



The Gateshead Housing Company Resources and Audit Committee

Tuesday 31 July 2012 at 10am
Board Room 1, 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 3-11) To approve as a correct record the minutes of the meetings of the committee held on (a) 10 May 2012 (Pages 3-8) (b) 10 July 2012 (Pages 9-11)
4.	Matters Arising
5.	Operational Risk Register – Corporate Services (Pages 12-52) Report of Acting Chief Executive
6.	TGHC Probity Policy (Pages 53-64) Report of Acting Chief Executive

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 24 July 2012

ITEMS FOR INFORMATION

7. **Management Accounts – First Quarter 2012/13 (Pages 65-78)**
Report of Head of Finance
8. **Sickness Absence and Human Resources Update (Pages 79-93)**
Report of Acting Chief Executive
9. **Health and Safety Update (Pages 94-99)**
Report of Acting Chief Executive
10. **Equality and Diversity – Update (Pages 100-104)**
Report of Acting Chief Executive
11. **2011/12 Internal Audit Update – End of Year Report (Pages 105-109)**
Report of Chief Internal Auditor, Gateshead Council
12. **2012/13 Internal Audit Update – Progress Report (Pages 110-112)**
Report of Chief Internal Auditor, Gateshead Council
13. **Forward Plan (Pages 113-115)**
Report of Acting Chief Executive
14. **Items for Future Agendas**
15. **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.



The Gateshead Housing Company

Working with Gateshead Council

RESOURCES AND AUDIT COMMITTEE

10 May 2012

PRESENT:

Directors

John Hamilton (Chair)
George Clark
Joachim Mouanda Moussounda

Advisers

Jon Mallen-Beadle	Director of Corporate Services
Neil Bouch	Director of Customers and Communities
Sarah Thompson	Head of Finance
Phil Gallagher	Head of Support Services
Jim Farquhar	Chief Auditor, Gateshead Council
Stuart Gibson	Company Administrator

Apologies

Richard Armitage
Stan Dawson
Peter Mole

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 MINUTES

The minutes of the last meeting of the committee held on 15 February 2012 were approved as a correct record.

3 OPERATIONAL RISK REGISTER – CUSTOMERS AND COMMUNITIES

The Operational Risk Register for the Customers and Communities 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 risk has been deleted as it can be controlled through other risks around gas servicing: -

- Failure to comply with gas safety legislation and regulation in non-residential buildings

The following new risk has been identified within the repairs risks: -

- Inability to manage Cyclical Maintenance resulting in an inability to meet legislative requirements/ inadequate control of contractor outputs and quality/ asset degradation or closure / financial loss.

In addition, all New Build risks have been deleted as there are currently no TGHC New Build projects.

- RESOLVED – (i) That the updated Operational Risk Register for the Corporate Services Directorates within the company be approved.
- (ii) That a report be received at a future meeting on the fitting of carbon monoxide detectors, the resource implications and the company's legal obligations.

4 INTERNAL AUDIT PLAN 2012/13

An Internal Audit Plan for 2012/13 which has been produced by Gateshead Council's Chief Internal Audit was submitted.

RESOLVED – That the Internal Audit Plan 2012/13 be approved.

5 MANAGEMENT ACCOUNTS – FINAL QUARTER 2011/12

The committee received an update on the management accounts for the final quarter of 2011/12 including the income and expenditure in relation to both revenue and repairs.

The accounts provide the draft year end position of the company. However, it is still awaiting some information from the Council in relation to the interest received figure and the year end pension position. Therefore, the final position will not be known until these figures are received.

Overall, the fourth quarter and final year end position shows a slight overspend of £34,000.

The audit of the Financial Statements will take place at the beginning of June and the finalised Financial Statements will be brought to the meeting of Resources and Audit Committee in July for approval.

RESOLVED – That the information be noted.

6 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received a report for the period April to March 2012 on the sickness absence levels, general human resources (HR) initiatives and developments and learning and development activity.

The total sickness absence for the period equates to 8.47 days per person compared to 8.30 days for the same period last year. However it was as high

as 10.37 for the same period 2009/10. This equates to a 2.01% increase in days lost in the period compared to the same period last year and a 18.32% reduction compared to the same period in 2009/10.

Short term absence is defined as a period of less than 15 working days in duration with long term absence greater than 15 days in duration. In the period, short term absence was 3.66 days per person and long term 4.81 days. This compares with 4.71 days short term absence and 3.60 days long term absence in the same period last year, which is a 22.29% decrease in short term absence and 25.16% increase in long term absence.

In the period, the biggest cause of absence cited was stress with 846 days lost. This compares to 614 days lost in the same period last year.

Of the 846 days of absence due to stress over 80%, related to a personal nature compared to less than 20% where the reason was work related stress.

Whilst it is difficult to control outside stressors, the company recognises the need for a holistic approach to employee wellbeing and engagement. An action plan is being developed to equip employees and managers with the skills, knowledge, behaviours and ownership to improve attendance and performance.

The company is investigating initiatives that will help it to better understand the causes of depression, anxiety and stress.

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

- Managing sickness absence
- Wellbeing Project
- Work Life Balance
- Investigation and disciplinary
- Grievances
- Bullying and harassment
- Whistleblowing
- Job Evaluation
- Recruitment
- Exit interviews
- Work Placement Scheme
- Child Care Scheme
- Flexi Time Recording
- Employee Ownership of Skills
- Learning and Development Activity

RESOLVED – That the information be noted.

7 THE SUNDAY TIMES BEST COMPANIES ACCREDITATION – UPDATE

The committee received an update on the Best Companies accreditation submitted by the company together with an analysis of the findings.

Traditionally, the company has carried out an employee attitude survey in line with Investors in People (IiP) principles and assessment to help it understand its position as an employer of choice. The questionnaire and results are internal and do not allow for any external comparison or benchmarking.

To help it better understand the health of the organisation and its employees, the company has embarked on a cost effective alternative employee survey that measures engagement and wellbeing and compares this to other external organisations.

The company applied for Best Companies Accreditation and The Sunday Times “Best Companies to work for” list in the category of not for profit sector. The accreditation measures the level of employee engagement in an organisation via a confidential online survey.

The Best Companies list and Accreditation are part of a national process that involves completing a comprehensive organisation questionnaire and in November 2011, all employees were sent a survey to complete and return directly to Best Companies.

The level of employee engagement and satisfaction is assessed based on a series of questions that staff answer on a range of factors. Every organisation that applies for Best Companies Accreditation is given a Best Companies Index score (BCI). The score, on a scale of 1 to 1000, is a measure of employee’s responses to questions within the Best Companies survey.

The Best Companies website details that 873 organisations made it through the process and 515 gained accreditation which includes either a “ones to watch” accreditation or a star rating.

In the not for profit sector accreditation, there were 15 companies awarded 3 stars, 38 companies awarded 2 stars, 57 companies awarded 1 star and 8 companies were accredited as ones to watch. The company achieved a 56% return rate for completed questionnaires and BCI score of 646.1, placing it in the ‘ones to watch’ category.

This is the first year the company has surveyed employees and it narrowly missed out on 1 star by 13.4 points.

The company’s score in the category of “Wellbeing” was extremely positive and was comparable to companies that attained top 100 status. This reflects its commitment to Investors in People and recognises the emphasis it continues to place on employee health and wellbeing.

The company’s score in the category of “Leadership” was disappointing and reflects a need to improve visibility and communication with staff. The survey was carried out during November 2011 and a revised programme of staff engagement and communication activities has been launched to improve in this area.

The accreditation is a significant achievement for the company and in line with the committee’s previous recommendation, the results will be

publicised. It is currently having discussions with the Council on how best to achieve this.

RESOLVED – That the information be noted.

8 HEALTH AND SAFETY UPDATE

The committee received an update on the following health and safety activities for the period January to March 2012: -

- Policy, Procedure and Safe Systems of Work
- Accidents
- Asbestos Management
- Fire Safety Management
- Legionella Control
- Cyclical Repair and Maintenance
- Changes to Health and Safety Legislation

RESOLVED – That the information be noted.

9 EQUALITY AND DIVERSITY UPDATE

The committee received an update on the following equality and diversity work in the company for the last quarter of 2011/12: -

- Supporting local communities
- Employee training
- Stonewall Workplace Equality Index
- Implications of Human Rights
- Know our customers
- Equality objectives

RESOLVED – That the information be noted.

10 2011/12 INTERNAL AUDIT UPDATE – PROGRESS REPORT

Progress made by the Internal Audit Service against the audit plan for the financial year 2011/12 was reported. To date, 22 audits have either been completed or have had a draft report issued. Three audits are currently in progress and one audit has been deferred to be completed as part of the 2012/13 plan. As at 31 March 2012, 109% 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.

11 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 information be noted.

12 EXCLUSION OF THE PRESS AND PUBLIC

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



RESOURCES AND AUDIT COMMITTEE

10 July 2012

PRESENT:

Directors

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

Advisers

Jon Mallen-Beadle Director of Corporate Services
Sarah Thompson Head of Finance
Louise Woodhead KPMG
Stuart Gibson Governance and Risk Officer

Apologies

Richard Armitage
Stan Dawson

17 DECLARATIONS OF INTEREST

No declarations of interest were declared.

18 REPORT ON THE STATEMENT OF INTERNAL CONTROL – 2011/12

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 – (i) That the Board be recommended to approve the Statement of Internal Control contained within the Financial Statements for the year ended 31 March 2012.
- (ii) That Officers carry out an assessment of the Internal Auditors self-assessment to ensure its work does meet the standards set out in the CIPFA Code of practice for Internal Audit.

19 DRAFT DIRECTORS' REPORT AND FINANCIAL STATEMENTS – 2011/12

The draft directors' report and financial statements for the year ended 31 March 2012 were submitted.

The financial result for the period was a deficit of £99,000 (*2011: £3,718,000 surplus*). The fourth quarter management accounts indicated that the financial result was an expected deficit of £34,000.

The company achieved a pre-tax and interest deficit in the year of £261,000 prior to interest receivable of £2,000 and pension scheme finance income costs of £160,000 (*2011: interest receivable of £2,000; finance costs of £20,000*).

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 £588,000 (*2011: £607,000*). 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 £13.85m as at 31 March 2012 (£8.27m as at 31 March 2011) as calculated by the Pension Fund's actuary.

- RESOLVED – That the Board be recommended to approve the Directors Report and Financial Statements for the year ended 31 March 2012 to the Board.

20 KPMG MANAGEMENT REPORT – YEAR ENDED 31 MARCH 2012

The company's external auditors KPMG carried out an audit of the report and financial statements for 2011/12 during June 2012. 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 letter to be signed by the Chair and the Company Secretary on behalf of the Board.

- RESOLVED – (i) That the management report for the year ended 31 March 2012 be approved.
- (ii) That the Board be recommend 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

31 July 2012

Title: Operational Risk Register – Corporate Services

Report of: Acting Chief Executive

Purpose of Report

1. To agree an updated Operational Risk Register for the Corporate Services Directorate.

Background

2. 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.
3. The committee agreed, at its meeting held on 27 October 2011, an updated operational risk register based around the two broad areas of the new organisation structure: -
 - Corporate Services
 - Customers and Communities.
4. The committee also agreed that given how low they were, the green risks be removed from the register and monitored internally. Should the score increase for any of these risks in the future, they would go back on the register and be reported to committee.

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

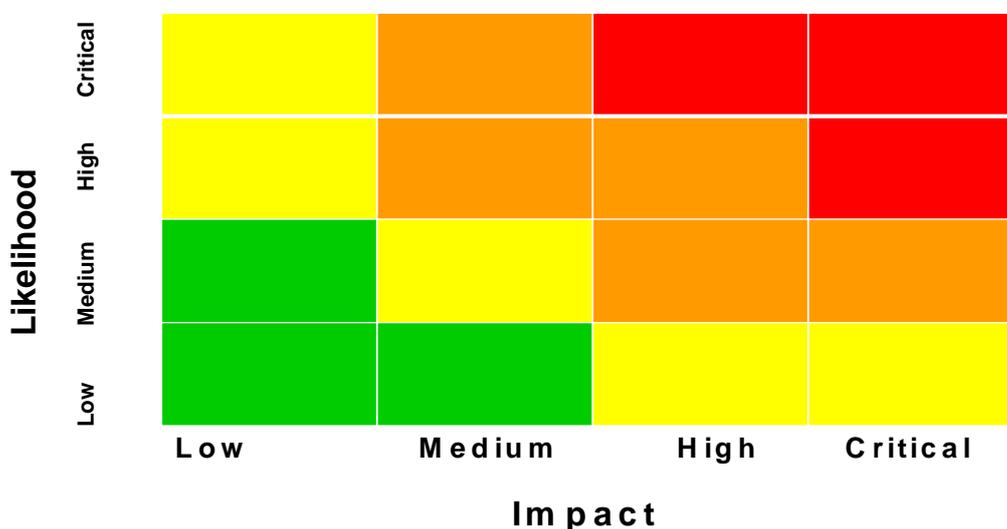
Scoring	Definition	Timing of occurrence
4	Almost certain	Less than 3 months

Scoring	Definition	Timing of occurrence
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

8. The Operational Risk Register for the Corporate Services Directorate has been reviewed and an updated Register is attached at the Appendix to this report. Any changes to the register are highlighted in red.

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 red.

10. The following risk has been deleted as it is identified in the Business Continuity Plan: -

- FI6: Failure of the finance system

Link to Values

11. 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. Equality and diversity risks are identified in the Appendix.

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. The Risk Management Group have scrutinised the risks in detail before presenting the updated register for the Corporate Services Directorate to the committee for approval

Impact on Customers

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

Recommendation

23. The committee is recommended to approve the updated operational risk register for the Corporate Services Directorate.

