

# Northwards Housing – Resource & Audit Sub-Committee Meeting

Hexagon Tower  
Tuesday 27<sup>th</sup> February 2007 at 5.30pm

Chair: Harvey Norton

**Present:** Ade Alao (AA) Board Member  
Richard Lockwood (RCL) Board Member  
Martin McKeivitt (MM) Board Member  
Harvey Norton (HN) Board Member

**In Attendance:** Steve Wood (SW) Director of Business Services  
Alison Foster (AF) Head of Finance

ITEM	SUBJECT	ACTION
1	<b>Welcome and Introductions</b>  It was confirmed that the meeting was quorate.	
2	<b>Apologies for Absence</b>  Apologies had been received from Rachel Christie and Eric Hobin.	
3	<b>Declaration of Interests / Confidential Matters / Equality &amp; Diversity Matters Arising</b>  There were no matters for noting under this item. Equality & Diversity implications were noted on particular reports.	
4	<b>Minutes of Last Meeting - 30<sup>th</sup> January 2007</b>  The minutes of the previous meeting were approved and signed by the Chair.	
5	<b>Matters Arising</b>  <b>Item 6a) Programme Planning</b>  SW confirmed that the Internal Audit report on the delivery of the Capital Improvement Programme had been considered by Procurement & Property Sub-Committee and that they had agreed that the methodology going forward would change and therefore improve.  It was agreed that the Chair of Resource & Audit Sub-Committee would bring the Board's attention to the issues raised by Internal Audit at the previous meeting on 13 <sup>th</sup> March 2007.	<b>HN</b>

	<p><b>Item 6a) General IT Controls</b></p> <p>Sub-Committee discussed an update report in respect of the Internal Audit visit for General IT controls which had been considered by them at their previous meeting. This had been prepared by the Principal ICT Manager after comments raised by Sub-Committee and highlighted both further information on the points raised, together with an action plan for implementing them. Sub-Committee asked the officers to pass on their thanks for the updated report.</p> <p>There were a few issues that still appeared to require following through and SW agreed to confirm the results of the SLA review meeting and consider whether a high level meeting or discussions were required in order to progress the issues raised with Manchester City Council CTU. AA suggested that a joint meeting with Parkway Green might be appropriate.</p> <p>HN asked whether daily back-ups were now being confirmed and SW agreed to follow this through and report back.</p> <p><b>Item 7a) Monthly Budget Report</b></p> <p>MM asked whether the recovery and claims in respect of variation orders for repairs had been identified by way of the KPI review earlier in the year and SW agreed to confirm this to the Sub-Committee in due course.</p> <p><b>Item 8a) Civica Project Update</b></p> <p>SW reported on the current position with the timetable for information of Civica (formerly known as Comino). The Go Live of 5<sup>th</sup> and 19<sup>th</sup> March were still the target and all other things being equal, it appeared that these dates would be achieved.</p> <p>SW reported on an agreement in relation to support costs which had appeared to work in Northwards' favour and allowed some form of flexibility going forward.</p> <p><b>Item 9c) Risk Management</b></p> <p>SW reported that the Risk Register had been updated with an additional primary risk for financial and budgetary control.</p>	<p><b>SW</b></p> <p><b>SW</b></p> <p><b>SW</b></p>
<p><b>6</b></p>	<p><b>Budget 2007-08</b></p> <p>SW and AF presented the draft Budget for 2007-08 and talked Sub-Committee through a number of the issues that had been considered in preparing the budget, together with the reviews undertaken and the overall context.</p>	

