



## The Gateshead Housing Company Resources Committee

Tuesday 25 February 2014 at 2pm  
Board Room 1, The Gateshead Housing Company, Keelman  
House, Fifth Avenue Business Park, Fifth Avenue, Team Valley  
Trading Estate, Gateshead NE11 0XA

### *Agenda*

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Item	Business
1.	<b>Apologies for Absence</b>
2.	<b>Declarations of Interest</b>
3.	<b>Membership</b> To note the following membership of the committee: - <ul style="list-style-type: none"><li>• John Hamilton (Chair)</li><li>• Robert Buckley</li><li>• Joachim Moussouanda Mouanda</li><li>• Sheila Bouitieh</li><li>• Kathryn Ferdinand</li><li>• Paul Foy</li><li>• George Clark</li><li>• Mick Davison</li></ul>
	<b><u>ITEMS FOR DECISION</u></b>
4.	<b>Appointment of Deputy Chair</b>
5.	<b>Minutes (Pages 3-10)</b> To approve as a correct the minutes of the meeting of the committee held on 5 November 2013

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Item	Business
6.	<b>Matters Arising</b>
7.	<b>Budget 2014-15 (Pages 11-15)</b> Report of Head of Corporate Services
8.	<b>Transfer of Accounts – Former Tenant Arrears (Pages 16-18)</b> Report of Head of Corporate Services
	<b><u>ITEMS FOR INFORMATION</u></b>
9.	<b>Management Accounts – Third Quarter 2013/14 (Pages 19-36)</b> Report of Head of Corporate Services
10.	<b>Sickness Absence and Human Resources Update (Pages 37-51)</b> Report of Support Services Manager
11.	<b>Health and Safety Update (Pages 52-58)</b> Report of Support Services Manager
12.	<b>Equality and Diversity Update (Pages 59-68)</b> Report of Involvement and Diversity Manager
13.	<b>Items for Future Agendas</b>
14.	<b>Date and Time of Meetings 2014/15</b> The following date and times are proposed for meetings of the committee in 2014/15: - <ul style="list-style-type: none"> <li>• Tuesday 6 May 2014 at 2pm</li> <li>• Tuesday 9 September 2014 at 10am</li> <li>• Tuesday 4 November 2014 at 2pm</li> <li>• Tuesday 24 February 2015 at 2pm</li> </ul>
15.	<b>Exclusion of the Press and Public</b> The committee may wish to consider excluding the press and public from the meeting during consideration of the remaining items in accordance with the indicated categories of the company's Access to Information Rules.



# The Gateshead Housing Company

Working with Gateshead Council

## RESOURCES COMMITTEE

5 November 2013

### PRESENT:

#### Directors

John Hamilton (Chair)  
Sheila Bouitieh  
Robert Buckley  
George Clark  
Kathryn Ferdinand  
Paul Foy  
Mick Davison

#### Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Kevin Johnson	Head of Customer Services
Natalie Hewitt	Head of Corporate Services
Jennifer Aston	Support Services Manager
Louise Taylor	Equality and Diversity Manager
Stuart Gibson	Governance and Risk Officer

### 25 DECLARATIONS OF INTEREST

No declarations of interest were declared.

### 26 MINUTES

The minutes of the last meeting of the committee held on 10 September 2013 approved as a correct record.

### 27 WHISTLEBLOWING POLICY

The Human Resources Committee approved an updated Whistleblowing Policy at its meeting held on 21 October 2009. The Policy has not been reviewed since then.

A recent Internal Audit review of counter fraud highlighted that the current policy needed updating, particularly in respect of changes introduced as a result of the Enterprise and Regulatory Reform Act 2013.

The Act made a number of changes to the present whistleblowing legislation. These changes took effect from 25 June 2013 and are now reflected in the policy.

An updated policy was submitted. Details of the key changes to policy were reported.

