



The Gateshead Housing Company Resources Committee

Thursday 14 February 2013 at 10am
Board Room 2, The Gateshead Housing Company, Keelman
House, Fifth Avenue Business Park, Fifth Avenue, Team Valley
Trading Estate, Gateshead NE11 0XA

Agenda

Item	Business
1.	Apologies for Absence
2.	Declarations of Interest
3.	Membership and Terms of Reference (i) To note the following membership of the committee: - <ul style="list-style-type: none">• John Hamilton (Chair)• Paul Foy• Kathryn Ferdinand• George Clark• Robert Buckley• Vacant Tenant 1• Vacant Independent 1 (ii) To note the terms of reference of the committee (attached) (Pages 3-4) <p style="text-align: center;"><u>ITEMS FOR DECISION</u></p>
4.	Appointment of Deputy Chair

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 7 February 2013

Item	Business
5.	<p>Minutes of Resources and Audit Committee (Pages 5-9) To approve as a correct record the minutes of the meeting of Resources and Audit Committee held on 30 October 2012</p>
6.	<p>Matters Arising</p>
7.	<p>Transfer of Accounts - Former Tenants Arrears (Pages 10-12) Report of Head of Finance</p>
8.	<p>Review of Leasehold Management Fee (Pages 13-15) Report of Head of Finance</p>
9.	<p>Value for Money Strategy (Pages 16-29) Report of Head of Finance</p>
10.	<p>Financial Regulations (Pages 30-43) Report of Head of Finance</p>
11.	<p>Contract Procedure Rules (Pages 44-52) Report of Head of Finance</p>
<p><u>ITEMS FOR INFORMATION</u></p>	
12.	<p>Management Accounts – Third Quarter 2012/13 (Pages 53-67) Report of Head of Finance</p>
13.	<p>Sickness Absence and Human Resources Update (Pages 68-84) Report of Head of Support Services</p>
14.	<p>Health and Safety Update (Pages 85-91) Report of Head of Support Services</p>
15.	<p>Equality and Diversity – Update (Pages 92-97) Report of Head of Finance</p>
16.	<p>Items for Future Agendas</p>
17.	<p>Date and Time of Next Meeting</p>
18.	<p>Exclusion of the Press and Public The committee may wish to consider excluding the press and public from the meeting during consideration of the remaining items in accordance with categories 1 and 4 of the company’s Access to Information Rules.</p>

TERMS OF REFERENCE OF COMMITTEES

Resources Committee

Finance and Performance Element

Approval required by the Board following review by the committee

- Recommendation of annual budgets to the Board.
- Recommendation for actions (by exception) in response to performance and financial trends to the Board on a quarterly basis.

Matters delegated to the committee for decision

- Monitoring of finance including fees received and budgets managed.
- To agree actions within the financial regulations and contractual procedural rules to ensure budgets are managed in line with them.
- To set annual the key performance indicators
- Monitoring of performance against the agreed key performance indicators
- To examine medium and long term financial forecasts, including the financial aspects of the Company's Business Plan.
- To authorise Tender submissions in line with the Company's Contract Procedural Rules.

HR & E&D Element

Approval required by the Board following review by the committee

- To consider and recommend to the Board any significant changes to the Company's organisational structures and levels.
- To review the Company's personnel policies, terms and conditions and make recommendations to the Board.
- Make recommendations to the Board regarding the recruitment process for vacancies arising in the Corporate Management Team.
- To review the Company's internal control arrangements for health and safety arrangements (at least annually) and agree recommendations for change, and report to the Board.

Matters delegated to the committee for decision

- Approve the Company's training and development plans for both employees and Board Members
- To monitor all aspects of the Company's Equality and Diversity framework and approve the annual Equality and Diversity report.
- Oversee the Company's internal control arrangements for health and safety.
- Appeals from any employee other than the Managing Director and strategic employees relating to remuneration, conditions of service, promotion or disciplinary action including dismissal, demotion or action arising from the company's grievance or bullying and harassment procedures.
- Appeals from any employee relating to termination/retirement on the grounds of ill-health.

- Appeals from any employee relating to non-renewal or extension of a fixed term or temporary contract of employment with the company.
- Appeal from any employee selected for redundancy.
- To consider applications from employees that have not been approved by the Managing Director in relation to:
 - applications for early retirement;
 - applications to waive pension contributions in respect of employees with over 40 years contributory service;
 - applications to extend sick pay.
- Review the Company's arrangements for its employees to raise concerns in confidence.



The Gateshead Housing Company

Working with Gateshead Council

RESOURCES AND AUDIT COMMITTEE

30 October 2012

PRESENT:

Directors

John Hamilton (Chair)
 George Clark
 Paul Foy
 Peter Mole
 Joachim Mouanda Moussounda

Advisers

Jon Mallen-Beadle	Acting Chief Executive
Neil Bouch	Director of Customers and Communities
Sarah Thompson	Head of Finance
Phil Gallagher	Head of Support Services
Kevin Johnson	Head of Customer Services
Julie McCartney	Head of Neighbourhood Services
Martin Poulter	Neighbourhood Services Manager (Central)
Jim Farquhar	Chief Internal Auditor, Gateshead Council
Deborah McNally	Principal Auditor, Gateshead Council
Stuart Gibson	Governance and Risk Officer

Apologies

Stan Dawson

39 DECLARATIONS OF INTEREST

No declarations of interest were declared.

40 MINUTES

The minutes of the last meeting of the committee held on 31 July 2012 were approved as a correct record.

41 MATTERS ARISING

(a) Contents Insurance

The National Federation of ALMOs are lobbying the Government on the company's behalf about making contents insurance a compulsory part of a tenancy agreement.

(b) Future Board and Committee Meetings

It was agreed that school holidays would be avoided when arranging future meetings.

42 RISK CULTURE

Jim Farquhar gave a presentation on risk culture. In particular, the following was highlighted: -

- What does a good risk culture look like?
- What do we mean by risk culture?
- Why is risk culture so important?
- What can the board do about risk culture?
- Understanding the risk culture in an organisation
- Changing a risk culture

RESOLVED – That the presentation be noted.

43 OPERATIONAL RISK REGISTER – CUSTOMERS AND COMMUNITIES

An updated Operational Risk Register for the Customers and Communities Directorate was submitted.

A number of future actions have been implemented and these are now identified as controls within the register. In addition, some new further actions have been identified for some of the risks.

The following new risks have been identified within tenancy and estate management: -

- Failure to tackle anti-social behaviour cases effectively.
- Reduction or removal of partnership work placements from ASB cases.

RESOLVED – That the Operational Risk Register for the Customers and Communities Directorate be approved.

44 EQUALITY AND DIVERSITY ANNUAL REPORT 2011/12

The committee received the draft of the Equality and Diversity Annual Report 2011/12 which provides a public account of how the company is progressing equality and diversity in relation to tenants, leaseholders, employees and stakeholders. Once approved, it will then be designed and made available on the company's website and on request.

- RESOLVED –
- (i) That the draft Equality and Diversity Annual Report 2011/12 be approved.
 - (ii) That the company's Involvement Team contact the Council regarding the evidence gathered by its Vitality Overview and Scrutiny Committee on Lesbian, Gay, Bisexual and Transgender.
 - (iii) That contact be made with local schools about getting work placements with children with disabilities.
 - (iv) That the Involvement Team be congratulated for its work around equality and diversity in 2011/12.

45 CARBON MONOXIDE DETECTORS

The company received a report on the company's legal obligations to fit carbon monoxide detectors and the resource implications as a consequence.

As a landlord in England the company is not legally obliged to install carbon monoxide (CO) detectors, except to solid fuel appliances which is a legal requirement.

As at 27 September 2012, there were 18,878 Council properties with gas appliances installed. Of these, 18,185 had CO detectors installed – the majority of these were installed during the decent homes programme. 693 properties still require a CO detector. The fixed price to supply, install and complete certificate for a detector is £26.49. The cost to install the remaining 693 CO detectors would be £18,357.

Detectors generally last approximately five years, after which point a new detector has to be fitted.

A breakdown by year of the cost of replacing carbon monoxide detectors was submitted. The company will discuss with the Council whether resources are available to install the remaining detectors and adequately maintain them in the future as part of its ongoing discussions around how the capital budget is spent.

RESOLVED – That progress to date installing carbon monoxide detectors to every property in Gateshead be noted.

46 MANAGEMENT ACCOUNTS – SECOND QUARTER 2012/13

The committee received an update on the management accounts for the second quarter 2012/13 including the income and expenditure in relation to both revenue and repairs.

The accounts show an over spend to date of £20,000. This is due to utility costs being greater than forecast.

The repairs accounts are under spent based on forecast budget, however, the income is matched against expenditure in repairs and so no under spend is shown. The under spend is due mainly to repair invoices not yet being received from Mears. Work has been implemented to improve the interface between Mears and the company. This should speed up the invoicing process during the third quarter.

RESOLVED – (i) That the management accounts for the second quarter of the 2012/13 financial year be noted.

(ii) That the committee's concerns regarding the company being unable to gain access to some properties to carry out a gas service within 12 months be noted.

47 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received a report for the period April to September 2012 on the sickness absence levels.

The total sickness absence for the period equates to 4.22 days per person compared to 4.67 days for the same period last year. This equates to a 10% reduction in days lost in the period compared to the same period last year.

Short term absence is defined as a period of less than 15 working days in duration and long term absence is defined as a period of absence greater than 15 days in duration. In the period, short term absence was 1.47 days per person and long term 2.76 days. This compares with 1.83 days short term absence and 2.84 days long term absence in the same period last year. This is a 20% decrease in short term absence and 3% decrease in long term absence.

In the period, sickness absence was 1.21 days per person. In particular, as sickness absence in September reduced to a record low of 0.29 days per person. Whilst the first quarter of this year showed an increase in the overall sickness figures, the sharp reduction during the second quarter is very encouraging and would indicate that the revised absence management policy is having a positive impact on attendance.

In the period, the biggest cause of absence was stress with 590 days lost. This compares to 469 days lost in the same period last year, which is an increase of 20%.

As previously reported, it is often difficult to control outside stressors, however the company has implemented a programme of wellbeing training for employees and managers that will equip employees with the skills, knowledge and confidence to take ownership of sensitive cases and improve attendance and performance. The company continues to investigate initiatives that will help it better understand the causes of depression, anxiety and stress.

The company has held 29 short term sickness absence review meetings in the period, which have resulted in 13 employees being issued with first written cautions. The company has held 10 long term sickness absence reviews in the period.

Details of work life balance applications, formal/informal investigations, recruitment and the childcare scheme were reported.

Details of learning and development activities during the period and planned activities were also reported.

RESOLVED – That the information be noted.

48 HEALTH AND SAFETY UPDATE

The committee received a report on the company's health and safety activities for the period July to September 2012.

A revised structure is being implemented (subject to union consultation) to assist with management of repairs. A key post within this structure is

that of Cyclical Maintenance Manager. Historically the H&S team have been heavily involved in arrangements for cyclical maintenance but it is envisaged that this new post will assume responsibility for management and service delivery, leaving the team free to focus on providing support and monitoring compliance.

An Internal Audit of health and safety was carried out during the period, the findings of which will assist in focusing the team on priorities for the remainder of this year.

Mears' health and safety processes and safe systems of work were reviewed prior to the repairs contract starting and found to be suitable and sufficient. Site visits will commence during the second half of 2012 and the findings will be reported to future committee meetings.

Details of 22 accidents/incidents during the period were reported. During the period, requests were received for Asbestos Surveys, to support a number of areas of work. There were 80 refurbishment and demolition surveys within domestic properties and seven within communal areas of high rise blocks, sheltered schemes and communal lounges.

Monthly meetings with Mears are ongoing and no significant Legionella control risks have been identified. Water testing is ongoing in all buildings to ensure safety. No positive tests were reported in the period.

Monthly cyclical repair and maintenance meetings with Mears and Gateshead Council Local Environmental Services are ongoing. No immediate actions have been identified.

Through the insurance inspections, immediate actions on both the odd and even lifts within Monk Court have been completed.

RESOLVED – That the information be noted.

49 2012/13 INTERNAL AUDIT UPDATE – PROGRESS REPORT

Progress made by the Internal Audit Service against the 2012/13 audit plan was reported. As at 30 September 2012, five final reports and one draft report have been issued and a further three audits are substantially complete. 56% of the audit plan in terms of actual audit days against planned days was achieved by the Internal Audit Service.

50 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated categories of the company's Access to Information Rules.

Report to Resources Committee

14 February 2013



Title: Transfer of Accounts – Former Tenants Arrears

Report of: Head of Finance

Purpose of Report

1. To approve a recommendation to Gateshead Council to transfer former tenants arrears to a debtor's account and subsequently provide details of the recommendation to Board for information.

Background

2. Periodically the Council transfers former tenants arrears considered irrecoverable into a debtors account. This entails setting off an amount against bad debts provision held in the Housing Revenue Account.

Summary

3. The last transfer was effected in November 2012, and amounted to £167,658 owed by 314 former tenants.
4. During this financial year the sum of £188,921 has been recovered from former tenants, including £37,997 relating to previously transferred accounts, which have been reinstated for recovery purposes.
5. Using the criteria of:-

	No of cases	Value £
Debts created before 1 January 2007	15	14,380
Debts created after 1 January 2007 but no forwarding address is known or not at the forwarding address	4	10,394
Debts considered unrecoverable or uneconomic to pursue including deceased, no next of kin, no estate, etc.	144	84,869

it is proposed that 163 cases totalling £109,643 in value should be recommended for transfer.

6. Since April 2008, 975 cases considered unrecoverable through the internal recovery team and totalling £1,976,272 have been passed to external debt collection agencies. These agencies have managed to collect £78,640 so far from transferred cases.
7. As detailed in previous reports, the agency's fees are set at a flat rate of 22% regardless of their contact method. As a result we will be passing more cases regarded unrecoverable or uneconomic to pursue internally as a further stage before being considered for transfer to a debtors account.

Bankruptcy

8. For information, there are currently 229 cases where tenants have been declared bankrupt or have applied for debt relief orders and debts on their rent accounts have been transferred to separate bankruptcy accounts. The total outstanding on these accounts is £245,449. None of the debts on bankruptcy accounts have previously been transferred to a debtors account. We are currently in discussion with Gateshead Council as to how these accounts will be treated in the future.

Link to values

9. This report is in line with the company value of being honest, accountable and transparent.

Impact on tenants

10. There is no direct impact on tenants from this recommendation.

Risk Management Implications

11. There are no risk management implications relating to this report.

Financial Implications

12. Any debts within former tenant's arrears are fully provided for; hence there is no financial effect on the Housing Revenue Account.

Equality and Diversity Implications

13. There are no equality and diversity implication arising from this report.

Value for Money implications

14. Transferring unrecoverable arrears to a debtors account allows Rent and Income Team recovery officers to concentrate on recoverable debts.

Environmental Implications

15. There are no environmental implications arising from this report.

Health Implications

16. There are no health implications arising from this report.

Consultation carried out

17. There was no consultation carried out relating to this report.

Recommendation

18. It is recommended that the Committee: -
- propose to Gateshead Council a transfer of former tenants' arrears into a debtors account of £109,643,
 - provide details of the proposed transfer of former tenants' arrears to the next Board meeting for information.



Report to Resources Committee

14 February 2013

Title: Review of Leasehold Management Fee

Report of: Head of Finance

Purpose of Report

1. To seek approval to implement the outcome of the review of the current leasehold management fee to ensure that the accurate costs of managing the service are reflected in the leasehold service charge.

Background

2. Under S.19 of the Landlord & Tenant Act 1985 service charges must be reasonably incurred and management fees are subject to the same test of reasonableness.
3. The Right to Buy lease states that 'the costs incurred by the Landlord in employing staff to record, administer and calculate the Service Charge are recoverable by the Landlord via the Service charges'. This is recovered through the 'management fee' element within the leaseholders' service charge.
4. The management fees were previously reviewed in 2008 to reflect the true cost of running the service. The current charges are:

• Low Rise Blocks (2 storey blocks)	£146.00
• Mid Rise Blocks (3-4 storey blocks)	£147.00
• High Rise Blocks (above 5 storey)	£150.00
• Major Works management fee	£85.00
5. The company has undergone a major restructure, since the original fee was calculated and it is important that these changes are reflected in the management fee.
6. Leaseholders, through the annual satisfaction survey requested the company review the Major Works Management Fee, following the end of the Decent Homes programme. The major works management fee is charged on an individual basis when any major or programmed works are carried out to the property or block.

Proposal

7. In order to ensure that the management fee continues to be self financing and reflects the current management costs a review of the actual costs to provide the service was undertaken based on 2012/13 budget. Following this review, it was found that the costs of providing the service had fallen due to savings made within the housing company. Therefore, it is proposed that from 1 April 2013 the management fee should be reduced to:

- Low Rise Blocks (2 storey blocks) £135.00
- Mid Rise Blocks (3-4 storey blocks) £136.00
- High Rise Blocks (above 5 storey) £141.00

- Major Works management fee £75.00

Financing the proposal

8. By assessing the true cost of leasehold management we continue to ensure that services are self-financing and are not subsidised by tenants'.

Link to values

9. This report is aligned to the following Company values:

- Being honest, accountable and transparent
- Being customer focused, innovative and professional
- Being a listening and learning organisation

Impact on leaseholders

10. The provision of more accurate charges to leaseholders will result in a decrease in the annual management fee paid by leaseholders and ensure that their charges are reasonable as set out in legislation.

Risk Management Implications

11. The Chartered Institute of Housing good practice guide states that RICS and ARHM codes take the view that charges should be appropriate to the task involved and be pre-agreed with leaseholders whenever possible.
12. RICS and ARMA members also state that it is good practice that standard annual fees are quoted as a fixed fee rather than as a percentage of outgoings or income. This method is considered to be preferable so that leaseholders can budget for their annual expenditure.

Equality and Diversity Implications

13. All leaseholders will be charged the accurate management fee based on their property type and the services they receive.

Value for Money implications

14. Demonstrating value for money by understanding our true costs and reviewing the charges with our customers.

Financial Implications

15. Accurate management charges ensure that the Housing Revenue Account does not subsidise the services received by leaseholders.