Contact: Stuart Gibson, Governance and Risk Officer

Tel No: (0191) 433 5308

Corporate 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</p> <p>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	Simon Chrisp	<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> <p>Additional validation work to five estates following analysis of the gaps within Keystone data</p> <p>Additional interpretation of some void data before being added to Keystone</p>	<p>31 March 2012</p> <p>31 March 2013</p>

Corporate Services – Communications Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
CO1	<p>Negative press and PR, including use of social media (such as facebook and twitter etc) leading to a reduction in the reputation of company (internally and externally)</p>	<p>Regular press releases to local and trade media.</p> <p>We gained more than £290,000 worth of positive coverage in 2010-11.</p> <p>92% of the coverage gained in 2010 was positive (5% negative, 3% neutral).</p> <p>The top five subjects that got the most coverage were: NRT- £85884.03; Improvement work and public art - £65615.88; Clean ups - £49295.57; Community Fund - £30954.56; New Build - £28502.70.</p> <p>TGHC and HC newspapers. Updatable website. Use of social media.</p> <p>Internal communications – HomeWork and Weekly HW.</p>	2	3	Ian Clarkin	<p>Media/Crisis Management Training – Management Team (Action in recent Comms Audit)</p> <p>Social Media Policy to be rolled out in conjunction with ICT policy</p>	<p>To be confirmed</p> <p style="color: red;">November 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>Articles in Council News.</p> <p>Communications Manager available 24/7 for press comment.</p> <p>Links to GC Communications on events and press enquiries.</p> <p>Increased PR around community activities, new-build.</p> <p>Established links with new repairs contractor to ensure any third-party communications reflect positively on the housing company.</p> <p>Use (and monitoring) of social media Limited access to TGHC social media platforms.</p> <p>Communications signed up to a number of Google and social mention alerts that flag up any mentions of TGHC Linked to Gateshead Council.</p>					

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>Daily checks of all social media platforms for mentions of TGHC/GC/Housing. All comments are responded to by the Comms Team.</p> <p>Training for Communications Team on the use of social media as part of other communications has been undertaken.</p> <p>Review and Learn from press enquiries</p>					

Corporate Services – Equality and Diversity Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
ED1	<p>Failure to meet the legislative requirements of the Equality Act 2010 and future equality legislation. The impact of non-compliance could lead to 21 types of claims to employment tribunals with uncapped awards for some of the protected characteristics.</p>	<p>Employee handbook that contains HR policies for equalities and diversity - for example bullying and harassment, grievance and disciplinary.</p> <p>External review of E&D which has resulted in future actions for a single E&D action plan</p> <p>Key HR policies updated follow review with our HR consultants and unions</p> <p>Resources and Audit Committee briefed on introduction of Public Sector Duty and then followed up with further report on the specific duties and receive update report at every meeting on our progress on equality and diversity.</p> <p>Critical friend support on Equality and Diversity agreement in place.</p>	2	3	Louise Taylor	<p>Review the Single Equality Scheme</p> <p>Agree and publish smart equality objectives meeting the requirements of the Public Sector Equality Duty.</p> <p>Production of E&D annual report setting out overall activity and how the company is meeting the aims of the Public Sector Equality Duty</p>	<p>December 2012</p> <p>Will be developed in line with the councils objectives, due to be agreed at Cabinet at end of July.</p> <p>October 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>All employees have undergone training on Dignity and Respect covering the key aspects of Equality Act and their obligations.</p> <p>Regular attendance of local and national equality conferences to ensure awareness of legislation and delivery of that information back to the rest of the company.</p>					
ED2	<p>Not meeting the requirements of the CRE Code of Practice – potential inequality and claims against the company as an employer and housing services provider.</p>	<p>Register of compliance updated annually to evidence our compliance Equality impact assessments used when making decisions, development or amending policies include assessing impact based on ethnicity</p> <p>New screening tool agreed for equality impact assessments and training delivered to Corporate and Senior Managers on EIAs. Outstanding EIAs completed and</p>	2	3	Louise Taylor	<p>Complete annual register of compliance will be carried out as part of production of E&D Annual Report.</p> <p>Implementation of Equality Analysis in place of Equality Impact Assessments will be reviewed and any changes will be implemented. Training needs will be identified and training will be carried out where required.</p>	<p>31/03/2013</p> <p>31/12/2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		other assessments to take place as policies are reviewed or when new policies go to Board or committee for decision.					

Corporate Services – Finance Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
F11	<p>Increasing occurrence and cost of third party insurance claims leading to additional payments out to successful claimants and an increase in premium costs borne by the Housing Company.</p>	<p>Insurance cover for a number of policies including:- Public Liability, Employers, Motor, Directors and Officers, Fidelity, Professional Indemnity.</p> <p>Broker to obtain best price in the market and enter long term agreements for insurance cover.</p> <p>Stop loss of £250,000 per year and a policy excess on public liability of £20,000.</p> <p>Provision for the cost of insurance and undertake regular monitoring.</p> <p>Recent tender exercise undertaken to ensure that we are getting the most effective cover in the market place – new contract entered into via a Long Term Agreement from 01/01/2011.</p>	3	3	Sarah Thompson	<p>Review of the insurance procedure process will be undertaken to ensure that this is fit for purpose.</p> <p>This will be reviewed with the Insurance Section at the Council and Housing Management to ensure this meets requirements.</p>	31/12/12

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
FI2	<p>Quality and financial checks on suppliers are not carried out on an annual basis</p> <p>Suppliers providing a poor quality service or who are in financial difficulties may still be used by the Housing Company and this could damage reputation or increase the risk of financial failure.</p>	No checks are currently carried out.	3	3	<p>Sarah Thompson</p> <p>Mark Banks</p>	A programme is to be implemented which will ensure that the highest financial value suppliers provide quality and financial assessment checklists annually. Quality issues will be logged by Finance and reviewed on an annual basis. The timescale for implementation has been extended.	<p>31/12/12</p> <p>31/03/2012</p>
FI3	<p>Procurement process not being carried out in accordance with the Financial Regulations could lead to a legal challenge from a supplier or a contract being awarded incorrectly.</p>	<p>Financial Regulations are in place and tender limits are in place to ensure that any larger procurement activities are carried out appropriately.</p> <p>OJEU requirements followed for any procurement which meets these limits.</p>	2	4 3	Sarah Thompson	<p>Regular communication with staff will ensure that they are aware of the financial regulations and the procurement procedures.</p> <p>We will undertake a review of the Financial Regulations and Contract Procedure Rules to update as appropriate. The timescale for implementation has been extended.</p>	<p>On-going</p> <p>31/12/12</p>
FI4	<p>Pension liabilities may increase and become unserviceable affecting the ability to offer and pay pensions</p>	<p>The Company uses Hewitts as pension actuaries.</p> <p>The pension scheme is administered by South Tyneside Council. Contributions to the</p>	2	4 3	Sarah Thompson/ Jennifer Aston	Consultation is still on-going between government and the various trade union representatives in relation to the proposed changes to contribution rate and accrual rate for pensions. This is likely to impact on all employees who are members of the LGPS. These changes are	31/12/12

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>scheme are reviewed annually once the actuary report is obtained and amended to take into account any fluctuations.</p> <p>The Council is ultimately responsible for ensuring that the contributions are serviceable.</p>				<p>designed to create short term savings. Further detail will be provided on these changes once consultation has been concluded and the changes have been announced.</p> <p>Following Lord Hutton's review of pensions, there are also planned changes to be implemented from April 2015 and the impact of these changes will be consulted upon once the short term saving changes have been consulted upon.</p> <p>Further changes will be fully reviewed by the housing company.</p>	
F15	<p>Service level agreements not reviewed could lead to a reduction in the quality of the service being provided.</p>	<p>Regular reviews are carried out of the service level agreements in place.</p> <p>The majority of our service level agreements are with Gateshead Council.</p>	2	2	Sarah Thompson	<p>Quarterly reviews to be implemented in relation to all service level agreements in place at the Housing Company. This will be co-ordinated by the VFM Officer and minutes of meetings held will be held centrally.</p> <p>Meetings regarding Finance are held monthly and Legal are held quarterly. Minutes are still to be received for the meetings.</p> <p>Annual reviews will be carried out on service level agreements to determine whether they need to be reassessed and renegotiated.</p>	<p>31/03/2012</p> <p>Ongoing</p> <p>Annually</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
F16	<p>Failure of the finance system could lead to the inability to pay suppliers and this could lead to suppliers not willing to work with the Housing Company</p>	<p>The finance system is hosted by Gateshead Council and an SLA exists in relation to the Finance System.</p> <p>Standard 30-day terms which are written into the system.</p> <p>Review of overdue invoices and explanations requested from staff to obtain a reason for non-payment.</p> <p>For small failures, credit card payments could be used.</p>	4	3	Sarah Thompson	<p>This risk is to form part of the Business Continuity Plan and a fully documented system to deal with this risk will be included within the plan—once this has been agreed this risk can be removed from the register</p>	31/03/2012

Corporate Services – Governance and Risk Management Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
GR1	<p>Data protection issues</p> <p>1. Legal action against TGHC or TGHC receiving fines from the Information Commissioner after sending sensitive or incorrect information about themselves or others via mailings.</p> <p>2. Legal action against TGHC or TGHC receiving fines from the Information Commissioner after contacting customers without their consent.</p>	<p>All centrally-coordinated mailing jobs are proofed and signed off by Communications and other teams where applicable before posting</p> <p>Following a successful trial – use of a secure data transfer method (dropbox) in January is now being used by the Communications Team.</p> <p>Customers ‘opting in’ to receiving information from TGHC and partners as part of customer profile (full version and also smaller version sent with rent statements)</p> <p>All centrally-coordinated address lists are generated via Northgate</p>	2	3	Ian Clarkin / Mark Birch	<p>Northgate Data Cleansing and management project to be implemented during 2012/13.</p> <p>Mailing House test analysis of addresses and other data compared to Royal Mail and census information</p> <p>Comms/ICT to create specific rules as to what data is used for mailings. For example always using correspondence names rather than ‘main’ tenant. These ‘rules’ then to be applied to all TGHC mailings</p>	<p>March 2013</p> <p>August 2012</p> <p>August 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
GR2	Inappropriate response to Council leading to negative findings against the company from Local Government Ombudsman	Officers provide Council's Customer Services Manager the company's response/information requested for Ombudsman cases Responses are scrutinised by relevant head of service before submission to the Council and will be held centrally by Governance and Risk Officer	1	3	Stuart Gibson	None	
GR3	Failure to comply with a Governance Code of Conduct resulting in ineffective and inefficient governance of the company at the highest level	Previously adopted the Independent Commission on Good Governance in the Public Sector (2004) and The Langlands Report as part of governance reviews carried out by Housing Quality Network Annual training by a consultant on the role of the Board, including joint training with other local ALMOs Annual governance reviews	1	3	Stuart Gibson	Adoption of National Housing Federation Excellence in Governance	During 2012/13
GR4	Failure to comply with the Freedom of Information / Data Protection Act leading	Freedom of Information Publication Scheme Timescales for	1	3	Stuart Gibson	Staff to be reminded of protocol within the company for dealing with Freedom of Information / Data Protection requests	30/09/12

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	to an investigation by the Information Commissioner or legal action being taken against the company	<p>responding to requests</p> <p>Central point for all requests</p> <p>Advice from Council's Legal Services</p> <p>Staff made aware of protocol within the company for dealing with Freedom of Information / Data Protection requests</p>					
GR5	<p>Breach of Data Protection Act 1998</p> <p>Impact is related to compensatory awards that may be paid to employees if successful in a claim against the company. There is an additional impact of officer time to prepare, present and attend a case hearing.</p>	<p>Data protection policy.</p> <p>Data Protection Team Brief (July 10)</p> <p>Compliance check carried out by managers.</p> <p>Requests for personal employee information related to 'protected characteristics' to be approved by HR Manager.</p> <p>Internal grievance policy and procedure.</p> <p>Prompt Investigation of allegations.</p> <p>Disciplinary policy.</p> <p>Legal advice from EEF consultants.</p>	2	2	Jennifer Aston	<p>Consider introducing a Data Protection E-Learning package for all employees</p> <p>All employees to complete mandatory Data Protection E-Learning package - one year licence purchased</p>	<p>During 2012/13</p> <p>End September 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
GR6	<p>Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills resulting in</p> <ul style="list-style-type: none"> • the company not meeting its target for a Board that represents Gateshead and a knock on effect on the quality of decisions taken • an unstable Board with decisions being taken by less experienced directors • the Board not making informed decisions. 	<p>Board Members Recruitment, Retention and Succession Plan</p> <p>Board recruitment campaigns via company newspaper, company and Housing News websites, local media</p> <p>Targeted campaigns at under-represented groups</p> <p>Board payment</p> <p>Directors' Expenses Scheme</p> <p>Comprehensive Induction Programme</p> <p>Board appraisal Training and Development Programme</p> <p>Term of office of 10 consecutive years or four consecutive terms, whichever is lesser Board appraisals</p> <p>Annual training on roles and responsibilities</p>	1	3	Stuart Gibson	Review of Board Member Recruitment, Retention and Succession Plan	During 2012/13

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>Skills audit updated and will be made better use of when recruiting new directors</p> <p>Board Members Website to keep directors up to date with relevant information</p> <p>Opportunities for Board Members to attend conferences and other events</p> <p>Annual governance reviews</p>					

Corporate Services – Health and Safety Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
HS1	<p>Failure to manage asbestos in non residential areas of the housing stock or prior to work in a domestic dwelling This may lead to exposure to dangerous materials with a serious risk to health.</p>	<p>Asbestos Management Plan reviewed annually and available to employees and contractors.</p> <p>Periodical review of the asbestos register by MIS Environmental Services.</p> <p>Compliance with CDM regulations</p> <p>Contractor's briefings and progress meetings.</p> <p>Construction operations regulated by pre-information packs including asbestos survey of all areas likely to be disturbed the contract works.</p> <p>Attending regular HQN asbestos master classes, updated training and CDP. Annual asbestos training refresher to operational employees.</p> <p>Developed Asbestos</p>	2	3	Roberto D'Emidio	<p>Keystone system has now been made live and thoroughly tested, Work ongoing with Asbestos contractor MIS to ensure migration of historical and new data.</p> <p>External Audit of Asbestos Management arrangements to be carried out this year.</p>	<p>31 October 2012</p> <p>31 March 2013</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		Client Portal to provide access to Asbestos Database to internal and external customers					
HS2	<p>Unsafe Working practices on increasing number of Decommissioned Sites across the Borough.</p> <p>Staff entering properties potentially exposed to risks i.e. debris, sharps, asbestos.</p>	<p>Clear decommissioning procedure in place, recently revised to provide clarity around roles and responsibilities.</p> <p>Asbestos Awareness training for front line staff</p> <p>All staff issued with PPE and training on how to use</p>	2	3		Review of decommissioning procedure to be carried out later this year	March 2013
HS3	<p>Failure to comply with risk assessments in the following areas:</p> <p>Workplace risk assessments Manual Handling COSHH Road Risk Reported Accidents First Aid Provisions Water Hygiene Fire Safety Electrical Safety This will lead to poor H&S standards and</p>	<p>Training for senior managers and managers in a) managing H&S in the workplace, b) the principle and practices of risk assessments.</p> <p>Advice and support from H&S advisors.</p> <p>Mandatory H&S induction for all employees</p>	1	3	Roberto D'Emidio	Launch SharePoint system for managers to record workplace inspections for fire safety and security together with any remedial action in one central location. This will enable more frequent desktop audits and timely escalation of non conformities.	30/9/12

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	increased accidents in the workplace. Injuries at work may increase and this will lead to a higher level of insurance claims from employees	<p>H&S policies and procedures and compliance with legislation and regulation</p> <p>Developed ICT System to monitor compliance with Occupational Health and Safety.</p> <p>H&S Management information is captured on SharePoint to provide management information to head of services.</p> <p>E-learning activity is reported on training logs accessible to managers and employees on TGHC intranet.</p>					
HS4	<p>Failure to Manage Contractors and 3rd parties</p> <p>This may lead to poor H&S standards on site. The company's reputation will suffer and customers and employees will not be confident in the services that are</p>	<p>Procurement of contractors to be made from Construction Line and CHAS.</p> <p>Construction Risk Assessments and Method Statements to be approved by H&S prior to work commencing</p>	2	2	Roberto D'Emidio	<p>Mears were appointed in March and suitable and sufficient method statements and risk assessments were provided and reviewed.</p> <p>Site Inspectyions to re-commence in Quarter 2-3 following mobilisation period.</p>	31 October 2012

