



The Gateshead Housing Company Resources and Audit Committee

Thursday 28 July 2011 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
	<u>ITEMS FOR DECISION</u>
3.	Minutes (Pages 3- 13) To approve as a correct record the minutes of the meeting of the committee held on (a) 28 April and (b) 7 June 2011
4.	Matters Arising
5.	Operational Risk Register – Property and Technical (Pages 14-39) Report of Director of Corporate Services
	<u>ITEM FOR DISCUSSION</u>
6.	Bribery Act Presentation by Chief Internal Auditor, Gateshead Council

ITEMS FOR INFORMATION

7. **Investors in People Re-assessment and Health and Wellbeing Award (Pages 40-43)**
Report of Director of Corporate Services
8. **Sickness Absence and Human Resources Update (Pages 44-58)**
Report of Director of Corporate Services
9. **Health and Safety Update (Pages 59-64)**
Report of Director of Corporate Services
10. **Equality and Diversity – Update (Pages 65-70)**
Report of Director of Corporate Services
11. **Management Accounts – First Quarter 2011/12 (Pages 71-85)**
Report of Director of Corporate Services
12. **2010/11 Internal Audit Annual Plan (Pages 86-90)**
Report of Chief Internal Auditor, Gateshead Council
13. **2011/12 Internal Audit Update – Progress Report (Pages 91-95)**
Report of Chief Internal Auditor, Gateshead Council
14. **Forward Plan (Pages 96-98)**
Report of Chief Executive
15. **Items for Future Agendas**
16. **Date and Time of Next Meeting**
The next meeting of the committee will be held on Thursday 27 October 2011 at 10am in Board Room 2, Keelman House, Fifth Avenue Business Park, Fifth Avenue, Team Valley, Gateshead
17. **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.



RESOURCES AND AUDIT COMMITTEE

28 April 2011

PRESENT:

Directors

John Hamilton (Chair)
Stan Dawson
Peter Mole

Advisers

Jon Mallen-Beadle	Director of Finance
Neil Bouch	Director of Housing Management
Sarah Thompson	Finance Manager
Jim Farquhar	Chief Auditor, Gateshead Council
Stuart Gibson	Company Administrator

Apologies

Richard Armitage
George Clark
Sara Woolley

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 MINUTES

The minutes of the meeting of the committee held on 27 January 2011 were approved as a correct record.

3 MATTERS ARISING - EXTERNAL AUDIT STRATEGY AND PLANNING MEMORANDUM

KPMG, the external auditors, have reported that there are no findings following their interim audit. The finalised Financial Statements will be brought to the meeting of this committee on 7 July 2011 for approval.

4 OPERATIONAL RISK REGISTER – HOUSING MANAGEMENT

The Operational Risk Register for the Housing Management Directorate has been reviewed and an updated Register 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 risks have been deleted: -

- RI4: Not having correct escalation and legal recovery in place for new tenancy types (system in place and no need for any further action)
- RI5: Sending former tenant arrears letters out that result in justifiable complaints (system in place and no need for any further action)
- HM5: information on customers is lost, stolen or misplaced on estate or in homes (corporate action, to be incorporated into risk on Corporate Services register around data protection)
- HM11: Out of date housing office inventories (to be transferred to Corporate Services register)

The following risks have been amalgamated into one risk each: -

- HM12: Carrying out of illegal evictions / HM16: Property is illegally occupied
- HM14: Breakdown in established partnerships to deliver estate management, sheltered and ASB services / HM15: Ineffective arrangements for the monitoring of legal, grounds maintenance and sheltered housing SLA's

RESOLVED – That the updated Operational Risk Register for the Housing Management Directorate be approved.

5 INTERNAL AUDIT PLAN 2011/12

The internal audit plan for 2011/12 produced by the Chief Internal Auditor, Gateshead Council was submitted.

RESOLVED – That the internal audit plan for 2011/12 be approved.

6 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received a report for the period April to March 2011 on the sickness absence levels, general human resources (HR) initiatives and developments and learning and development activity.

The total sickness absence for 2010/11 was 8.3 days compared to 10.37 days in 2009/10. This equates to a 20% decrease in days lost in 2010/11 compared to 2009/10.

The company set a target of 9.75 days absence per employee for the current financial year (an improvement of last year's performance of 10.37 days). Absence has reduced 1.45 days below the target of 9.75 days and reduced 2.07 days on last year's performance. This is very encouraging and demonstrates the success of health and wellbeing initiatives and early HR interventions that have been introduced to achieve the target.

In 2006/07, sickness absence was 15.10 days per employee. This compares to 8.3 days for 2010/11. This equates to a 45% reduction (7.07 days) in a four year period.

Short term absence relates to periods of absences of less than 15 working days with long term absence greater than 15 days in duration. In 2010/11,

short term absence was 4.71 days and long term 3.6 days per employee. This compares with 4.52 days short term absence and 5.86 days long term absence in 2009/10. This equates to a 4.2% increase in short term absence and 39% reduction in long term absence in 2010/11 as compared to 2009/10.

In 2010/11, the biggest cause of absence was stress with 613.8 days absence. This compares to 1273.5 days lost in 2009/10. It is encouraging that initiatives to support employees have resulted in a 51.8% reduction over the last two years.

The financial cost of sickness absence to the company for the year was £262,900 as compared to £328,870 for the same period last year.

The company has held 118 sickness counselling interviews in the period triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.

In the period, 20 cognitive behavioural therapy (CBT) / counselling sessions were supported by the company. 18 options interviews were attended in the period.

The committee received an update on the following HR initiatives and developments: -

- Information sharing
- Retirement due to ill health
- Work Life Balance
- Investigation and disciplinary
- Grievances
- Bullying and harassment
- Whistleblowing
- Job Evaluation
- Recruitment
- Exit interviews
- Employment Law updates
- Health and wellbeing initiatives

In addition, the company received an update on the following learning and development activity: -

- Investors in People
- Employee Attitude Survey
- Training
- Future training
- Adult Apprenticeships
- ICT Training
- Health and safety training

RESOLVED – (i) That the information be noted.

- (ii) That the committee place on record its congratulations to all those staff involved in the significant reduction in sickness absence.

- (iii) That a question around satisfaction with accommodation be included in future Employee Attitude Surveys.

7 HEALTH AND SAFETY UPDATE

The committee received an update on the following health and safety activities: -

- Policy, procedure and safe systems of work update
- Accidents update
- Asbestos management
- Fire safety management
- Legionella control
- Cyclical repair and maintenance update
- Overall safety performance audit for the partnering contractors.

RESOLVED – That the information be noted.

8 EQUALITY AND DIVERSITY UPDATE

The committee received an update on key issues within equality and diversity affecting the company and progress against the Equality and Diversity Action Plan.

In the last quarter, a number of actions in the action plan were completed, details of which were reported. The majority of actions within this action plan were due to be completed by the end of March. The action plan will be reviewed to ensure that the plan continues to provide the focus and direction needed to maintain this as an area of strength. This work will commence following the final release of the specific public sector duties so that any necessary actions can be reflected.

The committee has previously noted that the introduction of the Equality Act also led to the introduction of a new Public Sector Equality Duty, although guidance had not previously been available. The aim of the duty is to provide a framework to improve equality performance which is proportionate and evidence led.

The general duty came into force on 5 April 2011. However, the date for the introduction of the specific equality duty has been postponed following further consultation on the proposals.

Although housing organisations are not explicitly listed under the general duty, as the provider for the local authority receiving public funding, there is an expectation for ALMOs to follow the duty. The general duty states that in exercising public functions, public authorities must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations – including tackling prejudice and promoting understanding. This applies to the protected characteristics or groups: - namely age, disability, pregnancy and maternity, religion or belief, race, sex, sexual orientation, gender reassignment and marriage and civil partnerships (only in relation to the first part of the duty).

The new regulations refer to equality analysis rather than equality impact assessment. The change in terminology is intended to focus more attention on the quality of the analysis and how it is used in decision making and less on the production of a document. However, it is suggested that where organisations already have an established tool for assessing impact, that they continue to use this for the equality analysis whilst also updating the tool to reflect the requirements of the new duty. Having recently carried out training on the company's current process, it is proposed that the process is retained.

This analysis should be carried out on any new or amended policy or service and for any major decisions. As a result, any report presented to the Board or committees for decision should refer to this assessment.

In relation to advancing equality of opportunity, the EIA template has been updated to provide a clear section where lead officers can identify the positive practice already being undertaken to promote equality.

In relation to fostering good relations, as a partner of Gateshead Strategic Partnership, the company supports the objectives and principles of its Community Cohesion Strategy. This is currently under review and once a draft of the policy is produced, the company will prepare a response on how it will fulfil its responsibilities as a partner.

At the TPAS Northern Awards Ceremony in February 2011, the company was successful in winning the first Equality and Diversity Award for its Single Equality Scheme and the projects which support this. The company will now go into the national awards in July 2011.

In the review carried out in 2010 on equality and diversity, an area for development was identified around having regular engagement with the Lesbian, Gay, Bisexual and Transgender (LGBT) community to understand the issues they face both as employees and customers.

Following this, in September 2010, the company entered the Stonewall Workplace Equality Index, benchmarking its performance in terms of LGBT equality against both public and private sector organisations. Out of a possible 200 points, the company scored 79, which although appearing to be a low score, still showed it to outperform the average performance for a housing organisation or the top 100 employers in some areas.

In addition, the company has signed up to the Stonewall Diversity Champions demonstrating its commitment to achieving equality in this area.

A key action to support this work going forward is the need to identify a Diversity Champion to promote the value and importance of equality and diversity and endorse key policies or initiatives in this area (not limited to LGBT equality). It is proposed that a Head of Service take on this role as a key senior manager within the company.

RESOLVED – (i) That the progress made to date against the Equality and Diversity Action Plan be noted.

- (ii) That the implications of the Public Sector General Equality Duty be noted and the committee receive further information about the specific duties once published.
- (iii) That the actions proposed to progress the company's work on Lesbian, Gay, Bisexual and Transgender equality be approved.

9 MANAGEMENT ACCOUNTS – FOURTH QUARTER 2010/11

The committee received an update on the management accounts for the final quarter of the financial year 2010/11 including the income and expenditure in relation to both revenue and repairs.

Following the budget that was approved by the Board in March 2010 and the Decent Homes – employee implications paper that was approved by this committee in May 2010, a break even budget was set. This budget assumed that staff numbers within the Decent Homes team would be reduced from 44 to 34 by the end of September 2010. The company substantially met this reduction by the end of September.

The Management Accounts shows a draft overspend of £5,723. They provide the draft year end position of the company. However, the company is still awaiting some information from the Council in relation to interest received and outstanding insurance provision. Therefore, the final position will not be known until these figures are received.

The audit of the Financial Statements will take place at the beginning of June and the finalised Statements will be brought to the meeting of this committee on 7 July 2011 for approval.

RESOLVED – That the information be noted.

10 VALUE FOR MONEY YEAR END UPDATE

The committee received an update on the value for money (VFM) activities carried out by the company throughout 2010/11.

The company's efficiency target for 2010/11 was set at 4%, which was met with a saving of over £1.3m.

During 2010/11, a number of value for money activities have been undertaken which were reported to the Value for Money Service Improvement Group (VFM SIG).

In January 2010, the VFM SIG agreed that it should also consider any environmental implications associated with the company's drive towards obtaining ISO14001. Therefore, their name was changed to the Value for Money and Environmental Management Service Improvement Group (VFM&EM SIG).

A VFM survey was undertaken with employees to review their understanding of value for money. The results of the survey found that 72% of employees

were aware of the VFM Strategy which was a significant increase compared to 41% in 2009. The survey has also led to the development of a VFM online training programme which has been launched in April and is mandatory for all employees.

In August 2010, the Value for Money Suggestion Scheme – TGHC Suggests was launched. This scheme enables employees to submit any VFM suggestions they may have, these are then scrutinised by officers to determine whether they could realistically be implemented and are then taken to the VFM & EM SIG for approval. There have been 31 suggestions submitted to date and of these 12 have gone to the VFM & EM SIG.

An example of a recent TGHC Suggests led to the SIG requesting further investigation of a suggestion to produce the quarterly employee magazine 'HomeWork' electronically rather than a paper version. The Service Manager presented costs for both versions, the SIG considered the costs versus the benefits of each production plus the benefits to the organisation in keeping employees informed of changes and developments effecting them and customers. After consideration the VFM & EM SIG agreed the costs were justified.

The VFM Suggests scheme awards high street vouchers on a quarterly basis of £25 to suggestions that are implemented, suggestions that are put forward but not implemented go into a quarterly draw for a £10 voucher which are funded out of the finance budget. At present, two £10 vouchers have been awarded for suggestions received but not implemented.

Suggestions received by employees have covered all areas of the organisation and some examples are electronic payslips, home working, stationery procurement, room booking and virtual meetings.

The VFM & EM SIG met six times in 2010/11, during which they have undertaken a variety of work. Their work plan for 2011/12 has been agreed and consists of approving the VFM Strategy and undertaking more detailed analysis of the performance data, as well as reviewing the VFM suggestions.

The VFM Strategy was originally agreed in 2008 for a 3-year period. This strategy is coming to the end of its useful life and a review is currently underway to update and refresh the strategy. This will be presented to a future meeting of this committee for approval.

RESOLVED – That the information be noted.

11 CONTRACT FOR PRINTER CONSOLIDATION – REVIEW OF FIRST YEAR OF OPERATION

The committee received an update on the first year of operation of the three year contract for reprographic equipment awarded to United Carlton to establish if the projected savings have been achieved in the first year of the contract.

When the total print volumes of TGHC in 2010 were calculated based on the new model of printing compared to the prior model, the results showed significant savings in printing costs compared to the old model

of printing across the organisation. In 2010, this equates to a saving of £62,175 in the first year of the agreement. The estimated cost reduction featured in the business case was approximately £25,000 over three years.

In addition to saving money, power and carbon emissions, the devices offer much higher capabilities which includes A3 printing, colour printing, desktop faxing, professional finishing, booklet finishing and bulk scanning in multiple file formats to the network.

The new equipment also brings the benefit of a reduced cost in electricity consumption and associated carbon emissions. This has been estimated at 72241Watts a cost of £5,201. This cost saving is in addition to the headline saving of £78,404.

RESOLVED – That the information be noted.

12 2010/11 INTERNAL AUDIT UPDATE – PROGRESS REPORT

Progress made by the Internal Audit Service against the audit plan for the financial year 2010/11 was reported.

As at April 2011, 28 out of 31 audits are either complete or substantially complete, two audits are currently in progress and one IT audit is no longer required. 94% of the audit plan in terms of actual audit days against planned days was achieved by the Internal Audit Service.

RESOLVED – That the information be noted.

13 FORWARD PLAN

A forward plan of reports that will be presented to meetings of this committee during the next year was submitted.

RESOLVED – That the forward plan be noted.

14 DATE AND TIME OF NEXT MEETING

The next meetings of the committee will be held on Thursday 7 July 2011 at 10am (audited accounts only) and Thursday 28 July 2011 at 10am at Keelman House, Fifth Avenue Business Park, Fifth Avenue, Team Valley, Gateshead.

15 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 indicated categories of the company's Access to Information Rules.



RESOURCES AND AUDIT COMMITTEE

7 July 2011

PRESENT:

Directors

John Hamilton (Chair)
 Richard Armitage
 George Clark
 Stan Dawson
 Peter Mole

Advisers

Bill Fullen	Chief Executive
Jon Mallen-Beadle	Director of Finance
Sarah Thompson	Finance Manager
Mick Thompson	KPMG
Alex Keelty	KPMG
Stuart Gibson	Company Administrator

22 DECLARATIONS OF INTEREST

There were no declarations of interest.

23 REPORT ON THE STATEMENT OF INTERNAL CONTROL – 2010/11

It is a requirement under the UK Corporate Governance Code that companies undertake at least annually a review of the effectiveness of their systems of internal control. A company's board should undertake this review for the purposes of making its public Statement of Internal Control which is published as part of the financial statements.

The statement of internal control as published as part of the financial statements was submitted, covering the following areas: -

- Governance and Risk Management
- Performance Management
- Financial Management
- Internal Audit
- External Audit

The report is designed to provide assurance that the information as stated within the statement of internal control is accurate and reliable and can be published as part of the financial statements.

The review of the effectiveness of internal control has been carried out by the Director of Corporate Services in his key responsibilities as detailed in the Governance Handbook.

RESOLVED – That the Board be recommended to approve the Statement of Internal Control contained within the Financial Statements for the year ended 31 March 2011.

24 DRAFT DIRECTORS' REPORT AND FINANCIAL STATEMENTS – 2010/11

A report including the financial statements as agreed with the auditors, KPMG was submitted.