Health Implications

16. There are no health implications arising from this report.

Environmental Implications

17. There are no environmental implications arising from this report.

Consultation carried out

18. Leaseholders attending the Service Improvement Group (SIG) held on the 13 August 2012 were asked to review best practice from ARMA and RICS regarding charges which should be included in the management fee.
19. Leaseholders were asked to consider the costs to be included in the management fee and agree the basis for calculating charges for each service.
20. Leaseholders attending the SIG on the 4 December 2012 were asked to review the actual cost of each service and agree the charging procedure for each service.
21. Leaseholders reviewed the comparative management fee information taken from HQN Leasehold Excellence Network showing how each authority calculates its management fee. The average management fee is £122.00. The sector as a whole charge major works management fees as a percentage, on top of the works, with the average being 10%, it is therefore difficult to compare charges. RICS and ARMA good practice state that fees should be quoted as a fixed fee rather than as a percentage of outgoings or income.
22. In addition to the SIG members, all leaseholders have been consulted, in writing, concerning the proposals. Leaseholders were asked to comment on the method of calculating the charge and the implementation of the new figures. The results of which indicate that leaseholders are in agreement with the decisions taken by the SIG in relation to the reduction in fees.
23. The Council have also been consulted on the reduction and are in agreement with the proposals.

Recommendation

24. The committee is asked to approve the implementation of the revised management fee charges, to be applied from 1 April 2013.

Report to Resources Committee

14 February 2013



Title: Value for Money Strategy

Report of: Head of Finance

Purpose of Report

1. To provide the Committee with an updated Value for Money Strategy for the period 2012-2015 for approval to Board.

Background

2. The previous Value for Money Strategy was approved by the VFM and Audit Committee on 8 May 2008. This strategy provided a 3-year programme of value for money activities.
3. A draft Value for Money Strategy update was approved by the Value for Money Service Improvement Group in July 2011. However, due to the proposed changes in the regulatory environment through the Localism Act, this was not formerly approved by committee.
4. An updated Value for Money Strategy has been produced for the period 2012 – 2015.

Summary

5. The Value for Money Strategy is attached at the Appendix. This proposed strategy has been consulted on and scrutinised by the Value for Money Service Improvement Group on 1 February 2013.
6. The Strategy has been produced to detail what Value for Money can be defined as and how this links to the regulatory framework as set out by the Homes and Communities Agency.
7. The Strategy details the housing company's approach to meeting value for money and embedding a culture of value for money within the housing company. Finance and performance are key elements of ensuring that we deliver services to customers which are value for money.
8. The Strategy details the work carried out by the Value for Money Service Improvement Group, as well as some of the schemes which run within the

housing company to encourage employees to consider value for money within their daily roles.

9. The Strategy includes a Policy Statement which sets out how the housing company is committed to the value for money principle. There is also an information sheet about some of the improvements that have been made.

Link to values

10. This links to our values of:

- Being honest, accountable and transparent
- Being motivated, trained and committed
- Being customer focused, innovative and professional

Impact on tenants

11. A culture of providing services which are value for money will indirectly impact upon our customers as efficiencies will be maximised and redirected into frontline services.

Risk Management Implications

12. This strategy will form a key part to ensure that that the strategic risk within the business plan (Insufficient available financial resources) is effectively controlled.

Financial Implications

13. There are no financial implications arising from this report.

Equality and Diversity Implications

14. There are no equality and diversity implications arising from this report.

Value for Money Implications

15. The strategy will continue to embed the culture of efficiency and value for money, to enable the best use of resources in delivering excellent services to our customers.

Health Implications

16. There are no health implications arising from this report.

Environmental Implications

17. There are no environmental implications arising from this report.

Consultation carried out

18. Consultation on the proposed Value for Money Strategy has been carried out with the Service Improvement Group and they have provided challenge on the strategy proposed.

Recommendation

19. The Committee is recommended to request the Board approve the updated VFM Strategy.

Contact: Sarah Thompson, Head of Finance

Tel No: (0191) 433 5350

The Gateshead Housing Company

Value for Money Strategy 2012-2015

Foreword

At The Gateshead Housing Company, we are committed to providing high quality services, especially those that offer best value, to our customers.

In order to do so, the company has developed its value for money strategy for 2012-2015 that underpins its approach to providing services that are efficient, effective and economical.

Our methods are based on having the ability to challenge how services are delivered and funded – the eventual aim of which is to improve services for the employees providing them and the customers receiving them.

The Homes and Communities Agency's framework for social housing has a specific value for money standard. Whilst ALMO's are not regulated through this standard, we consider the standard to provide best practice. The standard states that organisations should articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation's objectives.

The housing company's approach to achieving this standard has been developed with customers and sets out our aims up until March 2015.

Barbara Dennis
Chair of the Board
(pic)

Jon Mallen-Beadle
Managing Director
(pic)

Who we are/ What we do

The Gateshead Housing Company (TGHC) is an arms length management organisation owned by Gateshead Council, we are responsible for managing 20,500 council housing properties and 800 leasehold properties in the borough of Gateshead. The management agreement between Gateshead Council and the company lasts until 31 March 2015.

Since the company was created in 2004 we have aimed to provide excellent housing services that are economical, efficient and effective to all our customers.

Our Vision – to provide excellent homes and housing services.

Our Mission – to work in partnership with residents and the community to create homes and neighbourhoods that meet the aspirations of the people of Gateshead.

Our Values – we will achieve this by:

- Being a listening and learning organisation
- Being honest, accountable and transparent
- Being motivated, trained and committed
- Being customer focused, innovative and professional

- Caring and respecting
- Embracing equality
- A commitment to all our employees

The Homes and Communities Agency

The Homes and Communities (HCA) replaced the Tenant Services Authority as the regulator of social housing from 1 April 2012. The HCA's role was identified within the Localism Act 2011 and the Secretary of State directed specific standards. The HCA produced '**The regulatory framework for Social housing in England**'. Under this framework the regulator has distinct roles in relation to economic regulation and consumer regulation. Economic regulation applies to private registered providers only and is a proactive form of regulation. Consumer regulation is a more reactive, 'backstop' form of regulation and is applicable to all registered providers.

The co-regulatory principles underpin the regulatory approach. Boards and councillors who govern providers' service delivery are responsible for meeting the standards and being transparent and accountable for their organisation's delivery of its social housing objectives. It is for providers to support tenants both to shape and scrutinise service delivery and to hold boards and councillors to account.

Economic Standards are:

- Value for Money standard
- Governance and Financial Viability standard
- Rent standard

Consumer Standards are:

- Tenant Involvement and Empowerment standard
- Home standard
- Tenancy standard
- Neighbourhood and Community standard

Value for Money (VFM) standard:

Registered providers shall articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation's objectives. Their boards must maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns). This will take into account the interests of and commitments to stakeholders, and be available to them in a way that is transparent and accessible. This means managing their resources economically, efficiently and effectively to provide quality services and homes, and planning for and delivering on-going improvements in value for money.

Registered providers shall:

- have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade offs and opportunity costs of its decisions
- understand the return on its assets, and have a strategy for optimising the future returns on assets – including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models - measured against the organisation's purpose and objectives

- have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance
- understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.

Registered providers' boards shall demonstrate to stakeholders how they are meeting this standard. As part of that process, on an annual basis, they will publish a robust self assessment which sets out in a way that is transparent and accessible to stakeholders how they are achieving value for money in delivering their purpose and objectives.

The assessment shall:

- enable stakeholders to understand the return on assets measured against the organisation's objectives
- set out the absolute and comparative costs of delivering specific services
- evidence the value for money gains that have been and will be made and how these have and will be realised over time

Whilst the Value for Money standard will not be regulated by the HCA as TGHC are not a Registered Provider. The principles underlying the standard are considered best practice by TGHC and by aiming to meet these principles TGHC is able to demonstrate to customers that the organisation is committed to providing services which are value for money.

How we aim to meet HCA standards

TGHC aims to meet HCA standards by providing excellent customer services to tenant and leaseholders in Gateshead.

With the help of customers we developed service standards for the range of services we provide, our service standards are measured using monitoring systems and satisfaction surveys. Performance results are reported to Service Improvement Group's, Corporate Management Team, Heads of Service, Board and via our website and customer newsletters.

The Gateshead Housing Company annual report for tenants and leaseholders

TGHC produces an annual report for tenants and leaseholders which is developed by a working group of tenants and leaseholders who develop its format and content. Annual Reports in the past have covered the services we provide, what we have achieved in the previous financial year, plans for the future and how we aim to improve.

The report has also explained how we spend the money we receive from tenant and leaseholder rent and service charges and how we perform against the regulatory framework standards.

The report allows customers to challenge the services we provide and our performance and make suggestions on how we could further improve.

What is Value for Money

Attaining Value for Money (VFM) means obtaining the maximum benefit from goods and services acquired and provided within available resources. It involves **economy**, **efficiency** and **effectiveness**.

Economy – price paid for what goes into providing a service (human, material, etc) at best value, taking both price and quality into account.

Efficiency – is a measure of productivity – how much you get out in relation to what you put in. The efficiency of converting resources (inputs) into outputs.

Effectiveness – is the measure of the impact achieved by obtaining value for money and can be quantitative (a measure of effectiveness) or qualitative (the value of effectiveness).

Value for Money is embedded in the culture of TGHC and is a key objective in the Business Plan.

There have been many external drivers that have supported the company's ethos to achieving VFM, they are:

- Best Value - introduced in 1999 to ensure the delivery of quality services at the best price
- Byatt Review - published in 2001 this set out key recommendation to align procurement and best value
- Gershon Report - published in 2004 focused on releasing resources to front line services by implementing robust procurement practices and supporting the efficiency agenda.

It is more important than ever to ensure we secure value for money in our everyday working practices and with the introduction of the Localism Act 2011, there is a new focus on value for money particularly within the housing sector.

TGHC is funded by Gateshead Council to manage the housing stock in Gateshead. The management fee is made up of a management element (approximately 44.5%) and a repairs element (approximately 55.5%). The management fee is currently our main source of income. The fee incorporates an annual efficiency target and we receive a performance related fee for performance on rent collection.

Securing additional resources will be increasingly important during the coming years as budgets will be squeezed tighter, we must endeavour to manage effectively the aspirations of our customers and ensure the future investment needs of the housing stock.

Embedding Value for Money within the culture of the housing company

TGHC has a strong commitment to value for money which is reflected in both the business plan and in their annual delivery plans. There is a strong culture of 'do the right things' and 'do things right' which help ensure that the services we deliver to customers are efficient, effective and economical.

Value for Money is a key driver in all of the services we deliver to customers and is an area that is constantly monitored by the Board and Committees. Value for money implications are included in all Board and Committee reports which ensures that all services consider value for money in decisions they take.

Annual management fee discussions with the Council often lead to efficiency targets to be met. All efficiency targets set by Gateshead Council have been met by TGHC.

Benchmarking

TGHCare members of HouseMark benchmarking group, which helps social housing landlords compare the costs of service delivery, resources and key performance indicators across all areas of the business.

Benchmarking exercises are conducted annually to analyse all areas of the business. This is used to identify high performing, low cost organisations from which best practice and learning can be obtained.

Using the HouseMark results, TGHC plans to target those areas that are low performance and high cost.

Services will be expected to use benchmarking information to learn from best practice, change procedures and processes to achieve enhanced methods of working and reduce unnecessary expenditure.

Performance

TGHC measures key performance indicators which are included in the delivery plan. Performance results are scrutinised monthly by the Management Team and Heads of Service and quarterly by the board and council.

Service Improvement Groups, which consist of tenants and leaseholders, scrutinise performance indicators relating their service area, which allows customer to directly feed back their opinions on performance to the service managers and allow for further service improvements to be implemented.

Targets are set annually by service managers, and where possible, consulted with Service Improvement Groups before they are approved by the Board. Targets are challenging, meet SMART objectives and are developed using HouseMark top quartile benchmarking results.

Where targets have financial implications they must be developed with the approval of the Finance Manager which in its self displays how value for money is embedded in the culture of the organisation.

Performance reports are produced each month which detail current performance indicators, position at year end and the target for the current financial year.

Service managers add commentary to the report which details how performance targets have been achieved and celebrate that success. Where performance has reduced, service managers explain why and how we will work to improve in the future to main high levels of service delivery.

Performance indicators results are shared with customers via our customer newspapers and with Service Improvement Groups.

At the end of each quarter TGHC's website is updated with current headline performance results that are most relevant to customers - such as repair, rent collection, anti social behaviour and home improvements.

A quarterly performance report for all of our indicators is also displayed on the website and shows how all services are performing.

Positive performance can be used as one indication of value for money and helps the housing company to focus on areas of improvement for the forthcoming financial year.

Budgets

Budgets are set using a zero based budget approach, which means each year they are developed from 'zero' and are not influenced by how much has or has not been spent in the previous financial year.

Budgets are built up using the staffing structures and discussions are held with budget holders to determine budgetary requirements.

Efficiency savings are highlighted and reflected in the budgets, as well as customer priorities. We produce monthly management accounts which enable budget holders to manage spend to ensure that they remain within budget; we also produce quarterly management reports for Resources Committee, Board and Council which allows further scrutiny of our financial management.

Annual financial statements are produced, which are externally audited to ensure that they meet all requirements. Monitoring of financial statements and management accounts allow for appropriate control that ensure efficiencies are maximised, allocated and redirected where appropriate to ensure a high level of customer service is delivered.

Any savings that are made in year are redirected into front line services so that we can provide a better service for our customers.

Procurement

Effective procurement (or obtaining goods or services at the right price) helps TGHC achieve its aims and objectives by delivering high quality services, which meet the current and future needs of our customers and that are based on value for money principles.

TGHC encourages competition and welcomes bids from new and established suppliers. Contracts are awarded in terms of 'value for money' and whilst the housing company cannot discriminate in favour of locality, we are committed to supporting and encouraging local businesses to compete for contracts.

The housing company does not award tenders for goods or service based on the lowest tender received. There is commitment to procuring the best possible goods or service at the best price possible by applying the value for money methodology of efficiency, effectiveness and economy.

Value for Money and Environmental Management Service Improvement Group

Established in 2008, the group has grown and developed to meet the changing needs of the housing company. The role of the volunteer group of tenants and leaseholders is aimed at reviewing services within the housing company, this allows independently involved customers to scrutinise the company spend in detail and challenge not only the budget spend (economy) but the efficiency and effectiveness of services.

In 2010, TGHC was awarded ISO 14001 the international standard for environmental management. The award demonstrated that the housing company had a robust system for monitoring, managing and reducing its impact on the local environment. The service improvement group encompassed the environmental monitoring role within their remit.

The group achievements include:

- Scrutiny and approval of all value for money reviews in 2009/10 and 2010/11
- Scrutiny and approval of all value for money audits in 2009/10 and 2010/11
- Approval of ISO14001 policy
- Approval of value for money survey in 2008 and 2010 for employees
- Approval of value for money training in 2008 and 2011 for employees
- Annual Budget Monitoring since 2009
- Monitoring the value for money employee suggestion scheme and approving suggestions achieved
- Scrutiny and challenge of the value for money section within The Gateshead Housing Company Annual Report to Tenant and Leaseholders in 2009/10, 2010/11 and 2011/12
- Scrutiny and monitoring of environmental performance indicators
- Scrutiny and monitoring of annual efficiency targets

Group volunteers remain empowered and focused on achieving VFM for the company and customers alike whilst benefiting for the skills and knowledge they have gained by being involved.

The service improvement group meets every two months and their annual workplan sets out the work that they will undertake during the year.

Staff Training programme

In 2008 the company undertook a survey to clarify employee understanding of value for money. The results highlighted the need for training, which was completed in the same year.

The training enabled employees to understand the principles of value for money and give them the necessary skills and knowledge to apply it in their roles.

A second survey was conducted in 2010 to once again measure the understanding of employees and there were many positive results. In particular, employees were asked how they would rate the value for money they provided as an individual. In 2008 37% thought they provided a good or very good service, and this positively increased to 75% in 2010

Further training was carried out in 2011 to refresh employees understanding of value for money. The survey and training was conducted on line so that employees could complete it at their workstation at a convenient time. This ensured that productivity was not compromised. This training also promoted value for money as it removed the cost of procuring consultants/external trainers.

We will continue to conduct a value for money survey periodically to ensure employee understanding continues to improve. Outcomes from the survey will dictate any future training needs.

'TGHC Suggests'

TGHC has developed a value for money employee suggestion scheme, where suggestions can be submitted that provide more efficient, effective and economical ways of working.

The suggestions are reviewed by the relevant service manager to determine whether the suggestion can be implemented before being reviewed by the Value for Money & Environmental Management Service Improvement Group on a quarterly basis.

The service manager and service improvement group must be convinced that the suggestion is likely to save money or create more efficient and/or effective ways of working before it is agreed to be investigated or implemented.

To ensure that suggestions are appropriate and meet value for money three E's of efficiency, effectiveness and economy in broad terms they must:

- Improve a process to increase productivity or improve quality of our services
- Add value by generating efficiencies saving time, energy or reducing bureaucracy/costs
- Improved public relations, in particular with those customers who may be directly affected by our activities
- Improved working environment

Achievements

As a result of training, the suggestion scheme, reviews/audits and the support of the Service Improvement Group the importance of value for money has been recognised by all employees across the company. Appendix 2 highlights some of the examples of how we have achieved value for money in the housing company.

Securing value for money in the future

TGHC is committed to continuing to achieving value for money and this will be driven through the HCA standard and the workplan which is developed annually for the service improvement group.

The key areas include:-

- Supporting the Service Improvement Group
- Encourage employees to use TGHC Suggests
- Continue to carry out staff surveys to identify learning needs
- Carry out training as necessary
- Consider the best practice within the housing sector, including the HCA standards, and determine how we follow these.

TGHC has developed a value for money policy statement which is attached at Appendix 1 and which highlights the drive of the housing company.

The Gateshead Housing Company Value for Money Policy Statement

Our commitment to economy, efficiency and effectiveness

The Gateshead Housing Company provides housing and support services to local communities in the borough of Gateshead. We manage in excess of 20,500 social housing properties and 800 leasehold properties on behalf of Gateshead Council, Keelman Homes and the Company.

A large part of our service is delivered on our behalf by partner organisations and we recognise the importance of these organisations in helping us to achieve value for money.

Vision

Our vision is to provide excellent homes and housing services. We will achieve this by being honest, accountable and transparent.

Commitment

We are committed to promoting efficient and effective ways of working. Sustainable development is a cornerstone of our business strategy and we will actively seek to participate in the implementation of local initiatives.

Objectives

We have an established programme to review and monitor our expenditure and to enable us to scrutinise our initiatives we have a Service Improvement Group made up of customers and officers.