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	provided	<p>Systems and Procedures, and polices developed and regularly reviewed.</p> <p>Annual Cyclical maintenance programme</p> <p>Buddy system to assist evacuations</p> <p>Fire safety training of employees and annual refreshers</p> <p>Mandatory training updated on appraisal system and managers required — action briefed on one-to-one</p> <p>Regular staff fire safety staff briefings</p> <p>Offices and workplaces audit for health and safety fire compliance and action taken to rectify non-compliance</p> <p>Establishing workplace joint working with Gateshead Council in shared premises</p>					

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		System in place to test testing of alarm and emergency lighting in communal areas and in all workplaces, with actions recorded and records kept up to date					
HS5	Failure to comply with the management of fire precautions in the workplace, high risk buildings and communal areas may lead to fire, damage and fatality.	<p>Control Measure agreed with TWFRS and action plan agreed</p> <p>Workplace inspections by responsible managers. Reports to H&S advisors</p> <p>Mandatory Fire Safety Training Level 1 for all employees and Level 2 for Managers and Supervisors.</p> <p>Fire drills and emergency evacuations</p> <p>Fire Risk Assessments</p> <p>Weekly testing of alarm and emergency lights systems.</p> <p>Evacuation plans developed for all</p>	1	4	Roberto D'Emidio	<p>Fire Safety remedial works programme in multis, sheltered schemes and low-medium rise on going.</p> <p>Included in above - installation of Bespoke Sprinkler system in Regent Court due to particular issues with layout of building.</p>	<p>2012/13</p> <p>2012/13</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>employees requiring assistance in evacuating the building in an emergency.</p> <p>Offices and workplaces inspected and then audited for health and safety fire compliance and remedial action Joint working with Gateshead Council in shared premises to clarify responsibilities.</p>					
HS6	<p>Failure to manage the safety of passenger's lifts and lifting equipment may lead to accidents, damage and fatality.</p>	<p>Bi-annual inspections.</p> <p>Monthly performance progress meeting with lift maintenance company.</p> <p>Lifts inspected to EN80-81 standard. 24/7 responsive repair maintenance contract</p> <p>Inspection schedule monitored by Gateshead Council</p> <p>Risk Management Section and TGHC cyclical maintenance regime.</p>	1	4	Roberto D'Emidio	<p>Asset Management Team to review all lifts to assess future viability and investment needs.</p> <p>Review of Intercom arrangements to ensure consistent approach is taken in all lifts and procedure reflects this.</p>	<p>2012/13</p> <p>2012/13</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>Lift safety in accordance with the HSE guidance and legal requirements. Contractor performance indicators and Services Standards</p> <p>Risk Assessment for all lifts and lift rooms</p> <p>Specifications developed for refurbishment of lifts and plant rooms.</p> <p>Three year engineering inspection insurance contract with Zurich since 1 January 2012</p> <p>Action card in Business Continuity Plan</p>					
HS7	<p>Non compliance with health, safety and fire arrangements in sheltered schemes, communal lounges and high rise buildings. This may lead to hazardous conditions for customers and our employees and risk of</p>	<p>Meetings with Older People Service, Care Call Consultation on fire safety arrangements and staff training.</p> <p>DDA improvements implemented.</p> <p>CCTV monitoring in SS</p>	2	2	Roberto D'Emidio	None	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	accidents to vulnerable people	communal areas and lifts. Fire audits with action plans Tunstall system linked back to Care Call. Out of hours emergency procedures in place and emergency planning by Gateshead Council. .					
HS8	Non compliance with the recommendations of DDA audits for non domestic areas or buildings. This will result in poor and inadequate accessibility for our customers and employees.	All public areas and buildings have been assessed under a DDA to meet the requirement of DDA95, Part M of building control 2000 act and approved code of practices BS83000.	1	2	Roberto D'Emidio	Ongoing advice to Asset management on required works	March 2012

Corporate Services – Human Resources Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
HR1	<p>Claims to Employment Tribunals against the company as an employer</p> <p>Impact is related to compensatory awards that may be paid to employees if their case is successful. There is an additional impact of officer time to prepare, present and attend a case.</p>	<p>Clear terms and conditions.</p> <p>Policies and Procedures that have been tested for compliance. for example: disciplinary, grievance, bullying and harassment</p> <p>Appeals process</p> <p>Partnership working with unions to resolve employee issues</p> <p>HR advice and support to support decision making.</p> <p>Training events.</p> <p>Legal advice from consultants EEF</p> <p>CIPD alerts.</p>	2	3	Jennifer Aston	There is a review of key policies taking place with our HR consultants EEF and the company HR advisors. Updates will be reported to Resources and Audit Committee	<p>June-2012</p> <p>March 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
HR2	<p>Personal injury claims from employees Impact is related to compensatory awards that may be paid to employees if successful. There is an additional impact of officer time to prepare, present and attend a case.</p>	<p>Induction programme</p> <p>H&S compliance checks. Policies and procedures</p> <p>Implementing learning from previous claims.</p> <p>Employee Handbook</p> <p>Inspection regime for communal areas; tenancy agreements for the reporting of defects within curtilage of their home</p> <p>Legal advice and representation from EEF</p> <p>Insurance cover</p>	2	3	Jennifer Aston		
HR3	<p>Managers not managing sickness in accordance with Policy This would impact on our ability to deliver the same level of services to our customers</p>	<p>A new absence management policy approved by Resources and Audit Committee</p> <p>In house training to managers on the absence management policy</p> <p>Sickness absence policy monitored for compliance</p>	4 delete 2	2	Jennifer Aston	<p>Development of an e-learning programme mandatory for all employees</p> <p>Report to Corporate Management Team on the outcome of a Wellbeing questionnaire that was completed by employees</p> <p>Developing a programme of health and wellbeing in line with the North East Health and Wellbeing Award</p>	<p>March 2012</p> <p>February 2012</p> <p>July 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>KPI – pattern and trends</p> <p>Induction process</p> <p>Occupational Health service referral</p> <p>Health and wellbeing initiatives</p> <p>Work and family policies</p> <p>Stress at work training course</p> <p>Appraisal, 1-2-1 and reviews to support managers and employees at work</p> <p>Access to work</p> <p>Weekly HR surgeries</p> <p>Legal and HR specialist advice</p> <p>Free flu vaccine offered to all front line employees up to a maximum of 150 employees.</p>				<p>and workplace advocates.</p> <p>Mental health awareness training for managers</p> <p>Wellbeing taster sessions to include the 'stress bucket' and tips and techniques to deal with this</p> <p>Training course for managers 'absence minded'</p>	<p>July 2012</p> <p>June 2012</p> <p>August 2012</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		Occupational Health fitness testing of employees who take part in the Passport to Health					
HR4	Equal Pay Claims Awards that may be paid to employees if successful in a claim against the company. There is an additional impact of officer time to prepare, present and attend a case hearing regardless of the outcome.	All jobs have been evaluated There is a job evaluation appeals panel that includes trade union representation. Compliance with Equality Act 2010 Pay transparency Evaluating jobs where there is any significant change in duties and responsibilities	2 1	3	Jennifer Aston	All new jobs are evaluated	Ongoing
HR5	Risk of attack, threat and/or verbal abuse on employees by service users at any time and/or within the office in attending training or involvement events This could lead to sickness absence or claims against the company.	Health and safety policies and procedures. Warning markers on Northgate. Lone worker policy. Mobile phone and emergency numbers. Occupational Health. Stress awareness	2	2	Jennifer Aston	Complete officer risk assessment Revised Procedure and Training on Warning Markers to be rolled out	31 March 2012 31 October 2012

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>training, dealing with difficult situations and customer care training</p> <p>Personal attack alarms.</p> <p>Testing of alarms</p> <p>Customer profile checked before any events to flag up any NRT issues.</p> <p>Health and Safety notified of attendees at any event including any special needs.</p> <p>CCTV camera in use at offices</p> <p>Violence at work policy and procedure</p> <p>Training needs in relation to officer safety reviewed following appraisal.</p> <p>Monitor and report on the number of incidents quarterly through Resources and Audit Committee and the Employee Forum</p>					

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
HR6	<p>Absence due to an epidemic This could lead to reduced levels of service and increased salary costs. Employees in work could become de-motivated resulting in reduced performance and level of service we are able to provide to customers.</p>	<p>Occupational Health service.</p> <p>Health and wellbeing at work initiatives</p> <p>Health updates to employees via email</p> <p>Signage</p> <p>Hand wash</p> <p>Learning and development to build flexibility in the workforce</p> <p>Cross service working to support with absence</p> <p>Recruitment from agencies as a last resort</p> <p>Flu vaccine has been delivered to employees</p>	1	3	Jennifer Aston	<p>Continuation of flu vaccine programme</p> <p>Communication to employees with link to NHS website for information</p> <p>Health updates to be included in the weekly news</p> <p>Learning and development discussed at appraisal and reviews</p> <p>If there was a epidemic which significantly reduced the workforce, this would be addressed through the Business Continuity Plan once it has been launched and gone live</p>	<p>March 2012</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
HR7	<p>Industrial action leading to reduced number of employees to deliver essential services.</p>	<p>Consultation with Trade Unions</p> <p>Collective bargaining</p> <p>Monthly meetings with Trade Union Representatives</p>	1	3	Jennifer Aston	<p>Evaluation of employee issues following weekly meetings with unions</p> <p>Evaluation of HR surgeries</p>	<p>Ongoing</p> <p>Ongoing</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		<p>Employee Forum</p> <p>Cross service working to support with service delivery.</p> <p>IIP Gold award</p> <p>Weekly meetings with unions to address employee issues and discuss new initiatives</p> <p>Open door approach to unions and employees</p>					
HR8	<p>Inventories at Keelman House and TGHC occupied premises being out of date or not complete resulting in loss of assets and potentially unnecessary purchases.</p>	<p>Standard inventory procedure in place for Housing Office Network.</p>	3	1	Phil Gallagher	<p>Work with ICT to Develop a corporate wide asset matrix, which identifies equipment with post. i.e. PC, Mobile phone, specialist equipment etc.</p>	<p>June 2012 March 2013</p>

Corporate Services – ICT Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IT1	ICT Systems Failure – failure of ICT systems in part or entirety affecting internal and customer processes and transactions.	<p>Council SLA and 3rd Party support agreements –</p> <p>Systems updates – GC systems are updated periodically using automated processes.</p> <p>In House Daily Systems Checks – TGHC ICT carry out a broad set of thorough daily checks to ensure systems and process are running successfully and available.</p> <p>Northgate Process Monitoring system – Kirona system emails ICT team if identified Northgate processes fail</p> <p>Helpdesk – a fully functional helpdesk systems allows control and administration of ICT issues avoid incidences becoming problems.</p>	2	4 3	Mark Birch	<ul style="list-style-type: none"> • Council SLA Review and Business Continuity planning • BIA and follow on agreement and actions 	31 March 2013
IT2	3rd Party Supplier Failure/ Acquisition – 3 rd party failure leading to inability to deliver services to customers.	<p>Legal Review of Tenders and contracts – 3rd party contracts are assessed through a legal SLA with GC.</p> <p>SLA expiration and review – core ICT services proved by GC ICT are enshrined in and ICT SLA with terms and conditions for renewal and cancellation.</p>	1	2	Mark Birch	<p>• Escrow viability analysis</p> <p>Peer review through Northern ALMO ICT Manager Group highlighted the impractical nature of Escrow agreements for organisations of our size. A more likely approach is to source alternate solutions in such an event.</p>	June 2012

Corporate Services – Leasehold Operation Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
LH1	Leasehold Valuation Tribunal being undertaken and losing the tribunal which would mean we could not charge the leaseholders for the items gone to tribunal over and reputational issues.	We ensure that we retain all paperwork in accordance with the terms of the lease. We ensure that we can substantiate all charges in relation to the invoices raised to leaseholders. We obtain legal advice from Gateshead Council regarding the leases.	2	3	Janice Adams	Training courses in relation to Leasehold Valuation Tribunals and future legal changes	Ongoing
LH2	Works could be undertaken at Leasehold properties without undertaking the appropriate consultation which could restrict the amount of income which could be collected.	Section 20 Consultation is undertaken for all works costing over £250 per property. Leasehold sections undergo training from external providers regarding consultation annually.	2	3	Janice Adams	Report from Northgate Repairs Module to be produced to highlight repairs raised where the costs are above consultation levels. Procedural guide for Surveyors/contractors to be developed. Discussion to be undertaken with new repairs contractor Mears to develop effective procedures.	March 2012 December 2012
LH3	Managing other tenures such as Shared Ownership properties and Rent to Buy Properties could lead to reduced income for the Housing Company and could	Meetings are taking place with our Homebuy agents Isos to ensure we understand our responsibilities in relation to the new tenure properties.	2	3	Janice Adams	Further meetings are taking place with the Homebuy Agents and Legal Services to ensure that process are put in place appropriately. Briefings and training will take place for officers of the housing company so they are aware of the new	30/08/12

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
	lead to an number of tenancy issues if tenancy agreements and lease agreements are not set up appropriately.	<p>Meetings with legal and legal have produced tenancy and lease agreements.</p> <p>The Homes and Communities Agency Capital Funding Guide is being reviewed to ensure we understand the requirements set out by the HCA.</p>				tenures and how they should be managed	
LH4	Non payment of service charges which would increase the arrears and reduce the actual income collected with the expenditure having been incurred.	An arrears procedure is in existence with the back stop of a legal charge being placed on the property, although this would not be payable until the property is sold.	3 2	2	Janice Adams	<p>Arrears procedure is reviewed alongside the service improvement group on a regular basis.</p> <p>Debt recovery procedure developed with customers and Gateshead Council, December 2011. To be reviewed every 2 years.</p>	<p>March 2012</p> <p>December 2013</p>

Corporate Services – Performance Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
PF1	<p>Inaccurate performance reporting through inaccurate working papers which could lead to inaccurate customer expectations of service provision and damage the reputation of the Company and lead to inappropriate decisions being taken in relation to incorrect data.</p>	<p>Performance management team monitor and audit the performance data which is reported on a monthly and quarterly basis.</p> <p>Working papers are required to be added to performance point for all performance data.</p> <p>Performance data is signed off by GMT/ HQS management team before it is reported to customers</p> <p>Meeting have been held with the new repairs contractor to ensure the performance information is produced to meet the correct PI definitions.</p>	2	2	Mark Banks	<p>PI results are checked monthly, quarterly and annually. Each quarter a more detailed scrutiny takes place upon those PI's/services that are provided by external contractors.</p> <p>Updates to Housemark's benchmarking will be reflected on Performance Point using the Dashboard which will be embedded into Performance Point.</p> <p>We will consider whether performance point and the reporting mechanisms are currently fit for purpose.</p> <p>We will set up monthly monitoring meeting with Mears to discuss the performance results and look into ways to improve performance</p>	<p>March 2012</p> <p>31/03/12</p> <p>31/03/13</p>

Corporate Services – Involvement Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
IN1	<p>Tenant and leaseholder involvement may not be sufficient to enable us to meet our co-regulation requirements which could lead to the Homes and Communities Agency undertaking a review of compliance with the consumer standards.</p>	<p>We have service improvement groups consisting of tenants and leaseholders who review the performance of services on a bi-monthly basis and make recommendations for service improvements. These groups were reviewed and restructured to ensure fit for purpose.</p> <p>We produce an Annual Report working with customers showing how we meet the TSA standards.</p> <p>We have developed a co-regulation panel in conjunction with the Council entitled Tenant and Leaseholder Independent Scrutiny Management (TALISMAN) who will be undertaking reviews of services.</p>	2	3	Louise Taylor	<p>Additional recruitment to TALISMAN and agreement of future work programme of services to be inspected during 2012/13.</p>	<p>During 2012/13</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale for implementation
		We undertake a range of mystery shopping activities which test the performance of our services against our service standards.					