The financial result for the period was a surplus of £3,718,000 (2010: £653,000 deficit). The fourth quarter management accounts indicated that the financial result was an expected deficit of £6,000.

The large surplus at the financial year end was due to a pension adjustment required to the accounts due to the change in the measure of inflation used to increase pension benefits from the retail prices index (RPI) to consumer prices index (CPI).

Excluding this adjustment, the underlying deficit before tax and interest was £4,000. A breakdown of the surplus was submitted.

The company achieved a pre-tax and interest surplus in the year of £3,736,000 prior to interest receivable of £2,000 and pension scheme finance costs of £20,000 (2010: interest receivable of £2,000; finance costs of £580,000).

The balance sheet has been reduced due to the deficit and the actuarial losses in the pension scheme, resulting in closing revenue reserves excluding net pension provisions of £607,000 (2010: £609,000). The directors and management continue to implement efficiency savings ahead of targets and as a result believe the company is in a strong financial position to deliver its strategic and operational goals.

In line with last year's accounts, it has been necessary under FRS 17 (a financial reporting standard) to adjust the accounts for the pension fund liability attributable to the company's employees. The net pension liability was £8.27m as at 31 March 2011 (£11.2m as at 31 March 2010) as calculated by the Pension Fund's actuary.

The report and financial statements for 2010/11 will be presented to the company's Annual General Meeting, which will be held before the meeting of the Board on 23 September 2011.

RESOLVED – That the Board be recommended to approve the Directors Report and Financial Statements for the year ended 31 March 2011.

25 KPMG MANAGEMENT REPORT – YEAR ENDED 31 MARCH 2011

The company's external auditors KPMG carried out an audit of the report and financial statements for 2010/11 during June 2011. A report presenting their findings was submitted.

There were no significant issues raised in the report and all of the recommendations have been responded to by the company.

As part of the audit, KPMG require the management representation letter to be signed by the Chair and the Company Secretary on behalf of the Board. A copy of this was also submitted.

- RESOLVED – (i) That the management report for the year ended 31 March 2011 be approved.
- (ii) That the Board be recommended to authorise the Chair and the Company Secretary to sign the management representation letter on behalf of the Board.



Report to Resources and Audit Committee

28 July 2011

Title: Operational Risk Register – Property and Technical

Report of: Director of Corporate Services

Purpose of Report

1. To agree an updated Operational Risk Register for the Property and Technical Directorate.

Background

2. The committee, at its meeting held on 4 November 2010, approved an updated Operational Risk Register for the company.
3. The updated register was split into individual service areas within each directorate.
4. The Board has previously approved an updated Risk Management Policy and one of the requirements within the Policy is that this committee will scrutinise an operational risk register for a directorate at each meeting as well as any critical/high risks that require any attention. The committee will also recommend to the Board any risks to be escalated to the strategic risk register.

Operational Risks

5. Operational risks are those which are encountered during the day to day running of the company.
6. The following four scale matrix has been used for impact and likelihood: -

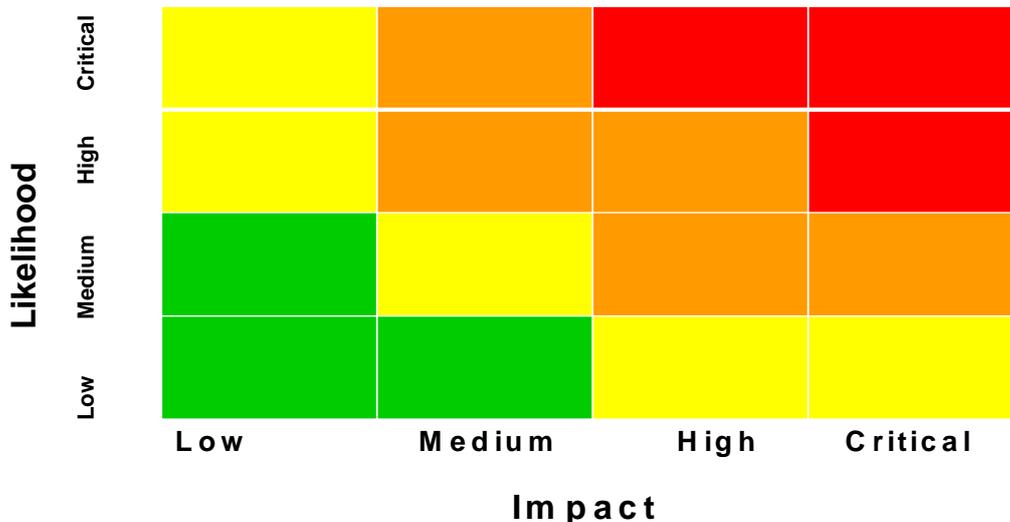
Likelihood

Scoring	Definition	Timing of occurrence
4	Almost certain	Less than 3 months
3	Likely	3 – 6 months
2	Moderate	6 – 12 months
1	Unlikely	In excess of 12 months

Impact

Scoring	Definition	Example of impact
4	Critical	Total service loss for significant period Fatality Financial loss over £200,000 Government / Council intervention
3	High	Significant service disruption Major/disabling injury Financial loss over £50,000 Adverse national media coverage
2	Medium	Service disruption Loss time injury Financial loss over £25,000 Adverse local media coverage / lots of service user complaints
1	Low	Minor service disruption / short term inconvenience Minor injury Financial loss under £25,000 Isolated service user complaints

7. The following four scale matrix demonstrates how the risks will be assessed using a traffic light system: -



Operational Risk Register – Property and Technical

8. The Operational Risk Register for the Property and Technical Directorate has been reviewed and an updated Register is attached at the Appendix to this report. Any changes to the register are highlighted in blue.
9. 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. These are also highlighted in blue.
10. It has become apparent that no operational risks have been identified around asset management and the following risk has been added to the register: -

- AM1: Future investment needs may be incorrectly allocated if asset management plans do not provide the correct information to allocate funds where they are required

11. The following risks have been deleted: -

- IW4: Scope of works is greater than anticipated – no longer required as remaining decent homes scheme has been validated.
- IW5: Loss of a strategic partner – no longer required as the Council's Local Environmental Services is the only remaining partner.
- IW6: Industrial action by a partner – to be addressed as part of business planning process
- IW8: Adverse weather conditions preventing delivery of work – to be addressed as part of business planning process

New Organisational Structure

12. The company has now introduced a new organisational structure based around the following two broad areas: -

- Customers and Communities
- Corporate Services

13. The Operational Risk Register needs to be updated to reflect these areas amalgamating those risks currently in the register for property and technical. An updated register will be presented to the next meeting of this committee.

Link to Values

14. This report links to the following company values: -

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

Risk Management Implications

15. The risk management implications are identified throughout this report.

Financial Implications

16. There are no financial implications directly arising from this report.

Equality and Diversity Implications

17. There are no equality and diversity implications directly arising from this report, however equality and diversity issues were considered when agreeing controls for a number of the risks.

Health Implications

18. Although there are no health implications directly arising from this report, the successful implementation of the recommendations will have a positive impact on the health and well being of Gateshead residents.

Environmental Implications

19. There are no environmental implications directly arising from this report.

Value for Money Implications

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

Consultation carried out

21. Heads of Service have been consulted when reviewing the Operational Risk Register for Property and Technical.

Impact on Customers

22. An effective risk management process will maintain the delivery of services to customers.

Recommendations

23. The committee is recommended to
- approve the updated Operational Risk Register for the Property and Technical Directorate;
 - note that an updated register based around the two broad areas of the new organisational structure will be presented to its next meeting.

Property and Technical Services – Asset Management Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
AM1	<p>Future investment needs may be incorrectly allocated if asset management plans do not provide the correct information to allocate funds where they are required Properties may become non-decent and fall into disrepair if they are not invested in on a timely basis.</p>	<p>Keystone Asset Management Database holds data in relation to properties and when works have been carried out to them and the types of works carried out (such as dates new kitchens were installed etc). The database is able to provide scenario planning where we can review the investment needs should we decide to undertake certain works at certain points in time. This can then be used to produce the most cost effective and appropriate investment plan.</p>	2	3	Procurement and Asset Manager	<p>Further development works of Keystone will be undertaken to ensure that all relevant data has been input into the system in relation to all works being undertaken in properties. Also, a review of whether gap analysis is required will take place so that we can review the level of detail still outstanding within Keystone.</p>	31 March 2012

Property and Technical Services - Gas Servicing Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
GS1	<p>Customers sleeping temporary/permanent in a room with a open flued gas appliance, including overcrowded property</p> <p>Fatality due to Carbon Monoxide Poisoning incident. Spillage of fumes in domestic properties while sleeping in the same room as the gas appliance</p>	<p>TGHC GAS SAFE Registered. Risk Assessed Procedure initiated Carbon Monoxide detector. Every three month a gas service is initiated. Records/Data kept. All contractors are GAS SAFE competent registered. All contractors and employees are checked for registration annually. Raise Awareness to employees, contractors and customers e.g. Press, company magazines etc. Work Closely with general hospitals/care workers/social services</p>	2	4	Gary Stirling	<p>Raise Awareness of risk to customers. <i>Working with family relatives social services, local hospitals, care workers, Raising awareness through customer forums</i></p> <p>Manage risk in accordance with Best Practice as per Gas safety Regulations</p>	<p>Ongoing</p> <p>Review January 2012</p>
GS2	<p>Failure to comply with gas safety legislation and regulation in non-residential buildings</p> <p>This will result in exposure to dangerous conditions which may lead to fatality, loss of company reputation and insurance claims</p>	<p>Gas safety policy with employees briefing to communicate changes. Register of trained engineers renewal of registration. Audit checks for compliance. Reported accidents investigated. All properties inspected to gas SAFE standards.</p> <p>Court injunctions for the hard to reach residents.</p>	2	4	Gary Stirling	<p><i>Ongoing company audits with all contractors. Reviewing policies as regulations and standards change.</i></p>	<p>Ongoing</p> <p>Review January 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		Dangerous appliances isolated and meter capped in all instances. Liaising with Carers and other agencies for access to the properties as required from a care plan assessment.					
GS3	Fatality due to Carbon Monoxide Poisoning incidents Spillage of fumes from gas appliances in domestic properties, including surrounding properties	TGHC GAS SAFE Registered. Annual gas service initiated. Risk Assessed Procedure for No Access Properties. Records/Data kept. Weekly and Monthly performance audits. 5% of all Gas Servicing Audited. All contractors are GAS SAFE competent registered. All contractors and employees are checked for registration annually. Raise Awareness to employees, contractors and customers e.g. Press, company magazines etc. Carbon Monoxide detectors installed to 85% of council properties.	1	4	Gary Stirling	Continue to install Carbon Monoxide detectors to remaining high risk gas appliances of Council properties. Continue with the programmed replacement of open flued boilers.	Ongoing Review January 2012
GS4	Fatality due to gas related incidents Explosion ignited by gas escapes in properties and surrounding properties from installation pipe work, gas appliances and all domestic ancillary gas	TGHC GAS SAFE Registered. Annual gas service initiated. Risk Assessed Procedure for No Access Properties. Records/Data kept. Weekly and Monthly performance audits.	1	4	Gary Stirling	Raise Awareness of risk to customers. Raising awareness through customer	Ongoing Review January 2012

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	fittings.	5% of all Gas Servicing Audited. All contractors are GAS SAFE competent registered. All contractors and employees are checked for registration annually. Raise Awareness to employees, contractors and customers e.g. Press, company magazines etc.				forums. Local newspapers. Company booklets and magazines Change customer's actions and views to allow us to initiate an annual gas service. Initiate zero tolerance to no access. Manage risk in accordance with Best Practice.	
GS5	Solid fuel - Fatality due to Carbon Monoxide Poisoning incidents Spillage of fumes in domestic properties, including surrounding properties	HETAS solid fuel registered contractors initiate work. Annual solid fuel service initiated. Risk Assessed Procedure for No Access Properties. Records/Data kept. Yearly performance audit initiated. All contractors and employees are checked for registration annually. Raise Awareness to employees, contractors and customers e.g. Press, company magazines etc. Carbon Monoxide detectors installed to all properties with solid fuel appliances installed.	1	3 4	Gary Stirling	Raise Awareness of risk to customers. Raising awareness through customer forums. Local newspapers. Company booklets and magazines A programme of works to change all existing solid fuel appliances to Gas	Ongoing Review January 2012

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
						<p>appliances Change customer's actions and views to allow us to initiate an annual service. Initiate zero tolerance to no access. Manage risk in accordance with Best Practice. Install CO detectors to all solid fuel installations</p>	

Property and Technical Services Improvement Works Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IW1	Withdrawal or reduction in funding – delay in achieving decency and a requirement to re-profile works, impacting on customers and partners	Accurate asset management information in place allowing reprofiling of investment works Information to customers.	1	2	Simon Chrisp Investment Manager	Prudential Borrowing has been secured through Gateshead Council to deliver the remaining investment works.	
IW2	Over charging or duplicate claims – financial loss and increased budgetary pressures.	All claims to be evaluated certified and approved. Additional works only permitted via Clerk of Works or instruction of Contract Administrators Instruction. On going review of all final accounts. Scheme costs evaluated against SOW budget figure. Variations evaluated to ensure target cost elements are not claimed separately.	2	3	Russell Urwin Investment Manager		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IW3	Delivery of improvements exceeds budget – works would need to be re-profiled and risk of missing decency target.	Monitoring of schemes in capital monitoring. Early intervention from Senior CA Environmental benchmarking surveys conducted well in advance of scheme starts	1	2	Simon Crisp Investment Manager	Implement a half yearly capital monitoring review to assess spend against projected budgets and capital monitoring	September 2011
IW4	Scope of works is greater than anticipated – increased work would result in financial pressure and risk achieving decency.	Environmental survey to agree scheme specifics. Surveying conducted in advance of scheme start. Benchmarking and validation of survey information Review additional works, CMT approval required for inclusion of additional work.	1	4	Russell Urwin	No longer required – remaining decent homes scheme have been validated.	
IW5	Loss of a strategic partner – Delaying the delivery of improvement works and potentially delaying achieving decency.	Availability of Gatohead Councils LES to provide Emergency cover	1	3	Simon Crisp	Clarify what arrangements are in place with LES. Appropriate annual financial checks. No longer required, the Council's Local Environmental Services is the only remaining strategic partner.	March 2014 March 2014

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IW6	Industrial action – partner – delay in 'time in possession' and increased disruption to tenants.	Early notification from partner through existing partnering arrangements. Assessment of site to allow minimal works or complete closure. Information to customers, Councillors and other sections.	4	3	Stan Barker	To be addressed as part of business continuity planning process	
IW7	Injury / fatality to public – potential litigation, HSE investigation and criminal investigation.	Health & Safety plan in place for every site. Method statements for work to mitigate risk to public. Regular site inspections by partner and TGHC	1	3-4	Investment Manager	Adequate controls in place.	
IW8	Adverse weather conditions preventing delivery of work – delayed work, increased time in possession and disruption to customers	Individual partner arrangements in place for management of short notice disruption to service. Ensuring properties in possession are wind and water tight where safe to do. Cancelling non essential work focusing on emergencies only.	2	2	Stan Barker	Discuss winter delivery plans with partners and ensure effective communication with tenants should planned delivery be affected. Formalise individual processes for managing the sudden closing of sites To be addressed as part of business continuity planning process	November 2014

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IW9	Poor customer experience Increase in complaints from customers, Councillors and other stake holders resulting in a loss of confidence / public image for TGHC and partners.	Targeted 70% satisfaction survey. Quarterly performance reporting. Dissatisfaction Survey to explore negative feedback. Early intervention and discussion with partner.	2	2	Carole Nicholson	Learn from satisfaction /dissatisfaction and implement changes to improve future delivery	Ongoing
IW10	Increased maintenance costs due to quality of workmanship / materials	Specification in place covering expected performance. 100% scored handover inspection with regular benchmarking. Recording of warrantee and guarantee information.	1	2	Tim Vince Repairs Manager	Quality, workmanship and specifications will be considered by the Repairs Retender Project Working Group when developing the tender documents.	September 2011
IW11	Loss of a material supplier – preventing the delivery of a specific item of work. Delay in handing properties over and increased disruption to tenants.	Standard transferable specifications in place. Appropriate financial checks undertaken. Early intervention in delivery or quality issues	1	2	Russell Uwin Investment Manager	Formalise a list of triggers for intervention.	January 2011 Extended to September 2011

