



The Gateshead Housing Company Resources and Audit Committee

Tuesday 9 March 2010 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
	<u>ITEMS FOR DECISION</u>
2.	Minutes (Pages 3-9) To approve as a correct record the minutes of the inaugural meeting of the committee held on 3 December 2009
3.	Matters Arising
4.	Budget 2010/11 (Pages 10-13) Report of Director of Finance
5.	External Audit Strategy and Planning Memorandum (Pages 14-26) Report of Director of Finance
6.	Internal Audit Plan 2010/11 (Pages 27-32) Report of Director of Finance
7.	Cycle to Work Scheme (Pages 33-42) Report of Director of Finance

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 2 March 2010

Item Business

ITEMS FOR INFORMATION

8. **Management Accounts – January 2009 (Pages 43-53)**
Report of Director of Finance
9. **Sickness Absence and HR Update (Pages 54-67)**
Report of Director of Finance
10. **Learning and Development Update (Pages 68-71)**
Report of Director of Finance
11. **Health and Safety Update (Pages 72-81)**
Report of Acting Director of Property and Technical Services
12. **Items for Future Agendas**
13. **Date and Time of Next Meeting**
The next meeting of the committee will be held on Thursday 20 May 2010 at 10am in Board Room 2, Keelman House, Fifth Avenue Business Park, Fifth Avenue, Team Valley, Gateshead
14. **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, 4, 5 and 6 of the company's Access to Information Rules.



Report to the Resources and Audit Committee

9 March 2010

Title: Budget 2010/11

Report of: Director of Finance

Purpose of Report

1. To scrutinise the company's budget for 2010/11 and recommend approval to the Board.

Background

2. Following the submission of the company's budget paper and subsequent meeting, the Council has agreed to pay the company fees totalling £31.16 million for the 2010/11 financial year, consisting of £13.89 million for the management fee and £17.27 million for the Repairs Fee.
3. The agreed management fee incorporates the additional costs that were partially incurred during the 2009/10 financial year, for example the costs of the new build manager's post, the increased former tenants' arrears team and additional salary costs relating to the pay award for 2008/09.
4. The Council has agreed to set aside a specific development contingency of £300,000 against which the company can bid. At present there are no specific items which have been identified to bid against this fund. However, it is likely that items will be identified which relate to one-off initiatives which are due to be undertaken.
5. A statement showing the proposed budget for 2010/11 together with, for comparison purposes, the latest forecast for 2009/10 is attached at the Appendix to this report.

Proposed Budget - Management

6. Whilst preparing the budget for 2010/11 we have again undergone a zero based approach rebuilding the budget up from scratch focusing on the tenant priorities identified in the latest tenant survey and ensuring that service plan. Some of the significant changes are as follows: -
 - Not allowing inflationary increases as a matter of course – specifically for high spend areas such as publicity, promotion & design, and area office running costs.

- Maintaining the Learning and Development budget at £135,000 as we look to provide additional innovative training for staff now that the Middle Management Development Training has been completed by approximately 60 of our middle managers.
- In the proposed budget, provision for employee costs has been included based on full establishment for a full year with a 1% provision for a pay increase. This is in line with the management fee agreed with the Council.
- We have agreed with the Council that none of the Service Level Agreement costs will be increased in 2010/11. This has been reflected in the budget.

Proposed Budget – Repairs

8. The repairs fee has been calculated as in previous years by increasing last years fee for inflation and reducing for property numbers and efficiency savings.
9. The majority of the repairs fee is spent on responsive repairs and relets. The reduction in the repairs budget will lead to a higher proportionate reduction in both the relet and responsive repair budgets.
10. The remaining budgets within Repairs, such as Gas Servicing, Cyclical Repairs and Painting, are fairly static and therefore, there will be no inflationary increase in these budgets.
11. A copy of the repairs budget for 2010/11 is attached at the Appendix.

Link to values

12. 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

13. Whilst this report does not impact on tenants directly, appropriate financial monitoring and control will ensure efficiencies are maximised and redirected to services that directly impact on tenants

Risk Management Implications

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

Financial Implications

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

Equality and Diversity Implications

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

Value for Money implications

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

Consultation carried out

18. Tenants have assisted in the setting of next year's budget which provides a link from the company's strategic objectives to our tenant's priorities via this financial framework.

Recommendation

19. The committee is requested to recommend approval of the budget for 2010/11 to the Board.

**The Gateshead Housing Company
APPENDIX**

	2009/10 Forecast	2010/11 Budget	
REVENUE			
Income			
Management Fee	14,822,060	13,890,000	As agreed with the Council
Officer Costs	3,058,000	3,422,000	In line with the budgeted capital programme and new build capital programme
External Funding	100,000	60,740	Estimated income
RAIT	350,000	350,000	Provided by the Council within the HRA contingency reserve
Total Income	18,330,060	17,722,740	
Employee Costs			
Total Employee Costs	12,353,638	12,169,124	Based on an increase of 1% and full establishment, excluding any back dated Job Evaluation appeals
Overhead Costs			
Total Overhead Costs	5,976,422	5,553,616	Based on a zero based budget approach
Management Surplus/(Deficit)	0	0	
REPAIRS			
Management Fee	18,659,000	17,273,000	As agreed with the Council
Capitalisation	5,000,000	4,500,000	In line with the budgeted capital programme
Repairs Spend	23,659,000	21,773,000	Based on a reduced relet and responsive repairs budget
Management Surplus/(Deficit)	0	0	



Report to Resources and Audit Committee

9 March 2010

Title: External Audit Strategy and Planning Memorandum

Report of: Director of Finance

Purpose of Report

1. To approve the external audit strategy and planning memorandum for the financial year ended 31 March 2010.

Summary

2. KPMG, our external auditors, have produced their external audit strategy and planning memorandum for the financial year ended 31 March 2010, which is attached as an Appendix to this report.

Link to values

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

Impact on tenants

4. No impact directly from this report.

Risk Management Implications

5. As part of the plan, KPMG have already reviewed the company's risk profile to identify the potential impact on our financial statements (see page 6 of the Appendix).

Financial Implications

6. The cost of the work is fully provided for in the 2009/10 budget.

Equality and Diversity Implications

7. There are no equality and diversity implications associated with this report.

Value for Money implications

8. The company's external audit requirements were subject to a full tender process based on cost and quality.

Consultation carried out

9. The plan has been developed in consultation with all relevant staff within the company.

Recommendation

10. The committee is asked to approve the plan.



HOUSING

The Gateshead Housing Company Limited

Audit Strategy and
Planning Memorandum
year end 31 March 2010

DRAFT

AUDIT



AUDIT ■ TAX ■ ADVISORY

Contents

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The report is intended solely for internal purposes by the management and Audit Committee of The Gateshead Housing Company Limited and should not be used by or distributed to others without our prior written consent. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Beneficiaries.

Section one

Purpose and objectives of the audit

Introduction

The purpose of this document is to brief The Gateshead Housing Company Audit Committee on our approach to the audit of The Gateshead Housing Company Limited ('the Company') for the year ended 31 March 2010.

The purpose of our audit

The main purpose of our audit, which is carried out in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland), is to issue a report to the group which expresses our opinion on whether the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2010 and of the results for the year then ended.
- We also report to you whether in our opinion the information given in the Board's Report is consistent with the financial statements.

Our audit objectives

Our audit objectives go beyond the provision of an opinion and reflect our desire to meet and exceed the company's expectations. Our audit objectives are to:

- deliver a robust, efficient and cost effective audit, focusing on key issues and risks, but having regard to commercial sensitivities and the environment in which the group operates;
- add value to the organisation through our audit work;
- provide recommendations on current issues, internal control and accounting and regulatory developments in our reports; and
- report clearly within agreed timescales.

In meeting these objectives, we will work closely with your management and staff to ensure that our work is undertaken with the minimum of disruption to the company and its staff.

Independence and transparency

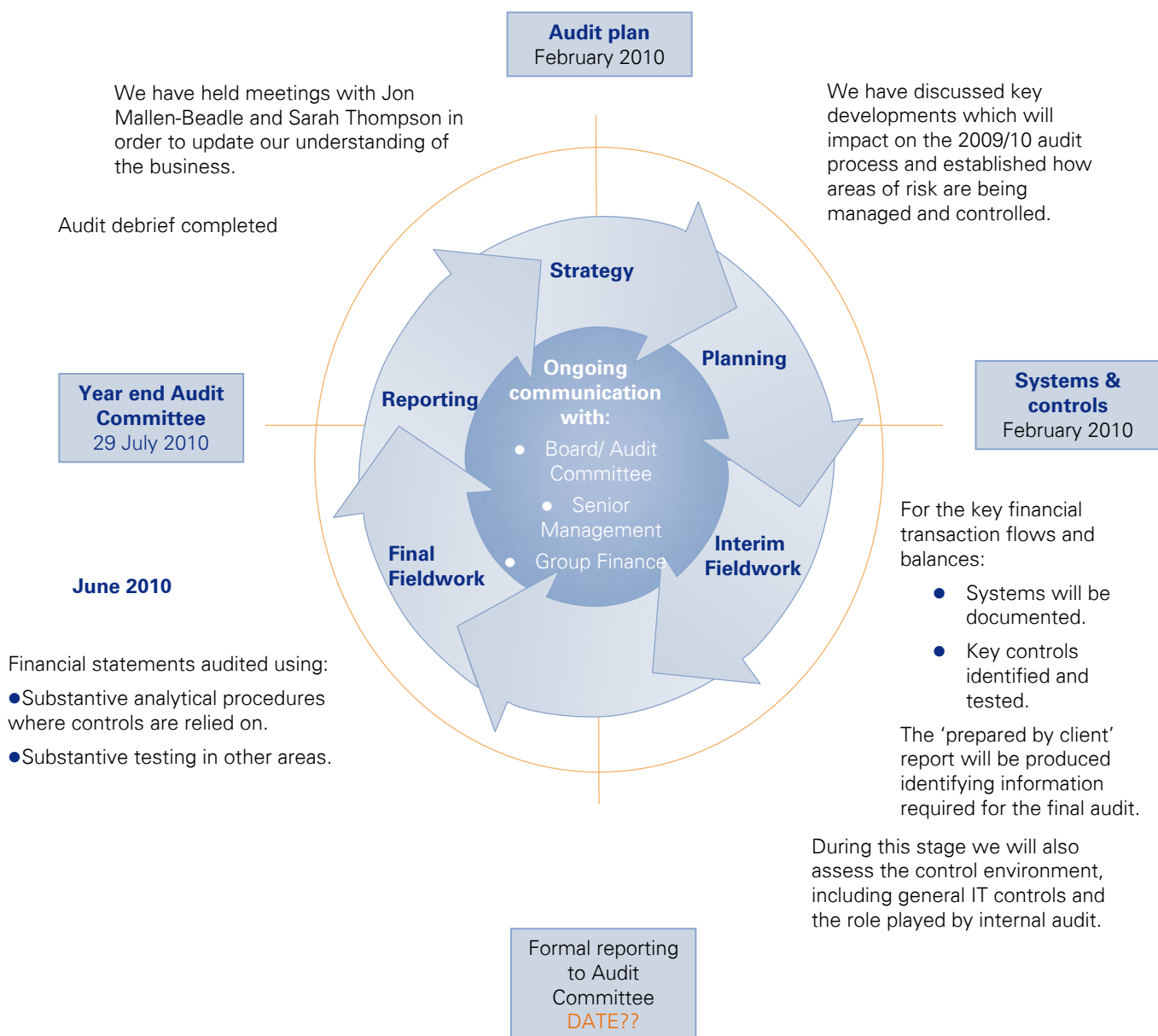
ISA 260 "Communication of audit matters with those charged with governance" requires us to communicate with you at least once a year regarding all relationships between KPMG and the Company that may be reasonably thought to have bearing on our independence. See appendix 1.

KPMG conforms to the highest governance standards at all times and we will ensure that any additional services are approved by the Board as part of agreeing any engagement to ensure transparency in our relationship.

Section two Our audit approach

Overview

Our audit process operates throughout the year so that we can respond to issues as they arise. We use a risk based audit approach to identify the key risks affecting the group. This will be based on our sector experience and our planning meetings with Company staff. We set out the areas we have already identified in section three.



Working with internal audit

During our audit we will seek to place reliance on the Company's high level controls, and as part of our assessment of the overall control environment will review and discuss the work carried out by internal audit.

Where any internal audit findings suggest weaknesses in key controls that could impact on significant account balances, we will adjust our approach to reflect these findings and where necessary perform additional testing to ensure that we can gain sufficient, appropriate audit evidence over those significant associated balances.

Section two

Our audit approach (continued)

Our audit work is planned to detect errors that are material to the accounts as a whole.

Determining materiality

- We consider quantitative and qualitative factors in setting materiality and in designing our audit procedures
- We design our procedures to detect errors at a lower level of precision, we have some flexibility to adjust this level downwards
- We will report identified errors greater than 5% of the above materiality to the Audit Committee

Reporting to Audit Committee

- To comply with auditing standards, the following three types of audit differences will be presented to the Audit Committee:
 - summary of adjusted audit differences
 - summary of unadjusted audit differences
 - summary of disclosure differences (adjusted and unadjusted)

Section two

Our audit approach (continued)**Prepared by client list**

During our interim audit visit we will agree a tailored list of information requirements (prepared by client list).

Interim audit visit

We will cover a range of areas during our interim visit including:

Review of minutes from key meetings	Agreement of opening balances
Review of risk management and corporate governance processes	Progress on implementing external audit recommendations from prior years
Systems and compliance work, including review of key reconciliations	Fraud risk (ISA 240) assessments and review of fraud register
Review Internal Audit reports and scope	Review of accounting policies
IT systems overview	

We will also consider the issues outlined in section 3 of this report as appropriate.

Final audit visit

During our final visit we will update the work done at our interim audit and carry out detailed testing of the balance sheet and transactions during the year.