Report to Resources and Audit Committee

31 July 2012

Title: TGHC Probity Policy

Report of: Acting Chief Executive

Purpose of Report

1. To recommend to the Board a company wide probity policy.

Background

2. The Board, at its meeting held on 15 March 2012, approved a company policy on the prevention of bribery. At that meeting, the Board requested that an overall probity policy be produced for consideration by this committee.
3. A TGHC Probity Policy is attached at the Appendix to this report.
4. The policy aims to: -
 - Ensure the company complies with the law.
 - Ensure the company complies with the requirements of the regulator.
 - Demonstrate the company follows best practice.
 - Set a framework for probity within the company
 - Strive to conduct the company's business in ways that will maintain our good reputation.
5. The intention of the policy is to outline the behaviours required to maintain the highest standards of probity and provide assurance that any relationships entered into lead to a clear benefit for the company and represent value for money.
6. The policy incorporates the following existing procedures in place within the company around probity: -
 - Whistleblowing Policy
 - Fraud and Corruption Policy
 - Prevention of Bribery Policy
 - Code of Conduct for Employees/Directors – Acceptance of Gifts and Hospitality

Link to Values

7. This report links to the following company values: -
- Being a listening and learning organisation
 - Being honest, accountable and transparent
 - Being motivated, trained and committed

Risk Management Implications

15. The acceptance of gifts or hospitality without approval of a Strategic Employee and the Company Secretary is already identified as an operational risk and is monitored internally.
16. The internal audit of counter fraud arrangements found that there were no entries in the risk register that specifically related to the risk of fraud, corruption or bribery. The register will be updated again by 30 September 2012.

Financial Implications

16. Any financial implications are highlighted in the policy.

Equality and Diversity Implications

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

Health Implications

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

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. The Governance and Risk Officer has consulted other ALMOs when formulating the company's Probity Policy.

Impact on Customers

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

Recommendation

23. The committee is asked to recommend to the Board approval of the TGHC Probity Policy.



The Gateshead Housing Company
Probity Policy

Contents

1	Introduction	3
2	Aims and Objectives	3
3	Scope	4
4	Legal and Statutory Responsibilities	4
5	Whistleblowing	5
6	Fraud and Corruption	6
7	Bribery	7
8	Code of Conduct for Employees/Directors – Acceptance of Gifts and Hospitality	8
9	Disciplinary Procedure	9
10	Breaches of the Probity Policy	9
11	Appendix – The Seven Principles of Public Life, Nolan Committee	11

Introduction

1. The Gateshead Housing Company (TGHC) aspires to the highest standards of corporate behaviour, to ensure that safe, fair and equitable procedures are applied to all organisational transactions, including relationships with customers, employees, stakeholders and the use of public resources.
2. We have a duty to ensure fairness and honesty in our relationships with suppliers, contractors, service providers, service users and other stakeholders. Board members, all employees and others acting on behalf of TGHC must uphold the highest standards of business conduct within such relationships and we must ensure that there can be no way of any external stakeholder exerting improper influence over the conduct of our business or the decisions we make.
3. TGHC is committed to the highest possible standards of openness, honesty, transparency and accountability.
4. The TGHC requires that all employees will act honestly and with integrity at all times and to safeguard the company and Council's resources for which they are responsible.
5. TGHC requires that employees conduct business lawfully and responsibly.
6. The company requires that its employees maintain conduct of the highest standard such that public confidence in their integrity is sustained.

Aims and Objectives

7. The conduct of Board Members and employees of the company impacts directly on TGHC's public reputation and the good reputation of the social housing sector as a whole. It is very important we have a robust probity policy in place to manage situations where potential conflict of interest or suggestions of bias on the part of decision-makers might arise.
8. The aims of this policy are: -
 - To ensure TGHC complies with the law.
 - To ensure TGHC complies with the requirements of the regulator.
 - To demonstrate TGHC follows best practice.
 - To set a framework for probity with the company.
 - To strive to conduct TGHC's business in ways that will maintain the good reputation.
9. The intention of this policy is to outline the behaviours required to maintain the highest standards of probity and provide assurance that any relationships entered into lead to a clear benefit for TGHC and represent value for money.
10. This policy is also intended to contribute to maintaining the highest standards of business conduct and professional integrity and ensure compliance with the seven principles of public life drawn up by the Nolan Committee (Appendix).
11. Board Members, all employees and others acting on behalf of TGHC must apply the following principles: -

- Not accepting gifts, hospitality or benefits of any kind from a third party which might be perceived as compromising their personal judgement or integrity.
- Not using their official position to further their private interests or those of others.
- Declaring any private interests relating to their public bodies;
- Basing all procurement decisions and negotiations of contracts solely on achieving best value for money for TGHC and our customers.
- Referring to their line manager or the Company Secretary when faced with a situation for which there is no adequate guidance.

Scope

12. This policy applies to Board Members, all employees and others acting on behalf of TGHC at any time. The policy applies to family members and businesses associated with a Board Member or employee. It would be the responsibility of the Board Member or employee to disclose their relationship with any family member or business with which they are associated and which is intended to receive payments or benefits identified in the policy.
13. To ensure clarity, close relative is defined as any person so close to an employee there is a real risk any decision or judgement of that employee could be influenced, including a person's husband, wife, partner, parents, grandparents, children, grandchildren, brothers, sisters and similar relations by marriage.

Legal and Statutory Responsibilities

14. Under the Prevention of Corruption Acts 1906 and 1916, it is an offence for an officer in his or her official capacity to: -
 - corruptly accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in that capacity.
 - show favour or disfavour to any person; or
 - receive money, gifts or consideration from a person or organisation holding or seeking to obtain a contract.
15. The Bribery Act 2010 provides that a person is guilty of an offence where: -
 - they offer, promise or give a financial advantage to another person with the intention of causing that other person to improperly perform, or rewarding that other person for improperly performing, a public or commercial function in any jurisdiction; and
 - there is an expectation that the relevant function is carried out in good faith or where the person performing it is in a position of trust.

Whistleblowing

16. TGHC encourages employees and others with serious concerns about any aspect of company business to come forward and voice those concerns. The Whistleblowing Policy is intended to encourage and

enable TGHC staff and staff of firms, companies or other organisations providing goods and services to TGHC to raise serious concerns within TGHC rather than overlooking a problem or communicating the information to external sources.

17. The term 'whistleblower' is often used to describe someone in an organisation who witnesses behaviour that is either contrary to the mission of the organisation, or threatening to the public interest, and who decides to speak out publicly about it.
18. The Whistleblowing Policy aims to:-
 - ♥ encourage the employee to feel confident in raising serious concerns and to question and act upon concerns about practice;
 - ♥ provide avenues for the employee to raise concerns and receive feedback on any action taken;
 - ♥ allow the employee to take the matter further if you are dissatisfied with the company's response; and
 - ♥ reassure the employee that you will be protected from reprisals or victimisation for whistleblowing in good faith.
19. The policy is intended to deal with serious or sensitive concerns about wrongdoings such as the following: -
 - ♥ Fraud or corruption
 - ♥ Bribery
 - ♥ Customers being mistreated
 - ♥ Unauthorised use of TGHC money
 - ♥ A criminal offence or an unlawful act
 - ♥ Any danger to health and safety
 - ♥ The environment being damaged (for example, by graffiti or pollution)
 - ♥ A person abusing their position for any unauthorised use or for personal gain
 - ♥ A person deliberately not keeping to a TGHC policy, an official code of practice or any law or regulation
 - ♥ A person failing to meet appropriate professional standards
 - ♥ A person being discriminated against because of their race, colour, religion, ethnic or national origin, disability, age, sex, sexuality, class or home life
 - ♥ Attempts to hold back or hide any information relating to any of the above
20. The concern may be about members of staff, people who work directly for TGHC, suppliers, or people who provide services to the public for the company.
21. The policy states that the company will not tolerate harassment or victimisation and will take action to protect the person raising a concern.
22. The policy states that the company will do its best to protect identify when a concern is raised and that person does not want to be disclosed.
23. The policy states that concerns raised anonymously tend to be far less effective.

24. Appropriate action, including disciplinary make be taken against a person whose allegation is found to be malicious, vexatious or for a personal gain.

Fraud and Corruption

25. TGHC is opposed to fraud and corruption in all forms, whether perpetrated from within or outside of the organisation. TGHC seeks firstly to prevent fraud and corruption but will take all action necessary to identify it if suspected and will carry out any investigation that is needed.
26. Fraud and corruption cheats the local tax payer and undermines the aims of the company to provide value for money services in an open, honest and accountable way. TGHC will make strenuous efforts to recover any losses arising from fraud and corruption, using the necessary legal processes where appropriate. Generally all cases and suspected cases of fraud and corruption will be referred to the policy for investigation.
27. Arrangements are in place which encourages the exchange of information between TGHC and other agencies on national and local fraud and corruption activity.

Bribery

28. The Bribery Act 2010 modernised the law on bribery and came into force on 1 July 2011. It is defined in the Act 'as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already having done so'.
29. The Act outlines the following main offences: -
 - Section 1 – Bribing another person
 - Section 2 – Being bribed
 - Section 6 – Bribery of foreign public officials
 - Section 7 – Failure of a commercial organisation to prevent bribery
30. There is a defence for an organisation if it can prove that it had in place 'adequate procedures' to prevent persons associated with it from committing such acts. Procedures must comply with the following six general principles detailed in the Act: -
 - ♥ Proportionality
 - ♥ Top level commitment
 - ♥ Risk assessment
 - ♥ Due diligence
 - ♥ Communication
 - ♥ Monitoring and review
31. TGHC would be liable if someone in the organisation commits a bribery offence or where someone who performs the company's services pays a bribe.
32. An individual guilty of an offence under sections 1, 2 or 6 is liable: -

- ♥ on summary conviction, to imprisonment for a term not exceeding 12 months, or to a fine not exceeding the statutory maximum (£5,000) or to both
 - ♥ on conviction on indictment, to imprisonment for a term not exceeding 10 years, or to a fine, or both
33. Bribery is not tolerated. It is unacceptable to: -
- ♥ Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
 - ♥ Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure.
 - ♥ Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage from them.
 - ♥ Accept a gift or hospitality from a third party of you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
 - ♥ Retaliate against or threaten a person who has refused to commit a bribery offence or has raised concerns under this policy.
 - ♥ Engage in activity in breach of this policy.
34. TGHC requires that all employees will
- ♥ act honestly and with integrity at all times and to safety to TGHC and the Council's resources for which they are responsible;
 - ♥ conduct business lawfully and responsibly.
35. Responsibility to control the risk of bribery occurring resides at all levels and specific responsibilities are detailed in the TGHC Prevention of Bribery Policy.

Code of Conduct for Employees/Directors – Acceptance of Gifts and Hospitality

36. Employees of TGHC are expected to follow any code of conduct related to their professional governing body, including provisions in respect of declaration or registration of interests, gifts and hospitality.
37. It is a serious breach of discipline for employees corruptly to receive or give any gifts, loan, fee, reward or advantage for doing or not doing anything or showing favour or disfavour to any person in their capacity as an employee of the company. Any upheld allegation is likely to lead to disciplinary action leading to dismissal.
38. Apart from the exceptions listed below, the employee should refuse any personal gift offered to him/her, or a member of his/her family by any person or body who has, or seeks dealings with the company. All offers (whether accepted or refused) should be reported to the appropriate Strategic Employee. If the offer is made to a Strategic Employee other than the Chief Executive, it should be reported to the Chief Executive. If the offer is made to the Chief Executive, it should be reported to the Company Secretary.

- ♥ A modest gift of a promotional nature given to a wide range of people and not uniquely to the employee. These are usually given at Christmas and include calendars, diaries, desk sets, flow charts, tape measures, scales and other articles of use in the office or job.
 - ♥ Gifts of a promotional nature on the conclusion of any courtesy visit to a factory or firm of a sort normally given by that firm.
 - ♥ A gift where refusal would cause needless offence and whether the giver is not currently seeking a service or business from the company.
39. When a gift has been refused, this should be done with tact. In some cases a gift may simply be delivered and cannot be returned. It is sometimes acceptable to the giver for the gifts to be subject to a raffle and the proceeds placed in a charitable fund (all gifts of alcohol should be dealt with in this way).
 40. Hospitality may be offered to representatives of the company and is accepted at official (i.e. Board) level, because that is reasonable in all the circumstances.
 41. Where hospitality is offered to individual employees to purely social or sporting functions then permission to attend should be sought from the appropriate Strategic Employee and will only normally be given when the event is seen as part of the life of the community which the company serves or where it is in the interest of the company to be represented or where the company should be represented.
 42. In general terms, it will often be more acceptable for employees to join in hospitality offered to a group than to accept something unique to themselves. When a particular person or body has a matter currently in issue with TGHC, for example an arbitration arising from a contract, then common sense dictates that offers of hospitality be refused even if in normal times they would be regarded as acceptable.
 43. Examples of what is generally acceptable and unacceptable are outlined in the Code of Conduct for Employees.
 44. For the protection of employees and TGHC, all offers of significant gifts and hospitality, whether accepted or refused should be entered in the register.
 45. Board members are expected to operate honestly and without bias. Their code of conduct is governed by the company's Code of Conduct for Directors, on which Board members receive training. The code includes the rules on the acceptance of gifts and hospitality.

Disciplinary Procedure

46. TGHC has in place a disciplinary procedure for all categories of employees and the possibility of disciplinary action being taken against employees who ignore guidance is clear.

Breaches of the Probity Policy

47. The Probity Policy is crucial to the company's ability to meet its legal and best practice requirements. Accordingly, TGHC will treat any breach very seriously.
48. Any alleged breach of the Probity Policy will be investigated by the Head of Support Services.

49. A breach of the policy by an employee will be treated as a disciplinary matter under his or her contract of employment and appropriate sanction may be applied. An investigation into any allegation of such a breach made against an employee will be conducted in accordance with the company's relevant policies for such investigations.
50. A breach of the Probity Policy by a Board Member will be treated as a breach of his or her duties and obligations to the company. An investigation into any allegation of such a breach made against a Board Member will be conducted and appropriate sanction may be applied. Any investigation will be carried out in accordance with the procedure for dealing with complaints against board members.