Our objectives include:

- The promotion of value for money principles
- Encouraging economic awareness of our employees and customers
- Creation, maintenance and promotion of economic, efficient and effective purchasing principles in our business activities and for the benefit of our customers
- Minimising waste from our business operations
- Extending efficiency principles in our Repairs and Maintenance partners and in any new development
- Seeking effective opportunities to improve the conditions of our housing stock and their immediate surroundings
- Provision of energy saving, waste minimisation and water conservation advice to our employees and customers

Jon Mallen-Beadle
Managing Director

Achievements

Decent Homes

- The original bid assumed that the Decent Homes programme was going to cost £294 million. We are now forecasting that the cost of the programme will be £276 million. This represents a net saving of £18 million (5.6%).
- In addition to the above due to the efficiencies generated, the programme has enabled us to spend £35.5 million (£27.7 million to date, £7.8 million forecast) on other capital items compared to the original bid forecast spend of £12.0 million.
- This money has been used for a number of initiatives:
 - Over £11 million on one off gas replacements
 - Almost £5 million on sustainability projects such as artwork, playgrounds etc
 - Over £3 million on multi storey improvements
 - £2.5 million on a tenants reward scheme ie HomeBonus

Rent and Income Team (RAIT)

- Putting arrears prevention methods in place has reduced eviction of tenants. Estimated cost of eviction is £6,000 and we reduced evictions from 87 in 2009/10 to 83 in 2010/11 which is a £24,000 saving.

Leasehold

- In 2007/8 Leaseholder service charge accounts were issued in 15 weeks, in 2010/11 this had reduced to 10 weeks. Reducing time to issue accounts has secured VFM for the company as Leaseholders have more time to pay or make arrangements to pay for service charges, in turn this has helped collection rates increase
- The company now have our own Land Registry account and no longer pay for this service from Legal Service. Cost to the company is £4 per transaction, this charge significantly reduced from the previous charge of £34, securing VFM economy savings for the company

Information Communication Technology (ICT) - Keystone

- A recent upgrade to the Keystone asset management system has in the past been carried out by the Keystone support team at a cost of £1,400. Due to the in house skills of the ICT Support Manager this work was carried out internally at no extra cost. Resulting in a VFM economy saving.

Caretaker Review

- Caretakers previously worked from 8.00am until 11.00am or 12.00 Monday – Saturday. In addition they were on standby for emergency call outs every other day
- Under the new system Caretaker's will be on duty for a full working day, Monday – Friday. They will start work between 8.00am and 9.00am and finish between 3.30pm and 5.00pm
- Caretakers now carry out minor repairs to communal areas
- There is no additional cost to the service improvements outlined. This has been possible by increasing the number of hours a Caretaker is on duty and reducing the cost of overtime to cover holidays and other absence

Tenant Involvement

- Training on Equality Impact Assessments has taken place with Corporate and Senior Managers and members of the Equality and Diversity Working Group, to ensure that the assessments we carry out are robust and effective
- This ultimately results in value for money savings through getting things right rather than having to make costly changes at a later date, or by providing services that our customers or employees do not need.

Accountancy

- The Accounts Team produce monthly management accounts which detail actual charges for the month, the year to date charges and budget year to date which shows the variance against the forecasted budget.
- Regular financial monitoring and control will ensure VFM efficiencies are maximised and then utilised in the most appropriate manner.

Management Fee

- The management fee and number of employees has reduced over the past three years but we continue to deliver excellent services highlighted by the increase in customer satisfaction from 88% in 2011/12 to 89.2% in 2012/13.

Human Resources

- The total sickness absence for 2010/11 equated to 8.3 days (compared to 10.37 days for 2009/10).

Administration

- The Company's Administration Officer has negotiated a number of contracts with our suppliers which have reduced annual overheads at Keelman House
- 10% VFM economical savings have been made with Hadrian who provide and maintain our air conditioning service
- 40% reduction in costs have also been secured with 'Shread It' who dispose of our confidential papers

Employee Training

- The repairs service has been part of a pilot programme of NVQ training which has had an excellent success rate. The NVQ's are delivered and fully funded by Sunderland College securing VFM economical saving for the company. VFM efficiency and effectiveness are secured as employees are able to provide a better service to customers.

Report to Resources Committee

14 February 2013



Title: Financial Regulations

Report of: Head of Finance

Purpose of Report

1. To provide the committee with updated Financial Regulations for approval to Board.

Background

2. The Financial Regulations have been reviewed to ensure that they are reasonable and meet the needs of the housing company.
3. The Financial Regulations have been found to be fit for purpose and have been amended slightly to ensure that they meet current financial practices.
4. The amended Financial Regulations have been attached in the Appendix.

Summary

5. The Financial Regulations cover the way the company manages its finances and safeguards its assets. Directors and Heads of Service of the housing company are responsible for ensuring that the financial regulations are complied with.
6. Internal audits are carried out annually to ensure that these regulations are met.
7. The new Head of Corporate Services will be responsible for the proper administration of the company's financial affairs and will be the chief financial advisor to the company and Board.

Main Changes

8. The main changes from the previous financial regulations include: -
 - Change of responsibility from the Director of Finance to Head of Corporate Services for the administration of the company's financial affairs;
 - Introduction of the Audit Committee's role in relation to the internal auditor;
 - Information regarding the use of the companies credit cards;
 - A dedicated section referring to the use of Petty Cash; and

- Subsistence claims to be submitted monthly.
9. The amended Financial Regulations cover the current working practices of the administration of the company's financial affairs.

Link to values

10. This links to the following Company values: -
- Being honest, accountable and transparent
 - Being motivated, trained and committed

Impact on tenants

11. There are no direct impacts on our tenants arising from this report.

Risk Management Implications

12. The financial regulations ensure that that the strategic risk within the business plan (Insufficient available financial resources) is effectively controlled.

Financial Implications

13. There are no financial implications arising from this report.

Equality and Diversity Implications

14. There are no equality and diversity implications arising from this report.

Value for Money Implications

15. There are no value for money implications arising from this report.

Health Implications

16. There are no health implications arising from this report.

Environmental Implications

17. There are no environmental implications arising from this report.

Consultation carried out

18. The financial regulations of a number of other public sector organisations were reviewed before our financial regulations were renewed.

Recommendation

19. The Committee is recommended to request the Board approve the amended financial regulations.

Contact: Sarah Thompson, Head of Finance

Tel No: (0191) 433 5350



The Gateshead Housing Company

Working with Gateshead Council

FINANCIAL REGULATIONS

Contents

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Introduction

These regulations control the way the company manages its finances and safeguards its assets.

Each strategic employee is responsible for ensuring that these financial regulations are complied with.

By complying with these regulations, employees responsible for financial matters will gain assurance that they have followed appropriate financial procedures.

Relevant employees in Finance will supply any further advice needed and will provide any additional advice and guidance that strategic employees may require.

1. Financial Administration

- 1.1. The Head of Corporate Services is responsible for the proper administration of the company's financial affairs and is chief financial adviser to the company and the Board.
- 1.2. The Head of Corporate Services is responsible for the production of financial management information and will keep the company and the Board informed of the financial implications of all new policies and changes of policies.
- 1.3. Each strategic employee must consult the Head of Corporate Services on any matter within his/her view which is liable to materially affect the finances of the company before any provisional or other commitment is incurred or before reporting to the Board on the matter.
- 1.4. Each strategic employee is responsible for establishing internal control so that the activities under his/her control are dealt with efficiently and effectively. Internal control covers financial and other measures, which are established to:-
 - (i) safeguard the company's assets;
 - (ii) ensure reliability of records; and
 - (iii) monitor adherence to policies and directives.
- 1.5. The Head of Corporate Services may regulate the day to day financial administration of the company by the issue of more detailed administrative and accounting instructions to supplement these regulations.

2. Revenue and Repairs Budgets and Investment Programme

- 2.1. The annual revenue and repairs budget and investment programme will be subject to the approval of the Board.
- 2.2. The Head of Corporate Services will keep under review, and (after consultation with the Managing Director) report to the Board on: -
 - (i) the company's long-term financial position
 - (ii) the availability of revenue, repair and capital resources

(iii) performance against the annual revenue and repair budget and investment programme.

2.3 All proposals to the Board involving expenditure must be accompanied by a report of the Head of Corporate Services indicating the financial position in relation to the budget or programme.

2.4 Where it appears that there may be a significant variation in either approved expenditure or approved income the strategic employee concerned, after consultation with the Head of Corporate Services, must inform the Board as soon as it is realised that the significant variation may occur.

3. **Accounting**

3.1. The Head of Corporate Services is responsible for keeping the financial accounts of the company. All accounting procedures and records will be determined by the Head of Corporate Services.

3.2. All accounts and accounting records of the company will be compiled by the Head of Corporate Services or under his/her direction. The following principles are to be observed in the operation of accounting systems: -

(i) The duties of providing information regarding sums due to or from the company and of calculating, checking and recording those sums must be separated as completely as possible from the duties of collecting or disbursing them.

(ii) Employees responsible for examining and checking the accounts of financial transactions must not themselves be involved in any of these transactions.

4. **Audit**

4.1. There will be a continuous internal audit under the independent control of an internal auditor appointed by the Board which will review, appraise and report upon: -

(i) the soundness, adequacy and application of internal controls;

(ii) the extent to which the assets and interests of the Council and the company are accounted for and safeguarded from losses of all kinds arising from:-

- a. fraud and other offences,
- b. waste, extravagance, inefficient administration, poor value for money or other cause;

(iii) the suitability, reliability and effectiveness of financial and other management data developed within the company.

4.2. Any member of the internal audit service will, when acting within these financial regulations, have authority to:-

- (i) enter at all reasonable times on any company premises or land;
 - (ii) have access to all records, documents and correspondence and any other sources of relevant information relating to any financial and other transactions of the company;
 - (iii) require such explanations as he/she believes to be necessary concerning any matter; and
 - (iv) require any person to produce cash, stores or any other company property.
- 4.3 The internal auditor will report directly to the Audit Committee and will have access to the Audit Committee Chair at any time necessary without the interference of officers.

5. Banking Arrangements, Cheques and Credit Cards

- 5.1 All banking arrangements are to be made by the Strategic Director, Finance and ICT of Gateshead Council in consultation with the company's Head of Corporate Services. A service level agreement is in place which covers this function.
- 5.2 All cheques are to be ordered only on the authority of the Strategic Director, Finance and ICT of Gateshead Council who will make proper arrangements for their safe custody.
- 5.3 Cheques on Gateshead Council's main bank accounts on behalf of the company must bear the facsimile signature of Gateshead Council's Strategic Director, Finance and ICT or be signed by Gateshead Council's Strategic Director, Finance and ICT or other employee authorised by him/her to do so.
- 5.4 A bank account is held for a credit card in the name of the Managing Director. This bank account is linked to Gateshead Council's main bank account and is paid for through a monthly invoice received from the bank. This invoice details all transactions. All receipts must be provided to evidence the payments made with the credit card. All transactions undertaken with this credit card must be signed for by a Strategic Employee.
- 5.5 A further credit card is also held under the name of the Managing Director and this card is held securely by Finance. This credit card is paid via a monthly invoice received from the credit card company. This invoice details all transactions. All receipts must be provided to evidence the payments made with the credit card. All transactions undertaken with this credit card must be signed for by a Strategic Employee.

6. Imprest Accounts

- 6.1 The Head of Corporate Services will provide such accounts as he/she considers appropriate for employees of the company who may need them for the purpose of defraying petty cash and other expenses. These accounts are to be maintained in the imprest system.

- 6.2 Where he/she considers it appropriate, the Head of Corporate Services will by arrangement with Gateshead Council's Strategic Director, Finance and ICT open an account with Gateshead Council's bankers for use by the imprest holder who must not allow the account to be overdrawn, except with the Head of Corporate Service's express permission.
- 6.3 Income must not be paid into an imprest account but must be banked in accordance with Financial Regulation 8.6.
- 6.4 Payments are limited to minor items of expenditure and to such other items as the Head of Corporate Services may approve and must be supported by a receipted voucher wherever possible. Proper vouchers will be required for all payments which include VAT.
- 6.5 When requested by the Head of Corporate Services, an employee responsible for an imprest account must provide a certificate indicating the state of the account.
- 6.6 On leaving the employment of the company, or otherwise ceasing to be entitled to hold an imprest account, an employee must account to the Head of Corporate Services for the amount advanced.

7. Petty Cash

- 7.1 The Head of Corporate Services will provide such accounts as he/she considers appropriate for employees of the company who may need them for the purpose of defraying petty cash and other expenses. These amounts are to be held within the safe on the premises in which they are provided.
- 7.2 Income must not be paid into petty cash but must be banked in accordance with Financial Regulation 8.6.
- 7.3 Payments are limited to minor items of expenditure for the premises (personal items of expenditure such as car parking tickets must be reclaimed through the expenses system) and to such other items as the Head of Corporate Services may approve and must be supported by a receipted voucher wherever possible. Proper vouchers will be required for all payments which include VAT.
- 7.4 When requested by the Head of Corporate Services, an employee responsible for petty cash must provide a certificate indicating the state of the account.
- 7.5 On leaving the employment of the company, or otherwise ceasing to be entitled to hold petty cash, an employee must account to the Head of Corporate Services for the amount advanced.

8. Income

- 8.1 The collection of all sums due to the company, either in its own right or as agent to Gateshead Council will be supervised by the Head of Corporate Services who will make and maintain adequate arrangements for prompt and

proper accounting for all cash, including its collection, recovery, custody, control and deposit.

- 8.2 Particulars of all charges to be made for work done, services rendered, or goods supplied by the company and particulars of all other amounts due, including grants, must be promptly notified by all employees to the Head of Corporate Services in a form approved by him/her; and all accounts for income due to the company are to be rendered promptly by or in a manner approved by the Head of Corporate Services.
- 8.3 The Head of Corporate Services must be notified immediately of all money due to the company and of contracts, leases, grants and other agreements and arrangements entered into which involve the receipt of money by the company, and the Head of Corporate Services may inspect any documents or other evidence in this connection as he/she may decide.
- 8.4 The Head of Corporate Services must be consulted on any proposals for the introduction of, or a variation in, a scale of charges prior to submission to the Board.
- 8.5 Arrangements for the supply and control of all receipt books, tickets and other such items must be approved by the Head of Corporate Services.
- 8.6 All money received by an employee on behalf of the company must without delay be paid to the Head of Corporate Services or, as he/she may direct, to the Council's designated bank account or transmitted directly to any other body or person entitled to it. No deduction may be made from such money unless specifically authorised by the Head of Corporate Services. Any person who banks money must enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor or otherwise indicate the origin of the cheque). The name of the office or establishment must be shown on the reverse of each cheque.
- 8.7 Income received by a cashier or other authorised employee of the company must be immediately acknowledged by the issue of a receipt or ticket or by other method agreed by the Head of Corporate Services. Every transfer of official money from one employee to another must be recorded in writing by the signature of the employee who has received it.
- 8.8 Personal cheques must not be cashed out of any money held on behalf of the company.
- 8.9 The Head of Corporate Services may advance such sums as may be necessary for the purpose of change money, and the existence of these sums will be regularly verified.
9. **Orders for Work, Goods and Services**
- 9.1 Official orders, including those produced electronically, are to be in a form approved by the Head of Corporate Services and the Company Secretary and are to be signed or electronically transmitted only by nominated employees authorised by strategic employees. Copies of all orders, including electronic media, must be available to the Head of Corporate Services. The order,

supply and control of official orders, including the use of electronic signatures, is supervised by the Head of Corporate Services.

- 9.2 Official orders must be issued for all work, goods or services to be supplied to the company except for supplies of utility services, for periodical payments such as rent or rates, for petty cash purchases or any other exceptions approved by the Head of Corporate Services.
- 9.3 Verbal orders may only be given in cases of extreme urgency. All such orders must be confirmed in writing and the official order must be clearly marked "confirmation order".
- 9.4 The printed instructions of the Head of Corporate Services must be complied with and, wherever practicable, the duties of ordering and receiving goods and certifying the respective invoices for payment, are not to be performed by the same employee.

10. **Payment of Accounts**

- 10.1 Apart from petty cash and other payments from authorised imprest accounts the normal method of payment of money due from the company will be by BAC's or other electronic means from the Council's designated bank account or by exception cheque.
- 10.2 The authorised employee issuing an order is responsible for examining, verifying and certifying the related invoice(s). Such certification is to be in manuscript. The names of employees authorised to sign such records will be notified by strategic employees and be held by the Head of Corporate Services together with specimen signatures and must be amended in the event of any change.
- 10.3 Before approving an account, the authorised employee must have complied with the detailed printed instructions of the Head of Corporate Services in relation particularly to the following: -
 - (i) the work, goods or services to which the account relates must have been received, carried out, examined and approved; and be in accordance with specification;
 - (ii) the prices, trade discounts, other allowances, credits and value added tax must be correct;
 - (iii) the relevant expenditure must have been properly incurred and be within the relevant estimate provision;
 - (iv) appropriate entries must have been made in inventories, stores records or stock books as required; and
 - (v) the account must not have been previously passed for payment and must be a proper liability of the company, either in its own right or as agent of Gateshead Council.

- 10.4 Duly authorised accounts must be passed without delay to the Head of Corporate Services who may make such enquiries and request such information and explanations as he/she considers necessary.
- 10.5 Invoices subject to discount for prompt payment must be passed to the Head of Corporate Services in sufficient time to be paid before the discount date.
- 10.6 Any amendment to an account must be made in ink and be initialled by the employee making it, stating briefly the reasons where they are not self-evident.

11. Salaries, Wages and Pensions

- 11.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the company is to be made by the payroll section at Gateshead Council as approved by the Head of Corporate Services and controlled by a Service Level Agreement.
- 11.2 The payroll section at Gateshead Council must be notified, within the agreed timetable and in the form prescribed, of all matters affecting the payment of such emoluments and in particular: -
- (i) appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (ii) absences from duty for sickness or other reason, apart from approved paid leave;
 - (iii) changes in remuneration other than normal increments and pay awards and agreements of general application; and
 - (iv) information necessary to maintain records of service for pensions, income tax, national insurance and the like.
- 11.3 Appointments of all employees must be made in accordance with the regulations of the company and the approved establishments, grades and rates of pay.
- 11.4 All time records or other pay documents must be in a form approved by the Head of Corporate Services and be certified in manuscript by an authorised employee. The names of employees authorised to sign such records must be provided to the Head of Corporate Services by each strategic employee together with specimen signatures and must be amended in the event of any change.
- 11.5 Ad hoc payments to individuals who provide services to the company but who are not directly employed by the company must only be made using procedures agreed by the Head of Corporate Services.

