



## Policy and Resources Committee

22 February 2023

<b>Title</b>	<b>The Barnet Group (TBG) Business Plan</b>
<b>Report of</b>	Chair of the Policy and Resources Committee
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	Appendix A- TBG Business Plan (as approved by TBG Board)
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### Summary

The business plan sets out The Barnet Group's financial position for the period 2023/24 to 2027/28. The business plan was approved by The Barnet Group board at its meeting on 15 December 2022. The plan reflects the financial performance of the first 8 months of 2022/23 and the further activities planned over the forthcoming 5 years. This is relevant to the council as 90% of Barnet Homes and 85% of Your Choice (Barnet) revenue is for providing housing services (Barnet Homes) or adult social care (Your Choice (Barnet)) to the Council and so the budgets are a key input to Council budgets.

### Officers Recommendations

1. That the Policy and Resources Committee approve The Barnet Group Business Plan attached at Appendix A.

## 1. Why this report is needed

### Context

- 1.1 As required under the shareholder agreement between London Borough of Barnet and The Barnet Group (TBG), there is a requirement for TGB to submit a budget and

5-year Business Plan to the Council each year. This is because the income of much of the entities within TBG are costs to the Council's budget.

- 1.2 These budgets and business plans have already been approved by the Board of Directors for TBG; the Board includes 2 Council nominated Councillors and the Chair of the Board is an independent nominated by the Council.
- 1.3 The five-year budget is strong relative to prior years, but also includes significantly more risks than prior years. The wider macro-economic conditions mean that Bumblebee and Open Door Homes have increased risk on rent collection; the 500 – unit acquisitions program for Open Door Homes (which also generates surpluses for Barnet Homes) is uncertain if it will continue beyond this financial year, although the Council is working alongside TBG to determine the conditions to continue. Whilst Barnet Homes is generally insulated from wage and cost inflation, the same is not true for Your Choice in particular, annual increases with the Council are negotiable and London Living Wage (LLW) increases are expected to be relatively high. The greatest risk is the request to the Council for an additional £1.2m of HRA revenue funds for repairs cost increases related to damp and mould resolution.
- 1.4 The other 'service' business within TBG, i.e. Bumblebee and TBG Flex are expected to grow marginally from current financial levels. Open Door Homes is a 'long-term' business that will incur significant losses in the early years, but profits over the long-term.

## **2. REASONS FOR THE RECOMMENDATIONS**

- 2.1 In developing the plan, we have considered a range of external and internal issues which have influenced our thinking about our priorities. These include customer satisfaction, recently amended (and upcoming legislation) as regards Building safety and Fire Safety; evolving regulatory requirements and the wider economic environment.
- 2.2 The TBG Board approved the draft plan in December 2022, which is attached for approval by the Policy & Resources Committee.

## **3. IMPLICATIONS OF DECISION**

### **3.1 Corporate Priorities and Performance**

- 3.1.1 The business plan addresses the Council's priorities and the areas of the Housing Strategy that TBG actively support along with the outcomes sought by Adults Social Care.

### **3.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 3.2.1 TBG is wholly owned by the Council. As a result, TBG's financial performance (including its assets and liabilities) are consolidated within the results of the Council. Furthermore, while TBG is a separate legal entity to the Council, the Council retains an overall accountability to residents for the provision of TBG's services (Barnet Homes, Your

Choice, Open door etc). As such, key operational risks within these services cannot be fully transferred from the Council to TBG.

3.2.2 The Business Plan includes the consolidated financial results for the Group in the body of the document, along with separate plans for each subsidiary as appendices. These plans include all MTFs savings agreed with the Council.

3.2.3 The business Plan for the Group includes Open Door Homes. Open Door Homes is a social housing Registered Provider subsidiary of Barnet Homes and intends to build 356 (314 completed so far) properties, has acquired 155 properties from the Council and aims to acquire 500 properties (200 acquired so far) on the open market to then be used to house local residents entitled to being supported with housing. All of this will be achieved utilising loan funding from the Council.

### **3.3 Legal and Constitutional References**

3.3.1 The business plan includes spending required to maintain compliance with Regulator for Social Housing regulation applicable to the council and Care Quality Commission requirements as regulator for Adult social Care services.

3.3.2 The Council's Constitution, Article 7.5, Committees, Forums, Working groups and Partnerships, sets out the functions of the Policy and resources Committee, which includes the approval of the budget and business plan of The Barnet Group.

### **3.4 Insight**

3.4.1 Insight hasn't been utilised directly in the production of the Group Business Plan, however feedback from customers on the Resident Board at TBG, plus resident Board members has been included.

### **3.5 Social Value**

3.5.1 The budget includes sufficient resources to deliver on TBG's overall vision (for customers to be our biggest advocates). As part of all procurement, a preference for local suppliers is included.

### **3.6 Risk Management**

3.6.1 A budget insufficient for TBG to operate would require the Council to 'step in' as the parent company and be the responsible party for delivery of the statutory services TBG does provide.

### **3.7 Equalities and Diversity**

3.7.1 The Equality Act, 2010 ("the Act") sets out the provisions of the Public Sector Equality Duty which requires Public Bodies, in the exercise of their functions, to have 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 persons who share a relevant protected characteristic and persons who do not share it; and c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.7.2 The relevant protected characteristics are: age, disability, gender reassignment,

pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.

- 3.7.3 TBG complies with the Public Sector Equality Duty when exercising its public functions. The delivery of housing and adult social care services are delivered compliantly with the Public Sector Equality Duty and in a non-discriminatory manner.

### **3.8 Corporate Parenting**

- 3.8.1 In line with the Children and Social Work Act 2017, the Council has a duty to consider Corporate Parenting Principles in all relevant decision-making. Promoting independence is a priority of the Council. Barnet Homes work closely with relevant Council departments to ensure that care leavers make a successful transition to independent living.
- 3.8.2 Your Choice (Barnet) has targets to assist those with learning disabilities who can obtain work to become employed by developing their employability skills.

### **3.9 Consultation and Engagement**

- 3.9.1 N/A

### **3.10 Environmental Impact**

- 3.10.1 The budget includes ensuring Barnet Homes has appropriate staffing structures to manage delivery of works to get council properties to all be EPC 'C' by 2030.