Appendix – The Seven Principles of Public Life, Nolan Committee

Selflessness Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity Holders of public office should not place themselves under any financial obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty Holders of public office have a duty to declare any private interests relating to their public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership Holders of public office should promote and support these principles by leadership and example.



Report to Resources and Audit Committee

31 July 2012

Title: Management Accounts – First Quarter 2012/13

Report of: Head of Finance

Purpose of Report

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

Background

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

Management Accounts

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

7. The agreed repairs fee was slightly increased by £70,000 to reflect the tendered price from Mears for the Repairs contract as well as the other repair costs budgeted for. The total repairs fee agreed was £18.165m.
8. The Management Accounts for the first quarter of the financial year 2012/13 are included within the Appendix to this report. The Management Accounts include the income and expenditure in relation to both revenue and repairs up to the end of June 2012.
9. The Management Accounts Revenue shows an under spend to date of £10,000. The Management Accounts Repairs is under spent based on forecast budget, however, the income is matched against expenditure in repairs and so no under spend is shown. The under spend against forecast is due mainly to repair invoices not yet being received from Mears due to issues with the interface between computer systems.

Link to values

10. 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

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

Risk Management Implications

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

Financial Implications

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

Health Implications

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

Equality and Diversity Implications

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

Value for Money implications

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

Environmental Implications

17. 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

18. None directly for this report.

Recommendations

19. The views of the committee are sought on whether it is satisfied with the financial management of the Revenue and Repairs budgets for first quarter of the 2012/13 financial year.
20. The Committee is asked to note the discussions being held with the Council regarding the reduction in efficiency savings for the year.

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

Revenue and Repairs Executive Summary

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

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Management Fee				
Income	3,684	3,684	0	14,738
Employee Costs	2,363	2,360	(3)	9,441
Overhead Costs	1,311	1,326	15	5,305
Surplus/(Deficit)	10	(2)	12	(8)
Repairs Fee				
Repairs Management Fee	2,759	4,920	2,161	19,665
Repairs Costs	2,759	4,920	(2,161)	19,665
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	10	(2)	12	(8)

2. Overall, the first quarter position shows an underspend of £10,000; this is due mainly to overhead costs being under budget for the year to date due to costs not yet falling due.
3. Repairs is under spent based on forecast budget, however, the income is matched against expenditure in repairs and so no under spend is shown. The under spend against forecast is due mainly to repair invoices not yet being received from Mears due to issues with the interface between computer systems.
4. Interface systems which allow any variations to jobs completed are not yet working effectively and therefore there has been some delay in receiving invoices. These interface systems are now in place and we are working closely with Mears to agree the timescale for the variations to ensure that we are invoiced on a timely basis

Income

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	3,254	3,254	0	13,017
Officer Costs	250	250	0	1,000
Management Fee from external bodies	4	4	0	18
Gardening Service Income	1	1	0	3
Performance Fee	175	175	0	700
Total Income	3,684	3,684	0	14,738

5. 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. This was calculated based on the previous year's fee less an efficiency target of 2.38% savings.
6. The Officer Costs are for the work carried out in relation to managing the capital programme on behalf of the Council. This fee covers the staffing and overheads required to manage the programme. This fee equates to 4% of the overall capital programme.
7. 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.
8. 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.
9. The Performance Fee is in relation to the work that the rent and income teams undertake in the collection of rent and service charges. We have reached an agreement with the Council that if the rent and income teams collect rent and service charges over and above the national collection rate target we have a profit sharing arrangement where we receive 50% of the income collected over and above this target. This is paid annually in arrears and this is the fee due for collection rates in 2011/12.

Staff Costs

10. Staff Costs are broken down as follows:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Employee Costs				
Customer Services	557	586	29	2,345
Neighbourhood Services - HQ	258	259	1	1,038
Property Services	301	293	(8)	1,168
Customers and Communities sub total	1,116	1,138	22	4,551
Support Services	207	213	6	854
Finance	295	303	8	1,212
Corporate Services sub total	502	516	14	2,066
Neighbourhood Services - areas	745	769	24	3,075
Efficiency Savings	0	(63)	(63)	(251)
Total Employee costs	2,363	2,360	3	9,441

11. Salary costs are largely on target. The staff budget is based on the current structure but a number of vacant posts have been held at zero budget and therefore, they will not be appointed to during the year. This was to enable our budgets to breakeven. A number of service areas are being reviewed and restructures will be brought to this committee for approval to ensure that those vacant posts which are not required and any currently zero budgeted can be deleted.
12. During the first quarter we have spent £22,000 on agency staff; this is in comparison to spend in the first quarter of 2011/12 of £41,000 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.
13. The agency staff costs relate mainly to work in the Repairs Contact Centre and in Housing Offices whilst staff are seconded to posts elsewhere in the organisation.

Overhead Costs

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Overhead Costs				
Customers and Communities HQ Total	81	86	5	345
Corporate Services Total	953	960	7	3,841
Customers and Communities Area Costs	277	286	9	1,145
Efficiency Savings	0	(6)	(6)	(26)
Total Overhead Costs	1,312	1,326	15	5,305

14. 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.
15. 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.
16. Budget holders are accountable for their budgets and receive monthly management accounts. This enables them to review spend in more detail. The finance section monitor all areas of spend and ensure that costs are controlled effectively. It should be noted that not all costs can be controlled especially in relation to utility costs and insurance claims. Finance monitors these costs on a monthly basis and highlights to Corporate Management any areas causing concern. There are no such areas causing concern at this time.

Repairs Summary

17. 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)	1,195	1,193	2
Responsive – Mears	999	369	630
Responsive – LES	250	184	66
Responsive – Other	200	201	-1
Relets – Mears	871	39	832
Relets - Other	175	57	118
Cyclical Repairs – Servicing	125	74	51
Cyclical Repairs – Remedial Works	38	0	38
Water Hygiene Testing	38	9	29
Painting	160	109	51
Gas Servicing	639	455	184
Electrical Circuit Testing	35	0	35
Solid Fuel Testing	1	0	1
Lift Maintenance	34	13	21
Security	50	11	39
Environmental Works	56	26	30
Energy Performance Certificates	13	4	9
Aids & Adaptations	23	15	8
Contingency	18	0	18
	4,920	2,759	2,161
Insurance Funded Repairs	0	0	0
Repair Management Fee Income	4,920	2,759	(2,161)
Income Total	4,920	2,759	(2,161)
REPAIRS TOTAL	0	0	0

Responsive Repairs

18. Responsive repair costs have been split between the spend with our contractor Mears, the spend with Local Environmental Services and the other adhoc costs associated with repairs. Mears are our new repairs contractor and they carry out all the repairs and maintenance at properties. LES carry out all drainage and highways repair works. Other costs are in relation to asbestos testing and removal works, batched Mears repair work, the repairs freephone number and postage for any postcards/letters, as well as other sub-contractor costs for works Mears are unable to carry out.
19. Overall the responsive repair costs are under budget for the first quarter which is due to invoices not yet being received from Mears for the works they have carried out. Interface systems which allow any variations to jobs completed are not yet working effectively and therefore there has been some delay in receiving

invoices. These interface systems are now in place and we are working closely with Mears to agree the timescale for the variations to ensure that we are invoiced on a timely basis.

20. Weekly operational meetings are held with Mears to discuss the repair works being undertaken and we are monitoring the number of repair requests sent to Mears weekly. The numbers are similar to those in previous years and therefore, we are confident that once invoices are received they will be consistent with our expectations. We are working closely with Mears to rectify the invoicing process and we expect this to be fully up to date by quarter two.
21. Average repair costs will not be reported in the first quarter of the year as this is unlikely to show a true picture because of the lack of invoices received. However, we will report average repair costs in the next quarter. We also expect to be able to forecast the average repair jobs as we have access to Mears reporting systems which provides detail of the repairs outstanding and the average cost of the outstanding jobs.
22. The number of responsive repairs invoiced in the first quarter is not included as this does not show a true picture because of the lack of invoices received which includes the number of repairs.
23. An analysis of the type of responsive repairs carried out and a comparison of responsive repairs costs and number of jobs will be included in the next quarter report.

Relets

24. The relet budget has been split between the costs of the works carried out by Mears and the other costs associated with relets. Other costs relate mainly to costs associated with asbestos works, security costs at void properties and decoration vouchers provided to new tenants.
25. Mears relet costs are under budget as jobs have not been invoiced due to the issues with the interface systems. Interface systems which allow any variations to jobs completed are not yet working effectively and therefore there has been some delay in receiving invoices. These interface systems are now in place and we are working closely with Mears to agree the timescale for the variations to ensure that we are invoiced on a timely basis.
26. Weekly operational meetings are held with Mears to discuss the relet works being undertaken and we monitor closely the number of voids sent through to Mears to undertake relet works on. We are working closely with Mears to rectify the invoicing process and we expect this to be fully up to date by quarter two.
27. Average relet cost and number of relets for the first quarter is not reported as it does not show a true picture due to the lack of invoices, including information on relets completed, being received.

Painting

28. 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

29. Gas servicing is under budget for the first quarter. This budget line includes both the budget for the Gas Care Plan which is a fixed monthly cost of £152,000 and the budget for gas repairs. However, we are in discussions with Mears as to whether the gas repairs just come within the responsive repairs line. If this changes we will amend the budget accordingly.
30. Gas appliances are required to have a gas service carried out every 12 months, at the end of the first quarter 99.89% of properties had a gas service within the previous 12 months.

