

Northwards Housing – Resource & Audit Sub-Committee Meeting

Hexagon Tower
Tuesday 23rd September 2008 at 5.00pm

Chair: Michelle Carmichael

Present: Michelle Carmichael (MC) Board Member
Mark Hackett (MH) Board Member
David Leah (DL) Board Member
Martin McKeivitt (MM) Board Member
Paul Seymour (PS) Board Member

In Attendance: Steve Wood (SW) Director of Business Services
Helen Knowles (HK) KPMG

ITEM	SUBJECT	ACTION
1	Welcome and Introductions It was confirmed that the meeting was quorate. The Chair welcomed David Leah to his first meeting of the Sub-Committee.	
2	Apologies for Absence Apologies for absence had been received from Rachel Christie.	
3	Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising MC declared an interest in respect of item 10 – Tenants Home Contents Insurance Scheme. Item 8 – Premises Review was a confidential item. Equality and Diversity implications were noted on particular reports.	
4	Minutes of Last Meeting The minutes from the last meeting held on 22 nd July were approved and signed by the Chair.	
5	Matters Arising a) Rent Recovery SW reported on progress with Operation COL. Performance for August was a recovery rate of 99.2%, a significant improvement	

	<p>and the team were continuing the progress.</p> <p>A full report on performance and ideas for the future would come to the October meeting.</p> <p>Sub-Committee asked for their thanks to be passed onto the team.</p> <p>b) Business Rates</p> <p>SW reported on the application currently with the Council for Business Rates Relief. This application was still being considered by the City Treasurer and SW would report back when anything further is heard.</p>	<p>SW</p> <p>SW</p>
<p>6</p>	<p>Internal Audit</p> <p>HK from KPMG introduced the first review of the year and reports from five areas which had been undertaken in July and August 2008.</p> <p>A review of Repairs and Planned Maintenance, graded satisfactory, had brought up two recommendations; one around the profiling of environmental planned maintenance budgets and one around the backlog of post inspections. MH raised concerns about spend on environmental works and how not only Value for Money, but also standards needed to be reassessed. This was not in Northwards' control but needed to be looked at in due course.</p> <p>SW updated Sub-Committee on discussions with Manchester Working about delays in completions which had been affecting the post-inspection process. DL reported on information received by Procurement & Property Services Sub-Committee on post inspections. SW agreed to give a report back on a meeting with Manchester Working directors at the next meeting.</p> <p>The review of Lettings and Void Management had been graded satisfactory. Since the previous review in 2006, a complete review of the voids process had been undertaken by Enterprise. The focus, therefore, of the review had been on the new procedures and the overall conclusion was that there were a number of improvements. There were also now a number of areas of good practice. Recommendations had been made about the void tracker system, setting of targets and a categorisation of voids. Both outstanding follow up items had been completed. DL asked about the 51 days end to end timescale and SW confirmed that this was the complete process and not just the works element. PS confirmed that this was the measure used by others also.</p> <p>The review of Arrears Management had also highlighted some areas of good practice and improvements with a comprehensive</p>	<p>SW</p>

	<p>action plan and patch base working were showing up in performance. The satisfactory report made two recommendations; a review of the effectiveness of Operation COL and the setting of targets for patches. There had been no outstanding recommendations for follow up. Sub-Committee concluded that this was a positive and effective piece of work and showed real improvements.</p> <p>The review of the Delivery of the Capital Programme had been graded as good with no recommendations. There were a number of areas of good practice and all the outstanding recommendations followed up had been completed. Sub-Committee were pleased that in this core business area the indications were that money was being spent well. Sub-Committee asked for a report to be prepared for the Board on feedback and comments made about the Capital Programme.</p> <p>The final review was on Partnering and Sub-Contractors around monitoring the performance of partners. This review had been graded as good with no recommendations and all the follow up work completed.</p> <p>The Chair thanked HK for the presentation and Sub-Committee noted the reports.</p>	SW
7	<p>ICT Infrastructure Business Case</p> <p>SW presented the report from NCC as consultants who had reviewed the options for the future of the network systems and which recommended that Northwards bring the systems in house.</p> <p>The proposal was to use the Purchasing and Supply Agency (PASA) as the vehicle for carrying out the procurement exercise as an existing framework open to not-for-profit and quasi local government organisations which was OJEU compliant.</p> <p>The Statement of Requirements was virtually complete and the timetable was still on track for implementation between January and March 2009.</p> <p>MH asked about the impact on the Council but this is generally seen as low level.</p> <p>DL asked about the process for using PASA rather than carrying out our own OJEU process. MH asked also whether AGMA or the Council's own framework had been considered. SW responded that other options had been explored and reviewed but the proposed route was felt to be the most efficient and was the recommendation of the consultants who had extensive knowledge in this area.</p> <p>Sub-Committee remained concerned over the use of PASA and asked for confirmation to be provided between meetings to allow</p>	

