for each of the subsidiary companies as shown below:






- 3.10.2 The Executive team will be held to account by the respective company Boards. The Barnet Group Board will be held accountable by the shareholder, LBB, through the following channels:

- Regularised formal contract monitoring
- Council approval of The Barnet Group strategy documents on an annual basis, including:
 - Budget
 - Business Plan
 - Annual Report
 - Other major strategic documents

Constitutionally enshrined oversight role of The Barnet Group Performance and Annual Report by LBB's Overview & Scrutiny Committee, including powers to compel Board members to appear before Members.

- 3.10.3 Accountability will further be enshrined through LBB having power as the sole shareholder to appoint or remove directors to run the company.
- 3.10.4 The Barnet Group Executive Team will focus on engaging with LBB to contract with the council for the delivery of services exclusively for the performance of public functions.
- 3.10.5 The Board structures are shown below. The Chair will be a shareholder appointment, as will the two LBB representatives on The Barnet Group Board. Other independent or customer/service user appointments will be made by the respective Boards and the Chair. The Chair will serve for five-year periods and independent/customer/service user positions for three-year terms extendable up to nine years.

Board			
Chair	<ul style="list-style-type: none"> • Single shared Chair across all three Boards 		
Executive Directors	<ul style="list-style-type: none"> • Chief Executive • Director of Business Services • Director of Operations Your Choice Barnet • Director of Operations Barnet Homes 	<ul style="list-style-type: none"> • Chief Executive • Director of Business Services • Director of Operations Your Choice Barnet 	<ul style="list-style-type: none"> • Chief Executive • Director of Business Services • Director of Operations Barnet Homes
Non Executive Directors	<ul style="list-style-type: none"> • 2 LBB- appointed representatives • Barnet Homes Vice Chair • Your Choice Vice Chair 	<ul style="list-style-type: none"> • Service users/carers • 1 Independent 	<ul style="list-style-type: none"> • 3 Residents - including one leaseholder • 2 independents

- 3.10.6 Your Choice Barnet Ltd and Barnet Homes Boards will be responsible for overseeing operational performance, budgetary management, improvement plan delivery and proposing strategic direction. The Barnet Group Board will monitor these aspects but will focus on strategic direction and new business.
- 3.10.7 The Barnet Group Board will meet approximately four times per year, with Your Choice Barnet Ltd and Barnet Homes meeting six times. In addition there will be two away events each year, of which one will consist of all three Boards meeting together. There will also be a single Group Audit & Risk Committee which will meet four times a year and work with the Group's internal and external auditors.
- 3.10.8 Operation of The Barnet Group and subsidiaries will be in accordance with their Terms of Reference and Scheme of Delegation, with day-to-day operation subject to a number of policies and procedures such as a Contract Procedure Rule, Health and Safety Policy and Code of Conduct. Responsibility for implementing and amending these policies will sit with The Barnet Group Board.

3.10.9 Further information in respect of the governance arrangements can be found in The Barnet Group's Schedule of Delegation.

3.11 Vision statements

3.11.1 The following are the three vision statements for each of the companies within The Barnet Group:

- **The Barnet Group** – Public sector ethos with a private sector commercial focus
- **Your Choice Barnet Ltd** – Empowering people to live the lives they choose, as independently as possible
- **Barnet Homes** - Great service, delivered at great value that makes a positive difference to people, homes and communities.

3.12 Key Objectives

3.12.1 The following are the five priorities for each of the companies within the Barnet Group:

3.12.2 The Barnet Group

Embedding the Group structure, identifying and developing synergies between services to deliver benefits for service users and residents

- Driving efficiencies and service improvements across the Group
- Seeking and attracting new business into the Group
- Strengthening relationships between the Group and LBB and other partners
- Improving satisfaction with the services delivered by the Group.

3.12.3 Your Choice Barnet Ltd

- Supporting choice and independence of our service users
- Achieving high quality outcomes
- Delivering efficiencies and providing greater value for money
- Maximising revenue and collection of revenue across schemes and individuals
- Achieving growth/new business.

3.12.4 Barnet Homes

- Understanding our residents and their priorities
- Delivering the right services at the right quality
- Ensuring we have the right people in place to deliver these services in the most effective way
- Offering financial value in all that we do, achieving efficiencies and attracting new business
- Working with partner organisations and residents to make efficiency savings and long-term improvements to wider communities.

3.13 Milestones

3.13.1 The Barnet Group and its subsidiary organisations will undertake a three stage process; Optimise, Refine and Transform. These will focus on the following activities:

- 3.13.2 **Optimise** – 8 months from go live
- Embed the Group structure
 - Make appropriate adjustments to structures and policies
 - Ensure delivery against service specifications and management agreements
 - Begin culture transformation programmes with employees and customers
 - Develop partnership models for new business and service delivery.
- 3.13.3 **Refine** – 12 months from go live
- Detailed business planning (based on actuals)
 - Competitively challenge for external new business opportunities
 - Embed partnership models for service delivery and new business
 - Define models of joint working across the group and some examples of success
 - Efficiencies identified and programmed, and quick wins delivered
- 3.13.4 **Transform** – 18 months from go live
- Culture transformation programmes completed
 - Maximised revenue streams
 - Delivery of substantial external new business opportunities
 - Joined up working across the group fully embedded and clear outcomes achieved
 - Main efficiency programme completed
- 3.13.5 In addition to these three phases of change, the Group will continue to respond to changes in the marketplace driven by central government, such as welfare reform, and local government/commissioners/One Barnet. It will also ensure the outcomes from a cost and quality perspective are at least maintained but will aim to improve these outcomes on both counts year on year.
- 3.13.6 Further information on the improvements and, in particular, the new business aspects are contained in Section 4 – Developing the Group.

3.14 Customer Engagement

- 3.14.1 The Barnet Group intends to put customers at the heart of its business, driving forward the activities already undertaken by the respective organisations in engaging customers.
- 3.14.2 The Barnet Group will develop and adopt a customer engagement strategy which will build upon the strong scrutiny model created and well established within Barnet Homes. This will be a key year one activity.
- 3.14.3 Your Choice Barnet will have two Board places reserved for service users/carers and will continue to engage with customers on staff recruitment and changes to service delivery. Further work will be undertaken to determine the most effective engagement model and implement this fully within twelve months of go live. This will build on best practice and the existing consultation methodology employed by the services in scope.
- 3.14.4 Barnet Homes will continue to develop its engagement approach with the Performance Advisory Group (PAG), strengthening its membership and supporting capacity development and the Hub meetings. Barnet Homes will

continue to have three places on its Board for residents, with one place reserved for a leaseholder. It will also seek, where appropriate, for the Vice Chair to be a resident representing the Board on The Barnet Group Board.

3.15 Staff Engagement and Cultural Change

- 3.15.1 The creation of the LATC presents real change, particularly for the staff of the in-scope adult social care services who will transfer to Your Choice Barnet on TUPE transfer commitments, but also for staff in Barnet Homes who will join a new group structure. Staff involvement and buy-in will be key for the successful transition to The Barnet Group. This will build on the staff workshops held early in 2011 and the ongoing dialogue throughout the project. There is recognition that transition may be unsettling for staff, particularly moving towards a more commercial model, with the discipline of a robust performance framework in place to measure and evaluate deliverables and outcomes.
- 3.15.2 The focus of the first 12 to 18 months will be to implement and embed cultural transformation within The Barnet Group. There is considerable specialist expertise within Your Choice Barnet and Barnet Homes. The aim is to maximise staff retention, manage talent and engage staff in the benefits and opportunities to be derived through the group structure while supporting them with new ways of working. Outside of mandatory training or personal development plans carried forward from previous appraisals, there is recognition that tailored investment and training will be required to ensure the right skills set exists within The Barnet Group, particularly in relation to the commercial activities required to successfully deliver the Business Plan.
- 3.15.3 Discussions will take place with the trade unions ahead of go-live to agree the most appropriate Joint Negotiation and Consultation Committee (JNCC) arrangements for The Barnet Group. The options for a staff council – ‘People First’ – will also be reviewed to ensure that appropriate structures are in place for ongoing constructive dialogue where issues can be raised and solutions delivered in a way that fits the needs of all staff within the group.
- 3.15.4 The LATC structure and governance arrangements approved by LBB, with a single CEO and Chair providing clear leadership, will greatly facilitate the development of a cohesive corporate vision and delivery of a single integrated culture for The Barnet Group.

3.16 Service Offer

- 3.16.1 **Barnet Homes** will continue to provide housing and landlord services to those living in LBB-owned properties and leaseholders within the borough. Further services aligned to this activity, such as support for regeneration areas, training and employment support, will also continue to be provided.
- 3.16.2 **Your Choice Barnet Ltd** will continue to provide learning disability and physical and sensory impairment services, as set out at 3.5, from its existing locations.
- 3.16.3 Your Choice Barnet Ltd will further develop these and the following service models:
- Homecare – support in people’s homes

- Transition – supporting community-based activities for young people on reaching adulthood
- Getting into employment
- Developing support plans with individuals following statutory assessments

3.17 Performance Management, Scrutiny & Risk Management

- 3.17.1 As set out above at 3.18.2, The Barnet Group will be held accountable for its performance through a number of channels. LBB is currently defining and scoping a Strategic Partnership Arrangement (LBB Adult Social Care & Health Commissioning & Housing). This will provide the formal contract monitoring arrangements based on a performance framework that will measure the deliverables and outcomes for both Your Choice Barnet and Barnet Homes. This will be a collaborative relationship with ongoing dialogue to share priorities, discuss changes in respect of the commissioning model, highlight risks and working together to deliver solutions.
- 3.17.2 Performance information will be produced, distributed and reviewed monthly by the operational teams and Executive team. The Boards will consider performance including financial performance quarterly. Performance information and the annual report of the Group will also be scrutinised by an LBB Overview & Scrutiny Committee on a regular basis. The Group will also produce a year-end report for its customers.
- 3.17.3 Responsibility for the performance of each company sits with the Executive team as a whole and the Director of Operations for each company.
- 3.17.4 A robust risk management framework will be in place for the group with regular reporting to:
- The Barnet Group Audit & Risk Committee
 - The LBB Strategic Partnership meetings
 - The Barnet Group Board

The draft risk assessment for The Barnet Group is attached as Appendix 2. This shows five high net risks relating to the Group, one each for The Barnet Group and Barnet Homes and three for Your Choice Barnet. The mitigating actions and deadlines are shown for all activities within the risk document.

Risk	Mitigating action	Owner	Deadline
Barnet Homes - Lack of robust clienting arrangements leading to poor service and/or increased costs	Post-Decent Homes procurement is being supported by an experienced external consultant. New repairs and maintenance contract negotiations are still in progress with tougher contract provisions to protect Barnet Homes' interests. Lean voids review started to establish leaner procedures and improve performance on voids and customer satisfaction. Barnet Homes Investment Panel used to monitor partners'	Derek Rust	April 2012

Risk	Mitigating action	Owner	Deadline
	performance.		
Your Choice Barnet - Loss of income, viability of schemes and/or business being threatened	Ongoing dialogue and reinforcement of service improvements. Cost reduction programme	Amanda Jackson	April 2013
Your Choice Barnet – Pricing not competitive	Timetable review for 2012/13 financial year. Deliver quick wins and programme further efficiencies	Amanda Jackson	April 2013
Your Choice Barnet - Individual schemes/services are unable to recover their costs	Create scheme viability models and run scenarios/option appraisals. Close down schemes/services that cannot support themselves financially longer term	Amanda Jackson	April 2013
The Barnet Group – Public sector strikes – morale and service delivery affected	Continue to work with staff and await outcome of negotiations between the government and unions	Tracey Lees	April 2012

3.18 Evaluation of benefits

3.18.1 The business case submitted to LBB's Cabinet on 24 May 2011 clearly set out the benefits of the LATC, both financial and non-financial². The performance framework being developed will set out the success measures for both financial and non-financial benefits. Baseline data will be captured both ahead of go-live and following go-live, to ensure that progress against the success measures can be accurately reported through the agreed performance framework. To this end, Barnet Homes is currently supporting staff within the in-scope adult social care services to undertake baseline satisfaction surveys of service users and their carers, so that customer insight can be captured and analysed ahead of 1 February 2012.

3.18.2 The benefits arising from the creation of The Barnet Group will be monitored. The benefits realisation matrix is attached as Appendix D and sets out the outcomes and timings for the financial and non-financial benefits in the original business case.

3.19 Buying services

3.19.1 The Barnet Group will deliver most services in-house under a collaborative arrangement overseen by the Director of Business Services. These services include:

² These are set out at 2.3

- Financial services, including procurement
 - Office accommodation and facilities management
 - HR services
 - Health & Safety
 - Business improvement, including performance information, customer engagement, PR and communications, and complaint handling
- 3.19.2 The benefit of a collaborative arrangement for delivering shared services is that both Your Choice Barnet Ltd and Barnet Homes can share overhead costs, providing reductions on their existing budgets and a platform for further new business opportunities and cost reductions.
- 3.19.3 In addition to the shared services, there are some services that will be purchased by The Barnet Group from LBB, in accordance with LBB's standard terms and conditions as agreed between the parties. These include:
- IT
 - Facilities
 - Office accommodation
 - Grounds maintenance
 - Payroll
 - Printing
 - Customer care
 - Legal services
 - HR (ad hoc support only)
 - Tree works
 - Transport
 - CCTV
 - Abandoned vehicles
- 3.19.4 The Barnet Group will have the option to withdraw services from LBB should its Board be provided with a compelling business case. A minimum of six months notice must be provided to LBB in these circumstances so that they can make adequate changes to deal with the reduction in revenue.
- 3.19.5 Any procurement undertaken will be overseen by The Barnet Group Procurement Officer and will be undertaken in accordance with the Group's Contract Procurement Rules (CPR) which provides a proven but flexible approach to procurement based on the business requirements.

4.0 Developing the Group

- 4.1 There is significant opportunity for growth within the Barnet Group and its subsidiary companies. The Group structure, governance and articles all support business growth, with flexibility enabled around its delivery vehicles.
- 4.2 Where new business opportunities complement existing operations, such as housing-related activities for Barnet Homes or adult social care for Your Choice Barnet Ltd, we would expect to deploy these services within the existing companies. If an opportunity exists outside of the main activities of the Group but fits within the Group's New Business Strategy, we would explore the most effective delivery vehicle. This may be to set up an additional subsidiary organisation within the Group and/or form a partnership with external organisations.

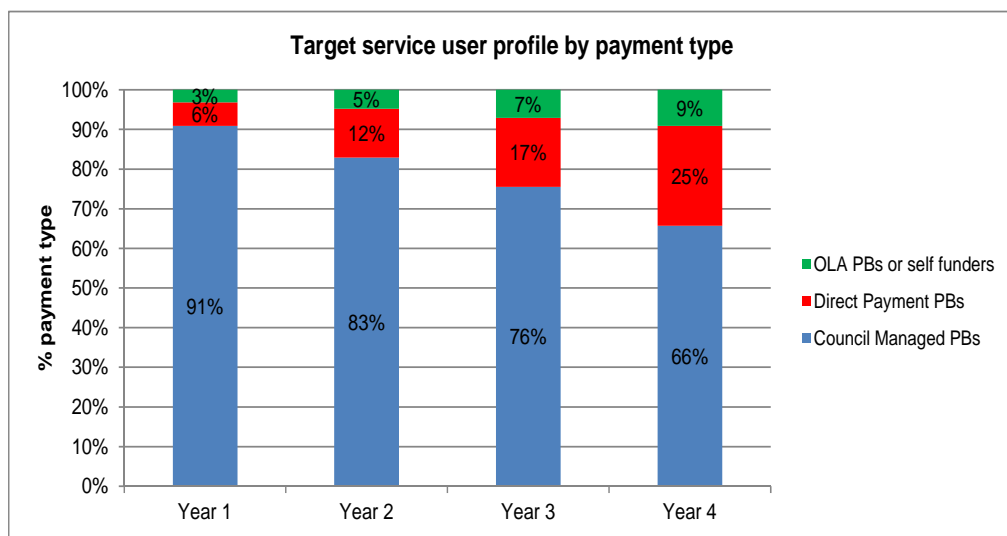
- 4.3 As well as external opportunities, The Barnet Group will continue to seek new business opportunities where LBB is looking to outsource or award contracts for services that are part of or complementary to the existing services provided within the Group. This could include Housing Needs and Resources, Homelessness advice and other support initiatives.
- 4.4 The LATC model provides considerable opportunities around the realignment of services between Your Choice Barnet and Barnet Homes to maximise synergies with the client groups. It also presents opportunities to better coordinate and join up the engagement, design, delivery and co-production of services. It is likely that a significant number of Barnet Homes' customers are users of adult social services, and the LATC structure provides opportunities to streamline service contact. A key activity for The Barnet Group in Year 1³ will be to undertake more detailed reviews of the synergies between Barnet Homes and Your Choice Barnet and put in place an action plan to begin to realise the benefits for Year 2. Areas of review will include:
- Assist Service (Barnet Homes) a 24/7 Lifeline service
 - Sheltered plus initiative
 - Barnet Homes Floating Support Service
 - Telecare
 - Options to provide additional supported living units within Barnet Homes stock
- 4.5 There will be a strong brand to enable the Group to attract new business building on an existing and well recognised Barnet Homes brand which is already in place. Work will be developed to reinforce The Barnet Group brand and Your Choice Barnet Ltd, focusing on its reputation and for Your Choice its history of providing high quality services, the fact that the Group and its companies are specialist in provision and not generic, focussing on Adult Social Care and Housing. Furthermore the company is owned by the Council and therefore has a degree of security behind it and finally that it is a local organisation, providing local services and local employment.
- 4.6 The reputation and expertise of the Group will enable it to form strategic partnerships with other organisations, where appropriate, to bid for part services, where it is not able to be the main bidder on a contract but can deliver services in accordance with the points within section 4.2
- 4.7 The legal structure of The Barnet Group will allow joint venture subsidiaries to be created where the Group can benefit from some form of profit sharing model, passing back the equivalent of dividends to its shareholder. This may be a suitable model for the council when considering further outsourcing opportunities.
- 4.8 Brand awareness work and sales activity will be undertaken via the Group's New Business Strategy and will focus on understanding the business case for investing in:
- Conference opportunities – speakers and exhibitions
 - Networking opportunities
 - Website
 - Promotional materials
 - Advertising

³ See also 4.12.2

- Responding to tender opportunities

4.9 Developing Your Choice Barnet Ltd

4.9.1 Individuals who manage their personal budget as a direct payment cannot purchase the in-house services currently provided by the Council however, with the implementation of the LATC and transferral of service provision from the Council; The Barnet Group individuals will be able to purchase these services from Your Choice (Barnet). Similarly, people with council-managed budgets can access LATC services purchased by LBB on their behalf. Individuals from other boroughs with direct payments can also purchase services from a LATC, as can self-funders (people who purchase their social care privately). The graph below demonstrates the targeted change in profile of service users accessing the LATC services in relation to payment type:

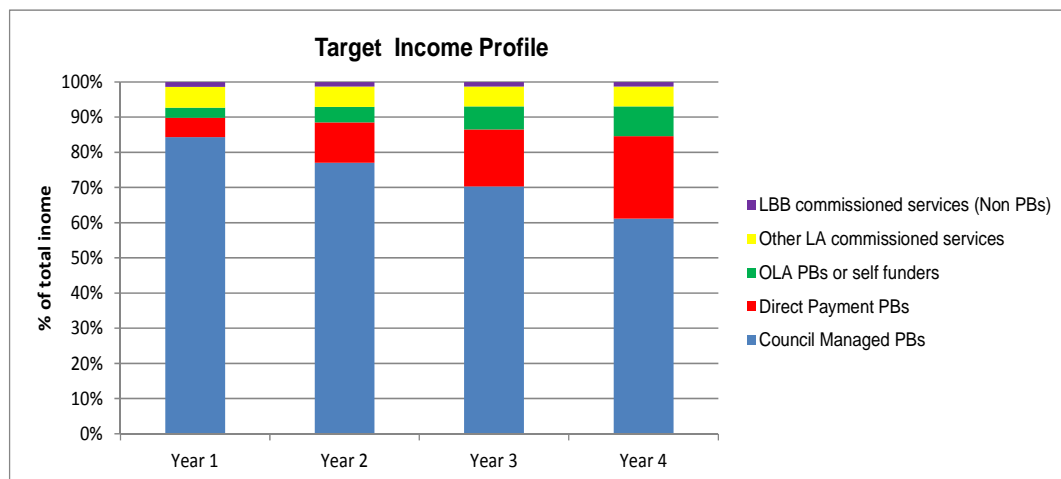


4.9.3 Due to their mostly unique provision, in-house services are likely to hold the monopoly for their service offering within the free market. Service user turnover is low within all the services, an indication of the level of satisfaction but also an indication of scarce opportunities for people to ‘move on’ from the services, particularly for those with profound and multiple disabilities. That is not to say that this situation will not change, but there are currently no, or very few, affordable and quality choices that better meet individuals’ outcomes. Although markets change, Your Choice Barnet would and could continue to be in a strong position to differentiate its services within the market, and clearly promote its value for money offering. This market position is strengthened by the level of staff expertise and depth of specialist knowledge which enables them to support the complexity and specificity of individuals’ needs, upon which the team prides itself.

4.9.4 Your Choice Barnet Ltd has the potential to access a wider group of service users, such as current ‘self-funders’ (people who purchase their own care

privately), people with personal budgets from surrounding areas, and other vulnerable individuals who have not previously fitted neatly into a service user 'group'.

4.9.5 The graph below shows how the income profile of the LATC is expected to change over time. The level of council-managed personal budgets will decrease, as more people choose to manage their personal budget as a direct payment. There is also the expectation that the LATC will generate business from a wider group of services users including other local authority areas, self-funders, and other vulnerable people. This proportion grows over the four years from 3% to 9% of target income. The LATC could also gain new business from existing adult social care service users, whose needs have previously been met by other external providers.



4.9.6 The services already have a number of proposals for generation of new business, and it will be important for Your Choice Barnet Ltd to take these forward within its future business planning. Potential opportunities for wider service provision and income generation include:

- Offer training and/or accreditation schemes for Personal Assistants
- Provide mobile units or perform outreach into individuals' homes or locations in the community. This could help reach a wider group of service users.
- Provide services at different hours of the day, and at weekends
- Hire out the rooms in the buildings utilised by the in-house services
- Hire out the hydrotherapy pool at Rosa Morison (although the risks associated with this would need to be explored)
- Develop support brokerage services
- Enhance the enablement offering
- Sell services to other partners or teams
- Create membership schemes for services such as BILS and CommunitySpace.

4.9.7 Existing service users and their carers were consulted in respect of the setting up of the LATC in January and February 2011 They were reassured that there would be a seamless transition of service at the point of transfer. Retaining the existing service users who both depend on and think highly of the services in scope is fundamental to the early success of the LATC. Year 1 from go-live⁴ will provide an opportunity to oversee a smooth transition of the services to Your Choice Barnet Ltd, consolidate and improve the existing

⁴ Up until 31st

business, and identify synergies within The Barnet Group to maximise opportunities and deliver efficiencies. Following the scoping which will start in the second half of Year 1, we will reconvene panels of stakeholders for detailed consultation on specific options for service development. The Board of Your Choice Barnet will also have the benefit of service user and carer representation to ensure the strategic vision of the organisation matches the aspirations of people who use the service.

- 4.9.8 Furthermore, Year 1 will be a critical time for more in-depth planning and scoping of opportunities for the existing services, along with a detailed exploration and evaluation of the potential for innovations and new business opportunities. In the spirit of both personalisation and the service user-centered approach to delivery, it is the aim of Your Choice Barnet to improve existing provision and develop new services that are tailored to individual needs. New business, for example tendering for the provision of adult social care services in other local authorities and the offer of additional services within Barnet, will be supported through the Group's New Business Strategy and resources, skills and expertise within The Barnet Group.
- 4.9.9 The general direction of travel for the organisation will be to improve efficiency and to reduce the management overhead. This will be done by examining the synergies between existing services within the Your Choice Barnet group of services and also across the whole of The Barnet Group.
- 4.9.10 As set out above, the detail of the offer for the duration of the contract period⁵ will need to be scoped in detail in Year 1.
- 4.9.11 The confidential headline approach for each scheme is set out below.

4.10 Flower Lane

- 4.10.1 Flower Lane, a specialist autism service, is currently operating at nearly full capacity in the five days it is currently open.

The current capacity is 40 places per day, which, based on a five day week equates to 200 units per week and 10,000 per year. The unit is currently one day, however in trying to support a change in culture of day service usage it is planned to work towards half day units. In this way, service users will have opportunities to purchase shorter service-based sessions and use their time more creatively. It will, of course be possible to purchase 2 units per day, if a whole day is desired.

Further cost details for Flower Lane can be found in the associated part 2 exempt report.

Whilst it is acknowledged that on the current five-day week the service is at near full capacity, it will be possible to extend the service in a number of ways, as outlined in the bullet points below. By just achieving one of those, weekend opening the capacity can increase to 14,000 units (based on the current unit of a full day), or 28,000 half day units.

In Year 1, the focus for Flower Lane will therefore be to identify and specify ways in which to grow the service outside of its current scope, in addition to weekend opening.