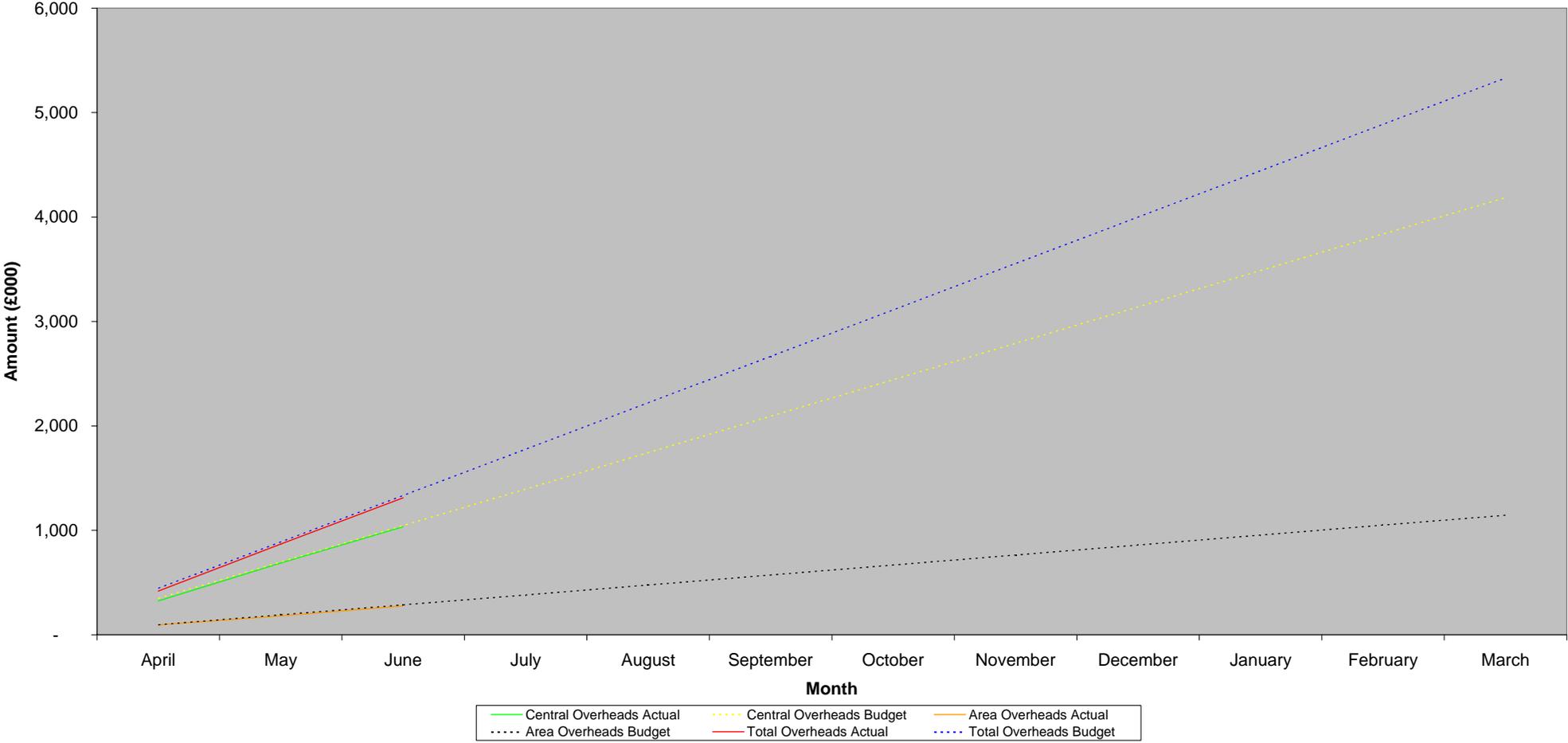
Cyclical Maintenance

31. 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

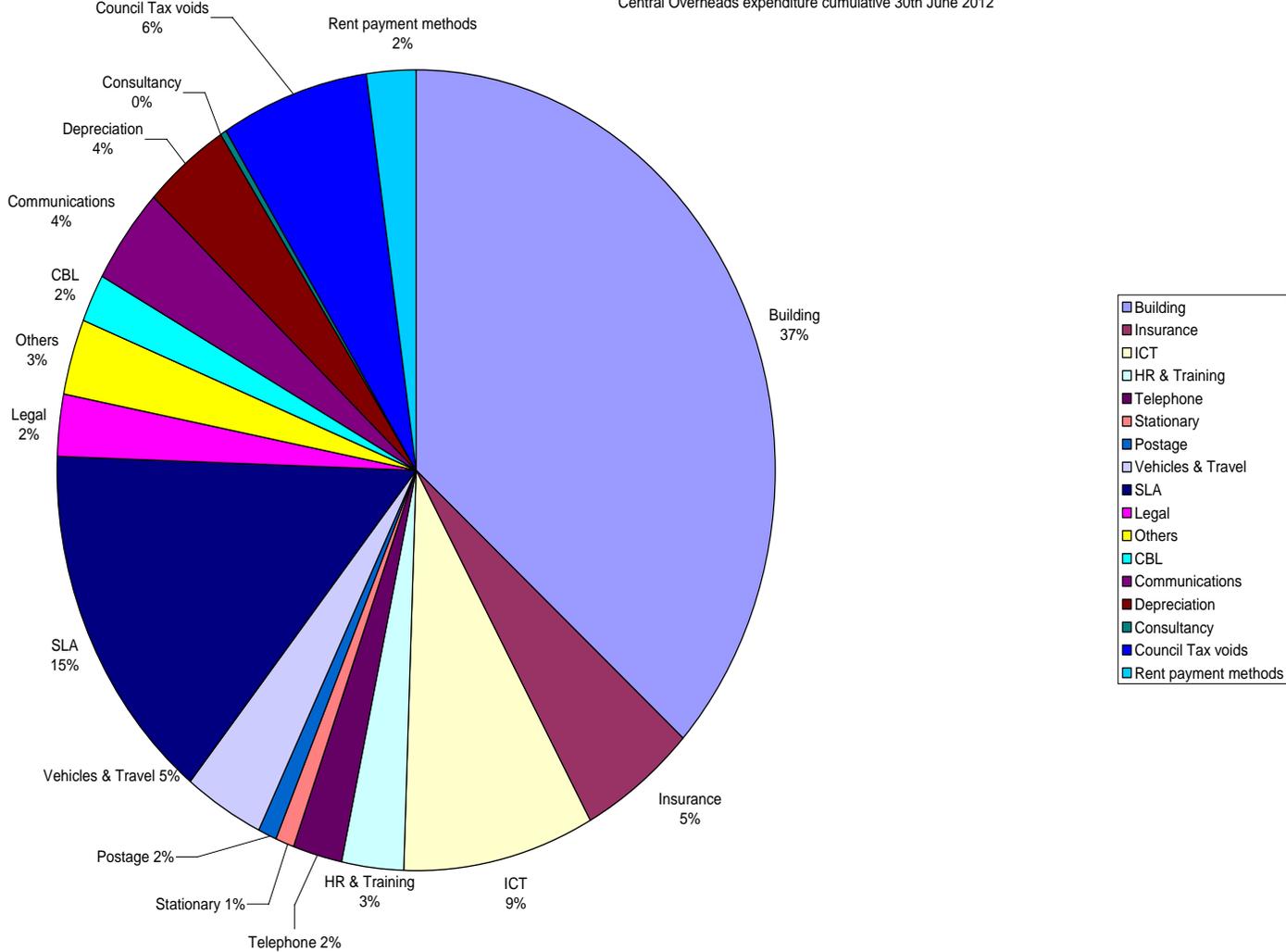
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	3,254	3,254	0	13,017
Officer Costs	250	250	0	1,000
Management Fee from external bodies	4	4	0	18
Gardening Service Income	1	1	0	3
Performance Fee	175	175	0	700
Total Income	3,684	3,684	0	14,738
Employee Costs				
Customer Services	557	586	29	2,345
Neighbourhood Services - HQ	258	259	1	1,038
Property Services	301	293	(8)	1,168
Customers and Communities sub total	1,116	1,138	22	4,551
Support Services	207	213	6	854
Finance	295	303	8	1,212
Corporate Services sub total	502	516	14	2,066
Neighbourhood Services - areas	745	769	24	3,075
Efficiency Savings	0	(63)	(63)	(251)
Total Employee costs	2,363	2,360	3	9,441
Overhead Costs				
Customers and Communities HQ Total	81	86	5	345
Corporate Services Total	953	960	7	3,841
Customers and Communities Area Costs	277	286	9	1,145
Efficiency Savings	0	(6)	(6)	(26)
Total Overhead Costs	1,312	1,326	15	5,305
Surplus/(Deficit)	10	(2)	12	(8)
Repairs Fee				
Repairs Management Fee	2,759	4,920	2,161	19,665
Repairs Costs	2,759	4,920	(2,161)	19,665
Surplus/(Deficit)	0	0	0	0
Overall Annual Surplus/(Deficit)	10	(2)	12	(8)

TGHC Overheads Budget 2012/13



Appendix 2

Central Overheads expenditure cumulative 30th June 2012





Report to Resources and Audit Committee

10 May 2012

Title: Sickness Absence and Human Resources Update

Report of: Acting Chief Executive

Purpose of Report

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

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 2012.
5. Appendix 3 provides in a graphical format the reasons for absence within each directorate of the company for the period April to June 2012.

6. The total sickness absence for the period April to June 2012 equates to 3.01 days per person compared to 2.56 days for the same period last year. This equates to a 15% increase in days lost in the period April to June 2012 compared to April to June 2011.
7. Short term absence equates to a period of less than 15 working days in duration and long term absence is greater than 15 days in duration. In the period April to June 2012, short term absence was 0.87 days per person and long term 2.14 days. This compares with 1.09 days short term absence and 1.47 days long term absence in the same period April to June 2011. This is a 20% decrease in short term absence and 31% increase in long term absence.
8. In the period April to June 2012, the biggest cause of absence was stress related with 378 days lost. This compares to 160 days lost in the same period last year and 103 April to June 2010.
9. Of the 378 days of stress related illness 69% was related to stress in an employee's personal life, the remaining 31% was recorded as work related. 93% of stress related absence for the period of April to June 2011 was of a long term nature.
10. It is often difficult to control outside stressors, however we recognise the need for a holistic approach to employee wellbeing and engagement. We have therefore developed a programme of wellbeing training for employees and managers that includes wellbeing taster sessions, the stress bucket, personal resilience, developing personal action plans and mental health awareness. This will equip employees and managers with the skills, knowledge, behaviours and ownership to improve attendance and performance.
11. We continue to investigate initiatives that will help us to better understand the causes of depression, anxiety and stress. We endeavour to use the knowledge gained in this area to research new initiatives to assist employees to manage their condition and remain in work.
12. A personal support package continues to be provided to employees who are absent due to stress to include occupational health, home visits, counselling, cognitive behavioural therapy (CBT) and First assist 24/7 helpline for employees and their families.
13. 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

14. The company has held 12 sickness absence review meetings (short term) in the period April to June 2012 triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.
15. As a result of the absence review meetings held, 9 employees were issued with first written cautions.

16. The company has held 5 sickness absence reviews (long term) in the period of April to June 2012 triggered in a response to four or more continuous weeks of absence.
17. No cautions have been issued in the five cases however the review has considered the employees health and their future employability with the company. Options discussed at the absence reviews include phased return to work, redeployment, work life balance, reduced hours, reasonable adjustments to the working environment and ill health retirement.
18. In the period April to June 2012, 3 employees attended an occupational health physician's appointment as a result of absence review meetings.
19. In the period April to June 2012, 50 cognitive behavioural therapy (CBT) / counselling sessions were supported by the company.
20. In the period April to June 2012, 1 employee attended six physiotherapy sessions supported by the company.
21. In the period April to June 2012, 17 employees were referred to occupational health for an initial assessment. 7 employees attended an occupational health review.
22. 5 employees returned to work on phased hours and duties in the period April to June 2012.
23. In April 2012 employees were 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

24. In May 2012 the first of four quarterly meetings was held with Human Resources Advisors at Gateshead Council. The purpose of the meetings is to share information about measures and initiatives and to more closely align our services.

Work Life Balance

25. In the period March to June 2012 the following work life balance applications have been approved:

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

Investigation and Disciplinary

26. In the period April to June 2012 the following activities have taken place:

Suspension	Outcome
1	Decision pending investigatory interview
Investigation	Outcome
None	
Disciplinary	Outcome
None	
Appeals	Outcome
None	
ET1	Outcome
None	

Grievances

27. In the period April to June 2012, three Stage 1 grievances were investigated and not upheld

Bullying and Harassment

28. In the period April to June 2012 there were no allegations of bullying or harassment.

Whistleblowing

29. In the period April to June 2012 there was one reported incident.

Other HR Initiatives and Developments

Recruitment

30. In the period April to June 2012, the company has advertised 2 jobs as follows:

Job title	Method of recruitment	Number of applications
Estate Officer : Customers and Communities	Internal TGHC and Gateshead Council	18
Customer Service Officer : Customers and Communities	Internal TGHC and Gateshead Council	6

Child Care Scheme

31. The company continues to offer a salary sacrifice scheme. In June 2012 thirteen employees were on the scheme.

Electronic Payslips

32. In August 2012 the company will adopt Gateshead Council's epayslip scheme. Employees will access 'My Service' account to view and download their payslip, the computer site allows access 24 hours a day, 7 days a week with the current and previous payslips available to download. Information about the service and a

guide to accessing the service will be sent to all employees in July. The last hardcopy payslip will be 19 July 2012. Employee who does not have access to a computer can opt out of the scheme and continue to receive hard copy payslips.

Employee Ownership of Skills (EOS)

33. The company has supported the National Housing Federation and Asset Skills co-ordinated bid to UK Commission for Employment and Skills (UKCES) Employer ownership of skills fund (EOS).
34. The EOS pilot offers all employers direct access to public investment; up to £250 million over two years to design and deliver their own training solutions. An EOS prospectus invites proposals from employers for the first phase of the pilot, covering up to £50 million.
35. The National Housing Federation is reviewing its work on employment and training in the context of economic uncertainty with a constrained lending and public expenditure environment. The company will be contributing to a survey to be completed by 31 July 2012.

Learning and Development Activity

Data Protection

36. A Data Protection e-learning has been launched with a completion deadline of the 31 August 2012. The Data Protection Essentials course is an online training course that has been designed to provide employees with all the practical knowledge and skills they need to comply with the Data Protection Act. It features detailed explanations of all eight principles of the Act, case studies to explore the practical implications of the law, and a unique 'ask the expert' feature if employees need to know more.

Respect and Dignity at Work Training

37. Respect and Dignity at Work training sessions have been delivered to almost 300 employees. The sessions combine drama-based training techniques with innovative cinema-screen technology and bite-size video clips. This learning format is further complimented with a range of learner activities including a quiz using interactive audience voting technology, all led by professional trainers and experienced actors.
38. A mop up session will be arranged for any employees that were unable to attend the planned training. The objectives for the half day workshop included:
 - To further understand Equality, Diversity, Bullying and Harassment.
 - To understand the personal and organisational consequences that can arise from inappropriate behaviour.
 - To understand how we need to adapt to individual needs
 - To understand appropriate workplace behaviour and recognise the difference between workplace bullying and banter.
 - To understand our personal responsibility to challenge inappropriate behaviour.

Managing the Employment Relationship

39. The purpose of the training which was aimed at managers is to gain an understanding of the key principles involved when developing a contract of employment and managing people in line with the contract requirements. There was an opportunity to consider how organisational changes and employment law impacts on the contract of employment and the role of consultation in making proposed changes. A key aspect of the learning was to understand the importance of supporting people to perform to their optimum in a healthy environment, ensuring their wellbeing is considered and that effective communication methods and personal attributes achieve success. The course examined what happens when an employee leaves the company and the appropriate courses of action.

Performance Management (Including Capability)

40. The course has been arranged to complement previous training for managers in this area. Course content included the management of performance and how to assist employees to reach their full potential and what to do when performance is below a satisfactory level. Time was allocated to consider how the capability policy applies in managing performance.

Maximising Attendance

41. The company's first in-house e-learning module was launched in March 2012. The maximising attendance was developed to ensure employees fully understand the procedure and their responsibility to manage their own health. The completion and success pass rates are being monitored for compliance.

Applications to Study

42. Employees have been invited to apply for funding for a qualification course in the academic year 2012/12. The deadline for applications is the 9 July 2012. Head of Services will agree allocation of funding in line with the company's future and priorities. The decision making process includes assessment of application in conjunction with company objectives and priorities.

Health and Wellbeing Support

43. Managers attended a one hour session to inform them of their responsibility to support employee health and wellbeing. The session included dissemination of key findings from the employee health and wellbeing survey. The sessions were held in all local housing offices and Keelman House.
44. During the period April to June 2012 eleven, one hour "*introductory wellbeing at work*" workshops have been delivered. Employees who were interested in their own personal health and wellbeing were invited to attend. Four workshops were held in Keelman House and seven workshops were delivered within local housing offices and multi-story blocks throughout the borough.

Wellbeing at Work workshop

45. During April to June 2012 five, three hour "*wellbeing at work*" workshops have been delivered and 41 employees attending. The aim of the enhanced workshop

was to enable employees attending to build on the knowledge gained during the “*introductory wellbeing at work*” sessions.

The workshop included:-

- a. What do we mean by wellbeing?
- b. Stress and the Stress Bucket - what fills your stress bucket?
- c. Signs and symptoms of poor wellbeing
- d. Identifying your triggers
- e. Making a Wellbeing at Work plan - what to do when it gets too much
- f. What has helped other people?

Further sessions are planned during July & September.

Planned Activity

Mental Health Training for Managers

46. In July, August and September 2012 managers are required to attend essential training in mental health awareness. The aim of the training is to help managers to recognise the symptoms of mental health problems, how to provide initial help and how to guide a person towards appropriate professional help.
47. The Organisational Development team are exploring options with Your Homes Newcastle to jointly facilitate a half day workshop called SUMO which is about equipping attendees with skills for life to help master the challenges of work and life for the present and the future. This will be an exciting opportunity to collaborate with our colleagues from YHN.

Health and Safety Training

48. In the period April to June 2012 the following health and safety training has been delivered:
 - CIEH Supervising Health and Safety Day One
 - Asbestos Awareness
 - Stress Awareness
 - First Aid
 - Fire Safety
 - Manually Handling

ICT Training

49. In the period April to June 2012 the following ICT training and development has been delivered:
 - Contributing to the Intranet, Creating Download Documents
 - Microsoft Excel, Filtering Data and Pivot Tables
 - Contributing to the Intranet, Managing Tenancies

Link to values

50. 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

51. 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

52. 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

53. The financial cost of sickness absence to the company for the period April to June 2012 was £105,130 as compared to £110,167 for the same period last year.

