

	<p>Performance and Contract Management Committee</p> <p>6 September 2016</p>
<p>Title</p>	<p>The Barnet Group Annual Report 2015/16</p>
<p>Report of</p>	<p>Troy Henshall, The Barnet Group Chief Executive</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix A: The Barnet Group Annual Report 2015/16</p>
<p>Officer Contact Details</p>	<p>Troy Henshall, The Barnet Group Chief Executive troy.henshall@thebarnetgroup.org 0208 359 5208</p>

<p>Summary</p>
<p>This report provides the financial position of The Barnet Group Ltd for the year ending March 2016, and asks the Committee to note the Annual Report. The financial year 2015/16 was The Barnet Group’s fourth full year of operation. The result for the year is a surplus of £663,000, before taking into account adjustments required in relation to pensions. After adjustments for pensions, the group recorded a net loss of £1.079 million.</p>

<p>Recommendation</p>
<p>1. The Performance and Contract Management Committee is asked to note The Barnet Group Annual Report 2015/16</p>

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 enable the Committee to undertake its responsibilities in respect of monitoring the performance and noting 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 2016.

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 2015-2020.

5.1.4 Performance continued to be strong in 2015/16 with some of the Barnet Homes highlights as follows:

- Number of households in emergency temporary accommodation reduced from 455 in 2014/15 to 251 in 2015/16
- Homelessness preventions increased from 832 in 2014/15 to 870 in 2015/16
- Number of tenants in arrears 4,277 and average arrears £515 reduced to 3,703 and £488 respectively
- Responsive repairs satisfaction increased from 97.2% in 2014/15 to 99.1% in 2015/16
- Via the annual Housemark Benchmarking on the total costs per property of Housing Management, Responsive Repairs and Voids, our performance is

the best in London compared with our peer group including other London Authorities and providers.

- 5.1.5 Your Choice (Barnet) also had a successful year with utilisation across the full range of services higher than in previous years. Valley Way, the respite service saw its utilisation increase from 82% in 2014/15 to 92% in 2015/16.
- 5.1.6 Your Choice also saw the Care Quality Commission rating of Supported Living increase from Inadequate to Good and a long standing employee dispute concluded.
- 5.1.7 The new Barnet Homes Management Agreement went live from 1 April 2016 and the review of Your Choice concluded with the Councils Adults and Safeguarding Committee approving a new five year contract in their meeting of 16 June 2016.
- 5.1.8 The Barnet Group also began delivering a management service to the Councils Streetscene services from 1 March 2016 for an initial six month period to support the Councils Alternative Delivery Model (ADM) process.
- 5.1.9 During the 2015/16 Financial Year, The Barnet Group created two new legal entities TBG Flex an employment organisation and Opendoor Homes a new landlord intending to register with the Homes and Communities Agency and build over 300 Affordable Rented properties over the next three years. These companies didn't trade for the full year and therefore their results are not included in the 2015/16 report.
- 5.1.10 Relevant Council strategies and policies include the following:
 - Corporate Plan
 - Housing Strategy
 - The Adults and Communities Commissioning plan
 - 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 2015/16 is provided in the attached appendix A.
- 5.2.2 The financial year 2015/16 was The Barnet Group's fourth full year of operation. The result for the year is a surplus of £663,000 before adjustments for pensions and taxation. This was against a budgeted surplus of £112,000. Your Choice (Barnet) made a surplus of £396,000 as a result of better than expected revenue and lower staff costs. Barnet Homes made a surplus of £276,000 as a result of better than expected income.
- 5.2.3 After the adjustments for pensions and taxation, the company recorded a net loss of £1.079 million for the year. The Barnet Group's usable revenue reserve as presented in the Statement of Financial Position is £1.992 million increased from £1.329 million in the previous year. These reserves are in

place to support growth within the Group such as the new entity Opendoor Homes which is seeking to obtain Registered Provider status via the Homes and Communities Agency and initially build a programme of 320 affordable homes.

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, which 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. 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 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 8 members including 2 Councillors appointed by the Council. Your Choice (Barnet) and Barnet Homes Boards membership includes Residents, Leaseholders and Carers.

5.8 **Insight**

5.8.1 This report presents the actual performance of The Barnet Group in the financial year 2015/16.

6. **BACKGROUND PAPERS**

6.1 Performance and Contract Management Committee 14 November 2014, Agenda item 8, The Barnet Group Annual Report
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=7871&Ver=4>

6.2 Performance and Contract Management Committee 15 February 2016, Agenda item 8, The Barnet Group Annual Report 2014/15
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=8411&Ver=4>