⁵ Four years plus one

4.10.2 Approach - Year 1

- Transition and consolidation of services
- Building on existing recognised expertise within the service – develop an Autism Training Service – with training and seminars to be marketed. This would be rolled out in the second half of the year
- Identify and specify potential opportunities to:
 - Provide a seven-day-a-week service from Flower Lane
 - Develop an autism transition service for young people about to leave school
 - Provide a specialist autism consultancy
- Develop community-based opportunities for people with severe autism
- Develop specialist service in the community for the other spectrum of autism, e.g. service users with Asperger's Syndrome
- Consult service users/carers and stakeholders in respect of service improvements and specified proposals, having first completed financial modelling for potential income and expenditure

4.10.3 Approach - Year 2

- Further develop training and seminar programme
- Roll out proposed new service enhancements and new service products.

4.11 Rosa Morison

4.11.1 Rosa Morison is a unique and specialist service for people with profound and multiple learning disabilities that is also operating at near full capacity. Aside from the expertise within the service, it has another unique selling point in respect of its building, which has been specifically designed around the service users and has its own hydrotherapy pool.

Like Flower Lane, the current capacity is 40 places per day, which, based on a five day week equates to 200 units per week and 10,000 per year. The unit is currently one day, however in trying to support a change in culture of day service usage it is planned to work towards half day units. In this way, service users will have opportunities to purchase shorter service-based sessions and use their time more creatively. It will, of course be possible to purchase 2 units per day, if a whole day is desired.

Further cost details for Rosa Morison can be found in the associated part 2 exempt report.

Whilst it is acknowledged that on the current five-day week the service is at near full capacity, it will be possible to extend the service in a number of ways, as outlined in the bullet points below. By just achieving one of those, weekend opening the capacity can increase to 14,000 units (based on the current unit of a full day), or 28,000 half day units. There are potential opportunities for a different type of service at the weekend, focussing more on family and leisure-based activities than the weekday therapeutic.

4.11.2 Approach - Year 1

- Transition and consolidation of services
- - Provide the existing services seven days a week or provide a service including hydrotherapy or access to the sensory room at weekends, with more of a focus on facilitating leisure

opportunities for groups of people with complex needs. This could include support groups for the whole family, where they can enjoy the facilities together as a social activity and not necessarily as a social care service. Detailed profiling of interested groups would be carried out as part of scoping the offer. In conjunction with this, to explore support/social groups for siblings and partnerships with organisations in Children's Services

- Explore the potential to deliver other services to this client group:
 - 'fun on the run' outreach programme, delivering sensory programmes to individuals at home or to groups in residential provision.
 - therapies and activities at other locations
 - home respite – eg providing home-based support for carers to have time off from their caring role.
- Consult service users/carers and stakeholders in respect of service improvements and specified proposals, having first completed financial modelling for potential income and expenditure.

4.11.3 Approach - Year 2 onwards

- Roll out proposed new service enhancements and new service products

4.12 Valley Way

4.12.1 The respite service offered from Valley Way offers some potential for growth within the existing confines of a building-based product.

Valley Way has six en-suite bedrooms and therefore there is a physical restriction to the capacity of the service. Currently one bed is held free for short-term emergencies, although this has become blocked by an individual for whom it has proved very difficult to move on. In the future all six beds will be available for booking.

Further cost details for Valley Way can be found in the associated part 2 exempt report.

4.12.2 Approach - Year 1

- Transition and consolidation of services
- The service is not occupied during the day and yet attracts staff and running costs from daytime opening. A review will be undertaken to better understand how the space can be utilised and costs minimised – eg developing daytime respite offer or to accommodate overspill from Rosa Morison
- Identify and specify potential opportunities to:
 - Provide off-site breaks (staffed holidays)
 -
 - Explore whether access to transport would create wider service delivery opportunities
- Consult service users/carers and stakeholders in respect of service improvements and specified proposals, having first completed financial modelling for potential income and expenditure

4.12.2 Approach - Year 2 onwards

- Roll out service improvements and enhancements
- Optimise day time use of the building or deliver savings.

4.13 Supported Living

- 4.13.1 Supported Living provides daily living support for people based in designated 'Supported Living' tenancies. There is potential to provide this support more widely to vulnerable adults living in other tenancies such as those managed by Barnet Homes. However, it should be noted that this extension of service would not be limited to the Barnet area. In this way, although the current model of delivery has capacity linked to the number of tenancies within the Supported Living schemes, going forward there is potentially no maximum capacity.

The Supported Living Service currently provides support to 30 people who hold their own tenancies (most with Notting Hill Housing). The council holds nomination rights for the properties, within the terms of the contract with Notting Hill Housing Group (NHHG). ASCH have the rights to nominate individuals for the tenancies and do so via the "Move-On" list held in the department. There is also a clause relating to void payments for which the council has liability, as a part of this nomination agreement. This would not affect properties where service users may live that are not owned by NHHG. The same level of service would be provided to the end user, irrespective of landlord.

Further cost details for Supported Living can be found in the associated part 2 exempt report.

4.13.2 Approach - Year 1

- Transition and consolidation of services
- Ensure compliance with the Supported Living Framework Contract to be issued by LBB ASCH.
- Review potential for offering support to service users in their own tenancies (outside of existing scheme-based places)
- Review and specify potential opportunities and synergies with:
 - Barnet Homes – floating support and Assist
 - CommunitySpace – realignment of services for people living in their own tenancy
- Develop expertise and capacity to support people to maximise their independence and make use of Telecare options. Increased use of Telecare should reduce the dependence on staff on site and thus reduce unit costs. The first step will be a review of night-time staffing arrangements, leading to a better use of resources.
- Review and specify potential opportunities for providing move-on with support
- Develop expertise and capacity to support the Keyring model of support
- Consider adult placement options as a support option for individuals
- Consult service users/carers and stakeholders in respect of service improvements and specified proposals

4.13.3 Approach - Year 2 onwards

- Evaluate the outcomes of reviews
- Roll out service improvements, enhancements and new products.

4.14 CommunitySpace

The service currently supports approximately 90 people, across the week, although not all on the same days, with varying degrees of learning disability and associated physical disabilities. Much of the support is in groups as the staffing establishment currently necessitates a very low staffing ratio. They are working towards developing more person-centred provision and individual activities. The weekly capacity is currently 380 days, equating to 19,760 per year.

Further cost details for CommunitySpace can be found in the associated part 2 exempt report.

4.14.2 Approach - Year 1

- Transition and consolidation of services, particularly in relation to embedding the approach of more outward-looking and less buildings-based delivery
- Focus on person-centred plans to deliver positive outcomes for service users
- Explore more flexible service times, with a view to seven day-a-week service provision
- Explore and review potential synergies with the BILS service and building
- Identify and specify potential opportunities to provide this service outside of Barnet
- Identify further service improvements in consultation with service users
- Identify opportunities for relaunching a dedicated Travel Training Service
- Develop a “Safe Place” scheme with local shops and businesses, in conjunction with Travel Training, which would offer places of refuge to people with learning disabilities who travel independently and whose travel has been disrupted.

4.14.3 Approach - Year 2 onwards

- Roll out service improvements and enhancements as identified, reviewed and scoped in Year 1

4.15 **Barnet Independent Living Service (BILS)**

4.15.1 BILS requires some urgent investment in its current building to make it more fit for purpose. This service benefits from its co-location with several voluntary sector, service user-led organisations including the BCIL – Barnet Centre for Independent Living. This contributes to the overarching aim of promoting inclusion and independent living. BILS is currently operating at under-capacity. This will need to be addressed in Year 1 and progress evaluated. The ability to transform BILS in the transition period, through increasing the volume of service users and demonstrating clear outcomes, will inform the future plans for this service.

The service currently provides support to approximately 36 clients. Some attend regularly and others use it as a drop in, when they feel the need for some support, or in some cases, for social interaction. The service is not at full capacity and could support up to 45 people if they continue with the current level of support offered to individuals. There is currently an increased need for personal care support amongst clients. Current provision equates to 9,000 (day sessions) per year.

Further cost details for BILS can be found in the associated part 2 exempt report.

4.15.2 Approach - Year 1

- Transition and consolidation of services
- Increase take-up of places to address current under-capacity
- Improve the building infrastructure addressing health and safety priorities first
- Work closely with LBB Regeneration and Commissioning teams to better understand the future re-provisioning of a Centre for Independent Living for Barnet
- Develop support planning and brokerage functions
- Develop capacity for supplying personal assistants to people with disabilities
- Develop opportunities to identify and support the employment chances for people with disabilities
- Identify further service improvements in consultation with service users, including more flexible service delivery times

4.15.3 Approach - Year 2 onwards

- Roll out service improvements and enhancements as identified and scoped in Year 1

4.16 Developing Barnet Homes

4.16.1 Barnet Homes has successfully completed a Decent Homes programme, delivering an investment in council homes of £189million, and has delivered improved services and efficiencies worth £4.7 million⁶ since its inception in 2004.

Barnet Homes will continue to focus on improving services and becoming as efficient as possible. We will work with the council to maximise the potential benefits of wider housing reforms, including HRA self-financing, flexible tenancies and welfare reform, seeking to maintain and improve services for residents through a challenging economic period.

4.16.2 The existing Barnet Homes Business Plan is attached to this Group plan as Appendix A. The following sets out further information in respect of some of the objectives/issues within the plan:

4.16.3 Welfare reform – We will develop our own understanding of the impact and opportunities arising from welfare reform, including the possible reduction of overcrowding. We will work with our residents to ensure they understand the impact of welfare reform and are prepared for the changes, in particular the capping and direct payment aspects. We will further develop life skills, job clubs and training activities to ensure our customers are well placed to deal with the changes. Barnet Homes will also do more work addressing affordability issues and fuel poverty issues within the borough in the context of high rent and fuel price increases.

4.16.4 HRA reform / self-financing – Barnet Homes will work with the council to develop a robust and sustainable investment plan for the retained stock and an appropriate plan for the regeneration estates. We will also explore opportunities that the reform provides in respect of the council's wider strategic objectives.

⁶ A 15% reduction in operating costs

- 4.16.5 New business – Barnet Homes will continue to work with the council to determine whether there is a compelling business case for the transfer of Housing Needs and Resources into Barnet Homes. Subject to a case existing and approval being received, it will look to embed this service alongside its existing operation. In addition, Barnet Homes will continue to work with appropriate partners to win and deliver further complementary council services via The Barnet Group. Barnet Homes will also work with LBB to explore whether there are further opportunities for new business including those already underway but not finalised such as DRS.
- 4.16.6 Outsourcing – Barnet Homes will seek to ensure services purchased from the council are not impacted by the outsourcing activities and that any contracts procured are fit for purpose. Savings made before and after will be reflected in the Barnet Homes efficiencies.
- 4.16.7 Efficiencies/service improvements – Barnet Homes will continue to explore financial efficiencies and service improvements through a series of initiatives such as lean reviews and procurement, including the mobilisation of ten-year maintenance contracts. Barnet Homes expects to work to a five-year efficiency plan ensuring that the organisation maximises its cost effectiveness and value for money.
- 4.16.8 Accommodation – Barnet Homes will seek a more effective working environment for its employees by seeking new accommodation located closer to more of its customers.

5.0 Contracts, Service Specification and Management Agreements

- 5.1 There are a series of contracts and management agreements that will support the creation of The Barnet Group and provision of services to/via LBB.
- 5.2 There will be an overarching contract that will sit between LBB and The Barnet Group which will be supported by the service specification for Your Choice Barnet Ltd and the Management agreement for Barnet Homes. There will be similar contracts between The Barnet Group and its respective subsidiaries.

There will be a contract relating to the provision of the adult social care service and the management agreement in relation to the housing management and other services that will sit between LBB and The Barnet Group. There will be similar contracts, reflecting the obligations in the principal agreements, between The Barnet Group and its respective subsidiaries.

- 5.3 The specification for the Adult Social Care Services which has been developed as part of the subsidiary contract between the Barnet Group and Your Choice Barnet has a strong emphasis on quality support that responds flexibly to the needs of service users. The specification sets out the performance framework⁷ through which the delivery of the contract for Your Choice Barnet will be measured. Initially the framework will focus on delivery of measurable outputs. This will support the transitional process as Your Choice Barnet becomes established. It is envisaged that from year 2

⁷ See also 3.18

onwards the measures will shift from outputs to outcomes, with a focus on the difference the services are making to the lives of service users.

6.0 Payment Mechanisms

- 6.1.1 It is envisaged that in the future personal budgets will be a significant part of funding stream for services provided by Your Choice Barnet. The council has proposed that to provide stability in year one, the transitional phase, services will be paid for monthly in advance on a block contract arrangement. This will ensure guaranteed cash flow as the new organisation is set up and consolidated. In addition it will support the guarantees provided in consultation with service users and their carers that there would be a seamless and uninterrupted service when the schemes in scope transfer to the LATC.
- 6.1.2 As part of the agreed performance framework and reporting for fairer contributions, Your Choice Barnet will be required to capture and provide accurate information on the actual services delivered.
- 6.1.3 ASCH has committed that for year 1 it will seek to maximise capacity of Your Choice Barnet Services within the current levels of investment.
- 6.1.4 In Year 1, LBB_ASCH will begin a programme of statutory reviews carried out by Care Services Delivery, incorporating the Resource Allocation System (RAS) or Care Funding Calculator (CFC). All reviews should result in ASCH Support Plans that specify the level of individual support being commissioned. Not only will this provide clarity for the service user and provider but ensure ASCH has accurate information to inform the future strategy.
- 6.1.5 From Year 2 there will be a transition to a volume and cost model, with Your Choice Barnet invoicing for actual delivery of services, with payments made monthly in arrears. It is anticipated that there should be an increase in the uptake of Direct Payments in response to national and local drivers, and this will therefore need to be reviewed through the clienting arrangements as it is better understood.
- 6.1.6 By year 3 it is anticipated that a volume and cost model should be fully established and the council will not provide a guarantee of minimum financial investment for Your Choice Barnet.

7.0 Financials

- 7.1 The table below sets out the projected revenue, expenditure and profit/loss for the respective organisations and the Group for the duration of the contract period. This is a revised position from the original business case and reflects robust due diligence undertaken by senior managers in both LBB and Barnet Homes.

Your Choice	2012/13	2013/14	2014/15	2015/16
Income	£5,866,841	£6,221,290	£6,460,470	£6,460,470
Expenditure	£5,781,504	£5,745,104	£5,742,092	£5,756,592
Profit	£85,337	£ 476,186	£ 718,378	£703,878

Barnet Homes	2012/13	2013/14	2014/15	2015/16
Income	£27,825,005	£27,825,005	£27,825,005	£27,825,005
Expenditure	£27,683,200	£27,683,200	£27,683,200	£27,683,200
Profit	£141,805	£141,805	£141,805	£141,805

The Barnet Group	2012/13	2013/14	2014/15	2015/16
Income	£33,691,846	£34,046,295	£34,285,475	£34,285,475
Expenditure	£33,464,704	£33,428,304	£33,425,292	£33,439,792
Profit	£227,142	£617,991	£860,183	£845,683

Figures for Barnet Homes assume current budget 2011/12 remains constant with YC income and expenditure added.

Revised budget and savings for Barnet Homes to be modelled following LBB budget process

The Barnet Group figure assumes consolidated position from Barnet Homes and Your Choice however HRA funds will need to be returned to the Council and will not offset losses by Your Choice Barnet.

7.2 Pricing and Volumes

7.2.1 Analysis of pricing and volumes can be found in the associated part 2 exempt report.

7.3 LATC – the Impact on the Council

The original business case set out the financial benefits for setting up the LATC. The financial benefits for the council are summarised in the table below. The table compares what would be the true budget position for LBB if Your Choice Barnet was not set up with the estimated budget position following the creation the LATC. It illustrates that from year 2, and each year thereafter, LBB will benefit financially from the creation of the LATC.

LATC Budgetary Comparison				
COUNCIL POSITION	2012/13	2013/14	2014/15	2015/16
Existing Council Budget	5,596,162	5,596,162	5,596,162	5,596,162
"Growth" from Purchasing Budget	184,749	369,777	612,640	856,343
plus unrecharged costs	27,655	27,655	27,655	27,655
Council budget position	5,808,566	5,993,594	6,236,457	6,480,160
LBB position with LATC				
Payments to LATC	5,223,837	5,578,285	5,817,465	5,817,465
LD payments	262,242	262,242	262,242	262,242
Transport (Retained Budget)	537,644	537,644	537,644	537,644
Buildings Contract-LBB retain	294,000	294,000	294,000	294,000
Recharges "sold" to LATC	(150,000)	(150,000)	(150,000)	(150,000)
Reduction in support	(70,000)	(70,000)	(70,000)	(70,000)

budgets				
LATC profit	(85,337)	(476,186)	(718,378)	(703,878)
Future LBB position	6,012,385	5,975,986	5,972,974	5,987,474
LBB - Loss / (Surplus)	203,819	(17,609)	(263,483)	(492,686)

2012-2015	Business Plan	Reduction of 2% income per annum	Reduction of 5% income per annum
Total Loss/Surplus	£1,279,900	£-753,820	£-1,884,540

The table above shows the current projected surplus of £1,280k over the 3 years 2012-2015 and the project impact on this surplus if income reduces by 2% and 5% per annum without any changes made to the Your Choice cost base. This demonstrates how vulnerable Your Choice is financially and means that careful budget management and planning of the organisation is key to its success.

The table below reinforces the need for strong financial management showing the impact of 2% and 5% cost increases on the surplus for the same period.

2012-2015	Business Plan	Increase of 2% costs per annum	Increase of 5% costs per annum
Total Loss/Surplus	£1,279,900	£-689,960	£-1,724,900

8.0 Next Steps

- 8.1 This document will continue to be refined, taking into account feedback from a variety of sources until go live. Between January to March 2012 The Barnet Group will be setting its budget and improvement plans in conjunction with LBB and once the Group structure is bedded down, further more detailed work will be undertaken on aspects such as new business and efficiency opportunities, particularly for Your Choice Barnet Ltd.



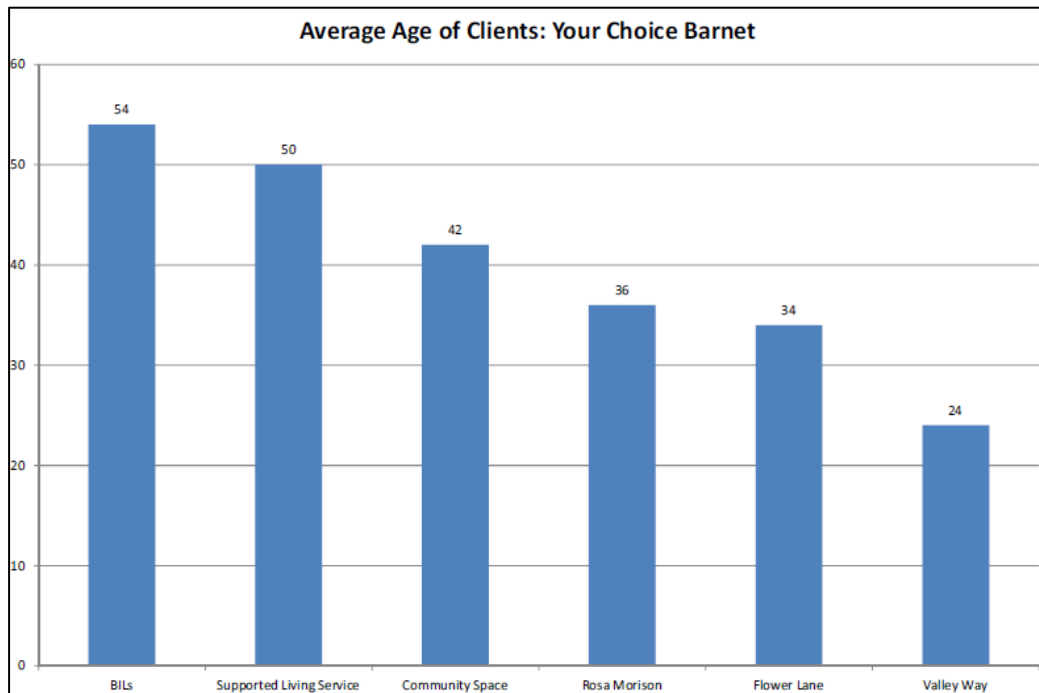
Appendix 1: The Barnet Group Customer Base

1.0 Customer Base

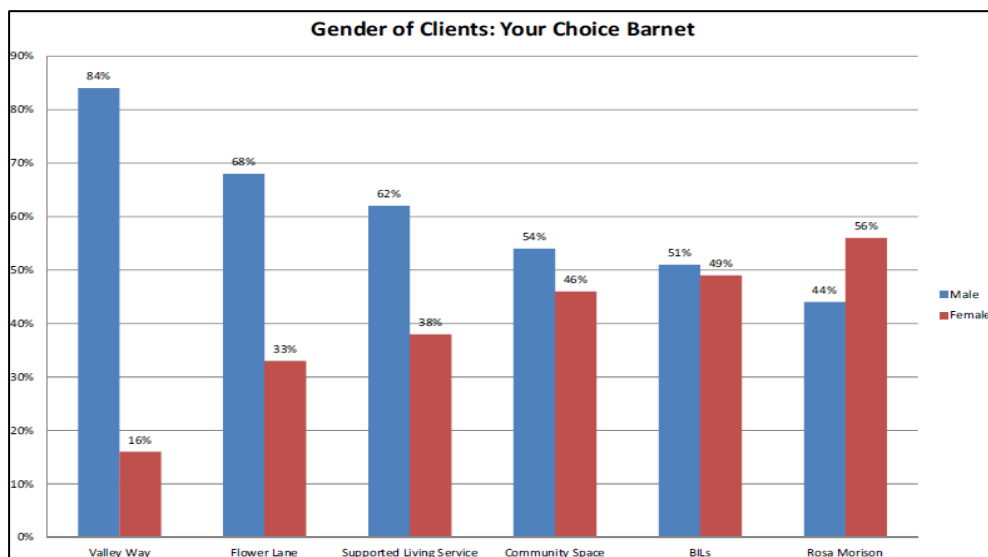
1.1 Your Choice Barnet

1.1.2 The charts and tables below provide a breakdown of the existing customer base for Your Choice Barnet Ltd

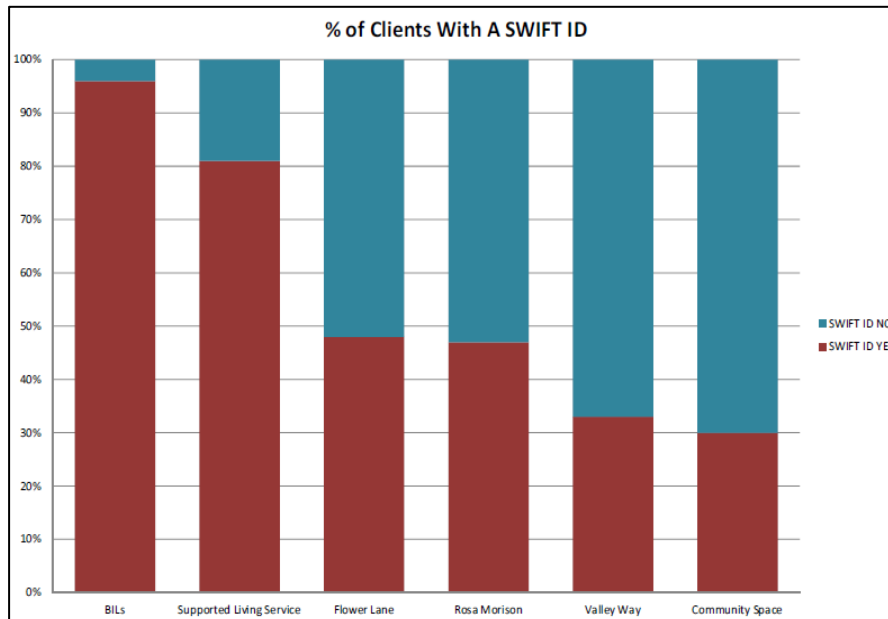
1.1.3 The average age of clients ranges between services. For example, the average age of a client for the BILs service is 54, in comparison to age 24 at Valley Way.



1.1.4 There is a mix of male and female clients for the Your Choice Barnet services. Some services have an even mix of genders, such as BILs (male 51%, female 49%) and CommunitySpace (male 54% and female 46%). However; the client base for Valley Way is predominantly male (84%).

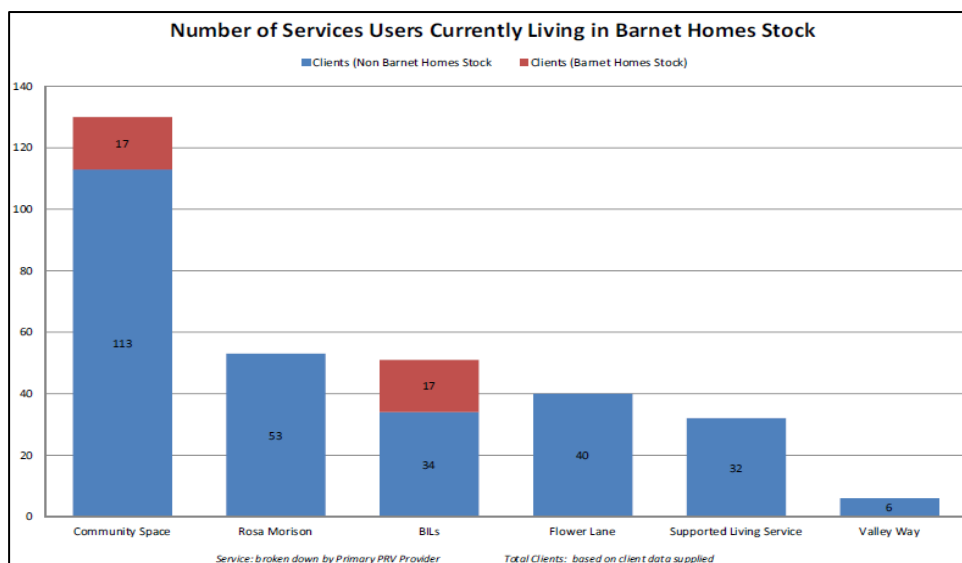


1.1.5 96% of BILS clients have IDs on SWIFT (the social care database), with only 4% not being registered. This is in comparison with Community Space, where only 30% of clients have a SWIFT ID.