RESOLVED – That the Board be recommended to approve the updated Whistleblowing Policy, subject to

- The number of days that the Whistleblowing Officer will take to acknowledge a concern raised be reduced from '10 working days' to '5 working days'.
- The reference in the policy to dealing with serious or sensitive concerns about wrongdoings such as 'unauthorised use of TGHC money' being amended to 'unauthorised use of TGHC money or assets'.
- The reference to the 'HR and Admin Team' picking up messages in the Whistleblowing Officer's absence being amended to 'a nominated deputy'.
- Clarification being sought from the trade unions as to why they wanted disclosures to still to be made in 'good faith' and the policy be updated as necessary.

## **28 TRANSFER OF ACCOUNTS – FORMER TENANT ARREARS**

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

During this financial year, the sum of £116,095 has been recovered from former tenants. This transfer is the first of two instalments in 2013/14 and comprises of £171,551 debits and £88,153 credits.

Since April 2008, 1,454 cases considered unrecoverable through the internal recovery team and totalling £2,565,479 have been passed to external debt collection agencies. However, these agencies have only managed to collect £93,037 so far from transferred cases. The agency's fees are set at a flat rate of 22% regardless of their contact method. As a result, the Company will be retaining more cases regarded as unrecoverable or uneconomic to pursue internally as a further stage before being considered for transfer to a debtors account.

There are currently 244 cases where tenants have been declared bankrupt or have applied for debt relief orders and debts on their rent accounts have been transferred to separate bankruptcy accounts. The total outstanding on these accounts is £289,056. None of the debts on bankruptcy accounts have previously been transferred to a debtors account. The Company is currently in discussion with Gateshead Council as to how these accounts will be treated in the future.

RESOLVED – That Gateshead Council be recommended to transfer £83,398 of former tenants' arrears into a debtors account.

## **29 MANAGEMENT ACCOUNTS – SECOND QUARTER 2013/14**

The committee received an update on the management accounts for the second quarter of the financial year 2013/14 including the income and expenditure in relation to both revenue and repairs.

The revenue accounts show a surplus for the year so far of £70,000. This is mainly due to an increase in income received for the rent and income performance fee, which has increased from the budgeted figure of £650,000 to £759,000 for the year.

The repairs accounts are overspent based on forecasted budget to date. Income is matched against expenditure in repairs, so no overspend is shown. The current overspend against forecast is mainly due to an increase in the number of voids and an increase in the number of responsive repairs orders.

The Company is working closely with Mears and the Council to manage this budget effectively for the remainder of the year. A working group has been set up to look into the reasons behind the increase in repairs orders and how it can ensure that the overall spend with Mears is within budget by the end of the financial year.

The numbers of orders raised for vacant properties in the second quarter is 949 compared to 775 for the same period last year. This continues to be due to the impact of welfare reform changes on tenancy terminations.

If the current level of void expenditure continues, forecast spend is likely to be £5.47m by the year end compared to budget of £4.08m, a potential £1.39m overspend. Discussions are still ongoing with the Council around how any overspend will be funded at the year end and void expenditure continues to be closely monitored.

- RESOLVED – (i) That the management accounts for the second quarter 2013/14 be noted.
- (ii) That details of how the forecast for voids is calculated be reported.

## **30 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE**

The committee received an update on general human resources initiatives and developments from 1 April to 30 September 2013.

The total sickness absence for the period equates to 3.52 days per person compared to 4.22 days for the same period last year, which is a reduction of 16.59%.

Short term absence is defined as a period of less than 15 working days in duration and long term absence is greater than 15 days in duration. Short term absence for the period was 1.45 days per person and long term absence was 2.07 days. This compares with 1.47 days short term absence and 2.76 days long term absence for the same period last year. This represents a reduction of 1.36% in short term absence and a reduction of 25% in long term absence.

The biggest cause of absence was post operation recovery with 353 days lost compared to 236 days lost last year, an increase of 33.07%.

Stress related absence was 145 days for the period, compared to 590 for the same period last year. This equates to a 75.42% reduction.

134 days of stress related absence was reported as non work related stress, which equates to 92% as non work related absence and 8% work related absence.

The Company has held 13 short term sickness absence review meetings in the period, which resulted in three first written cautions and one second written caution being issued.

Four long term absence review meetings were held in the period and this has assisted the return to work of two of the employees.