Equality and Diversity Implications

54. 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

55. 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

56. 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.
57. 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

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

Consultation carried out

59. 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

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

 The Gateshead Housing Company Working with Gateshead Council					
Employee and HR Monitoring Digest 2012/13					
Performance Measure		Qtr 1	Qtr 2	Qtr 3	Qtr 4
Number of people employed by TGHC					
Male		149			
Female		197			
Permanent Employees		331			
Temporary Employees		15			
Full Time		286			
Part Time		60			
Number of starters (since 01 April 2012)		4			
Number of leavers (since 01 April 2012)		4			
Ill health retirements		0			
Number of employees seeking redeployment		1			
Diversity Monitoring					
Gender					
Male		149			
Female		197			
Age					
Under 18		0			
18 – 25		24			
26 – 35		112			
36 – 45		81			
46 – 55		89			
56 – 65		39			
66 +		1			
Disability					
Perceived themselves as disabled		38			
Do not perceive themselves as disabled		308			

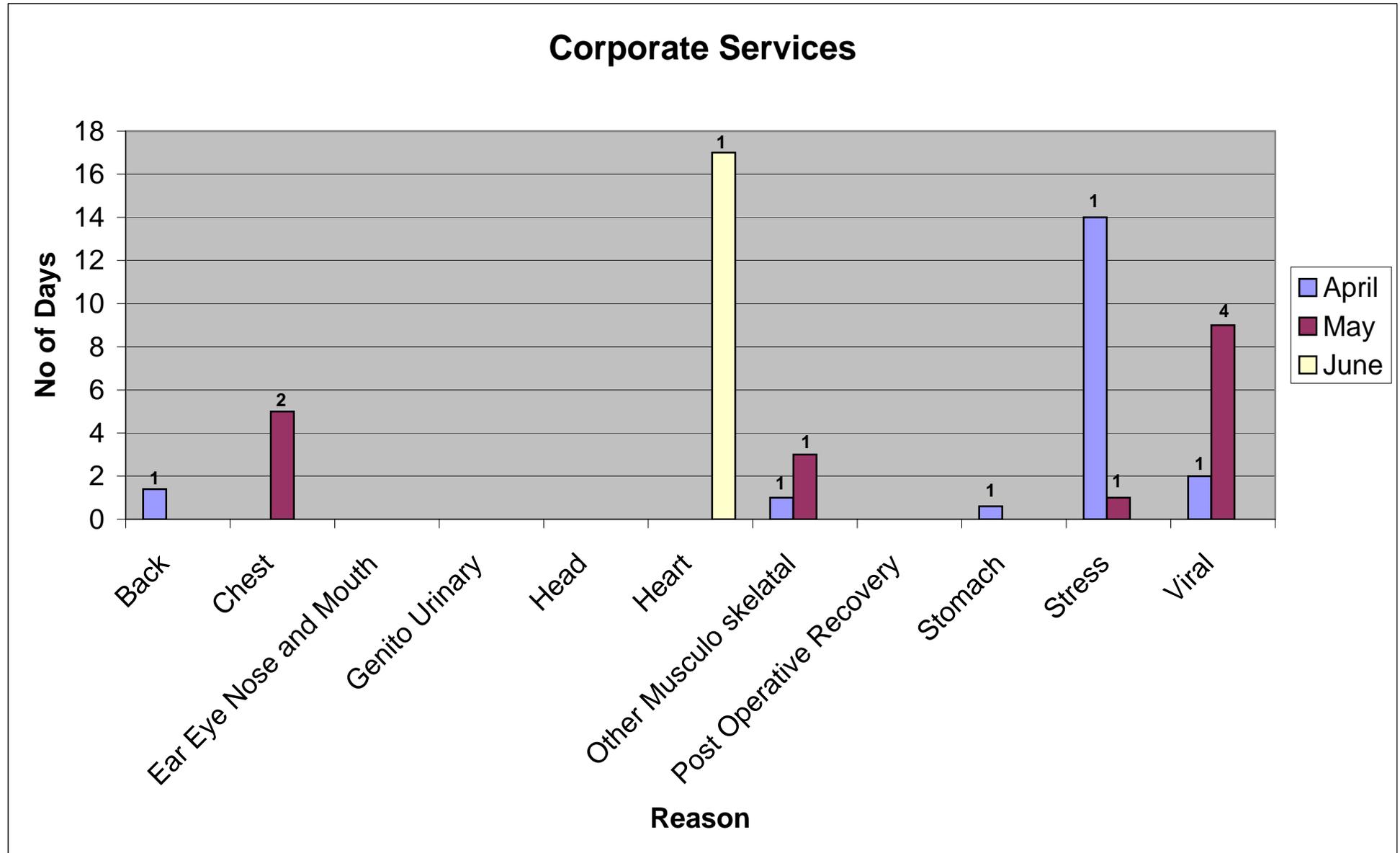
 The Gateshead Housing Company Working with Gateshead Council					
Employee and HR Monitoring Digest 2012/13					
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Ethnicity					
White British	330				
White Irish	2				
White Other	1				
White and Black Caribbean	0				
White and Black African	0				
White and Asian	0				
Asian or Asian British Indian	1				
Asian or Asian British Pakistani	0				
Asian or Asian British Bangladeshi	3				
Asian or Asian British Other	1				
Black or Black British Caribbean	0				
Black or Black British African	4				
Black or Black British Other	1				
Chinese	1				
Other	2				
Recruitment Monitoring					
Number of BME applicants for posts					
Application for employment	3				
Short listed for interview	2				
Offered post	0				
Number of disabled applicants for posts					
Employment	0				
Short listed for interview	0				
Offered post	0				
HR advisory issues					
Investigations	0				
Disciplinary	0				
Suspensions	1				
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				

					
Employee and HR Monitoring Digest 2012/13					
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Whistleblowing Capability	1 0				
Health and Wellbeing					
Total number of working days lost per employee (target 7.50 April to March 2013)	3.01				
Total number of working days lost to sickness	932.70				
Number of Occupational Health appointments					
<ul style="list-style-type: none"> • New referrals • Review appointments 	17 7				
<ul style="list-style-type: none"> • Surgery appointments • Home appointments 	25 0				
Number of employee counselling/CBT sessions					
Number of Absence Management Reviews					
<ul style="list-style-type: none"> • Short Term • Long Term 	12 5				
Number of employees who have had a phased return	5				
Learning and Development					
Number of new staff receiving induction	4				
Number of staff undertaking professional Qualifications (report in Qtr 2)					

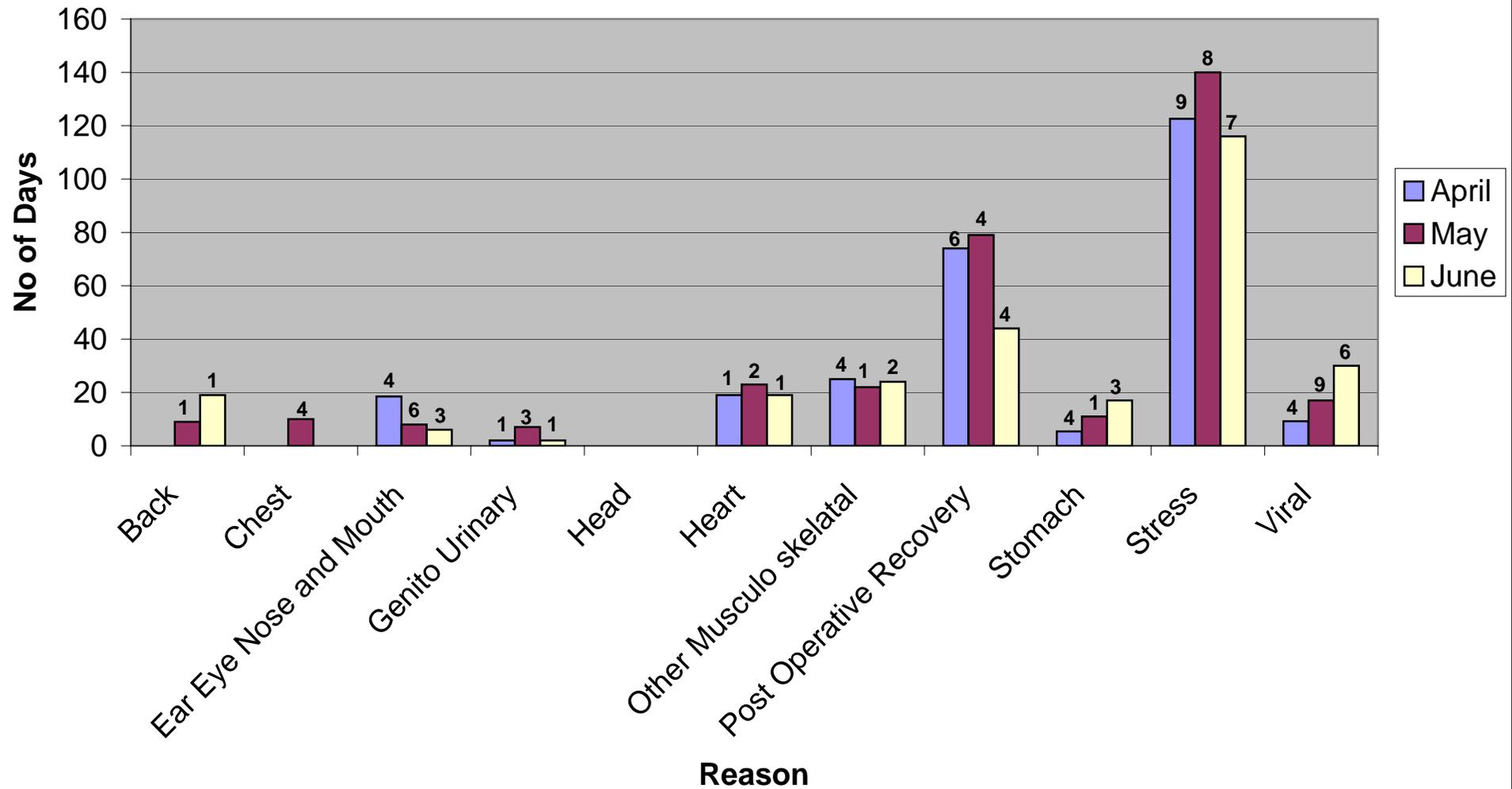
Actual Days lost per employee per month to date

2012/2013	Customers & Communities Customer Services	Customers & Communities Neighbourhood Services	Customers & Communities Property Services	Corporate Services Finance	Corporate Services Support Services	All employees TGHC	TGHC cumulative	2011/12 TGHC Cumulative	Days Lost per month	Days Lost Short Term Absence	No of Occurences Short Term	Days Lost Long Term Absence	No of Occurences Long Term
April	0.96	0.96	1.79	0.07	0.71	0.95	0.95	0.62	294.70	0.35	29	0.60	10
May	1.16	1.23	1.70	2.26	0.04	1.11	2.06	1.47	344.00	0.34	36	0.77	11
June	1.02	0.78	2.48	0	0.71	0.95	3.01	2.56	294.00	0.18	16	0.77	13
July								3.27					
August								3.94					
September								4.67					
October								5.18					
November								5.78					
December								6.09					
January								6.73					
February								7.56					
March								8.47					
Cumulative by Service Area	3.14	2.97	5.97	2.33	1.46	3.01			932.70	0.87	81	2.14	34

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



Customers & Communities





Report to Resources and Audit Committee

31 July 2012

Title: Health and Safety Update

Report of: Acting Chief Executive

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 2012.

Background

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

Policy, Procedure and Safe Systems of Work Update

6. A number of policy reviews were concluded during the period but no gaps in policy or significant changes have been identified.
7. Further development work has been carried out to the Health and Safety Sharepoint site during the period and we expect to launch the site to users later this year.
8. The site will enable local offices to log monthly checks of security arrangements and fire safety inspections in one central location. The H&S team will then be able to carry out desktop audits on office arrangements which will result in less time spent visiting offices as part of annual audit cycle.
9. The annual audit program for the offices and other workplace areas will commence later in the year with updates provided at future committee meetings.

Partner Activity

10. The period April to June has been used to enable the new repairs contract to bed in and due to the complexities of mobilising a contract of this size a decision was taken to defer any Health and Safety site visits until the contract was fully enabled.
11. MEARS health and safety processes and safe systems of work were reviewed prior to the contract starting and found to be suitable and sufficient. Site visits will commence during the second half of 2012 and the findings will be reported to future committee meetings.
12. The key area of work that we are currently reviewing with MEARS is Management of Asbestos.

Accident Reporting

13. During the first quarter of the financial year (April to June 2012) the following accidents were reported: -
 - An employee hit their arm on door frame at Keelman House
 - An employee tripped (on public Footpath) outside of Birtley Housing Office
 - An employee squirted hand gel in their eye at Blaydon Housing Office
 - A tenant fell outside of Newbolt Court
 - 3rd Party cut their finger within Keelman House
14. In addition to this, the following verbal abuse/threats to staff were reported and appropriate action has been taken.
 - 10 Instances of Verbal Abuse
 - 5 Instances of Threatening Behaviour.
15. All accidents are investigated by the H&S team and where appropriate follow up action is taken and amendments made to risk assessments.

Incident Update

16. On 22 May 2012 there was a significant gas explosion at Marion Court, resulting in one of the bungalows being destroyed completely and extensive damage to the neighbouring bungalows. Although there were severe injuries to the resident, a Northern Gas Networks engineer and 4 members of the emergency services, fortunately there were no fatalities and they have all now fully recovered.
17. The H&S team attended the incident and assisted emergency services in calming the situation. Subsequently we have worked with the Repairs Manager and colleagues from MEARS to ensure in the first instance that the site was safe and free from asbestos and that suitable and sufficient risk assessments were in place to enable works to progress.
18. The team have also been commended by the Health and Safety Executive ("HSE") on their approach and the support they have given to the investigation. A final report on the cause of the explosion has not yet been made available by the HSE but a report received from the appointed loss adjusters attributes the cause to the gas cooker being moved by the resident.

Asbestos Management

19. As reported to committee in May, an audit recommendation was made that this committee receive quantitative updates relating to asbestos management.
20. During the period of April to June we have received requests for Asbestos Surveys, to support the following areas of work; Void and Gas Sections, Maintaining Decency, Painting Program, Repairs, Adaptations and Maintenance and Fire Improvement Works.

We have processed the following requests:

- Management Surveys - Domestic 179
 - Management Surveys (PARTIAL SURVEY ONLY) - Domestic 25
 - Refurbishment & Demolition Surveys - Domestic 114
 - Refurbishment & Demolition Surveys (PARTIAL SURVEY ONLY) - Domestic 113
21. Previously we have utilised a database provided by MIS, our asbestos contractor. Our Keystone Asbestos Asset Database live system is now completed and has been tested and will be used as the main point of reference for all asbestos information.
 22. We are continuing to work with MIS on importing data into the Keystone system. Any future asbestos surveys will need to be presented to us in a format that enables it to be integrated into Keystone. This will be a key requirement placed on any asbestos contractor.
 23. MEARS use an appointed subcontractor - Shield Environmental Services for the removal and encapsulation of licensed material. We are currently reviewing procedures with Mears and expect these to be finalised with any changes implemented by the end of August.

24. The number of properties that we hold asbestos information on is in the region of 14,000 with a mix of Management and Demolition Surveys. These units include non-domestic buildings and communal areas in low and medium rise buildings. Once the keystone system has been interrogated further we expect to be able to bring more detailed reports to future committee meetings.
25. During the period the following incidents relating to the accidental disturbance of Asbestos Containing Materials (ACM's) was brought to our attention:
 - We received a report of a potential release of fibres by operatives delivering the Fire Safety Works. A clean up was carried out by the contractor and the incident has been investigated and notified to HSE under RIDDOR by Local Environmental Services ("LES") as Principle Contractor. Remedial actions have been put in place.
26. Discussions have taken place with colleagues at LES to ensure that there is clarity and shared understanding about how asbestos information can be accessed and as a consequence we have agreed to refine our approach to surveys and provide training for their staff on how to interrogate the database.
27. Additionally we are reviewing the asbestos registers that are located in all of the non-domestic areas of our residential blocks ensuring that they each contain the most up to date information. We are taking this opportunity to introduce more robust compliance procedure whereby all Contractors will be required to sign the register acknowledging the location of known asbestos material prior to starting construction works in the building.
28. The introduction of this procedure will provide the organisation with an opportunity to inspect and carryout an audit of all works carried out and verification of compliance with the Control of Asbestos Regulations 2012.

Fire Safety Management

29. Fire safety improvement works to Multi Storey Blocks are continuing. The works will tackle deficiencies identified in the 2010 fire risk assessments for all 28 multi-storey blocks. A deadline of December 2012 was imposed by the Fire Service and we are on target to achieve this.
30. A bespoke sprinkler solution is being tendered for Regent Court and we anticipate that the works will progress in line with Fire Service recommendations.

Legionella Control

31. Monthly meetings with our maintenance contractor are ongoing and no significant risks have been identified. Water testing is ongoing in all buildings to ensure safety.
32. No positive tests were reported in the period of April to June 2012.