12. Travelling, Subsistence and Hospitality

- 12.1 All claims by employees for payment of car allowances must be submitted at monthly intervals to the Human Resources and Administration Section within

the agreed timetable and in a form agreed by the Head of Corporate Services duly approved by the authorised employee.

- 12.2 Payment of other travelling expenses, subsistence allowances and incidental expenses must be submitted to the Head of Corporate Services at monthly intervals and in a form agreed by him/her duly approved by the authorised employee. Payment will be made through the creditors system upon receipt of the appropriate form duly approved. The names of employees authorised to approve such claims will be notified by strategic employees and be held by the Head of Corporate Services together with specimen signatures and must be amended in the event of any change.
- 12.3 Approval by the authorised employee will be taken to mean that the approving employee is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the company.
- 12.4 All employees must record details of all offers of gifts and hospitality in the register to be held by the Governance Officer. The register is to be in a form agreed by the Head of Corporate Services and the Company Secretary and in accordance with the guidelines set out in paragraph 3 of the company's Code of Conduct for Employees.

13. Insurance and Risk Management

- 13.1 The Head of Corporate Services, in consultation with the Managing Director, will be responsible for advising the Board on insurance and risk management and will effect all insurance cover and negotiate all claims in consultation with other employees, where necessary.
- 13.2 Strategic employees must promptly notify the Head of Corporate Services of all new risks, properties, or vehicles and of any alterations affecting existing insurances.
- 13.3 Strategic employees must immediately notify the Head of Corporate Services in writing of any loss, liability or damage or any event likely to lead to a claim and must promptly supply the necessary information to the Head of Corporate Services, to enable the claim to be handled. All monies due and received from insurers must be paid to the Head of Corporate Services. The Head of Corporate Services will notify the appropriate strategic employee of the outcome of such claims.
- 13.4 The Head of Corporate Services will review all insurances annually, or at such other period as he/she may consider necessary.
- 13.5 Strategic employees must consult with the Head of Corporate Services and the Company Secretary on the terms of any indemnity which the company is requested to give.

14. Security

- 14.1 Each strategic employee is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc. under

his/her control. He/she must consult the Head of Corporate Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

14.2 Maximum limits for cash holdings are to be agreed with the Head of Corporate Services and must not be exceeded without his/her express permission.

14.3 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times; the loss of any such keys must be reported to the Head of Corporate Services immediately.

15. **Inventories**

15.1 Inventories must be maintained and kept up to date. They must contain an adequate description of furniture, fittings and equipment, plant, machinery, vehicles and other property held by the company and the extent of the record and the form of the inventory is to be determined by the Head of Corporate Services.

15.2 Strategic employees are responsible for making evidenced checks of their inventories at least once a year. Records must be retained for inspection.

15.3 Property held by the company must not be removed otherwise than in accordance with the ordinary course of the company's business or used otherwise than for the company's purposes except with specific directions issued by the strategic employee concerned.

16. **Reporting of Thefts and Financial Irregularities**

16.1 Whenever any matter arises which involves or is thought to involve theft, fraud or financial irregularity, including breaches of any of these financial regulations, or bribery or corruption which involve the company's interest, the strategic employee concerned must immediately, and before proceeding with any further investigation, notify the Head of Corporate Services of that matter.

16.2 The Head of Corporate Services in consultation with the appointed internal auditors will take such steps as he/she considers necessary by way of investigation and report or by advising the relevant strategic employee about any further action to be taken.

17. **Computer Systems**

17.1 Information and communication technology supplies and services must be procured in accordance with procedures determined by the Head of Corporate Services following consultation with the Company Secretary.

17.2 Systems holding personal data must be notified to the Head of Corporate Services for registration under the Data Protection Act in force prior to the implementation of such systems.

18. **Revision**

- 18.1 The Head of Corporate Services will keep these financial regulations under review and after appropriate consultation may make any recommendations to the Board that he/she considers necessary.

Report to Resources Committee

14 February 2013



Title: Contract Procedure Rules

Report of: Head of Finance

Purpose of Report

1. To provide the Committee with updated Contract Procedure Rules for approval to Board.

Background

2. The Contract Procedure Rules have been reviewed to ensure that they are reasonable and meet the needs of the housing company.
3. The Contract Procedure Rules have been found to be fit for purpose and have been amended slightly to ensure that they meet current procurement practices.
4. The amended Contract Procedure Rules have been attached in the Appendix.

Summary

5. The Contract Procedure Rules cover the way the company contracts with suppliers for goods, supplies and services. The housing company aims to promote sustainable, cost effective, smart procurement processes to achieve our objectives of delivery quality services while promoting 'value for money'.
6. All applicable EU and UK legalisation applies to the contract procedure rules and all contractors/suppliers are expected to comply with relevant legalisation also.
7. Internal audits are carried out annually to ensure that these rules are met.
8. The new Head of Corporate Services will be responsible for ensuring that the contract procedure rules are promoted and followed by budget holders.

Main Changes

9. The main changes from the previous contract procedure rules include:
 - An increase in the value of a contract before three quotations are required (increased from £2,500 to £5,000)

- An increase in the value of a contract before a tender is required (increased from £20,000 to £50,000)
 - An explanation of the administration requirements for a tender.
 - A section on retendering if returns are not considered appropriate.
 - A section on contract management.
 - A section on withdrawals of tenders and retention of tender documents.
 - Emphasis on the European Union rules on procurement.
10. The amended Contract Procedure Rules cover the current working practices of the procurement of suppliers.

Link to values

11. This links to our values of:
- Being honest, accountable and transparent
 - Being motivated, trained and committed

Impact on tenants

12. There are no direct impacts on our tenants arising from this report.

Risk Management Implications

13. The financial regulations ensure that that the strategic risk within the business plan (Insufficient available financial resources) is effectively controlled.

Financial Implications

14. There are no financial implications arising from this report.

Equality and Diversity Implications

15. There are no equality and diversity implications arising from this report.

Value for Money Implications

16. There are no value for money implications arising from this report.

Health Implications

17. There are no health implications arising from this report.

Environmental Implications

18. There are no environmental implications arising from this report.

Consultation carried out

19. No consultation has been carried out in relation to this report.

Recommendation

20. The Committee is recommended to request the Board approve the amended contract procedure rules.

Contact: Sarah Thompson, Head of Finance

Tel No: (0191) 433 5350



CONTRACT PROCEDURE RULES

1. Introduction

- 1.1 We aim to promote sustainable, cost effective, smart procurement processes to achieve our objectives of delivery quality services while promoting 'value for money'.
- 1.2 In these Rules, the word 'contract' means a contract for works, supplies or services unless a particular Rule makes it clear that a different meaning is intended.
- 1.3 Please note that all applicable EU and UK legislation applies to TGHC contract procedure rules and all contractors/suppliers are expected to comply with relevant legislation also.

2. Exception

- 2.1 Every contract will comply with current EU and UK law and will be subject to the tender limitations set out below. Contracts are to comply with these Rules, unless:
 - (i) The Board authorises an exception,
 - (ii) The matter is so urgent that it is not feasible to comply, in which case the employee concerned will report the reasons to the next meeting of the Board. Every urgent matter where it is not feasible to comply will still aim to comply with EU and UK law,
 - (iii) Contracts of Employment, or
 - (iv) Contracts for the sale or acquisition of land
- 2.2 Every exception to these Rules and the reasons for it will be recorded in the minutes of the Board.

3. Tendering Procedure

- 3.1 Subject to Rule 2 and to any European Union directive, no contract above £5,000 in value may be made, unless tenders have been invited or negotiated in accordance with Rule 5.

This requirement does not apply to a contract: -

- (i) between £5,000 and £50,000 in value provided that competitive quotations are obtained from at least three contractors or if this is not possible, from all capable contractors;
- (ii) where all suppliers charge the same price;
- (iii) for goods which are obtainable only from one contractor;
- (iv) for the procurement of information technology supplies and services, in which case the Head of Corporate Services may invite quotations and tenders in accordance with procedures agreed with the Company Secretary;
- (v) where the Board has decided that the works, supplies or services in question should be procured through a partnership arrangement, provided that the Company Secretary and Head of Corporate Services are satisfied both with the procedures for procurement and with the terms of the contract.

3.2 A tender for works, supplies or services £50,000 or above in value may not be accepted without the approval of the Board.

3.3 Tenderers should submit one electronic copy of their Tender which is compatible with Microsoft Office 2003 or Acrobat/PDF and one bound copy, also one copy in a binder capable of being separated for copying.

- Tenders must be written in the English language.
- Only one Tender is permitted from each Tenderer. In the event that more than one is submitted by a Tenderer, the one with the latest time of submission before the tender deadline will be evaluated and the other(s) disregarded.
- The Tender (including price) should remain valid for a minimum period of 90 days after submission of a Tender.
- The Tender must not be qualified in any way.
- Any signatures must be made by a person who is authorised to commit the Tenderer to the Contract.
- The Tenderers full registered business/name and main office address must also be provided on all documents.
- Tenders must be submitted in a plain envelope with no markings. The contract reference must be prominently displayed on the front of the envelope.

3.4 A tender for a contract other than the lowest if payment is to be made by the company, may not be accepted without a record of the decision and the reason for it being made in the minutes of the next meeting of the Board.

3.5 No director of the company will enter either orally or in writing into any contract on the company's behalf.

4. **Invitations to Tender and Negotiated Tenders**

4.1 A strategic employee, or another employee with delegated power, will adopt the following procedures: -

- (i) If the contract value is below £50,000, tenders may be invited (without advertisement) from a reasonable number of capable contractors.
 - (ii) If the contract value is above £50,000 a decision to perform a restricted or open tender must be made. Formal tender agreements are applicable in all contracts above £50,000 therefore pre-qualification questionnaires, invitation to tender letters, receipt and opening of tenders and award criteria for contracts are all required to be sent to suppliers.
 - (iii) Tenders may be invited by a detailed contract advertisement in at least one local newspaper, giving at least seven days' notice. A similar advertisement may also be published in a specialist, trade or professional journal. TGHC website could be used in the future, in conjunction to advertising, to show new tenders.
 - (iv) At the end of that period, tenders will be invited from some or all of the applicants who comply with the selection criteria depending on whether the procuring department have decided to perform an open or restricted tender.
 - (v) Value for money must be achieved, a minimum of 3 reputable contractors must be acquired and invited to tender where possible. Value for money, specific methodology relating to the contract requirements and TGHC standards must be used to award winning suppliers/ contractors
 - (vi) Where the contract forms part of a serial programme, a tender may be invited from a contractor who won the contract for an earlier phase of the work.
 - (vii) A tender may be invited from a contractor already engaged by the company, if that is in the company's interests.
- 4.2 All tenders must be submitted in a plain sealed envelope addressed to the Head of Corporate Services and marked 'Tender', stating the closing date for return of the tenders. The contract reference must be prominently displayed on the front of the envelope, without any mark revealing the tenderer's identity.
- 4.3 On those occasions where it is possible to find only one or two persons to tender (e.g. where specialist work/equipment required) the person(s) or department must record the steps taken to establish that no other persons could be found to tender.
- 4.4 For contracts which are above the EU threshold, tender details must be placed in OJEU and applicable time frames must be acknowledged.
- 5. Opening of Tenders**
- 5.1 All envelopes containing tenders will be held by a representative of the Head of Corporate Services until they are opened.

5.2 All envelopes containing tenders for the same contract will be opened at the same time by a representative of the manager who invited the tenders, and a representative of the Head of Corporate Services.

5.3 Any envelope containing a competitive tender received after the deadline for the receipt of tenders cannot be considered, unless the two employees referred to in Rule 5.2 are satisfied that the tender was posted in sufficient time for it to have been received in the ordinary course of post by the deadline and the other tenders have not yet been opened.

6. **Alterations**

6.1 Where an examination of competitive tenders reveals an error or discrepancy which would affect the sum payable by or to the company, in a tender which might otherwise be accepted, the tenderer must be given the opportunity of confirming or withdrawing his/her tender. Where the appropriate employee is satisfied that the error or discrepancy is an arithmetical error, the tenderer will be given the opportunity to correct it.

7. **Retenders/Post-Tender Negotiation**

7.1 The Head of Corporate Service will decide whether a re-tendering exercise is appropriate if insufficient tenders have been returned to demonstrate competition. If he/she concludes that it is not appropriate then a written record of that decision and the reason for the decision shall be recorded and placed on file for audit purposes.

7.2 Where an employee who has received tenders or quotations considers that the lowest tender or quotation cannot reasonably be recommended in view of market price or budgetary provision, he/she may give the lowest and second lowest tenderers the opportunity of revising their tenders. Any negotiations under this standing order must comply with procedures agreed by the Head of Corporate Services.

8. **Form and Content of Contracts**

8.1 Every contract above £50,000 in value and any other contract where the Company Secretary so decides, must be in writing and in a form approved by the Company Secretary, and must be executed by him/her on behalf of the company.

8.2 Every such contract will: -

- (i) specify the work to be carried out, or the supplies or services to be provided, the price to be paid (including any discounts), and the timetable for performing the contract;
- (ii) provide a detailed timescale of delivery if applicable;
- (iii) include provisions for TGHC to terminate the contract if goods/service/supplier performance becomes unacceptable;

- (iv) include all pre-qualification question answers as previously submitted by supplier/contractor which will be applicable throughout the duration of the contract;
 - (v) require that the goods and materials must comply, at a minimum, with any relevant specification issued by the British Standards Institution or equivalent European or international standard; and
 - (vi) prohibit the contractor from transferring, assigning or sub-letting directly or indirectly, the whole or any part of the contract without written permission.
- 8.3 Every contract for the execution of works above £50,000 in value, and any other contract where the Company Secretary so decides, must provide for liquidated damages to be paid to the company if the contractor fails to perform the contract by the date specified. The amount of damages is to be determined by the strategic employee concerned, after consultation with the Head of Corporate Services.
- 8.4 Where the strategic employee concerned considers that the company should require security for the performance of a contract above £50,000 in value, he/she will, after consulting the Head of Corporate Services and the Company Secretary, specify in the conditions of tender the nature and amount of the security (whether a bond or otherwise).
- 8.5 Every contract to which paragraph 8.1 applies, must state that the company will be entitled to cancel the contract and to recover from the contractor the amount of any resulting loss, if the contractor, or any of the contractor's employees or anyone acting on his/her behalf, is found to be responsible for any corrupt practices.
- 9. Contract Management**
- 9.1 Once the contract has been awarded then the department appointing the contract must identify and nominate an individual who will manage the day to day aspects of the contract. Such arrangements are necessary to identify any non-compliance by the contractor/supplier and enable suitable solutions to be sought.
- 9.2 The individual must also monitor the term of the contract and highlight the end date to enable a new tendering exercise to be undertaken.
- 10. Engagement of Consultants**
- 10.1 These Rules will apply to the engagement of any consultant by the company and any consultant who works for the company must comply with these Rules where doing so.
- 11. Common Seal of the Company**
- 11.1 The Common Seal of the company will be kept in a safe place in the custody of the Company Secretary. The Common Seal will be affixed to those

documents which in the opinion of the Company Secretary should be sealed. The affixing of the Common Seal will be attested by the Company Secretary and a director.

12 **Withdrawals**

12.1 If any person withdraws a tender, declines to execute a contract after their tender has been accepted, has not carried out a contract in a satisfactory manner then TGHC retain the right to:

- Invite no further tender from that person or firm for a period, not exceeding, three years.
- The name of that person or firm shall be deleted from any applicable framework or preferred supplier list.

13. **Retention of tenders and all applicable procurement documentation**

13.1 The Gateshead Housing Company retains the right to keep all tenders and applicable submitted information for the duration of the contract. All unsuccessful contractors/suppliers will therefore be kept on file so after the contract duration ends they will be invited to tender once more.



Report to Resources Committee

14 February 2013

Title: Management Accounts – Third Quarter 2012/13

Report of: Head of Finance

Purpose of Report

1. To provide the Committee with an update on the management accounts for the third quarter of the financial year 2012/13.

Background

2. The Accounts Team produces monthly management accounts which detail the actual charges for the month, the year to date charges and the budget year to date. This shows the variance and the forecasted budget. This report has been included in the Appendix to this report.
3. The Board agreed the budget for 2012/13 at its meeting on 15 March 2012.

Management Accounts

4. The Council initially agreed to pay the company fees totalling £31.429m for the 2012/13 financial year, consisting of £13.334m for the management fee and £18.095m for the repairs fee. As detailed in the budget report, the proposed budget initially provided a deficit of £609,000 however, following a review of current vacancies and by including some of these in the budget at zero cost we reduced the deficit to £9,000.
5. Following further meetings with the Council, potential savings of £318,000 were identified, reducing the management fee to £13.017m. However, it was agreed with the Council that should these savings not materialise then negotiations would be held with the Council around any changes to the fee.
6. One of the efficiency savings identified within the £318,000 related to the closure of Felling Housing Office. The estimated savings during 2012/13 associated with the office closure were £107,000. Subsequent agreement with the Council on the level of service to be provided has resulted in a reduced level of saving. The Council have agreed that the management fee will not reduce by the initial amount in order to reflect the agreed level of service.

7. The agreed repairs fee was slightly increased by £70,000 to reflect the tendered price from Mears for the Repairs contract as well as the other repair costs budgeted for. The total repairs fee agreed was £18.165m.
8. The Management Accounts for the third quarter of the financial year 2012/13 are included within the Appendix to this report. The Management Accounts include the income and expenditure in relation to both revenue and repairs up to the end of December 2012.
9. The Management Accounts Revenue shows an under spend to date of £88,000. This is due to salary costs being under spent as posts have not yet been filled in some sections where restructures are taking place and due to the Felling Office closure and the reduction in staff following this closure.
10. The Management Accounts Repairs is under spent based on forecast budget, however, the income is matched against expenditure in repairs and so no under spend is shown. The under spend against forecast is due mainly to repair invoices not yet being received from Mears. Work has been implemented to improve the interface between Mears and TGHC.

Link to values

11. This report is in line with the following values of the company :-
 - Being honest, accountable and transparent
 - Being motivated trained, and committed across the company

Impact on tenants

12. Appropriate financial monitoring and control will ensure efficiencies are maximised and redirected to services that directly impact on tenants.