	<p>the timetable to continue but to ensure that a proper decision was taken. SW agreed to provide more information.</p> <p>After some discussion, Sub-Committee approved the procurement of a new independent voice and data network and ending the ICT support SLA with the Council's Corporate Technology Unit. If the additional information could be provided, Sub-Committee agreed the procurement with PASA and noted the review of the ICT team that would follow.</p>	SW
8	<p>Premises Review (Confidential)</p> <p>See Confidential Minutes</p>	
9	<p>Financial Policies</p> <p>a) Procurement Strategy</p> <p>SW presented the revised Procurement Strategy to Sub-Committee together with the summary framework.</p> <p>In answer to questions, he explained the current use of IMPACT Manchester and the key areas focus for procurement work as set out in the Value for Money Review Schedule.</p> <p>Sub-Committee, in approving the strategy, asked for the Board to be updated on the Environmental Strategy.</p> <p>b) Annual Efficiency Statement</p> <p>SW presented the Annual Efficiency Statement for 2008-09 which, whilst not required, was seen as a good practice document. The backward look for 2007-08 showed efficiencies achieved of 6.44% (£1.3M) excluding the Capital Programme and forecast efficiencies for 2008-09 were 6.13% (£1.2M).</p> <p>In looking at the level of proposed efficiencies, Sub-Committee were concerned that the organisation was losing sight of what customers wanted but SW reassured Sub-Committee that it was about being efficient in some areas to deliver more in others. It was agreed that the goal was high quality service and high satisfaction balanced with cost control.</p> <p>SW updated Sub-Committee on the results of the cost benchmarking, a report on which would coming to the next meeting. This showed that the organisation was performing well in driving down back office costs as a percentage of front line services but the pressure was always there to continually think about doing things in different ways.</p> <p>Sub-Committee approved the Annual Efficiency Statement.</p>	SW

	<p>b) Risk Management Strategy</p> <p>SW provided Sub-Committee with an update on the Risk Management Strategy which was fully on the Covalent performance management system now. This was allowing for better identification, scoring and ownership of risks helping to embed a culture.</p> <p>PS suggested an additional risk be added around the creation of the Tenants Services Authority (TSA) whose regulation of the ALMO sector was coming. This was agreed.</p> <p>After some further discussion, Sub-Committee approved the Risk Management Strategy.</p>	SW
10	<p>Tenants Home Contents Insurance Scheme</p> <p>The Chair declared her interest in respect of item 10.</p> <p>SW presented a proposal to Sub-Committee for an extension of the current deal with AON on improved terms for the Manchester Tenants Insurance Scheme.</p> <p>Sub-Committee were happy to approve the recommendation but asked for some additional information around the costs of the scheme and profiles of coverage and usage to be provided together with claims information.</p>	SW
11	<p>Service Level Agreement Review</p> <p>SW provided an update on continued progress in reviewing the Service Level Agreements. Of the original 34, there were now 17 remaining as main contracts and at least 3 of these would come to an end in March (On Call, On Call Repairs Chasers and Mobile Cleaning). In addition there had been a 17% saving on those remaining in terms of cost.</p> <p>Sub-Committee noted the report.</p>	
12	<p>Monthly Accounts – August 2008</p> <p>SW presented the Monthly Accounts for period 5 of the year which showed a continued picture of costs slightly ahead of budget. In the month, a large piece of work had been done to look at the outturn position and this was felt to be more reliable now.</p> <p>SW referred Sub-Committee to the question asked at the previous meeting about water rates and explained that the overspend related to the non-accrual of the 2007-08 invoice.</p>	

	Sub-Committee noted the accounts.	
13	<p>Inspection Action Plan (2006)</p> <p>The one remaining outstanding item continued to be the completion of the profiling of rent arrears. Progress on this was assessed at 50% and it was hoped to improve this before November.</p> <p>Sub-Committee noted the report.</p>	
14	<p>Fraud Register</p> <p>SW presented the Fraud Register to Sub-Committee. Whilst no formal entries had been made in the register since the last review, the officers were aware of some missing decorating vouchers. This issue was being investigated but initial impressions were that it was a genuine loss and not a fraud.</p> <p>Sub-Committee noted the report.</p>	
15	<p>Any Other Business</p> <p>There was no further business for Sub-Committee to consider at the meeting.</p>	
16	<p>Date of next meeting</p> <p>The next meeting would be on Tuesday 28th October at 5.30pm at Hexagon Tower.</p> <p>With thanks to everyone, the Chair closed the meeting at 7.05pm.</p>	