Reporting and Communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. We will report to the group in a number of ways:

During the planning and interim stage of the audit:

- this **Audit Strategy and Planning Memorandum**, which summarises the planning process;

During the final audit stage:

- **Management Letter and Highlights Memorandum**, which sets out key findings and recommendations; and
- our **Audit Opinion** on the financial statements of The Gateshead Housing Company Limited .

Throughout the year we will communicate with you through meetings with the Finance Department, Gateshead Housing Company Audit Committee and senior management;

If any significant issues arise we will report to management and the Gateshead Housing Company Audit Committee at the earliest opportunity.

Section three

Significant audit risks

Below is our preliminary assessment of the key audit risks identified from our knowledge of the business and our discussions with management. Our consideration of risk will develop through the audit in light of issues identified, and changing political and economic circumstances.

Issue	Impact on TGHC	Our audit response
Meeting delivery of repairs and maintenance targets	Gateshead Housing may fail to deliver the decent homes improvement programme on time and/or within budget. This will impact funding and have a potential impact on Gateshead Housing Company's rating.	We will review internal audits findings and discuss budgets and targets with management.
Liabilities	Risk that some liabilities are not recorded at the correct value in the accounts leading to understatement of liabilities.	We will consider the completeness of creditors and accruals.
Internal audit	Weaknesses in key controls that could impact on significant account balances	We will adjust our approach to reflect these findings and where necessary perform additional testing to ensure that we can gain sufficient, appropriate audit evidence over those significant associated balances
Defined Benefit Pension Scheme	Gateshead Housing participates in the Tyne and Wear Pension Fund.	We will review the FRS17 actuarial report provided by the company's actuaries and ensure consistency of the adjustments and disclosures.

Section four

Reporting developments

Negative goodwill

At present any negative goodwill arising on the acquisition of another organisation is shown in reserves and amortised over the life of the non-monetary assets acquired, typically housing properties.

The Statement of Principles for Public Benefit Entities however requires that the excess of the fair value of net assets acquired over the consideration in a 'bargain purchase' should be immediately recognised as a gain in the income and expenditure account on the acquisition date. This is consistent with IFRS. FRS10 takes a different view and negative goodwill is classified as a negative intangible fixed asset in the balance sheet and therefore presented in the top half of the balance sheet. This issue will need further consultation via the ASB. *Though not an immediate issue for Gateshead Housing Company, it might become relevant depending on future growth plans.*

Treatment of SHPS and multi-employer exemption

There will be changes to the method for calculating members' contributions from April 2010. Some employers have asked whether this will affect the multi-employer exemption from full implementation of FRS 17.

Following consultation with auditors, SHPS concluded that 'the proposed change in methodology for calculating deficit contributions does not alter the substance of the previous calculation, and does not in itself require any change in the basis of pension accounting within the financial statements of sponsoring employers.'

The multi-employer exemption for SHPS is therefore likely to remain.

International Financial Reporting Standards (IFRS)

A consultation document on the future of UK GAAP has recently been issued by the ASB. This includes a specific section on public benefit entities (PBEs) which includes housing associations. There are a number of options currently being considered for PBEs. The preferred route set out by the ASB is for there to be a specific public benefit standard which sets out where different accounting is needed for public benefit entities.

The ASB also states that there may still be a need for certain public benefit sectors to continue to provide supplemental guidance, i.e. a SORP, where there are special accounting or financial reporting issues. The examples used are component accounting and shared ownership in the housing sector so it may be that the SORP will remain.

The consultation period ended on 1 February 2010.

The likely implementation date for IFRS is year ending 31 March 2013; comparatives for 2011/12 will be required resulting in an opening balance sheet date of 1 April 2011.

We will keep management informed of any developments in respect of IFRS over the coming year.

Companies Act 2006

The requirements of Companies Act 2006 are fully in force from October 2009. The changes introduced include:

- a new statement of Directors' duties. The duty to act in the best interests of the company has been replaced by a duty to promote the success of the company having regard for certain specified factors;
- removing the need to have a designated Company Secretary;
- removal of requirement for directors and shareholders to disclose their home addresses;
- a reduction in the minimum notice period for calling general meetings to 14 days in all cases; and
- private companies will no longer be required to hold an Annual General Meeting or lay their accounts in a general meeting unless they opt to do so.

We will support Gateshead Housing Company in meeting the requirements under the Companies Act if they become relevant.

Section five

Audit management

Your audit team

We have selected an audit team with skills and experience tailored to your needs. The team combines:

- extensive experience in the almo sector and the local marketplace;
- a commitment to continuity of service; and
- a culture of responding quickly and proactively to client requests.

Mick Thompson will lead our audit service to the Company. He will be responsible for ensuring that we provide the highest quality of audit and that your needs and expectations are met. Mick will continue to be the key point of contact for the Audit Committee.

Louise Woodhead will be responsible for directing the fieldwork on a day-to-day basis and raising key issues on the audit with Company management as they arise, and reporting our findings to the Audit Committee.

David Mitchell will lead the interim audit visit. He will liaise primarily with the finance team.

Mairead Cassidy will lead the team on site during our final audit visit. She will liaise primarily with the finance team.

Contact details are provided on page 2.

Audit fee

Our proposed fee for the audit of The Gateshead Housing Company financial statements in 2009/10 will be £tbc, depending on the impact of the new charity subsidiary, (2008/09 £15,200) exclusive of VAT and inclusive of expenses.

In line with our standard terms and conditions the fee is based on the following assumptions:

- The Gateshead Housing Company audit evidence files are completed to an appropriate standard (we will liaise with you separately on this); and
- there are no significant changes in Gateshead Housing Company's activities which impact on our audit work. At the time of writing this document, we are considering the impact of the new charity subsidiary on the reporting requirements.

Appendix 1 – Letter of Independence



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The Board
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23rd February 2010

To the Board

Professional ethical standards require us to communicate to you in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of Audit Director and the audit team. This letter is intended to comply with this requirement.

We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Audit Directors and staff annually confirm their compliance with our Ethics and Independence Manual including in particular that they have no prohibited shareholdings. Our Ethics and Independence Manual is fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

Please inform me if you would like to discuss any of these aspects of our procedures in more detail.

Confirmation of audit independence

We confirm that as of [date], in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Board of Directors and should not be used for any other purposes.

Yours faithfully

KPMG LLP

kpmg.co.uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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Report to Resources and Audit Committee

9 March 2010

Title: Internal Audit Plan 2010/11

Report of: Director of Finance

Purpose of Report

1. To approve the Internal Audit Plan for the year 2010/11.

Summary

2. The Audit Manager has produced a plan for the year 2010/11 and it is attached as an Appendix together with an explanation of the basis of the plan.

Link to values

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

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 2010/11 budget.

Equality and Diversity Implications

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

Value for Money implications

8. The company's internal audit requirements are subject to a full tender process and the successful applicant was awarded a three year contract.
9. Following a further tender process it was not possible to appoint a provider for internal audit services. The committee agreed at its last meeting on 3 December 2009 to extend the contract with the Council's Internal Audit for a further year.

Consultation carried out

10. The plan has been developed following consultation with all relevant stakeholders within the company.

Recommendation

11. The committee is asked to approve the plan.

THE GATESHEAD HOUSING COMPANY

INTERNAL AUDIT PLAN 2010/2011

AUDIT TITLE	2010/2011 Planned Days
Housing Management	
Void Management	20
Rent Arrears (incl former tenant arrears)	25
Tenancy Allocation and Letting	25
Housing Offices	15
Furnished Tenancies	7
	92
Corporate Services	
Main Accounting	5
Company Payroll	5
Creditors	5
Budget Setting and Monitoring	5
Rent Collection	20
Governance	10
Procurement	6
Corporate IT	2
IT Audit (Northgate)	7
IT Audit (CRM)	10
Risk Management	10
Administration Functions	4
VAT Procedures	4
Insurance Arrangements	5
Business Continuity Arrangements	3
Leaseholder Service Charges	7
	108
Property and Technical	
Repairs	20
Gas Safety and Servicing Arrangements	10
Asbestos	10
Capital Programme / Partnership	14
Access	5
New Build	2
	61
Keelman Homes	
Main Accounting	2
Creditors	2
Budget Setting and Monitoring	2
Governance	3
	9
Other	

AUDIT TITLE	2010/2011 Planned Days
Consultancy and Advice (incl. Bulletin)	10
Fraud and Irregularity Investigations	5
	15
TOTAL DAYS	285

THE GATESHEAD HOUSING COMPANY

INTERNAL AUDIT PLAN 2010/2011

AUDIT TITLE	2010/2011 PLANNED DAYS	MONTH	REPORT TO COMMITTEE
Leaseholder Service Charges	7	May-10	NOVEMBER 2010
IT Audit (Northgate)	7	May-10	NOVEMBER 2010
Administration Functions	4	May-10	NOVEMBER 2010
VAT Procedures	4	Jun-10	NOVEMBER 2010
Insurance Arrangements	5	Jun-10	NOVEMBER 2010
Housing Offices	15	Jul-10	NOVEMBER 2010
Asbestos	10	Jul-10	NOVEMBER 2010
Access	5	Jul-10	NOVEMBER 2010
Furnished Tenancies	7	Aug-10	NOVEMBER 2010
Risk Management	10	Sep-10	NOVEMBER 2010
Rent Arrears (incl former tenant arrears)	25	Oct-10	FEBRUARY 2011
Repairs	20	Oct-10	FEBRUARY 2011
Gas Safety and Servicing Arrangements	10	Nov-10	FEBRUARY 2011
Rent Collection	20	Nov-10	FEBRUARY 2011
Capital Programme / Partnership	14	Nov-10	FEBRUARY 2011
Main Accounting - Keelman Homes	2	Dec-10	FEBRUARY 2011
New Build	2	Dec-10	FEBRUARY 2011
Creditors - Keelman Homes	2	Dec-10	FEBRUARY 2011
Governance	10	Dec-10	FEBRUARY 2011
Governance - Keelman Homes	3	Dec-10	FEBRUARY 2011
Budget Setting and Monitoring	5	Jan-11	MAY 2011
Procurement	6	Jan-11	MAY 2011
IT Audit (CRM)	10	Jan-11	MAY 2011

AUDIT TITLE	2010/2011 PLANNED DAYS	MONTH	REPORT TO COMMITTEE
Business Continuity Arrangements	3	Jan-11	MAY 2011
Budget Setting and Monitoring - Keelman Homes	2	Jan-11	MAY 2011
Void Management	20	Feb-11	MAY 2011
Tenancy Allocation and Letting	25	Feb-11	MAY 2011
Company Payroll	5	Feb-11	MAY 2011
Creditors	5	Feb-11	MAY 2011
Corporate IT	2	Mar-11	MAY 2011
Main Accounting	5	Mar-11	JULY 2011



Report to the Resources and Audit Committee

9 March 2010

Title: Cycle to Work Scheme

Report of: Director of Finance

Purpose of Report

1. To seek approval from the Resources and Audit Committee to introduce a cycle to work scheme.

Background

2. To promote healthier journeys to work and to reduce environmental pollution, the 1999 Finance Act introduced an annual tax exemption, which allows employers to loan cycles and cyclists' safety equipment to employees as a tax-free benefit under a salary sacrifice scheme. The exemption was one of a series of measures introduced under the Government's Green Transport Plan. The cycle to work scheme is governed by the Department of Transport.

Procurement

3. The appointment of an independent company P&MM has followed the Gateshead Council Procurement Strategy. Gateshead Council has implemented the P&MM cycle-plus scheme.

Salary Sacrifice

4. A salary sacrifice happens when an employee gives up the right to receive part of their cash salary due under their contract of employment. A salary sacrifice is neither a deduction from salary nor is it a charge on salary, it is where the employee agrees to accept a lower amount of salary – usually in return for the employer's agreement to provide some form of non-cash benefit (in this case the loan of cycle or cyclists' safety equipment).

Impact on Benefit Entitlement

5. Where a salary sacrifice arrangement is used, the gross pay of the employee is affected, which in turn impacts upon their tax and national insurance contributions (NICs). As entitlement to some benefits is based on the amount of NICs that are paid and others on earnings, entering into a salary sacrifice

arrangement may affect an employee's current or future entitlement to a range of benefits, although the likelihood is that any effect will be small. For example:

- Company pension scheme
- State Pension
- Maternity Allowance
- Statutory sick pay

A further explanation of the potential impact on benefit entitlement should be obtained from:

http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf

Health Benefits

6. The health benefits of cycling include a reduced risk of cardiovascular disease, obesity, diabetes and even some cancers. Moderate exercise can reduce levels of depression and stress, whilst improving mood and boosting self esteem. Even a small amount of cycling can result in significant fitness gains. It has been shown that those who cycle just four miles a day can boost their aerobic fitness by 17% and reduce the risk of heart disease and obesity by 50%. (*source P&MM 2009*)

P&MM

7. P&MM have a wide experience in providing cycle-to-work salary sacrifice schemes with over 80 schemes currently in operation and over 10,000 cycle redemptions processes annual since 2004. The scheme is currently operating in Gateshead Council.

Supporting Local Suppliers

8. P&MM operates two schemes offering employers and employees the 'best of both worlds'
 - Cycle2work scheme; in participation with Halfords as the only supplier
 - Cycle-plus scheme; in participation with local independent cycle retailers.
9. In the current unstable economic climate, smaller businesses are heavily dependent on good cash flow management. P&MM operate a process in which the retailer receives their payment instantly and so ensures the reputation of the company.

Scheme Overview

10. A participating employee will agree to sacrifice an agreed sum from their gross salary, in return for a cycle and cycling safety equipment for commuting, work related activities and leisure. The tax exemption only applies when an employee uses the cycle and cycling equipment for qualifying journeys. This means that more than 50% of time using the cycle and safety equipment must involve a qualifying journey: -
 - Between home and workplace, or
 - Between one workplace and another.