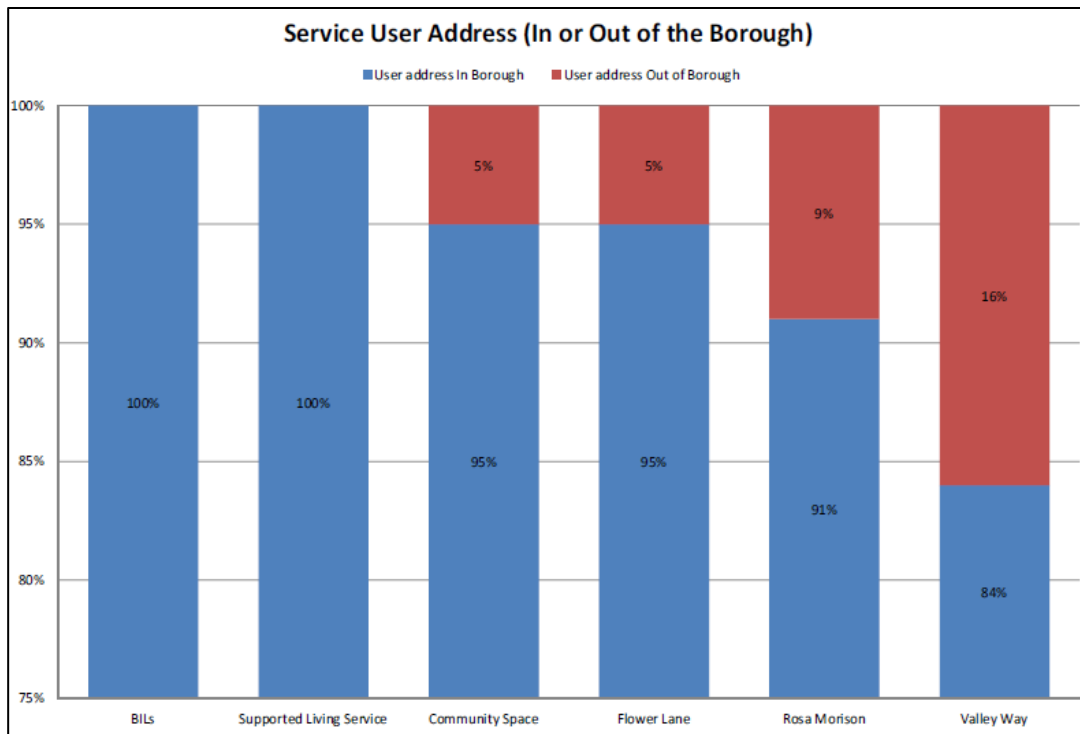


1.1.6 In the Business Case (v1.12) and anecdotally it has been expressed that there is little turnover of clients, but this information is not captured systematically and the gap in user start dates reflects this. As part of establishing more robust data going forward, a 'service user' database is currently being developed by Barnet Homes on behalf of the in-scope adult social care services. This will be in place by 1 February 2012 and will provide Your Choice Barnet with enhanced customer insight. It will also provide the service with the ability to undertake detailed analysis of turnover, preferences and trends going forward to better inform business development.

1.1.7 The chart below shows whether the service users are living in properties managed by Barnet Homes. There are two service areas that have some of their users living in Barnet Homes properties – BILs (33%) and Community Space (33%).



1.1.8 The chart below uses the client data supplied to show whether service users live in the borough. All clients of BILS and the Barnet Supported Living Service live within the borough. The service area with the lowest number of users living within the borough is Valley Way (84%).

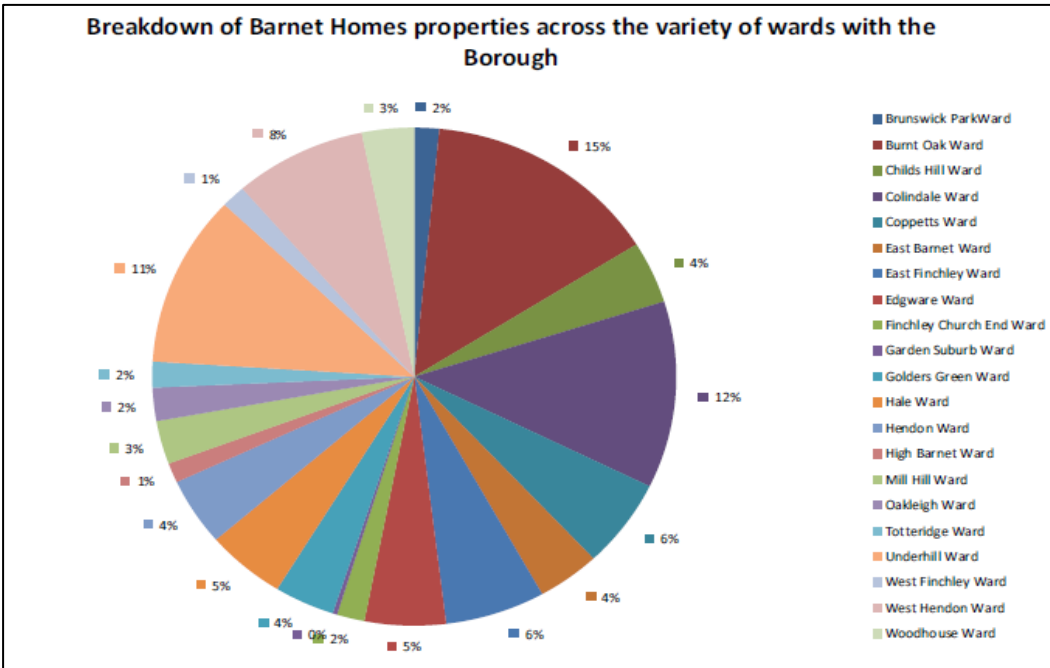


1.1.9 Other location information for users living in Barnet is shown below:

CommunitySpace	The majority of CommunitySpace service users live near the Edgware Road corridor in the west of Barnet or East Barnet and Brunswick Park wards in the east of the borough.
Flower Lane	Flower Lane Autism Service users are spread evenly around the borough.
Rosa Morison	Most users of Rosa Morison live in the east and north of the borough (predominantly the wards of Underhill and High Barnet), relatively close to the service.
Valley Way	The Valley Way Respite service users are spread evenly around the borough.

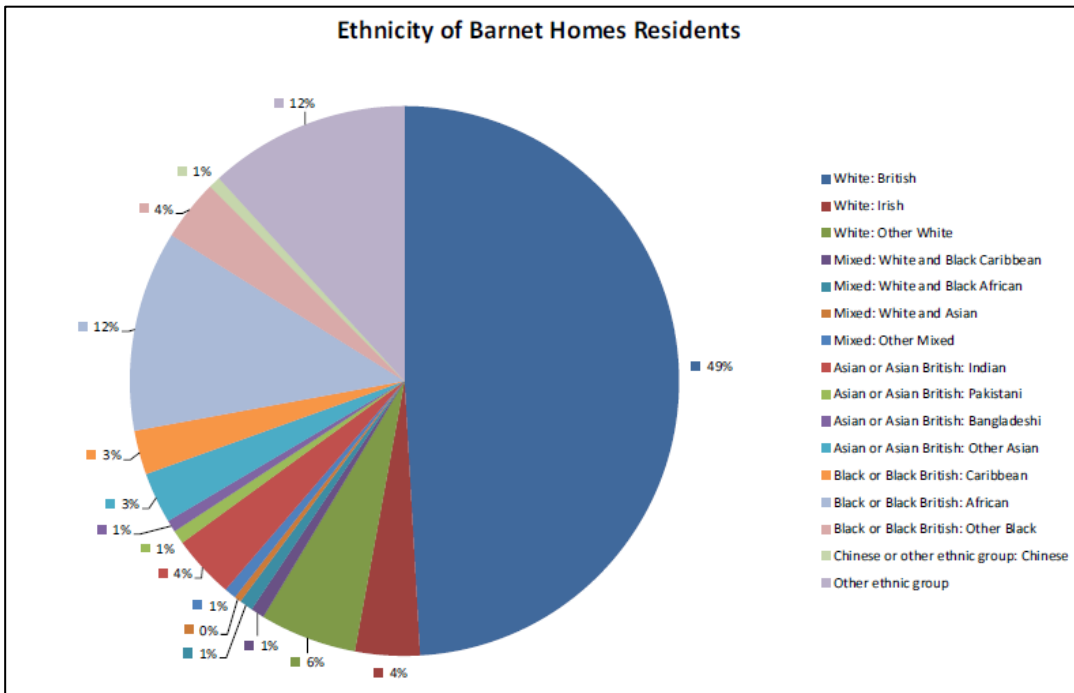
1.2 Customer Base – Barnet Homes

1.2.1 The table below shows a breakdown of Barnet Homes' properties across the variety of wards with the Borough. The wards with the largest concentration of Barnet Homes' properties are Burnt Oak (15%), Colindale (12%) and Underhill ward (11%). In terms of postcode area around a quarter of residents live in HA8.



1.2.2 Barnet Homes collects and monitors equalities information on its residents (note: the majority of information is held on the main tenancy holder only). This information shows that just under half (49%) of Barnet Homes residents (main tenancy holders) are of White: British ethnicity. This is lower than the averages for London Borough of Barnet (60%), London (60%) and England (87%).

1.2.3 The next highest ethnicity category of Barnet Homes' residents (main tenancy holder) is Black or Black British: African (12%) and Other Ethnic Group (12%).

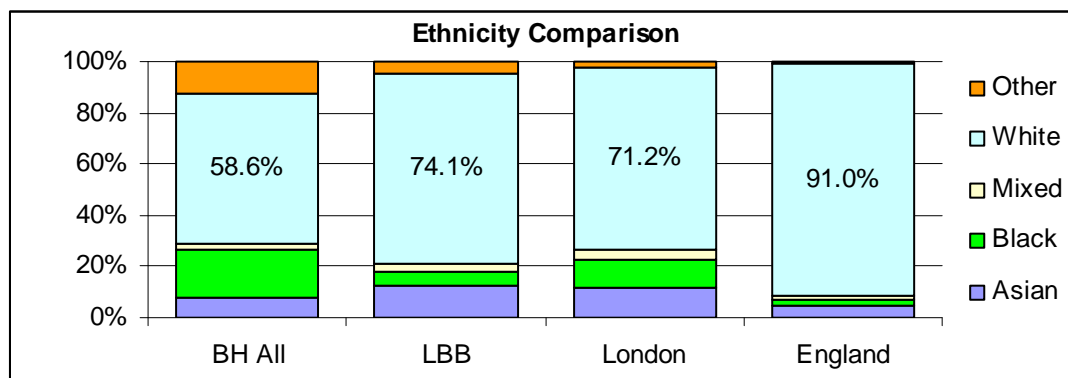


1.2.4 Barnet Homes has a higher than average number of residents (in comparison to the borough as a whole, London and England averages) in the following ethnic categories:

Ethnicity	BH All	LBB	London	England
Asian or Asian British: Other Asian	3.0%	2.0%	1.9%	0.5%
Black or Black British: African	11.8%	4.3%	5.3%	1.0%
Black or Black British: Other Black	3.6%	0.3%	0.8%	0.2%
Mixed: White and Black African	0.8%	0.5%	0.5%	0.2%
White: Irish	3.8%	3.4%	3.1%	1.3%
Other ethnic group	11.8%	2.6%	1.6%	0.4%

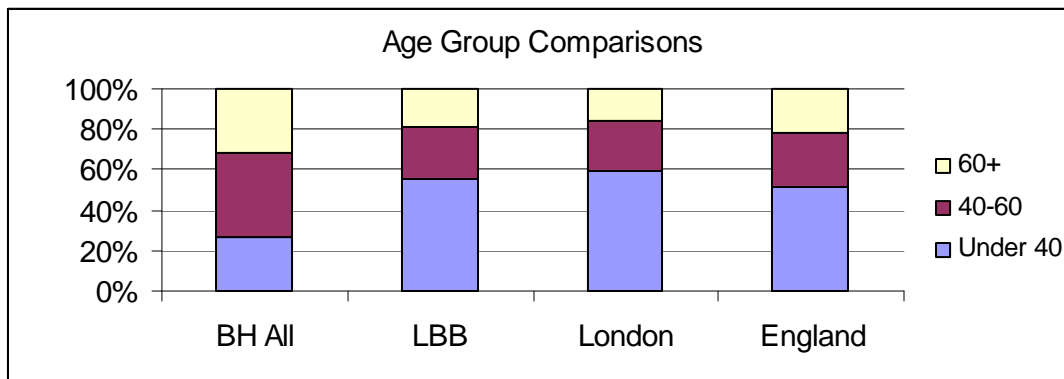
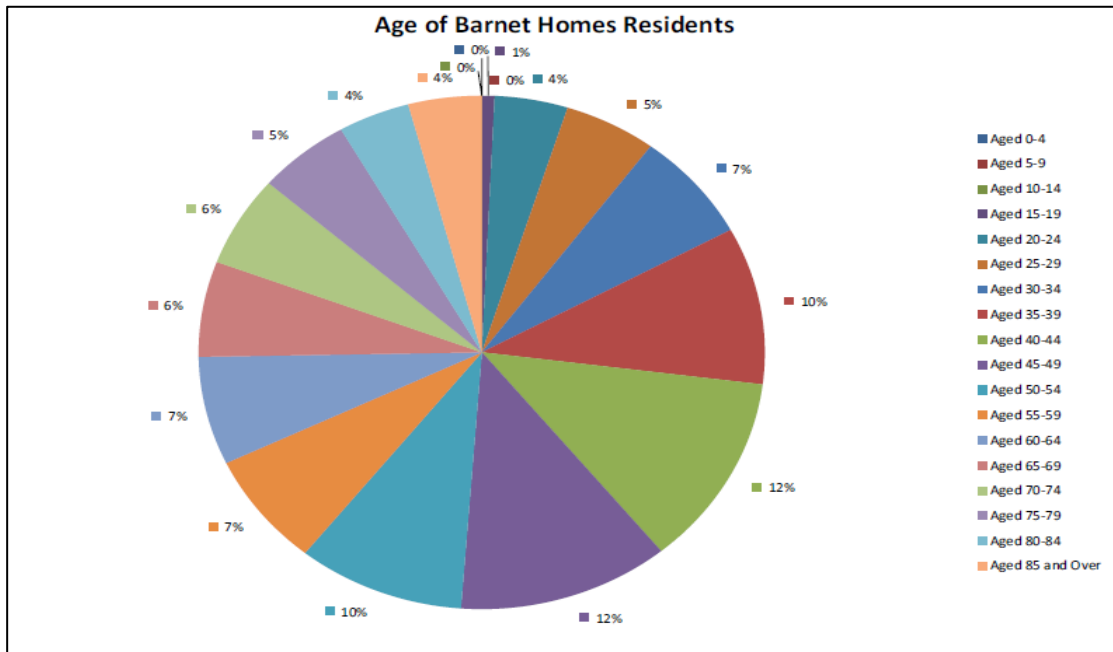
This can also be seen in the wider category splits

Ethnicity April 2001	BH All	LBB	London	England
Asian	8.2%	12.4%	12.1%	4.6%
Black	18.0%	5.9%	10.9%	2.3%
Mixed	2.7%	3.0%	3.2%	1.4%
White	58.6%	74.1%	71.2%	91.0%
Other	12.5%	4.6%	2.7%	0.8%
Total	100%	100%	100%	100%



1.2.5 The age of Barnet Homes' residents (main tenancy holders) is shown in the chart below. 12% of the main tenancy holders are between 40-44 years of age, and 45-49 years (12%), followed by ages 35-39 (10%). Barnet Homes' data shows a larger proportion of 40+ Age Group, because the data is for main tenants who are all over 18 years of age. The LBB, London and England profile contains all age groups under 18. 32% of Barnet Homes' Residents are 60 or over.

Age All Persons (Jul 2009) Summary	BH All	LBB	London	England
Under 40	27.0%	55.2%	59.2%	51.0%
40-60	40.9%	26.0%	25.2%	26.8%
60+	32.1%	18.6%	15.7%	22.2%
Total	100.0%	99.8%	100.1%	100.0%



1.2.6 The table below shows a breakdown of Barnet Homes' properties across the variety of wards with the Borough.

Ward	Number of Households Sep11	%
Brunswick Park Ward	164	1.5%
Burnt Oak Ward	1558	14.6%
Childs Hill Ward	431	4.0%
Colindale Ward	1298	12.1%
Coppetts Ward	617	5.8%
East Barnet Ward	413	3.9%
East Finchley Ward	660	6.2%
Edgware Ward	536	5.0%
Finchley Church End Ward	183	1.7%
Garden Suburb Ward	29	0.3%
Golders Green Ward	399	3.7%
Hale Ward	522	4.9%
Hendon Ward	471	4.4%

Ward	Number of Households Sep11	%
High Barnet Ward	136	1.3%
Mill Hill Ward	301	2.8%
Oakleigh Ward	231	2.2%
Totteridge Ward	179	1.7%
Underhill Ward	1194	11.2%
West Finchley Ward	159	1.5%
West Hendon Ward	873	8.2%
Woodhouse Ward	344	3.2%
Total	10698	100.0%

Ethnicity April 2001	BH All	LBB	London	England
Asian	8.2%	12.4%	12.1%	4.6%
Black	18.0%	5.9%	10.9%	2.3%
Mixed	2.7%	3.0%	3.2%	1.4%
White	58.6%	74.1%	71.2%	91.0%
Other	12.5%	4.6%	2.7%	0.8%
Total	100%	100%	100%	100%

Ethnicity April 2001	BH All	LBB	London	England
All People	100.0%	100.0%	100.0%	100.0%
White: British	49.1%	59.9%	59.8%	87.0%
White: Irish	3.8%	3.4%	3.1%	1.3%
White: Other White	5.7%	10.8%	8.3%	2.7%
Mixed: White and Black Caribbean	0.8%	0.5%	1.0%	0.5%
Mixed: White and Black African	0.8%	0.5%	0.5%	0.2%
Mixed: White and Asian	0.4%	1.0%	0.8%	0.4%
Mixed: Other Mixed	0.7%	1.0%	0.9%	0.3%
Asian or Asian British: Indian	3.7%	8.6%	6.1%	2.1%
Asian or Asian British: Pakistani	0.8%	1.3%	2.0%	1.4%
Asian or Asian British: Bangladeshi	0.7%	0.5%	2.1%	0.6%
Asian or Asian British: Other Asian	3.0%	2.0%	1.9%	0.5%
Black or Black British: Caribbean	2.6%	1.3%	4.8%	1.1%
Black or Black British: African	11.8%	4.3%	5.3%	1.0%
Black or Black British: Other Black	3.6%	0.3%	0.8%	0.2%
Chinese or other ethnic group: Chinese	0.7%	2.0%	1.1%	0.4%
Other ethnic group	11.8%	2.6%	1.6%	0.4%

Faith (updated Nov 2004)	BH All	LBB	London	England
All People	100.0%	100.0%	100.0%	100.0%
People stating religion as: Christian	29.4%	47.3%	58.2%	71.7%
People stating religion as: Buddhist	0.4%	1.1%	0.8%	0.3%
People stating religion as: Hindu	1.5%	6.7%	4.1%	1.1%
People stating religion as: Jewish	0.8%	14.8%	2.1%	0.5%
People stating religion as: Muslim	7.8%	6.2%	8.5%	3.1%
People stating religion as: Sikh	0.1%	0.4%	1.5%	0.7%
People stating religion as: Other religions	3.3%	1.0%	0.5%	0.3%
People stating religion as: No religion	8.8%	12.8%	15.8%	14.6%
People stating religion as: Religion not stated	47.9%	9.7%	8.7%	7.7%

Age All Persons (Jul 2009 estimate)	H All	BB	London	England
All Ages	100.0%	100.0%	100.0%	100.0%
Aged 0-4	0.0%	7.1%	7.3%	6.2%
Aged 5-9	0.0%	6.1%	5.7%	5.5%
Aged 10-14	0.0%	5.8%	5.3%	5.8%
Aged 15-19	0.8%	5.6%	5.5%	6.4%
Aged 20-24	4.1%	6.0%	7.3%	6.9%
Aged 25-29	5.3%	8.1%	9.6%	6.8%
Aged 30-34	6.9%	8.3%	9.8%	6.3%
Aged 35-39	9.9%	8.2%	8.7%	7.1%
Aged 40-44	12.1%	8.0%	8.2%	7.6%
Aged 45-49	12.1%	7.0%	6.9%	7.2%
Aged 50-54	9.6%	5.9%	5.5%	6.2%
Aged 55-59	7.2%	5.1%	4.6%	5.8%
Aged 60-64	6.8%	4.9%	4.2%	6.0%
Aged 65-69	6.0%	3.5%	3.1%	4.5%
Aged 70-74	5.7%	3.1%	2.8%	3.9%
Aged 75-79	5.3%	2.8%	2.3%	3.2%
Aged 80-84	4.1%	2.1%	1.7%	2.4%
Aged 85 and Over	4.2%	2.2%	1.6%	2.2%

Age All Persons (Jul 2009 estimate) Summary	BH All	LBB	London	England
Under 40	27.0%	55.2%	59.2%	51.0%
40-60	40.9%	26.0%	25.2%	26.8%
60+	32.1%	18.6%	15.7%	22.2%
Total	100.0%	99.8%	100.1%	100.0%

Economic Status	BH All	LBB	London	England
All people aged 16-74 (Apr 2001)	-	100.0%	100.0%	100.0%
Large employers and higher managerial occupations	-	4.3%	4.4%	3.5%
Higher professional occupations	-	9.7%	7.7%	5.1%
Lower managerial and professional occupations	-	23.7%	22.2%	18.7%
Intermediate occupations	-	9.8%	10.2%	9.5%
Small employers and own account workers	-	8.1%	6.4%	7.0%
Lower supervisory and technical occupations	-	3.8%	5.0%	7.1%
Semi-routine occupations	-	7.6%	9.0%	11.7%
Routine occupations	-	4.2%	5.8%	9.0%
Never worked	-	3.7%	4.7%	2.7%
Long-term unemployed	-	1.0%	1.4%	1.0%
Full-time students	-	9.7%	9.0%	7.0%
Not classifiable for other reasons	-	14.2%	14.2%	17.7%


Going the extra mile

Delivering great services
at great value



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Passing on careers advice at a Barnet Homes employment and training day.

Foreword

The successful completion of our Decent Homes programme is a good opportunity to reflect on our achievements and assess how we can best meet the challenges ahead.

We are enormously proud of having delivered our £185million Decent Homes investment programme on time and to budget, making improvements to more than 8,000 homes.

This is more than just improving the fabric of buildings. It is also about building the fabric of a better society – from older people enjoying a warmer home, to thousands of children being given a better start in life.

Yet we have always recognised that our company is about much more than Decent Homes.

By taking a business-like approach to social housing, we have a good track record of developing professional expertise, delivering high quality services and offering good value for money. We believe this provides us with the foundation to grow as an organisation.

Plans to attract new business, particularly our plans to take over additional services from Barnet Council, will help us to ride out the challenges of the national squeeze on public spending.

At the same time, by making best use of resources, creating stronger links with other organisations and empowering communities to do more for themselves, we believe it is possible to achieve more for less, ensuring residents receive improved services while making year-on-year spending reductions.

Over the next two years we will build on our record of:

- Substantial efficiencies. By applying a business focus to social housing, we have managed to cut our operating costs by 15 per cent while retaining good customer satisfaction. But we know we must now go further, and more radical savings solutions must be found
- Successful partnership working. We are currently procuring for ten-year contracts for our maintenance services. This process is crucial to the future quality and value of our services
- Excellent relationship with our sole shareholder, Barnet Council. This will help us to realise our plans for taking over management of some adult social care services, along with other housing services currently delivered directly by Barnet Council. The addition of these services will ensure the company's future viability and success

- Involving and empowering our residents. From having a Barnet Homes leaseholder as Board Chair, to establishing a resident-led scrutiny group, we have long recognised that co-regulation is the best way of ensuring we provide services that meet the needs and wishes of our residents
- Maintaining our properties to a good quality standard. We must ensure we invest our reduced resources in the most cost effective and beneficial way both on our regeneration estates and other council homes across Barnet
- Developing a good quality and committed workforce. We must ensure we have the right people with the right skills and resources to continue to raise the quality of our services to our residents.

The financial challenges ahead are significant but not insurmountable. We are positive about the opportunities for self-financing offered by the government's review of the Housing Revenue Account, and would welcome the opportunity to involve residents still further in determining how we prioritise investment.

This Business Plan sets out how we will achieve more for less, and continue to build our reputation as an excellent landlord and innovative organisation over the next two years.