Risk Management Implications

13. Regular and accurate monitoring will ensure that the strategic risk within the business plan (Insufficient available financial resources) is effectively controlled.

Financial Implications

14. The financial implications are contained within the report and appendices.

Health Implications

15. There are no direct health implications arising from this report.

Equality and Diversity Implications

16. There are no equality or diversity implications arising from this report.

Value for Money implications

17. Regular financial monitoring and control will ensure efficiencies are maximised and then utilised in the most appropriate manner.

Environmental Implications

18. Environmental consideration is given during the day to day management of financial resources through the drive to ensure that purchasing methods are sustainable and through the reduction of energy costs through energy efficient measures being introduced in working practices.

Consultation carried out

19. None directly for this report.

Recommendation

20. The Committee's views are sought as to whether it is satisfied with the financial management of the Revenue and Repairs budgets for the third quarter of the 2012/13 financial year.

Contact: Sarah Thompson, Head of Finance

Tel No: (0191) 433 5350

**The Gateshead Housing Company
Management Accounts – December 2012**

Revenue and Repairs Executive Summary

1. The management accounts for the third quarter of the 2012/13 financial year are shown below:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Management Fee				
Income	11,082	11,054	28	14,738
Employee Costs	6,987	7,081	94	9,441
Overhead Costs	4,007	3,979	(28)	5,305
Surplus/(Deficit)	88	(6)	94	(8)
Repairs Fee				
Repairs Management Fee	12,213	14,751	2,538	19,665
Repairs Costs	12,213	14,751	(2,538)	19,665
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	88	(6)	94	(8)

2. Overall, the third quarter position shows an underspend of £88,000; this has changed from an overspend at the end of the second quarter of £20,000. This is due mainly to staff savings in relation to restructures that are yet to occur.
3. Repairs is under spent based on forecast budget, however, the income is matched against expenditure in repairs and so no under spend is shown. The under spend against forecast is due mainly to repair invoices not yet being received from Mears. Work has been implemented to improve the interface between Mears and TGHC, and to speed up the invoicing process.

Income

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	9,763	9,763	0	13,017
Officer Costs	750	750	0	1,000
Management Fee from external bodies	14	14	0	18
Gardening Service Income	2	2	0	3
Rent	28	0	28	0
Performance Fee	525	525	0	700
Total Income	11,082	11,054	28	14,738

4. Overall income for the third quarter is on target and is expected to come in on budget for the year. The Management Fee is in relation to the everyday management of Gateshead Council's properties. This was calculated based on the previous year's fee less an efficiency target of 2.38% savings.
5. The Officer Costs are for the work carried out in relation to managing the capital programme on behalf of the Council. This fee covers the staffing and overheads required to manage the programme. This fee equates to 4% of the overall capital programme.
6. The Management Fee from external bodies relates to the fee received by the company for undertaking the day-to-day management of properties on behalf of the company's subsidiary Keelman Homes and another local housing provider.
7. Gardening service income is an additional income amount agreed with Gateshead Council's Housing Options section. This income is received for the use of the Handyperson service to undertake grass cutting and other gardening services for the homeless section properties.
8. Rent relates to the rent received for the section of Keelman House that has been sub-leased. This was agreed post budget setting.
9. The Performance Fee is in relation to the work that the rent and income teams undertake in the collection of rent and service charges. We have reached an agreement with the Council that if the rent and income teams collect rent and service charges over and above the national collection rate target we have a profit sharing arrangement where we receive 50% of the income collected over and above this target. This is paid annually in arrears and this is the fee due for collection rates in 2011/12.

Staff Costs

10. Staff Costs are broken down as follows:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Employee Costs				
Customer Services	1,654	1,759	105	2,345
Neighbourhood Services - HQ	778	779	1	1,038
Property Services	857	876	19	1,168
Customers and Communities sub total	3,289	3,414	125	4,551
Support Services	610	640	30	854
Finance	873	909	36	1,212
Corporate Services sub total	1,483	1,549	66	2,066
Neighbourhood Services - areas	2,215	2,306	91	3,075
Efficiency Savings	0	(188)	(188)	(251)
Total Employee costs	6,987	7,081	94	9,441

11. Salary costs are underspent to date. The staff budget is based on the current structure but a number of vacant posts have been held at zero budget and therefore, they will not be appointed to during the year. This was to enable budgets to breakeven. As service areas are reviewed, restructures will be brought to this committee for approval to ensure that any vacant posts which are not required are deleted.
12. One of the main areas where staff costs are underspend are in the Neighbourhood Services – areas, which relates mainly to a number of vacant posts being held in the concierge service to assist with the restructure plans. There has also been a small reduction in staff from the closure of Felling Office.
13. Another area where we have underspent on staff costs is in the Customer Services section which is mainly due to the restructure being carried out with the Repairs Section and therefore, the vacant posts which are being held whilst the restructure and subsequent filling of posts takes place.
14. During the first three quarter's we have spent £44,000 on agency staff; this is in comparison to cumulative spend to quarter three of 2011/12 of £132,000 on agency staff. The spend on agency staff this year has been partly offset in the month end figures due to a number of vacant posts being held.
15. The agency staff costs relate mainly to work in the Repairs Contact Centre and in Housing Offices whilst staff are seconded to posts elsewhere in the organisation.

Overhead Costs

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Overhead Costs				
Customers and Communities HQ Total	246	259	13	345
Corporate Services Total	2,859	2,880	21	3,841
Customers and Communities Area Costs	902	859	(43)	1,145
Efficiency Savings	0	(19)	(19)	(26)
Total Overhead Costs	4,007	3,979	(28)	5,305

16. Overhead costs are overspent for the third quarter; this is due mainly to utility costs which were higher than anticipated in the second quarter which has impacted on cumulative spend. Therefore, we have been unable to hit the efficiency savings target at the end of the third quarter even with the savings made in other areas of the budget. We are continuing to actively reduce gas bills through monitoring of building maintenance systems to ensure that gas is not overused. We are also looking to fit energy efficient light bulbs in buildings. We expect that this budget overall will break even at the year end.
17. An analysis of overhead spend against budget is included within Appendix 1. Appendix 2 shows a pie chart of areas that the HQ Overheads have been spent on.
18. Budget holders are accountable for their budgets and receive monthly management accounts. This enables them to review spend in more detail. The finance section monitor all areas of spend and ensure that costs are controlled effectively. It should be noted that not all costs can be controlled especially in relation to utility costs and insurance claims. Finance monitors these costs on a monthly basis and highlights to the Management Team any areas causing concern.

Repairs Summary

19. An analysis of the repairs costs is provided below.

	Budget £000's	YTD Actual £000's	Variance £000's
REPAIRS			
Fixed Costs (Contractors' Prelim's)	3,586	3,588	(2)
Responsive – Mears	2,996	2,241	755
Responsive – LES	750	587	163
Responsive – Other	600	460	140
Relets – Mears	2,613	2,125	488
Relets - Other	525	185	340
Cyclical Repairs – Servicing	375	260	115
Cyclical Repairs – Remedial Works	113	0	113
Water Hygiene Testing	113	23	90
Painting	479	472	7
Gas Servicing	1,916	1,436	480
Electrical Circuit Testing	104	1	103
Solid Fuel Testing	2	0	2
Lift Maintenance	101	77	24
Security	150	52	98
Environmental Works	169	156	13
Energy Performance Certificates	38	20	18
Aids & Adaptations	68	98	(30)
Contingency	53	432	(379)
	14,751	12,213	2,538
Insurance Funded Repairs	0	0	0
Repair Management Fee Income	14,751	12,213	(2,538)
Income Total	14,751	12,213	(2,538)
REPAIRS TOTAL	0	0	0

Responsive Repairs

20. Responsive repair costs have been split between the spend with Mears, the spend with Local Environmental Services and the other costs associated with repairs. Mears are the new repairs contractor and they carry out all the repairs and maintenance at properties. LES carry out all drainage and highways repair works. Other costs are in relation to asbestos testing and removal works, batched Mears repair work, the repairs freephone number and postage for any postcards/letters, as well as other sub-contractor costs for works Mears are unable to carry out.
21. Overall the responsive repair costs are under budget for the third quarter. Interface systems which allow any variations to jobs completed did not work effectively until the second quarter and therefore there has been some delay in receiving invoices. These interface systems are now in place and Mears are

working to ensure that all completed works are invoiced. This has led to a reduction in underspend directly with Mears of £79,000. However, underspend on the LES works and other repairs works has increased since the second quarter. This may be due to the timing of invoices or a reduction in the number of repairs being carried out.

22. Weekly operational meetings are held with Mears to discuss the repair works being undertaken and we are monitoring the number of repair requests sent to Mears weekly. The numbers are similar to those in previous years and therefore, we are confident that once invoices are received they will be consistent with our expectations. There are also the implications of the winter months and further costs in relation to the floods which need to be factored into the spend in the final quarter.
23. There have been 34,343 repair orders invoiced to date and average repair costs within the third quarter are £65.24.
24. An analysis of the type of responsive repairs carried out is included within Appendix 3 and a comparison of responsive repairs costs and number of jobs is included in Appendix 4.

Relets

25. The relet budget is split between the costs of the works carried out by Mears and the other costs associated with relets. Other costs relate mainly to costs associated with asbestos works, security costs and decoration vouchers provided to new tenants.
26. Mears relet costs are under budget as the number of relets has reduced in comparison to the prior year and therefore, budgeted costs. Also, jobs have not been invoiced due to the issues with the interface systems. Interface systems which allow any variations to jobs completed did not work effectively until the second quarter and therefore there has been some delay in receiving invoices. These interface systems are now in place and we are working closely with Mears to work through the void orders. The underspend on voids work carried out by Mears reduced between the second and third quarter by £117,000.
27. Weekly operational meetings are held with Mears to discuss the relet works being undertaken and we monitor closely the number of voids sent through to Mears to undertake relet works on.
28. Average relet cost for the third quarter was £2,084.12 and the cumulative number of relets in the third quarter is 898. In the second quarter of 2011/12, the average cost was £2,021.82 and 1,364 relets had been carried out and invoiced.

Painting

29. The painting programme is almost on budget to the end of December. We expect the painting programme to come in on budget at the year end.

Gas Servicing

30. Gas servicing is under budget for the third quarter. This budget line includes both the budget for the Gas Care Plan which is a fixed monthly cost of £152,000 and the budget for gas repairs. However, we are in discussions with Mears as to whether the gas repairs just come within the responsive repairs line. If this changes we will amend the budget accordingly.
31. Gas appliances are required to have a gas service carried out every 12 months, at the end of the third quarter 100% of properties had a gas service within the previous 12 months.

Cyclical Maintenance

32. There are a number of repair costs in relation to the cyclical maintenance programme which has been developed for our properties this is particularly in relation to cyclical repairs, water hygiene testing, lift maintenance, environmental works, electrical circuit testing and solid fuel testing.
33. We have a programme of works for these areas of maintenance and we expect that most of these budgets will break even at the year end. We have separated out the cyclical works –remedial works as this is a responsive element of costs, so we can build up our ability to assess the expenditure. However, no spend has been carried out to date in this area. Therefore, it's likely that we will underspend on this budget. It is also expected that the security budget will underspend at the year end as there has been less requirement to place security onto void properties.

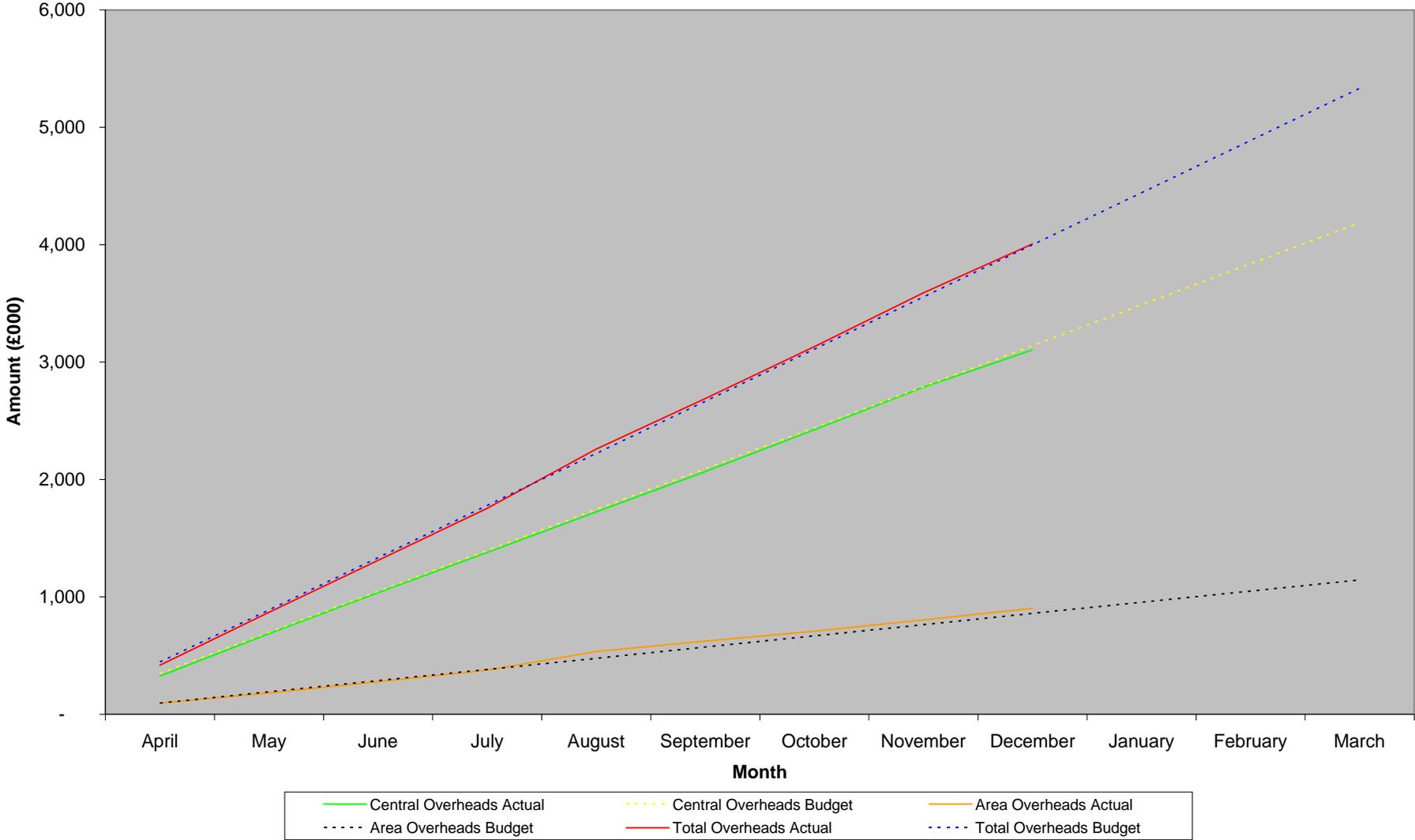
Contingency

34. The overspend against the contingency budget is in relation to the flooding caused by severe weather in June and August. The costs incurred are for repair works to the properties, drying of the properties and temporary rehousing and subsistence claims from tenants. The finance team are working with Gateshead council to submit a claim for costs via the Bellwin scheme. The repair costs will be claimed through the council's storm and flood damage insurance cover.

Detailed Management Accounts

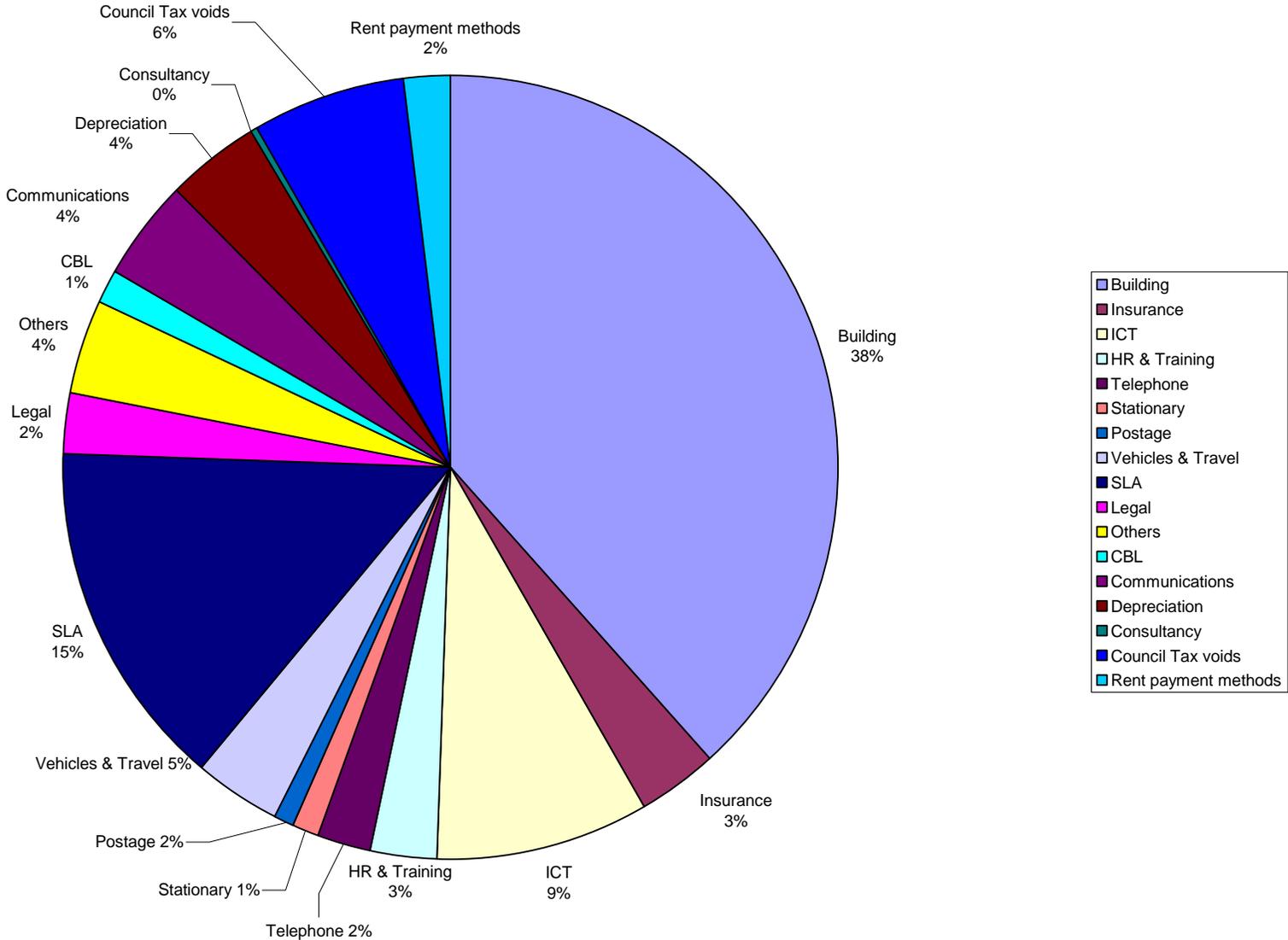
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	9,763	9,763	0	13,017
Officer Costs	750	750	0	1,000
Management Fee from external bodies	14	14	0	18
Gardening Service Income	2	2	0	3
Rent	28	0	28	0
Performance Fee	525	525	0	700
Total Income	11,082	11,054	28	14,738
Employee Costs				
Customer Services	1,654	1,759	105	2,345
Neighbourhood Services - HQ	778	779	1	1,038
Property Services	857	876	19	1,168
Customers and Communities sub total	3,289	3,414	125	4,551
Support Services	610	640	30	854
Finance	873	909	36	1,212
Corporate Services sub total	1,483	1,549	66	2,066
Neighbourhood Services - areas	2,215	2,306	91	3,075
Efficiency Savings	0	(188)	(188)	(251)
Total Employee costs	6,987	7,081	94	9,441
Overhead Costs				
Customers and Communities HQ Total	246	259	13	345
Corporate Services Total	2,859	2,880	21	3,841
Customers and Communities Area Costs	902	859	(43)	1,145
Efficiency Savings	0	(19)	(19)	(26)
Total Overhead Costs	4,007	3,979	(28)	5,305
Surplus/(Deficit)	88	(6)	94	(8)
Repairs Fee				
Repairs Management Fee	12,213	14,751	2,538	19,665
Repairs Costs	12,213	14,751	(2,538)	19,665
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	88	(6)	94	(8)