11. Cycles are purchased by the employer through an operating lease. The employer loans the cycles and safety accessories to the employee. As the cycles and accessories are treated as an asset used for 'business' purposes, VAT can be reclaimed by the employer and passed onto the employee. The employee agrees to a 'salary sacrifice' with the loan being repaid over a fixed term, for example 12 or 18 months from gross salary and saves national insurance and income tax on the benefit. Having reduced the employee's gross salary, then there will be saving on secondary class 1 national insurance contributions for the company.
12. Employees who take part in the scheme will order (via P&MM) a Letter of Collection (LoC) for the total value of the goods they wish to purchase up to £1,000, which is then redeemed in store.
13. At the end of the loan period the employee may be given the option to purchase the cycle and accessories for fair market value, which is a nominal amount. Advice at time of tender for fair market value is 5% of the value of the LoC plus VAT, or £20 plus VAT, whichever is the greater.
14. Employees will have four application opportunities per year to access the scheme and may only enter into one hire agreement at a time.
15. At the end of each application period, P&MM will invoice the company for the total value of LoC's applied for and approved. Once the invoice has been paid and P&MM are in receipt of the monies, the LOC's will be sent out to the employee's home address.
16. Monitoring will take place to ensure compliance with contract agreements and associated information.
17. Each individual is responsible for maintaining the cycle during the hire period based on the terms of the hire agreement.
18. Should the cycle or equipment hired under the terms of the agreement be lost, suffer accidental damage or become inoperable, employees will be required to continue to meet their financial responsibilities for the remainder of the hire period.
19. Employees have to insure the cycle and goods fitted to the cycle, to safeguard against the losses following theft.
20. Should employment with the company cease, for any reason, whilst participating in the scheme, the employee will be required to pay an amount equal to the remaining costs not offset under the salary sacrifice arrangement i.e. the amount will be paid without the tax and NI saving. Where possible this will be taken from the employee's remaining net pay.
21. The proposed Gateshead Housing Company Cycle-Plus Scheme is attached at the Appendix to this report.
22. Further information about the scheme will be located on the company Intranet.

Link to values

23. 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

24. Approval of the scheme will reduce environmental pollution and help sustain local businesses.

Risk Management Implications

25. 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

26. The financial cost of the scheme can be met from existing budgets. Monitoring of financial agreements and salary deductions will minimise any risk of loss to the company.

Equality and Diversity Implications

27. The company's commitment to being an equal opportunities employer is an integral part of every aspect of the company's activities.

Value for Money implications

28. The procurement of P&MM follows value for money principles as detailed in Gateshead Council's Procurement Strategy.

Consultation carried out

29. The company's HR consultants EEF Northern and the trade unions have been consulted on aspects of the report.

Recommendation

30. The committee is asked to: -
- approve the introduction of a cycle to work scheme;
 - receive updates on progress.

The Gateshead Housing Company Cycle-Plus Scheme

1. Introduction

To promote healthier journeys to work and to reduce environmental pollution, the Government, through the 1999 Finance Act, introduced an annual tax exemption allowing employers to loan cycles and cyclists' safety equipment to employees as a tax-free benefit. The exemption was one of a series of measures introduced under the Government's Green Transport Plan.

The Gateshead Housing Company has adopted the Cycle-Plus scheme allowing employees to benefit from this exemption through a salary sacrifice arrangement. Salary sacrifice arrangements allow employees to give up the right to receive part of their cash pay under their contract of employment in return for a non-cash benefit. In the Cycle-Plus scheme, the employees receive the cycle and safety equipment free of tax and give up salary on which tax and National Insurance Contributions would be payable.

Implementation of the scheme within The Gateshead Housing Company will be conducted in partnership with an independent company, P&MM.

Applications from employees to participate in the scheme will be accepted during four 4-week 'windows' every year. The registration dates will be publicised internally. Applications will not be accepted outside of these dates.

The cycle and any additional goods purchased within the scheme, remain the property of The Gateshead Housing Company until the hire period ends. At this time the Company may allow the employee to purchase the cycle and accessories at a fair market value under a separate agreement although there is no obligation to do so and the Company cannot commit to such an arrangement before or during the hire period.

The cycles loaned through the Cycle-Plus Scheme have to be used for work purposes for at least 50% of the cycles overall use.

As the cycles are the property of The Gateshead Housing Company during the period of the hire agreement mileage allowance can not be claimed for cycling on business journeys.

2. Eligibility

To take advantage of the scheme applicants must be employed by The Gateshead Housing Company.

To be eligible for the tax and NI exemption the following conditions need to be met:

- Ownership of the equipment is not transferred to the employee during the loan period.

- Employees must use the equipment mainly for qualifying journeys i.e. for journeys made between the employee's home and work place, or for journeys between one workplace and another.
- The offer of the use of a loaned cycle is available across the whole workforce, with no groups of employees being excluded. This does not necessarily have to be through the Cycle-Plus scheme.

The scheme allows for leisure use of the equipment at weekends, during holiday periods and at lunch breaks, however, the cycle purchased through the scheme has to be used for work purposes for at least 50% of its use.

An adult must act as guarantor in respect of applicants under 18 years old.

3. Savings

Full details of the savings that employees can make can be accessed in the How to Apply – Cycle-Plus document and details are also available on the salary-plus website.

The maximum that can be spent on the cycle package is £1000 inclusive of VAT as advised by the Office of Fair Trading (OFT) consumer credit licence.

The amount of salary sacrificed by the employee will be equal to the cost of the purchase exclusive of VAT.

If at the end of the sacrifice period the employee is given the option to purchase the cycle and equipment then any charge made will be liable to VAT.

4. Items Available Within the Scheme

Eligible equipment includes cycles and cyclists' safety equipment. 'Cycle' is defined as a 'bicycle, a tricycle, or a cycle having four or more wheels, not being in any case a motor vehicle (192(1) of the Road Traffic Act 1988 (c52)). An electrically assisted pedal cycle can be included under the scheme.

Cyclists' safety equipment covered by the scheme includes:

- Cycle helmets which conform to European standard EN1078
- Bells and bulb horns
- Lights, including dynamo packs
- Mirrors and mudguards to ensure riders visibility is not impaired
- Cycle clips and dress guards
- Panniers, luggage carriers and straps to allow luggage to be safely carried
- Locks and chains to ensure cycle is secured safely
- Pumps, puncture repair kits, cycle tool kits and tyre sealant to allow for minor repairs
- Reflective clothing along with white front reflectors and spoke reflectors.

Children's cycles are not eligible. If employees have any queries regarding what is covered within the scheme please contact the administrators of the scheme on 0845 050 8348.

The Company would strongly advise that when selecting a cycle employees also obtain the appropriate safety equipment and ensure that this is used for every trip.

5. Application to join the Scheme

The scheme will be administered in partnership with P&MM. Applications can be made online or via the telephone.

The employee can choose a suitable cycle (and equipment if they wish) from a participating supplier. A list of participating suppliers can be found at www.salary-plus.co.uk If employees wish to use this scheme they can only obtain cycles from these suppliers and there is no provision for exceeding the maximum value of £1000 including VAT (minimum purchase is £100).

Applicants can apply online at www.salary-plus.co.uk or via telephone (0845 050 8348) or text cycles to 81025. Applicants will then be required to complete the registration form. Employees will have to provide personal details (have a copy of the Company's payslip to hand) and also specify the chosen value of the cycle and cycling equipment that has been selected.

When the registration is completed, employees must print off the hire agreement and complete the following:

- Pre-contract document – The employee should retain a copy of the pre-contract document for their records
- Hire Agreement (Copy 1) – The employee should retain for their records
- Hire Agreement (Copy 2 and 3)– The employee should sign both of these copies and get their line manager to authorise them. The copies should then be forward to the Cycle-Plus Scheme, Human Resources Keelman House, Team Valley Treading Estate, Gateshead where the employee's details will be checked.

If the initial registration was made by telephone the relevant forms will be posted to the employee's home address.

Once the relevant checks have been completed and approval has been granted, the employee will receive a Letter of Collection (LoC) from P&MM via first class post. **The letter of collection will not be forwarded to the employee until the current application period has closed.** This will enable the employee to collect the cycle and accessories from the relevant outlet. The Payroll department will then make the necessary reductions from the employee's salary in monthly instalments; these will start as soon as the Letter of Collection has been dispatched. The employee will not pay Income Tax or National Insurance on this reduction from their salary.

Under the terms of the scheme it is not possible for participants to cancel the agreement. Employees are therefore committed to making the salary sacrifice

for the duration of the loan period. Applicants should be sure of their choice of cycle and the commitment they will be making. It is also important to ensure that the correct value of the letter of collection is chosen as no reimbursement will be made.

Employees may only enter into one Cycle-Plus hire agreement at a time, so it is important to ensure that everything needed is included when registering for the Letter of Collection. Once the hire agreement has expired employees may enter into a further agreement.

6. Employees Responsibilities

Each individual is responsible for maintaining the cycle during its hire period, based on the terms of the hire agreement.

Should the cycle or equipment hired under the terms of the agreement be lost, suffer accidental damage or become inoperable, employees will be required to continue to meet their financial responsibilities for the remainder of the hire period. Any replacement cycles or equipment will fall outside the terms of this Hire Agreement.

Employees have to insure the cycle and goods fitted to the bike, to safeguard against the losses following theft. Most domestic household insurance policies can be extended to cover bicycles if the cover is not already automatically provided. You may be required to let your insurers know that your employer has an interest in the cycle. There are also specialist insurers, details of some of these can be found on the website www.salary-plus.co.uk

If the cycle is not mainly used for work purposes for at least 50% of the cycles overall use it will not be covered by the tax exemption. In these circumstances the Company would then declare the cycle a benefit in kind which would mean that the employee would be liable to tax and the Company to Class 1A National Insurance Contributions.

Should employment with the Company cease, for any reason, whilst participating in the scheme, the employee will be required to pay compensation of an amount equal to the remaining costs not offset under the salary sacrifice arrangement ie the compensation will be paid without the tax and NI saving. Where possible the compensation will be taken from the employee's remaining net pay.

If the Company wish to dispose of the bike the Company may do this under a separate agreement.

The Company strongly advise that those taking up the scheme take part in adult cycle training. Further details can be found in section 10 of this document.

7. Maternity Leave

During ordinary maternity leave and additional maternity leave, an employee is entitled to continue receiving the non-cash benefits she was entitled to in

the period before the maternity leave. This entitlement continues to apply even though the employee may not be receiving any salary that can be sacrificed.

8. Reduced pay due to absence or unpaid leave

If as a result of absence, for whatever reason, an employee's pay ceases or is reduced to a level below the sacrificed amount, the term of the sacrifice agreement will be extended by a corresponding period.

Salary reductions in respect of this scheme will also apply to occupational payments in respect of maternity, paternity, adoption and sickness. Statutory payments cannot be sacrificed in any circumstances.

9. Benefits and Pension Arrangements

Where a salary sacrifice arrangement is used, the gross pay of the employee is affected which in turn impacts upon the tax and National Insurance Contributions. As entitlement to some benefits are based on the amount of National Insurance Contributions that are paid and others on earnings, entering into a salary sacrifice arrangement may affect an employee's current or future entitlement to a range of benefits.

If employees contribute to the Local Government Pension Scheme, their pension will not be affected, as the gross salary, before salary sacrifice, is the amount that is deemed pensionable.

Current advice from the Inland Revenue suggests that employees can still apply for Childcare Tax Credit whilst being in a salary sacrifice arrangement. For more information, please check with the Inland Revenue advice line 0845 300 3900.

Although the vast majority of employees will benefit from joining the Cycle to Work scheme, personal circumstances may mean that it is not beneficial for all. This is most likely when on a low income and receiving Working Tax Credit, as the savings made by non payment of tax and NI on the bike scheme may be cancelled out by a reduction in the tax credit. Please seek advice from the Inland Revenue Tax Credit help line on 0845 300 3900.

10. Cycle Pool

The Company operate a cycle pool for the loan of bicycles and equipment to employees for work purposes. If you are interested in using the cycle pool please contact the Human Resources and Admin team 0191 433 5391

11. Essential Car Users and Lease Car Holders

Those that are in receipt of a lease car are reminded that participants in the lease car scheme are required to have the leased car at their disposal for official business at all times. Essential Car Users are reminded that the duties of their post are of such a nature that it is essential for them to have a car at their disposal whenever required.

12. Other useful information

The Company have facilities for securing bikes at work at Keelman House, details of which can be found on the intranet under Human Resources and Administration.



Report to Resources and Audit Committee

9 March 2010

Title: Management Accounts – January 2010

Report of: Director of Finance

Purpose of Report

1. To provide the committee with an update on the management accounts for the 10 month period to the end of January 2010.

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 a budget for 2009/10 at its meeting on 12 March 2009.

Management Accounts

4. The Management Accounts to the end of January 2010 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 January 2010.

Link to values

5. 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

7. Whilst this report does not impact on tenants directly, appropriate financial monitoring and control will ensure efficiencies are maximised and redirected to services that directly impact on tenants.

Risk Management Implications

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

Financial Implications

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

Equality and Diversity Implications

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

Value for Money implications

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

Consultation carried out

12. None directly for this report.

Recommendation

13. The views of the committee are sought as to whether: -
 - It is satisfied with the financial management of the Revenue and Repairs budgets to date.
 - It is satisfied that the company will maintain a year end position which is in line with the annual budget set at the start of the financial year.