Tracey Lees

Tracey Lees,
Chief Executive



V. Britchfield

Vi Britchfield,
Chair of the Board

A young boy with dark hair, wearing a black t-shirt with a graphic and white shorts, is captured mid-air, jumping over a large hay bale. He has his arms outstretched horizontally and a joyful expression. The background features a multi-story residential building with many windows and balconies. In the lower part of the image, there is a white event tent with people gathered around it, and a red and white striped banner is strung across the area. The overall scene is an outdoor community event.

Star jumping at one of our first Love where you live events at the Fosters Estate, Hendon – encouraging residents to take pride in their neighbourhood.

Introduction

Our Business Plan sets out our main projects and objectives up to 2013.

Our vision

Great service, delivered at great value, that makes a positive difference to people, homes and communities.

The plan is a path of direction, not a detailed action plan. It will be used to inform action plans to be drawn up and delivered by service areas within Barnet Homes.

These individual plans, and our future Business Plans, will in turn be predicated on the following:

- Clarity over the future of the Housing Revenue Account, and a detailed assessment of the implications of an alternative self-financing system
- More details from the government about the possibility of setting rents for new tenants at 80 per cent of market rates, and a decision on how this might be applied in Barnet
- The government's Localism Bill, including changes to security of tenure and flexible tenancies
- The impact of reforms to the benefits system on the ability of tenants to sustain their tenancies, and extra support they may require

- Progress on regeneration projects at our four priority estates
- Ensuring continued alignment with Barnet Council's corporate priorities and business plans, in support of its One Barnet vision
- The outcome of ongoing discussions with the council about the possibility of Barnet Homes managing its housing needs and resources services, and some adult social care services.

In light of the current uncertainty over these important issues, we have set a two-year timescale to this Business Plan. Our previous Business Plans have extended over a five year period.

The successful delivery of our vision will require:

- Understanding our **residents** and their priorities
- Delivering the right **services** at the right quality
- Ensuring we have the right **people** in place to deliver these services in the most effective way
- Offering **financial value** in all that we do, achieving efficiencies and attracting new business
- Working with partner organisations and residents to make efficiency savings and long-term improvements to wider **communities**.



Riffat and Waheed Butt with their severely disabled daughter Zoha, who is enjoying a better quality of life thanks to Barnet Homes adaptations to their West Hendon home.

What our residents say about our services	2008 (STATUS)	2010	London Avg (2008)
Tenants happy with overall service	71%	73%	68%
Tenants happy with repairs service	70%	68%	66%
Tenants who felt staff were helpful	78%	83%	73%
Leaseholders happy with overall service	31%	40%	37%
Leaseholders happy with repairs service	30%	33%	33%
Leaseholders who felt staff were helpful	51%	59%	48%

To measure the success of this plan we have set these targets:

- Improve tenant satisfaction to 76% by 2012
- Improve leaseholder satisfaction with overall services to 44% by 2012.

Residents

We pride ourselves on our good customer care, reflecting the diverse needs of our residents. We are a listening organisation that involves our residents in all that we do.

Aim 1: We will have a clear understanding of our residents, including their needs and priorities

- We will carry out regular surveys of residents so that we have comprehensive information about the people we are serving, their priorities and their satisfaction with the quality of services
- We will keep existing information about our customers up to date by sending out profiling questionnaires with all appropriate correspondence, with a clear explanation of why we are doing this
- We will encourage more residents to join the 3,000 people already on our Viewpoint system, so that they can be consulted on the issues that matter to them.

Aim 2: Residents will receive useful and timely information about Barnet Homes and our services in the format they want

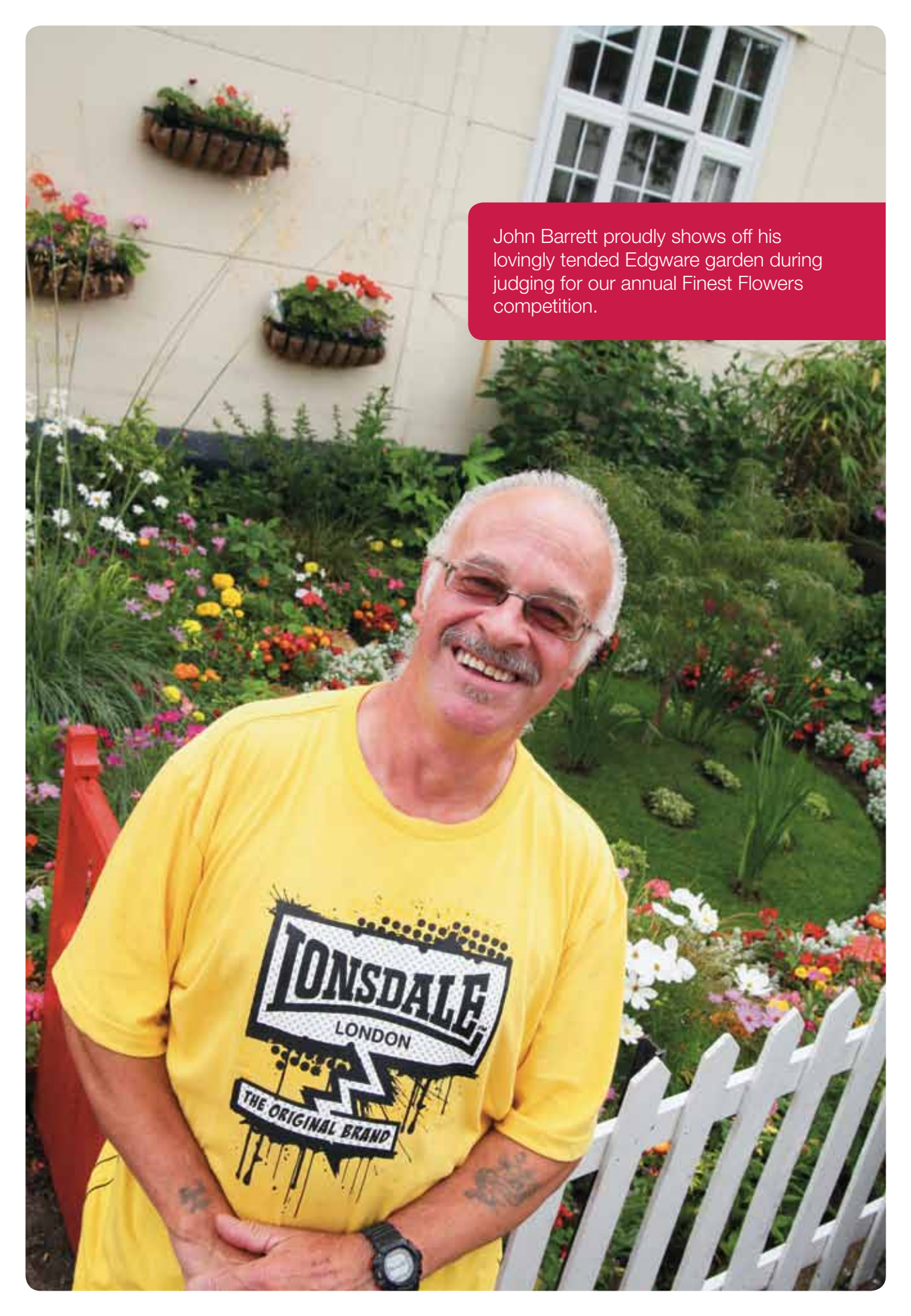
- We will carry out further improvements to our website, involving residents, to make information more accessible and to enable more online transactions
- We will work with residents to quality check our standard letters and other outgoing correspondence
- We will actively encourage residents to sign up to email and texting services as a cost-effective alternative to receiving printed correspondence.

Aim 3: Our residents will be given the tools to scrutinise our performance and drive change

- We will further develop the scrutiny role of our resident Performance Advisory Group. The group will also take responsibility for drafting our Annual Report to residents and leading a review of our complaints process
- We will promote our 20 new service standards and encourage residents to hold us to account if we fail to meet these standards
- We will encourage residents to submit ideas for service improvements and efficiencies through a dedicated area of our website, alongside promotion in our athome newsletter and other communications channels
- We will continue to hold Hub meetings across the borough and attract new residents through strong promotion. Our managers and key staff will be attending Hub meetings to answer residents' questions.

Key project

We will further develop the scrutiny role of our residents' Performance Advisory Group. The group will also take responsibility for drafting our Annual Report to residents and leading a review of our complaints process.

A photograph of John Barrett, a man with a mustache and glasses, smiling in his garden. He is wearing a yellow t-shirt with a 'LONSDALE LONDON THE ORIGINAL BRAND' logo. The garden is lush with various flowers and plants, and there are hanging baskets on the wall behind him. A white picket fence is visible in the foreground.

John Barrett proudly shows off his lovingly tended Edgware garden during judging for our annual Finest Flowers competition.

Services

Delivering excellent services with reduced resources is Barnet Homes' biggest challenge. It is crucial that we concentrate our efforts on services that will have the biggest possible benefit to residents, and that we challenge our working practices to deliver these services in the most efficient way possible.

Aim 1: All of our residents will be able to live in safe homes with modern facilities

- We will oversee the delivery of a £9.5million refurbishment programme at three tower blocks in Granville Road, taking almost 200 properties to beyond the Decent Homes standard
- We will prioritise our investment spending on making safety improvements in line with legislation, and on vital work to replace failing elements of properties
- We will undertake a major programme of fire safety works using a risk-based approach
- We will agree a new home quality standard with residents following the completion of our Decent Homes programme and use this to inform our forward investment plan
- We will support our partner Village Heating to deliver a 3-star gas service with which will give cost savings and maintain our excellent gas safety record.

Aim 2: All of the 15,000 homes managed by Barnet Homes will be well maintained

- We will achieve high quality ongoing maintenance of our stock at the best possible value for money through our procurement of ten-year maintenance contracts, starting in April 2012
- We will involve residents at every stage of the procurement process, including ongoing monitoring of the contracts once in place

- We will complete a review of repairs at void properties, creating a more efficient system that can be delivered at better value for money and that will improve resident satisfaction with newly-let homes
- We will focus on improving satisfaction with our repairs service by prioritising areas of dissatisfaction in our investment programme
- We will work with Barnet Council, its regeneration partners and residents to review our plans for ongoing maintenance and investment in regeneration properties, and keep residents up to date with developments.

Aim 3: Leaseholders will receive improved services at better value for money

- We will introduce a key leaseholder scheme, through which leaseholders will agree to become liaison points between Barnet Homes and other leaseholders on issues such as communal repairs and service charges
- Through improved forward planning, we will oversee year-on-year reductions in variations between estimate and actual service charges
- Through targeted promotion, we will encourage more leaseholders to make use of our online Service Charges Direct system.

Aim 4: Residents will receive appropriate and targeted support to help them sustain their tenancies and live independently

- We will carry out focus group sessions with residents identified as most at risk of arrears to determine causes and agree action plans
- We will promote the use of direct debit through targeted campaigns to tenants
- We will encourage more tenants to take advantage of credit unions through prominent information on our website and through *athome*
- We will offer an enhanced housing management service at all of our sheltered housing schemes following Barnet Council's approval of plans to reconfigure housing and support options for older people. We will work with the council to ensure older residents continue to receive appropriate levels of care and support through its proposed sheltered plus schemes.

Aim 5: We will re-let empty properties more quickly to new tenants

- We will support Barnet Council in delivering its new allocations policy. This will enable those in housing need to find more suitable housing of their choice more quickly, and our work will include agreeing with residents a variable void standard to help with tackling hard-to-let properties
- Subject to government permission, we will offer assured shorthold tenancies at empty regeneration properties on the Grahame Park Estate. This will minimise lost rent and open up hard-to-let stock to new temporary tenants.

Key projects

- We will achieve high quality ongoing maintenance of our stock at the best possible value for money through our procurement of ten-year maintenance contracts, starting in April 2012
- We will work with Barnet Council to review sheltered housing provision with the aim of continuing to provide high-quality services to older residents
- We will continue to support Barnet Council in delivering the outcomes of its systems review of allocations and lettings and will agree with residents a variable void standard to help with tackling hard-to-let properties.



The future vision for tower blocks at the Granville Road Estate, Childs Hill, following our biggest ever redevelopment project

People

Our staff are our greatest asset. We can only deliver excellent services if we also have a positive, innovative and committed workforce.

What our staff say about us	2007	2010	2010 Benchmark
I am proud to work for Barnet Homes	75%	76%	73%
In my opinion this organisation is committed to customer satisfaction	<i>comparable question not asked</i>	89%	84%
My work gives me a feeling of personal accomplishment	69%	75%	75%
I am treated with fairness and respect	75%	81%	77%



Barnet Homes staff in discussions at a 'See it, sort it' event on the importance of good quality customer care.

Aim 1: We will have the right people in place to deliver high quality services to our customers

- We will develop a clear talent management and succession plan to encourage the most talented members of staff to develop in our employment
- We will encourage and develop staff with the right attitude and skills for delivering good customer service
- We will offer learning and development opportunities to staff that meet the needs of the Barnet Homes business and encourage personal growth
- We will further embed our new leadership structure to make better use of synergies between teams and improve information sharing across the company to deliver better customer service.

2. We will give members of staff the tools and support they need to do their job to the best of their ability

- We will develop a new intranet site to improve internal communications and enable a system of 'self-service' for day-to-day information and forms
- We will seek new office accommodation that offers good value for money and remains accessible to our residents
- We will continue to roll out and develop mobile working to enable staff to access and update information on site, and encourage more flexible working patterns that suit both our customers and our staff
- Working with staff we will review and refresh our corporate values

- We will involve staff in developing our business by encouraging suggestions and ideas for innovation through 'Dragon's Den'-style events in front of senior managers
- Non-frontline staff will attend resident events to meet tenants and leaseholders and build on their understanding of the communities we serve
- We will develop a major IT strategy to include a review of our integrated housing management software and implementation of a dedicated Customer Relationship Management system.

Key projects

- We will seek new office accommodation that offers good value for money and remains accessible to our residents
- We will continue to roll out and develop mobile working to enable staff to access and update information on site, and encourage more flexible working patterns that suit both our customers and our staff
- We will develop a major IT strategy to include a review of our integrated housing management software and implementation of a dedicated Customer Relationship Management system.

Finance

The national squeeze on public spending means we must make year-on-year savings throughout the duration of this Parliament. If we are to achieve more for less, we must ensure we make the best possible use of our reduced resources and attract new business to the organisation.

Aim 1: We will offer value for money in all that we do

- We will take full advantage of the government's proposed replacement of the Housing Revenue Account with a system of self-financing, working with residents to ensure we invest rental income where it is most needed and in a cost-effective way
- We will develop a programme of systems thinking reviews for identified areas of our business where early intervention will improve services for residents and achieve efficiencies
- We will consult and involve residents in our budget setting process to ensure our priorities reflect residents' priorities
- Our selection process for ten-year contracts covering all of our maintenance services from 2012 will have value for money at its core
- By offering appropriate support and good quality services to residents, we will build on our record levels of income collection for both rents and service charges.

Aim 2: We will attract new business to Barnet Homes to enable organisational growth

- We will work with Barnet Council on developing a business case for bringing some adult social care services structure into a new organisation which incorporates Barnet Homes
- We will work with Barnet Council to consider whether Barnet Homes should manage housing needs and resources services
- We will develop proposals for offering our bulk waste service on a commercial basis to other organisations
- We will launch a marketing campaign for our Assist emergency alarm services, including our lone worker monitoring system, to encourage sign-up from more non-Barnet Homes residents and other organisations
- We will offer our services as a successful managing agent to other registered social landlords, both in and outside Barnet, to take over the management of more properties
- We will explore opportunities to work more closely with partners and other ALMOs
- We will explore options for replacing our current offer of decoration vouchers to new tenants.

Key projects

- We will work with Barnet Council to take on some adult social care services
- We will work with Barnet Council to consider whether Barnet Homes should manage housing needs and resources services
- A programme of systems thinking reviews of our services.

Income and expenditure	2011/12
Income	£'000
Management Fees	18,984
Repairs & maintenance	8,050
Other income	434
Use of reserves	0
Total income	27,468
Expenditure	£'000
Management	14,189
Operational costs	3,420
Repairs & maintenance	8,145
Contingency/ contribution to reserves	1,714
Total expenditure	27,468

The budget for 2012/13 will be developed and agreed with the Council as part of the 30-year self-financing plan to be introduced following HRA reform implementation in April 2012.

Residents vote on their priority areas for spending at a budget special meeting of our quarterly Hub.



Communities

We want residents to take pride in both their homes and their neighbourhoods, so creating thriving communities.

Aim 1: We will work with partner organisations to combine our efforts on improving neighbourhoods and communities

- Through our “Feeling the Squeeze?” campaign, we will seek to offer job, training and apprenticeship opportunities to our residents wherever possible, and encourage our contractors and partner organisations to do likewise
- We will work with Jobcentre Plus to support the creation of jobs clubs, giving residents a network of support and advice as they seek to find long-term employment
- We will support Barnet Council’s Prototyping initiative by encouraging community-led support and self-help for new tenants, capturing and addressing their needs through early interventions, and reducing long-term public sector service pressure and costs
- We will continue to work with partners such as Barnet Council, Barnet Police, Barnet Community Projects, Barnet Football Club, Nutmeg, Catch 22, and the Barnet Play Association on a wide range of projects to benefit the community and encourage involvement. We will jointly evaluate the impact of projects and campaigns
- We will work with Community Barnet to offer opportunities for staff, members of the community and residents to work together.

Aim 2: We will encourage residents to become more involved in their local neighbourhood and effect improvements

- We will give encouragement and help to residents interested in establishing residents’ associations, and support them to build local scrutiny through estate inspections, mystery shopping and reporting to the Performance Advisory Group
- By offering pro-active advice, support and encouragement, we will help other individuals and groups successfully complete projects that will make a positive difference to their neighbourhood or community.

Key project

We will support the work of a new charitable furniture recycling project, Barnet Furniture Centre. This will benefit the wider community as well as many Barnet Homes residents by offering good quality furniture at discounted rates, new jobs and work experience opportunities for people with special needs and reduce waste disposal to landfill through recycling.



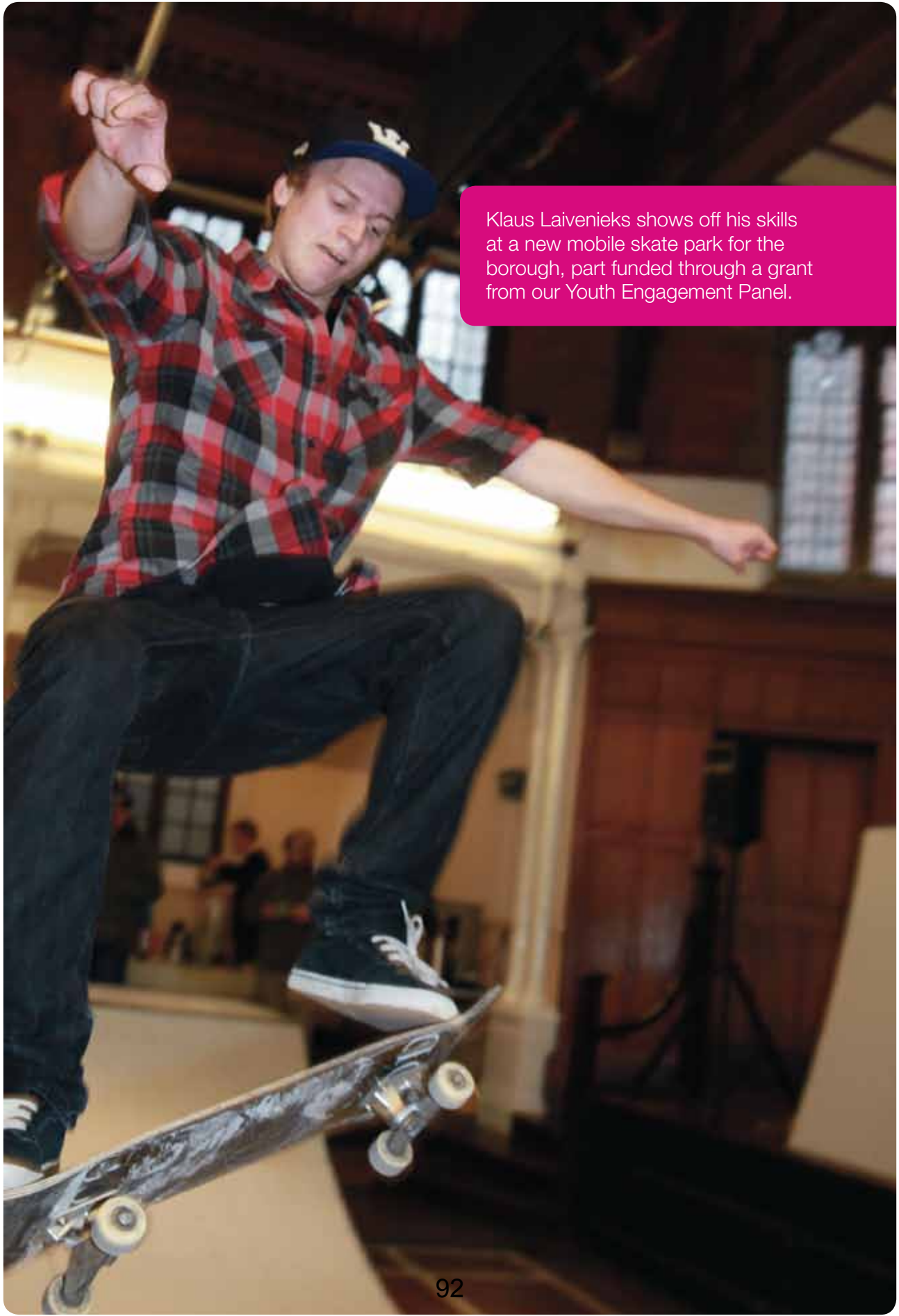


Turning the tables: Staff at a new charity, the Barnet Furniture Centre, set up by Barnet Homes to cut waste and offer good quality used furniture at an affordable price.

- We will evaluate the success of our first 'local offer' to review the frequency of caretaking at residents' request. If successful, we will consult residents on further local offers to benefit individual neighbourhoods
- We will hold further 'Love where you live' days to encourage residents to help Barnet Homes staff in carrying out long-term environmental improvements on targeted estates
- We will recognise and reward those residents who have improved the environment of their estates and the wellbeing of other residents through our annual Finest Flowers competition and Resident Awards, and promote these awards to inspire others
- We will continue to invest in employment and training programmes for residents and offer accredited Chartered Institute of Housing training in-house.

Aim 3. We will provide or support other services with wider community benefits

- We will support the work of a new charitable furniture recycling project, Barnet Furniture Centre. This will benefit the wider community as well as many Barnet Homes residents by offering good quality furniture at discounted rates, new jobs and work experience opportunities for people with special needs and reduce waste disposal to landfill through recycling
- We will encourage non-Barnet Homes residents and organisations to sign up to our Assist emergency alarm service and lone worker monitoring scheme through a dedicated promotional campaign
- We will support residents with projects they wish to introduce in their community by making applications to the National Lottery and other funding sources, or helping them to make their own applications.



Klaus Laivenieks shows off his skills at a new mobile skate park for the borough, part funded through a grant from our Youth Engagement Panel.

