
Meeting	Contract Monitoring Overview and Scrutiny Committee
Date	18 June 2013
Subject	The Barnet Group Annual Report (April 2012 – March 2013)
Report of	Housing and Environment Lead Commissioner Later Life Lead Commissioner
Summary	This report provides an overview of the performance outcomes for The Barnet Group Ltd, including Barnet Homes and Your Choice Barnet, for the period April 2012 to March 2013.

Officer Contributors	Declan Hoare – Lead Commissioner Housing and Environment Karen Ahmed – Later Life Lead Commissioner Derek Rust – Director of Operations, Barnet Homes Karen Patten – Head of Care & Support , Your Choice Barnet Paul Shipway – Head of Strategy and Performance, Development and Regulatory Services
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 – The Barnet Group Annual Report Appendix 2 – Successful Tenancies 2012-14 So far so good?
For decision by	
Reason for urgency / exemption from call-in	Not applicable

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1. RECOMMENDATION

- 1.1 That the Committee consider the Barnet Group Annual Report, April 2012 – March 2013 and make appropriate comments and recommendations to the Lead Commissioners and relevant Cabinet Members as appropriate.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council, 18 April 2013, Constitution Review – Council approved the establishment of a Contract Monitoring Overview and Scrutiny Committee which has responsibility for monitoring the performance of The Barnet Group Ltd.
- 2.2 Annual Council, 21 May 2013, Report of the Head of Governance – Council approved the appointment of two co-opted Members to the council's overview and scrutiny committees considering housing matters.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Overview and Scrutiny Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.
- 3.2 The three priority outcomes set out in the 2013/16 Corporate Plan are: –
- Promote responsible growth, development and success across the borough
 - Support families and individuals that need it – promoting independence, learning and wellbeing
 - Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study

4. RISK MANAGEMENT ISSUES

- 4.1 There are no direct risk management issues in the context of this report. However, an ongoing in-depth review of the performance of The Barnet Group Ltd by the Contract Monitoring Overview and Scrutiny Committee should contribute to performance improvement, and therefore mitigate the risk of failure to meet performance targets and improve services.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Analysis shows that council tenants living in homes managed by Barnet Homes are very diverse and often from vulnerable groups. Profile information collected by Barnet Homes shows that 32% of tenants are aged over 60, of which 8% are aged over 80 (19% of the whole borough's residents are aged over 60 and 4% are over 80). 27% of tenants consider themselves as having a longstanding illness, impairment or infirmity that limits their activities. 43% of tenants are from black and minority ethnic (BME) backgrounds with 19% black and 9% Asian (31% of the borough's residents are from BME backgrounds with 8% black and 14% Asian).
- 5.2 It is important that Barnet Homes provides its services in a way that takes account of the diversity of council tenants. An example of this is the improved performance on

adaptations for people with physical impairments following a review of the aids and adaptations service.

- 5.3 Analysis of Your Choice Barnet service users shows that 51% are male, 37% are under 40 and 13% are over 60. Where ethnicity is known the majority are White (60%) and the largest BME group is Asian (28%).

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

- 6.1 The Group financials show a strong position for the Year 2012/13 with a surplus of £550k achieved through a surplus in Barnet Homes of £620k and a loss within Your Choice of £70k.
- 6.2 The surplus in Barnet Homes was an excellent achievement as the management fee was reduced by £0.5million for the year as part of a series of agreed management fee reductions over five years. In addition we were able to achieve General Fund efficiencies within the Housing Options service of £330k.
- 6.3 The loss of £70k within Your Choice was a positive outturn for the first year and was delivered following £180k worth of efficiencies.
- 6.4 Barnet Homes had a positive year in respect of performance. Out of 18 main indicators, 10 finished the year as green, 2 as amber and 6 as red. The majority of the reds related directly to the Housing Options service which was in its first year and was a challenging period.
- 6.5 The performance figures for Your Choice Barnet have remained fairly consistent over the year across the services and the introduction of a new business intelligence system will ensure that attendance figures are provided to managers in a better format allowing for more regular and critical reviewing.