**The Gateshead Housing Company
Management Accounts – January 2010**

Revenue and Repairs Executive Summary

1. The management accounts for month 10 are included below:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000	Forecast £'000
Management Fee					
Income	15,303	14,936	367	17,923	18,330
Employee Costs	10,313	9,955	(358)	11,947	12,354
Overhead Costs	4,988	4,980	(8)	5,976	5,976
Surplus/(Deficit)	1	0	1	0	0
Repairs Fee					
Repairs Management Fee	16,221	14,812	1,409	17,659	18,659
Capitalisation	3,837	4,166	(329)	5,000	5,000
Repairs Costs	20,058	18,978	(1,080)	22,659	23,659
Surplus/(Deficit)	0	0	0	0	0

2. The 10th month of the year shows an underspend of £1,000. This is a continuing positive position within the financial year and shows that the Company continues to maintain good financial management.
3. Income for month 10 is above the budgeted figure, this is due to the successful Job Evaluation Appeals and relates to the increased monies required from the Council to cover these successful appeals.
4. Salary costs are largely on target. The overspend is due to the successful Job Evaluation Appeals as the arrears were paid on these successful appeals within December. This cost is fully covered by the increased income received from the Council.
5. Overhead costs are slightly overspent at this time due to a number of costs now coming through in relation to budgeted spend.
6. We continue to generate efficiencies and savings where possible to reinvest in our services and we continue to follow prudential financial management.
7. Repairs are currently over budget for the year to date, however, we are forecasting that the repairs amounts will match the increased income agreed with the Council. Increased spend is due to painting costs and relets where spend appears to have been higher in the early months.

Income

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
INCOME				
Management Fee	12,013	12,013	0	14,415
Officer Costs Actual	2,548	2,548	0	3,058
Job Evaluation Appeals	367	0	367	407
External Funding	83	83	0	100
Performance Fee	292	292	0	350
Total Income	15,303	14,936	367	18,330

8. Income month 10 is above the budgeted figure; this is due to the successful Job Evaluation Appeals and relates to the increased monies required from the Council to cover these successful appeals. The annual budget figure for job evaluation appeals also includes the increased costs for the remainder of the financial year in relation to this.

Staff Costs

9. Staff Costs are broken down as follows:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Employee Costs				
Housing Management	2,610	2,613	(3)	3,136
Business Support	609	610	(1)	732
Property & Technical Services	2,350	2,352	(2)	2,822
Finance & ICT	1,487	1,490	(3)	1,788
HQ Sub Total	7,056	7,065	9	8,478
Area Costs	2,890	2,890	0	3,469
Job Evaluation Appeals	367	0	(367)	407
Total Employee Costs	10,313	9,955	(358)	12,354

10. Salary costs are largely on target. The overspend is due to the successful Job Evaluation Appeals as the arrears were paid on these successful appeals within December. This cost is fully covered by the increased income received from the Council.
11. Removing the job evaluation costs would show a small underspend on staff costs of £9,000. This is in line with results last month and we do not expect this to increase greatly.

12. To date we have spent £73,000 on agency staff, at January 2009 we had spent £300,000 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. This situation continues to be monitored closely and work is ongoing to determine a more sustainable course of action including maintaining pools of staff.

Overhead Costs

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
Overhead Costs				
HQ Total	3,944	3,929	(15)	4,715
Area Costs	1,044	1,051	7	1,261
Total Overhead Costs	4,988	4,980	(8)	5,976

14. Overhead costs are overspent at this time. This has changed from a small underspend position in Month 9 of £4,000. This is not a significant change and is due to a number of costs coming through into the accounts which are expected but which have come through earlier than anticipated. Therefore, it is expected that the year end position will come in on budget.
15. The HQ overheads budget is over budget due to subscriptions fees being renewed in January and additional utility costs in relation to Keelman House.
16. An analysis of overhead spend against budget for the last 3 years is included within Appendix 1.
17. Budget holders are now more accountable for their budgets enabling them to review their spend in more detail and overhead spend is monitored in detail by the Finance Section to ensure that these costs are controlled as much as possible. It should be noted that not all costs can be controlled especially in relation to utility costs and insurance claims. Finance monitor these costs on a monthly basis and highlight to Corporate Management any areas causing concern. There are no such areas causing concern at this time.

Repairs Summary

18. An analysis of the repairs costs is provided below. An analysis of the repairs costs shows that the main overspends are in relation to relets and painting costs. These are areas where the costs have been higher at the start of the programme.

	YTD Budget £000's	YTD Actual £000's	Variance £000's	Budget £000's	Forecast £000's
REPAIRS					
Fixed Costs (Contractors' Preliminaries)	2,667	2,777	(110)	3,200	3,333
Responsive	9,302	8,111	1,191	11,050	10,135
Relets	4,167	5,370	(1,203)	5,000	6,000
Cyclical Repairs	417	425	(8)	500	500
Water Hygiene Testing	125	122	3	150	150
Painting	949	1,884	(935)	1,139	1,886
Gas Servicing	854	843	11	1,025	1,025
Electrical Circuit Testing	42	60	(18)	50	60
Solid Fuel Testing	8	15	(7)	10	15
Lift Maintenance	113	90	23	135	135
Security	125	160	(35)	150	180
Environmental Works	167	160	7	200	190
Energy Performance Certificates	42	41	1	50	50
	18,978	20,058	(1,080)	22,659	23,659
Repair Management Fee Income	14,812	16,221	(1,409)	17,659	18,659
Capitalisation	4,166	3,837	329	5,000	5,000
Income Total	18,978	20,058	(1,080)	22,659	23,659
REPAIRS TOTAL	-	-	-	-	-

Responsive Repairs

19. For month 10 of the current year, the average cost per job for responsive repairs is £96.64 – this compares favourably to the average repair cost in month 10 in 2008/09 which was £128.92. This is due to the re-emphasis on carrying out repairs only and ensuring that any replacements are batched up into programmed works. Due to this we are expecting responsive repairs outturn to be under budget and we have amended the forecast accordingly.

Painting

20. The painting programme is front loaded as most works are carried out within the summer months; therefore, most of the painting costs have been received. There is not expected to be any additional spend on the painting scheme over the winter months. The additional costs of the painting programme have been covered by the reduced responsive repairs costs.

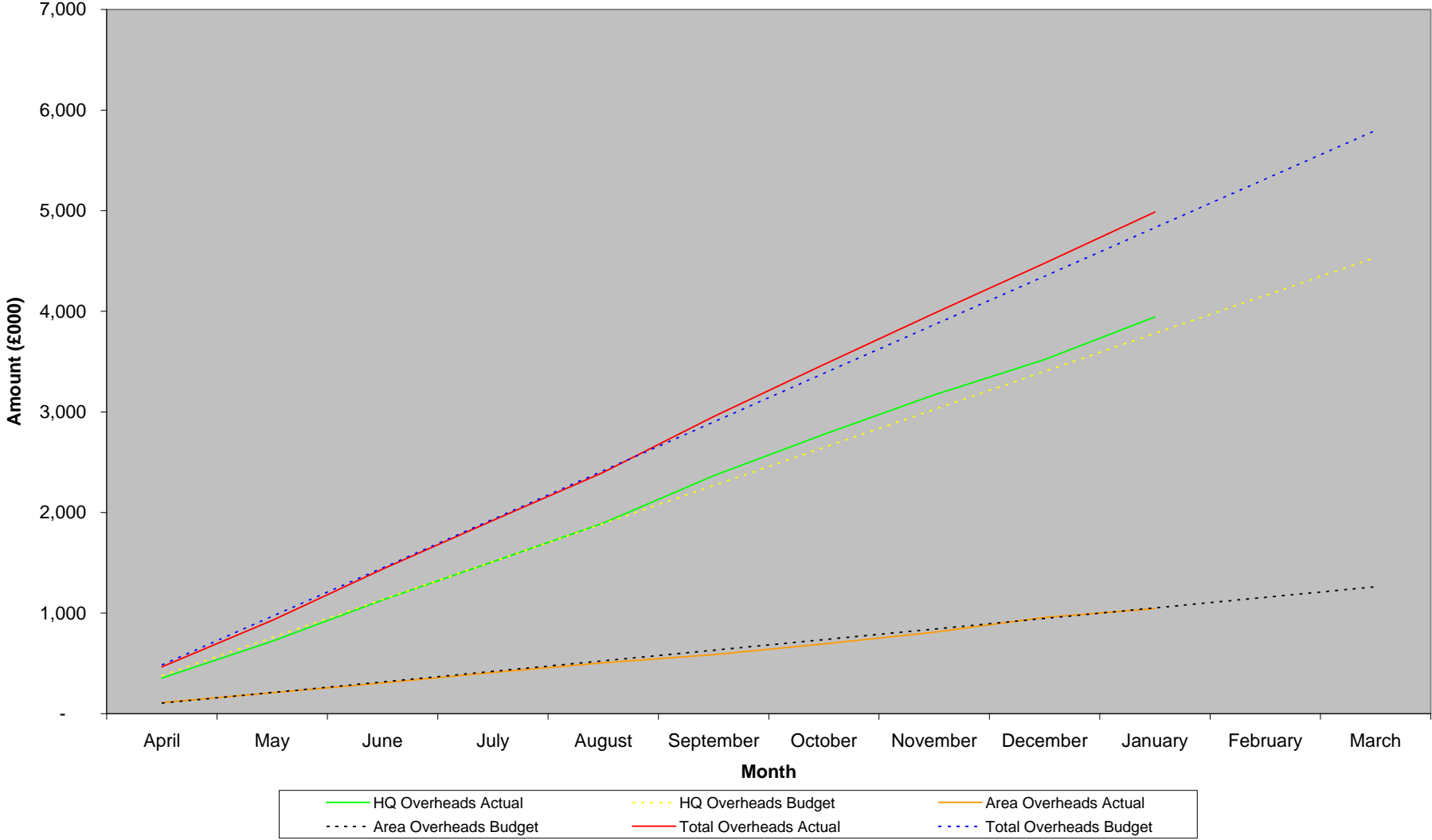
Relets

21. The relet costs have increased due to an increased number of relets. From October, new charges have been agreed for the relet works and these are expected to keep costs down for the last 6 months. The actual in month spend in January was only slightly over budget which was due to additional major works relets being completed and invoiced in this month. The relet budget is currently £1.2m overbudget and this is expected to remain stable for the last 2 months of the financial year. The Council have agreed to fund any additional charges in relation to the increased number of relets up to £1.2m, however, we are expecting to only need to draw down £1m of this amount.
22. An analysis of the type of responsive repairs year to date is included in Appendix 2 and a comparison of responsive repairs costs and number of jobs in 2009/10 to prior years is included within Appendix 3.

Detailed Management Accounts

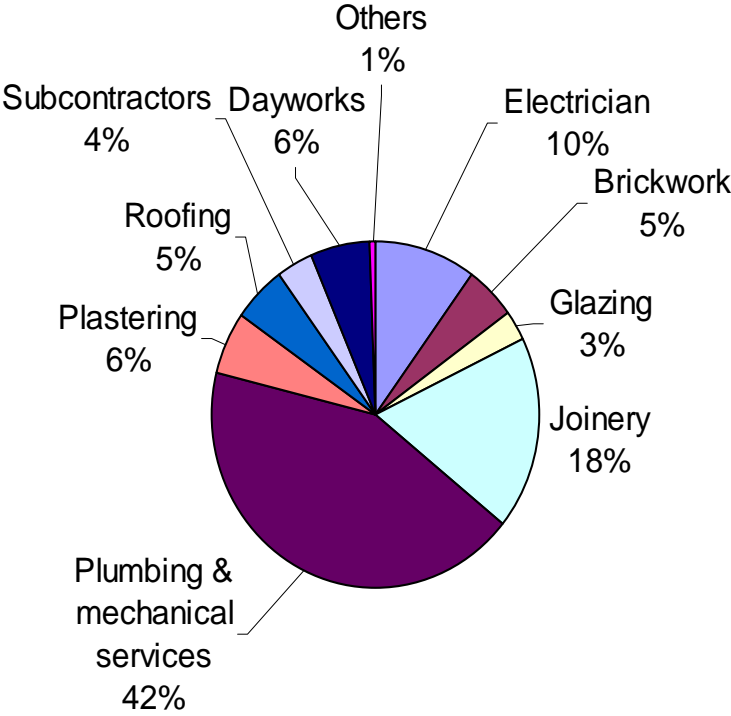
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HQ Total	3,944	3,929	(15)	4,715
Area Costs	1,044	1,051	7	1,261
Total Overhead Costs	4,988	4,980	(8)	5,976
Management Surplus/(Deficit)	1	0	1	0