For more information visit:
www.barnethomes.org
or phone **0800 3895225**

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RISKS											RISK MANAGEMENT					
Process / Objective / Goal	Risk Identified	Potential Impact	Value Impact (if known)	Risk Area	Risk Appetite	IMPACT ANALYSIS					Current Risk Management Control	EFFECTIVENESS				
						Financial Impact	Public Relations Impact	Total Impact	Probability	GROSS RISK		Strength of Control	Next Steps/Action	Owner	Timelines	NET RISK
Barnet Homes	Relationship with LBB	SLA - Some areas of poor service and lack of clarity on costs causing impact on BH Performance and business plan		Reputation	L	M	M	M	H	H	1/4 monitoring of slas, charges and services. Inconsistent approach to management driven by different SLA owners	L	Further work is needed with LBB on costs/ open book approach and efficiency targets set for 2012/13 SLAs Outsourcing opportunities exist with the focus on the NSO and CSO and Barnet Homes must ensure it is actively involved in the specification of these areas	Gary Pliskin	Jan 2012	M
Barnet Homes	Regeneration schemes	Programme slippage causing investment and service issues		Reputation	L	M	M	M	H	H	Attend regeneration meetings, ongoing review of slippage impact alongside asset plans and 30 year business model	L	Implementing AST pilot proposal for hard to let voids.Improving our stock information on what needs to be done to regeneration estates to keep them safe through physical validation. Developing alternative and innovative options through the HRA review settlement. Developing a resilience and succession plan for the Grahame Park District Heating system that enables it to be more able to withstand leaks and anticipates when they system will become non viable through loss of properties it serves	Derek Rust	Apr 2012	M
Barnet Homes	Partnerships	Lack of robust clienting arrangements leading to poor service and/or increased costs		Continuity of Service	L	H	M	H	M	H	Ongoing management of existing contractors being maintained, regular client review meetings	M	Post Decent Homes procurement is being supported by an experienced external consultant. New R&M contract negotiations are still in progress with tougher contract provisions to protect BH interests. Lean voids review started to established leaner procedures and improve performance on voids and customer satisfaction. BH Investment Panel used to monitor partners performance.	Derek Rust	Apr 2012	H
Barnet Homes	Governance	Lack of succession plans lead to loss of continuity and governance issues		Regulation	Z	L	M	L	M	M	Discussions held with the Board during 2011, awaiting finalisation of governance arrangements for The Barnet Group	M	Further skills review is needed. PAG provides an excellent pool of future resident board candidates. A succession plan is needed for the Chair.	Troy Henshall	Jan 2012	M
Barnet Homes	Pensions	Cessation deficit on Connaughts pension not reclaimed by LBB leading to claim against Barnet Homes		Financial	L	H	L	M	M	M	Awaiting outcome of LBB claim, legal advice and records kept show claim on Barnet Homes could be defended.	H	Actuarial calculation requested from LBB pension Fund Administrators. LBB's Legal Services are pursuing recovery from KPMG (Connaught's administrators). When information has been ascertained an internal audit will be commissioned. This has been notified to the performance bond holder for the Connaught contract as a potential future claim (bond cover is £600k in total)	Troy Henshall	Apr 2012	M
Your Choice	Failure to retain all or majority of existing customers	Loss of income, viability of schemes and/or business threatened		Financial	L	H	H	H	M	H	Communication and consultation underway with service users & carers	M	Ongoing dialogue and reinforcement of service improvements, cost reduction programme	Amanda Jackson	Apr 2013	H
Your Choice	Failure to meet new business targets	Loss of income, viability of schemes and/or business threatened		Financial	L	H	M	H	L	M	None	L	New business opportunities to be pursued, monitor availability and success	Amanda Jackson	Apr 2013	M
Your Choice	Unable to drive efficiencies out of Your Choice	Pricing not competitive		Financial	L	M	M	M	M	M	None	L	Timetable review for 2012/13 financial year, deliver quick wins and programme further efficiencies	Amanda Jackson	Apr 2013	H
Your Choice	Commissioning model changes	Relationship affected, loss of contracts/opportunities		Continuity of Service	L	L	H	M	M	M	Ongoing dialogue with commissioner and awareness of sector changes	M	Include in client meetings to ensure aware of future changes	Amanda Jackson	Apr 2013	M
The Barnet Group	Both LBB & The Barnet Group are not clear on how the clienting role will operate	Lack of clarity affects relationships/service delivery		Continuity of Service	L	L	H	M	H	M	Working to existing arrangements between LBB & Barnet Homes	M	Work with LBB officers to develop cohesive approach to The Barnet Group	Tracey Lees	Oct 2012	M
Your Choice	Contract length not long enough to enable change and realise benefits	Decision taken to change service before all benefits/justification realised		Continuity of Service	L	L	H	M	H	M	Agreed 4+1 but queries have arisen as contract 3+2, activities planned to deliver over three year period	M	clarify contract length with LBB, minimum length needed is 4+1. Ensure success criteria within specification is robust and deliverable	Amanda Jackson	Apr 2013	M
The Barnet Group	Public sector strikes	Morale and service delivery affected		Continuity of Service	L	M	H	H	H	H	Continued dialogue and support with employees. Exceptions apply to key service areas	M	Continue to work with staff and await outcome of negotiations between the government and unions	Tracey Lees	Apr 2012	H
Your Choice	Individual scheme/services failure	Individual schemes/services are unable to recover their costs		Continuity of Service	L	H	H	H	M	H	Limited understanding of accurate costs/revenue via individual services/schemes	L	Create scheme viability models and run scenarios/option appraisals. Close down schemes/services that cannot support themselves financially longer term	Amanda Jackson	Apr 2013	H

Benefit	How will we measure the benefit?	Baseline measurement	Target metric/measure of success?	Future measurement timeline	Who will benefit affect?
Increase income and additional income workstreams	Percentage new income (£)	2012/13 Budget	7% increase in revenue for 2012/13 budget	19% increase across contract period	Your Choice
Services are financially viable within a competitive environment	Balance sheet, market comparisons	2012/13 Budget	Charges are comparable to local competitors	Charges are comparable to local competitors	LBB
Savings generated through reduced corporate and support costs (£1.2m potentially non-cashable savings)	Outturn information showing percentage of total expenditure on corporate and support service costs, value of SLAs	2012/13 Budget	6% cap met	6% cap met	LBB
Reduction in costs to LBB for the longer term	Outturn information, contracts, SLAs, corporate costs	2012/13 Budget	Meet budget, business case targets	Meet budget, business case targets	LBB
Maintaining or improving the quality of the services delivered	Customer satisfaction, achievement of individual outcomes as stated in Support Plans	01/02/2012	Increase in satisfaction/outcomes	Repeated annually over term of contract with yearly increases	Service users, carers and Your Choice
Social care service users can buy the services directly from the LATC (they cannot purchase in-house services)	Monitoring to confirm effective and efficient systems in place to ensure individuals can purchase LATC services	01/04/2013	% of customers purchasing services direct, in line with specification	% of customers purchasing services direct, in line with specification	Service users, carers and Your Choice
Service users at the heart of the LATC governance arrangements, co-producing the design and delivery of services	Service user/carer representation at Board level, Business plans are co-produced.	01/02/2012	Increase in involvement opportunities, more users and carers involved. Measure of satisfaction with opportunities and outcomes	Repeated annually over term of contract with yearly increases	Service users, carers and Your Choice
Flexibility and ability to respond to a changing market	Customer satisfaction, take up of LATC services, activity data	01/04/2013	Feedback from Commissioner? How is this measurable	Feedback from Commissioner? How is this measurable	Your Choice
Realise potential to reach a wider group of service users	Percentage increase of 'new' service users accessing LATC services	01/04/2012	7% increase in revenue for 2012/13 budget	19% increase across contract period	Your Choice

Appendix B

Private company limited by shares

Articles of Association

of

The Barnet Group Limited

Model Articles

- 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

Objects clause

- 2 The Company's objects are unrestricted.
- 3 Notwithstanding article 2, the Company shall not, without the prior written consent of the London Borough of Barnet:
 - 3.1 permit the registration (upon subscription or transfer) of any person as a member of the Company;

change the nature of the Company's business from [that of a holding company] or commence any new business which is not ancillary or incidental to such business;
 - 3.3 form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
 - 3.4 amalgamate or merge with any other company or business undertaking;
 - 3.5 declare or pay any dividend; or
 - 3.6 establish or amend any pension scheme.

Unanimous decisions

- 4 A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

Calling a directors' meeting

- 5 A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.
- 6 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

Quorum for directors' meetings

- 7 The quorum for the transaction of business of the directors shall be such number as is equal to one half of the number of directors then in office unless there is a sole director, in which event, the sole director shall constitute a quorum. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Article 11(2) of the Model Articles shall be modified accordingly.

Conflicts of interest

- 8 Provided that a director has disclosed his interest in an actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in consequence of any such transaction or arrangement. Article 14 of the Model Articles shall be modified accordingly.

Authorisation of directors' conflicts of interest

- 9 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 10 Authorisation of a matter under article 9 shall be effective only if:
- 10.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;

- 10.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**); and
- 10.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 11 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under article 9 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 12 Any authorisation of a matter under article 9 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.
- 13 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the member who appointed him as a director of the Company and no authorisation under article 9 shall be necessary in respect of any such interest.
- 14 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 14.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 14.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the directors under article 9.
- 15 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under article 9 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

Appointment and removal of directors

16 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.

17 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the Company may at any time and from time to time:

17.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); or

17.2 remove any director from office.

Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

18 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

Termination of a director's appointment

19 Notwithstanding any other provision of these articles, a person ceases to be a director as soon as he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Appointment and removal of alternate directors

20 Any director (the **appointor**) may appoint as an alternate any other director, or any other natural person to:

20.1 exercise that director's powers; and

20.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

21 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor. Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions,

are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor). No alternate may be counted as more than one director for such purposes.

- 22 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

Termination of alternate directorship

- 23 An alternate director's appointment as an alternate terminates:
- 23.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 23.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the terminate of the appointor's appointment as a director;
- 23.3 on the death of the alternate's appointor; or
- 23.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

Company secretary

- 24 The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

Nil- or partly-paid shares permitted

- 25 Article 21 of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

Allotment of shares

- 26

Share certificates

- 27 Every share certificate must specify the amount paid up on the shares to which it relates. Article 24(2)(c) of the Model Articles shall not apply to the Company.

Share transfers

- 28 The instrument of transfer of any share taken on formation of the Company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.

Calculation of dividends

- 29 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

- 29.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

- 29.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount. Article 30 of the Model Articles shall be modified accordingly.

Appropriation of capitalised sums

A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled.

Proceedings at general meetings

- 31 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the members of the Company. Article 41(5) of the Model Articles shall be modified accordingly.

Poll votes

- 32 A poll may be demanded by any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation. Article 44(2)(c) of the Model Articles shall be modified accordingly.

- 33 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made. Article 44(3) of the Model Articles shall not apply to the Company.

Proxies and corporate representatives

- 34 The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

Written resolutions

- 35 A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the 2006 Act).

Means of communication to be used

- 36 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 36.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 36.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 36.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 36.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 37 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

Indemnity

- 38 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)) **provided that this**

article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.

- 39 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.
- 40 Without prejudice to the provisions of Article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.
- 41 In these articles:
- 41.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- 41.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

Appendix C

Private company limited by shares

Articles of Association

of

Your Choice (Barnet) Limited

Model Articles

- 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

Objects clause

- 2 The Company's objects are unrestricted.
- 3 Notwithstanding article 2, the Company shall not, without the prior written consent of [The Barnet Group Limited (company number []):
 - 3.1 permit the registration (upon subscription or transfer) of any person as a member of the Company;

change the nature of the Company's business from [the provision of adult social care services] or commence any new business which is not ancillary or incidental to such business;
 - 3.3 form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
 - 3.4 amalgamate or merge with any other company or business undertaking;
 - 3.5 declare or pay any dividend; or
 - 3.6 establish or amend any pension scheme.

Unanimous decisions

- 4 A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

Calling a directors' meeting

- 5 A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.

- 6 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

Quorum for directors' meetings

- 7 The quorum for the transaction of business of the directors shall be such number as is equal to one half of the number of directors then in office unless there is a sole director, in which event, the sole director shall constitute a quorum. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Article 11(2) of the Model Articles shall be modified accordingly.

Conflicts of interest

- 8 Provided that a director has disclosed his interest in an actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in consequence of any such transaction or arrangement. Article 14 of the Model Articles shall be modified accordingly.

Authorisation of directors' conflicts of interest

- 9 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

- 10 Authorisation of a matter under article 9 shall be effective only if:

- 10.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;

- 10.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**); and
- 10.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 11 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under article 9 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 12 Any authorisation of a matter under article 9 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.
- 13 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the member who appointed him as a director of the Company and no authorisation under article 9 shall be necessary in respect of any such interest.
- 14 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 14.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 14.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the directors under article 9.
- 15 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under article 9 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

Appointment and removal of directors

16 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.

17 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the Company may at any time and from time to time:

17.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); or

17.2 remove any director from office.

Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

18 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

Termination of a director's appointment

19 Notwithstanding any other provision of these articles, a person ceases to be a director as soon as he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Appointment and removal of alternate directors

20 Any director (the **appointor**) may appoint as an alternate any other director, or any other natural person to:

20.1 exercise that director's powers; and

20.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

21 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor. Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions,

are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor). No alternate may be counted as more than one director for such purposes.

- 22 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

Termination of alternate directorship

- 23 An alternate director's appointment as an alternate terminates:
- 23.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 23.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the terminate of the appointor's appointment as a director;
- 23.3 on the death of the alternate's appointor; or
- 23.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

Company secretary

- 24 The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

Nil- or partly-paid shares permitted

- 25 Article 21 of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

Allotment of shares

- 26

Share certificates

- 27 Every share certificate must specify the amount paid up on the shares to which it relates. Article 24(2)(c) of the Model Articles shall not apply to the Company.

Share transfers

- 28 The instrument of transfer of any share taken on formation of the Company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.

Calculation of dividends

- 29 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

- 29.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

- 29.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount. Article 30 of the Model Articles shall be modified accordingly.

Appropriation of capitalised sums

A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled.

Proceedings at general meetings

- 31 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the members of the Company. Article 41(5) of the Model Articles shall be modified accordingly.

Poll votes

- 32 A poll may be demanded by any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation. Article 44(2)(c) of the Model Articles shall be modified accordingly.

- 33 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made. Article 44(3) of the Model Articles shall not apply to the Company.

Proxies and corporate representatives

- 34 The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

Written resolutions

- 35 A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the 2006 Act).

Means of communication to be used

- 36 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 36.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 36.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 36.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 36.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 37 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

Indemnity

- 38 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)) **provided that this**

article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.

- 39 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.
- 40 Without prejudice to the provisions of Article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.
- 41 In these articles:
- 41.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- 41.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

Appendix D

Private company limited by shares

Articles of Association

of

Barnet First Limited

Model Articles

- 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

Objects clause

- 2 The Company's objects are unrestricted.
- 3 Notwithstanding article 2, the Company shall not, without the prior written consent of TheBarnetGroup Limited:
- 3.1 permit the registration (upon subscription or transfer) of any person as a member of the Company;
- 3.2 change the nature of the Company's business from the provision of adult social care services or commence any new business which is not ancillary or incidental to such business;
- form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
- 3.4 amalgamate or merge with any other company or business undertaking;
- 3.5 declare or pay any dividend; or
- 3.6 establish or amend any pension scheme.

Unanimous decisions

- 4 A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

Calling a directors' meeting

- 5 A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.
- 6 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

Quorum for directors' meetings

- 7 The quorum for the transaction of business of the directors shall be such number as is equal to one half of the number of directors then in office unless there is a sole director, in which event, the sole director shall constitute a quorum. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Article 11(2) of the Model Articles shall be modified accordingly.

Conflicts of interest

- 8 Provided that a director has disclosed his interest in an actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in consequence of any such transaction or arrangement. Article 14 of the Model Articles shall be modified accordingly.

Authorisation of directors' conflicts of interest

- 9 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 10 Authorisation of a matter under article 9 shall be effective only if:
- 10.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;
- 10.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**); and
- 10.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

- 11 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under article 9 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 12 Any authorisation of a matter under article 9 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.
- 13 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the member who appointed him as a director of the Company and no authorisation under article 9 shall be necessary in respect of any such interest.
- 14 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 14.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 14.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the directors under article 9.
- 15 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under article 9 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

Appointment and removal of directors

- 16 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.
- 17 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the Company may at any time and from time to time:
- 17.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); or

17.2 remove any director from office.

Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

18 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

Termination of a director's appointment

19 Notwithstanding any other provision of these articles, a person ceases to be a director as soon as he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Appointment and removal of alternate directors

20 Any director (the **appointor**) may appoint as an alternate any other director, or any other natural person to:

20.1 exercise that director's powers; and

20.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

21 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor. Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor). No alternate may be counted as more than one director for such purposes.

22 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

Termination of alternate directorship

- 23 An alternate director's appointment as an alternate terminates:
- 23.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 23.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the terminate of the appointor's appointment as a director;
- 23.3 on the death of the alternate's appointor; or
- 23.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

Company secretary

- 24 The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

Nil- or partly-paid shares permitted

- 25 Article 21 of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

Allotment of shares

26

Share certificates

- 27 Every share certificate must specify the amount paid up on the shares to which it relates. Article 24(2)(c) of the Model Articles shall not apply to the Company.

Share transfers

- 28 The instrument of transfer of any share taken on formation of the Company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.

Calculation of dividends

- 29 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

- 29.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- 29.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount. Article 30 of the Model Articles shall be modified accordingly.

Appropriation of capitalised sums

- 30 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled.

Proceedings at general meetings

- 31 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the members of the Company. Article 41(5) of the Model Articles shall be modified accordingly.

- 32 A poll may be demanded by any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation. Article 44(2)(c) of the Model Articles shall be modified accordingly.

- 33 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made. Article 44(3) of the Model Articles shall not apply to the Company.

Proxies and corporate representatives

- 34 The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

Written resolutions

- 35 A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the 2006 Act).

Means of communication to be used

- 36 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 36.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 36.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 36.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 36.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 37 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

Indemnity

- 38 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)) **provided that** this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.
- 39 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.
- 40 Without prejudice to the provisions of Article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of

duty or breach of trust or any other liability which may lawfully be insured against by the Company.

41 In these articles:

41.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;

41.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

Appendix E

Adult Social Services Equality Impact Assessment (EIA)

Questionnaire

Please refer to the guidance before completing this form.

1. Details of function, policy, procedure or service:	
Title of what is being assessed: More Choices Project	
Is it a function, policy, procedure or service? Project affecting Adult Social Services	
Department and Section: Adult Social Services	
Date assessment completed: Ongoing – v1.0 (15/10/10), v2.0 (16/03/11), v2.1 (13/11/11)	
2. Names and roles of officers completing this assessment:	
Lead officer	Amanda Jackson
Stakeholder groups	
Representative from internal stakeholders	Jane Surtees, Maggie Goff, Rachael Lindsay, Simon Meredith, Richard Harrison
Representative from external stakeholders	
ASSD Equalities Network rep	Rachel Williamson, Andrew Serlin, Julie Pal
Performance Management rep	Mathew Kendall
HR rep (for employment related issues)	Cynthia Scott-Carnegie
3. Full description of function, policy, procedure or service:	
<p>Please describe the aims and objectives of the function, policy, procedure or service <i>Please include - why is it needed, what are the outcomes to be achieved, who is it aimed at? Who is likely to benefit? How have needs based on race, gender, disability, age, religion/belief, sexual orientation or carers been taken account of? Identify the ways people can find out about and benefit from the proposals. Consider any processes they need to go through or criteria that we apply to determine eligibility.</i></p> <p>The More Choices Project will change the way people receive Adult Social Services to enable service users to have more choice and control over their own support. This is part of the national Personalisation Agenda and therefore all councils are making these changes to ensure people can get the social care support that best meets their needs.</p> <p>The change to social care support means service users will have Personal Budget to spend on their social care support to buy Adult Social Services instead of the council providing the services in-house. The service user will be in control of their Personal Budget which may be spent in a way which they could not have done before including the purchase of support services from alternative providers. Everyone who receives support from Barnet Council will</p>	

have a Personal Budget by December 2011.

“A Vision for Adult Social Care: Capable Communities and Active Citizens” (Department of Health, 16 Nov 2010) states ‘The increased use of personal budgets **preferably as a direct payment** (to all eligible people), alongside people funding their own care, will be a **catalyst for change**. People will demand the services they want to meet their needs, creating truly person-centred services. **These will be delivered by organisations**, including social enterprises and mutuals, that can respond to the demands of their communities.” Consequently, continuing to deliver services in-house would not be in accordance with the Government vision. There would also be a risk in oversupply of in-house services and potential loss of revenue due to Government policy which stipulates direct payments cannot be spent on social care services that are directly provided by a local authority. Changing how social care services are run will help people to have more choice and independence when they spend their Personal Budget. The law states that people cannot use their Personal Budgets to buy services that are run by the council therefore we need to change the way that these services are run so that people can use them with their Personal Budget. To do this, the More Choices project is investigating the creation of a Local Authority Trading Company. If this does not happen, people with a Personal Budget will not be able to use services that are now run by Barnet Council

A number of services will be affected by the change (see list below). This Equalities Impact Assessment considers the impact on service users who attend these services, their carers and the staff who work in these teams. Recent snapshot data has been collected to understand the profile of the staff and service users at these services. This data is used to inform answers to the equalities questions below.

Learning Disability Services

- Rosa Morison
- Flower Lane Autism Service
- Valley Way Respite Service
- Barnet Supported Living
- CommunitySpace

Physical and Sensory Impairment Disability Services

- Barnet Independent living Services

Please note the initial proposal included The Network (Day Service for people with Mental Health problems) but a decision taken by the Mental Health Partnership Management Group on 4 February 2011 made the decision to take it out of scope for transfer to the Local Authority Trading Company (LATC) and it will therefore remain managed by BEH-MHT on behalf of the council.

A **Business Support Team** which provides back office support to all of the in-scope services is also due to transfer to the Local Authority Trading Company.

There is a commitment to ensure services continue to provide the same high-quality provision

and retain staff who work in them. There will be a change to the delivery vehicle that runs the service. Service users will begin purchasing services with their Personal Budgets, directly from the provider, as they would with all other support.

The set up of the company is the first building block to establishing truly personalised services. In the future. These services may change if people want to use their Personal Budget to buy different kinds of support. If not enough people choose to use these services, there is a chance that they could stop running. However, if lots of people want to use them, changes can be made to make them better.

This project is part of the One Barnet programme that the Council is running. This includes activities to support people to live independently and to make Barnet a good place to live.

- There was consultation with service users, carers and staff during January and February 2011 where they asked for assurances that there would not be widescale changes to the services
- Cabinet approved the decision in April 2011, to work towards setting up an LATC.
- The Local Authority Trading will begin operation in February 2012, subject to CRC decision.
- The company will go live with a full staff TUPE transfer.

A communications and engagement plan has identified the various needs of groups such as easy read for people with learning disabilities and also provides a roadmap for service user (including carers and families), staff and union consultation.

The Equalities Impact Assessment will be an iterative process with reviews at each critical project milestone and will become more specific as the solution becomes clearer. These stages are:

- Stage 2 - Assessment (alongside the full Business Case)
- Stage 3 - Implementation (LATC set up)
- Stage 4 - Project Closure (Handover to the LATC for BAU)

It should be noted that there are significant differences for each of the in-house services that may have a bearing on the equalities impacts of the changes. As way of introduction some details about each service are included below

Barnet Independent Living Service

- Barnet Independent Living Service offers a range of support for Barnet residents with a physical or sensory impairment. From April 2009, this service replaced the previous day services based at Flightways Resource Centre.
- The new service forms a partnership between Adult Social Services staff (Barnet Independent Living Team) and the user led organisation BDISC (Barnet Disability and Independence Steering Committee). It provides a wide range of services from peer support to preparation for employment; and aims to improve peoples' quality of life and enable them to maximise their potential to live independently.
- Support is provided under three broad categories; employment and training, rehabilitation and enablement and promoting independence. Referrals for support from the Adult Social Services Barnet Independent Living Team will need to have been assessed by a Care manager under the Fair Access to Care Services (FACS) criteria to qualify for the service
- Individuals who require information and advice or would like to access social or self help activities through BDISC can talk to the BDISC directly.

- The service has developed particular models of peer support to respond to individual needs. This is working well
- BILS working across communities, FACs eligible and lower level needs. Staff report that it is important that it retains equality of access.
- There are fears that personal budgets will decrease the amount of resources input.
- 'Drop-in' is an important part of the service
- Some clients have been using the service for up to 20 years

Learning Disability Services

- The Learning Disability Services include the widest range of services; composed of day opportunities, residential care, crisis and respite care, supported living, community access and business support services.
- A number of people with a learning disability have taken up paid work tasters and work experience in the service. These individuals may have been supported to apply for jobs and received on the job support.
- A numbers of people receiving support from CommunitySpacealready have a Personal Budget.
- A number of other local authorities purchase places in day services and respite
- Some people may have 1:1 support funded through their care package, this is additional to normal costs for settings
- There is some therapy input in settings from external consultants
- Different types of service will have different hourly rates.
- Supported Living links housing and support. There is an option if someone receives a direct payment to choose their own support, however this risks the sustainability of the current model of support.
- There is a crisis bed is available at Valley Way in cases of carer breakdown, or emergencies. It is allocated on the basis of need and until more permanent housing is found. This is a core cost to the service.
- Some day services are currently nearing capacity, there no specific emergency allocation.
- A number of service users at Rosa Morrison and one service user at Valley Way are funded by Continuing Healthcare funding

All services report particular issues around;

- Unpredictability of support requirements. Need for sliding scale of support & resource in order to meet needs.
- A number of services provide enablement services. These services are not chargeable.