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IW12	Site traffic damaging the highway, grass verges. Impacting upon school times – potential for litigation, charges for damages to the highway and increased potential for congestion / road traffic accident.	Site traffic plan in place. Local adjustments to plan for deliveries to take account of school runs. Environmental Survey to establish sites condition before work commences.	2	1	Russell Urwin		
IW13	Excessive time to deliver work – potential to miss decency target date, fall in customer satisfaction.	Review of programme to ensure deliverability. Early intervention by Contract Administrator Time in Possession benchmarked and KPI.	1	1	Stan Barker	Formalise the list of triggers for intervention and the steps for improvement.	January 2012
IW14	Party Wall disputes whilst working on adjoined property – potential for litigation	Environmental Survey to establish risk of party wall disputes.	1	1	Asset Manager	Establish in house experience Identify appropriate training.	September 11 September 11
IW15	Increased risk of vandalism and ASB around site compounds – customer complaints, potential for injury.	Appropriate siting of containers and compounds. Adequate security to be in place. Skips and site rubbish to be removed / secured in line with TGHC policy.	1	1	Stan Barker		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		Liaison with neighbourhood wardens and community Police.					
IW16	High refusal rates reducing percentage of stock made decent – increased future maintenance implications as a smaller percentage of the housing stock has received investment works.	<p>Clear information to customers.</p> <p>Enforcement of essential works.</p> <p>Home visits to discuss SOW.</p> <p>Reasonable adjustments to promote inclusion. Involve customers in the review and selection of fixtures and fittings.</p>	1	2	<p>Carole Nicholson</p> <p>Investment Manager</p>	Recording all asset management information in Keystone to enable accurate investment projections	On going

Property and Technical Services – New Build Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
NB1	<p>Contract price for schemes at tender stage exceeds budget Schemes would have to be reviewed and changed to ensure that the contract price comes in on budget. This could impact on the level of grant funding available. Ultimate impact is that the scheme would be unable to go ahead.</p>	Robust estimates built into feasibility and detailed costings. Considering / revising estimates at critical milestones. Robust negotiations with Contractors. Preferred contractor status until price agreed.	2	4	Peter Smith		
NB2	<p>Budget issues - cost overrun If the budgets overrun then the company may not be able to complete the project/build as there would be no funding available. There may need to be changes in the specification part way through the build if money were to become tight. Company may not be able to pay contractors.</p>	Budgets are closely monitored on a regular basis. Any changes to specification which will increase costs are fully discussed and costed and agreed before they are commenced.	2	4	Sarah Thompson		
NB3	<p>Financial impact from Contractor(s) failing Company could lose funding if schemes are not completed in line with the milestones as agreed with the HCA. Company could lose any advances</p>	Robust procurement process for new build contractors. Early consideration of any risks associated with specific contractors or potential contractors for each scheme. Company ensures that Insurance and Collateral	2	4	Sarah Thompson		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	paid to contractors. Schemes may be undeliverable if contractor goes bankrupt / into administration	Warranties are in place for each contractor.					
NB4	Failure to specify and agree financial requirements Failure to agree financial requirements would mean that company would be unable to complete the project as grant funding could not be applied for and it would be uncertain of the finances needed to complete the project.	Financial requirements are set and agreed before project agreed to commence. Financial requirements built into grant conditions and loan conditions. Detailed costings carried out.	2	4	Peter Smith		
NB5	Failure to implement financial changes in timescale Failure to implement financial changes will hinder the project's ability to be completed in a timely manner or to budget. If financial changes are not implemented in timescale then the project will overrun incurring more costs.	Robust estimates built into feasibility and detailed costings. Considering / revising estimates at critical milestones. Financial changes reviewed regularly to ensure that they can be accommodated in timescales.	2	4	Sarah Thompson		
NB6	Statutory Authority Risks (gas, water, electric, telecom etc) The utilities all need to be available to be used by the tenant prior to the new	Discussions held with all utility companies prior to the project being drawn up to ensure that all utilities can be provided and to ensure any costs associated with these	2	4	Peter Smith		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	build project and prior to the tenant moving in. The costs of providing the ability to use these utilities need to be built into the budget for the schemes.	are built into the budgets.					
NB7	Party Wall Risks Future risk of claims from Third party of Subsidence etc	Legal advice followed and Party Wall Act is invoked. Photographs taken of all adjacent properties prior to commencement of works on site	2	4	Peter Smith		
NB8	Programme slippage Failure to deliver new homes on time	As part of a robust procurement procedure this is addressed by checking the contractor's track record	2	4	Peter Smith		
NB9	Grant requirements fail to be met Company could lose funding if schemes are not completed in line with the milestones as agreed with the HCA.	Detailed legal advice on grant agreement prior to signing. Checks in place via pre contract and post contract project plan to ensure conditions precedent are met.	2	4	Peter Smith		
NB10	Reputation tarnished if project outcomes not delivered Reduced customer satisfaction, if delivery delayed this may impact on future HCA funding	Effective project management of schemes. All PR co-ordinated within the context of schemes so expectations clear and realistic	2	4	Ian Clarkin		
NB11	Project Management on site Late delivery of project	Regular monthly site meetings to manage the project and focus on any issues that affect the programme	2	3	Peter Smith		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
NB12	Environmental problems on site e.g. unknown contamination Delays in delivering the development and increased cost of the scheme.	Early site investigation - desk top and on site.	2	3	Peter Smith		
NB13	Security risks to properties, site and compound Loss due to vandalism and theft. Impact on neighbouring residents in the area.	As part of a robust procurement procedure this is addressed by checking the contractor's track record when they are onsite. Materials or tools not stored with a resale value on site.	2	3	Peter Smith	Contractor to visit local schools to explain the risks on a building site and site compounds.	
NB14	Design and development issues with neighbouring houses May cause friction between the new tenants and the existing occupants in the area	Addressed as part of the planning process. Also through independent Communication by TGHC with the local residents	2	3	Peter smith	Minimise disruption to local residents and involve them in the design development and any environmental improvements linked with the development	
NB15	Inaccurate rent and service charge provision Rent and service charges set too low could lead to costs outweighing income received. This may restrict the repairs/improvement works that	Detailed costings and business plans are produced before the schemes are considered. HCA guidelines are used to determine the rent and service charge increases to ensure they are within the	2	2	Sarah Thompson		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	can be carried out at these properties	guidelines.					
NB16	Failure to specify and agree ICT requirements If ICT development does not receive agreed accurate requirements for ICT changes the housing management system will not be able to manage the new properties successfully.	Change control documents are created for agreement of project team. No development will take place until complete and agreed.	1	4	Mark Birch		
NB17	Extra cost of ICT changes exceeds budget Changes to ICT systems for New Build have not featured in any ICT budget setting to date.	Consultation with Finance to ensure funds available.	1	4	Mark Birch		
NB18	Failure to implement ICT changes in timescales Assessment of ICT requirements has not been considered in relation to timescale setting for the project.	Change control documents feature timescales for work required. Any timescale issues known prior to development taking place.	1	4	Mark birch		
NB19	HSE breach by contractor Injury to operative or visitor to site, damage to possessions	Appropriate Health and Safety procedures built into contracts and monitored. Risk is transferred to contractor (other than reputational)	1	4	Roberto D-Emidio		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
NB20	Contractor or sub-contractor going into administration Delay on completion of scheme, additional costs may be incurred	Financially sound contractors on the tender list. There is sufficient retention to ensure additional cost of transfer of work to new contractor can be covered.	1	4	Peter Smith		
NB21	Planning approval not given for individual scheme Resources used to develop schemes that are not supported by planning. Raised expectations of local residents. Lost of HCA funding.	Early discussion with planners. Agreed process with first point of contract for TGHC with Council's Development Control. Nearby residents informed and engaged before schemes presented for planning.	1	4	Peter Smith		
NB22	Communication issues Reputation of company tarnished and working relationships with existing tenants affected.	Effective communications strategy identifying key stages and agreeing appropriate form of communication.	1	4	Ian Clarkin		
NB23	Abortive cost of commissioned feasibility work Resources used to develop scheme that will not proceed as they do not deliver strategic aims and do not have funding.	Development process ensures strategic housing support in place before commissioning feasibility. Early discussion with funding partners before progressing schemes. Opportunities for work to be agreed with contractors as 'at risk' until grant funding confirmed.	1	3	Peter Smith		
NB24	Delay or inability to supply materials part way through programme Delay on completion of scheme, additional costs	Alternative suppliers for all materials. Do not nominate supplier or produce passing risk to contractor. Robust tender process.	1	3	Peter Smith		

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	may be incurred.						
NB25	Specified ICT requirements may exceed current system capability Requirements for New Build may exceed what current systems are capable of providing.	Change control documents analysed to assess requirements. Changes will be implemented that are possible.	2	2	Mark Birch		
NB25	Labour shortage Delay in completing the scheme	Fixed cost tender price passes risk to contractor. Robust tender process.	1	2	Peter Smith		

Property and Technical Services – Repairs Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
RE1	Reduction in funding resulting in inability to carry out core function - asset degradation / customer dissatisfaction / litigation and associated costs / negative corporate image / financial loss	Removal of some non urgent works to reduce spend (fencing, non-structural brickwork etc)	2	3	Repairs Partnering Manager	Identification of savings and efficiencies with in the repairs retender.	March 2012
RE2	Unsafe working practices resulting in injury and death of persons - loss of key personnel / litigation and associated costs / negative corporate image	Work has begun to ensure that risk assessments and method statements for all works and associated activities are in place and that current H&S legislation is complied with.	1	4	Repairs Partnering Manager	All task based risk assessments completed	August 2011
RE3	Principal contractor liquidation resulting in inability to carry out core function - asset degradation / customer dissatisfaction / litigation and associated costs / negative corporate image / financial loss	The use of additional contractors to ensure that essential services continue to be provided.	1	4	Repairs Partnering Manager	Review approved contractor register to identify the extent to which the service could be covered. Robust and comprehensive financial checking during the repairs retender exercise.	September 2011

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
RE4	Loss of contractor office / depot facilities Resulting in inability to carry out core function - asset degradation / customer dissatisfaction / litigation and associated costs / negative corporate image / financial loss	Contractor staff are able to operate from multiple locations therefore ensuring a continuation of service provision.	1	3	Repairs Partnering Manager		
RE5	Inclement weather resulting in increased property defects and delay in delivering reported repairs – repair costs / customer dissatisfaction / litigation and associated costs (S 11 Cases) / poor KPI performance	All parties are aware of potential issues regarding inclement weather and have the ability to reallocate resources accordingly to meet increased service demand.	3	2	Repairs Partnering Manager	Following on from the severe cold spell during December 2010 a full contingency plan is currently being drawn up. 294 disconnected boiler condensates will be rerouted to prevent freezing. Options for the wider stock with condensate boilers will be considered along side the 2012/13 capital budget proposals.	September 2011

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
RE6	Financial disputes resulting in escalation of unresolved disputes – litigation and associated costs / negative corporate image	Adherence to the contract documentation and the relevant contract law ensures that disputes are mitigated against.	2	2	Repairs Partnering Manager	Monthly financial meeting with partner to agree invoicing and variations	Ongoing monthly
RE7	Changes in legislation. (Health & Safety, Legal Requirements, Building Regulations, Planning permission) resulting in company operations becoming legally noncompliant - litigation and associated costs / negative corporate image	All operations are carried out in line with current legislation requirements and key staff are aware of any changes.	1	2	Repairs Partnering Manager	Create legislation register	September 2011
RE8	Failure to deliver repairs to published standards and timescales resulting in customer dissatisfaction / negative corporate image	Monthly performance meetings held with repairs partners to identify any areas of concern and develop actions to improve. Performance reported to the Board, CMT, Council and customers	1	2	Repairs Partnering Manager	Review performance targets at the end of each financial year. Joint MFS and TGHC improvement action plan	March 2012
RE9	Overspending repairs budget resulting in an inability to carry out core function - asset degradation / customer dissatisfaction	Financial reporting carried out every month showing actual spend against projected costs. Ability to move funds between individual repairs budget heads to minimise impact. Removal of some non urgent works to reduce spend	1	2	Repairs Partnering Manager	Retender repairs contract to capitalise on current market conditions	April 2012

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		(fencing, none structural brickwork etc) All invoices checked for variations and returned to partner if any issues highlighted. Credit notes issued by partners if required					



Report to the Resources and Audit Committee

28 July 2011

Title: Investors in People re-assessment and Health and Wellbeing Award

Report of: Director of Corporate Services

Purpose of Report

1. To provide the committee with an update on Investors in People (liP) re-assessment and Health and Wellbeing Award.

Background

2. liP accreditation was achieved by the company in June 2008. The accreditation is valid for 3 years. A two day mini diagnostic assessment took place in August 2010 to prepare the company for a full assessment against the liP framework in June 2011. Feedback from the mini diagnostic assisted the company to determine the level of award that could be achieved.
3. To maintain the liP standard, organisations must achieve 39 evidence requirements. Assessment against additional evidence elements would result in a new award of liP plus Bronze, Silver or Gold award.
4. An additional award has also been introduced by liP that assesses health and wellbeing in the workplace. Although health and wellbeing did not form part of the mini diagnostic it was felt that this was a strong area for the company and the decision was taken to be assessed against the liP gold framework and the health and wellbeing award.

Objectives

5. The objectives of the assessment were:
 - To establish the level of accreditation against the full framework of the Investors in People Standard
 - To establish accreditation against the Health and Wellbeing Award
 - To identify strengths and areas of good practice within the Company
 - To identify any areas for further development for continuous improvement

Findings

6. Following a very positive six day liP assessment by IDG in June 2011, the company not only qualified for the liP Award but achieved 'Gold' status. Organisations that achieve Gold status represent the top 6% of recognised Investor in People and 1% of all organisations nationally.
7. To achieve 'Gold', the company had to successfully meet a minimum of 165 evidence requirements. This was made up of 39 requirements in the liP standard plus an additional 126 evidence requirements.
8. We are pleased to inform the committee that the company exceeded the gold award of 165 evidence requirements and achieved 173 evidence requirements.
9. The assessor concluded that

“throughout this review visit the vast majority of people interviewed were positive and enthusiastic; they demonstrated a genuine understanding of the purpose, aims and objectives of the company and could relate to these without difficulty. There are some excellent examples of good practice including a genuine and well embedded commitment to social responsibility and very strong and supportive work life balance practices. “

“The Company is in the midst of a major restructure and there are lots of uncertainties regarding the future, however, the vast majority of people are happy and enjoy working for the company, believing it to be a good place to work because the people are friendly, supportive and caring. There are opportunities for staff to develop and throughout this visit staff confirmed that all staff are treat as individuals allowing people to maximise their potential ensuring high levels of motivation and job satisfaction”.

10. In addition the company achieved the Health and Wellbeing Award. The summary stated
”The company has a well-established commitment to supporting the health and wellbeing of all staff and have a wide range of activities available in the form of employee benefits. The approach to work life balance is to be commended and all employees spoke very positively about the flexible working arrangements and the family friendly policies in place within the Company. There is an established health and wellbeing policy, a working party and resources made available in accordance with the needs of individuals and the company”
11. Being awarded the Investor in People Gold Award is a great achievement and one that the Company and its staff should be very proud of.

Next steps

12. The assessor will be visiting the company in August 2011 to discuss the areas for improvement.
13. To maintain our status as an Investor in People, a review needs to be undertaken by 15 June 2014.

Link to values

14. 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

15. Our achievement as an organisation with IIP Gold award and Health and Wellbeing Award demonstrates our commitment to having a well trained and responsive workforce. Employees work in an environment where health and wellbeing initiatives are promoted and this also has a direct impact on the quality of services our customers receive.

Risk Management Implications

16. This report will assist in managing two of the company's strategic risks:-
- Failure to sustain improvements
 - Failure to recruit and retain suitable staff

Financial Implications

17. The Director of Corporate Services confirms that the costs arising from the IIP reassessment and Health and Wellbeing Award can be met from existing budgets.

Equality and Diversity Implications

18. The company's commitment to being an equal opportunities employer is an integral part of every aspect of the company's activities. All learning and development, work life balance and health and wellbeing initiatives are designed to meet the diverse needs of the community and employees. We pride ourselves on our approach to engage the workforce to influence the environment in which they work and learn.

Value for Money implications

19. We continue to apply value for money principles in all areas of activity. This includes in house solutions for learning and development opportunities and employee funded health and wellbeing initiatives. This ensures that customer priorities are delivered in the most cost effective way.

Health Implications

20. The initiatives and prevention work that have been introduced over the past year have had a positive impact on the health of our employees. The clearest measure of this is that over the past 12 months sickness absence has been only

8.3 days, which is the lowest level of sickness absence the Company has had since its inception.

21. The company's commitment to learning and development is embedded in liP 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

22. Many of the health and wellbeing initiatives will have a positive impact on the environment by encouraging walking and cycling as an alternative to driving.

Consultation carried out

23. The company's HR consultants EEF Northern, unions and employees have been consulted on aspects of the report.

Recommendation

24. The committee are asked to note the outcome of the liP re-assessment and the liP Gold Award and Health and Wellbeing Award.



