

Confidential
TMO/ Council Finance Meeting –14 April 346 KHS

Present: Roberto Cusano (RC), Steve Mellor (SM), Anthony Parkes (AP), Daniel Wood (DW), Rupa Bhola (RB), Dammy Adewole (DA)

Apologies: Ray Cunningham

Agenda Item

1. Minutes of last meeting

Minutes of meeting held on 6 March were agreed.

2. Matters arising

Major works management fee

DW confirmed that the £50+7% has not been reviewed and will not be ready for the 2013/14 accounts.

Action: AP, the review will be carried out by DW's team and will use the 2013/14 actuals and aim to be implemented for the 2014/15 accounts.

Budget setting 2014/15

Credit on Academy to be released to the HRA for 2015/16 budget as over 6 years in age

Action: RB to make a note in the 2015/16 budget setting timetable and explore the appropriate accounting treatment needed.

3. Closing 2013/14

AP, Capital outturn main programme - an overspend of £200,000 is currently forecast, this reflects higher expenditure on void properties where in some cases opportunities have been taken to replace kitchens and bathrooms and undertake rewiring work as appropriate. The 2014/15 budget will be reduced by the actual level of any overspend

RB, there are currently disputed invoices with a provider "RGE" resulting in a backlog. AP the contract has been ended as the contractor was not providing a good service. RB may be difficult to calculate accruals as invoices under dispute.

SM, noted that the TMO should accrual for the full £50k regarding the dispute with Wilmot Dixon

4. Lancaster West EMB asset register

It was agreed the Lancaster West reserves that are held within the HRA are to be transferred to the HRA working balance and the Lancaster West budget headings to be removed from the Q1 2014/15 report.

AP, the asset register includes a Van valued at £5,000 which was purchased by the TMO so should not be on the Lancaster West asset register but returned to the TMO. All other items were purchased by Lancaster West EMB so will remain on the register and are of a small value apart from a Cherry Picker, which has not been serviced and is therefore currently not used, the TMO may seek to purchase this and if so will service the Cherry Picker and train staff to operate.

AP, Lancaster West EMB received income from renting out rooms and this income has probably been used to purchase assets, the Council allowed the use of the rooms rent free which was probably agreed around 20 years ago. The rooms can still be used up until 31 May 2014, but as this agreement is not part of the MMA, the ending of the rent free agreement at the end of May will need to be agreed. AP income from rents was around £5,000 per year but this can vary as rooms are rented on an ad-hoc basis.

Action: AP to check with Amanda Johnson if any of the letters sent to EMB agreed ending the rent free agreement.

Action: AP to request the Lancaster West accounts from Company House.

Action: AP to check if TMO will request the purchase of the Cherry picker.

Action: SM internal audit should be made aware of the situation

5. HRA risk register

The risk register was discussed and agreed

Action: SM to send risk register to internal audit

6. ISP

AP, some changes to staff due to some leaving from the previous contractor and there have been new staff appointments. The TMO are getting up to date on orders. AP new portal can see what sub contracted orders have been completed or still outstanding.

AP, Audit report is satisfactory as systems in place are working successfully. The use of Sub- contractors is down to 20% from 45% which is positive new.

Action: AP to write paper for SM/LJ as cannot breakeven on some subcontractors works: Two issues 1) High quality – use own operators or 2) low quality using subcontractors who then subcontract to unknown workers.

7. Major Works (Historical)

Currently 4 Pre Academy and 11 accounts currently with the Council awaiting sign off. DW, one of these has a £200k debit relating to

2008/9, a second S20b was sent to leaseholders regarding the increase in costs.

Action: RC to review accounts held by the Council.

8. Managed Services

SM, the Managed Services implementation date of April 2014 has been postponed; a new implementation timetable has been agreed of September or October 2014. RB, the TMO has still not received an interface file.

Action: RC/DA to find out from Jeremy the reason for the continued interface file delay

9. Financial Protocols

RC has updated the financial protocols and went through, noting that all targets for both the TMO and Council have been achieved to date for Capital and Revenue. It was agreed that RC will keep targets achieved updated and bring the target timetables to future meetings to review whether targets met or not met.

- HHW key decision to be ready for the September 2014 scrutiny committee

10. AOB.

ELRS recharges Notting Hill carnival

SM has sent email to all key offices and made clear the TMO cannot overspend without prior agreement with ELRS

General Housing

RB, Piper House new scheme Look Ahead deals with care provision only but will give quote for building management , Chesterton House and others used for TA, RB the TMO have sent proposal to Amanda and this is currently being considered.

Grenfell Tower

SM, Peter is currently completing a value engineering exercise to bring the total costs within the budget provision, once completed a report will go to Cllr FM, which will then be followed with a cabinet report by mid May.

Garage rents

SM, did not see Nick's report but AP said it went to Policy Board with Cllr Coleridge. SM the new report should start with current position. AP noted the North/South split is still needed

Next meeting: 28 April 2014 9:00-10.30, 346 KHS