4. <i>any mitigating action you have taken so far</i>			
Equality Strand	Affected?	Explain how affected	What action has been taken already to mitigate this?
1. Age	Yes <input checked="" type="checkbox"/> / No	Service Users	Service Users

	<input type="checkbox"/>	<p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs, including some that may relate to their age. This may have a positive impact on meeting equality obligations.</p> <p>It is recognised as we move to a more consumer led model; services could be subject to change if demand decreases.</p> <p>Service user data has reflected older service user age profile with a low numbers of service users under 30 on average. There are fewer younger people. This could be because they are accessing a wider range of services rather than day centre provisions.</p> <p>Although there is evidence however of a larger group of young people in Transition to adulthood with more complex and challenging needs who may choose the services in the future, this change will disproportionately affect older people using the services.</p> <p>Many of the day centre users have used services for some time and become accustomed to this routine. They may find any subsequent change more difficult.</p> <p>The DoH (2008) evaluation of Individual Budget pilots found</p>	<p>Ongoing communication and support through the change will be very important.</p> <p>There will be further consultation and support for any business related changes.</p> <p>Requirements for future support for service users will be included in the contract with the future service provider (which will be at least 99% council owned), including additional support for those who need it to participate in Self Directed Support</p> <p>Staff</p> <p>Individual contract review to ensure all are up to date and consistent with the TUPE transfer.</p> <p>Pensions will remain unchanged as the LATC has been accepted into the LGPS</p> <p>There are no planned HR policy changes relating to age.</p> <p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>
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		<p>that satisfaction was lowest amongst older people and that a substantial proportion of older people found taking control of their care 'a burden'.</p> <p>Staff</p> <p>The in-house services workforce is on average older than the rest of the department's workforce – in particular there are 13 in-house employees aged 65 or over.</p>	
<p>2. Disability</p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>Service Users</p> <p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. This may have a positive impact on meeting equality obligations.</p> <p>It is recognised as we move to a more consumer led model; services could be subject to change if demand decreases.</p> <p>We have not, to date, mapped the numbers of people with a personal budget using the in-house services. Some people will not currently receive a Personal Budget and therefore the planned Support Planning and Resource Allocation process may result in changes for individuals.</p> <p>In order to ensure that the different needs of the groups involved are met (i.e. people with physical or learning disabilities, or with mental health problems, there must be a level of expertise</p>	<p>Service Users</p> <p>There is a stream of work to understand the costs to an individual for attending each of the services and also current and future access to individual budgets for service users. It is important that any issues of eligibility or affordability are understood as soon as possible.</p> <p>Staff</p> <p>As above (section 1)</p> <p>Data indicates that remaining Barnet staff will be less diverse due to the transfer of Adult Social Services listed in section 3. The Local Authority workforce profile should reflect the profile of the local population. This issue should continue to be monitored through the HR data collection. It may be that targeted work should be undertaken to address this issue in the future.</p> <p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>

		<p>within the LATC to ensure that appropriate skills and knowledge of staff who deliver services can be supported</p> <p>Staff</p> <p>Although a similar percentage of people are recorded as having a disability in the in-house services as in the rest of the ASSD workforce, the in-house services do employ 39% of Barnet disabled workers. The transfer of these services could have an implication in terms of how the public view our treatment of disabled employees.</p> <p>Within these services peer support is an important model of service delivery and policies to encourage people with a disability to apply for posts are being developed. For example, through use of accessible recruitment process and use of in-work Access to Work support.</p> <p>Service managers have recognised that the staff data does not reflect their understanding of the workforce. There is known to be an underreporting of disability, especially mental ill health.</p>	
<p>3. Gender reassignment</p>	<p>Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/></p>	<p>Service users</p> <p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. This</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>

		<p>may have a positive impact on meeting equality obligations.</p> <p>Staff</p> <p>This data is not currently collected by HR however, HR policies relating to this equality strand will be transferred.</p>	
<p>4. Pregnancy and maternity</p>	<p>Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/></p>	<p>Service users</p> <p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. This may have a positive impact on meeting equality obligations.</p> <p>Staff</p> <p>As this is just a transfer of existing operations the direct impact is none based on the assumption staff terms and conditions are transferred across to the new delivery vehicle.</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>
<p>5. Race / Ethnicity</p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>Service Users</p> <p>Using the data available (subject to gaps and potential errors), there appears to be:</p> <p><u>Learning disabilities service</u></p> <p>31% of users belong to a BME group – 10% are Black/Black British, 16% are Asian/Asian British</p> <p><u>BILS</u></p> <p>39% from a BME group – though again categories used may cause some errors</p>	<p>Service Users</p> <p>Monitor and revisit when drawing up SLA.</p> <p>Ensure service user data is kept up to date on databases. Service user feedback should be coded alongside demographic data to unpick whether there are any issues or concerns among any particular demographic group.</p>

		<p>There will be a need to maintain culturally appropriate services and communications will be made available in alternative formats (upon request)</p> <p>Staff</p> <p>47% of the workforce affected belong to a Black or Minority Ethnic group. This compares to 39% amongst Adult Social Services staff overall, but 72% amongst adult social care providers. So there is a high representation of BME employees amongst the staff to be affected. 35% of the workforce is Black or Black British. This compares to only 23% amongst the wider Adult Social Services workforce</p> <p>There will be an attempt to retain the diversity of the workforce through contract clauses to enable future recruitment of a representative workforce.</p>	<p>Staff</p> <p>Revisit when SLA</p> <p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>
<p>6. Religion or belief</p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>Service Users</p> <p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. This may have a positive impact on meeting equality obligations.</p> <p>Staff</p> <p>There are significant data gaps.</p>	<p>Service Users</p> <p>Monitor and revisit when drawing up SLA.</p> <p>Staff</p> <p>HR policy to be maintained by new provider post transfer</p> <p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>

		Barnet HR policies are to be maintained post transfer to prevent any negative impact.	
7. Gender / sex	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>Service Users</p> <p>As this is just a transfer of existing operations the direct impact is none. However, the implementation of the personalisation agenda should increase choice and control for individuals. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. This may have a positive impact on meeting equality obligations. For example where service prefer single sex support or activities.</p> <p><u>Learning disabilities service</u></p> <p>49% of service users are female</p> <p><u>BILS</u></p> <p>53% of service users are female</p> <p>Staff</p> <p>76% of the staff affected are female. This is in line with the rest of the Adult Social Services workforce. Amongst the wider social care market, a higher proportion of women are employed in provider organisations.</p> <p>This change will disproportionately affect female employees.</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>
8. Sexual orientation	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	<p>Service Users</p> <p>This data is not currently collected however; the new delivery vehicle will need to consider service user feedback, including the feedback from the</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>

		<p>'Get Aware' event (2009)</p> <p>Staff</p> <p>There will be no impact. There will be a continuation of Barnet policies and procedures to recognise implicit discrimination.</p>	
<p>9. Marital Status</p>	<p>Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/></p>	<p>Service Users</p> <p>New service provider will need to consider any service user feedback, including the feedback from the 'Get Aware' event (2009)</p> <p>Staff</p> <p>There will be no impact. There will be a continuation of Barnet policies and procedures relating to civil, conjugal and common law partnerships to recognise implicit discrimination.</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p>
<p>10. Carers (discriminated by association)</p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>Service Users</p> <p>Carers of those attending day centres may be involved in an individual's support planning process, attendance at a day centre may also offer respite to a family carer.</p> <p>Therefore communication and engagement activities will include carers and family carers.</p> <p>Barnet staff who are also carers may be affected. The flexible working policy will be retained post service transfer.</p>	<p>Both Groups</p> <p>The impact of the transfer will continue to be revisited to ensure there are no unreasonable adverse effects</p> <p>Communication and support during consultation and engagement.</p> <p>There will be further consultation and support for any business related changes.</p>

5. What are the number, types and severity of disabilities in play in this case?

Service users

The Social Services database (SWIFT) do not currently record disability categories, although the department is considering how this information might be collected and stored in the future.

There is information held on client files that relates to any particular disabilities or health conditions. This is likely to be defined by diagnosis rather than self definition.

The Diversity Monitoring form used by Barnet Adult Social Services asks for demographic profile including type of disability. This allows for feedback to be analysed along demographic profiles where numbers are large enough to be statistically significant.

All the people who use the in-house service will have, at some point, received an assessment that judged the individual to be eligible for support under the Fair Access To Care (FACS criteria). This is based on an assessment of risk (and need) rather than disability. Over the years eligibility criteria and interpretation of these criteria has changed. We currently use Eligibility Criteria for Adult Social Care criteria (substantial and critical risk) and the Care Programme Approach in mental health services.

The assessment will lead to a calculation of an indicative budget for the amount of money required to purchase support at the level of need. In most cases this will be sufficient to buy the support required. In a few instances. Because of extreme complexity of needs, the indicative budget may not cover the full cost of provision. The indicative budget is calculated according to a Resource Allocation System (RAS) which has been created to produce fair budget for the vast majority of service users. Where the budget calculated does not appear to meet the needs, there may be exceptions made through the Resources Panels in the ASCH department responsible for the care management. The social worker or care manager will work closely with the individual, and their carer where appropriate.

Very broadly, the numbers of people with a disability defined by LBB care groupings is as follows;

49 people using BILS with Physical and Sensory Impairment recorded on SWIFT. There are 230 people using the in house Learning Disability services (recorded locally), however some people may use more than one service which is not reflected in the numbers.

Staff

Based on staff HR files, the following information is available on % of staff defining themselves as having a disability.

DISABILITY		
	All in-house services	Rest of ASSD
Yes	2%	3%
No	95%	95%
Not recorded	1%	2%

There is currently no information available about the severity of the disability, although line managers should have an understanding of this as part of the workplace assessment process.

Service managers have recognised that the staff data does not reflect their understanding of the workforce. There is known to be an underreporting of disability, especially mental ill health however, it is noted that staff are at liberty to decide whether or not to disclose information of their disability and severity.

During the change process that was part of the Care Model development project in Adults Social Services, staff were asked in a separate exercise whether they had a disability and required any support with managing the process. A number of people who had not previously disclosed did following this exercise and were given personalised support as a result where required.

6. What are the actions that could reduce the impact on people with disability?

The council has policies and procedures in place to promote equality of opportunity and eliminate discrimination on the bases of disability and these will need to be maintained and included in the delivery vehicle contract.

There will be targeted and accessible communications to keep people informed (e.g. easy read/ different formats). Information will be made accessible through channels listed in section 12. There will be support for service users during the period of change – e.g. support from a keyworker with Self Directed Support.

Staff Terms and Conditions such as “reasonable adjustments’ in the workplace according to disability will be will be transferred and maintained.

The People and Culture work stream and consultation will support staff issues in addition to informing and receiving feedback from the unions.

7. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents

The process of change or the result of change may result in different satisfaction ratings amongst groups of residents. There may be changes amongst those who use the services particularly as the brand of the LATC is currently unknown. Therefore it is difficult to anticipate the impact of the proposal on Barnet’s reputation. However, this will be monitored and measured by staff surveys, SLA clause for LATC (staff survey) and the Place survey (external residents’ feedback).

Feedback from DoH (2008) evaluation of Individual Budget pilots found the following;

- People using Individual Budgets were more likely to feel in control of their lives than people receiving conventional social care support.
- Satisfaction varied between client groups and as highest among mental health service users and physically disabled people, and lowest among older people.
- A substantial proportion of older people felt that taking control of their support was a 'burden'.

However, Department of Health officials pointed out that the evaluation period ran from November 2005 to December 2007, and that things had improved since in the pilot areas. In particular, they have argued, the concerns of older people about individual budgets have abated and take-up has improved.

8. How does the proposal enhance Barnet's reputation as a good place to work and live?

Brand is currently unknown. Barnet's reputation could be better or worse as a result of the change. This will be monitored and measured by staff surveys, SLA clause for LATC (staff survey) and the Place survey (external residents feedback).

The Communications plan addresses key stakeholder groups and will be used as a tool to control reputation changes.

9. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?

Individual budgets – Increasing choice and control

The implementation of the personalisation agenda will provide eligible people with the opportunity to increase choice and control over purchased services, whether council managed or otherwise provided. As individuals who do not already have a Personal Budget go through the support planning process and gain an individual allocation they may choose support that is more appropriate for their individual preferences and/or needs. The council would anticipate that this would have a positive impact and support its obligation to meet its statutory equality duties.

Direct payments, personal budgets and, to a lesser extent, individual budgets are at the core of the government's aim of personalising adult social care services around the needs of users. Through the [Putting People First initiative](#) and most recently 'Think Local, Act Personal (2011)' councils will be expected to significantly increase the number of people receiving direct payments and roll out a system of personal budgets for all users of adult social care, from 2008-11. In the long-term all users should have a personal budget from which to pay for their social care services, apart from in emergencies.

Putting People First is the culmination of a policy process that began in 2005, with the adult social care green paper, *Independence, Well-being and Choice*, and was developed through the 2006 health and social care white paper *Our Health, Our Care, Our Say*. The Department of Health is driving the Putting People First initiative, but scepticism remains among practitioners and social care leaders about the impact of personalisation on social workers' roles, on levels of risk carried by service users and about whether councils will be adequately resourced to deliver reform.

The implications of personalisation have been discussed at all of the Partnership Boards. In addition some of the themes were explored in a consultation on strategic proposals developed in the Care Model Development project. Between 5 September and 14 November 2008, the London Borough of Barnet facilitated a public discussion that included a questionnaire and an open debate on 2 October 2008.

The response was summarised in a public report available on request. The three main themes

were as follows;

- a) People had a very balanced view of the advantages and disadvantages of Personal Budgets. Many people reaffirmed the belief that it would help make people more independent and give them more control and choice over their support. Common concerns about the budgets centred on the new risks they introduce for things to go wrong – either because managing them is too stressful for individuals or carers, or that the people managing them fail to cope with the responsibility and make poor care management or financial decisions. Again, the debate showed that people needed more detail before they could be fully comfortable with the idea.
- b) The discussion about the risk related to choice showed that people thought that this was a real issue that needs to be managed. The most common suggestions for managing such risks centred around 3 points: a) ensuring that all parties involved are actively engaged in the process of assessing risk, b) making sure that cases are reviewed regularly, c) ensuring that advice is always available if people start feeling that something is going wrong.
- c) People were open to the idea of groups other than the council supporting people to plan their care. The perceived benefits of this were that it increased people's independence, choice and control. By contrast, the perceived risks focussed on those people involved having insufficient expertise to assist people needing social services effectively. A very wide range of groups were put forward as having the ability to get involved in this process. The most commonly mentioned ones were family, friends, 3rd sector organisations, and health professionals.

Transfer of Council activity to a Local Authority Trading Company

The London Borough of Barnet commissioned a Lessons Learned report from PriceWaterHouse Coopers of previous service outsourcings.

This recognised the following 'The majority of outsourcing arrangements reviewed as part of this work are delivering effective, and in many cases, high levels of services. Whilst many of the deals were procured some years ago, through standard procurement processes and within relatively traditional delivery vehicles, a number of lessons learned have been identified. These lessons should be used to inform the design, procurement and client side management of any new delivery vehicles, considered as part of the future shape project.'

In order that the council feels more confident about the Council and the way it does its business PWC recommended that the following 6 criteria are applied to any future transfers

1. To recognise the need and purpose for partnerships by establishing what successful working arrangements are. This will mean that the Council and its partner(s) acknowledge:

- the principal barriers to successful partnership working,
- there is a mutual understanding of those areas of activity where Partners can achieve some goals by working independently of each other and
- that both sides build customer satisfaction at the heart of the purpose of the venture.

2. To develop clarity and realism of purpose by ensuring that the partnership has a clear vision, shared values and objectives underpinned by agreed service principles.

- clearly defined joint aims and objectives (which are realistic)
- clearly defined service outcomes.

3. **To ensure commitment and ownership** by:

- demonstrating clear commitment to Partnership working from the most senior levels of the organisation,
- employing widespread ownership of the Partnership across and within all Partner organisations and
- Ensuring that working outside of the Partnership is discouraged and dealt with.

4. **To develop and maintain trust** by being clear about the way the Partnership is structured and recognises and values each Partners contribution.

- benefits derived from the Partnership must be fairly distributed among all Partners
- levels of trust within the Partnership must be high
- shared risk taking.

5. **To develop clear and robust partnering arrangements** by:

- being clear as to what financial resources each Partner brings to the Partnership,
- that resources that each Partner brings to the Partnership are understood and appreciated
- that each Partner's area of responsibility is clear and understood with strong lines of accountability for the performance of the Partnership as a whole and
- The Partnership's principal focus is on process, outcomes and innovation.

6. **To monitor, measure and learn** by ensuring that each Partner has clear success criteria in terms of both service goals and the Partnership itself. The Partnership must:

- have strong monitoring and management arrangements
- clear and robust structure that enables the Partnership's aims, objectives and working arrangements to be reconsidered and, where necessary, revised in the light of monitoring and review findings but also changing customer and delivery requirements.

It is important that any consultation considers monitoring against different demographic characteristics. Coding will unpick whether there are any issues or concerns among any particular demographic group

What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? *Include information about the groups of people affected by this proposal. Include how frequently will the monitoring be conducted and who will be made aware of the analysis and outcomes? Include these measures in the Equality Improvement Plan (section 14)*

Please refer to engagement and communications plans for:

- Service Users, Carers and Parents
- Staff and Trade unions

For further information contact: Richard Harrison, Project Manager 020 8359 2109

Please also see section 14

11. How will the new proposals enable the council to promote good relations between different communities? *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

As this is just a transfer of existing operations there will be no real change directly impacting upon communities. However, we are confident that the implementation of the personalisation agenda will increase choice and control for individuals to purchase more inclusive activities. There will be opportunities for the LATC to respond to market ensuring services are ones which service users **can** and **want** to buy.

12. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? *Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.*

There are planned activities to consult residents and service users in the communications and engagement plan. These include consultation days, 1:1 communication, newsletters (including Easy Read), CommUNITY Barnet website, Barnet First and the Barnet council website.

A series of engagement events were held between January – February 2011. Staff, service users, carers, families, Trade Unions and members of the Learning Disability and Physical & Sensory Impairment Partnership Boards were also invited to attend. The events were also published on the commUNITY Barnet website. The feedback from the events have been built into the business case where appropriate. All feedback from the events are listed in appendix 4 of the business case.

Weekly messages are cascaded from the project sponsor to service managers and staff. Project team meetings were held monthly initially and increased to weekly as the project intensified. They included all respective service managers and a Staff Panel convenes every 6 weeks. The staff panel is chaired by the In House Service Manager and facilitated by the project manager to engage in two way communication with staff representatives from each service.

As part of the TUPE consultation, the Service Manager has held briefings in each service and met each member of staff for a 1:1 meeting.

A full newsletter for all stakeholders is planned towards the launch date.

The communication channels and approach to consultation has been revisited for each critical milestone to ensure this is fit for purpose. Feedback from service users also inform as to their preferred method of communication.

13. Decision:

No Impact <input type="checkbox"/>	Positive Impact <input type="checkbox"/>	Neutral Impact <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known ¹ <input type="checkbox"/>
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¹ 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

14. Equality Improvement Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Objective	Action	Target	Officer responsible	By when	Status
Service users and carers and staff in the in-house services understand the changes and feel supported through the change	Implement Communications plan	Written communication sent to all service users and carers.	Project manager with support from Adults SMT.	Beginning October 2010 and ongoing throughout the project lifecycle as per communications and engagement plan.	Completed
SLA with future Local Authority Trading Company, reflects current policy regarding equalities duties and provision of appropriate services	Include appropriate contract clauses in SLA Consult with service reps and staff on the draft SLA	Add consultation and review activities to the 'More Choices' project plan	Commissioning Manager ASCH	November 2011	On-going
Support individuals disproportionately affected by proposals, for example where Individual Budgets do not cover the cost of the service or eligibility criteria exclude individuals	Find out costs of in-house services	Include within detailed analysis of the business case.	Project Manager	November 2010	Completed
	Monitor current and future access to individual budgets. Put in place plans to support individuals with the changes Raise as an issue with Care Services Delivery	Raise issue with Care Services Delivery for support in place. Impact of change is managed and where possible, minimised	Service Manager / Commissioning Team	July 2011	Completed
Lessons are learnt from roll out of personal budgets elsewhere, to ensure that those who will find the change the most difficult are supported	To be included in analysis - considering risk of support not being available	Benchmark with other local authorities for inclusion within Full Business Case analysis.	Project Manager	December 2010	Completed

Equality Objective	Action	Target	responsible	By when	Status
Lessons are learnt from outsourcing initiatives elsewhere, for example the PWC Lessons Learnt report to ensure that Barnet's diverse communities have confidence in the way that Barnet does business	To be included in analysis.	Inclusion within the Full Business Case	Project manager	November 2010	Completed
Equalities considerations are key throughout the project as plans become clearer	Review Equalities Impact Assessment and plan at key points during the project as plans	Review activities are added to the 'More Choices' project plan at key points and managed by the Service Manager.	Service Manager	November 2011	Completed
Lessons are learnt from the experience of Direct Payments and personalisation in Barnet	Add learning from Direct Payments and personalisation	Add information to second iteration of the EIA	Service Manager	November 2010	Initial comments added, see section 9
Lesson are learnt from staff changes as part of the Care Model Development project around managing change	Add learning from Care Model Development project around managing change	Add information to second iteration of the EIA	Service Manager	November 2010	Initial comments added, see section 5

1st Authorised signature (Lead Officer)	2nd Authorised Signature (Member of SMT)
Date:	Date:

Document Control

Document Owner	Kate Kennally, Director of Adult Social Care and Health
Contact Details	richard.harrison@barnet.gov.uk
Document location	Wisdom URL / file-path TBC

Version Control

Version	Details of update	Author	Issue date	Status
0.1	Initial draft for comment	Richard Harrison / Rachel Williamson	30/09/10	Draft
0.2	Incorporation of statistics	Richard Harrison / Rachel Williamson	12/10/10	Draft
	Approval from Adult Social Services Senior Management Team and Equalities Network	N/A	19/10/10	Approved
1.1	Updated to reflect current position and progress.	Richard Harrison / Rachel Williamson	18/02/11	Draft
1.2	Updated to reflect the removal of PSI (The Network)	Richard Harrison / Andrew Serlin	22/02/11	Draft
1.3	Inclusion of additional narrative for Community Space and Agatha House	Jane Surtees	15/03/11	Draft
2.0	Approval from Service Manager for Learning Disabilities	N/A	16/03/11	Approved
2.1	Updates to reflect current position and progress	Amanda Jackson	13/11/11	Draft

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Appendix F

One Barnet Programmes – Employee Equality Impact Assessment (Adult In-House)

One Barnet Programme Name: More Choices (Adults In-House)

[This document remains live with information being added at each critical milestone]

Project Sponsor:	Kate Kennally, Director of Adult Social Care and Health
EIA Owner:	Cynthia Scott-Carnegie, Lead HR Business Partner
Date process started:	17 September 2010
Date process ended:	On-going
Last Updated:	25 November 2011
This EIA is being undertaken because it is:	<input checked="" type="checkbox"/> outlined within the equality scheme relevance assessment table <input checked="" type="checkbox"/> part of a project proposal submission to the programme management board <input type="checkbox"/> a result of organisation change <input type="checkbox"/> other – please specify:

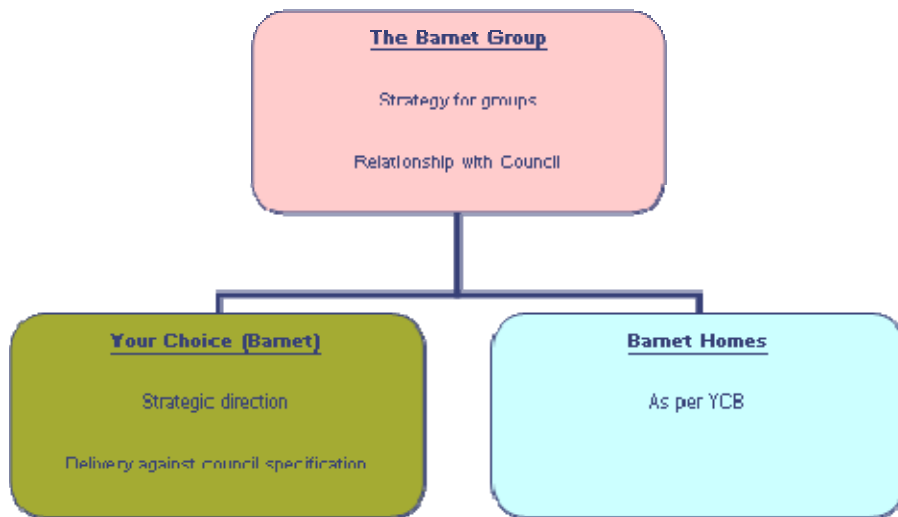
EIA Contents

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1. Introduction

The Local Trading Company (LATC) will be a company wholly owned by the London Borough of Barnet and employees will be transferred in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). Regulations.

The London Borough of Barnet (the Council) is in the process of establishing a LATC which will adopt the structure set out in the diagram below: with The Barnet Group Ltd. as parent company to Your Choice (Barnet) Ltd. and Barnet Homes. Your Choice (Barnet) will be responsible for the provision of learning disability and physical and sensory disability services. Barnet Homes is the Council's arms length management organisation (ALMO) which is responsible for the management of the Council's housing stock. This is an innovative venture that will establish a new relationship with citizens in the borough whilst providing a more flexible and efficient service.



With a planned go-live date of 1st February 2012, there will be one Chair for all three organisations and individual Board members for each Board. On the Your Choice Board there will be a Service User and a Carer Board member.

There is a Resident Board Member already on the Barnet Homes Board. Barnet Homes was created as an arms-length management organisation (ALMO) in 2004 to manage the borough's 15,000 council homes on behalf of Barnet Council. That includes responsibility for repairs and maintenance, major works, caretaking, voids and lettings and offering support to residents to help them live independently. It is committed to offering great service at great value to its residents and prides itself in involving residents in all that it does.

Aims and Objectives LATC

1.1 The three priority outcomes set out in the 2010/13 Corporate Plan are:

- better services with less money;
- sharing opportunities, sharing responsibilities; and
- a successful London suburb.

The overarching aim of the One Barnet programme is:

- to become a citizen centred organisation

To be delivered through the adoption of three key principles:

- *a new relationship with citizens*
 - service users and their carers will have choice and control over the services they buy to meet their individual needs and be supported and encouraged to do this
 - service users and carers will be able to take an active role in the governance of the LATC and influence the design of services
 - through greater flexibility in the way individual needs can be met, service users and carers will be encouraged to self help
 - build a richer understanding of service user preferences and aspirations to inform the design of services and help shape the market
- *a one public sector approach*
 - develop collaborative leadership with Barnet Homes and use the synergy of skills and experience to take a more strategic and commercial approach to service development
 - identify opportunities with Barnet Homes and the wider public sector to provide integrated support and a more seamless customer experience to enable people to live as independently in the community as possible, for example joint housing and specialist support and advice for adults with mental health needs
 - target opportunities to collaborate with Barnet Homes and the wider public sector on tackling strategic issues with a community focus, such as worklessness, through the LATC's role in supporting people to access employment and volunteering opportunities
- *a relentless drive for efficiency*
 - Freedom and flexibility to respond more swiftly to changes in service demand and the market, particularly as there are many unknowns about how the market will change and purchasing patterns inherent with personalisation
 - An opportunity for the council to focus on its strategic commissioning role

- Maximise opportunities to work with and commission from alternative private, public and voluntary sector partners to lower costs
- Operating within the wider competitive market, the services will have a sharper focus on lowering costs to deliver value for money to its customers which will include the Council.
- Services will have greater flexibility than within the Council to trade services and invest revenue in service development
- Being a wholly Council company allows for surplus or dividend to be paid back to LBB

The aim of the proposal to implement a LATC is aligned within the One Barnet objective of “a new relationship with citizens”. Changing the way the council is structured to provide Adult Social Services will promote choice and independence for residents. This is a strategic fit with the personalisation agenda to roll out personal budgets and direct payments.