	<p>As a result of pressure on the Housing Revenue Account, Manchester City Council had asked Northwards to make a proportionate saving and the draft budget had been prepared on this basis. Sub-Committee discussed whether the share of saving was a fair one and after review concluded that it did not seem unfair. SW reported that Manchester City Council had confirmed the Neighbourhood Warden funding for a further year and that in order to mitigate cash flow difficulties, it had been agreed that the Management Fee would be paid over 12 months, rather than over ten as at present.</p> <p>In terms of other income, Sub-Committee confirmed that they were content with a figure for external funding, although it was noted that some form of effort will be required in achieving this. The Capital Programme contribution at £2.8M was considered reasonable at 7% of the overall Capital Programme but Sub-Committee asked whether this figure could be benchmarked and SW agreed to come back with some information on this.</p> <p>Sub-Committee discussed the changes to the salary budget, including assumptions made around Job Evaluation, Cost of Living increase and Increments. Some consideration had been made for reorganisations that were being discussed within the organisation, but SW confirmed that some posts were being lost and agreed that the Board report should give an indication of both staff numbers and cost per employee. Some of the staff changes were self-financing and Sub-Committee were content on this. HN asked whether there were any TUPE implications of the Rent Recovery On Call SLA termination, but AF confirmed that there were no issues with this. Agency and / or fixed term contracts for the Capital Programme showed quite a change in numbers.</p> <p>Sub-Committee talked about a number of the key budgets, including Training and Insurance and SW confirmed the basis on which these had been prepared. AA noted that skills training needed to be linked through the appraisals but Sub-Committee agreed to their commitment in this area.</p> <p>Sub-Committee asked a number of questions about the large Service Level Agreement costs and in particular focused on multi-storey security which had increased significantly. HN asked whether the use of CCTV was being monitored and whether Northwards was assured that it was gaining value from this.</p> <p>Repairs spend remains a significant number within the overall content of the budget and Sub-Committee asked a few questions in relation to the increases in environmental and planned maintenance costs. The basic question was whether we really want to do this level of work when there might be spending as well within the Capital Programme. SW agreed to ensure that there was some confirmation on the basis of these budgets for the time of the Board report.</p>	<p><b>SW</b></p> <p><b>SW</b></p>
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	<p>Sub-Committee spent a short time discussing some other presentation issues for the Board and how matters might be dealt with.</p> <p>On the basis of all the discussions, Sub-Committee approved the draft budget for 2007-08 and recommended to the Board that it be approved.</p> <p><b>Board Recommendation: That the Board approves the Budget for 2007-08.</b></p>	
<p><b>7</b></p>	<p><b>Business and Delivery Plan 2007-2012</b></p> <p>SW presented the draft resources section from the Business and Delivery Plan, which was now a more complete document incorporating a number of the items, which had been included previously in the Delivery Plan.</p> <p>Much of the section reflected the previous budget discussions, the Sub-Committee made some suggestions about how the efficiency section might be improved so this be could be completed ahead of the final Annual Efficiency Statement.</p> <p>In terms of the Risk Strategy, SW highlighted the changes from the previous plan and noted with Sub-Committee that the Internal Auditors had suggested that the overall risk strategy in the future included medium probability high impact risks as well as those that fell into the high probability / high impact column.</p> <p>There were no further comments from Sub-Committee and SW agreed to take all the comments that had been made with a view to bringing back the full plan to the Board in March.</p>	
<p><b>8</b></p>	<p><b>Accounts</b></p> <p><b>a) Monthly Budget Report</b></p> <p>AF presented the Monthly Budget Report for the ten months to 31<sup>st</sup> January 2007, which continued to show a tight outturn position with a surplus of £18,000. She reported that the claim report had now been completed and that a meeting had been set up with the Directors of City Works and Manchester Working Limited on the 16<sup>th</sup> March.</p> <p>Sub-Committee discussed the accuracy of the year end repairs expenditure information and asked a few questions about the overspend on supplies and services.</p> <p>In answer to a question, SW outlined some of his thinking in terms of a combined operational financial report to communicate the monthly budget results without producing a full table of figures and Sub-Committee felt that this was a positive way forward.</p>	

	SW agreed to bring back examples of this in due course.	
<b>9</b>	<p><b>Fraud Register</b></p> <p>SW reported that no items had been entered in the Fraud Register since the last meeting.</p> <p>One item had arisen during the month in respect of petty cash at one of the Local Offices but this did not appear to be a fraud issue.</p>	
<b>10</b>	<p><b>Training Requirements</b></p> <p>There were no specific training issues identified as a result of the Sub-Committee meeting.</p>	
<b>11</b>	<p><b>AOUB</b></p> <p>There was no further business for Sub-Committee to consider.</p>	
<b>12</b>	<p><b>Date of next meeting</b></p> <p>The next meeting of the Sub-Committee would be on Tuesday 27<sup>th</sup> March 2007 at 5.30pm at Hexagon Tower. Martin McKeivitt's apologies for this meeting were noted.</p> <p>With thanks to everyone, the Chair closed the meeting at 7.10pm.</p>	