TGHC Overheads Budget 2009/10



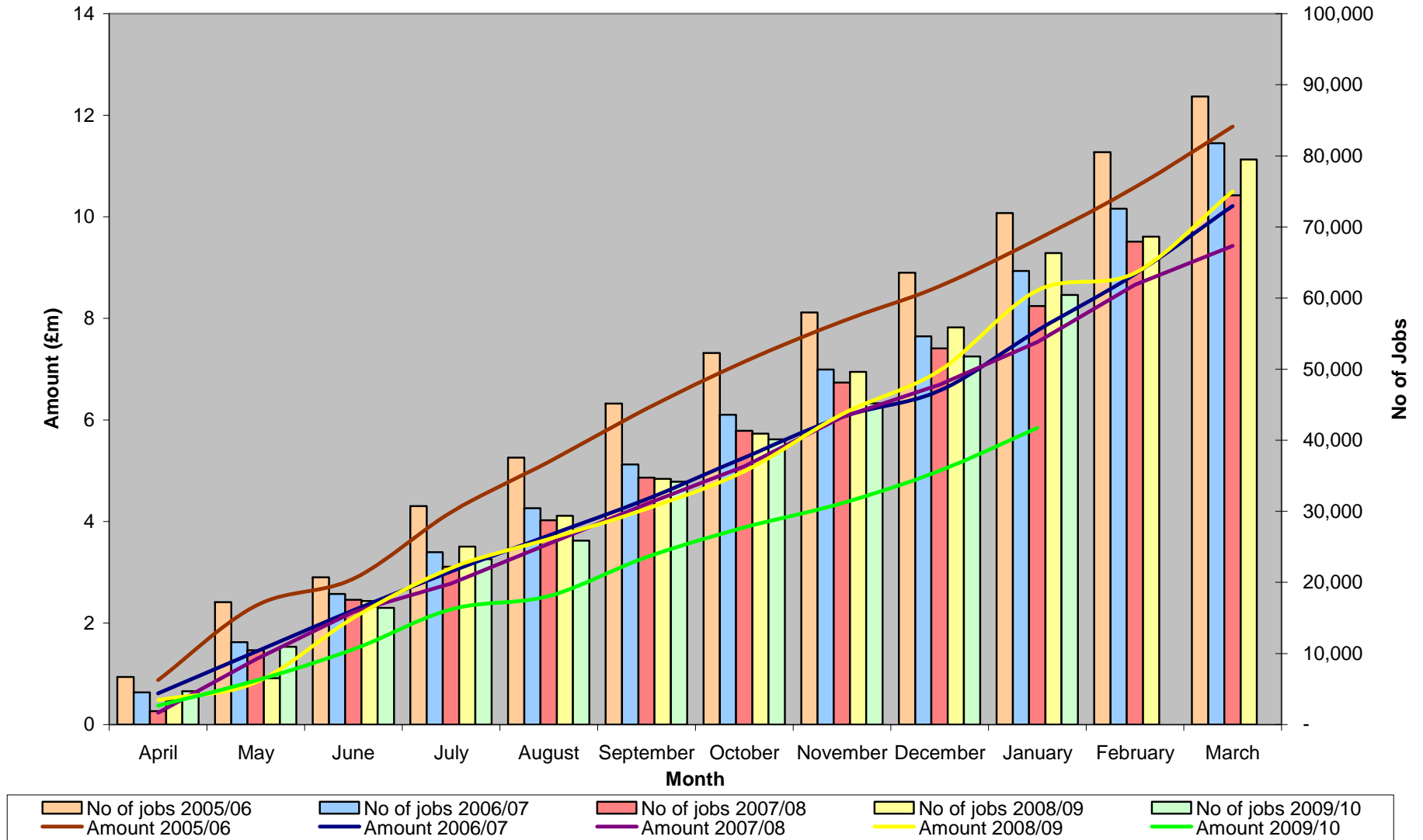
Appendix 2

Morrison's invoiced Repairs by trade for the period April 2009 - January 2010



Trade	2008/09 (10 months)	2009/10 (YTD)
Electrician	646,404	525,975
Brickwork	356,256	253,316
Glazing	157,227	153,441
Joinery	1,953,448	952,563
Plumbing & mechanical services	2,639,298	2,252,269
Plastering	462,562	298,659
Roofing	537,755	281,465
Subcontractors	849,490	186,678
Dayworks	29,821	308,548
Others	572,473	28,086
TOTAL	8,204,735	5,241,000

Comparison of Responsive Repairs to Previous Years





Report to the Resources and Audit Committee

9 March 2010

Title: Sickness Absence and HR Update

Report of: Director of Finance

Purpose of Report

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

Background

2. This report provides the committee with the following information: -
 - Data digest
 - Sickness absence update
 - Work life balance update
 - Investigation and Disciplinary update
 - Capability update
 - Grievance update
 - Other HR initiatives and developments.

Data Digest

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

Sickness Absence Update

4. Attached at Appendix 2 is an analysis of the sickness absence levels for the period from April to December 2009 and compares these with our performance last year with that of the top quartile performance for ALMOs as a whole.
5. Appendix 3 provides in a graphical format the reasons for absence within each department of the company for the period April to December 2009.
6. The total sickness absence for the period April to December 2009 equated to 8.23 days (compared to 7.90 days for the same period last year). This equates to a 4% increase in days lost in the period.

7. The company set a target of 10 days absence per employee for the current financial year (an improvement of last year's performance of 11.16 days). The first quarter's performance has made this target challenging but a number of initiatives have been introduced to meet the target. Performance to date suggests that we are likely to achieve 10.5 days absence per employee for the period April 2009 to March 2010. This equates to a 6% reduction on last year's performance of 11.16 days.
8. In the period April 2006 to March 2007, sickness absence was 15.10 days per employee. This compares to 10.5 days predicted performance for the period April 2009 to March 2010 and equates to a 31% improvement in a three year period.
9. Short term absence relates to periods of absence less than 15 working days in duration with long term absence greater than 15 days in duration. In the period April to December 2009, short term absence was 3.44 days and long term 4.80 days. This compares with 3.71 days short term absence and 4.19 days long term absence in the same period April 2008 to December 2008.
10. In the period April to December 2009, the biggest cause of absence was stress. However, it is encouraging that initiatives to support employees in the year have resulted in a 51% improvement with 531.5 days lost to stress as compared to 1,081 days lost in the same period last year.

Managing Sickness Absence

11. The company has held 62 sickness counselling interviews in the period April to December 2009 triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.
12. In the period April to December 2009, 27 cognitive behavioural therapy (CBT) / counselling sessions were supported by the company and attended by seven employees.
13. 33 options interviews were arranged in the period April to December 2009. One meeting was cancelled by the employee, two meetings the employee did not attend, 20 were held within the office and nine were held within the employee's home. The meetings provide employees with support relating to options and their future employability with the company. Options include phased return to work, redeployment, work life balance, reduced hours, and reasonable adjustments to the working environment and ill health retirement.
14. In the period April to December 2009, 13 employees had a phased return to work. Nine employees were paid full salary during the three week phased return to work and four used holidays to support a three week phased return to work. Employees receive one paid phased return during a period of long term absence.

Work Life Balance

15. In the period April to December 2009 the following work life balance applications have been processed: -

Number of Applications	Type of Work Life Balance Request
10	Applications to change to compressed hours
6	Applications to reduce working hours
1	Application for Job Share
1	12 Month Career break
5	Application for reduced hours was withdrawn
2	Appeals have been received in relation to a declined request for compressed hours. The decision to decline has been upheld and a compromise offered
1	Application declined for compressed hours and no appeal has been received

Investigation and Disciplinary

15. In the period April to December 2009, the following activity has taken place: -

Investigation	Outcome
8	5 No further action 1 Suspension, followed by no further action 2 lead to disciplinary action
Disciplinary	Outcome
3	1 Disciplinary did not require an initial investigation as the facts were known, this resulted in a final written warning 2 Disciplinary meetings resulted in a first written warning being issued

Capability

16. In the period April to December 2009 there was one capability investigation and no further was action required.

Grievances

16. In the period April to December 2009, there were no grievances.

Job Evaluation

17. Human Resources, the Trade Unions and Learning and Development have met with employees who are in protection. The meetings discussed managing career aspirations, personal development and recruitment opportunities.

Recruitment

18. In the period April to December 2009, the company has advertised 11 external vacancies. 328 applications were requested for the external vacancies and 263 returned. 58 employees provided an expression of interest for 16 internal vacancies. There was no external recruitment during November to December 2009.

19. Three managers have been accredited in recruitment and selection in the period April to December 2009 to recruit employees for a period of three years.

Future Jobs Fund

20. The company attended the Future Job Fund recruitment fair on 28 January 2010 at the Sage Gateshead. The event was targeted at 18 – 24 year olds who have claimed Job Seekers allowance for 20 to 50 weeks. The event was well attended. Job Centre Plus will be carrying out the initial shortlisting process on behalf of the company. Successful applicants will be required to commence in post by 31 March 2010.

Work Placements

21. The company has provided information on the work placement scheme to a range of under represented groups in the community. We are also liaising with Gateshead Council's Economic Development service to promote the scheme. Economic Development is developing an advert with the company that can be distributed to job centres, The Gateshead Housing Company News and HomeChoice newspaper. This will ensure we inform all our tenants and the wider community about the work placement scheme.

Personal Details Audit

22. The Gateshead Housing Company is seeking to achieve a workforce that more accurately reflects the composition of the community, in terms of ethnicity, disability, age, gender, religion, and sexual orientation, at all levels of the organisation. In January 2010 we requested employees to check and update personal information.

Probationary Periods

23. In the period April to December 2009, 18 employees have successfully completed the six month probationary period. Four employees have had their probationary period extended due to unsatisfactory attendance. One employee had an unsatisfactory probationary period and the employment contract has been ended.

Health and Wellbeing Initiatives

Smoking Cessation

24. We are working with a community health worker to deliver smoking cessation across the company. We are developing a programme that will enable caretakers and concierge to attend the sessions either, on-site or at a location close to their place of work. The programme is scheduled for implementation in April 2010.

Weight Management

25. An eight week weight management programme began on 12 January 2010. Two representatives from the Community Nutrition Team attend twice a week to deliver weight management sessions and provide nutritional advice and support. Thirty employees have signed up to the programme.

Eye Tests

26. A programme of vision screening for employees will commence on 15 March 2010. The programme will be delivered over a three week period by our occupational health provider NHS.

Hepatitis B

27. The programme of immunisation for caretakers and handymen is now complete.

Share point

28. A new zone has been created on Share Point dedicated to Health and Wellbeing. Details of eye tests, fitness classes, tool box talks and pay day pamper days will be contained in the site for information. The zone is accessed from the company intranet.

Link to values

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

Impact on Customers

30. Sickness absence impacts on the level of service provided to customers. Every effort is taken to keep this to a minimum. This will directly lead to improved services to customers.

Risk Management Implications

31. 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

32. The financial cost of sickness absence to the company for the period April to December 2009 was £260,999 as compared to £230,964 for the same period last year.

Equality and Diversity Implications

33. The company's commitment to being an equal opportunities employer is an integral part of every aspect of the company's activities.

Value for Money Implications

34. We continue to manage sickness absence in order to maximise service delivery to tenants and customers. Value for money principles is followed in all aspects of the service to include work life balance requests, recruitment and selection.

Consultation carried out

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

Recommendation

36. The views of the committee are sought on: -
- Whether the committee is satisfied with the update on general HR initiatives and developments.
 - Whether the committee is satisfied with the impact on customers to date.



Staff Monitoring & Development Data

Performance Measure	Actual 2008/09	Target 2009/10	Year to Date (Dec 09)
1. Number of people employed TGHC			
a) Staff			
Male	146	160	145
Female	209	203	220
Total	355	363	365
b) Manual			
Male	46	45	46
Female	4	6	4
Total	50	51	50
c) Total number of employees	405	414	415
2. Numbers of new starters (since 1st April)	62	41	33
3. Numbers of employees leaving (since 1st April)	39	N/A	23
a) Number of voluntary leavers	35	N/A	16
b) Number of retirements	3	N/A	2
c) Number of early retirements	0	N/A	2
d) Number of ill health retirements	0	N/A	0
e) Redundancy (lack of work)	0	N/A	0
f) Death in service	0	N/A	2
g) Temporary contract ended	0	N/A	0
h) Dismissal	1	N/A	0
i) Termination in Probationary Period	0	N/A	1
4. Training			
a) Number of new staff receiving induction	62	41	33
b) Number of staff undertaking professional qualifications	17	15	28
5. Staff Welfare			
a) Total number working days lost per employee	11.16 Days	10 days	8.23 Days
b) Total number of working days lost due to sickness	4171	4140	3174
c) Number of referrals made to occupational health	70	N/A	26
d) Number of employee counselling sessions	25	N/A	13

Performance Measure	Actual 2008/09	Target 2009/10	Year to Date (Dec 09)
6. HR Advisory Issues			
a) investigations	10	N/A	9
b) disciplinary	5	N/A	2
c) Suspensions	3	N/A	2
d) Oral Warning	0	N/A	0
e) First Written warning	1	N/A	2
f) Final Written warning	3	N/A	0
g) Dismissals	1	N/A	0
h) Appeals submitted	1	N/A	0
i) No of grievances submitted	7	N/A	0
j) Stage 1 Greivance	0	N/A	0
k) Stage 2 Grievance	2	N/A	0
l) Bullying and Harassment	2	N/A	0
7. Diversity Monitoring			
a) Number (and %) of senior management posts filled by women	7.8 of 25 31%	33%	6.8 of 25 27%
b) % of company employees from minority ethnic communities	2.72%	3%	2.65%
c) Number of BME applicants for			
i. Employment	34	N/A	23
ii. Short listed for interview	14	N/A	2
iii. Offered post	1	N/A	1
d) Number of disabled applicants for			
i. Employment	24	N/A	12
ii. Short listed for interview	8	N/A	6
iii. Offered post	1	N/A	1

Performance Measure		Actual 2008/09	Target 2009/10	Year to Date
8. Staff Monitoring				
a) Gender				
	Male	47.41%	50%	46.02%
	Female	52.59%	50%	53.98%
b) Age				
	Under 18	0%	0%	0%
	18-25	9.88%	14%	9.16%
	26-35	30.64%	28%	32.29%
	36-45	20.28%	19%	18.55%
	46-55	23.7%	24%	23.37%
	56-65	15.5%	15%	16.39%
	66+	0%	0%	0.24%
c) Ethnicity				
	White British) White Irish) White Other)	97.04%	96%	97.83
	Asian – Pakistani) West Indian) Chinese) Black or Black British – African) Black or Black British – Other)	2.96%	4%	2.17
e) Disability				
	Perceived themselves as disabled	24.5% 54 of 220	29% 70 of 238	18% 43 of 237
	Do not perceive themselves as disabled	75.5%	71%	82%