Cyclical Repair and Maintenance Update

33. Monthly meetings with our maintenance contractor Gateshead Council Local Environmental Services are ongoing. No immediate actions have been identified.

Lift Maintenance

34. Our insurance company carry out lift inspections on a 6 monthly basis and reports are then submitted to the company with remedial action identified and timescales for completion.
35. Through the insurance inspections, two immediate actions were identified during the period with timescales for remedial action as follows:
 - Gearbox failure at Adelaide Court South Lift - Refurbishment required by September 2012.
 - Gearbox failure at Brisbane Court South Lift - Refurbishment required by September 2012.
36. These recommendations will be picked up by the asset management team as part of lift refurbishment programme.
37. The lifts at Angel Court have been covered by a defects liability period which came to an end in June 2012. A fully comprehensive agreement has been signed with Stannah lifts, that will provide responsive and maintenance repairs, with monthly inspection visits starting in July 2012. This is consistent with maintenance arrangements we have in place for other lifts.

Update on Health and Safety Legislation Changes

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

Links to Values

39. 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

40. 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

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

Financial Implications

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

Equality and Diversity Implications

43. 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

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

Health Implications

45. 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

46. 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

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

Recommendation

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



Report to Resources and Audit Committee

31 July 2012

Title: Equality and Diversity - Update

Report of: Acting Chief Executive

Purpose of Report

1. To provide an update on equality and diversity work within the organisation for the first quarter of 2012/13.

Background

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

Summary

6. There are a number of activities that have taken place within the last quarter which support the overall goals. This includes the following:

Maintaining a corporate commitment to equality

7. We have continued to raise awareness of our Single Equality Scheme and what our commitments are to ensure that we are improving equality of opportunity and eliminating discrimination for both customers and employees. The Involvement Team are attending a range of events as part of this year's Opportunity Knocks programme and the scheme is promoted at all of these.

Equality and diversity in procurement

8. We are continually working to ensure that our procurement practices reflect our commitment to equality and diversity. In our recent procurement exercises we have ensured that specific questions are asked at both the pre-qualification and tendering stage of awarding the contract.
9. Within this period officers responsible for procurement and equality attended a local conference entitled 'Buying Better Outcomes' facilitated by Assessment North East and the Equality and Human Rights Commission.
10. This focussed on how public sector organisations could build equality and diversity more effectively into the procurement process to ensure that contractors support us to fulfil our public sector equality duties. Learning from this event will be used over the coming months to identify where our internal processes can be strengthened.
11. In addition, we have co-sponsored an Equality North East award with other local ALMOs, recognising Equality in the Housing Sector. This award is specifically to recognise the work of private contractors working in the housing sector for the work they are doing both as an employer and service provider. Last year the award for businesses of up to 50 employees was won by Millbank Architects for work carried out with the housing company. Applications close on 27 July with the awards evening taking place in October.

Partnership working

12. The housing company plays an active role in a range of partnerships to ensure that our practices in relation to delivering housing management services reflect our commitment, and that we also contribute to tackling inequality in our community as a whole.
13. The company supported Gateshead Council's 'Gateshead Together Week', an annual programme of activities to improve community cohesion and improve tolerance and understanding between different people living in Gateshead.
14. During this week, running from 25 - 29 June, the company held a session to bring together members of the Disabled Persons Housing Forum and BME Housing Forum. This meeting was an opportunity for customers to hear from different people's experiences and the work they have done with the company to improve services and identify potential areas of joint working. The findings of this session are currently being reviewed to identify future actions.
15. The company also supported national Refugee Week, attending and having an information stand at a regional event 'Celebrating Diversity' hosted by the North East Strategic Migration Partnership on 18 June 2012.
16. Through our partnership with Gateshead Council and Gateshead Warmzone, we have been working over the last three months to ensure that all customers are made aware of the remaining opportunity to access free insulation for their properties. This helps ensure that the properties are more efficient and sustainable and helps to reduce the possibility of people getting into fuel poverty. All properties known not to have taken up this offer already were contacted

directly via a postcard mailing and front line officers have been supporting this with raising awareness during any contact with customers.

Knowing our customers

17. We continue to use existing methods available to us to collect and update the information we hold on our tenants and leaseholders. This helps us to deal more responsively with individual tenants through an understanding of their needs and the most appropriate way of communicating with them. It can also help plan larger scale communications more effectively based on people's needs.
18. In addition to this, the overall data we hold helps us to monitor satisfaction with services, measure take up of services and understand how different groups may be affected by decisions we take, supporting our equality analysis and ensuring that we comply with our requirements within the Public Sector Equality Duty.
19. The level of information held is a key performance indicator for the company recognising the importance placed on maintaining comprehensive and up to date information. In this quarter we have updated customer records on around 1,718 occasions, the majority of which have been updated via the HomeChoice application, signups or telephone conversations. Updates can include contact details, communication preferences and language requirements.
20. As of 30 June 2012, the profile of our main tenants (20,144 tenancies) was: -
 - 58.26% female
 - 2.54% Black Minority Ethnic (BME) with the highest proportion being Black African.
 - 28.12% of households have someone with a disability living in them, with the most common being mobility issues
 - 3.71% of tenants are under 25, 17.59% are over 75
21. We have collected 22.81% of sexuality information and 25.18% of religion, and continue to collect this through the ways detailed previously. As the level of information held increases, this will help us to look at where satisfaction with services or take up of services may differ based on people's protected characteristics.
22. We will be reissuing the 'Tell us about you' customer profile form with the October rent statement to continue to update and expand this information.

Being an equal opportunities employer

23. We continue to look at ways of ensuring that we are an inclusive employer and most recently the company has signed up to the 'Gateshead Carer Friendly Employer Charter Mark' at an event hosted by the company during National Carer's Week. This charter represents an agreement between the housing company and Gateshead Carers Association to ensure that our working environment recognises the needs and challenges of carers. This is particularly significant recognising research by Carers UK that 1 in 4 people who combine paid employment and caring have to leave that employment due to their caring responsibilities.

24. Future activity will include Gateshead Carers Association holding a series of drop in events for employees who may be carers to highlight the support and advice available to them. We will also look to deliver training later in the year for managers who manage people with caring responsibilities.

Contributing to the objectives of Gateshead Council

25. In the previous report to committee it was noted that Gateshead Council's Cabinet were due to approve equality objectives in line with the requirements of the public sector duty and that subsequently we would develop company specific objectives.
26. The council are due to complete these by the end of July and following this we will report on the company specific objectives agreed.

Link to values

27. 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

28. Through a focus on equality and diversity being at the heart of our services, it ensures that we provide services based on a sound understanding of the needs and priorities of our customers.

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 Homes and Communities Agency's regulatory framework includes a specific section relating to understanding and responding to diverse needs. The approach taken through our single equality scheme ensures that we continually address these requirements in the way we deliver services across the company.

Financial Implications

31. The Director of Corporate Services 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 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 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 will ultimately has a positive impact on people's health and overall wellbeing. This is by working to ensure that any services we provide meet the needs of the customer or employee and do not cause any undue stress.

Environmental Implications

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

Consultation carried out

37. Consultation with employees, customers and stakeholders took place during the development of the Single Equality Scheme and the subsequent review of Equality and Diversity in 2010.

Recommendation

38. The views of the committee are sought on whether it is satisfied with the progress activity relating to equality and diversity carried out in last quarter



Report to Resources and Audit Committee

31 July 2012

Title: 2011/12 Internal Audit Update – End of Year Report

Report of: Director of Finance

Purpose of the Report

1. To inform the committee about work undertaken by the Internal Audit Service for 2011/12 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 2011/2012 was approved by the Resources and Audit Committee on 28th April 2011 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 2012, showed the completion of 109% of the audit plan, in terms of actual audit hours against planned hours (94% for 2010/11). 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 2011/12 a 100% satisfaction was achieved (100% for 2010/11).
 - 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 2011/12 96% of audits were completed within this target (96% for 2010/11).
 - A target is also set for the number of audit recommendations implemented of 75%. During 2011/12 83% of audit recommendations had been implemented (83% for 2010/11).
4. The 2011/12 Internal Audit Plan agreed twenty-six audits to be carried out in the year. All audits have now been completed with the exception of one which was deferred until 2012/13. Further information is attached at Appendix 1.
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 Local 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 2011/2012, 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 Appendix 1.
10. For 2011/12 twenty-three audits (96%) concluded that systems and procedures in place were operating well or satisfactory and only one audit area (4%) was found to contain 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.
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.

Impact on Tenants

16. No impact directly from this report.

Risk Management Implications

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

Financial Implications

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

Equality and Diversity Implications

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

Health Implications

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

Environmental Implications

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

Value for Money Implications

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

Consultation carried out

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

Impact on Customers

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

Recommendation

25. The Committee is requested to note this report

Contact: Jim Farquhar, Chief Internal Auditor, Gateshead Council Tel: 0191 433 3711

THE GATESHEAD HOUSING COMPANY - 2011/12 AUDIT PLAN			
		<u>Progress</u>	<u>Audit Opinion</u>
	CORPORATE SERVICES		
1	MAIN ACCOUNTING	Final Report Issued	Operating Well
2	HOME REWARDS	Final Report Issued	Significant Weaknesses
3	HUMAN RESOURCES	Final Report Issued	Satisfactory
4	COMMUNICATIONS	Final Report Issued	Satisfactory
5	RENT COLLECTION	Final Report Issued	Satisfactory
6	BUSINESS CONTINUITY ARRANGEMENTS	Deferred until 2012/13	
7	CREDITORS	Final Report Issued	Operating Well
8	COMPANY PAYROLL	Final Report Issued	Operating Well
9	BUDGET SETTING AND MONITORING	Final Report Issued	Operating Well
10	PERFORMANCE FRAMEWORK	Final Report Issued	Operating Well
11	COUNTER FRAUD ARRANGEMENTS	Final Report Issued	Satisfactory
12	PROCUREMENT	Final Report Issued	Satisfactory
13	COMPLAINTS	Final Report Issued	Operating Well
14	IT AUDIT (ASSET MANAGEMENT)	Final Report Issued	Operating Well
15	DATA SECURITY & INFORMATION GOVERNANCE	Final Report Issued	Satisfactory
16	GOVERNANCE	Final Report Issued	Operating Well
17	CORPORATE IT	Final Report Issued	No Opinion
	HOUSING MANAGEMENT		
18	VOID MANAGMENT	Final Report Issued	Satisfactory
19	TENANCY ALLOCATION AND LETTINGS	Final Report Issued	Operating Well
20	HOUSING ESTABLISHMENTS	Final Report Issued	Satisfactory
21	RENT ARREARS	Final Report Issued	Satisfactory
	KEELMAN HOMES		
22	KEELMAN HOMES	Final Report Issued	Satisfactory
	PROPERTY & TECHNICAL		
23	GAS SERVICING	Final Report Issued	Satisfactory
24	ASBESTOS	Final Report Issued	Satisfactory
25	CAPITAL PROGRAMME	Final Report Issued	Operating Well
26	REPAIRS	Final Report Issued	Satisfactory



Report to Resources and Audit Committee

31 July 2012

Title: 2012/13 Internal Audit Update – Progress Report

Report of: Chief Internal Auditor, Gateshead Council

Purpose of Report

1. This report outlines progress made by the Internal Audit Service against the audit plan for the financial year 2012/13.

Summary

2. The Audit Plan for 2012/13 was agreed by this Committee on 10 May 2012. Progress against the plan is detailed in the Appendix. As at 30 June 2012 one draft report has been issued and a further five audits are currently in progress. As at 30 June 2012, 23% of the audit plan in terms of actual audit days against planned days was achieved by the Internal Audit Service.

Link to values

3. This report links to the following company values: -
 - Being honest, accountable and transparent
 - Being motivated, trained and committed.

Impact on tenants

4. No impact directly from this report.

Risk Management Implications

5. The perceived risk of each audit is based on a twelve point assessment taking into account such areas as materiality, complexity of the system, potential for fraud and sensitivity. Based on a score derived from the assessment, audits are categorised as high, medium and low priorities. This informs the frequency in which audits will be carried out.

Financial Implications

6. The cost of the internal audit work plan is fully provided for in the 2012/13 budget.

Equality and Diversity Implications

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

Value for Money implications

8. The delivery of the 2012/13 audit plan and the implementation of internal audit recommendations will assist in identifying efficiencies and achieving value for money.

Health Implications

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

Environmental Implications

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

Impact on Customers

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

Consultation carried out

12. The audit plan was developed following consultation with all relevant stakeholders within the company.

Recommendation

13. The views of the committee are sought on whether it is satisfied with progress made by the Internal Audit Service against the audit plan for the financial year 2012/13.

	Internal Audit Plan 2012/13	Planned Days	Planned Report to Committee	Progress at June 2012	Opinion
	CORPORATE SERVICES				
1	TGHC Business Continuity Arrangements	5	Jul-12	Draft Report Issued	
2	TGHC Insurance Arrangements	3	Oct-12		
3	TGHC Leaseholder Service Charges	7	Oct-12		
4	TGHC Risk Management	9	Oct-12	Fieldwork Completed	
5	TGHC VAT Procedures	4	Oct-12		
6	TGHC VFM and Efficiency Arrangements	9	Oct-12		
7	TGHC Budget Setting and Monitoring	5	Feb-13		
8	TGHC Company Payroll	7	Feb-13		
9	TGHC Creditors	7	Feb-13		
10	TGHC Equality and Diversity	9	Feb-13		
11	TGHC Main Accounting	5	Feb-13		
12	TGHC Health and Safety	9	Jul-12	In Progress	
13	TGHC Information Security Management	9	Jul-12		
14	TGHC Corporate IT	1	Apr-13		
		91			
	CUSTOMERS & COMMUNITIES				
15	TGHC Gas Servicing	5	Feb-13		
16	TGHC Repairs	11	Feb-13		
17	TGHC Furnished Tenancies	9	Jul-12	In Progress	
18	TGHC Rent Arrears	20	Jul-12	In Progress	
19	TGHC Rent Collection	9	Oct-12		
20	TGHC Home Rewards	9	Apr-13		
21	TGHC Tenancy Allocation and Lettings	13	Apr-13		
22	TGHC Void Management	9	Apr-13		
23	TGHC Anti-Social Behaviour	7	Jul-12	Fieldwork Completed	
24	TGHC Housing Establishments	12	Apr-13		
		105			
	GENERAL				
	TGHC Audit Committee	4			
	TGHC General Advice, Consultancy and Systems Review	7			
		11			



Report to Resources and Audit Committee

31 July 2012

Title: Forward Plan

Report of: Acting 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
October 2012 (date still to be agreed)	<ul style="list-style-type: none"> • Equality and Diversity Annual Report
February 2013 (date still to be agreed)	<ul style="list-style-type: none"> • Budget 2013/14
May 2013 (date still to be agreed)	<ul style="list-style-type: none"> •
July 2013 (date still to be agreed)	<ul style="list-style-type: none"> • Draft Directors' Report and Financial Statements – 2012/13 • Internal Audit Annual Report 2012/13
<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) 	