

Northwards Housing – Resource & Governance Sub-Committee Meeting

**Hexagon Tower
Tuesday 28th November 2006 at 5.30pm**

Chair: Harvey Norton

Present: Ade Alao (AA) Board Member
Richard Lockwood (RCL) Board Member
Harvey Norton (HN) Board Member

In Attendance: Michelle Blakeley (MB) Board Member
Steve Wood (SW) Director of Business Services
Alison Foster (AF) Head of Finance
Steve Aggett KPMG (for item 6)

ITEM	SUBJECT	ACTION
1	<p>Welcome and Introductions</p> <p>It was confirmed that the meeting was quorate.</p>	
2	<p>Apologies for Absence</p> <p>Apologies had been received from Rachel Christie, Eric Hobin and Martin McKeivitt</p>	
3	<p>Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising</p> <p>There were no matters for noting under this item. Equality & Diversity implications were noted on particular reports.</p>	
4	<p>Minutes of Last Meeting - 24th October 2006</p> <p>The minutes of the previous meeting and the confidential minutes of the same date were approved and signed by the Chair.</p>	
5	<p>Matters Arising</p> <p>Item 5b ICT Strategy Update</p> <p>SW reported that enquiries of the City Council had not produced any indications of recorded savings. Officers would continue to review.</p> <p>Item 5d Board ICT Access</p> <p>SW confirmed that a questionnaire for Board Members in</p>	

	<p>relation to their ICT access was being prepared and that this should be circulated shortly. A further report would come back to Sub-Committee once Members preferences were known.</p> <p>Item 7 Voids</p> <p>SW shared a voids analysis as at 6th November with Sub-Committee which analysed the unoccupied properties between various categories. This was felt to be useful information which added to other discussions about performance on voids targets.</p> <p>Item 13 Job Evaluation</p> <p>SW updated Sub-Committee on progress in respect of the Council's Job Evaluation process following the last Board meeting.</p>	SW
6	<p>Internal Audit</p> <p>Steve Aggett of KPMG, Internal Auditors was welcomed to the meeting. He began by apologising for the delay in getting the reports to the Sub-Committee and promised that the agreed timetables would be met in the future.</p> <p>Five reports had been completed at the reviews in September and these were considered in turn by Sub-Committee.</p> <p><u>Lettings and Voids</u> The overall conclusion from the review of these systems was weak. The key issues related to the need for a review of the whole process and management information but recommendations relating to these issues and the others raised had been agreed and timetables set for completion.</p> <p><u>Service Level Agreements</u> The overall conclusion from the review of these systems was satisfactory. The key issues related to the timetable for the review process, the need for costs and value for money to be properly examined and the need for the Council to produce required performance information. Recommendations relating to these issues and the others raised had been agreed and timetables set for completion.</p> <p><u>General Ledger</u> The overall conclusion from the review of these systems was satisfactory. The key issues related to the need for detailed finance procedures, controls over journal posting and computer system backup procedures. Recommendations relating to these issues and the others raised had been agreed and timetables set for completion.</p>	

	<p><u>Budgetary Control and Cashflow</u> The overall conclusion from the review of these systems was weak. The review had principally covered the 2006-07 budget process that had taken place as the company was being established and it was recognised that the process for 2007-08 would be very different.</p> <p>The key issues related to variance analyses, budget profiling, virement control, the production of the outturn forecast and cashflow planning. Recommendations relating to these issues and the others raised had been agreed or were being considered and timetables set for completion.</p> <p><u>Arrears Management</u> The overall conclusion from the review of these systems was satisfactory. The key issues related to the need for detailed recovery targets, the trigger levels for recovery work and the need to follow housing benefit procedures. Recommendations relating to these issues and the others raised had been agreed and timetables set for completion.</p> <p>Steve Aggett commented that the conclusions from the reports were pretty good for a young organisation and that the attitude of Management had been extremely good. The Chair thanked him for his contribution.</p> <p>SW reported that a mechanism for monitoring performance against the action plans had been established and that reports would now go to specific Sub-Committees on progress. He confirmed that an overall report would be received by the Sub-Committee responsible for Audit.</p> <p>Sub-Committee noted the reports.</p>	
7	<p>Governance Review</p> <p>SW outlined the Governance Review report that had been sent by the Board to each Sub-Committee for their comments. Aside from the overall principles of the review, the specific issue for consideration by Sub-Committee was the removal of Governance from the terms of reference and the consequent change of name. AA agreed that at the outset Governance had been a principle issue for the Sub-Committee to deal with but a year on it now seemed right for any changes to this to be dealt with at Board level.</p> <p>HN asked about the removal of the calculation of the Management Fee from the terms of reference and SW explained how this was integrated into the budget and planning discussions that would be considered by Sub-Committee but did not seem to warrant a separate report on a financial</p>	

	<p>calculation. Sub-Committee agreed with this approach.</p> <p>After considering the paper, Sub-Committee endorsed the proposals in the review and agreed that this should be reported back to the Board.</p>	
<p>8</p>	<p>Accounts</p> <p>a) Monthly Budget Report</p> <p>AF presented the latest Monthly Budget Report for October 2006 and took Sub-Committee through the key issues in relation to the outturn forecast and work being done to bring the results back to budget.</p> <p>She explained the meetings that had been taking place with members of Property Services and progress that was being made in understanding the reasons for the overspend. It had been concluded that volume had not really changed and that most of the variances related to price. Sub-Committee noted the work being done and asked to be kept informed of progress.</p> <p>Other items of overspend were highlighted within the heading of Supplies and Services and Sub-Committee asked for a list of the unfavourable variances in this area.</p> <p>SW explained that he was preparing a report for the Council on the financial position including the outturn figures and would circulate this, with a list of the unfavourable variances when it was available before the next meeting.</p> <p>Sub-Committee noted the accounts to the end of October.</p> <p>b) Housemark Benchmarking Analysis 2005-06</p> <p>SW presented an analysis of the Housemark Benchmarking data as at 31 March 2006 that had been received in September and that had now been reviewed.</p> <p>In general this showed performance on costs in the second (above median) quartile for most elements other than back office costs as a percentage of front line services that was below median compared to others.</p> <p>Better information would be available next year to examine trends, particularly as the 2005-06 report was based on 3½ months extrapolated to a year's costs.</p> <p>Sub-Committee noted the report.</p>	

9	<p>Monitoring</p> <p>a) Performance Management</p> <p>The most recent performance information on rent collection and finance had been circulated with the agenda and Sub-Committee reviewed the performance to date.</p> <p>Sub-Committee noted the report.</p> <p>b) External Audit Action Plan</p> <p>SW reported on progress against the recommendations from the External Auditors. Two items were incomplete that related to the production of detailed financial procedures. One further item was the subject of review with the Council over the agreement of debtors and creditors at the year-end. The other recommendations had been completed.</p> <p>Sub-Committee noted the report.</p>	
10	<p>Fraud Register</p> <p>SW reported that no items had been entered in the fraud register since the last meeting.</p>	
11	<p>Training Requirements</p> <p>There were no specific training issues identified as a result of the Sub-Committee meeting.</p>	
12	<p>AOUB</p> <p>There was no further business for Sub-Committee to consider.</p>	
13	<p>Date of next meeting</p> <p>On the basis that there was little business for the Sub-Committee to deal with in December, it was agreed that the next meeting of the Sub-Committee would take place on Tuesday 23rd January 2007 at 5.30pm at Hexagon Tower.</p> <p>With thanks to everyone, the Chair closed the meeting at 7.05pm.</p>	