Sickness Absence Summary Sheet 2009 - 2010

Appendix 2

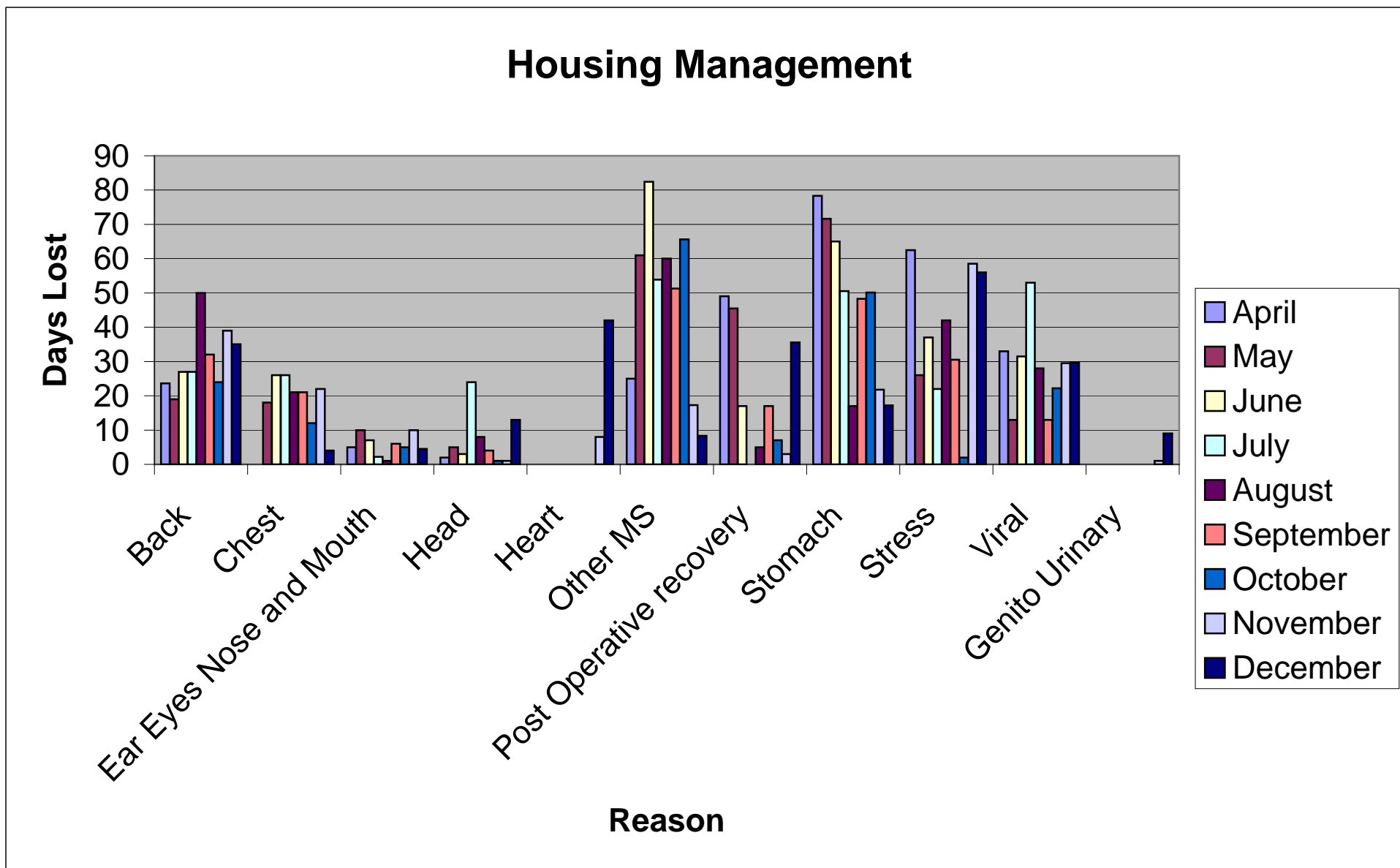
Actual Days lost per employee per month to date

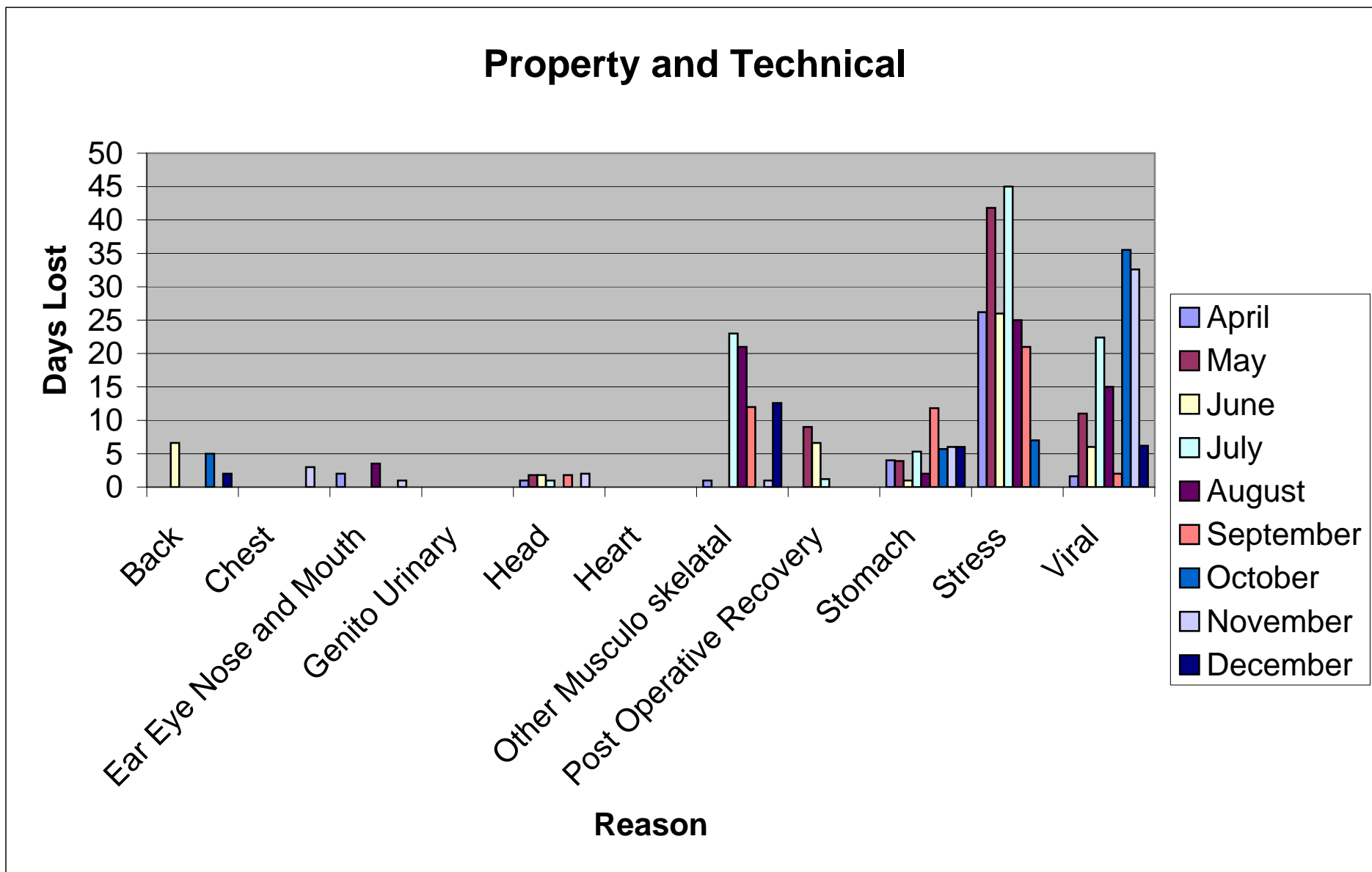
	HM	Prop & Tech	Business Support	Finance & Ict	Group Man.	All employees TGHC	TGHC cumulative	DCLG & House Mark	No of Occurrences	Days Lost per month	Days Lost Short Term Absence	Days Lost Long Term Absence
2008/09												
April	1.21	0.55	0.07	0.18	0	0.90	0.90	0.79	42	327.4	0.36	0.54
May	1	0.94	0	0.55	0	0.90	1.80	1.58	36	330.9	0.27	0.63
June	1.01	1.54	0.06	0.67	0	1.05	2.85	2.37	53	400.6	0.46	0.59
July	1.02	1.01	0	0.7	1.6	0.94	3.79	3.16	49	356.2	0.58	0.36
August	0.62	0.88	0.67	0.21	0	0.66	4.45	3.95	45	251.9	0.31	0.35
September	0.64	1.15	0.07	1.13	0.83	0.82	5.27	4.74	52	310.3	0.34	0.48
October	0.59	0.97	0	1.28	0.34	0.69	5.96	5.53	67	263.1	0.23	0.46
November	0.88	0.85	0.38	1.11	0	0.89	6.85	6.32	64	331.5	0.53	0.36
December	0.87	1.58	0.52	0.87	0	1.05	7.90	7.11	76	392.1	0.63	0.42
Jan	1.23	0.43	0.32	0.73	3.2	0.99	8.89	7.9	79	363.9	0.51	0.48
Feb	1.19	0.62	0.11	0.97	1.04	1.02	9.91	8.69	59	375.7	0.54	0.48
March	1.55	0.53	0.21	1.38	1.46	1.25	11.16	9.48	66	467.5	0.84	0.41
Cumulative by service area	11.81	11.05	2.41	9.78	8.47	11.16			688	4171.1	5.6	5.56

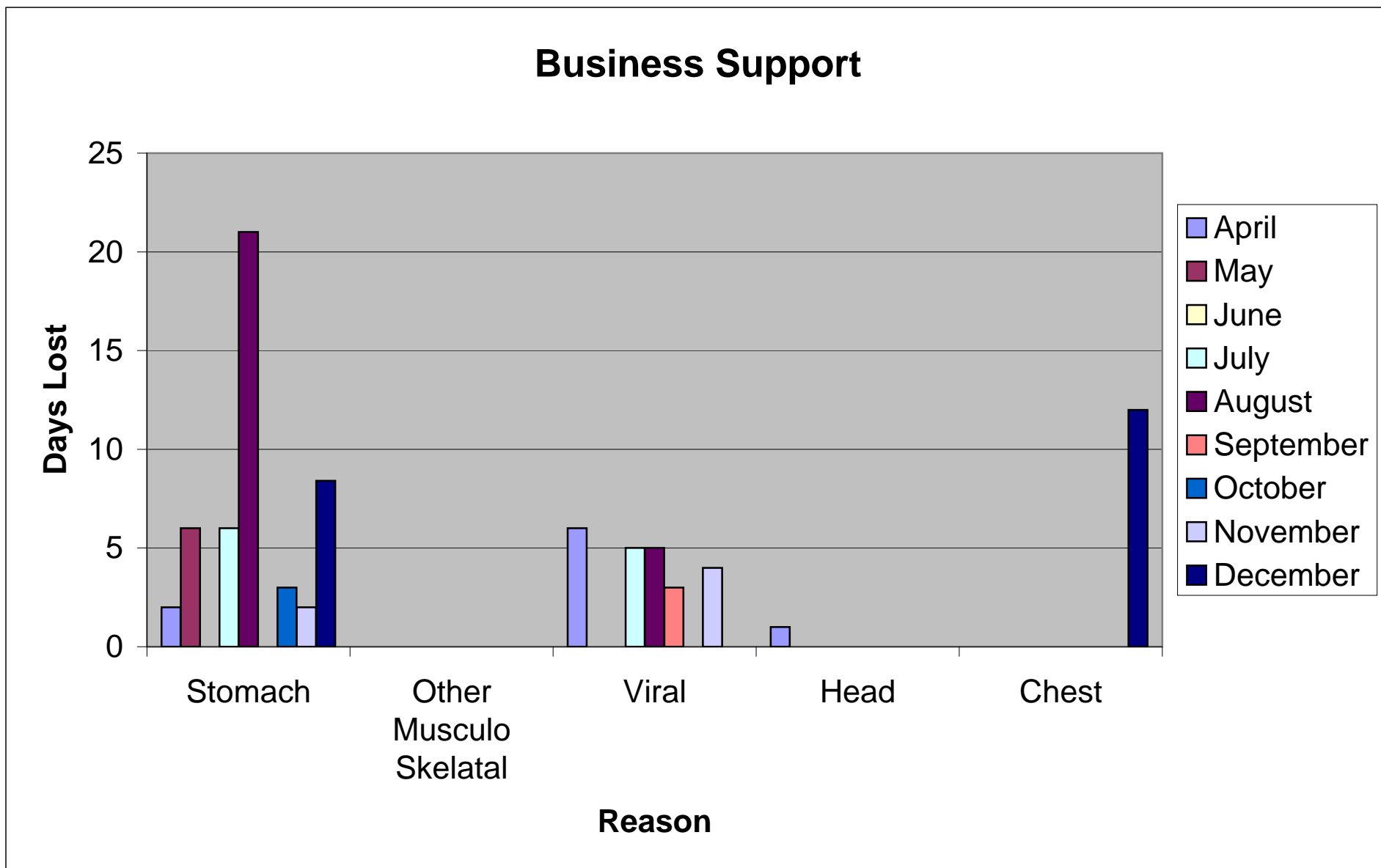
	HM	Prop & Tech	Business Support	Finance & Ict	Group Man.	All employees TGHC	TGHC cumulative	DCLG & House Mark	No of Occurrences	Days Lost per month	Days Lost Short Term Absence	Days Lost Long Term Absence
2009/10												
April	1.79	0.40	0.50	1.16	0.00	0.98	0.98	0.79	50	365.2	0.40	0.58
May	1.14	0.82	0.30	1.05	0.00	1.01	1.99	1.58	57	380.6	0.35	0.66
June	1.15	0.68	0.00	1.28	0.00	1.00	2.99	2.37	52	391.4	0.40	0.60
July	1.01	1.41	1.45	0.56	0.00	1.09	4.08	3.16	54	421.5	0.45	0.64
August	0.97	0.74	1.64	1.40	0.00	0.99	5.07	3.95	50	387	0.30	0.70
September	0.93	0.54	0.16	1.15	0.00	0.81	5.88	4.74	47	317.7	0.07	0.74
October	0.79	0.60	0.17	1.78	0.00	0.78	6.66	5.53	59	303.1	0.51	0.27
November	0.87	0.53	1.17	0.34	0.00	0.79	7.45	6.32	64	305.2	0.49	0.30
December	1.06	0.31	1.10	0.04	0.00	0.78	8.23	7.11	52	303	0.47	0.31
January								7.90				
February								8.69				
March								9.48				
Cumulative by service area	9.71	6.03	6.49	8.76	0.00	8.23			485	3174.7	3.44	4.8