Report to the Resources and Audit Committee

28 July 2011

Title: Sickness Absence and HR Update

Report of: Director of Corporate Services

Purpose of Report

1. To provide the committee with update on general HR initiatives and developments.

Background

2. This report provides the Committee with the following information: -
 - Employee and HR Monitoring digest
 - Sickness absence update
 - Work Life Balance update
 - Investigation and Disciplinary update
 - Grievance, Bullying and Harassment update
 - Other HR initiatives and developments.
 - Learning and development activity

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 June 2011 and compares these with our performance last year with that of the top quartile performance for ALMOs as a whole.
5. Appendix 3 provides in a graphical format the reasons for absence within each department of the company for the period April to June 2011.
6. The total sickness absence for the period April to June 2011 equates to 2.56 days compared to 1.72 days for the same period last year and 2.99 for the same period 2009. This equates to a 33% increase in days lost in the period April to

June 2011 compared to April to June 2010 and 15% reduction compared to the same period 2009.

7. Short term absence relates to periods of absence less than 15 working days in duration with long term absence greater than 15 days in duration. In the period April to June 2011, short term absence was 1.09 days and long term 1.47 days. This compares with 1 day short term absence and 0.72 days long term absence in the same period April to June 2010. This equates to a 9% increase in short term absence and 51% increase in long term absence in the period April to June 2011 as compared to April to June 2010.
8. The increase in sickness absence in the first quarter of the year is clearly a worry. Virtually all of the absence can be attributed to long term sickness (and specifically post operative absences) which the Company has less control over.
9. However, in the period April to June 2011, the biggest cause of absence was stress with 263.9 days absence. This compares 103.6 days lost in the same period April 2009 to June 2010.
10. A personal support package has been provided to employees who are absent due to stress to include home visits, counselling, cognitive behavioural therapy (CBT) and First assist 24/7 helpline for employees and their families. There are no reported cases of work related stress.
11. Managers are provided with monthly sickness information and guidance detailing sickness absence triggers, action required and the early intervention of human resources.

Managing Sickness Absence

12. The company has held four sickness counselling interviews in the period April to June 2011 triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.
13. In the period April to June 2011, 29 cognitive behavioural therapy (CBT) / counselling sessions were supported by the company.
14. 2 options interview meeting was attended in the period April to June 2011. The meetings provide employees on long term sickness absence with support relating to options and their future employability with the company. Options include phased return to work, redeployment, work life balance, reduced hours, and reasonable adjustments to the working environment and ill health retirement.
15. In the period April to June 2011 17 employees were referred to occupational health for an initial assessment and three employees attended an occupational health review.
16. Nine employees attended a VDU eye test. Two have been referred to an optician for a full eye assessment.
17. One employee returned to work on phased hours and duties for a period of three weeks.
18. One employee attended occupational health for a Hepatitis B immunisation.

19. Manager's received training on the introduction of the new absence policy. Minor changes have been made to supporting documentation as a result of feedback.
20. An e-learning module is being developed to support the introduction of the absence management policy. The module will be mandatory for all employees and will include a question and answer assessment to test knowledge and understanding.
21. Employees will be issued with a card that contains key information on absence reporting. The card has been designed to fit in a wallet or purse for easy access and use.

Information Sharing

22. The service is working with GVOC to share information on managing attendance. A summary of our approach to managing attendance has been provided and a following up meeting will be arranged with GVOC to discuss further.

Work Life Balance

23. In the period April to June 2011 the following work life balance applications have been approved:

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

Investigation and Disciplinary

24. In the period April 2010 to March 2011 the following activities have taken place:

Suspension	Outcome
0	
Investigation	Outcome
2	2 No further action
Disciplinary	Outcome
0	
Capability	Outcome
0	

Grievances

25. In the period April to June 2011, there were no informal or formal grievances.

Bullying and Harassment

26. In the period April to June 2011 there were no allegations of bullying or harassment.

Whistleblowing

27. In the period April to June 2011 there were no reported incidents.

Job Evaluation

28. One employee has been removed from salary protection as a result of developing a new job profile. Six employees remain in protection. We continue in our commitment to reduce the number of employees in protection by the end of the four year period in March 2012.

Recruitment

29. In the period April to June 2011, the company has advertised 16 jobs as follows:

Job title	Method of recruitment	Number of applications
Clerical assistant	Internal	0
Recovery Team Leader	Internal	7
HomeRepairs Team Leader	Internal	10
Head of Property Services	Internal	4
Head of Support Services	Internal	1
Caretaker	Internal	1
Rent and Income Officer	Internal	18
Estate Officer	Internal	14
Sheltered Housing Estate Officer	Internal	7
Housing Management Assistant	Internal	11
Finance Manager	Internal	1
Concierge	External	18
Caretaker	External	18
Clerical Assistant	External	2
Customer Service Assistant	External	4
Housing Management Assistant	External	218

30. **Health and Wellbeing Initiatives**

Free Health Checks

31. South of Tyne and Wear NHS have delivered free health checks to employees who are registered with a GP in South Tyneside, Sunderland or Gateshead who are over 40 years of age. However if an employee has been diagnosed with diabetes, stroke, kidney problems, heart problems or on medication for cholesterol or high blood pressure is not eligible.

32. 13 employees attended the health check. The employees received a personal health check report which provides an analysis of their current health status. The report includes blood pressure and cholesterol results, cardiovascular risk, lifestyle, alcohol and weight management results.
33. The report enables employees to take charge of their own health and wellbeing. Results can be compare after six months to see if improvements are being made or maintained.

Chiropody

34. We continue to offer chiropody services. The Chiropodist has attended Keelman House and an outbased office. 19 employees took advantage of this service in the period April to June 2011.

Learning and Development Activity

Absence Management Training

35. Managers across the company have received training to support the launch of the Absence Management Procedure. The course included why managing absence is important to the business, manager's role in achieving improvement and success, the procedure and documentation, return to work interviews, Occupational Health support measures, and how to conduct absence review meetings. In addition to the face to face sessions an e-learning package has been developed for all employees.

Union Learning Rep (ULR) courses

36. Employees attended a number of courses arranged by the ULR. Courses include ECDL, Spanish and key skills in numeracy and literacy.

Appraisals

37. We have commenced another cycle of appraisals for period April 2011 to March 2012. The future training plan will be based on the training needs identified by managers and employees to achieve business plans and service objectives.

Qualifications

38. Each year a proportion of the training budget is allocated to professional qualification courses. This year there have been 16 applications submitted by 13 employees. The applications will be reviewed by Heads of Service in July and employees informed of the outcome in early August 2011.

Psychometric Testing

39. We have transferred from hard copy, desk based, psychometric testing to an on-line system. This follows the successful pilot introduced to support the recruitment process. Psychometric tests are a powerful tool that provides factual information about potential candidates. The system has been developed after extensive trials and allows the tests to be completed on-line with access to a variety of assessments including ability tests, personality profiles and managerial judgement.

Health and Safety Training

40. In the period April to June 2011 the following health and safety training has been delivered :

- CIEH Level 2 Fire Safety
- CIEH Level 1 Conflict Management
- Appointed First Aider (one day)
- Asbestos Awareness
- Full First Aider (3 days)

Link to values

41. 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

42. 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

43. This report will assist in managing two of the company's strategic risks: -

- Failure to sustain improvement
- Failure to recruit and retain suitable staff.

Financial Implications

44. The financial cost of sickness absence to the company for the period April to June 2011 was £110,167 as compared to £79,246 for the same period last year.

Equality and Diversity Implications

45. 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

46. 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

47. 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.
48. 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

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

Consultation carried out

50. The company's HR consultants EEF Northern and Unions have been consulted on aspects of the report. A number of the courses delivered and developed were identified by employees, as part of the annual appraisal process.

Recommendation

51. 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 2011/12					
Performance Measure		Qtr 1	Qtr 2	Qtr 3	Qtr 4
Number of people employed by TGHC					
Male		294			
Female		44			
Permanent Employees		325			
Temporary Employees		13			
Full Time		275			
Part Time		63			
Number of starters (since 01 April 2011)		1			
Number of leavers (since 01 April 2011)		39			
Ill health retirements					
Number of employees seeking redeployment		2			
Number of employees in Protection following Job Evaluation		6			
Diversity Monitory					
Gender					
Male		294			
Female		44			
Age					
Under 18		0			
18 – 25		21			
26 – 35		110			
36 – 45		82			
46 – 55		91			
56 – 65		34			
66 +		0			
Disability					
Perceived themselves as disabled		40			
Do not perceive themselves as		298			

 The Gateshead Housing Company Working with Gateshead Council					
Employee and HR Monitoring Digest 2011/12					
Performance Measure		Qtr 1	Qtr 2	Qtr 3	Qtr 4
disabled					
Ethnicity					
	White British	328			
	White Irish	1			
	White Other	1			
	White and Black Caribbean				
	White and Black African				
	White and Asian				
	Asian or Asian British Indian	1			
	Asian or Asian British Pakistani				
	Asian or Asian British Bangladeshi	1			
	Asian or Asian British Other	1			
	Black or Black British Caribbean	4			
	Black or Black British African	1			
	Black or Black British Other				
	Chinese				
	Other				
(Results from 292 respondents to personal details audit)					
Faith					
	Buddhist				
	Christian				
	Hindu				
	Jewish				
	Muslim				
	No Religion				
	Prefer Not to say				
	Sikh				
	Other religion				
Sexual Orientation					
	Bisexual				
	Gay Man				
	Gay Woman/Lesbian				
	Hetrosexual/straight				
	Prefer not to say				
Recruitment Monitoring					
Number of BME applicants for external posts					
	Application for employment	11			

 The Gateshead Housing Company Working with Gateshead Council					
Employee and HR Monitoring Digest 2011/12					
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Short listed for interview	2				
Offered post	0				
Number of disabled applicants for external posts					
Employment	16				
Short listed for interview	7				
Offered post	0				
HR advisory issues					
Investigations	2				
Disciplinary	0				
Suspensions	0				
Oral Warning	0				
First Written Warning	0				
Final Written Warning	0				
Dismissals	0				
Appeals Submitted	0				
Stage 1 Grievance	0				
Stage 2 Grievance	0				
Bullying and Harassment	0				
Whistleblowing	0				
Capability	0				
Health and Wellbeing					
Total number of working days lost per employee (target 9.25 April to June 2011)	2.56				
Total number of working days lost to sickness	840				
Number of Occupational Health appointments					
<ul style="list-style-type: none"> • New referrals 	17				
<ul style="list-style-type: none"> • Review appointments 	3				
<ul style="list-style-type: none"> • Surgery appointments 	0				
<ul style="list-style-type: none"> • Home appointments 	0				
Number of employee counselling/CBT sessions	29				
Number of Sickness Counselling Interviews	4				
Number of options interviews (long term sickness)	2				
Number of employees who have had a phased return	1				

 The Gateshead Housing Company Working with Gateshead Council				
Employee and HR Monitoring Digest 2011/12				
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Learning and Development				
Number of new staff receiving induction	1			
Number of staff undertaking professional Qualifications	14			

Sickness Absence Summary Sheet 2010 - 2011

Appendix 2

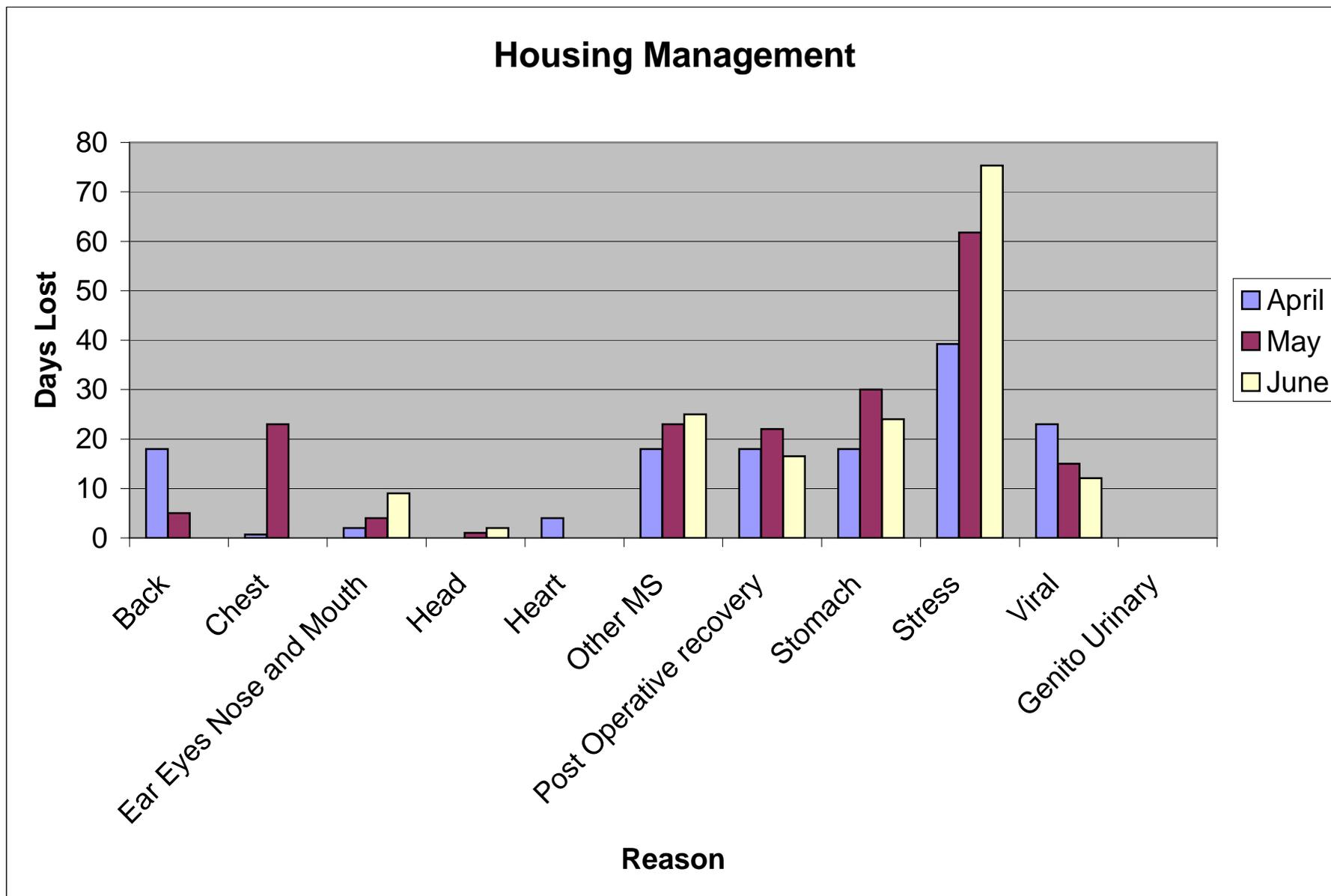
Actual Days lost per employee per month to date