7. LEGAL ISSUES

- 7.1 None

8. CONSTITUTIONAL POWERS

- 8.1 The roles and terms of reference of all scrutiny committees are contained within Part 2, Article 6 of the Constitution; and in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). The Contract Monitoring Overview and Scrutiny Committee, amongst other duties, is responsible for scrutinising reports from the Commissioning Group detailing the performance against targets that are included within the Corporate Plan and otherwise relating to the services provided by the New Support & Customer Services Organisation, Development & Regulatory Services, The Barnet Group Ltd, Joint Legal Service (external delivery units) and NSL.
- 8.2 Where issues relating to housing or housing benefits and/or the Council's functions as a housing authority are to be discussed by any Overview and Scrutiny body, the Head of Governance, in consultation with the relevant Chairman will arrange for two non-

voting representatives appointed by the Barnet Homes Performance Advisory Group to be invited to attend the meeting and speak but not vote on such issues.

9. BACKGROUND INFORMATION

- 9.1 The Barnet Group was established as a local authority trading company in February 2012 bringing together the existing arm's length management organisation (ALMO) Barnet Homes, set up by the Council in April 2004, and Your Choice Barnet a new company providing services to adults with learning disabilities.
- 9.2 Formal meetings take place on a monthly basis between the Barnet Group executive team and council officers to review performance. Appendix 1 provides a review of the Groups performance and other areas as agreed with the Council for 2012/13. The indicators monitored and the targets set take into account:
- Council priorities
 - Business priorities
 - Customer priorities
 - Benchmarking with other providers
 - Continuous improvement
 - Industry standards
 - Contract requirements
- 9.3 Barnet Homes' last major customer satisfaction survey carried out in 2012 reported that 78% of the tenants of Barnet Homes were satisfied with overall landlord services. This is an increase from 2010 of 5% and compares favourably with other London boroughs. Satisfaction with overall services is highest among people aged 60 or above and lowest among the 18-39 age bracket. Geographically, the highest overall satisfaction is in Finchley Church End ward (93%) and lowest in Woodhouse ward (63%). Among ethnic groups those classing themselves as "Other" scored lowest at 74% and Asian and Black residents have the highest satisfaction (79%).
- 9.4 Leaseholders are generally less satisfied across all local authority landlords. Their satisfaction in 2010 in Barnet was 40%, compared to a London top quartile of 48% and average of 42%
- 9.5 Both surveys show a positive direction of travel with improvement from the last major surveys in 2008 and 2010.
- 9.6 Your Choice Barnet satisfaction was surveyed close to go-live earlier this year but the low response rate and lack of service user feedback means that further work is required and is part of the Your Choice engagement plan.
- 9.7 Customers are actively involved in monitoring Barnet Homes' performance through the Performance Advisory Group and Your Choice Barnet Board previously approved an engagement plan for carers and service users to become more actively involved.
- 9.8 The first year of The Barnet Group was a positive one. The creation of the Group, Your Choice Barnet and the transfer of the Housing Options service were completed without any major issues and Your Choice finished the year with a better financial position than the business case proposed.

- 9.9 The Group launched its New Business strategy and tendered for a number of contracts towards the end of the year and was successful in securing two of the lots tendered by the Council for early intervention and prevention in respect of young people.
- 9.10 Barnet Homes also began to develop a new build function that would support the development of new council housing in the borough, the first for a significant period.
- 9.11 **Barnet Homes**
- 9.11.1 **Housing Options** - When the Housing Needs and Resources service was transferred from Barnet Council to Barnet Homes in April 2012 the business case indicated that the service was experiencing performance challenges in key areas:
- Falling supply of accommodation
 - Increasing demand for accommodation
 - Cost of providing temporary accommodation
 - Length of stay in temporary accommodation
 - Lack of leadership and performance culture amongst staff
- 9.11.2 Since service transfer a major restructure has taken place including the appointment of a new head of service. An improvement plan is in place to address the issues highlighted and progress is being made.
- 9.11.3 There are a number of positive developments to report against the issues highlighted above:
- A Private Rented Sector procurement strategy is now in place to increase housing supply, including in less expensive areas outside of the borough
 - A Let2Barnet management service for private landlords has been established yielding new private sector rental opportunities for applicants
 - More units from Housing Association leased direct schemes have been acquired
 - Manager's approval must be sought for new applicants to temporary accommodation
 - Occupancy checks have been carried out to ensure applicants are in residence
 - An increased focus on homelessness prevention has been developed
- 9.11.4 **Lettings** – 680 lettings have been completed to date and these empty properties are turned around in 19 days on average against a target of 26 days. New tenants are routinely surveyed and 90% reported that they were satisfied that their new homes are clean and tidy and safe and secure.
- 9.11.5 **Income** – at the end of March 2013 there were 3,806 tenants in arrears (value £0.01 or more) out of a total of 10,498 live accounts. The value of arrears is tracked as a proportion of debit raised and at the end of the year this stood at 2.38% against a performance measure of 2.43% maximum.
- 9.11.6 Research undertaken indicates that the increase in arrears is attributable to tenants on partial or no housing benefit and there is a decline in the number of clients on full housing benefit.
- 9.11.7 Benchmarking work undertaken by Barnet Homes shows that housing organisations across London are beginning to feel the impact of the economic climate on their arrears performance with all forms of rent becoming increasingly more difficult to collect. It is expected that the position will deteriorate further next year with the impact of welfare reforms and introduction of Universal Credit.