TGHC Overheads Budget 2012/13



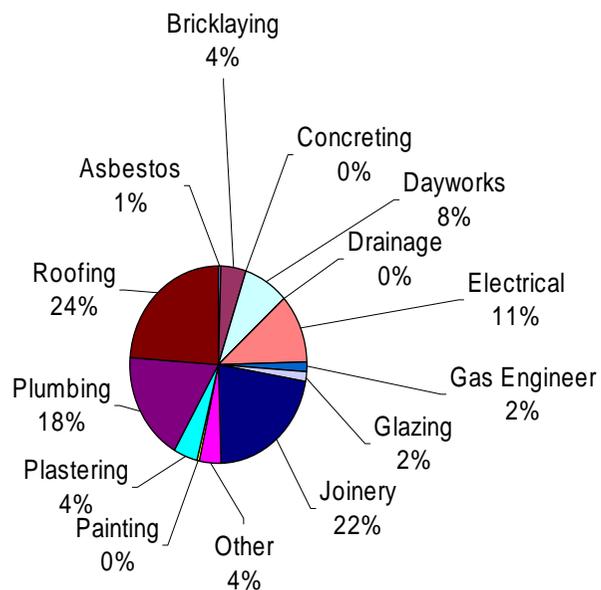
Appendix 2

Central Overheads expenditure cumulative 31st December 2012



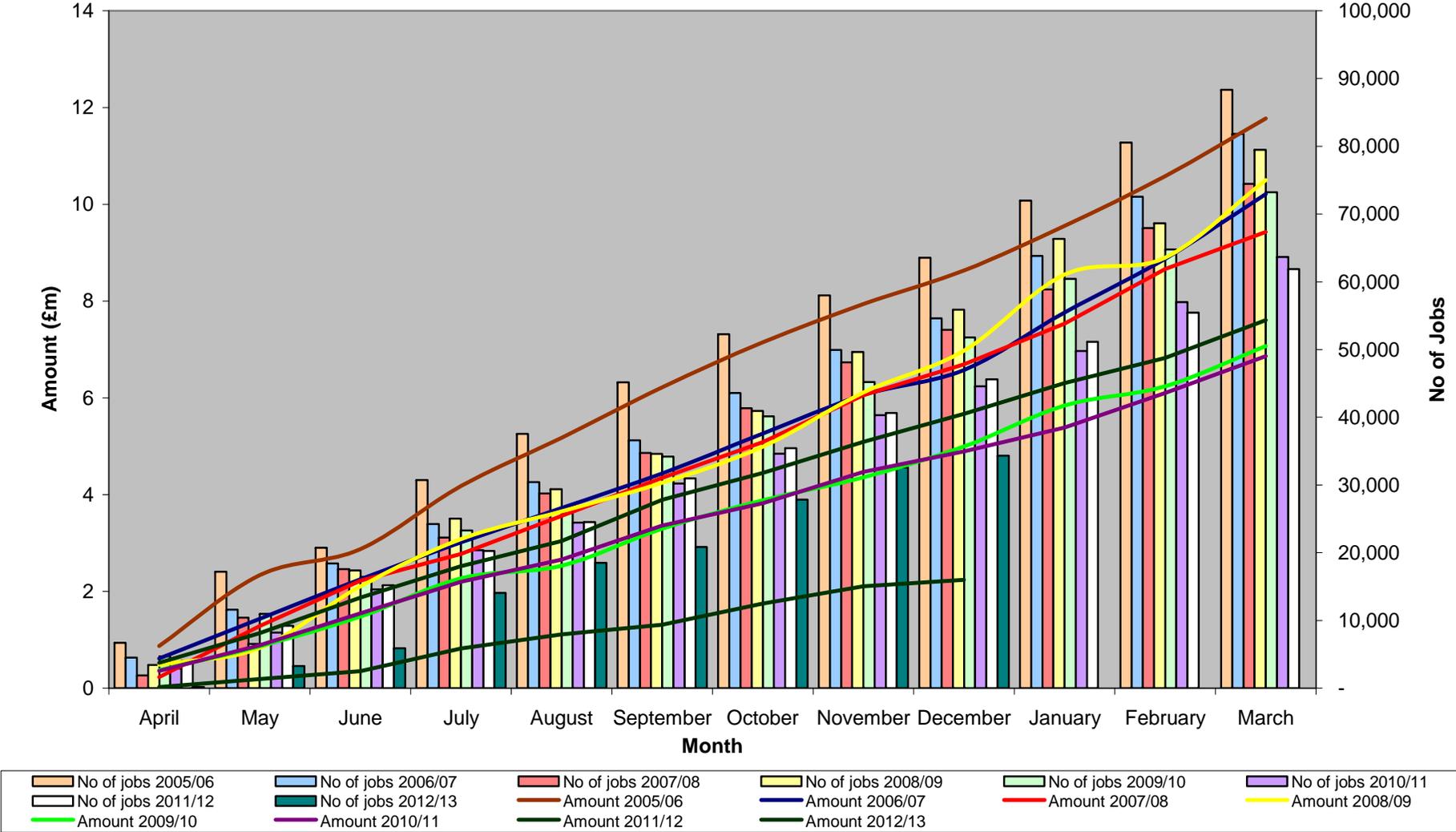
Appendix 3

Mears invoiced Repairs by trade for the period April - Dec 2012



Trade	2011/12 (9 months)	2012/13 (YTD)
Asbestos	553,839	12,624
Bricklaying	522,050	83,391
Concreting	-	906
Dayworks	562,416	164,972
Drainage	-	283
Electrical	-	216,544
Gas Engineer	-	33,664
Glazing	175,976	30,388
Joinery	1,202,273	422,209
Other	346,098	80,744
Painting	-	6,637
Plastering	371,394	87,169
Plumbing	1,685,811	349,745
Roofing	638,435	467,814
Subcontractor	764,318	-
TOTAL	6,822,610	1,957,090

Comparison of Responsive Repairs to Previous Years





Report to Resources Committee

14 February 2013

Title: Sickness Absence and Human Resources Update

Report of: Head of Support Services

Purpose of Report

1. To provide the committee with an update on general HR initiatives and developments from April 2012 to the end of December 2012.

Background

2. This report provides the Committee with an update in sickness absence, general HR initiatives/developments and learning and development activity for the period April to September 2012.

Employee and HR Monitoring Digest

3. Attached at Appendix 1 to this report is an analysis of the key employee data and HR monitoring to provide the Committee with an overview of the company's performance and key priorities.

Sickness Absence Update

4. Attached at Appendix 2 is an analysis of the sickness absence levels for the period from April to December 2012.
5. Appendix 3 provides in a graphical format the reasons for absence within each directorate of the company for the period April to December 2012.
6. In comparing absence between April 2012 and December 2012 with same period in the previous year, the following trends have occurred.
7. The total sickness absence for the period equates to 5.76 days per person compared to 6.09 days for the same period last year which is a reduction of 5.42%.
8. Short term absence is defined as a period of less than 15 working days in duration and long term absence is greater than 15 days in duration. Short term absence for the period was 2.28 days per person and long term absence was

3.49 days. This compares with 3.57 days short term absence and 2.83 days long term absence for the same period last year. This represents a reduction of 36.13% in short term absence. Long term absence however increased by 18.91%.

9. The biggest cause of absence continued to be stress with 746 days lost compared to 479 last year. It is a concern that the figure has increased by 35.86%. Of the 746 days of stress related illness, 46% was related to stress in an employee's personal life and 54% was work related.
10. It is often difficult to control outside stressors, however we recognise the need for a holistic approach to employee wellbeing and engagement. In the period April to September 2012 managers and employees across the company attended wellbeing awareness raising and resilience training. The training was commissioned as part of the company's wellbeing programme and aimed to equip employees and managers with the skills, knowledge, behaviours and ownership to improve attendance and performance.
11. Health and wellbeing is increasingly being acknowledged as a vital element in supporting and developing workforces and keeping employees healthy. The Gateshead Housing Company is clear that when our employees are well and satisfied, the experience of our customers also improves. As part of our continued commitment to develop further in this area the company is participating in a three-year 'Better Health at Work' award.
12. As part of our commitment to ensure we manage the award process and continue to deliver a full health and wellbeing service across the company in the period October to December 2012 fifteen volunteer Health and Wellbeing Advocates were appointed.
13. The role of the advocates is to:-
 - Actively promote health and wellbeing within the housing company
 - Promote and support company health and wellbeing initiatives
 - Signpost employees to relevant support services
 - Proactively explore innovative health and wellbeing options
 - Participate in monthly advocacy meetings.
14. In the period October to December 2012 training of the Health and Wellbeing Advocates commenced. Training included:
 - Mental Health First Aid
 - Understanding Health Improvement (Level 2 Qualification)
 - Suicide awareness
 - Wellbeing at Work.

Further training planned in 2013:-

- Stress awareness
- Conflict management
- Drug and alcohol awareness

15. In the period October to December 2012 the Employee Health and Wellbeing Zone was launched on the company's internal intranet site. The zone will act as a point of reference for all employee health and wellbeing information and includes links to NHS self help guides such as overcoming depression, anxiety, post traumatic stress, sleeping disorders and various mental health resources.
16. In December 2012 flu vaccinations were offered to employees at a discounted rate of £4.50. 29 employees took advantage of this initiative.
17. We continue to investigate initiatives that will help us to better understand the causes of depression, anxiety and stress. We aim to use the knowledge gained in this area to research new initiatives to assist employees to manage their condition and remain in work.
18. A personal support package continues to be provided to employees who are absent due to stress to include occupational health, home visits, counselling, cognitive behavioural therapy (CBT) and First assist 24/7 helpline for employees and their families.
19. Heads of Service are provided with monthly sickness information and guidance detailing sickness absence triggers, action required and the early intervention of human resources.

Managing Sickness Absence

20. The company has held 34 sickness absence review meetings (short term) in the period These meetings are triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.
21. As a result of the absence review meetings held, 15 employees were issued with first written cautions.
22. The company has held 13 sickness absence reviews (long term) in the period of April to December 2012 triggered in a response to four or more continuous weeks of absence.
23. The absence management review for long term absence considers an employees health and their future employability with the company. Options discussed at the absence reviews include phased return to work, redeployment, work life balance, reduced hours, reasonable adjustments to the working environment and ill health retirement.
24. In the period April to December 2012, nine employees attended an occupational health physician's appointment as a result of absence review meetings.
25. In the period April to December 2012, 59 cognitive behavioural therapy (CBT)/counselling sessions were supported by the company.
26. In the period April to December 2012, one employee attended physiotherapy sessions supported by the company.

27. In the period April to December 2012, 47 employees were referred to occupational health for an initial assessment. Twenty employees attended an occupational health review.
28. Eleven employees returned to work on phased hours and duties in the period April to December 2012.

Information Sharing

29. The company continues to work with Gateshead Council to more closely align our services through sharing information about measures and initiatives.

Other HR initiatives and developments

30. The chiropodist has attended Keelman House on eight occasions in the period April to December 2012. 51 appointments were attended by employees. The chiropodist also carried out appointments at Birtley housing office where two employees attended.

Work Life Balance

31. In the period April to December 2012, the following work life balance applications have been approved:

No of Applications	Type of Work Life Balance Request
5	Applications to reduce working hours
5	Application to change work pattern
2	Application for compressed hours

Investigation and Disciplinary

32. In the period April to December 2012 the following activities have taken place:

Investigation	Outcome
5	2 Progressed to disciplinary 2 No further action 1 Outcome pending 3 involved a suspension to enable the investigation
Disciplinary	Outcome
2	2 Final Written Warning
Appeals	Outcome
0	

Grievances

33. In the period April to December 2012, three Stage 1 grievances were investigated. No grievances were upheld.

Bullying and Harassment

34. In the period April to December 2012 there were no allegations of bullying or harassment.

Whistleblowing

35. In the period April to December 2012, there were two reported incidents. The incidents have been investigated and the employees updated on progress.

Other HR Initiatives and Developments

Recruitment

36. In the period April to December 2012, the company has advertised 14 jobs as follows:

Job title	Method of recruitment	Number of applications
Estate Officer – Customers & Communities	Internal TGHC and Gateshead Council	18
Customer Service Officer – Customers & Communities	Internal TGHC and Gateshead Council	6
Quantity Surveyor/Contract Administrator – Customers & Communities	Internal TGHC and Gateshead Council initially then external	14
Payments Officer – Corporate Services	Internal TGHC and Gateshead Council	5
Accounts Assistant – Corporate Services	Internal TGHC and Gateshead Council	11
Temporary Housing Management Assistant – Customers & Communities	Internal TGHC and Gateshead Council	3
Temporary Older Persons Housing Manager – Customers & Communities	Internal TGHC and Gateshead Council	2
Temporary Older Persons Admin Assistant – Customers & Communities	Internal to TGHC employees only	0
Neighbourhood Relations Manager – Customers & Communities	Internal to TGHC employees only	6
Furnished Tenancy Officer – Customers & Communities	Internal to TGHC employees only	6

Job title	Method of recruitment	Number of applications
Communities		
Advice & Support Officer (2 posts) – Customers & Communities	Internal TGHC and Gateshead Council	8
Home Repairs Manager – Customers & Communities	Internal – Post ring Fenced to specific teams within TGHC	1
Residential Caretaker – Customers & Communities	Ring Fenced to Concierge & Operational Support employees only	1
Concierge Supervisor – Customers & Communities	Ring Fenced to Concierge & Operational Support employees only	5

Child Care Scheme

37. The company continues to offer a salary sacrifice scheme. In December 2012 eleven employees were on the scheme.

Pension Reforms and Auto Enrolment

38. In 2012 the Government introduced workplace pension reforms to help people plan for their later years. The Pensions Act 2008 set out the initial framework for these reforms with further amendments under the Pensions Act 2011. Employers are required to comply with the pension duties which are being introduced in stages from October, starting with the largest employers. Every employer is being allocated a 'staging date' from which the duties will first apply. The Housing Companies staging date is 1 January 2014.
39. Under the new duties employers will be required to automatically enrol 'eligible jobholders' into a pension scheme with effect from the staging date. An eligible jobholder is defined as a worker aged between 22 and state pension age who earns more than £8,105 per year. Any new employees who meet the criteria, or existing employees who become 'eligible jobholders' for the first time, must be auto-enrolled.
40. It is important to note the distinction between 'contractual enrolment' into the Local Government Pension Scheme (LGPS) and the new duties under auto-enrolment. All other Housing Company employees who are aged under 75 and have a contract of employment for a minimum of three months are contractually enrolled in the LGPS.
41. Under the new duties, even if the employee has been contractually enrolled previously and has then opted out of the pension scheme, they will have to be auto-enrolled with effect from the staging date where they are an 'eligible jobholder'. Eligible jobholders who opt out will be re-enrolled every three years on the anniversary of the staging date.
42. Employees who do not meet the definition of an 'eligible jobholder' will not be auto-enrolled in a pension scheme however they must be provided with information about the scheme and given the option to join. They must also be

monitored in each pay period to assess their eligibility and whether they now meet the criteria for auto enrolment.

43. The new duties present significant additional administration both in terms of the work involved in preparation for the staging date and the ongoing administration thereafter. This work centres round assessing eligibility, ensuring employees are issued with the correct documentation depending on their particular circumstances, and maintaining accurate records in order to demonstrate compliance.
44. Failure to comply with the duties may result in the Pensions Regulator issuing a fixed penalty notice which is currently set at £400. An escalating penalty notice may be issued where there is a persistent failure which is charged at a rate of up to £10,000 per day.
45. Gateshead Council supports the company in the administration of the reforms.

Real Time Information (RTI) Reporting

46. HM Revenue and Customs is introducing a new way of reporting pay as you earn (PAYE) information which is to be Real Time Information (RTI). Under RTI, information about PAYE payments will be submitted electronically to Her Majesty's Revenue and Customs each time a payment is made as part of the payroll process, rather than at the end of the year as it is now.
47. All employers will be legally required to start sending PAYE information in real time between April 2013 and September 2013. The Housing Company will be implementing the new arrangements with effect from June 2013.
48. Before going live with RTI employers are required to send an employer alignment submission to HMRC so that they can check all employee records held on the payroll system against their records. In preparation all employers have been requested to carry out a cleanse of data held on their payroll systems to make sure that the personal details held for employees are correct.
49. Following implementation of RTI, HMRC have indicated that if an employee is not paid for thirteen weeks they will close the record and presume they no longer work for the Housing Company. Once live, employers are required to send a submission to HMRC on or before making a payment to an employee.

