

	<p align="center">Performance and Contract Management Committee</p> <p align="center">11th November 2014</p>
<p align="center">Title</p>	<p>The Barnet Group Annual Report 2013/14</p>
<p align="center">Report of</p>	<p>Housing & Environment Lead Commissioner / Adults & Communities Director</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>Appendix A – The Barnet Group Limited Annual Report Strategic Report and Financial Statement year ending 31st March 2014</p>
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Summary

This report provides the financial position of the Barnet Group for the year ending March 2014, and asks the Committee to note the Annual Report. The financial year 2013/14 was The Barnet Group’s second full year of operation. The result for the year is a loss of £871,000, before taking into account adjustments required in relation to pensions. After adjustments for pensions and taxation, the group recorded a net loss of £2.558 million.

Recommendations

1. The Committee is asked to note The Barnet Group Annual Report 2013/14.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Performance and Contract Management Committee is required to approve the Barnet Group Annual Report.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To allow council scrutiny of the annual report provided by The Barnet Group.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None

4. BACKGROUND

- 4.1 The Barnet Group is a Local Authority Trading Company, wholly owned by the London Borough of Barnet. It has two subsidiary organisations, Barnet Homes Limited and Your Choice (Barnet).
- 4.2 Barnet Homes is an Arm's Length Management Organisation (ALMO), providing the Housing Management service to 11,000 tenants and 4,000 leaseholders living in Council-owned properties. Barnet Homes also provides the Council's Homelessness and Housing Advice Service.
- 4.3 Your Choice (Barnet) provides specialist care and support to adults with a range of physical and learning disabilities.

5. POST DECISION IMPLEMENTATION

- 5.1 This will be dependent on the feedback received from the committee.

6. IMPLICATIONS OF DECISION

6.1 Corporate Priorities and Performance

- 6.1.1 This report presents the annual report, strategic report and financial statement of the Barnet Group for the year ended 31st March 2014.
- 6.1.2 The Barnet Group trades through its subsidiary organisations. The principal source of income for Barnet Homes is the management fee from the London Borough of Barnet. The principal source of income for Your Choice (Barnet) is the fee from the London Borough of Barnet based on the use of the services.
- 6.1.3 The Barnet Group provides services to support Council policies and procedures.
- 6.1.4 Robust budget and performance monitoring are essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan.
- 6.1.5 Relevant Council strategies and policies include the following:

- Corporate Plan 2013-14:
http://www.barnet.gov.uk/downloads/download/264/corporate_plan
- Medium Term Financial Strategy:
<http://barnet.moderngov.co.uk/documents/s13295/Budget%20report%20Feb%20Cab%20v5.pdf>
- Risk Management Strategy:
http://www.barnet.gov.uk/downloads/download/1049/risk_management_strategy
- Council's Constitution:
http://www.barnet.gov.uk/info/1291/council_constitution/793/council_constitution

6.1.6 The priorities of the Council are aligned to the delivery of the Health and Wellbeing Strategy:
http://www.barnet.gov.uk/downloads/download/1056/barnet_health_and_wellbeing_strategy

6.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

6.2.1 The financial performance for the Barnet Group for 2013/14 is provided in the attached Appendix A.

6.2.2 The financial year 2013/14 was The Barnet Group's second full year of operation. The result for the year is a loss of £871,000 before adjustments for pensions. After adjustments for pensions and taxation, the group recorded a loss of £2.558 million.

6.2.3 The Barnet Group has reported that one-off restructuring costs contributed to the loss.

6.3 Legal and Constitutional References

6.3.1 Under the Council's Constitution (Annex A, Responsibility for Functions), the Performance and Contract Management Committee has, amongst others, the following responsibilities:

- Monitoring of Performance against targets by Delivery Units and Support Groups including Customer Support Group; Re; the Barnet Group Ltd (including Barnet Homes and Your Choice Barnet); HB Public Law; NSL; Adults and Communities; Family Services; Education and Skills; Street Scene; Public Health; Commissioning Group; and Assurance.
- Approve the Annual Report of the Barnet Group Ltd.

6.3.2 The Performance and Contract Management Committee is being asked to note the Annual Report rather than approve it. The reason for this is that the Articles of Association of The Barnet Group Limited authorise its directors to be responsible for the management of its business and to exercise all the powers of the company, and there has been no special resolution approved to require approval of the annual report by the shareholders. Under the Companies (Model Articles) Regulations 2008, Schedule 1, which apply to the Articles of Association of The Barnet Group Limited, 'the shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.'

6.4 Risk Management

- 6.4.1 The Barnet Group trades through its subsidiary companies and the majority of risks sit with them.
- 6.4.2 Barnet Homes and Your Choice (Barnet) are responsible for their own register for risks identified within their business and management processes. LBB record risks pertaining to its corporate objectives in the Council's risk management system (JCAD). A small number of risks may be joint risks, i.e. a shared risk where both parties have a role in managing the risk. Joint risks are recorded in the Council's risk management system (JCAD) with the responsibilities and actions of each party clearly defined.
- 6.4.3 All risks are monitored through regular performance review meetings, as part of business as usual and escalated whenever required including new emerging risks and/or any serious risk incidents that occur.
- 6.4.4 Quarterly contract performance reporting includes significant joint and operational risks (both with a rating of 12 or more using LBB's scoring methodology) and are included in the performance summary for Barnet Homes and for Your Choice (Barnet) provided to Performance and Contracts Monitoring Committee.

6.5 Equalities and Diversity

- 6.5.1 The Barnet Group is required to support the Council in meeting its public sector equality duty (as set out in the Equality Act 2010). This means having due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b) advance equality of opportunity between those who share a relevant protected characteristic and those who do not;
 - c) foster good relations between those who share a relevant protected characteristic and those who do not.
- 6.5.2 The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.
- 6.5.3 Effective contract management is vital to ensuring that the Council's duties under the Equality Act 2010 are supported by its partners.
- 6.5.4 Equality performance is monitored by collecting data on service usage, customer feedback and specific performance indicators. Where service changes affecting residents or service users are proposed, equality impact assessments will be undertaken, and where needed, these will include consultation with residents or service users.
- 6.5.5 The Barnet Group's objective is to ensure that services are provided fairly to all the communities they serve and that all employees have equal opportunities.

6.6 Consultation and Engagement

- 6.6.1 The Annual Report of the Barnet Group has been reviewed and approved by the Barnet Group Board.
- 6.6.2 The Barnet Group Board consists of a Chair appointed by the London Borough of Barnet, plus 11 members including 2 Councillors appointed by the Council, and members from Your Choice (Barnet) and Barnet Homes including residents.