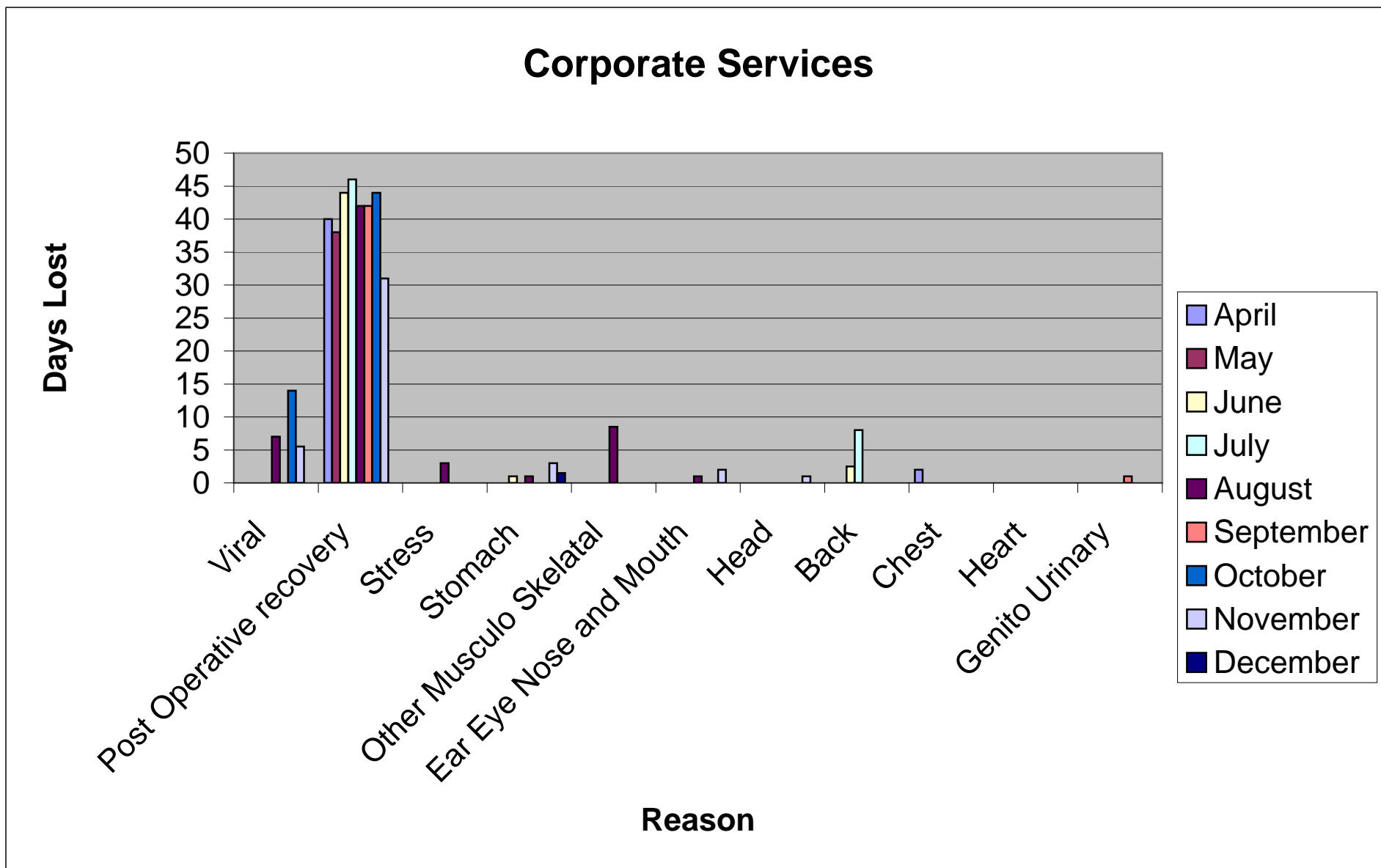
* Days Lost = No of days absence / FTE in the service

BV12
excludes temp employees with <12 months service











Report to Resources and Audit Committee

9 March 2010

Title: Learning and Development Update

Report of: Director of Finance

Purpose of Report

1. To provide the committee with an update on the progress and activity of the Staff Development function.

Background

2. The Staff Development function is responsible for activity to increase employee knowledge and capacity. Using more traditional methods combined with innovation, activity is varied.

Management Development Training

3. The programme which was launched in June 2008 for 63 middle managers concluded in December 2009. The 16th module was Managing Presentations and saw managers deliver a wide range of topics to their peers, managers and teams. The presentations demonstrated the knowledge and experience gained on the programme and how this links in with the objectives of the company. The final evaluation of the entire programme has been completed and has recently been presented to the company. This information will be collated and reported to committee.

Termly Qualification Reviews

4. There are currently twenty eight employees who are studying qualifications which are being supported the company. As part of continuous improvements, review meetings are being held, with employees and their managers to discuss progress, identify any issues and to look at how the skills and knowledge being gained are applied in the workplace. It is anticipated that there will be one meeting per term. This should assist with assessing return on investment and impact within the business. These meetings are set to continue into 2010 and have proven to be appreciated by employees and managers.

5. **Training Summary – 1 September 2009 to 31 December 2009**

<u>Course</u>	<u>Number of attendees</u>	<u>Delivered by</u>
Customer Service Excellence Module 1	20	Rachel Harker
Customer Service Excellence Module 2	16	Rachel Harker
Customer Service Excellence Module 3	16	Rachel Harker
Minute Taking	13	Rachel Harker
Management Development Programme - Module 13	32	Turning Tides
Management Development Programme – Module 14	49	Turning Tides
Management Development Programme – Module 15	52	Turning Tides
Common Assessment Framework	36	Gateshead Council
Integrated Working in response to Fuel Poverty	2	Gateshead Council
Making TGHC Accessible	19	Ellen Taylor
Effective Letter Writing	13	EEF
Discipline and Grievance Training	7	EEF
Data Protection	23	EEF
Debt Recovery Training	6	Orbit Services
Domestic Abuse Awareness	12	Shirley Goody

5. This is a traditionally a quiet period for training delivery due to seasonal holidays and organisational priorities.

Training Prospectus

6. The training prospectus is currently being prepared to run from April 2010 to end of March 2011. The prospectus will focus on needs which have been identified by the company and individuals through the appraisal programme. It is anticipated that the initial prospectus will develop and grow as the year progresses and this information will be available to all employees via their desktop.

Link to values

7. This report links to the following company values: -
- A commitment to all our employees
 - Being motivated, trained, and committed across the company
 - Embracing equality.

Impact on tenants

8. The impact of this report will be continued and improved customer service through a well trained and responsive workforce.

Risk Management Implications

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

Financial Implications

10. The costs of learning and development activities outlined can be met from the existing annual budget.

Equality and Diversity Implications

11. All training is accessible to all employees and through targeted training as detailed in this report. We train employees to meet the needs of the diverse community which they serve.

Value for Money implications

12. 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.

Consultation carried out

13. A number of the courses delivered and developed were identified by employees, as part of the annual appraisal process.

Recommendation

14. The views of the committee are sought on whether the committee is satisfied with the update on progress and activity of the Staff Development Team.

Contact: Rachel Harker, Learning and Development Officer Tel No: (0191) 433 5379



Report to Resources and Audit Committee

9 March 2010

Title: Health and Safety Update

Report of: Director of Finance

Purpose of Report

1. To provide the Resource and Audit Committee with a report on the Company's Health and Safety activities.

Background

2. The Health and Safety ("H&S") team are responsible for a number of activities designed to eliminate, reduce and mitigate accidents in the workplace, safety of residents and members of the public who access our services and premises.
3. In addition to this the H&S team act in an advisory role to ensure companywide compliance with a number of statutory regulatory requirements including:
 - Occupational Health and Safety
 - Health and Safety Training
 - Occupational Hygiene.
4. They also have responsibility for the, planning, management and monitoring of cyclical maintenance of non-domestic areas to ensure the company's compliance with statutory regulatory requirements as follows:
 - Water Management - Risk assessments and water testing
 - Electrical Safety - Cyclical electrical testing, fixed wiring, portable appliances testing, and emergency lighting testing
 - Fire Safety - Risk assessment, maintenance, repair and testing of fire alarms and fire appliances
 - Passengers Lifts Operations - Lift Repairs, maintenance, refurbishment and upgrade to DDA standards.
5. Finally 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

H&S Policies and Procedures

6. A full review of all H&S policies and procedures is about to commence. Any amended policies will be presented to the Resources & Audit committee for scrutiny and then forwarded to the Board for approval. In addition an associated action plan will be developed and presented to the Resources & Audit committee meeting with a recommendation to monitor the action plan.

Gas Safety Policy

7. An updated policy is currently being developed. This policy contains policy and procedures which, to satisfy legal responsibilities, must be complied with by all employees and sub contractors who carry out duties with respect to the installation and use of gas at premises. The new policy will be presented to the Resources & Audit committee meeting for scrutiny and then approval by the Board.

Risk Assessment Annual Review

8. The annual review of H&S risk assessments will be completed by April 2010 and a summary of these assessments together with an associated action plan will be presented to the next committee meeting.

Accidents Update

9. There have been nine accidents reported during the first three quarters of 2009/10, of which one was reportable in line with RIDDOR.

Attached as the Appendix is a guide to The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR")

10. An analysis of the accidents was as follows
 - Sprain / Strain 4
 - Grazed skin / Abrasions 2
 - Fracture 2
 - Wrenched Body 1
11. The reportable accident related to a Building Surveyor fracturing their finger whilst taking a brick sample for a dampness test.
12. To date in the final quarter of 2009/10, five accidents have been reported, of which two were reportable in line with RIDDOR.
13. The reportable accidents related to
 - a. A Caretaker sprained their back whilst moving a rubbish bin
 - b. A Caretaker broke the tip of their finger whilst closing the bin hopper lid
14. All accidents are investigated by the H&S team, and any amendments to risk assessments are agreed with the relevant section. In addition to this further training has been delivered to the caretakers specifically around the hazards around bin areas in multi storey buildings.

Health and Safety Training Summary

15. The following table summarises the training that has been delivered in the period from September 2009 to February 2010: -

Course	Number of attendees
Conflict Resolution	10
Manual Handling	19
Principles of Risk Assessment	40
Stress Awareness	18
Asbestos Awareness	30
Substance and Bio Hazard	12
One Day First Aid	30
Conflict Resolution	10

Asbestos Management

16. In January 2010 the HSE released guidance to asbestos surveyors setting out changes to the survey process and extending the duty to manage to all properties. As a result of these changes we have been working with our contractor to update the following documents:
- Review of the Asbestos report format
 - Conversion of all asbestos records to the new format
 - Update of the Secure Website.
17. Following the release of the HSE Asbestos Survey guidance, the Company Asbestos Plan is being reviewed and updated to reflect the changes. The draft document is being presented to the Health and Safety Advisory Group for discussion
18. Following the comments in the recent internal audit report around poor record keeping, changes were made immediately to ensure that the asbestos register was being kept up to date on a daily basis.

Fire Safety

19. Fire Safety Inspections of Multi Storey blocks, Sheltered Schemes and Communal Lounges in conjunction with the annual review of fire risk assessments are currently underway in partnership with the Tyne & Wear Fire & Rescue Service ("TWFRS") and scheduled to be completed by May 2010.
20. Following a fire in the communal areas of Milford Court, the inspection regime will be extended to all Low and Medium rise buildings. Fire Risk Assessments will be carried out and fire safety defects identified and rectified. The cost of this work will be met out of the Company's capital programme.
21. Inspections to several building duct areas have identified a potential fire risk hazard to residents and workers. Work is currently being planned in partnership with TWFRS to resolve this issue.

Legionella Control

22. Monthly meetings with our maintenance contractor are on going and no significant risks have been identified. Water testing is currently being undertaken in all the buildings to determine bacterial levels.

Management of Passengers Lifts

23. So far this year there have been no reports of lifts breaking down with passengers inside the lifts.
24. A programme of lift refurbishment is currently being developed which will set out priorities for future consideration based on recommendations from our insurers. This will then form part of the ongoing capital needs for the future.