- 9.11.8 108% of leasehold service charges had been collected by the end of the year against a target of 100%.
- 9.11.9 **Repairs** – from April 2012 Barnet Homes went live with new 10 year repair contracts residents were involved in the selection process as well as setting standards for service delivery. Customer satisfaction with repairs is running at 97.8% against a performance measure of 90%. Turnaround times improved in the second half of the year to 91.9% in time against a target of 96%. 99.9% of properties have a current gas servicing certificate against a 100% target which shows a trend of improvement from the beginning of the year where performance was not on target.
- 9.11.10 2012 saw the launch of the Barnet Homes Successful Tenancies project. Our report entitled 'so far so good' is enclosed and provides greater detail about our successes which includes:
- 5.9% increase in residents paying by direct debit
 - The launch of Love Burnt Oak
 - Our graduate and apprentice schemes
- 9.11.11 Complaints – fewer complaints are being received compared to the same period last year and this is an ongoing trend. The target for responses in time is being met.
- 9.11.12 Sickness – at 6.8 days average per full time equivalent Barnet Homes met its performance measure target.

9.12 **Your Choice Barnet**

- 9.12.1 Your Choice has been in operation since February 2012 and has inherited the six day and accommodation services from the council. Service users continue to receive the services that they had when provided by the council. This forms the commissioned service against which performance is monitored. Over the year individuals will be reassessed to ensure their service is commissioned at an appropriate level.
- 9.12.2 Services delivered against those commissioned – service delivery varies across sites at Barnet Independent Living Service (BILS) has the lowest delivery rate (69%) but service users' fluctuating health conditions at BILS means they often need to take time away from the service. In contrast steadily increasing take-up at Flower Lane Autism Service and Rosa Morison mean rates are closer to 90%. Supported Living services are recording over 100% commissioned support whilst the reassessments take place and a clearer commissioning position is reached.
- 9.12.3 There is an imperative to provide flexibility of service to ensure that service users can receive support when it is most beneficial to them. Your Choice is looking at its service offer and structures to ensure that it can be responsive to changing demand of service users.
- 9.12.4 Percentage of service capacity utilised – capacity utilisation rates also vary and again BILS is the lowest scoring service (34%). To address this support plans are being updated and the council has been asked to prioritise social work reviews which will enable targeting of accurate support. Rates at Community Space are quite low (74%) but the service structure has been reviewed and new clients were not actively sought over that period. The Valley Way Respite service has 72% of capacity used and Your

Choice Barnet recognise this as an area for targeting new clients. The remaining services are achieving acceptable levels of utilisation (81%-91%).

- 9.12.5 Complaints – only one formal complaint has been received since April. Parents, carers and service users tend to resolve any issues informally at service level with the local staff they know and trust. Compliments have been received about many of the services and Your Choice Barnet will ensure these are recorded formally in future.
- 9.12.6 Your Choice recently held a visit from Lambeth, where the following feedback was received from the attendees *“It was so interesting to see your hard working staff and calm and engaged service users enjoying the benefits of a really well run service in a lovely building. It was good to hear your ethos, providing therapeutic activities rather than community outings and your clear response to suggestions in Valuing People that people with PMLD should be in employment. We were really impressed and envious of many aspects of your service, thank you for sharing so much information with us”*.
- 9.12.6 Sickness – sickness rates improved within Your Choice towards the end of the year but are significantly higher than Barnet Homes. Although due to the nature of services delivered sickness would be expected to be higher, work is being undertaken to reduce these levels.
- 9.12.6 Your Choice received two inspections in the year from the Care Quality Commission, inspecting both our regulated services and whilst there were some minor actions arising from the inspection of the Supported Living service, Valley Way received a completely positive review.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

Cleared by Finance (Officer's initials)	MC
Cleared by Legal (Officer's initials)	TA