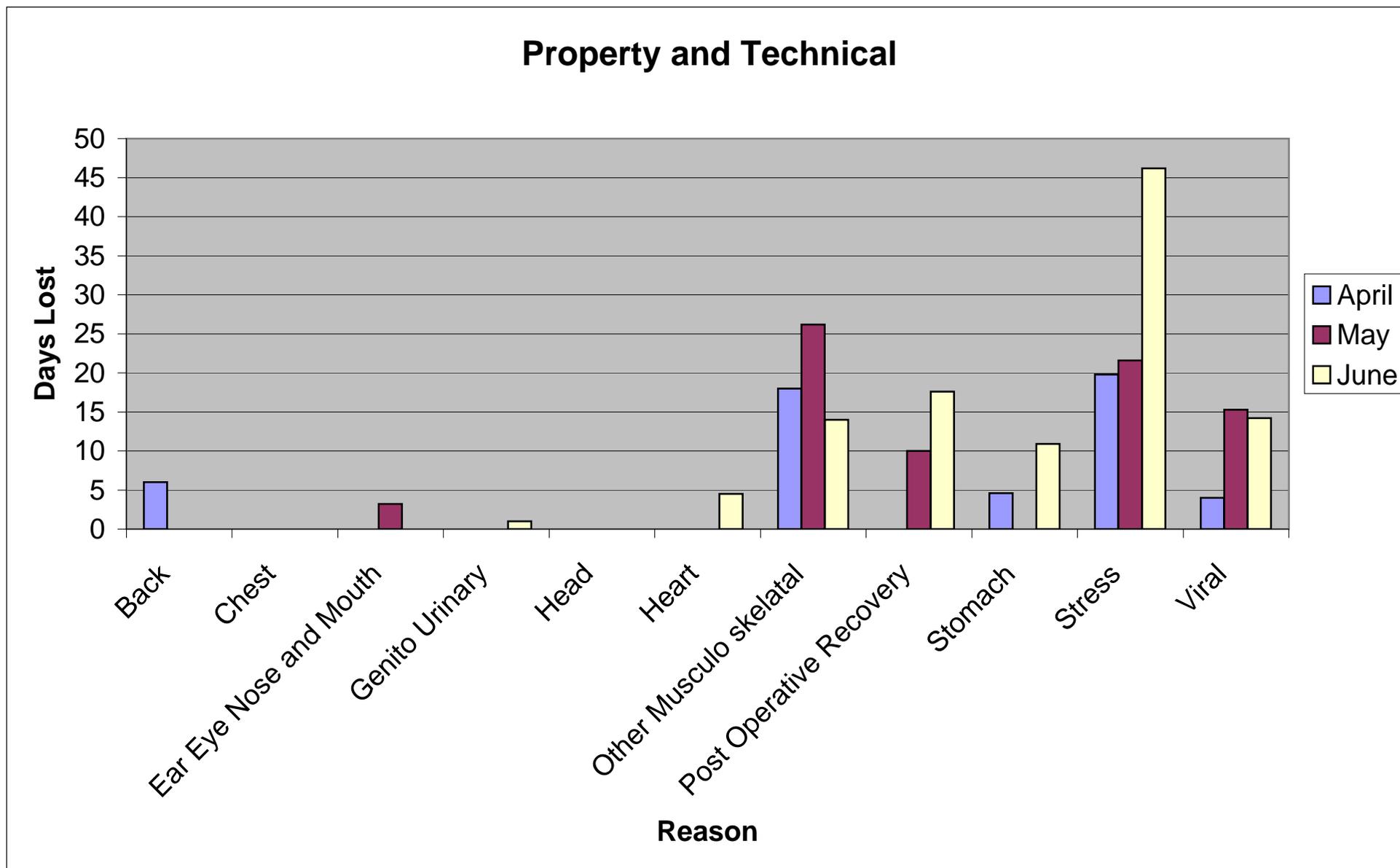
2010/11	HM	Prop & Tech	Corporate Services	Group Man.	All employees TGHC	TGHC cumulative	DCLG & House Mark	No of Occurrences	Days Lost per month	Days Lost Short Term Absence	Days Lost Long Term Absence
April	0.88	0.5	0.04	0	0.67	0.67		39	250.45	0.36	0.31
May	0.68	0.31	0.22	0	0.52	1.19		38	196.1	0.32	0.2
June	0.61	0.64	0.07	0	0.53	1.72		42	199.7	0.32	0.21
July	0.62	0.49	0.33	0	0.54	2.26		41	201.8	0.34	0.21
August	0.69	0.48	0.06	0	0.55	2.81		37	200	0.27	0.28
September	0.77	0.51	0.43	0	0.66	3.47		45	236.5	0.42	0.24
October	0.98	0.28	0.74	0	0.79	4.26		52	284.5	0.41	0.38
November	1.22	0.84	0.46	0	1.03	5.29		51	371.5	0.42	0.61
December	1.22	0.99	0.79	0	1.1	6.39		77	396.4	0.71	0.39
January	0.84	0.59	0.82	0	0.78	7.17		44	280.3	0.34	0.44
February	0.42	0.4	0.68	0	0.44	7.61		33	161	0.29	0.15
March	0.68	0.73	0.71	0	0.69	8.30		55	236.85	0.51	0.18
Cumulative by service area	9.61	6.76	5.35	0.00	8.30			554	3015.10	4.71	3.60

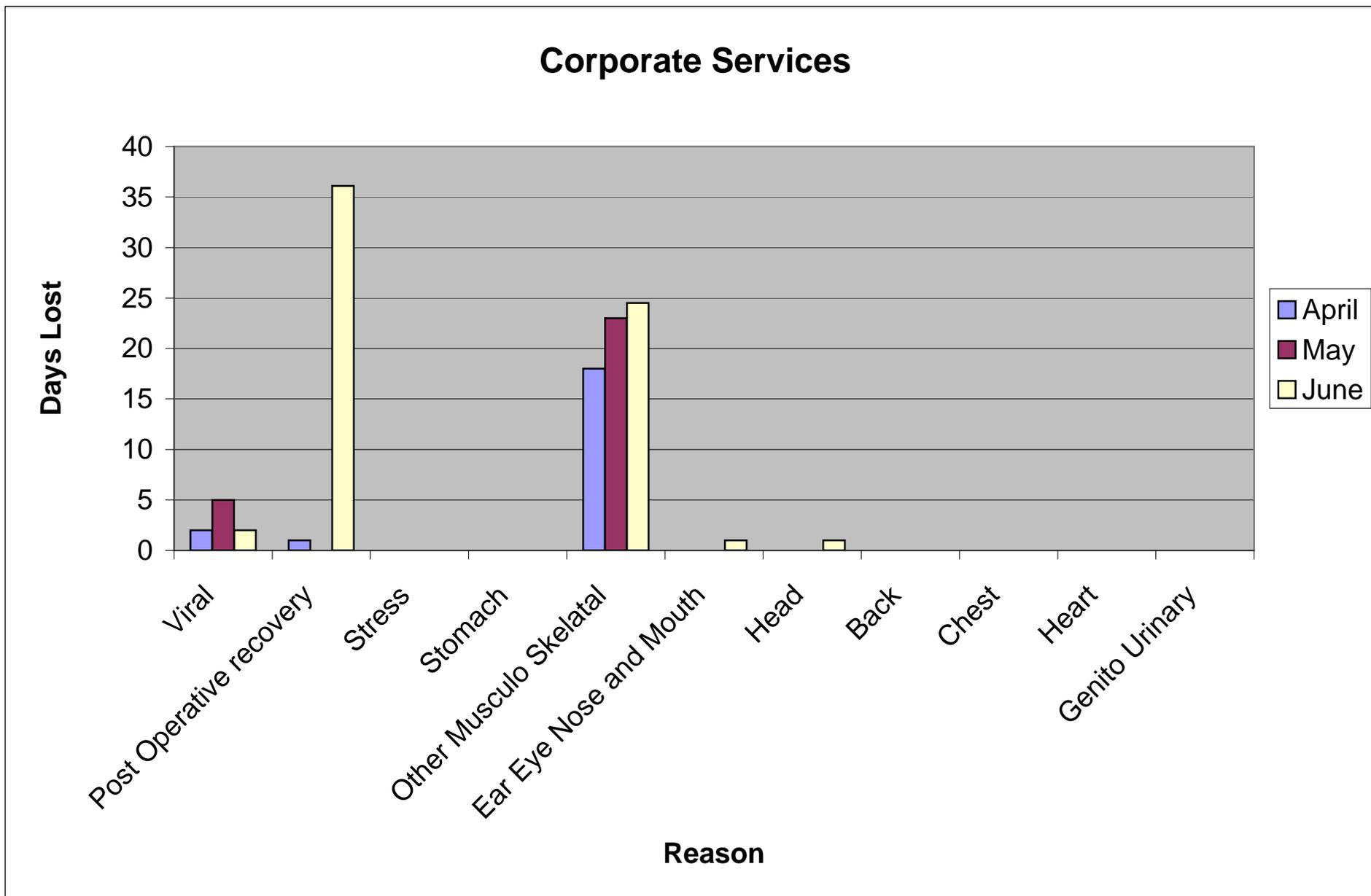
2011/12	HM	Prop & Tech	Corporate Services	Group Man.	All employees TGHC	TGHC cumulative	DCLG & House Mark	No of Occurrences	Days Lost per month	Days Lost Short Term Absence	Days Lost Long Term Absence
April	0.64	0.71	0.44	0	0.62	0.62		35	214.3	0.26	0.36
May	0.91	0.91	0.6	0	0.85	1.47		38	289.1	0.35	0.5
June	0.85	1.54	1.42	0	1.09	2.56		46	336.9	0.48	0.61
July											
August											
September											
October											
November											
December											
January											
February											
March											
Cumulative by service area	2.40	3.16	2.46	0.00	2.56			119	840.30	1.09	1.47

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

BV12
excludes temp employees with <12 months service









Report to Resources and Audit Committee

28 July 2011

Title: Health and Safety Update

Report of: Director of Corporate Services

Purpose of Report

1. To provide the committee with a report on the company's health and safety activities for the period April to June 2011.

Background

2. The Health and Safety ("H&S") team are responsible for a number of activities designed to eliminate, reduce and mitigate accidents in the workplace, safety of residents and members of the public who access our services and premises.
3. In addition to this the H&S team act in an advisory role to ensure companywide compliance with a number of statutory and regulatory requirements including: -
 - Occupational Health and Safety
 - Health and Safety Training
 - Occupational Hygiene.
4. They also have responsibility for the planning, management and monitoring of cyclical maintenance within non-domestic areas to ensure the company's compliance with statutory regulatory requirements as follows: -
 - Water Management - Risk assessments and water testing.
 - Electrical Safety - Cyclical electrical testing, fixed wiring, portable appliances 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 standards.
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. A review of Occupational Risk Assessments has commenced. The annual review is due for completion in October 2011. The service is working closely with managers to assist with the embedding of health and safety knowledge and responsibilities across the company.
7. Health and Safety Office audits are in progress and due to be completed in July 2011. Action plans are developed for areas of non-compliance to rectify the deficiencies. We are working closely with Gateshead Council particularly in areas of fire safety management where there is joint occupancy in the premises.
8. Health and Safety Audit for Caretaker work areas is in progress and due to be completed in October 2011. Action Plans are developed for areas of non-compliance to ensure compliance and good practice improvements.
9. A review of Personal Protective Equipment (PPE) has taken place in housing management. This has resulted in the supply of agreed equipment specific to job role.

Accidents Update

10. There have been four accidents reported in the period April to June 2011: -
 - One person tripped due to a defective trim on a step
 - One person fell and broke a bone in their foot
 - One person suffered bruising following a car accident
 - One person suffered bruising and a scrape from a defective bin chute runner
11. Accidents are investigated by the H&S team and amendments made to risk assessments as appropriate.

Asbestos Management

12. The annual review of non – domestic properties has been completed including low-rise buildings.
13. A schedule of remedial action for damaged asbestos material has been developed and orders placed to carry out remedial works. It is estimated that remedial works will be completed by December 2011.
14. The Keystone Asbestos module is updated to reflect the findings from the annual review.

Fire Safety Management

15. The annual review of Fire Risk Assessments has been completed for communal areas, high rise blocks and sheltered schemes.
16. Fire Safety Audits are currently being carried out in conjunction with Tyne and Wear Fire and Rescue Service (TWFRS) for Housing Offices in shared accommodations under the Fire Safety Order (FSO) 2005.
17. Fire safety improvement works have commenced. The works are due to complete by March 2012. The works will tackle deficiencies identified in the 2010 fire risk assessments for all 28 multi-storey blocks.
18. Areas of work covered by the improvements include communal areas including communal doors, fire detection and bin chutes and flat entrance doors. East Street flats and Harlow Green Multi storey flats are the first to benefit from the improvements works.

Legionella Control

19. Monthly meetings with our maintenance contractor are ongoing and no significant risks have been identified. Water testing is ongoing in all buildings to determine bacterial levels.
20. No reported positive testing has been reported in the period April to June 2011.
21. The review of water hygiene risk assessments for the managed buildings is progressing. Areas of high risk identified will be rectified immediately and medium risk rectified over a period of 12 months as part of cyclical maintenance.
22. Legionella Risk Assessments are completed.
23. Building Legionella Audits are currently being carried out to include housing offices in shared accommodation.

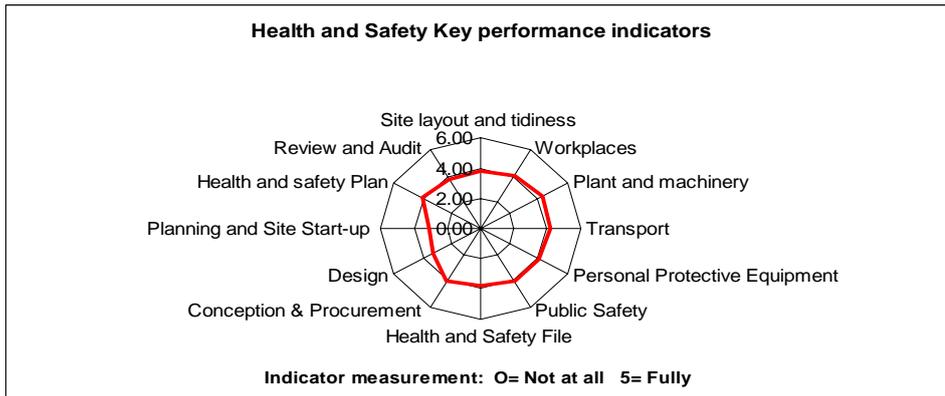
Cyclical Repair and Maintenance Update

24. The annual Cyclical Maintenance Schedule for all non domestic areas is carried out in line with the Service Level Agreement (SLA) with our contactors LES Construction Services.
25. A condition survey for all the bin chute areas has been completed and immediate repairs made.
26. The fixed wiring testing for sheltered schemes and multi storey buildings are 100% completed. The fixed wiring testing for low medium rise buildings are 100% completed.

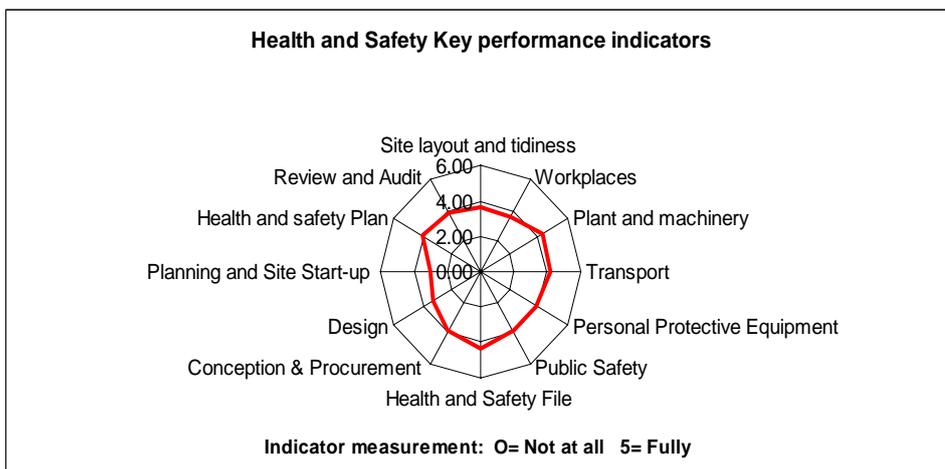
Overall Safety Performance Audit for the Partnering Contractors

27. The following five spider graphs highlight the Health & Safety performance of our three Decent Homes and new build partner for the period from April to June 2011
28. The safety performance has been constant across all contract sites and there are no changes to report.

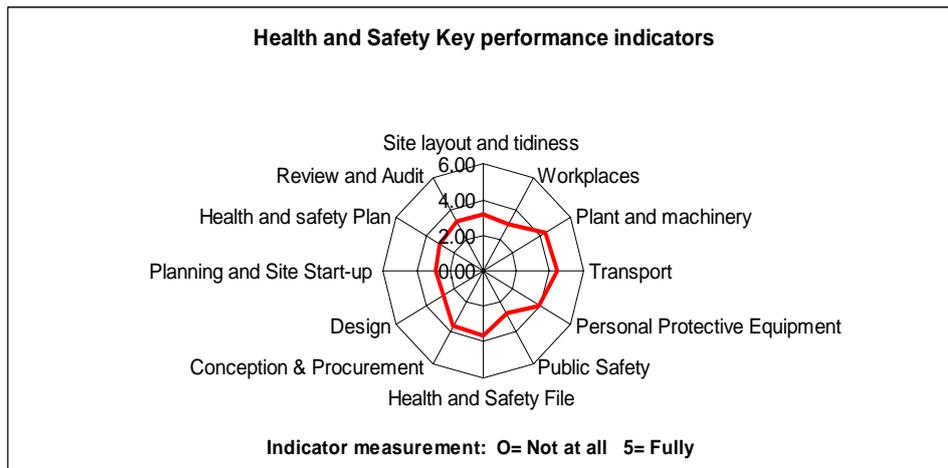
Morrison Health and Safety Performance over 6 construction sites
No Major accident or HSE enforcement over this period



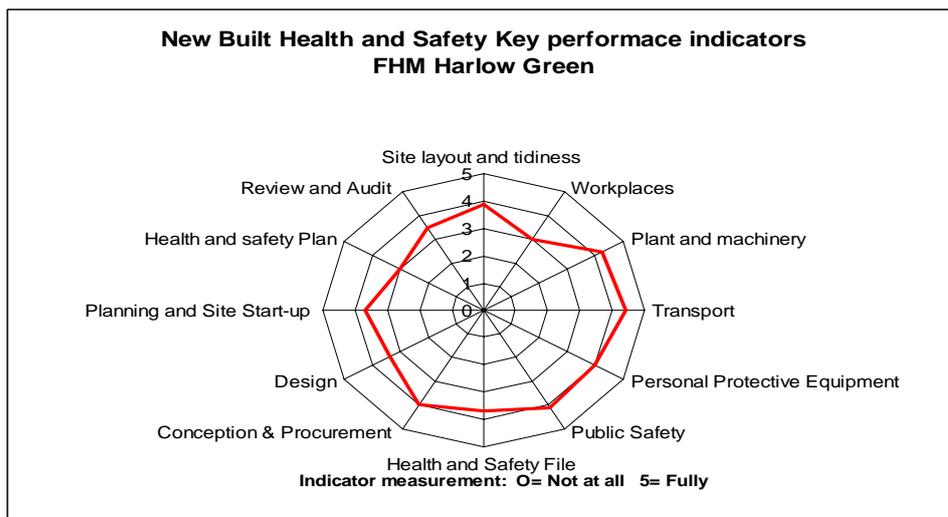
LES Construction Health and Safety Performance over ten construction sites
No Major accident or HSE enforcement over this period



Newbuild FHM Kiblesworth Health and Safety Performance
 No Major accident or HSE enforcement over this period



Newbuild FHM Harlowgreen Health and Safety Performance
 No Major accident or HSE enforcement over this period
 Construction completed in July 2011 with one minor accident over the life of the project.