Details of health and wellbeing initiatives, other human resources initiatives, worklife balance, investigation and disciplinary, grievances, bullying and harassment, probity incidents, recruitment, the Child Care Scheme, working with the Council's Economic Development Team and updated Redundancy and Redeployment Policies in line with the Council were reported. The health and wellbeing initiatives included the Company working towards the Better Health at Work Award with an assessment for Bronze level taking place in December 2013.

Details of learning and development activity including employee benefits, sharing best practice, Best Companies, IIP mini-diagnostic, coaching, qualifications, customer service training, health and safety and ICT training were also reported.

The committee felt that the Board needed to start dialogue with the Council's Director of Public Health and the links between housing and public health and impact of welfare reform on health. Reference was also made to recent discussions at the Health and Wellbeing Board around low level mental health. It was noted that the Public Health Team had sent out a flyer on developing strategies on low level mental health and the committee would receive feedback at its next meeting. In addition, it was noted that the Board had earlier agreed to begin dialogue with the Director of Public Health at its Planning Day, which is taking place on 9 December 2013.

- RESOLVED –
- (i) That the information be noted.
  - (ii) That the working towards the Better Health at Work Award be welcomed.
  - (iii) That the committee receive feedback on developing low level mental health strategies at its next meeting.

### **31 MEARS APPRENTICESHIPS**

Mears Plc outlined in the bid for the contract that they would build on their track record of investing in apprenticeships and work experience schemes by developing a Joint Employment Skills Plan (in conjunction with TGHC) . Mears

gave a commitment to employing a minimum of 1 apprentice per £1m annual turnover in Gateshead.

As a consequence, Mears has partnered with Gateshead College on both the recruitment process and the provision of relevant training courses for apprentices to support the delivery of the apprenticeship scheme. Details of background information on the 27 apprentices currently employed within Mears were reported.

To support the delivery of the apprentice scheme Mears and Gateshead College have developed an apprenticeship scheme and introduced an apprenticeship selection process, details of which were also reported.

Gateshead College have recently nominated Mears as the Employer of the Year in the National Apprentice Awards.

A regular meeting has been established with Gateshead Council's job linkage team, Mears and TGHC to review the development of the apprenticeship scheme and consider the contribution Mears make to the training and skill development of their workforce.

Discussions are underway with Mears, Gateshead College and Gateshead Council regarding February 2014's intake of apprentices.

RESOLVED – That the apprentice activity undertaken by Mears Plc in partnership with Gateshead College linked to the repairs contract in Gateshead be noted.

## **32 HEALTH AND SAFETY UPDATE**

The committee received an update on health and safety activities for the period July to September 2013.

A review of the corporate risk assessment to develop a simplified user friendly process has started.

The Company continues to monitor and review all asbestos incidents and work closely with Mears Safety Advisors for continued compliance and safe systems of working.

A number of joint health and safety site visits have taken place with Mears and no significant areas of weakness were identified. A number of minor recommendations and areas of improvement have been agreed for implementation.

There have been seven minor accidents to TGHC employees and no major accidents were reported. There have been 11 minor accidents to 3<sup>rd</sup> party/sub-contractors and one major accident reported. There have been three near misses reported where operatives have encountered suspicious material, later identified to contain asbestos.

During the period, Gateshead Council has carried out an internal audit of the Asbestos Management process. Three medium priority recommendations were identified.

During the period, there were four reported incidents of accidental disturbance of Asbestos Containing Materials. Incident reviews have taken place with partners to mitigate further risk and prevent reoccurrence.

A Fire Safety Management Policy has been developed with the Tyne and Wear Fire and Rescue Service (TWFRS) setting out the Company's approach to fire safety management in compliance with the Fire Safety Order 2005.

There have been joint visits of the Company and TWFRS in Sheltered Housing and the work programme for the buildings is progressing with several schemes completed during this reporting period.

Fire safety improvement works to 19 Multi Storey Blocks are now complete with the handover of Regent Court sprinkler system.

To date, 13 out of 25 water hygiene risk assessments have been completed in High Rise Buildings and 17 out of 42 low medium rise and Sheltered Housing have been completed. A schedule of proposed recommendations from findings are currently being considered and remedial works planned.

