

	Performance and Contract Management Committee 15 February 2016
Title	The Barnet Group Annual Report 2014/15
Report of	Troy Henshall, The Barnet Group Chief Executive
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A: The Barnet Group Annual Report 2014/15
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Summary

This report provides the financial position of the Barnet Group for the year ending March 2015, and asks the Committee to note the Annual Report. The financial year 2014/15 was The Barnet Group's third full year of operation. The result for the year is a loss of £115,000, before taking into account adjustments required in relation to pensions. After adjustments for pensions and taxation, the group recorded a net loss of £1.286 million.

Recommendation

- 1. The Performance and Contract Management Committee is asked to note the Barnet Group Annual Report 2014/15**

1. WHY THIS REPORT IS NEEDED

- 1.1 In accordance with the Council's Constitution, the Performance and Contract Management Committee is asked to note the Barnet Group Annual Report.

2. REASONS FOR RECOMMENDATION

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. POST DECISION IMPLEMENTATION

4.1 None.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 This report presents the annual report and financial statement of the Barnet Group for the year ended 31 March 2015.

5.1.2 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 Your Choice services.

5.1.2 The Barnet Group provides services to support Council policies and procedures.

5.1.3 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 its Corporate Plan.

5.1.4 Performance continues to be strong in 2015/16 with one of the highlights being the significant reduction in the number of households in emergency temporary accommodation reducing from 455 in the attached report to 314 as at the end of December 2015.

5.1.5 Relevant Council strategies and policies include the following:
Corporate Plan
Housing Strategy
Risk Management Strategy
Council's Constitution
Risk Management Strategy.

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

5.2.1 The financial performance for the Barnet Group for 2014/15 is provided in the attached appendix A.

5.2.2 The financial year 2014/15 was The Barnet Group's third full year of operation. The result for the year is a loss of £115,000 before adjustments for

pensions and taxation, and was an improved position from the £871,000 loss reported in 2013/14. The Barnet Group Board had approved a loss of making budget as Barnet Homes has seen financial pressures from pension auto enrolment, cost of living increases and a reduction in the management fee as part of a planned efficiency programme.

5.2.3 After the adjustments for pensions and taxation, the company recorded a net loss of £1.286 million for the year, with the increased loss position as a result of pension accounting transactions of £1.171 million. The Barnet Group's usable revenue reserve as presented in the Statement of Financial Position is £1.330 million.

5.2.4 For 2015/16 the Barnet Group Board approved a budget with a surplus of £112,000. The half year position was reported to The Barnet Group Board in November and estimated the end of year surplus to be £578,000 due to additional income received and one off savings being realised in year.

5.3 **Social Value**

5.3.1 With our main partners we employ over 220 staff within borough and over 15 apprentices. With our main partners we spend over £2m through local suppliers and we estimate that 44% of our staff will spend on average over £100 per month in local shops.

5.3.2 We believe that we can increase the contribution to the local economy through both our own spend and that of our contractors to the benefit of the local community and will look to do so over the coming year. In addition, our new build programme gives a chance to develop further employment creation and to use small and medium sized local enterprises.

5.3.3 We provide employment and training support to our customers and are involved in a number of initiatives such as:

- 'Loveburntoak Network' comprising of over 30 organisations and individuals who are committed to working together to improve the life chances of local residents.
- Burnt Oak Opportunity Support Team (BOOST) helps local residents to get into work and stay in employment.
- The Welfare Reform Task Force is helping Barnet residents affected by the Benefit Cap, Universal Credit and other welfare reforms. The team provides extra help to move people into work and more suitable accommodation.

5.4 **Legal and Constitutional References**

5.4.1 Under the Council's Constitution ([Annex A to the 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; and to

- note the Annual Report of the Barnet Group Ltd.

5.4.2 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.'

5.5 Risk Management

5.5.1 The Barnet Group trades through its subsidiary companies and the majority of risks sit with them.

5.5.2 Barnet Homes and Your Choice (Barnet) are responsible for their own register for risks identified within their business and management processes. The London Borough Barnet (the Council) records 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.

5.5.3 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.

5.5.4 Quarterly contract performance reporting includes significant joint and operational risks (both with a rating of 12 or more using the London Borough of Barnet's scoring methodology) and are included in the performance summary for Barnet Homes and for Your Choice (Barnet) provided to the Performance and Contracts Monitoring Committee.

5.6 Equalities and Diversity

5.6.1 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.

5.6.2 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.

5.6.3 Effective contract management is vital to ensuring that the Council's duties under the Equality Act 2010 are supported by its partners.

5.6.4 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.

5.6.5 The Barnet Group's objective is to ensure that services are provided fairly to all the communities they serve and that all employees have equality of opportunity.

5.7 Consultation and Engagement

5.7.1 The Annual Report of the Barnet Group has been reviewed and approved by the Barnet Group Board.

5.7.2 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.

5.8 Insight

5.8.1 This report presents the actual performance of The Barnet Group in the financial year 2014/15.

6. BACKGROUND PAPERS

6.1 None.