Links to Values

29. 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

30. The improvements identified and actions carried out will help us to provide healthy and safe environments for employees, residents and members of the public. Improvements carried out to multi-storey blocks and communal

lounges will also increase accessibility to our services. This is in line with the aims to ensure compliance with a range of statutory regulatory requirements.

Risk Management Implications

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

Financial Implications

32. The Director 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

33. 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

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

Health Implications

35. 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

36. 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.

Consultation carried out

37. The programme of work has been developed in consultation with Tyne and Wear Fire and Rescue Service (TWFRS) and managers.

Recommendation

38. 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 Senior Health and Safety Adviser Tel No: 0191 433 5324



Report to Resources and Audit Committee

28 July 2011

Title: Equality and Diversity - Update

Report of: Director of Corporate Services

Purpose of Report

1. To provide an update on equality and diversity work within the organisation and an update on legislative changes

Background

2. Equality and diversity is at the heart of everything the company does, as highlighted in the specific company value of 'Embracing Equality'.
3. The company's Single Equality Scheme and accompanying equality and diversity action plan brings together all areas of our approach to Equality and Diversity into one document, providing a clear outline for all employees, customers and Board Members.
4. The action plan helps the company to work towards the Excellence level of the Social Housing Equality Framework and meet the regulatory requirements as a social housing provider.
5. During the last twelve months there have been significant changes to equality legislation including the introduction of the Equality Act in October 2010 and as a result, a subsequent new Public Sector Equality Duty. Guidance on the equality act was provided a previous committee.

Key activity between 1 April 2011 and 30 June 2011

6. In the last quarter activity relating to equality and diversity has included: -
 - Achieving Customer Service Excellence – this included specific requirements relating to equality and diversity in terms of knowing our customers and providing information in the way customers need it
 - A 3 page spread in Homework to keep employees updated on key projects relating to equality and diversity
 - Promoting Gateshead Council's Staff Networks for BME, Disabled and Lesbian, Gay, Bisexual and Transgender (LGBT) internally giving our employees the opportunity to attend these meetings and identify areas for improvement in employment support

- The Pre Qualification Questionnaire for the repairs retender was published with specific requirements relating to equality and diversity including compliance with legal requirements, how organisations ensure they keep up to date with equality law (and their sub-contractors) and how staff are kept updated of their responsibilities in relation to equality legislation
 - Attended a Community Linking Event at Gateshead Kurdish Mosque as part of Gateshead Together Week, bringing together local tenant and residents groups and the Muslim community to learn from each others practices and dispel common myths
 - Line managers discussed training needs with employees through appraisals to identify any further support needs following completion of the e-learning
 - Delivered a training course to tenants on the impact of alcohol on families and communities via the North East Council of Addictions
 - Contributing to the review of the Gateshead Strategic Partnership's (GSP) Community Cohesion Strategy – Gateshead Together, to ensure that the housing company remains a key contributor to improving cohesion on our estates
7. In the next period, in addition to the overall Annual Report for Tenants and Leaseholders, an additional annual report for Equality and Diversity will be produced to highlight key achievements for the year 2010/11 and monitor performance around employment, satisfaction levels and access of services. It is proposed that this will be presented to the October meeting of this committee.

Knowing our customers

8. We continue to use all opportunities to update our customer records and ensure that we can respond to effectively to customers needs both on an individual basis and to identify trends in terms of levels of satisfaction and take up of services.
9. Primarily this information is being collected via the rent statement and at sign up although employees are expected to use other contacts with customers to check and update this information where possible.
10. Between 1 April 2011 and 30 June 2011, more than 4000 customer records were updated including contact details and preferences, language requirements and disability information.
11. As of 30 June 2011, the profile of our main tenants (20608 tenancies) was:
- 58.11% female
 - 2.36% BME with the highest proportion of tenants being Asian Bangladeshi or Black African
 - In 27.55% of households, the main tenant has a disability, with the most common recorded being mobility issues
 - 4.83% of tenants are under 25, with 17.45% being over 75
12. We have also now collected 19.65% of sexual orientation information and 20% of religion information, and continue to request this information. This will help us to look at potential impacts from the way we are delivering services, in line with our requirements from the Equality Act.

Equality Act Public Sector Duty – Update

13. At April's committee meeting, information was provided on the General Public Sector Equality Duty which had come into force as part of the Equality Act. This placed a requirement on public organisations to:
 - Remove or minimise disadvantages suffered by people with protected characteristics due to having that characteristic
 - Take steps to meet the needs of people with protected characteristics that are different from people who do not have that characteristic (including steps taken to take account of a disability)
 - Encourage protected groups to participate in public life or where participation is disproportionately low
14. It was noted that the company is addressing these requirements through a range of actions including carrying out equality impact assessments on new or reviewed policies, targeting involvement activities where representation of protected groups is low, continuing our BME and Disabled Persons Housing Forums and contributing to the GSP's Community Cohesion Strategy.
15. In addition, the specific equality duties, having previously been postponed, have now been laid before Parliament. Subject to Parliamentary approval, these will come into force before the summer recess.
16. The duty sets out a list of organisations required to provide the information as a public body. Although ALMOs are not listed within this schedule, local authorities are, and it is considered good practice as an organisation funded by public money to demonstrate our compliance with the duties.
17. The specific duties expected organisations to:
 - Publish information demonstrating compliance against the general duty at least annually, with the first information required by 31 January 2012. This should include information on people who have a protected characteristic in relation to both employees and people affected by the services being delivered
 - Publish one or more specific, measurable objectives to achieve the duties set out in paragraph 8. The first objectives are required to be published no later than the 6 April 2012 and then reviewed at least every 4 years after this.
 - The information published is required to be produced in a format which is accessible to the public.
18. The housing company has published equality and diversity performance information through an annual report for some time and it is proposed that the report produced for the October committee covers the requirements set out above.

Human Rights

19. In addition to the Equality Act, the company must also ensure that we are considering and are in compliance with the requirements of the Human Rights Act.
20. Following recent cases in British Courts and the European Court of Human Rights relating to housing rights of individuals, the Equality and Human Rights Commission have produced guidance for social housing providers.

21. The guidance is aimed at setting out practical advice and guidance on how human rights can be relevant through the customer journey in social housing, and offers a checklist of issues to consider in reviews of policies and practices to check that they are compatible with human rights.
22. The guidance document has been placed on the Board Members website for further information.
23. Failure to comply with our obligations under the human rights act could lead to the company: -
 - Receiving customer complaints
 - Criticism or investigation by the regulator if it was felt it was to the serious detriment of tenants and leaseholders
 - Legal proceedings instigated by customers and/or scrutiny by the Equality and Human Rights Commission
24. There are 16 rights contained within the Human Rights Act, referred to as the Convention Rights, with three which are most relevant to social housing: -
 - **‘Right to a fair trial’** – This broadly means that a person should have the opportunity to participate effectively in any hearing of their case, and to present their case in conditions which do not put that at a substantial disadvantage to the other party in the case. For example, someone subject to a decision being made in the eviction process should be given access to an interpreter if necessary.
 - **‘Right to respect for private life, family life and the home’** – This is not a right to housing; rather it is a person’s right to access and live in their home without interference or intrusion. The right to family life relates to the right for a family to live together.
 - **‘Prohibition of discrimination’** – This means that everyone must have equal access to the other rights set within the Human Rights Act, for example in rights for succession to tenancies for gay couples.
25. It is proposed that the guidance is taken to the next meeting of the internal Equality and Diversity Working Group to facilitate discussion with service managers about the implications of the act in each area. A future report to this committee could then summarise these implications and intended actions.

Link to values

26. 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

27. Through gaining a better understanding of our customers, their needs and priorities, we are able to provide services which meet these needs ultimately resulting in increased satisfaction with our services.
28. The requirements set out in the specific duties of the equality act are intended to make sure that our customers have access to clear and transparent information to understand how we are working to achieve equality in our services. This will also allow them to challenge us where they feel we need to improve for the benefit of all tenants and leaseholders.

Risk Management Implications

29. 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.
30. The Involvement and Empowerment Standard within the TSA's regulatory framework includes a specific section relating to understanding and responding to diverse needs. The approach taken through our single equality scheme and action plan ensures that we continually address these requirements in the way we deliver services across the company.

Financial Implications

31. The Director of Finance confirms that any costs arising from this report can be met from existing budgets. Any other financial implications will be reported to this committee.

Equality and Diversity Implications

32. The Single Equality Scheme and action plan 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

33. The actions outlined in this report will help us to understand the specific needs of our customers and employees and respond accordingly.
34. This ultimately results in value for money savings through getting things right first time rather than having to make costly changes at a later date, or by providing services that our customers or employees do not need.

Health Implications

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

Environmental Implications

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

Consultation carried out

37. Consultation with employees, customers and stakeholders has taken place during the development of the Single Equality Scheme and the subsequent review of Equality and Diversity in 2010.
38. As detailed in the report, the Equality and Diversity Working group will receive details of the guidance on Human Rights to consider the impact on individual services prior to a further report being presented at this committee.

Recommendations

39. The committee is recommended to: -
- note the progress activity relating to Equality and Diversity carried out in the last quarter;
 - note the implications of the draft specific duties and agree to publish information on this in the Equality and Diversity Annual Report
 - agree to receive the Equality and Diversity Annual Report at the next meeting of this committee;
 - agree to receive a report at a future meeting regarding the implications of the Human Rights Act following investigations with service managers.



Report to Resources and Audit Committee

28 July 2011

Title: Management Accounts – June 2011

Report of: Director of Corporate Services

Purpose of Report

1. To provide the Committee with an update on the management accounts for the first quarter of the financial year 2011/12.

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 2011/12 at its meeting on 8 March 2011.

Management Accounts

4. Following the budget that was approved by the Board in March 2011, the Council have amended the management fee. The management fee has been increased by £70,000 to reflect the company's additional responsibility for Repairs and Maintenance of council house adaptations from 1 April 2011. Therefore, the repairs budget has been amended to reflect this change.
5. The staffing budget has been set based on the new structure to incorporate the Heads of Service roles as detailed in the budget which was approved by Board. This new structure continues to be implemented. The staffing budget has not been adversely affected by this due to the voluntary redundancy programme which was carried out in March and June 2011.
6. The Management Accounts for the first quarter of the financial year 2011/12 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 June 2011.

7. The Management Accounts show an under spend to date of £38,000; this is due mainly to the overhead costs not yet falling due. However, we expect that the overhead budget and the salary cost budget will break even at the year end.

Link to values

8. 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

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

Risk Management Implications

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

Financial Implications

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

Health Implications

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

Equality and Diversity Implications

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

Value for Money implications

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

Environmental Implications

15. 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

16. None directly for this report.

Recommendation

17. The Committee's views are sought as to whether it is satisfied with the financial management of the Revenue and Repairs budgets for first quarter of the 2011/12 financial year.

Contact: Sarah Thompson, Head of Finance

Tel No: (0191) 433 5350

**The Gateshead Housing Company
Management Accounts – June 2011**

Revenue and Repairs Executive Summary

1. The management accounts for the first quarter of the 2011/12 financial year are shown below:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Management Fee				
Income	4,199	4,198	1	16,791
Employee Costs	2,797	2,797	0	11,189
Overhead Costs	1,364	1,408	44	5,627
Surplus/(Deficit)	38	(7)	45	(25)
Repairs Fee				
Repairs Management Fee	5,197	4,916	(281)	19,652
Repairs Costs	5,197	4,916	281	19,652
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	38	(7)	45	(25)

2. Overall, the first quarter position shows an underspend of £38,000; this is due mainly to overhead costs being under budget for the year to date. We expect that the overhead budget will come in on target at the year end and underspends to date are due to costs not yet falling due.
3. The annual budget has increased by £70,000 due to the company taking on the responsibility for the repairs and maintenance of council house adaptations following the voluntary redundancy programme undertaken at the council. The repairs management fee and budget has been increased to take this into account.
4. The staffing budget is based on the new structure incorporating the Heads of Service roles. The budget assumes savings from the voluntary redundancy process and posts that have been agreed not to be filled have been removed from the costs. The implementation of the new structure is currently ongoing, however, the budget has not been adversely affected due to the voluntary redundancies which occurred in March and June 2011.
5. Repairs are also on budget for the financial year, and further analysis is provided later in the report.

Income

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	3,333	3,333	0	13,334
Officer Costs	774	774	0	3,095
Management Fee from external bodies	3	3	0	12
Gardening Service Income	1	0	(1)	0
Performance Fee	88	88	0	350
Total Income	4,199	4,198	1	16,791

6. Overall income for the first 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 and is calculated based on the staffing structure and prior year overhead costs plus an efficiency target of 4% savings.
7. The Officer Costs are for the work carried out in relation to the Decent Homes Programme as well as the management of the New Build Projects which are ongoing in 2011/12.
8. 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.
9. 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.
10. 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 the estimate of the fee that we expect to collect.

Staff Costs

11. Staff Costs are broken down as follows:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Employee Costs				
Customer Services	718	723	5	2,891
Neighbourhood Services - HQ	284	284	0	1,140
Property Services	383	347	(36)	1,386
Customers and Communities sub total	1,385	1,354	(31)	5,417
Support Services	222	227	5	910
Finance	365	379	14	1,515
Corporate Services sub total	587	606	19	2,425
Neighbourhood Services - areas	825	837	12	3,347
Total Employee costs	2,797	2,797	0	11,189

12. Salary costs are largely on target. The staff budget is based on the new structure including the Heads of Service roles. To the end of June only three Heads of Service had been appointed and this is impacting upon the next management level. Also, the movement of the property services teams has not yet happened, therefore, Property Services appear over budget but this is due in the main to the budget for the officers being included in other departments. We expect that this will be rectified for the quarter two management accounts.
13. During the first quarter we have spent £41,000 on agency staff; this is in comparison to spend in the first quarter of 2010/11 of £18,000 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.
14. 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. However, it should also be noted that there are a number of positions where the cost of an agency worker is lower than the hourly rate of a temporary employee and therefore, for short term vacancy covers, it may be more beneficial to the company as a whole to employ an agency worker. This is reviewed on a case by case basis.

Overhead Costs

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Overhead Costs				
Customers and Communities HQ Total	104	129	25	514
Corporate Services Total	953	979	26	3,913
Customers and Communities Area Costs	307	300	(7)	1,200
Total Overhead Costs	1,364	1,408	44	5,627

15. Overhead costs are underspent for the first quarter; this is due mainly to costs not yet being incurred. We expect that this budget will break even at the year end.
16. 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.
17. Budget holders continue to be accountable for their budgets enabling them to review their spend in more detail and overhead spend is monitored in detail by the Finance Section to ensure that these costs are controlled as much as possible. It should be noted that not all costs can be controlled especially in relation to utility costs and insurance claims. Finance monitor these costs on a monthly basis and highlights to Corporate Management any areas causing concern. There are no such areas causing concern at this time.