This enabler for citizens will empower service users to select the services they require from the open market and by implementing an LATC we will ensure the council can compete in the free market and continue to offer Adult In—House Services registered by the Care Quality Commission rated as ‘Excellent’ or ‘Good’. In turn this will leave the council free to focus on becoming a commissioner of Adult Social Services as the core business of the authority thus providing a relentless drive for efficiency with the services which remain in-house.

It is not anticipated that there will be any material changes in location of staff so this would not result in any equality impact.

1.2 Description of the critical milestones

The staff EIA data was presented to the General Functions committee on 30 June 2011. Since the 30 June 2011 the Council has agreed the following:

- A TUPE Plus agreement that protects employees terms and conditions unchanged for one year.
- coordinated and delivered several briefings on TUPE, responded to employees questions on and placed a TUPE FAQ on the intranet
- Employees 1-2-1 consultations nearly completed and all relevant issues managed through the Service Manager, Project Sponsor, HR and the LATC Shadow Board.
- Engaged with the Trade Unions to review the content of the Business Case and consider responses.
 - Conducted due diligence.
 - Consulted with affected staff (formal) and service users on the change.

- Considered consultation responses and take a decision on the proposed changes in light of responses.
- Agreed contract management and governance arrangements
- Implemented the change; LATC formation and TUPE transfer of staff

- Trade Unions

The Council will provide the Service Provider with details of the Trade Union and Employee Relations Framework and the Service Provider agrees to consider it and discuss how it can be utilised in setting up a comparable framework between any recognised trade unions and the Service Provider. The Service Provider agrees to provide access and facilities, where practicable, to recognised trade unions at its premises. The Council agrees to allow the Service Provider to claim some of the costs incurred by agreed trade union release time from normal duties from the Council's

- The final employee data will be transferred post (1st February 201).

1.3 Key Stakeholders

All service users, families, carers and affected staff working at the following Adult In-House Services:

- **Learning Disability (LD) Services**
 - Rosa Morison
 - Flower Lane Autism Service
 - Community Space
 - Valley Way
 - Barnet Supported Living Service including Agatha House
 - Community Support Team
 - Business Development Unit

- **Physical and Sensory Impairment Services**
 - Barnet Independent living Services

- Barnet Homes

- Adult Social Services Directorate

- All Partner Organisations
Such as Mental Health Trust, NHS Barnet (including the Barnet Learning Disability partnership board)

- Third Sector Agencies
Advocates such as Mencap, Barnet Peoples Choice, LD Parliament representatives

2. Any Anticipated Equalities Issues at each milestone and identified mitigation

2.1 Project Initiation: Identification of staff scope

Only staff whose job role has a direct impact as a result of this change was included in this consultation. This staff group was identified by service managers within Adult Social Services (AdSS), HR business partner and project manager.

This has been based solely on the positions within the establishment. On 4 February 2011 a decision was taken by the Mental Health Partnership Management Group to remove the Network from scope for transfer to the LATC. No equalities issues are expected.

2.2 Conclusion of Cabinet Resources Committee

The CRC approved the business case which sets out the case for change including financial and non-financial benefits. CRC approval enables the set up of a local authority trading company structure, incorporating Barnet Homes and the transitioning of services. This phase requires due regard to governance, diligence and contracts between the council and the LATC. This revised EIA has been prepared for the General Functions Committee (GFC) for consideration of the staffing implications of this proposal.

2.3 Trade Union Engagement arising from TUPE consultation

Consultation has been conducted with all affected staff in compliance with the Councils Managing Organisational Change Policy. Due to the nature of the services, there will be separate briefings.

Employees were offered 1:1 meetings with their respective managers to discuss the proposal and raised any concerns and respond to the consultation directly or through their line manager. All issues raised during the consultations were considered on an individual basis with their manager to look for a suitable resolution.

All consultation responses were collated by the Service Manger, reported to HR and the Sponsor and Senior User (Director and Deputy Director of the affected services). No equalities issues, other than any raised addressed during the consultation period were reported.

2.4 Point of transfer to the LATC

The conclusion of TUPE consultation and implementation of the change for the Adults In-House staff to transfer to the Your Choice, LATC incorporating Barnet Homes there will be sufficient lead time to put in place any bridging arrangements and to deal with any issues raised on consultation. Management support will be offered to those staff who request it and

it is expected that all equality issues (those raised in consultation) will have been resolved prior to the change taking place. Within the Confidentiality Agreement and Due Diligence the Council will encourage staff to disclose their disability in order to allow the new employer to take steps to make any reasonable adjustments. The Council will not pass on equality data unless specified by the individual.

2.4 Point of transfer to the LATC

Management support will be offered to those staff who requests it and it is expected that any issues (those raised during consultation) will have been resolved prior to the transfer 1st February.

3. Monitoring Summary

3.1 Table 1- Employee EIA Profile of the One Barnet Project (this profile is in accordance with the requirements of the Equality Act 2010 and the Council will collect this information so far as we hold it)

Some of these protected characteristics have changed since the outset data so the data has been revised accordingly.

Critical Milestones

** data withheld to prevent identification as less than 10 employees

		Outset data LBB data (Sep 2011)		Outset data Adults data (Sep 2011)		Final CRC Report on (Nov 2011)		Post-Transfer Review (April 2012)	
		No.	%	No.	% of LBB outset data	No.	% of LBB outset data	No.	% of LBB outset data
Number of employees		3,652		188	5%	172	4.7%		
Gender	Female	2,286	63%	147	78.2%	131	76.2%		
	Male	1,366	37 %	41	21.8%	41	71%		
Date of Birth (age)	1996-1986	160	4%	**	**	**	**		
	1985-1976	751	21%	22	12%	26	15%		
	1975-1966	955	26%	60	32%	54	31%		
	1965-1951	1,526	42%	80	43%	68	40%		
	1950-1941	242	7%	15	8%	13	8%		
	1940 and earlier	18	0.5%	**	**	**	**		
Ethnic Group	White								
	British	1,807	49%	86	46%	79	46%		
	Irish	114	3%	**	**	**	**		
	Other White	252	7%	14	7%	13	7.5%		

	Mixed								
	White and Black Caribbean	0	0%	0	0	0	0		
	White and Black African	0	0%	0	0	0	0		
	White and Asian	22	1%	**	**	**	**		
	White – Turkish Cypriot	18	0.5%	**	**	**	**		
	White – Greek Cypriot	40	1%	**	**	**	**		
	Other Mixed	59	2%	**	**	**	**		
	Asian and Asian British								
	Indian	234	6%	11	6%	**	**		
	Pakistani	36	1%	**	**	**	**		
	Bangladeshi	26	1%	0		0	0		
	Other Asian	61	2%	**	**	**	**		
	Black or Black British								
	Caribbean	215	6%	17	9%	16	9%		
	African	333	9%	36	19%	37	21%		
	Other Black	37	1%	**	**	**	**		
	Chinese or Other Ethnic Group								
	Chinese	20	1%	**	**	**	**		
	Other Ethnic Group	63	2%	**	**	**	**		
	Blank	315	9%	**	**	**	3%		
Disability	Hearing (such as: deaf, partially deaf or hard of hearing)	7	0.2%	**	**	**	**		
	Learning difficulties (such as dyslexia)	14	0.4%	**	**	**	**		
	Mental illness (substantial and lasting more than a year)	5	0.1%	0	**	0			
	Vision (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses)	3	0.08%	0	**	0			
	Reduced physical capacity (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes)	11	0.3%	0	**	0			
	Mobility (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis)	8	0.2%	0	**	0			
	Other disability	9	0.25%	0	**	0			
	Blank	3,595	98.4%	182	97%	167	98%		
Religion or Belief									
	Christian	1,713	46.9%	97	52%	89	52%		
	Buddhist	17	0.5%	0	**	0			
	Agnostic	44	1.2%	*	*	*	*		
	Atheist	58	1.6%	*	*	*	*		

	Humanist	9	0.2%	*	*	*	*		
	Hindu	199	5.4%	12	6.4%	10	4%		
	Jewish	116	3.2%	*	*	*	*		
	Muslim	145	4%	*	*	*	*		
	Jain	15	0.4%	0	**	0			
	Sikh	16	0.4%	0	**	0			
	Baha'i	1	0%	0	**	0			
	Other religions	121	3.3%	*	*	*	*		
	No religion	592	16%	24	12.8%	23	13.4%		
	Not stated	254	7%	*	*	*	*		
	No response on faith	303	8%	26	14%	25	14.5%		
	No form returned	49	1.3%	*	*				
Sexual Orientation	Heterosexual	2,429	67%	111	59%	100	23.8%		
	Bisexual	15	0.4%	*	*	*	*		
	Lesbian / Gay	43	1%	*	*	*	*		
	Prefer not to say	773	21%	64	34%	61	35.5%		
	Blank	392	11%	*	*	*	*		
Marriage and civil partnership	Married	1,141	31%	65	35%	57	24%		
	Single	913	25%	58	31%	25	32%		
	Widowed	20	1%	*	*	*	*		
	Divorced	101	3%	*	*	*	*		
	In civil partnership	7	0.2%	0	**				
	Co-habiting	40	1%	*	*	*	*		
	Separated	13	0.4%	*	*	*	*		
	Not stated	1,417	39%	46	24.5%	44	26%		
Relevant and related grievances	Formal	0	0%	0	0%				
	Upheld	0	0%	0	0%				
	Dismissed	0	0%	0	0%				

3.2 Evidence

3.2.1 List below available data and research that will be used to determine impact on different equality groups

N/A

Evidence gap

N/A

3.2.2 List below available data and research that will be used to determine impact on different equality groups

The revised establishment lists from SAP provide the primary data, plus the 'local knowledge' of heads of service. They will consider the impact of the project on the following, amongst

other potential factors:

- Flexible working arrangements and their impacts on parents and carers
- Working from home (as above)
- The impact of moving staff to different work locations
- The impact of potential changes to holidays / term-time working
- The impact on staff of changes to their working culture
- The impact on staff of additional health and safety training
-

4. Project Milestone Outcomes, Analysis and Actions

4.1 Summary of the outcomes at each milestone

- Milestone 1 - Outset
- Milestone 2 – Business Case Validation (Due Diligence)
- Milestone 3 – Post-Transfer Review

4.1.1 Milestone 1 - Outset

The EIA data was reviewed in conjunction with the LATC business case to ensure that the proposed solution identified does not have any adverse impact on the staff in scope for transfer.

4.1.2 Milestone 2 - Business Case Validation (Due Diligence)

Under the Due Diligence (stage 2 data) staff personnel file notes will be transferred after the 1st February.

4.1.2 Milestone 3 – Post-Transfer Review

The Barnet Group - Your Choice will continue to update, and review the EIA data post transfer to assess the potential impacts if any on staff in scope.

4.2 Actions Proposed

4.2.1 Milestone 1 - Outset

*Were there any unexpected equalities impacts that you did not identify at the first stage?
How will the learning be brought forward to the next milestone?*

When you compare the ratio of female: male staff between (a) LBB 63%: 37% and (b) the staff in scope: 76. %:24% there is a slight difference.

The lower number of males in scope can be explained by the possible nature of the service, which traditionally attracts female workers and when recruit replacements we will endeavour

more male workers.

4.2.2 Milestone 2 – Business Case Validation (Due Diligence)

Were there any unexpected equalities impacts that you did not identify at the first stage?
How will the learning be brought forward to the next milestone?
N/A

4.2.2 Milestone 3 – Post-Transfer Review

Were there any unexpected equalities impacts that you did not identify at the previous stages?
How will the learning be captured?
None

Business Scrutiny:

This table summarises the main activities in preparation of transfer on 1st February 2012.

Table 1

Dates dependent upon Governance Services schedule for 2011/12 and 2012/13.

Milestone Description	Programme Office	Trade Unions – appropriate TU for Project	CDG	DPR - Delegated Powers Report	GFC – General Functions Committee
<i>Milestone 1 - Outset</i>	Date	14 April 2011	26 April 2011	date	30 June 2011
<i>Milestone 2 – Business Case Validation (Due Diligence) data transfer</i>	9 Jan 2012	28 Nov 2011	06 Dec 2011	14 Dec 2011	16 Jan 2012
<i>Milestone 3 – Post-Transfer Review</i>	1 Feb 2012	9 Jan 2012	date	date	date

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Appendix G

Response to Unison Trade Union Interim Critique of the Adults In-House Business Plan for CDG 6 December 2012

Summary

A copy of the LATC Business Plan v4 was shared with Trade Unions on an embargoed basis on 21 November 2011.

On 23 November, the Project Manager and Project Sponsor met with representatives from UNISON and GMB to answer questions on the Business Plan. The Trade Unions have considered this document and Unison provided an Interim Critique on 29 November 2011. It is noted that no response was received from GMB.

Unison have set out their top five key issues summarised are follows:

1. Commercial Approach to further commercialise services.
2. Omission of staffing implications for future service changes
3. Omission of staffing, management and cost for monitoring service performance and compliance with contracts and agreements.
4. Omission of service users and potential users in the Equality Impact Assessment.

The Trade Union comments are outlined below with responses addressed in turn and set out below. It is noted some issues raised will be subject to negotiations between the council and TheBarnetGroup LTD such as contract negotiations.

Issue 1

The commercial language, the adoption of a holding company model, bidding strategy, branding and the alliance with Capita, demonstrate the intention plans to further commercialise services. The strategy to encourage further transfer of Council services and a growth strategy to deliver “substantial external new business opportunity” within 18 months of transfer indicates expansionist intent. However, the document is inconsistent in its understanding of the market, for example, it makes reference to a ‘pseudo market’ and a ‘free market’, which are quite different in practice. We believe this commercial approach could have considerable negative impacts on services, service users and staff.

Response

The inhouse services currently delivered by Adult Social Care and Health already operate within a commercial environment where the majority of social care is delivered by a range of providers – third sector providers, user led organisations and independent sector providers. The future of the current in-house services is dependent upon them operating in the wider social care market place to respond to the needs of disabled people using their personal budget. The establishment of Your Choice Barnet as set out in the business plan will support the in-house services to grow and thrive in the future. This business plan clearly sets out the measures of success for each of the services – full utilisation of the capacity of current services; integrating the in-house services with other Barnet Homes services where it makes sense to do so and exploring new opportunities in the third and fourth years of the contract. The business plan sets out a sustainable model for Your Choice Barnet providing the necessary financial sustainability for the in-house services for the first two years of operation to allow the new trading company to consolidate and develop the services without having a negative impact on services, users and staff.

Issue 2

Given that the skills, experience and commitment of staff are vitally important in these services, there is little reference to them in the business plan, other than a standard TUPE transfer. The potential move to seven-day operation at Flower Lane and Rosa Morison is devoid of staffing implications.

Response

The successful establishment of TheBarnetGroup LTD is dependent on the skills, experience and commitment of the staff working across Barnet Homes and Your Choice (Barnet) Limited and this is made clear in the business plan. For example section 3.15 talks specifically about the importance of engagement and culture change in the day to day operations of Your Choice Barnet. Any changes regarding expanded operating patterns will be taken in full consultation with staff. TheBarnetGroup LTD will continue to work closely with trade unions in considering any staffing related issues as discussed in the TUPE consultation meetings. Staff have been involved in the development of the business plan and a successful whole service away day was held between Barnet Homes and the in-house staff in December 2011 to identify opportunities going forward in 2012.

Issue 3

The governance arrangements are weak with only a passing reference to contract management and monitoring – “regularized formal contract monitoring” (para 3.43) and “a series of contracts and management agreements” (para 5.1). There is no recognition of the staffing, management and cost for the Council and the Barnet Group of monitoring service performance and compliance with contracts and agreements. This is a major omission given Barnet Council’s poor record of auditing, monitoring and scrutinizing contracts.

Response

The business case agreed by Cabinet Resources Committee in May 2011 included within the financial modelling, resourcing for the ‘client side’ (contracting, and monitoring) and a framework for contract management and performance management has been developed.

TheBarnetGroup will be required to submit monthly reports that will be monitored by the Council. These reports will be used to flag any concerns with performance that will need to be covered in the contract management meetings between the Council and TheBarnetGroup.

Adult Social Care and Health will have monthly contract management meetings with TheBarnetGroup to focus on the Your Choice Barnet contract. Initially these meetings will be focused on ensuring a smooth transition for the services transferring and to make sure the reporting is providing the required information. These meetings will review monthly performance and identify operational issues that need addressing to ensure that the outcomes and outputs specified in the performance framework can be delivered. From Adult Social care and Health, the meetings will be attended by the Contract Manager, Heads of Service (Disabilities) and Senior Procurement Officer.

There will be quarterly joint Adult Social Care and Health and Environment, Planning and Regeneration contract management meetings with the TheBarnetGroup to review Your Choice Barnet and Barnet Homes contracts. These meetings will monitor the performance of both contracts ensuring any issues and risks identified are being properly managed. This will include the financial position of the services to understand what impact this could have on the provider or council.

Alongside regular contract management meetings there will be six monthly service reviews that will include the Council visiting the services and speaking to staff, service users, carers and other key stakeholders. Service Reviews will result in a Review Report and if required an agreed Service Improvement Plan.

Complimenting the contract management arrangements are the six monthly partnership meetings between the Directors of Adult Social Care and Health and Environment, Planning and Regeneration with TheBarnetGroup

Issue 4

The Equality Impact Assessment, excluding the repetition of the One Barnet objectives in the introduction, refers only to staff - service users and potential users are completely ignored.

Response

The Employee Impact Assessment report attached as appendix E is only concerned with staffing issues and not service users. A separate Community Impact Assessment attached as appendix D sets out the impact to the community including service users and potential service users. The Community Impact Assessment concluded 'Neutral Impact'.

Issue 5

The vast bulk of the benefits could have been achieved by an in-house service. The options appraisal and earlier business case claim of synergy with Barnet Homes is shown to be false in para 3.26.

Response

The benefits set out in the business plan could not have been achieved in house as the way Council management of in-house services operates does not support direct payments being used to fund the services.

The potential cost of the Council doing nothing and retaining the services in-house, is based on a 'double funding' risk attributable to covering both the fixed costs of the in-house services but also committing funding for personal budgets which could be spent elsewhere. This is because service users cannot directly purchase services from the Council. Over a four year period this 'double fund' cost could have equated to £3.8M. To mitigate these rising costs, the Council would need to significantly reduce the in-house service costs and/or close the services, which the option appraisal activity in June 2010 concluded is not a viable option.

Although there will be no financial gain to the Council during the first year, it is estimated that over the first four years the Council will gain £560,000. Your Choice Barnet (YCB) will be making surpluses from Year 1, which will be distributed to the Council in the form of dividends.

In addition, the business plan sets out aspirations of TheBarnetGroup LTD to provide new services in the future such as ASSIST telecare which could benefit adult social care service users who are also council housing residents as set out in paragraph 4.3.1 of the business case and paragraph 4.4 of the business plan.

Further synergies are also achieved through the LATC by enabling collaborative leadership which provides benefit by learning from Barnet Homes experience and skills as being an arms length organisation since 2004. This experience has already proved valuable during validation of the

original business case which was conducted jointly by Barnet Homes and the Council.

The high level options appraisal states in paragraph 1.5 that housing and adult social care will be grouped together and considered as a whole and the creation of the LATC is the first step of this process. TheBarnetGroup LTD will develop using a phased approach as set out in section 3.12 of the business plan outlining the key milestones to be achieved over the first 18 months to optimise, refine and transform the business.

Since November there has been greater clarity on support services that will be “bought” by YCB from the Council. These include IT, HR, payroll, and adhoc legal services. Other support will be purchased from Barnet Homes. These support services, as well as management support, will be specified clearly, and directed towards where it is needed. In addition we are now sure the VAT implications of setting up YCB are much more favourable than envisaged in the original Business Case presented to Cabinet Resources Committee in May.

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Appendix H

Response to GMB Trade Union Interim Critique of the Adults In-House Business Plan for CDG 6 December 2012



GMB Response to 'The Barnet Group' High level Business plan



Recommendations;

That the following points are noted and the move of Adult Social Care Services to 'The Barnet Group' LATC is reconsidered.

Question: *Comments made in attached previous responses still remain a major concern of the GMB;*



Barnet Adults



GMB Interim



jointtradeunionInteri

Options Appraisal.pdf Response to Business m reportFINAL.pdf

Response: A formal response has been provided to the previous trade union critiques which were appended to the Cabinet Resources Committee Report dated 24 May 2011. There has been open dialogue through regular TUPE consultation meetings and it is noted the process began early to ensure the Trade Unions had further opportunity to raise concerns through this forum. Further Trade Union responses have been formally provided in May and June 2011 in response to letters received from the Unison regional office.

- 2. Question:** *As previously raised LATC's are still a new and relatively unknown entity in regard to their ability to provide efficiencies and maintain quality of services. This concern is heightened because as this report says what the service will look like in one or two years time is still very much unknown. Paragraph 1.3 states that this business plan is still "not fully developed – draft and subject to change." It is now getting very late in the day so when will the business plan be complete? Paragraph 4 describes how a lot of the future scoping of the work carried out by the LATC will be worked on during the first year. How then can the projected profits be rationalised with so much still unknown?*

Response: The business plan for go live is completed and is included in the information being submitted to the Cabinet Resources Committee. The main aspects of the plan are final and sets out very clearly the respective objectives and milestones for the Group and its companies and in section seven the financial pressures are defined.

The assumptions used within the plan for efficiencies and growth are realistic as they are based on existing knowledge and expert analysis of the marketplace. TheBarnetGroup LTD will in the first year of operation undertake a Strategic Review of the business to identify any further efficiencies and opportunities for further development.

3. **Question:** *The council has offered what it has called 'TUPE PLUS' to staff involved in any transfer around the One Barnet Programme. The GMB welcomes some of the measures suggested in this offer, however elsewhere we have made it clear that we do not feel this gives our members enough protection. One area of concern is the offer to protect Terms and Conditions for 1 year post transfer. First we do not believe this is long enough but in addition it has come to light that this 'protection' will not protect staff from redundancies in the first year, or subsequently.*

Paragraph 3.8 refers to Barnet Homes increasing the number of support staff. Where will these come from? Para's 3.18 3.19 and 3.20 refer to efficiencies and restructures. Obviously this will be of concern to our members as they may now believe their jobs are safe for the first year due to the statement that T's and C's will be protected. This section also suggests 'adjustments to policies' within the first 8 months. How does this fit with the proposed protection?

Response: Under the TUPE transfer commitments the Council has written into the contract that Your Choice will not vary the terms and conditions of employment of any Transferring Employee for the first 12 months immediately following the transfer date.

If Your Choice seeks to vary the terms and conditions of employment of any transferring Employee after the expiry of 12 months following the transfer date, it is then required to comply with its consultation obligations as the employer of the transferring employees and conduct all reasonable negotiations with any recognised trade unions.

The practical effect of this is that transferring employees have contractual assurance about their terms and conditions in that first year in a way that is not available to LBB employees. Thereafter any changes to terms and conditions would need to be negotiated in the same way that the Council is required to do when it seeks to change T&Cs.

Should Your Choice propose to make redundancies then it would need to comply with the same legal obligations as is applicable to LBB, so there is no lessening of protection.

4.

¹use.

However it is difficult to understand, given the nature of Direct Payments how this could work. Any users who have transferred their budget into the Direct Payment scheme would no longer be able to buy the services. This would be a major issue for them as users but also to Barnet in being able to provide a service. Other justifications for moving to the LATC are unconvincing. This report and previous ones have said that the LATC will enable users from other boroughs to use the service, but this is already happening as described in paragraph 3.27 and 4.11.

The majority of the proposed improvements to individual centres that are described during section 4 are improvements that could be made while retaining the service in-house.

Response: The response to the Trade Union question provided on 7 September remains. “The Council will remain as the provider of last resort for all social care provision that it commissions on behalf of service users. In the extremely unlikely event that this event occurs, the Council would discuss with all service users what their options were if they were on a direct payment. For those that are and wish to continue attending Council run service, they would need to have their personal budget as a managed allocation allowing the Council to commission the in house services on their behalf. Their direct payment for this service would therefore cease.”

Services currently provided out of borough are those directly commissioned by neighbouring boroughs. The implementation of TheBarnetGroup will enable out of borough service users with direct payments and self funders to purchase services directly from the LATC as will be the case for any direct payment service users within the borough. There have been enquiries over recent years from Direct Payments users from other local authority areas. Had we been able to trade with individuals this would have meant additional income for the services which would in turn have enabled some of the service development discussed in the Business Plan.

The service improvements and benefits set out in the business plan could not have been achieved and realised in house as the way the council operates does not support direct payments.