Learning and Development Activity

SUMO

50. On 21 November 2012 TGHC and Your Homes Newcastle held a joint conference delivered by Paul McGee, author of the best selling book S.U.M.O (Shut up, Move On). Paul spoke to employees from both companies about change, the workplace and relationships. The joint venture came about from a close working relationship between the two OD teams who both recognised the impact this event could have. Without collaboration, the costs would have made the event prohibitive.

51. An on-line survey was conducted after the event to gather feedback and 83% of respondents stated that they had enjoyed the conference.

Absence Minded Workshops

52. Four, two hour workshops were held to provide managers with additional skills and behaviours to implement the new absence management policy.

Employment Law Conference

53. Two members of the OD and HR team attended an employment law conference to gain up to date knowledge on changes within employment law. The learning will be used to ensure legal compliance.

Interview Skills Workshop

54. Five employees attended a two hour interview skills workshop tailored to individual needs and requirements. The workshop was delivered to support employees who are part of proposed organisational change. Content included how to increase confidence, awareness of testing procedures and interview tips and techniques. Additional training is to be delivered in January 2013 to include; how to complete job applications and practice interviews.

SHL Assessments

55. SHL (Saville and Holdsworth Limited) assessments have been used to appointment a Quantity Surveyor, Repairs Services Manager, Advice and Support Officer and a Repairs Manager. Candidates were given feedback on their results. Assessments have also been used for employee development and performance.

Health and Wellbeing Advocates Training

56. The training for the Health and Wellbeing advocates commenced in December 2012. Advocates have successfully completed Mental Health First Aid and Suicide Awareness training. Understanding Mental Health Awareness is planned for January 2013.

Performance Management Training

57. The final session of performance management training was delivered to line managers in October 2012. The course provided managers with the tools and techniques to manage poor, satisfactory and good performance.

Welfare Reform and the Impact on TGHC

58. The Rent and Income Manager delivered training to housing management with the aim of giving employees a general understanding of Welfare Reforms and changes to Council Tax support.

Planned Activity

59. Customer Service sessions are being planned to re-enforce key messages with the aim of raising customer satisfaction.
60. Our Data Protection e-learning licence expires on the 31 March 2013. We are reminding managers that this is mandatory learning and all employees should complete to the deadline.
61. Reception training will be delivered to a number of clerical assistants who may be required to cover our main reception desk.

Health and Safety Training

62. In the period April to December 2012 the following health and safety training has been delivered:
 - Asbestos Awareness
 - Defibrillator training
 - Manual Handling
 - Conflict Resolution and Personal Safety
 - Stress Awareness
 - First Aid
 - Fire Safety
 - Conflict Resolution

63. In the period April to December 2012 the following health and safety e-learning has been rolled out:
 - COSHH Interactive
 - DSE Interactive
 - Fire Safety Interactive
 - Manual Handling
 - Office Safety

ICT Training

64. In the period April to December 2012 the following ICT training and development has been delivered:
 - Contributing to the Intranet, Creating Download Documents
 - Microsoft Excel, Filtering Data and Pivot Tables
 - Contributing to the Intranet, Managing Tenancies
65. An e-learning session has been created for the Keystone Asset Management Software Asbestos Register. The link to this will be sent out during October to 40 users across the Company. A number of drop in sessions are planned for users to get 'hands on' with the system. The aim of this is to familiarise users with the software to enable them to interrogate the asset management database so they can find out the results of asbestos surveys carried out in properties.

66. A number of informal workshops have taken place across the company with services to include; Repairs, RAIT and local office Housing Management to give a demonstration and gain feedback about Northgate Version 6. As the system is fundamentally the same the workshops have focused on the new look of the system. Those attending have found the new version to be user friendly and customer focused. These workshops will continue in to March 2013 to facilitate the implementation of Northgate version 6 by April.

Link to values

67. This report links to the following company values: -
- Being honest, accountable and transparent
 - Being motivated, trained and committed across the company
 - Being caring and respecting
 - A commitment to all our employees
 - Embracing equality

Impact on Customers

68. Sickness absence impacts on the level of service provided to customers. Every effort is taken to keep this to a minimum. Managing absence and delivering in our commitment to have a well trained and responsive workforce will directly lead to improved services to customers.

Risk Management Implications

69. Managers not managing sickness in accordance with Policy has been identified as an operational risk and controls and future actions are in place to mitigate the risk.
70. Absence due to an epidemic has also been identified as an operational risk and if there was an epidemic which significantly reduced the workforce, this would be addressed through the Business Continuity Plan once it has been launched and gone live.

Financial Implications

71. The financial cost of sickness absence to the company for the period April to December 2012 was £190,079 as compared to £200,969 for the same period last year

Equality and Diversity Implications

72. The company's commitment to being an equal opportunities employer is an integral part of every aspect of the company's activities. All training is designed to meet the diverse needs of the community and employees.

Value for Money implications

73. We continue to manage sickness absence in order to maximise service delivery to tenants and customers. Through an increased use of internal delivery and development value for money is being achieved. We aim to use the most beneficial methods of delivery to maximise the return for the benefit of the

company and customers. Value for money principles are followed in all aspects of the service to include work life balance requests, recruitment and selection.

Health Implications

74. The initiatives and prevention work that has been introduced over the past year have had a positive impact on the health of our employees. The clearest measure of this is the achievement Investors in People (IiP) Gold award and Health and wellbeing award.
75. The company's commitment to learning and development is embedded in the Investors in People award (IiP) and is applied consistently across the company. Our approach to provide tailored learning will have a positive impact on employee's health and overall wellbeing and will minimise any stress.

Environmental Implications

76. There are no environmental implications arising from this report.

Consultation carried out

77. The company's HR consultants EEF Northern and Unions have been consulted on aspects of the report. Trade Unions are always consulted prior to any changes being implemented and we continue to enjoy a good relationship with them. A number of the courses delivered and developed were identified by employees, as part of the annual appraisal process.

Recommendation

78. The views of the committee are sought on whether the committee is satisfied with the update on general HR initiatives and developments.

					
Employee and HR Monitoring Digest 2012/13					
Performance Measure		Qtr 1	Qtr 2	Qtr 3	Qtr 4
Number of people employed by TGHC					
Male		149	143	142	
Female		197	193	189	
Permanent Employees		331	324	320	
Temporary Employees		15	12	11	
Full Time		286	276	272	
Part Time		60	60	59	
Number of starters (since 01 April 2012)		4	1	1	
Number of leavers (since 01 April 2012)		4	11	6	
Ill health retirements		0	0	0	
Number of employees seeking redeployment		1	0	0	
Diversity Monitoring					
Gender					
Male		149	143	142	
Female		197	193	189	
Age					
Under 18		0	0	0	
18 – 25		24	21	21	
26 – 35		112	109	104	
36 – 45		81	77	75	
46 – 55		89	89	88	
56 – 65		39	39	41	
66 +		1	1	2	
Disability					
Perceived themselves as disabled		38	36	36	
Do not perceive themselves as disabled		308	300	295	



Employee and HR Monitoring Digest 2012/13

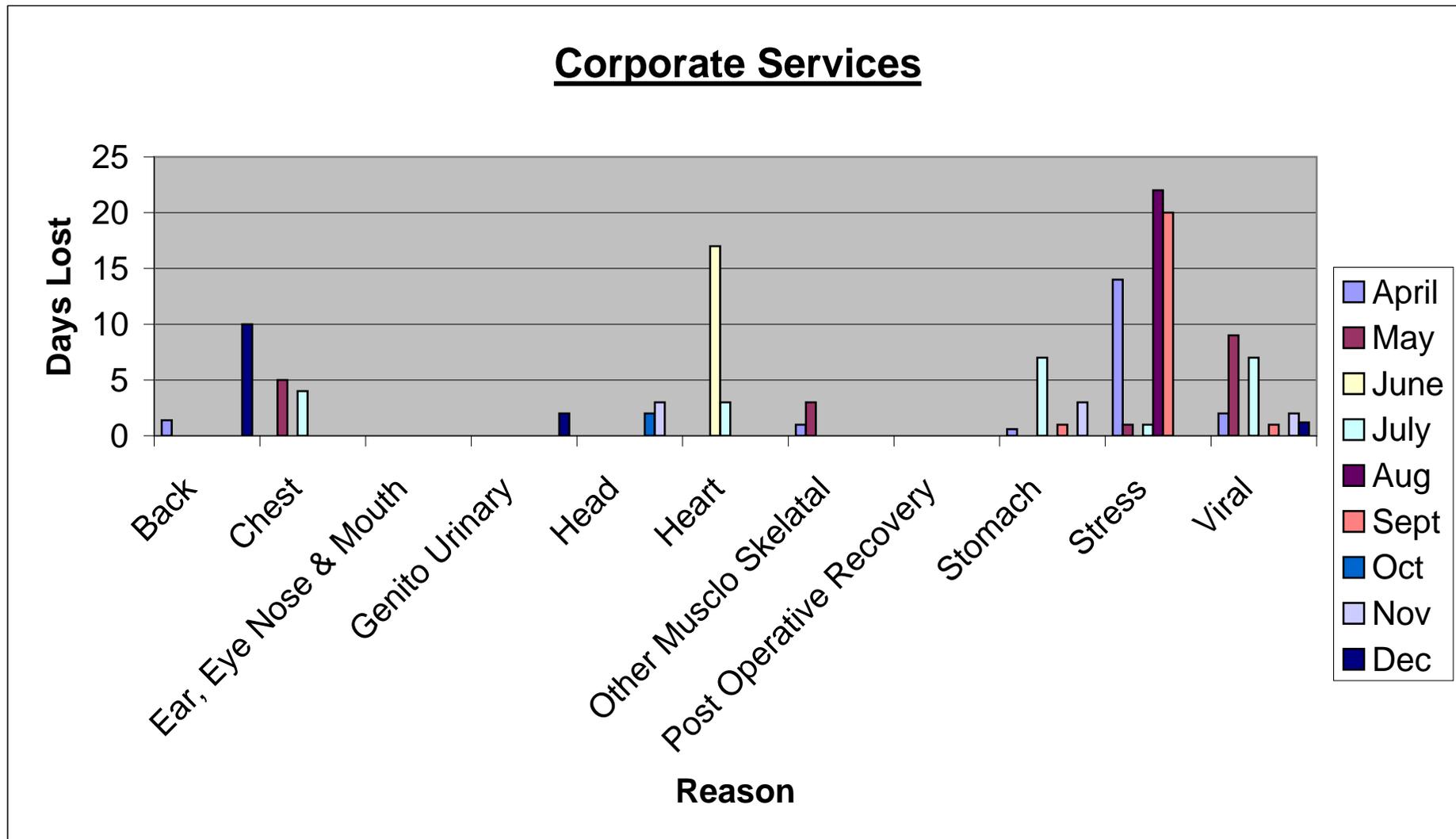
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Ethnicity				
White British	330	322	317	
White Irish	2	2	2	
White Other	1	1	1	
White and Black Caribbean	0	0	0	
White and Black African	0	0	0	
White and Asian	0	0	0	
Asian or Asian British Indian	1	1	1	
Asian or Asian British Pakistani	0	0	0	
Asian or Asian British Bangladeshi	3	1	1	
Asian or Asian British Other	1	1	1	
Black or Black British Caribbean	0	0	0	
Black or Black British African	4	4	4	
Black or Black British Other	1	1	1	
Chinese	1	1	1	
Other	2	2	2	
Recruitment Monitoring				
Number of BME applicants for posts				
Application for employment	3	1	1	
Short listed for interview	2	1	1	
Offered post	0	0	0	
Number of disabled applicants for posts				
Application for Employment	0	0	0	
Short listed for interview	0	0	0	
Offered post	0	0	0	
HR advisory issues				
Investigations	0	0	4	
Disciplinary	0	0	2	

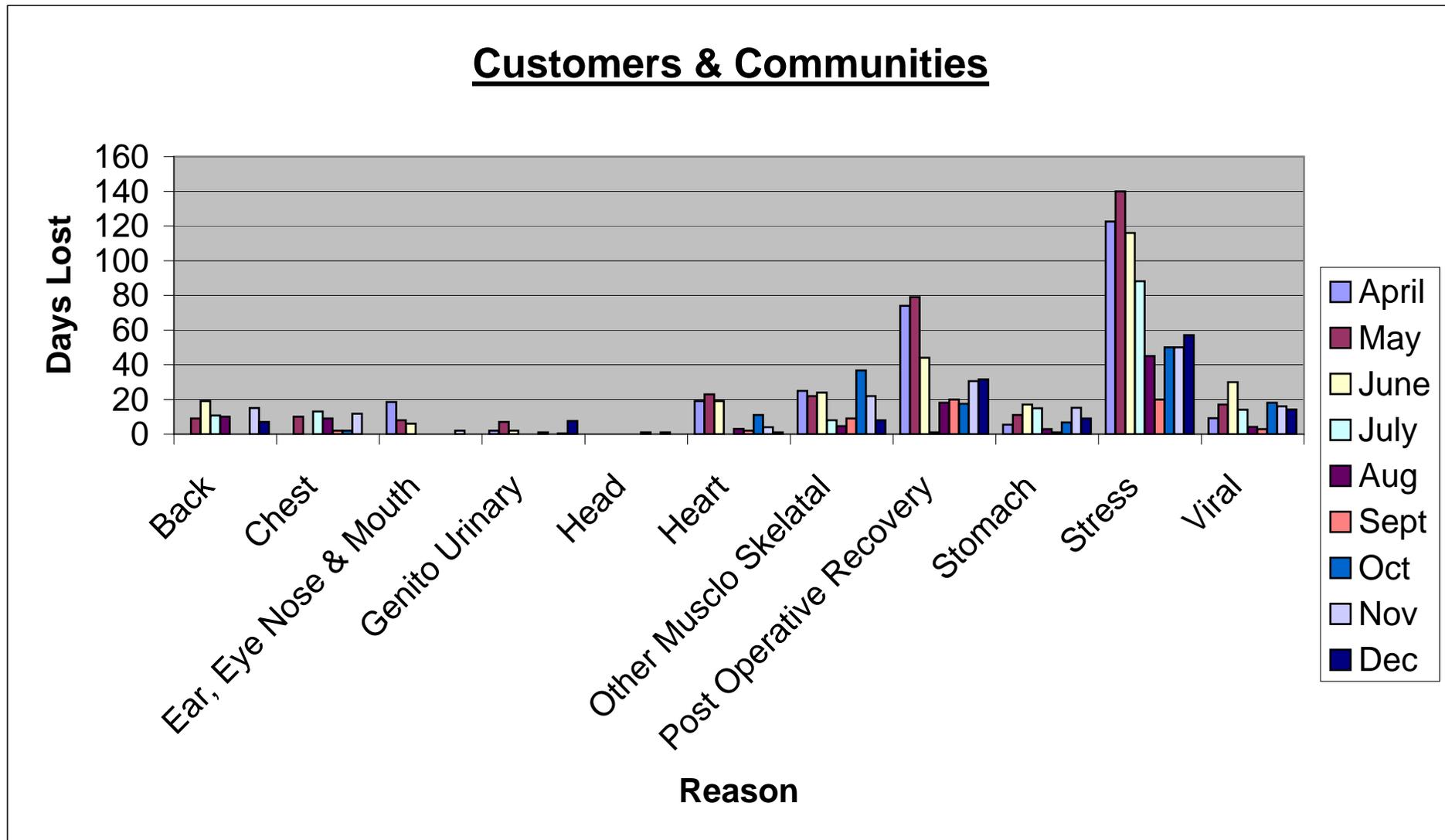
 The Gateshead Housing Company Working with Gateshead Council					
Employee and HR Monitoring Digest 2012/13					
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Suspensions	1	0	2		
Oral Warning	0	0	0		
First Written Warning	0	0	0		
Final Written Warning	0	0	2		
Dismissals	0	0	0		
Appeals Submitted	0	0	0		
Stage 1 Grievance	0	0	0		
Stage 2 Grievance	0	0	0		
Bullying and Harassment	0	0	0		
Whistleblowing	1	0	0		
Capability	0	0	0		
Health and Wellbeing					
Total number of working days lost per employee (target 7.50 April to March 2013)	3.01	1.21	1.54		
Total number of working days lost to sickness	932.70	371.30	468.50		
Number of Occupational Health appointments					
<ul style="list-style-type: none"> • New referrals • Review appointments 	17 7	15 5	15 8		
<ul style="list-style-type: none"> • Surgery appointments • Home appointments 	25 0	20 0	23 0		
Number of employee counselling/CBT sessions	39	14	6		
Number of Absence Management Reviews					
<ul style="list-style-type: none"> • Short Term • Long Term 	12 5	17 5	5 3		
Number of employees who have had a phased return	5	3	3		
Learning and Development					
Number of new staff receiving induction	4	1	1		
Number of staff undertaking professional Qualifications (report in Qtr 2)					

Actual Days lost per employee per month to date

2012/2013	Customers & Communities Customer Services	Customers & Communities Neighbourhood Services	Customers & Communities Property Services	Corporate Services Finance	Corporate Services Support Services	All employees TGHC	TGHC cumulative	2011/12 TGHC Cumulative	Days Lost per month	Days Lost Short Term Absence	No of Occurences Short Term	Days Lost Long Term Absence	No of Occurences Long Term
April	0.96	0.96	1.79	0.07	0.71	0.95	0.95	0.62	294.70	0.35	29.00	0.60	10.00
May	1.16	1.23	1.70	2.26	0.04	1.11	2.06	1.47	344.00	0.34	36.00	0.77	11.00
June	1.02	0.78	2.48	0.00	0.71	0.95	3.01	2.56	294.00	0.18	16.00	0.77	13.00
July	1.02	0.23	1.06	0.69	0.17	0.56	3.57	3.27	171.90	0.34	26.00	0.22	3.00
August	0.30	0.30	1.02	0.00	0.92	0.39	3.96	3.94	118.50	0.19	14.00	0.20	3.00
September	0.45	0.01	0.68	0.04	0.88	0.26	4.22	4.67	80.90	0.07	11.00	0.20	3.00
October	0.85	0.38	0.68	0.00	0.08	0.47	4.69	5.18	144.00	0.25	19.00	0.22	3.00
November	1.44	0.36	0.07	0.15	0.17	0.58	5.27	5.78	176.00	0.26	31.00	0.32	5.00
December	0.95	0.40	0.13	0.05	0.50	0.49	5.76	6.09	148.50	0.30	27.00	0.19	3.00
January								6.73					
February								7.56					
March								8.47					
Cumulative by Service Area	8.15	4.65	9.61	3.26	4.18	5.76	33.49		1772.50	2.28	209.00	3.49	54.00

* Days Lost = No of days absence / FTE in the service





Report to Resources Committee

14 February 2012



Title: Health and Safety Update

Report of: Head of Support Services

Purpose of Report

1. To provide the committee with a report on the company's health and safety activities for the period September to December 2012.