Repairs Summary

18. 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)	875	851	24
Responsive – MFS	1,453	1,732	(279)
Responsive – LES	250	250	0
Responsive – Other	200	398	(198)
Relets – MFS	825	881	(56)
Relets - Other	175	137	38
Cyclical Repairs – Servicing	125	111	14
Cyclical Repairs – Remedial Works	38	0	38
Water Hygiene Testing	38	8	30
Painting	250	163	87
Gas Servicing	500	570	(70)
Electrical Circuit Testing	13	8	5
Solid Fuel Testing	3	0	3
Lift Maintenance	34	23	11
Security	50	23	27
Environmental Works	56	29	27
Energy Performance Certificates	13	6	7
Aids & Adaptations	18	7	11
	4,916	5,197	(281)
Insurance Funded Repairs	0	314	314
Repair Management Fee Income	4,916	4,883	(33)
Income Total	4,916	5,197	281
REPAIRS TOTAL	0	0	0

Responsive Repairs

19. Responsive repair costs have been split between the spend with our contractor Morrison, the spend with Local Environmental Services and the other adhoc costs associated with repairs. Morrison carry out all the repairs and maintenance at properties, whilst LES carry out drainage repair works. Other costs are in relation to asbestos testing and removal works, batched Morrison repair work, the repairs freephone number and postage for any postcards/letters, as well as other sub-contractor costs for works Morrison are unable to carry out.
20. Overall the net responsive repair costs were £2,066,000 resulting in a responsive repairs overspend of £163,000. The majority of this relates to the cost of asbestos work which has increased in the first quarter due to changes in the reporting required.

21. For the first quarter of 2011/12, the average cost per job for responsive repairs was £123.36 – the average repair cost in the first quarter of 2010/11 was £106.01. This increase is due to the guttering renewal work which is currently on-going following the winter weather which brought down a large number of gutters due to the weight of the snow. This work is being funded through the insurance fund. Excluding the guttering work, average cost per job for responsive repairs would be £106.39.
22. The number of responsive repairs invoiced in the first quarter was 15,182 in comparison to 14,563 in the same period in 2010/11. As noted above this is due to the increased number of repairs to guttering. Excluding the guttering work, there were 14,385 repairs.
23. Repair satisfaction for the first quarter is 98.91% (against a target of 97-100%), and 99.11% of repairs have been completed within the timescales (against a target of 99-100%).
24. An analysis of the type of responsive repairs carried out in the first quarter is included in Appendix 3 and a comparison of responsive repairs costs and number of jobs in 2011/12 to prior years is included within Appendix 4.

Relets

25. The relet budget has been split between the costs of the works carried out by Morrison and the other costs associated with relets. Other costs relate mainly to costs associated with asbestos works, security costs at void properties and decoration vouchers provided to new tenants.
26. The Morrison relet costs are higher than budget, this is due mainly to an increase in the number of relet 2 jobs being carried out in the period. This is in relation to the properties which were returned in the first quarter of 2011/12 from Gateshead Council's Asylum Team.
27. Overall the average relet cost for the first quarter was £1,956.74 and 454 relets were carried out and invoiced. In the first quarter of 2010/11, the average cost was £2,140.78 and there were 425 jobs carried out and invoiced.
28. Work is being carried out to review the reasons around the increase and we would expect that the relet budget will come in on target.

Painting

29. The painting programme is slightly under budget to the end of June as this is the period in which the programme is developed and the external painting programme starts to get underway during the summer months. We expect the painting programme to come in on budget.

Gas Servicing

30. The gas servicing spend is greater than budget due to work carried out to resolve some of the issues associated with the boiler problems in the winter

period. It is expected that gas servicing will be slightly over budget at the year end due to this. We will cover this from underspend elsewhere in the repairs budget.

31. Gas appliances are required to have a gas service carried out every 12 months, at the end of the first quarter 100% of properties had a gas service within the previous 12 months.

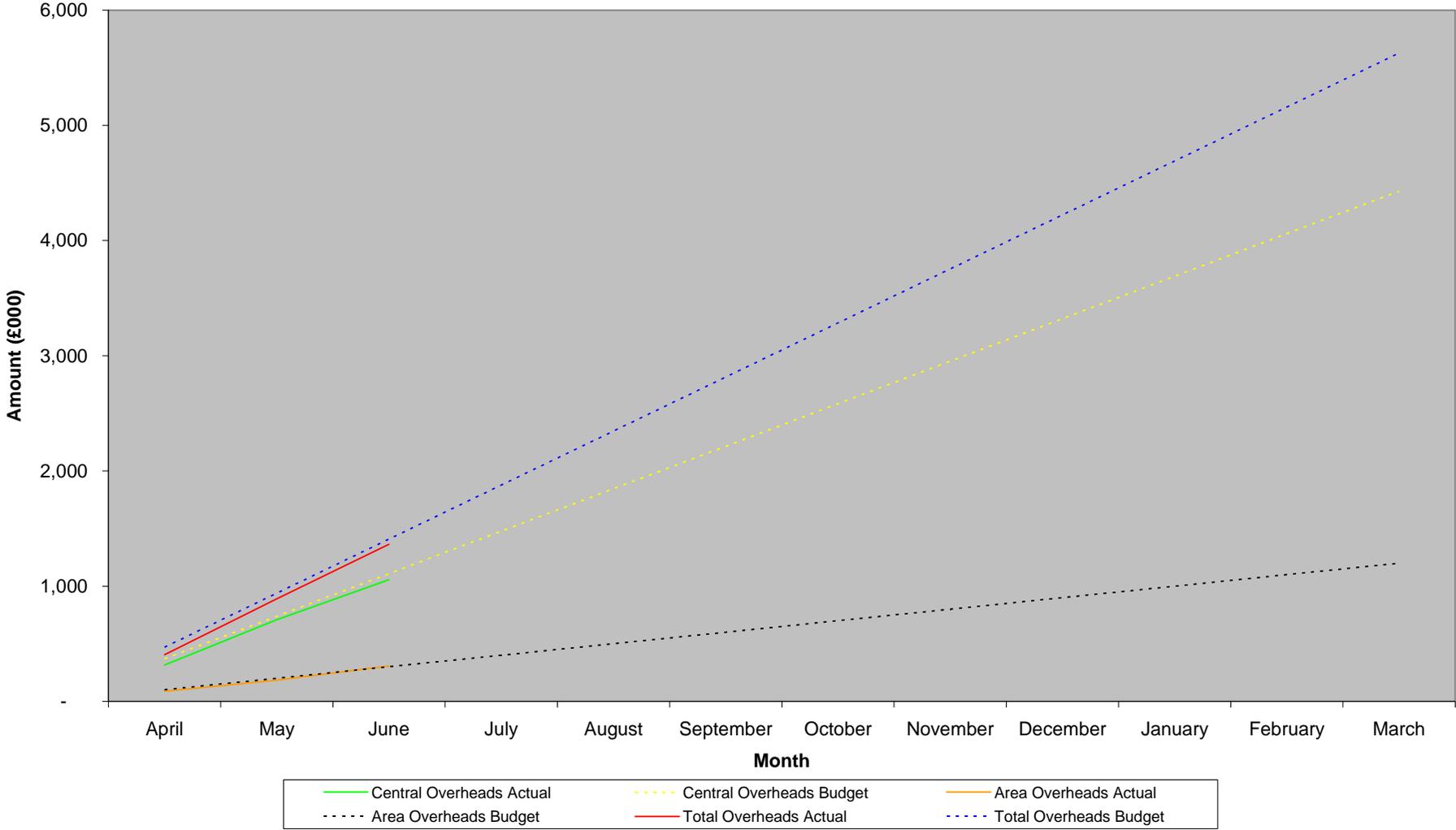
Cyclical Maintenance

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. We have a programme of works for these areas of maintenance and we expect that 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 and therefore, more difficult to budget.

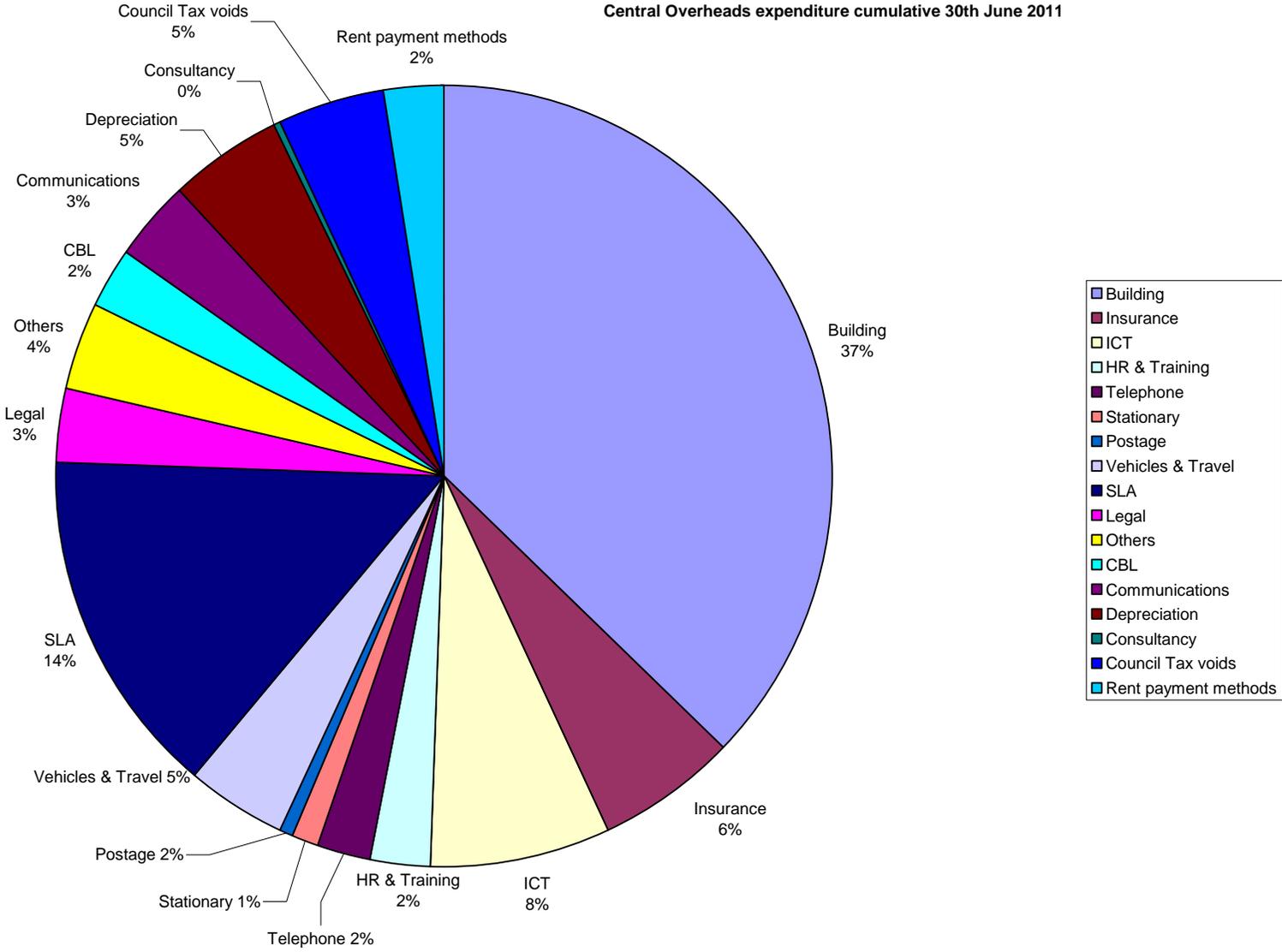
Detailed Management Accounts

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	3,333	3,333	0	13,334
Officer Costs	774	774	0	3,095
Management Fee from external bodies	3	3	0	12
Gardening Service Income	1	0	(1)	0
Performance Fee	88	88	0	350
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Repairs Management Fee	5,197	4,916	(281)	19,652
Repairs Costs	5,197	4,916	281	19,652
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	38	(7)	45	(25)

TGHC Overheads Budget 2011/12

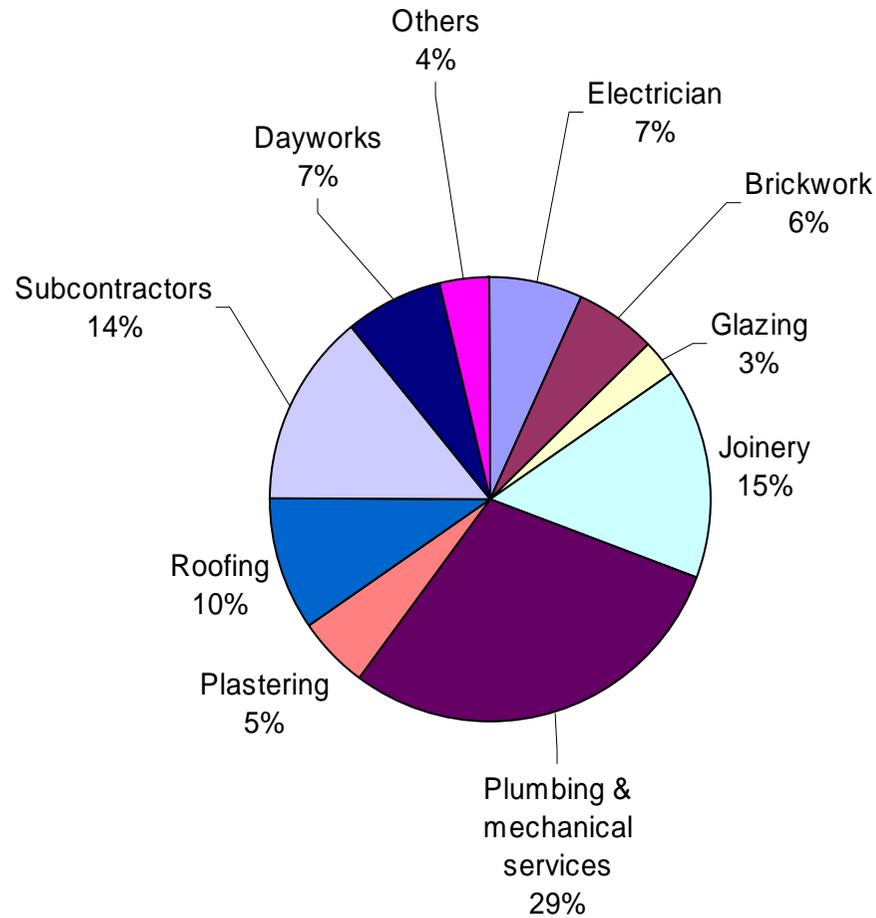


Appendix 2



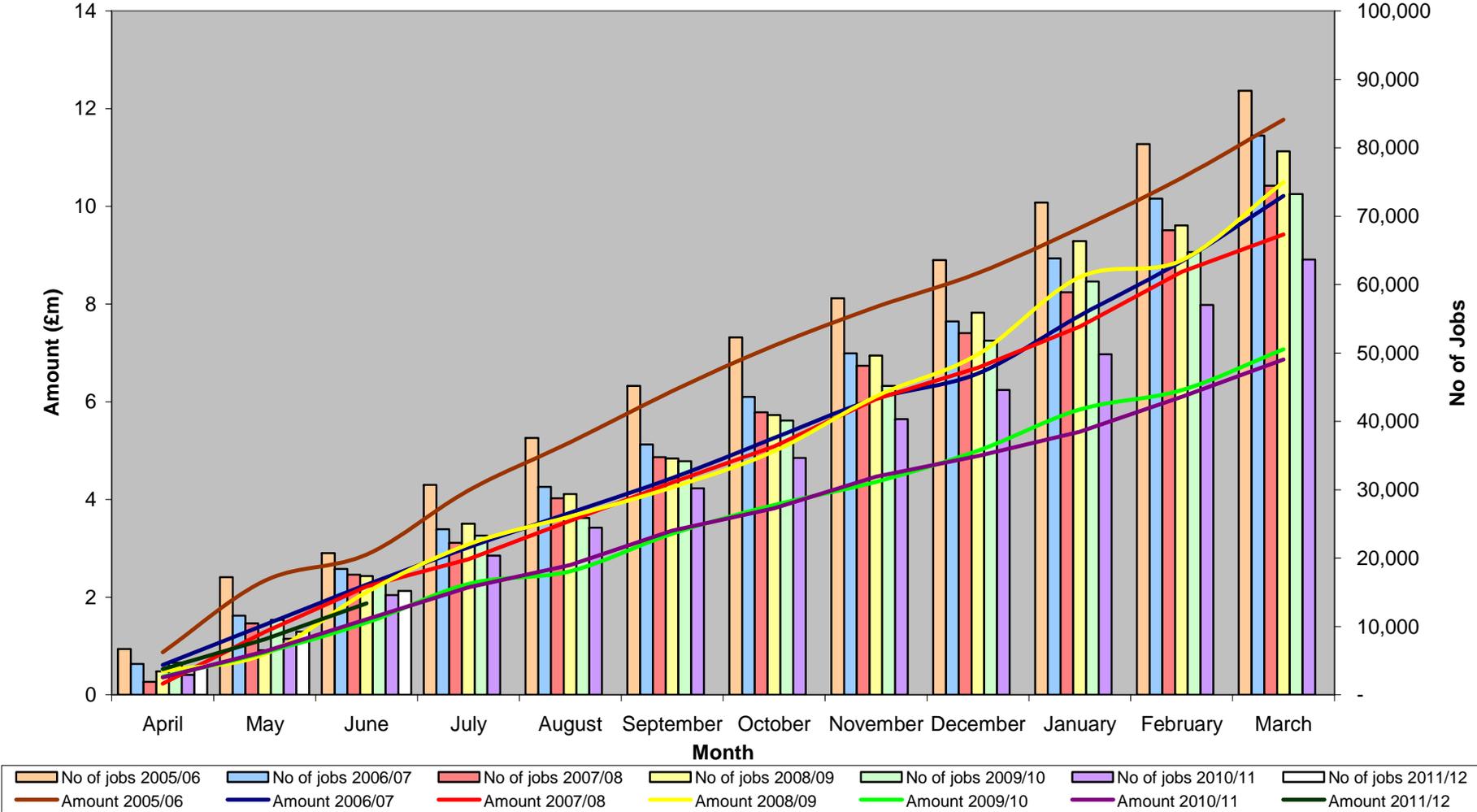
Appendix 3

Morrisons invoiced Repairs by trade for the period April 2011 - June 2012



Trade	2010/11 (3 months)	2011/12 (YTD)
Electrician	132,207.27	121,798
Brickwork	67,642.23	98,129
Glazing	44,577.01	47,113
Joinery	295,929.88	265,701
Plumbing & mechanical services	360,424.58	506,500
Plastering	108,684.29	89,738
Roofing	142,801.39	170,217
Subcontractors	78,892.50	242,341
Dayworks	85,738	128,418
Others	61,411	61,392
TOTAL	1,378,308	1,731,345

Comparison of Responsive Repairs to Previous Years





Report to Resources and Audit Committee

28 July 2011

Title: 2010/11 Internal Audit Annual Report

Report of: Chief Internal Auditor, Gateshead Council

Purpose of the Report

1. To inform the committee about work undertaken by the Internal Audit Service for 2010/11 and give an overall assessment of the adequacy of the company's internal control systems based on this work.