The benefits of exploring the synergies with Barnet Homes’ services are also included in the plan. In the group structure as proposed there will be flexibility to work together to provide joined-up services for people who are currently using the services of both organisations, as

well as potentially diversifying the support available to customers of each. The detail is planned to be explored in the scoping work in Year One with the ultimate outcome of that together the organisation will offer greater opportunities than individually.

5. **Question:** *There is still no detail on how the contract will be monitored. This report shows little insight into what monitoring will be occurring or when this will happen. Barnet's history of contract monitoring is poor and yet at this late stage there still seems to be little detail on how this will change with the LATC.*

Response: The contract includes the agreed arrangements for contract management and a performance framework.

TheBarnetGroup will be required to submit monthly reports that will be monitored by the council. These reports will be used to flag any concerns with performance that will need to be covered in the contract management meetings between the council and TheBarnetGroup.

Adult Social Care and Health will have monthly contract management meetings with TheBarnetGroup to focus on the Your Choice Barnet contract. Initially these meetings will be focused on ensuring a smooth transition for the services transferring and to make sure the reporting is providing the required information. These meetings will review monthly performance and identify operational issues that need addressing to ensure that the outcomes and outputs specified in the performance framework can be delivered. From Adult Social care and Health, the meetings will be attended by the Contract Manager, Heads of Service (Disabilities), Senior Procurement Officer and if required a Transformation Lead.

There will be quarterly joint Adult Social Care and Health and Environment, Planning and Regeneration contract management meetings with the TheBarnetGroup to review Your Choice Barnet and Barnet Homes contracts. These meetings will monitor the performance of both contracts ensuring any issues and risks identified are being properly managed. This will include the financial position of the services to understand what impact this could have on the provider or council.

Alongside regular contract management meetings there will be six monthly service reviews that will include the council visiting the services and speaking to staff, service users, carers and other key stakeholders. Service Reviews will result in a Review Report and if required an agreed Service Improvement Plan.

Care and Health and Environment, Planning and Regeneration with
TheBarnetGroup CEO and Chair.

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Appendix I

Transfer of Council assets to Your Choice (Barnet) Limited

As part of the implementation of TheBarnetGroup, a number of assets are to transfer to Your Choice (Barnet), including PC's and furniture. Each item has a value however, is not great enough to feature on the Council or Your Choice (Barnet) asset registers.

It is therefore considered prudent to include the transferring assets in the Your Choice (Barnet) opening balance sheet as depreciating fixed assets, and represented by a long term loan from the Council. The estimated value is £67k for IT equipment, and £43k for furniture and fittings. Inventories of both IT and non IT related assets are set out below.

		Life in years	Depreciation
IT equipment	67,000.00	3	22,333.33
Furn & fixtures	43,000.00	5	8,600.00

Part A – Non IT related assets

Barnet Independent Living Service

Internal

2 kilns
4 overhead tracking hoists
1 safe
1 office chair (turbo charged)
1 set of physio walking rails
2 physio beds
2 mobile hoists
1 oven
1 gas hob
1 freezer

External

2 wheelie bins (the big aluminium ones)
1 The entrance barrier
1 The entrance gates
1 Garden trellis

Rosa Morison

Disabled Toilet Upstairs

1 Bathroom Hoist

Laundry

1 Miele Washing Machine
1 Miele Dryer

Stair Case

Kitchen

2 Heater Trolleys
1 Cooker & Hob – Moorwood Vulcan
1 Steamer – Moorwood Vulcan
1 Steriliser – Comenda
2 Stainless steel sink units
1 Stainless steel work unit
1 Blender – waring pro
1 Fridge Freezer – Delfield
1 Fridge – Delfield
1 Fridge – Foster
1 professional blender – kenwood
1 Industrial Microwave – Sharp

Sensory Room

1 Vibrating Beanbag

1 Bubble Tube
1 Fan light
1 Projector
1 Tracking hoist
1 Fibre optic lights
1 Floor mats

Music Room

1 Opti Music system
1 Rompa beanbag
1 Light system
1 Piano
1 Tracking hoist

Art Room

1 Tracking Hoist
1 Adjustable table

Sitting Room

1 sofa
1 Tracking hoist

Main area

2 Gate trainers
2 mobile hoists
3 adjustable tables

Therapy Room

6 Wedge beanbags
2 tracking hoists
Standing frame
2 bambach chairs
6 floor mats
1 Rumpa beanbag

Garden

3 Wooden Bench's
1 Garden Shed

Downstairs bathrooms

3 Changing tables
3 Tracking hoists
3 Turntables
1 Commode

Hydrotherapy Pool

1 Changing Table
1 Tracking Hoist
1 Hydro Spa Pool
1 Pool covers

1 Filter System

Agatha House

1 Tracking Hoist in Bedsit 3

Harold Court

2 Brown leather Sofas (new bought recently)

Quartz Court

1 Hotpoint Iced Diamond Fridge Freezer (new bought recently)

Sept Court

2 Brown leather Sofas (brought last year)

1 Duke Box – PERF GRAND 100

Valley Way

1 Miele Dishwasher (brought this year)

6 tracking hoists – all bedrooms

1 Bathroom Hoist – upstairs bathroom

1 Manual Hoist

The Space

1 Safe in General Office

1 Foster Professional Fridge 2007

1 Foster Professional Freezer 2007

1 Indesit Larder Freezer approx.2 years old.

1 Klix Vending Machine

1 Oven M Line Plus (old) Industrial

1 Oven (Professional)Masterchef 2007

1 Steamer Oven 2007 (Moorwood Vulcan)

2 Stainless Steel counters

1 Stainless Steel Hot Cabinet

Flower Lane Centre

2 Light Projectors (Sensory Room)

1 Garden Shed

1 Sharp Photocopier

2 Hotpoint Domestic Larder Freezers

1 Delfield Professional Large Larder Fridge

1 Hobart Food mixer Professional

2 Moorwood Vulcan Ovens 2006

1 Stainless Steel Serving Hot Cabinet/Counter/Storage with serving dishes

2 Large stainless steel counters.

Part B – IT related assets

Learning Disability Services

Total: 67 computers including (tablet PCs)

Setting	Location	Description	Tag no. Yes/No	Tag no.	Serial No.	VPN Fob No.	MFD Buttons
Business Support Team		Laptop	Yes	LBB32799	CNU619XG1R	206104708	
		Docking Station	No				
		Monitor	No				
		Mouse	No				
		Mobile	No				
VPN	No						
		Laptop	Yes	LBB24021		206104307	
		Mobile	No				
		VPN	No				
		Laptop	Yes	LBB200676		206104721	
		Mobile	No				
		VPN	No				
		Laptop	Yes	LBB32782		206104714	
		Mobile	No				
		VPN	No				
	Office Jasper Court	Computer	Yes	LBB24021			

		Monitor	No				
		Keyboard	No				
		Mouse	No				
		Printer	No		CND89780BR		
Flower Lane Centre	Reception	Computer	Yes	LBB100577			
		Printer	Yes	HR3759			
		Monitor Elonex	No		621 031000600		
		Telephone	No				
		Keyboard	No		BY24710602		
		Mouse 3000	No				
Flower Lane Centre	Seniors' Office	Computer	Yes	LBB100790			
		Computer	Yes	LBB100791			
		Monitor Touch Screen	No		P19BH		
		Monitor	Yes	LBB30789			
		Printer	No		Laserjet 2420		
		Compaq Keyboard	No		BC35B0BQRUWE0R		
		Compaq keyboard	No		B28860LBUMK718		
		2 Compaq Mouse	No				
		Telephone	No				
		Telephone	No				
Flower Lane Centre	Manager's Office	Computer	Yes	LBB100788			
		Monitor	Yes	LBB25565			

		Computer	Yes	LBB100578		
		Monitor	Yes	LBB30834		
		Printer	Yes	HR3760		
		2 HP mouse	No			
		HP Keyboard	No		06H10400059D	
		HP Keyboard	No		BC35B0BQRUWDAJ	
		Telephone	No			
		Telephone	No			
Flower Lane Centre		Mobile phone	No			
Flower Lane Centre	Computer Room	Computer	Yes	LBB100789		
		Computer	Yes	LBB100794		
		Computer	Yes	LBB100664		
		Monitor	Yes	LBB25812		
		2 xTouch Screen Monitor	No			
		Printer Laserjet	No		P3005N	
		Keyboard	No		BC35B0BQRUWE0	
		Keyboard	No		BC35B0BQRV0NN0	
		Keyboard	No		BC35B0BQRUWDAD	
		3 x HP Mouse	No			
CommunitySpace	Manager's Office	Computer	Yes	LBB100800		
		Monitor	No		Elonex	
		Printer Lexmark	No		X1180	

		telephone	No				
		keyboard	No		B93B90LQRTX55T		
		mouse	No				
CommunitySpace	Staff Room	Computer	Yes	LBB37108	00164642906B		
		Monitor	Yes	LBB37107			
	Telephone	No.					
	Activity Room	Telephone					
	Computer Room	Telephone	No				
Kitchen	Telephone	No					
CommunitySpace	General Office	Computer	No	LBB3691 LBB31208	Elonex Flatron TVMS0007520 ZCA395401090 ZCA395401058		
		monitor	No				
		Computer	Yes				
		Monitor	Yes				
		Mouse	No				
		Mouse	No				
		Keyboard	No				
		Keyboard Elonex	No				
		Telephone	No				
		Telephone	No				
CommunitySpace		MFD Button	No				Yes
		Tablet Awaiting delivery					
		Mobile	No				

		VPN Fob	No			206104358	
		MFD Button	No				Yes
		VPN Fob Awaiting delivery					
		Tablet Awaiting delivery					
		Mobile	No				
		MFD Button	No				Yes
		Mobile					
		VPN Fob Awaiting delivery					
		MFD Button	No				Yes
		Mobile	No				
		Tablet Awaiting delivery					
		VPN Fob	No			206104352	
		MFD Button	No				Yes
		Mobile	No				
		VPN Fob Awaiting delivery					
		Tablet Awaiting delivery					
		MFD Button	No				Yes
		Mobile	No				
		VPN Fob Awaiting delivery					
		Tablet Awaiting delivery					
		MFD Button	No				Yes
		Mobile	No				

		Tablet Awaiting delivery					
		VPN Fob	No			206104354	
		MFD Button	No				Yes
		Mobile	No				
		Tablet Awaiting delivery					
		VPN Fob	No			206104353	
		MFD Button	No				Yes
		Mobile	No				
		VPN Fob Awaiting delivery					
		Tablet Awaiting delivery					
		MFD Button	No				Yes
		Mobile	No				
		Tablet Awaiting delivery					
		VPN Fob	No			206104355	
		MFD Button	No				Yes
		Mobile	No				
		VPN Fob Awaiting delivery					
		Tablet Awaiting delivery					
		MFD Button	No				Yes

		Mobile	No				
		Tablet Awaiting delivery					
		VPN Fob	No			206104357	
	Spare	Tablet	Yes	LBB25580	BC35B0EVBVU627	206104738	
		Docking Station	Yes	LBB27776			
		Broadband BT	No				
		Extra Battery	Yes	LBB28564			
		Monitor	Yes	LBB25885			
		Keyboard	Yes				
		VPN Fob	No				
		Mouse	No				
		Multi Lug (surge protection)	No				
		Mobile	No				
		Tablet	Yes	LBB25634	DC369A 434821-031uk	206104723	
		Spare Battery	No				
		Docking Station	Yes	LBB27500			
		Monitor	Yes	LBB27474			
		Mouse	No				
		Keyboard	No				
		VPN Fob	No				
		Mobile	No				
		Tablet	Yes	LBB25513			

		Docking station	Yes	LBB27501	BC35BLEVBVU6MH	206104749	
		Broadband BT	No				
		Monitor	Yes	LBB26515			
		Keyboard	No				
		Mouse	No				
		VPN Fob	No				
		Mobile	No				
		Tablet	Yes	LBB25667	35B0EVBVU6KN	206104676	
		Monitor	Yes	LBB28484			
		Docking Station	Yes	LBB27503			
		Broadband BT	No				
		Keyboard	No				
		Mouse	No				
		Multi Lug (surge protector)	No				
		VPN Fob	No				
		Mobile	No				
		Tablet	Yes	LBB25549			
		Docking Station	No	LBB28122			
		Broadband BT	No				
		Monitor	Yes	LBB26509			
		Keyboard	No				
		Mouse	No				

		Multi Lug (surge protector)	No				
		VPN Fob	No			206104735	
		Mobile	No				
		VPN Fob	No			206104746	
		Tablet	Yes	LBB27161			
		VPN Fob	No				
		Mobile	No				
		Tablet	Yes	LBB25668			
		Docking Station	No	LBB27808			
		Broadband BT	No				
		Extra Battery	Yes	LBB28563			
		Monitor	Yes	LBB27480			
		Keyboard	No		BC35B0EVBVU5WP		
		Mouse	No				
		Multi Lug (surge protector)	No				
		VPN Fob	No			206104704	
		Mobile	No				
		Tablet	Yes	LBB25504			
		VPN Fob	No			206104739	
		Mobile	No				
		Tablet	Yes	LBB25643			
		Monitor	Yes	LBB25982			

		Docking Station	Yes	LBB27448	BC35B0EUBVY44W	206104743	
		Keyboard	No				
		VPN Fob	No				
		Broadband BT	No				
		Mouse	No				
		Mobile	No				
		Tablet	Yes	LBB40553		206104736	
		Docking Station	Yes	LBB40608			
		Broadband BT	No				
		Monitor	Yes	LBB27774			
		VPN Fob	No				
		Mobile	No				
Rosa Morrison	Main Office	Computer	Yes	LBB235911	BC3250GVBWB4X8		
		Computer	Yes	LBB23909			
		Monitor		LBB23617			
		Monitor		LBB24429			
		Keyboard	No				
		Keyboard	No				
		Mouse	No				
		Mouse	No				
		Printer	Yes	LBB23622			
		Printer	Yes	LBB23625			

		Phone	Yes	LBB23615		
		Phone	Yes	LBB23619		
Rosa Morrison	Managers Office	Docking Station	Yes	LBB37374		
		Phone	Yes	LBB23629		
		Mouse				
		Tablet	Yes	LBB37310		
		VPN Fob	No			
		Monitor	Yes	LBB37311		
Rosa morrison	Computer Room	Computer	Yes	LBB23906		
		Computer	Yes	LBB201434		
		Computer	Yes	LBB23624		
		Computer	Yes	HP1538		
		Computer	Yes	HP3771		
		Computer	Yes	HP2156		
		Computer	Yes	HP3770		
		Computer	Yes	LBB23628		
		Computer	No			
		Computer	No			
		Phone	Yes	LBB23626		
		Printer	No		TH0C8E71K2	
		Printer	No			
		Printer	No			

		Keyboard	No		BC3250FJ6WDIJY		
		Keyboard	No				
		Keyboard	No				
		Keyboard	No				
		Keyboard	No				
		Mouse	No				
		Mouse	No				
	Kitchen	Phone	Yes	LBB23634			
September Court	Main Office	Laptop	Yes	LBB24062			
		New Printer	No		CNH5P58196		
		Computer	Yes	HP3149			
		Keyboard	No		820-000212		
		Monitor	No		149CL26SB480		
		Mouse	No				
		Broadband BT	No		420611081534		
Quartz Court	Main Office	Laptop	Yes	LBB24065			
	Managers Office	Broadband BT	No		230811062110		
		Printer	No		hp deskjet 6980		
		Computer	Yes	LBB23809			
		Monitor	Yes	LBB23608			
		Keyboard	No				
		Mouse	No				

Barnet Supported Living		Telephone	No			
		FOB	No			G620322
		Telephone	No			
		FOB	No			
		Laptop	Yes			
		Telephone	No			
		FOB	No			
		Telephone	No			
		FOB	No			
		Telephone	No			
		FOB	No			
		Telephone	No			
		FOB	No			
		Telephone	No			
		FOB	No			
		Telephone	No			
		FOB	No			
		Mobile	No			
		Mobile	No			
		Mobile	No			
	sleep in mobile	No				
	Leadbeaters	Mobile	No			
	September Court	Mobile	No			
		Mobile	No			
		Mobile	No			

	Quartz Court	Mobile	No			
		Mobile	No			
		Mobile	No			
		Mobile	No			
		Mobile	No			
Agatha House	Main Office	Computer	Yes	LBB38729		
		Monitor HP Compaq	No		LA1905wg	
		Mouse	No			
		Keyboard	No		BATH0HVBVD2H5	
		Computer	Yes	LBB38728		
		Monitor	Yes	LBB38730		
		Keyboard	No		BATHA0HVBVD2B1	
		Mouse	No			
		Lexmark Fax Machine/Printer	No		X7350	
Agatha House	On Call Room	Computer	Yes	LBB100781		
		Monitor	No	HPL1706		
		Keyboard	No		B93B90LQRTX52S	
		Printer	Yes	LBB38732		
		Computer	Yes	HP2445		
		Keyboard	Yes	HK1297		
		Monitor	Yes	HS2445		
		Mouse	No		HCA24724224	

Harold Court	Main Office	Monitor Keyboard Cordless Desktop	No No		HPL1706 EX110		
		Computer Printer Wireless Connection Laptop	Yes No No Yes	HP3945 LBB24063	MY97R2J17Q BT2700HGV		
Barnet Supported		VPN Fob VPN Fob VPN Fob VPN Fob VPN Fob VPN Fob VPN Fob VPN Fob			G678322 G678323 G678324 G678325 G678326 G678327 G678328 G678329		
Valley Way	Main Office	Laptop Computer Computer Computer Keyboard Keyboard	Yes Yes Yes Yes No Yes	LBB26455 LBB23910 HP3737 LBB200672 HK3737	BATHA0JVBZ18PI		

		Keyboard	Yes				
		Monitor	No		ETLA209002741008323800		
		Monitor	Yes	HS 3737			
		Monitor Acer LCD	No		501705488		
		3 x Mouse	No				
		Computer/Monitor for Sus	No		Inclusive One Touch PC W055861401		
		Keyboard - Kensington	No		1024B003941		
		Canon Printer	No		LR10 5000 i-Sensys		
NLBP		Blackberry	Yes	LBB29713			
		Tablet	Yes	LBB26277LT		205066044	1
		Tablet	Yes	LBB37745- LT			1
		Cisco Phone	Yes	LBB30122			
		Cisco Phone					
		Mouse x2	No				
		Keyboards x2	No				
		Docking Stations x2	No				
		Monitors x2	No				

Barnet Independent Living Service

Total: 9 computers (including tablet PCs)

Description	Tag no. Yes/No	Tag no.	Serial No.	Software	Telephone No.	Mobile Number	VPN Fob No.	MFD Buttons
LBB Computer Screen	Yes	LBB29436	CND7211720	Microsoft Office Word, Excel, Access, Powerpoint, Sap, Landesk, Outlook Express, Adobe 8, Symantec Antivirus, Citrix, Internet Explorer, Roxio, Intel Management and security,				
				Sap Business Exploer, Winzip, Lightscribe Disk Labelling, Microsoft Windows XP Operating Sytem Professional, Soundmax Control Panel, Graphic Accelerator driver				
LBB Tower	Yes	LBB24969	CZC74165CX					
LBB Phone	No	No	FCH094288YU	Cisco Systems 7940G	0208 359 ****	No	No	No
USB Mouse	No	No	C050801223	Not required				
Keyboard	Yes	HP2270	No.	Not required				

Phone/ Mobile	No				0208 359****	07717 4288***	205065805	No
Tablet	Yes	LBB26299						
Monitor	Yes	LBB32539						
Monitor	Yes	LBB31104						
Printer	Yes	HR2271						
Laptop	Yes	LBB24035						
Laptop	Yes	LBB24979						
Laptop	Yes	LBB24034						
Phone/ Mobile			FCH09428CMG		0208 359****	07985 158***		
LBB Computer Screen	No		CNK5481BPJ					
Keyboard	No		B9BB90HUB562NL					
				Microsoft Office Word, Excel, Access, Powerpoint, Sap, Landesk, Outlook Express, Adobe 8, Symantec Antivirus, Citrix, Internet Explorer, Roxio, Intel Management and security,				

				Sap Business Exploer, Winzip, Lightscribe Disk Labelling, Microsoft Windows XP Operating Sytem Professional, Soundmax Control Panel, Graphic Accelerator driver				
				including HP device status alters, quick time, VNC, Outlook Migration				
Mouse	No		F93AA0N35816X1					
Tower	No		HUB5500DZ2					
Mobile Phone	No					0782 44833***		
Mobile Phone	No					0782 44833***		
Archive pc Tower	No		8626HVR70951	Office 2000				
Archive pc Mouse	No		0000 20387					
Archive pc keyboard	No							
Archive pc screen	No		605AF19KF					
Archive pc printer	No		NLBB529197					
Physio Phone	No					0208 359****		
Alram	No					0208		

Room Phone					359****			
Phone	No		INM0630B515		0208 359****			
Phone	No		FCH09428DCX		0208 359****			
Phone	No		FCH09468P4Z		0208 359****			
Phone	No		FCH09478D37		0208 359****			
Phone	No							
Phone	No				0208 359****			
Phone			FCH09428CN5		0208 359****			
Phone								
Phone	Yes		FCH0947830F		0208 359****			
Keyboard			BC3250CPV3CLC					
Screen	Yes	LBB24298						
Tower	Yes		CZC74165DC	Microsoft Office Word, Excel, Access, Powerpoint, Sap, Landesk, Outlook Express, Adobe 8, Symantec Antivirus, Citrix, Internet Explorer, Roxio, Intel Management and security,				

				Sap Business Exploer, Winzip, Lightscribe Disk Labelling, Microsoft Windows XP Business Operating Sytem Professional, Soundmax Control Panel, Graphic Accelerator driver				
Small Office Tower	Yes	LBB201428						
				software as above including microsoft outlook and outlook express, realtech audio manager				
small Office screen	No	CNK5450XFN						
small office keyboard	yes	CK1265	CT:BOB950B39FJ4BW					
staff office screen 1	yes	LBB29041	CND6172NFQ					
staff office tower 1	yes	LBB100922	CNCZ201K4M					
staff office Keyboard 1	yes	LK1447	B139A0WBU1P2K4					

staff office mouse 1				Microsoft Office Word, Excel, Access, Powerpoint, Sap, Landesk, Outlook Express, Adobe 8, Symantec Antivirus, Citrix, Internet Explorer, Roxio, Intel Management and security,				
software				Sap Business Exploer, Winzip, Lightscribe Disk Labelling, Microsoft Windows XP Business Operating Sytem Professional, Soundmax Control Panel, Graphic Accelerator driver				
staff office phone 2			F13490N58IOIVHO		Ext 17048			
Phone 1			FCH09478352		EXT 12062			
Screen 1	yes	LBB29009						
Screen 2	yes	LBB29180	CNT72800G4					
Phone 2			FCH09428363		Ext 12066			
Keyboard			B93B90LVBTJOK					
				Software as above microsoft office including extreme graphics				

Tower			CZC42808TY					
Staff office computer 2 tower		LBB24073	KCZC8102447					
staff office computer 2 screen			CNK54818PF					
staff office computer 2 mouse								
Keyboard computer 2			B93B90AVB564XL					
screen		LBB29022	CNN7278053					
Tower		HP5331	HUB5500DZD					
keyboard			5KKB3705011					
software				as above including microsoft office and my app configure file				
Mouse			FB7330AN3VMOWGS					
Phone/ Mobile			FCH09478EHN		0208 359****	07852 126***		

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Appendix J

Council Indemnities

The Barnet Group will indemnify the directors of all boards for, The Barnet Group, Your Choice (Barnet) and Barnet Homes. This will be provided under one policy in the name of the Barnet Group by Zurich Mutual noting all Directors and Officers and to allow for future developments.

An excerpt of the relevant section of the policy is set out below.

Trustee and Trust Fund Indemnity

Total Premium: £2,693.84

Limit of Indemnity

£1,000,000

The Limit of Indemnity applies to all claims in the aggregate in any one period of insurance.

Limit of Indemnity – Pollution Defence Costs

10% of Limit of Indemnity above

Excess

£nil in respect of each Insured Person.

£500 in respect of Reimbursement or criminal and malicious acts.

Retroactive Date (Prior & Pending Litigation)

Inception

Insured Persons

Any person who is, was, or will be a director, trustee, committee member or member of the Proposer's governing body or any of its sub-committees.

Notes

1. Claims Made

This insurance will only apply in respect of claims first made against the Proposer and first notified to the Company during the Period of Insurance.

2. Prior or Pending Litigation

Claims involving litigation initiated prior to or pending at the Retroactive Date (see above) are excluded.

3. Premium basis and Renewal

The premium is based on declared (or estimated) annual turnover of £28,966,000. When the policy is renewed the premium will vary according to any revised annual turnover figure declared on the renewal declaration form.

4. Policy form

Cover is based on the Company's standard Insight Trustee & Trust Fund Indemnity Policy (copy available on request)

5. Proposal form

Cover will not commence, and the terms quoted will not be confirmed until a proposal form has been received and accepted by the Company. Once the proposal has been reviewed the original terms will either be confirmed or revised terms quoted. In the event of original terms being confirmed the premium will be charged pro rata from the date of acceptance by the Company for the remainder of the Period of Insurance.

If agreed by the Company cover may be backdated to the date on which the cover was requested to commence (the Originally Requested Inception Date subject to payment by the Proposer of 10% of the agreed annual premium for each month or part month in respect of which cover would otherwise have been provided from the Originally Requested Inception Date. This will be subject to no known claims or known circumstances that might give rise to any claim.