The periodical meetings with Gateshead Council's Local Environmental Services and TGHC are progressing with the monitoring of the delivery of the cyclical maintenance programme for 2013-14.

There were seven reported lift entrapments in the period with passengers being released to the agreed service standard response time.

There are 10 construction related projects ongoing with notifications to the HSE. During this period, joint visits to working sites have taken place and found to be working to agreed site rules and regulations.

The committee received an update on Health and Safety Legislation Changes. In particular, it was noted that the Health and Safety Executive (HSE) has formally implemented changes to simplify the mandatory reporting of workplace injuries for businesses and formally implemented changes to simplify First Aid Regulations.

RESOLVED – That the information be noted.

### **33 EQUALITY AND DIVERSITY – UPDATE**

The committee received a summary of equality and diversity work within the organisation in 2013/14 to date.

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

In respect of the goal to maintain a corporate commitment to equality issues, information around leadership, procurement and contractors, the review of the Single Equality Scheme and the Annual Report were reported.



In respect of the goal to work in partnership with customers and stakeholders to deliver equitable services, information around knowing our customers, the Community Fund and supporting national diversity events were reported.

In respect of the goal to being an equal opportunities employer with a representative workforce, information around personal detail reviews, the Stonewall Workplace Equality Index and Mears Employability Project Work were reported.

- RESOLVED –
- (i) That the information be noted.
  - (ii) That an update on the Sheltered Scheme tenant led budget be reported to Customers and Communities Committee.

### **34 HOUSEMARK BENCHMARKING RESULTS 2012/13**

The committee received the cost and performance information as detailed in the '2012/13 HouseMark Summary of Benchmarking Results' report.

Housing providers are able to choose which peer group to benchmark against and to maintain consistency the Company decided to benchmark initial 2012/13 data against the same Metropolitan peer group used in previous reports.

HouseMark have also offered to develop further bespoke benchmarking reports for 2012/13. These reports will be available in November 2013 and the Company has chosen to benchmark against all ALMO organisations.

The report showed a Value for Money and Performance Summary for the main business activities of the organisation. This included Overheads, Major Works and Cyclical Maintenance, Responsive Repairs and Voids, Housing Management and Estate Services.

Cost and performance data was categorised into quartiles and traffic light indicators were used as per convention to signify high performance and low cost as green, however, average or higher than average costs might be acceptable or even desirable where this was consistent with furthering business objectives, performance or user satisfaction.

- RESOLVED –
- (i) That the findings of the report be noted.
  - (ii) That the committee receive a report at a future meeting on measures the Company has taken to address the less positive findings where the Company is in a lower quartile.

### **35 DATE AND TIME OF NEXT MEETING**

The next meeting of the committee will be held on Tuesday 25 February 2014 at 2pm.

**36 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with Category 1 of the Company's Access to Information Rules.

## Report to Resources Committee

25 February 2014




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**Title:** Budget 2014-15

**Report of:** Head of Corporate Services

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### **Purpose of Report**

1. To make a recommendation to the Board to approve the company's budget for 2014/15.

### **Background**

2. Following the submission of the Company's management fee paper and subsequent meetings, the Council has agreed in principle to pay the company fees totalling £30.561 million for the 2014/15 financial year, consisting of £13.206 million for the management fee and £17.355 million for the repairs fee.
3. Whilst we are still awaiting formal confirmation from the Council we have prepared a budget for scrutiny by the Committee based on our expectation of the likely level of fees.
4. A statement showing the proposed balanced budget for 2014/15 together with, for comparison purposes, the 2013/14 annual budget is attached as an Appendix to this report.

### **Proposed Budget - Management**

5. Whilst preparing the budget for 2014/15 we have again undergone a zero based approach rebuilding the budget by focusing on the tenant priorities identified in the latest tenant survey and ensuring that service plan priorities have been taken into account.
6. We have produced a staffing budget based on the latest structure which includes all proposals agreed at previous Committee meetings. We have removed costs associated with some of our current vacant posts that we do not expect to fill to enable the budget to balance.
7. Any additional resource requirements will need to be met through service reviews and realigning our staffing structures. This may potentially redirect resources into areas that require additional resources to ensure we continue to provide services in line with our customers' needs.