Background

2. The audit plan for 2010/2011 was approved by the Resources and Audit Committee on 9 March 2010 and set out to meet the requirements of the Code of Practice for Internal Audit 2006 in providing a risk-based focus for the deployment of internal audit resources.

Performance Management and Quality Assurance

3. The position as at 31 March 2011, showed the completion of 94% of the audit plan, in terms of actual audit hours against planned hours (84% for 2009/10). Other relevant performance information includes: -
 - Following each audit review a customer satisfaction survey is issued to the respective manager. A score is calculated from returned surveys and for 2010/11 a 100% satisfaction was achieved (100% for 2009/10).
 - Every audit is allocated a fixed budget of hours or days for the audit to be completed within. There is a target of completing 90% of all audits within the budgeted time plus 10%. During 2010/11 96% of audits were completed within this target (96% for 2009/10).
 - A target is also set for the number of audit recommendations implemented of 70%. During 2010/11 83% of audit recommendations had been implemented (73% for 2009/10).
4. The 2010/11 Internal Audit Plan agreed thirty-one audits to be carried out in the year. All audits have now been completed. Three of these audits have had draft reports issued and one draft report is currently being prepared following an exit meeting. One IT audit was deemed to be no longer required. Further information is attached at the Appendix.

5. The Chief Internal Auditor has in place a quality review process which appraises:
 - The quality of audit work
 - The quality of supervision
 - Compliance with the Code of Practice
 - Compliance with the Audit Service's Audit Manual
 - The ways in which the Internal Audit Service benefits the organisation
 - Achievement of performance standards
6. The process involves all audit work being reviewed by a Principal/Senior Auditor to ensure it is of a high and consistent quality in line with the Code of Practice. The Chief Internal Auditor sample checks this process and gives feedback to the auditors involved. An action plan is in place for the continued development of the Audit Service which accommodates these findings.
7. The only issues raised by the reviews related to minor administrative procedures and training has taken place to address these.

Main Audit Findings

Overall Assessment

8. Based on evidence arising from the internal audit activity during 2010/2011, the opinion of the Chief Internal Auditor is that the Company's internal control systems are considered to be effective.
9. This opinion is based on all audit activity throughout the year, which has been reported to the Resources & Audit Committee on a quarterly basis. This is also included at the Appendix.
10. For 2010/11 twenty-five audits (100%) concluded that systems and procedures in place were operating well or satisfactory. No areas were identified containing significant weaknesses. The audit of Corporate IT did not contain an opinion as this is a summary of work on Council owned systems that can affect The Gateshead Housing Company. No significant issues affecting The Gateshead Housing Company were raised as part of these audits. Opinions on draft reports have not been included as this work is still subject to discussions with management.
11. The standard conclusions in audit reports are defined as:
 - Operating well - where the system is effective and no recommendations or only a few minor points have been raised.
 - Satisfactory - where the system works but there are a number of recommendations or where issues have not been fully addressed from the previous audit.
 - Significant weakness - where the system is flawed and there are a large number of recommendations or at least one that is of high significance.
12. All audit recommendations will be followed up by internal audit in line with approved timescales based on an assessment of risk; for those audits with significant weaknesses this will be within the next twelve months.

Service Review

13. It is the responsibility of management to install and maintain effective internal control systems to ensure sustained and effective operations. The role of the Internal Audit Service is to assist managers in the effective discharge of this responsibility and in so doing, deliver the objectives of the Company and its associated partners.
14. Internal Auditors have received full co-operation from all employees involved in the areas under review and all audit recommendations have been satisfactorily addressed by management.

Link to Values

15. This report links to the corporate value of being motivated, trained, and committed across the company.

Risk Management Implications

16. This report provides additional assurance that effective internal controls exist to manage risks that the Company has exposure to.

Financial Implications

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

Equality and Diversity Implications

18. There are no Equality and Diversity implications associated with this report.

Health Implications

19. There are no Health implications associated with this report.

Environmental Implications

20. There are no Environmental implications associated with this report.

Value for Money Implications

21. There are no Value for Money implications associated directly with this report.

Consultation carried out

22. No consultation has been carried out in respect of this report.

Impact on Customers

23. Implementation of the priorities will provide our customers with a better service in terms of customer care.

Recommendation

24. The Committee is requested to note this report.

Contact: Jim Farquhar, Chief Auditor, Gateshead Council Tel No: (0191) 433 3711

Appendix

THE GATESHEAD HOUSING COMPANY - 2010/11 AUDIT PLAN			
	Housing Management	Progress	Audit Opinion
1	Void Management	Final Report Issued	Operating Well
2	Rent Arrears (incl former tenant arrears)	Final Report Issued	Satisfactory
3	Tenancy Allocation & Lettings	Final Report Issued	Operating Well
4	Housing Offices	Final Report Issued	Satisfactory
5	Furnished Tenancies	Final Report Issued	Operating Well
	Corporate Services		
6	Main Accounting	Final Report Issued	Operating Well
7	Company Payroll	Draft Report Issued	
8	Creditors	Final Report Issued	Satisfactory
9	Budget Setting and Monitoring	Final Report Issued	Operating Well
10	Rent Collection	Final Report Issued	Satisfactory
11	Governance	Final Report Issued	Operating Well
12	Procurement	Final Report Issued	Satisfactory
13	Corporate IT	Final Report Issued	No Opinion
14	IT Audit (Northgate)	Draft Report Issued	
15	IT Audit (CRM)	No Requirement for Audit	
16	Risk Management	Final Report Issued	Satisfactory
17	Administration Functions	Final Report Issued	Satisfactory
18	VAT Procedures	Final Report Issued	Operating Well
19	Insurance Arrangements	Final Report Issued	Operating Well
20	Business Continuity Arrangements	Final Report Issued	Satisfactory
21	Leaseholder Service Charges	Final Report Issued	Satisfactory
	Property and Technical		
22	Repairs	Draft Report Issued	
23	Gas Safety and Servicing Arrangements	Final Report Issued	Satisfactory
24	Asbestos	Exit Meeting Held	
25	Capital Programme / Partnership	Final Report Issued	Operating Well
26	Access	Final Report Issued	Operating Well
27	New Build	Final Report Issued	Operating Well
	Keelman Homes		
28	Main Accounting	Final Report Issued	Operating Well
29	Creditors	Final Report Issued	Operating Well
30	Budget Setting and Monitoring	Final Report Issued	Operating Well
31	Governance	Final Report Issued	Operating Well



Report to Resources and Audit Committee

28 July 2011

Title: 2011/12 Internal Audit Update – Progress Report

Report of: Chief Internal Auditor, Gateshead Council

Purpose of the Report

1. To inform the committee about work undertaken by the Internal Audit Service for 2010/11 and give an overall assessment of the adequacy of the company's internal control systems based on this work.

Background

2. The audit plan for 2010/2011 was approved by the Resources and Audit Committee on 9 March 2010 and set out to meet the requirements of the Code of Practice for Internal Audit 2006 in providing a risk-based focus for the deployment of internal audit resources.

Performance Management and Quality Assurance

3. The position as at 31 March 2011, showed the completion of 94% of the audit plan, in terms of actual audit hours against planned hours (84% for 2009/10). Other relevant performance information includes: -
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 - A target is also set for the number of audit recommendations implemented of 70%. During 2010/11 83% of audit recommendations had been implemented (73% for 2009/10).
4. The 2010/11 Internal Audit Plan agreed thirty-one audits to be carried out in the year. All audits have now been completed. Three of these audits have had draft reports issued and one draft report is currently being prepared following an exit meeting. One IT audit was deemed to be no longer required. Further information is attached at the Appendix.

5. The Chief Internal Auditor has in place a quality review process which appraises:
 - The quality of audit work
 - The quality of supervision
 - Compliance with the Code of Practice
 - Compliance with the Audit Service's Audit Manual
 - The ways in which the Internal Audit Service benefits the organisation
 - Achievement of performance standards
6. The process involves all audit work being reviewed by a Principal/Senior Auditor to ensure it is of a high and consistent quality in line with the Code of Practice. The Chief Internal Auditor sample checks this process and gives feedback to the auditors involved. An action plan is in place for the continued development of the Audit Service which accommodates these findings.
7. The only issues raised by the reviews related to minor administrative procedures and training has taken place to address these.

Main Audit Findings

Overall Assessment

8. Based on evidence arising from the internal audit activity during 2010/2011, the opinion of the Chief Internal Auditor is that the Company's internal control systems are considered to be effective.
9. This opinion is based on all audit activity throughout the year, which has been reported to the Resources & Audit Committee on a quarterly basis. This is also included at the Appendix.
10. For 2010/11 twenty-five audits (100%) concluded that systems and procedures in place were operating well or satisfactory. No areas were identified containing significant weaknesses. The audit of Corporate IT did not contain an opinion as this is a summary of work on Council owned systems that can affect The Gateshead Housing Company. No significant issues affecting The Gateshead Housing Company were raised as part of these audits. Opinions on draft reports have not been included as this work is still subject to discussions with management.
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 - Satisfactory - where the system works but there are a number of recommendations or where issues have not been fully addressed from the previous audit.
 - Significant weakness - where the system is flawed and there are a large number of recommendations or at least one that is of high significance.
12. All audit recommendations will be followed up by internal audit in line with approved timescales based on an assessment of risk; for those audits with significant weaknesses this will be within the next twelve months.

Service Review

13. It is the responsibility of management to install and maintain effective internal control systems to ensure sustained and effective operations. The role of the Internal Audit Service is to assist managers in the effective discharge of this responsibility and in so doing, deliver the objectives of the Company and its associated partners.
14. Internal Auditors have received full co-operation from all employees involved in the areas under review and all audit recommendations have been satisfactorily addressed by management.

Link to Values

15. This report links to the corporate value of being motivated, trained, and committed across the company.

Risk Management Implications

16. This report provides additional assurance that effective internal controls exist to manage risks that the Company has exposure to.

Financial Implications

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

Equality and Diversity Implications

18. There are no Equality and Diversity implications associated with this report.

Health Implications

19. There are no Health implications associated with this report.

Environmental Implications

20. There are no Environmental implications associated with this report.

Value for Money Implications

21. There are no Value for Money implications associated directly with this report.

Consultation carried out

22. No consultation has been carried out in respect of this report.

Impact on Customers

23. Implementation of the priorities will provide our customers with a better service in terms of customer care.

Recommendation

24. The Committee is requested to note this report.

Contact: Jim Farquhar, Chief Auditor, Gateshead Council Tel No: (0191) 433 3711

Appendix

	Internal Audit Plan 2011/12	Planned Days	Planned Report to Committee	Progress at 30th June 2011
	CORPORATE SERVICES			
1	MAIN ACCOUNTING	5	Jul-11	In Progress
2	HOME REWARDS	9	Jul-11	In Progress
3	HUMAN RESOURCES	9	Jul-11	Draft Report Issued
4	COMMUNICATIONS	8	Jul-11	In Progress
5	RENT COLLECTION	9	Oct-11	
6	BUSINESS CONTINUITY ARRANGEMENTS	4	Oct-11	
7	CREDITORS	7	Oct-11	
8	COMPANY PAYROLL	7	Oct-11	
9	BUDGET SETTING AND MONITORING	5	Oct-11	
10	PERFORMANCE FRAMEWORK	7	Oct-11	
11	COUNTER FRAUD ARRANGEMENTS	11	Oct-11	
12	PROCUREMENT	5	Jan-12	
13	COMPLAINTS	7	Jan-12	In Progress
14	IT AUDIT	16	Jan-12	
15	DATA SECURITY & INFORMATION GOVERNANCE	8	Jan-12	
16	GOVERNANCE	5	Apr-12	
17	CORPORATE IT	1	Apr-12	
	HOUSING MANAGEMENT			
18	VOID MANAGMENT	9	Oct-11	
19	TENANCY ALLOCATION AND LETTINGS	11	Oct-11	
20	HOUSING ESTABLISHMENTS	12	Jan-12	
21	RENT ARREARS	16	Jan-12	
	KEELMAN HOMES			
22	KEELMAN HOMES	13	Jan-12	
	PROPERTY & TECHNICAL			
23	GAS SERVICING	5	Jan-12	
24	ASBESTOS	9	Jan-12	
25	CAPITAL PROGRAMME	11	Apr-12	
26	REPAIRS	11	Apr-12	
	GENERAL			
	COMMITTEE TRAINING	4		
	CONSULTANCY & GENERAL ADVICE	8		



Report to Resources and Audit Committee

28 July 2011

Title: Forward Plan

Report of: Chief Executive

Purpose of report

1. To approve a forward plan of reports which will be presented to Resources and Audit Committee during the next year.

Background

2. The committee agreed, at its meeting held on 27 January 2011 that a forward plan of reports it will receive at future meetings become a standing item on every committee agenda.
3. Attached as an Appendix to this report is a forward plan of reports that will be presented to meetings of this committee during the next year. This will not be an exhaustive list of reports and there will clearly be a number of other items of business that the committee will be required to consider during the course of the next year. It will however give the committee an idea of forthcoming business. It will also assist officers when planning in business and meetings to avoid when there is a lot of business.

Link to Values

4. This report relates to the following company value of being honest, accountable and transparent.

Risk Management Implications

5. The forward plan will mitigate the risk of reports not being planned into the committee cycle.

Value for Money Implications

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

Equality and Diversity Implications

7. Equality and diversity implications will be addressed separately in future reports.

Financial Implications

8. There are no financial implications directly arising from this report.

Health Implications

9. There are no health implications directly arising from this report.

Environmental Implications

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

Consultation carried out

11. Lead officers within the company have identified reports for future meetings of this committee.

Impact on Customers

12. There is no impact on customers as a result of compiling this report.

Recommendation

13. It is recommended that the forward plan be noted.

Resources and Audit Committee Forward Plan

Resources and Audit Committee	Issues to be discussed
Thursday 27 October 2011	<ul style="list-style-type: none"> • Internal Audit Training Update • Equality and Diversity Annual Report
January/February 2012 (date still to be agreed)	<ul style="list-style-type: none"> • External Audit Strategy and Planning Memorandum
April/May 2012 (date still to be agreed)	<ul style="list-style-type: none"> • Internal Audit Training Update
July 2012 (date still to be agreed)	<ul style="list-style-type: none"> • Draft Directors' Report and Financial Statements – 2011/12
<p>The following reports are taken to every meeting: -</p> <ul style="list-style-type: none"> • Operational Risk Register (different directorate at each meeting) • Management Accounts • Sickness Absence and HR Update (including learning and development) • Health and Safety Update • Equality and Diversity Update • Internal Audit Reports (always confidential) 	