Background

2. The Safety, Health and Environmental Team ("SHE Team") are responsible for a number of activities designed to eliminate, reduce and mitigate accidents in the workplace and to ensure, safety of residents and members of the public who access our services and premises.
3. In addition to this the team act in an advisory role to ensure company wide compliance with a number of statutory and regulatory requirements including: -
 - Occupational Health and Safety
 - Health and Safety Training
 - Occupational Hygiene
 - Environmental Management
4. They also have responsibility for ensuring the company's compliance with statutory regulatory requirements as follows: -
 - Water Management - Risk assessments and water testing.
 - Electrical Safety - Cyclical electrical testing, fixed wire testing, portable appliance testing and emergency lighting testing.
 - Fire Safety - Risk assessment, maintenance, repair and testing of fire alarms and fire appliances.
 - Passengers Lifts Operations - Lift Repairs, maintenance, refurbishment and upgrade to DDA standard.
5. They are also responsible for the coordination and monitoring of health and safety on construction sites including:
 - CDM Coordination (Construction, Design, Management) and Control of Contractors
 - Site Waste Management Plans

Policy, Procedure and Safe Systems of Work Update

6. An Audit by Royal Society for Prevention of Accidents (RoSPA) has taken place during the period, the findings of which will assist in focusing the team and the organisation on medium to long term priorities.
7. During this quarter a review of the Accident and Violent Incidences Reporting has taken place, together with the review of the Warning Markers System. The new reporting system will allow employees and managers to record and manage the incidents via the intranet and provide regular management updates.

The key changes are;

- Simplified recording of accidents and violent incidents.
- Incidents are logged electronically on the Accident and Violent incident Recording System Better control over the progress of the investigation, findings and recommendations to prevent further accidents or incidents.
- Warning Alerts have been broken down to 6 alerts to give staff more information about why the alert has been recorded
- Guidance has been developed for staff to interpret warning alerts & give advice in relation to how to deal with customers who have an alert on their record, this will be included in Health & Safety procedures under the Managing Violence & Aggression Procedure
- Staff must request a Warning Alert on the relevant form via their line manager
- All requests should be forwarded to the NRT Mailbox for NRT Managers to consider in most cases approved warning alerts will result in a letter to the customer advising them that an alert has been put on relating to them and why
- Customer have the right to ask for a review of any decision to apply a warning alert
- Warning Alerts will be applied for a set time scale and reviewed by NRT Managers

Partner Activity

8. As reported previously, the condensed mobilisation period for the Repairs and Maintenance contract has meant that all focus has been on ensuring service delivery and improving performance during the first 9 months of this year. Joint Health and Safety site visits with Mears Safety Advisers have taken place during this period in the following areas of operations :-
 - Voids
 - Gas
 - Painting Program
9. Recommendations and areas of improvement have been agreed with Mears Safety Advisers and the implementation of the relevant action plans will be monitored by the SHE Section.

Accident Reporting

10. During the third quarter (September to December 2012) the following Accidents / incidents were reported: -

Violence and Aggression to TGHC Employees

- 5 Cases of Verbal Aggression
- 1 Case of intimidation

Violence and Aggression to 3rd Party / Subcontractors

- 1 Case of Verbal Aggression
- 2 Case of Intimidation

Accidents / Incidents Miss TGHC Employees

- 1 Case of Scalding
- 4 Cases of Slip, Trip and Fall
- 1 Case hit by object

Accidents / Incidents Miss to 3rd Party / Subcontractors

- 1 Cases of Slip, Trip and Fall

All accidents are investigated by the H&S team and where appropriate follow up action is taken and amendments made to risk assessments.

Asbestos Management

11. During the period September to December requests were received for Asbestos Surveys, to support the following areas of work; Void and Gas Sections, Maintaining Decency, Painting Program, Repairs, Adaptations and Maintenance and Fire Improvement Works.
12. We have processed the following requests for refurbishment and demolition surveys: -
- Maintain Decency – 104
 - Boiler Replacement Programme – 71
 - R&M and Adaptations – 77
 - Voids - 8
13. Our Keystone Asbestos Asset Database is now live and used as the main point of reference for all asbestos information. The planned Keystone training for all relevant staff has been completed and regular asbestos updates sent to our partners.
14. During the period we have reviewed the Asbestos Management Procedures with Mears for responsive repairs, voids and gas operations have come live in December 2012. We are working with Mears to embed the procedures and new reporting system to the SHE Section, with greater scrutiny on the duty to manager asbestos and remediation works managed by Mears.

15. During this period we have reviewed the Corporate Asbestos Management Plan (AMP) and with the implementation of the new Asbestos Management Procedures, the AMP will be finalised and rolled out across the company by the end of this financial year.

16. During the period one near miss relating to the accidental disturbance of Asbestos Containing Materials (ACM's) has taken place. Findings and Recommendations from the near miss review have been discussed with our Partners to prevent further reoccurrences.

Fire Safety Management

17. The SHE Section and the Tyne and Wear Fire Service (TWFRS) have meet regularly during this period and progressed with the review of the Gateshead Housing Fire Safety Strategy and adoption of PAS79 Fire Risk Assessment Standard.

18. During this quarter the SHE Section and the TWFRS have reviewed the Partnership Agreement between the organisations with no changes to be reported.

19. Fire safety improvement works to Multi Storey Blocks have completed during this period, in line with the TWFRS deadline. Following the works practical completion the SHE Section will progress with the review of the buildings fire risk assessments and emergency evacuation procedures.

20. A bespoke sprinkler solution for Regent Court has now moved to the construction phase and we anticipate that the works will progress in line with Fire Service recommendations and completed in October 2013.

Legionella Control

21. Monthly meetings with our maintenance contractor are ongoing and no significant risks have been identified.

22. No positive tests were reported in the period of September to December 2012.

23. Over a third of all managed the properties have been audited during 2012 and with one exception all have satisfied the criteria laid down within the ACoP L8, Gateshead Council & Gateshead Housing Company's Legionella Policy & Plan. A new Audit format has been agreed to provide in-depth reports than the previous audit system.

24. It was two years since the last Water Hygiene Risk Assessments review and these are now due again. A new Risk Assessment Format has been agreed with Gateshead Council Legionella Control Officer and review process is due to start in March 2013.

Cyclical Repair and Maintenance Update

25. A review of the monthly meetings with our maintenance contractor Gateshead Council Local Environmental Services has taken places during this reporting period in line with the Company R&M organisational restructuring. Meetings with

the contractor will be restarting once the new Cyclical Maintenance Manager is appointed.

26. No Immediate actions have been identified

Lift Maintenance

27. Our insurance company carry out lift inspections on a 6 monthly basis and reports are then submitted to the company with remedial action identified and timescales for completion.
28. Through the insurance inspections, there were no relevant immediate actions reported during this period.

Update on the Company Construction Related Activities

29. There are presently 13 F10 notifications to the HSE in place.
30. We have 9 sites started and the works are progressing, the works involved are;
- Bungalow conversion works in Kibblesworth,
 - Sprinkler installation to Regent Court,
 - Insulation works to non traditional properties in Springwell (2 sites)
 - Maintaining decency works covering various estates across the Borough
 - Planned painting works across various sites
 - Fire safety works to high-rise blocks
 - Fire damaged property repairs
 - Tunstall Telecare upgrades across the Borough
31. The remaining 4 sites are in varying states of development and all still require various documents to be produced by the principle contractor before permission can be given to commence with the construction phase. The information required varies from construction phase plans, site waste management plans, sub contractor details and asbestos management plans.
32. The works proposed for these sites include:-
- Lift installation scheme to 3 multi storey blocks
 - Lift installation scheme's aged person unit
 - Conversion of communal lounge back to 2 houses
 - Upgrade of communal lighting, fire alarm and accessible toilets in sheltered schemes
33. During this reporting period all working sites have been visited and were found to be working to agreed site rules and regulations.

Update on Health and Safety Legislation Changes

34. Since the last Committee meeting, no legislative changes taken place that will have an impact on TGHC.

Links to Values

35. This report links to the following company values: -
- Being honest, accountable and transparent
 - Being motivated, trained and committed across the company
 - Being caring and respecting
 - A commitment to all our employees
 - Embracing equality.

Impact on Customers

36. The improvements identified and actions carried out will help us to provide healthy and safe environments for employees, residents and members of the public.

Risk Management Implications

37. Not meeting the requirement of current and new Health and Safety legislation has been identified as an operational risk for the company.

Financial Implications

38. The Head of Finance confirms that a budget is available to support the activities mentioned in this report through revenue or capital budgets.

Equality and Diversity Implications

39. Detailed Equality Impact Assessments are carried out on all Health & Safety policies and procedures to ensure that they do not adversely impact on any customers.

Value for Money Implications

40. Value for money principles are followed in all health and safety activity.

Health Implications

41. The company's approach to Health and Safety, embedded within everything that we do and the actions specifically mentioned within this report, ultimately will have a positive impact on people's health and overall wellbeing. By working to ensure that any services we provide meet the needs of the customers and of employees and do not cause undue stress to either party.

Environmental Implications

42. The work detailed in this report will be carried out to ensure we meet our ISO 14001 standards and principles. We will make choices that reflect our social responsibility to improve the environment in which we work and live.

Recommendation

43. The views of the committee are sought on whether the committee is satisfied with the update on health and safety activities and developments.

Contact: Roberto Demidio Health, Safety, Environmental Manager Tel: (0191) 433 5324



Report to Resources Committee

14 February 2013

Title: Equality and Diversity - Update

Report of: Head of Finance

Purpose of Report

1. To provide a summary of the equality and diversity work within the organisation for the third quarter of 2012/13.

Background

2. The company continues to place equality and diversity at the heart of everything it does with one of the values being 'embracing equality'.
3. The Single Equality Scheme acts as the overarching document for the company's work on equality, bringing together a number of plans to provide a clear outline for Board members, employees and customers.
4. The scheme is based around three main goals:
 - Maintaining a corporate commitment to equality issues
 - Working in partnership with customers and stakeholders to deliver equitable services
 - Being an equal opportunities employer with a representative workforce
5. The company is also part of the Gateshead Council's Corporate Equality Working Group, ensuring that the company is contributing to the equality objectives set by the council
6. Committee receives an update at each meeting on the company's activity around equality and diversity as well as receiving information on any key changes to legislation which would affect the way we operate.

Summary

7. There are a number of activities that have taken place within the last period which support our overall goals.

Maintaining a corporate commitment to equality issues

Equality Impact Assessments

8. As reported to a previous committee, the Public Sector Equality Duty, set out in the Equality Act 2010 no longer places a requirement on organisations to undertake equality impact assessments (EIAs). Public bodies are however expected to be able to demonstrate that they have carried out equality analysis in any decision making or policy forming. In response to this, we continue to use an updated EIA to provide the basis for our equality analysis.
9. Within this period, EIAs have been undertaken on the Welfare Reform proposals both in terms of the expected impact of the changes, and the methods of communicating these changes with our customers. This assessment will be periodically reviewed as new information emerges regarding the reforms.
10. Assessments have also been carried out on current and planned investment works, including fire safety works and proposals to install a sprinkler system in Regent Court. This helps us to understand what impact the improvements may have on those people who are living in the blocks and try and identify any ways to minimise this.

Equality in Procurement

11. One of the priorities set out in the Single Equality Scheme was to ensure that our procurement arrangements reflect the company's approach to equality. This is also an expectation of the Public Sector Equality duty which requires organisations to have due regard to the duties of eliminating discrimination, advancing equality of opportunity and fostering good relations in procurement exercises.
12. In previous reports to committee we have reported on activities such as sponsoring Equality North East Awards for best practice amongst contractors and we have also revised questions on equality used in the procurement process.
13. In the last quarter, we have made arrangements with Assessment North East to deliver a joint equality event for our contractors. The aim of this event, with the support of our largest partners, Mears and Local Environmental Services, is to make any organisations who are delivering services funded by the company aware of their responsibilities under the equality act and support them to identify and implement their areas for improvement. The event will take place in March and findings will be reported to a future committee.

Working in partnership with customers and stakeholders to deliver equitable services

Knowing our Customers

14. We continue to use existing methods available to us to collect and update the information we hold on our tenants and leaseholders. This information helps us to respond effectively and appropriately to the needs of individual tenants. It can also help plan larger scale communications or work by identifying the make up of our wider customer base.

15. In addition to this, the overall data we hold helps us to monitor satisfaction with services, measure take up of services and understand how different groups may be affected by decisions we take. This supports our equality analysis, ensuring that we comply with our requirements within the Public Sector Equality Duty.
16. In the last quarter we have updated customer records on 2,999 occasions, the majority of which have been updated via the Tyne and Wear Homes application, signups or telephone conversations. Updates can include contact details, communication preferences and language requirements.
17. As of 31 December 2012, the profile of our main tenants (20,019 tenancies) was:
 - 58.35% female
 - 2.62% Black Minority Ethnic (BME) with the highest proportion being Black African.
 - 28.07% of households have someone with a disability living in them, with the most common being mobility issues
 - 3.69% of tenants are under 25, 17.54% are over 75

We have collected 28.80% of sexuality information and 31.72% of religion, and continue to collect this through the ways detailed previously. As the level of information held increases, this will help us to look at where satisfaction with services or take up of services may differ based on people's protected characteristics.

Dignity in Gateshead

18. In November 2012, the housing company, as a partner of the Gateshead Safeguarding Adults Partnership Board, took part in an event aimed at raising officers' awareness and understanding of what dignity means in Gateshead.
19. The company had an information stand at the consultation event which helped officers get more information about the Dignity in Gateshead Charter which includes some key principles to be applied across service delivery. This includes areas relevant to the company's role as a housing provider around choice and control, communication and social inclusion.
20. The company will be supporting Dignity Week in Gateshead between 28 January and 1 February 2013. Further information will be provided at the next committee.

Being an equal opportunities employer with a representative workforce

Stonewall Workplace Equality Index

21. The company entered the Stonewall Workplace Equality Index in September 2012 for the third year to understand how inclusive our workplace is for Lesbian, Gay and Bisexual Employees. The index requires us to self assess the organisation, supported by evidence, against a range of criteria including engagement, training, leadership and procurement. Each organisation is scored out of a possible 200 points.
22. This year, 376 employers entered the index with the company placing 181 with a score of 112 points. This shows an improvement since last year when we were

placed 212 out of 363 organisations, scoring 89 points. Our score also exceeded the average score of all employers, which was 98 points.

23. As a member of the Diversity Champions programme, we will receive detailed feedback regarding our strengths and areas for development in February. This will help form an action plan for improvements which will not only benefit LGB employees but also helps to create a more inclusive workplace for all employees. Further information on this will be brought to the next committee.

Staff Networks

24. As a member of Gateshead Council's Corporate Equality Working Group, one of the priorities for this year has been to strengthen the role of the Staff Groups. Gateshead Council support three groups; the Deaf and Disabled Group, LGBT Group and BME Group. The networks bring people together to look at different workplace issues and devise policies that ensure all employees have positive working experiences.
25. The Involvement and Diversity Team have attended the last meetings of each of the groups to understand the issues and agenda items discussed to identify how the company could work more closely with them. In addition, the groups have been publicised to all employees to encourage them to attend.

Gateshead Carers

26. In June 2012, the company signed up to Gateshead Carer Friendly Employer Charter Mark demonstrating our commitment to supporting employees within the organisation who may also be carers.
27. Following this, in October 2012, Gateshead Carers Associations held a series of drop in sessions at Keelman House and Blaydon Housing Office to provide employees who have caring responsibilities with information and advice.

Health and Wellbeing Advocates

28. As part of the company's overall approach to health and wellbeing, the wellbeing advocates have undergone a range of training in the last period. Although this will be covered in more detail in another report being presented at this committee, specifically training on mental health and suicide helps us to as an organisation be more responsive and supportive of our employees' mental health needs.

Link to values

29. This report relates to the following company values: -
- Being a listening and learning organisation
 - Being motivated, trained, and committed
 - Being customer focused, innovative and professional
 - Caring and respecting
 - Embracing equality
 - A commitment to all our employees.

Impact on tenants

30. Through ensuring that equality and diversity is at the heart of how we deliver services, it ensures that we provide services based on a sound understanding of the needs and priorities of our customers.

Risk Management Implications

31. Not meeting the requirements of current and new diversity legislation has been identified as an operational risk for the company, which if breached could lead to significant financial loss and risk of reputation.

Financial Implications

32. There are no financial implications directly relating to this report. There is an allocated budget to progress equality and diversity work within the company. Any future financial implications would be reported to this committee.

Equality and Diversity Implications

33. The Single Equality Scheme provides a focus for our approach to being an equal opportunities employer and service provider, promoting equality in relation to access to goods, facilities and services and helping us to ensure that no individual or group experiences direct or indirect discrimination.

Value for Money Implications

34. The Single Equality Scheme provides a focus for our approach to being an equal opportunities employer and service provider, promoting equality in relation to access to goods, facilities and services and helping us to ensure that no individual or group experiences direct or indirect discrimination.
35. Through carrying out equality analysis when planning a project or service delivery, this helps us to get it right first time rather than having to make potentially costly changes retrospectively.

Health Implications

36. The company's approach to equality and diversity, embedded within everything that we do will ultimately have a positive impact on people's health and overall wellbeing. This is by working to ensure that any services we provide meet the needs of the customer or employee and do not cause any undue stress.

Environmental Implications

37. There are no direct environmental implications arising from this report.

Consultation carried out

38. Consultation took place with a range of stakeholders when the Single Equality Scheme was developed and it has since been discussed and reviewed with the Disabled Persons Housing Forum and BME Housing Forum.

Recommendation

39. The views of the committee are sought on the progress activity relating to equality and diversity carried out in last quarter.

Contact: Louise Taylor, Involvement and Diversity Manager Tel No: (0191) 433 5380