DDA Update

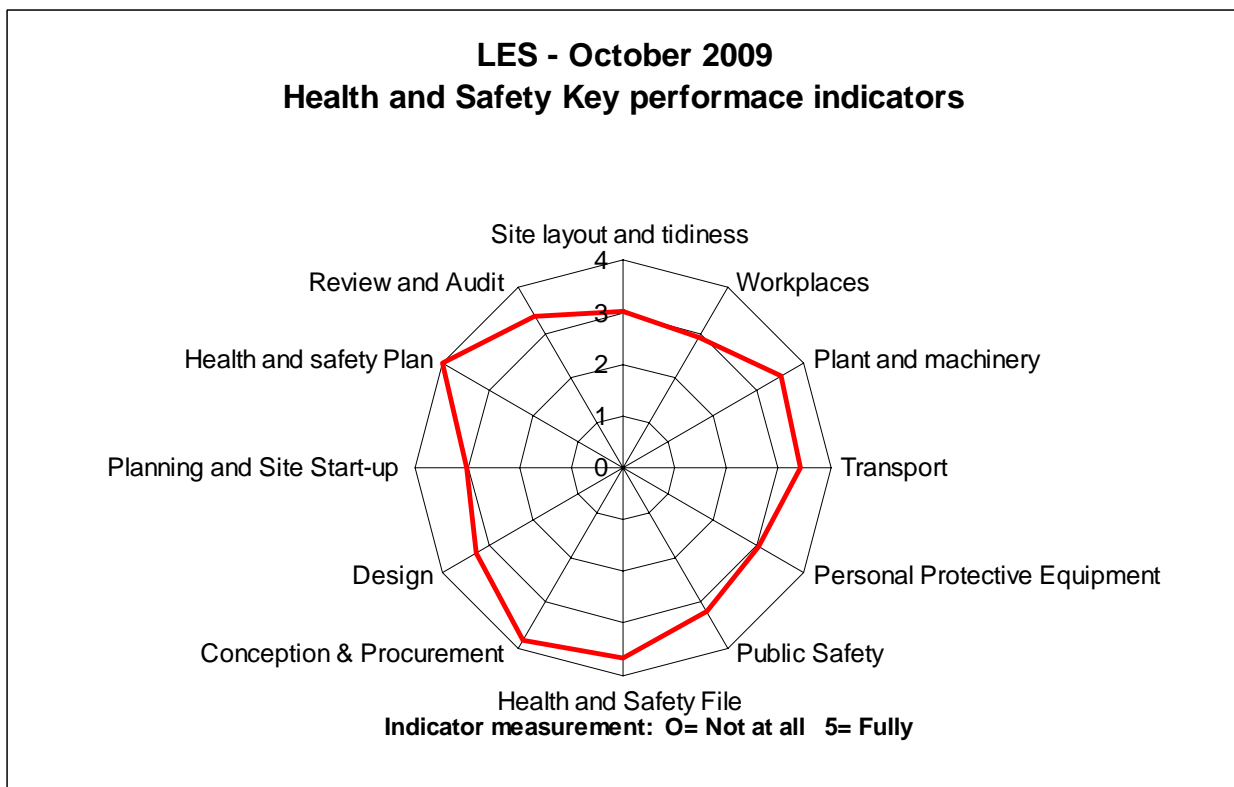
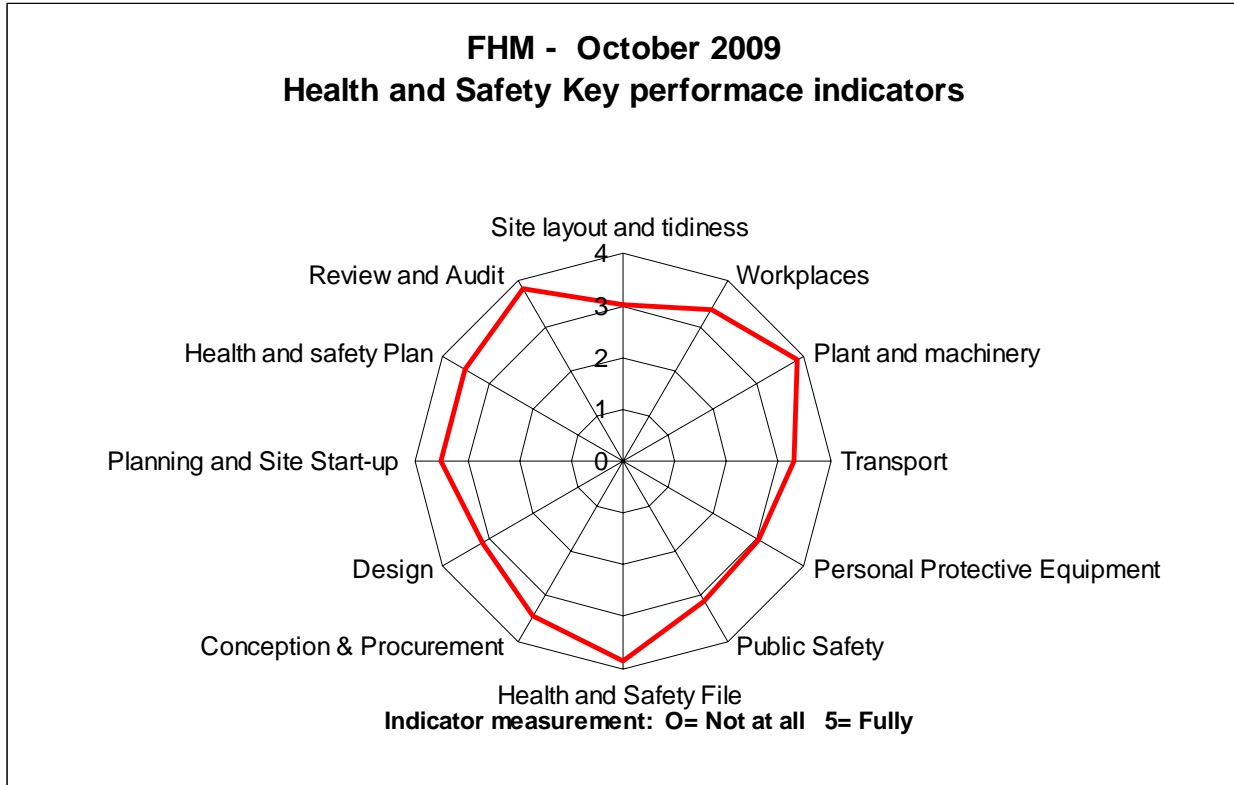
25. Accessibility Works in the following buildings have been completed during the current financial year:
- Mulgrave Villas Communal Lounge and Communal Areas
 - Regent Court Communal Areas and Car Park
26. In January 2010 DDA works have started in the following buildings:
- Bensham Court Communal Lounge
 - Milvain Communal Lounge
 - Rectory Hall Communal Lounge
 - Mosspool Communal Lounge

These works are due to be complete in April 2010.

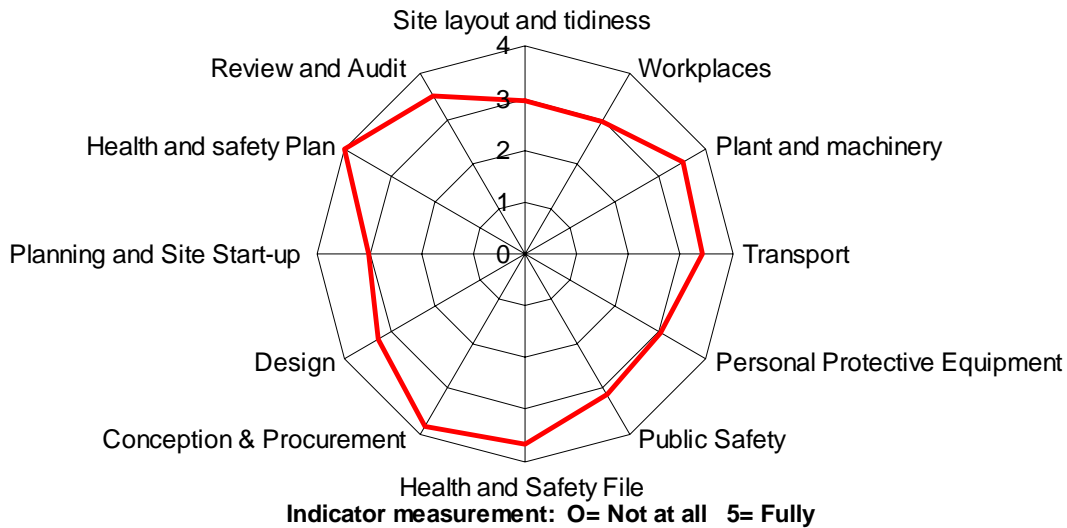
All of these works have been funded out of the DDA communal areas capital budget held by the council. The work has been prioritised in consultation with the Older Persons team and where possible linked into when Decent Homes work has been carried out.

Overall Safety Performance Audit for the Partnering Contractors

27. The following three spider graphs highlight the Health & Safety performance of our three Decent Homes partners. As you can see from the graphs below there are currently no areas of concern.
28. These audits are carried out on a quarterly basis.



Morrison - October 2009
Health and Safety Key performance indicators



Links to Values

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

- Being honest, accountable and transparent
- Being motivated, trained and committed across the company
- Being caring and respecting
- A commitment to all our employees
- Embracing equality.

Impact on Customers

30. Any improvements carried out to multi-storey blocks and communal lounges will provide increased accessibility to our services.

Risk Management Implications

31. All Health and Safety Risks are managed through the Company's Risk Management process.

Financial Implications

32. The Director of Finance confirms that all costs relating to all the activities mentioned within this report have been provided for in either our revenue or capital budgets.

Value for Money Implications

33. All works carried out identified in this report have been procured on a value for money basis.

Equality and Diversity Implications

34. 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.

Consultation carried out

35. Whilst there is no consultation carried out directly linked to H&S work, if the work carried out is part of a bigger improvement scheme residents would be consulted as part of that scheme.

Recommendation

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



What is RIDDOR?

- Who should report an incident?
- Why should I report?
- What is the Incident Contact Centre (ICC)
- How does the ICC work?
- How do I contact the ICC?
- What must I report?
- When do I need to make a report?
- What records do I need to keep?

Who should report an incident?

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), place a legal duty on:

- employers;
- self-employed people;
- people in control of premises;

to report **work-related deaths**^[1], **major injuries**^[2] or **over-three-day injuries**^[3], **work related diseases**^[4], and **dangerous occurrences (near miss accidents)**^[5]. The easiest way to do this is by calling the Incident Contact Centre (ICC) on **0845 300 99 23** (local rate). You will be sent a copy of the information recorded and you will be able to correct any errors or omissions.

NB. Copies of submitted RIDDOR forms are sent to the employers / dutyholders regardless of who has submitted the report.

Why should I report?

Reporting accidents and ill health at work is a legal requirement. The information enables the Health and Safety Executive (HSE) and local authorities, to identify where and how risks arise, and to investigate serious accidents. We can then help you and provide advice on how to reduce injury, and ill health in your workplace.

For most businesses, a reportable accident, dangerous occurrence, or case of disease is a comparatively rare event. However, if it does happen, please let us know.

What is the Incident Contact Centre (ICC)?

The ICC is a 'one-stop' reporting service for work-related health and safety incidents in the UK. It was established on 1 April 2001 and is a primarily a call centre, open from Monday to Friday between 8:30am and 5:00pm. If you wish to speak to an ICC operator, just call 0845 300 99 23. All information will remain confidential.

How does the ICC work?

The responsible person, usually the employer or person in control of the premises, must report all incidents and keep appropriate records. The quickest and easiest way to do this is to call the Incident Contact Centre on 0845 300 99 23 with no need to fill in a report form. The ICC Consultant will ask a few questions and take down

appropriate details, this is reporting. Your report will be passed on to the relevant enforcing authority. You will be sent a copy of the information recorded which you can file - this meets the RIDDOR requirement to keep records of all reportable incidents. It's as easy as that. When you receive a copy of the information recorded, you will be able to correct any errors or omissions.

You can also report by completing an [interactive form](#)^[6] which automatically sends you a copy for your records.

Reports are also accepted via [email](#)^[7] or [post](#)^[8] to the ICC.

How do I contact the ICC?

- By phone: **0845 300 99 23 (local rate)**
- Online: [HSE RIDDOR - Report online](#)^[9]
- By email: riddor@connaught.plc.uk
- By Post: Incident Contact Centre, Caerphilly Business Park, Caerphilly CF83 3GG.

What must I report?

As an employer, a person who is self-employed, or someone in control of work premises, you have legal duties under RIDDOR that require you to report and record some work-related accidents by the quickest means possible.

You must report:

- deaths;
- major injuries;
 - over-3-day injuries – where an employee or self-employed person is away from work or unable to perform their normal work duties for more than 3 consecutive days;
- injuries to members of the public or people not at work where they are taken from the scene of an accident to hospital;
- some work-related diseases;
 - dangerous occurrences – where something happens that does not result in an injury, but could have
- done;
 - Gas Safe registered gas fitters must also report dangerous gas fittings they find, and gas
- conveyors/suppliers must report some flammable gas incidents.

RIDDOR applies to all work activities but not all incidents are reportable. If someone has had an accident in a work situation where you are in charge, and you are unsure whether to report it just call the Incident Contact Centre (ICC) on 0845 300 99 23. .

You can also find details of reportable incidents by looking at RIDDOR in [more detail](#)^[10].

Information supplied to HSE in a RIDDOR report is **not** passed on to your insurance company. If you think your insurer needs to know about a work related accident, injury, or case of ill health please remember to contact them separately - insurers have told us that reporting injuries and illnesses at work to them quickly could save you time and money.

When do I need to make a report?

Although the Regulations specify varying timescales for reporting different types of incidents, it is advisable to ring and report the incident as soon as possible by calling the Incident Contact Centre on 0845 300 99 23.

In cases of death, major injury, or dangerous occurrences, you must notify the enforcing authority without delay,

most easily by calling the Incident Contact Centre on 0845 300 99 23.

Cases of over-three day injuries must be notified within ten days of the incident occurring.

Cases of disease should be reported as soon as a doctor notifies you that your employee suffers from a reportable work-related disease.

What records do I need to keep?

You must keep a record of any reportable injury, disease or dangerous occurrence. This must include the date and method of reporting; the date, time and place of the event; personal details of those involved; and a brief description of the nature of the event or disease.

You can keep the record in any form you wish. You could, for example, choose to

keep your records by:

- keeping copies of report forms in a file;
- recording the details on a computer;
- using your Accident Book entry;
- maintaining a written log.

If you choose to report the incident by telephone or through this web site, the ICC will send you a copy of the record held within the database. You will be able to request amendments to the record if you feel the report is not fully accurate.

Link URLs in this page

1. <http://www.hse.gov.uk/riddor/guidance.htm#reportable>
work-related deaths
2. <http://www.hse.gov.uk/riddor/guidance.htm#reportable>
major injuries
3. <http://www.hse.gov.uk/riddor/guidance.htm#threeday>
over-three-day injuries
4. <http://www.hse.gov.uk/riddor/guidance.htm#disease>
work related diseases
5. <http://www.hse.gov.uk/riddor/guidance.htm#dangerous>
dangerous occurrences (near miss accidents)
6. <http://www.hse.gov.uk/riddor/online.htm>
interactive form
7. <http://www.hse.gov.uk/riddor/report.htm#email>
email
8. <http://www.hse.gov.uk/riddor/report.htm#post>
post
9. <http://www.hse.gov.uk/riddor/online.htm>
HSE RIDDOR - Report online
10. <http://www.hse.gov.uk/riddor/guidance.htm>
more detail