8. The overhead budgets have been produced based on a number of assumptions. Some of the significant assumptions are as follows: -
- We have removed the income received for the Rent and Income Performance as we are now proposing this is consolidated into the overall management fee we receive from the Council.
  - We have included the projected income we will receive for the management of the ECO works and for the New Build developments we will manage on behalf of Keelman Homes.
  - We have increased the company's pension contribution rates by 0.5% as per the advice from the Tyne and Wear Pension Fund
  - We have not allowed for inflationary increases as a matter of course – we have provided for an inflationary increase on electricity charges of 10.9% and gas charges of 2.8%, based on advice from the Council's Energy Team, and water charges of 1.6%, based on advice from Northumbrian Water.
  - We have linked budgets which directly reflect the numbers of staff (such as car leasing, vehicle rental, car mileage and telephone costs) to changes in staff numbers.
  - We have reduced the budget for depreciation as a number of our assets are now fully depreciated, and we no longer are required to charge depreciation on Keelman House following our move to the Civic Centre.
  - We have updated the budgets around costs associated with Keelman House such as security, recycling and building maintenance following our move to the Civic Centre.
  - We have agreed with the Council that the Service Level Agreement costs will not be increased in 2014/15, other than the building cleaning SLA which has been increased by 2%. This has been reflected in the budget.
  - We have increased the insurance budget from £200k to £350k to cover the increase in insurance premiums and higher value of outstanding claims.
  - We have updated budgets in relation to the employment costs recommendations made at the previous Resources Committee in November.
  - We have rationalised budgets such as training, communications and ICT where more innovative ways of working and successful negotiations with suppliers will reduce overall spend going forward.

### **Proposed Budget – Repairs**

12. The repairs fee has been agreed with the Council as a decrease on the 2013/14 fee to reflect the 2% savings proposed in the Mears tendered price. Fees for work with LES and other contractors have remained at 13/14 levels.
13. The majority of the repairs fee is spent on works which fall under the repairs and maintenance contract. The repairs budget is therefore primarily based on the tendered price submitted by MEARS, including the tendered efficiency saving, and the proposed level of works required with LES and other contractors.
14. The following budgets are linked to the MEARS contract – Responsive Repairs, Relets, Gas Servicing, Solid Fuel Testing, Electric Circuit Testing and Painting. LES and other contractors carry out works mainly in relation to Responsive Repairs, Relets, Cyclical Repairs, Water Hygiene Testing, Lift Maintenance and Security.

15. We will be managing the repairs budgets closely to ensure that we bring these budgets in on target.
16. A copy of the repairs budget for 2014/15 is attached at the Appendix.

#### **Link to values**

17. 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**

18. 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**

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

#### **Financial Implications**

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

#### **Equality and Diversity Implications**

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

#### **Value for Money implications**

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

#### **Health implications**

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

#### **Environmental implications**

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

#### **Consultation carried out**

25. 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.

## Recommendations

26. The committee is asked to:

- recommend to the Board approval of the revenue and repairs budgets for 2014/15 subject to formal confirmation of the fees by the Council;
- receive further updates about any subsequent changes to the budget.

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Contact: Natalie Hewitt, Head of Corporate Services

Tel No (0191) 433 5350

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The Gateshead Housing Company

APPENDIX

REVENUE	2013/14 Budget	2014/15 Budget	Notes
<b>Income</b>			
Management Fee	12,833,000	13,206,000	To be agreed with the Council
Officer Costs	1,000,000	1,000,000	In line with the budgeted Capital Programme and New Build Programme
External Funding	113,000	200,145	Income for the management of third party properties
RAIT	650,000	0	Performance Fee now consolidated into overall Management Fee
<b>Total Income</b>	<b>14,596,000</b>	<b>14,406,145</b>	
<b>Employee Costs</b>			
Total Employee Costs	9,381,000	9,420,619	Based on the current structure, zero budgeted posts and no pay increase
<b>Overhead Costs</b>			
Total Overhead Costs	5,215,000	4,985,526	Based on zero based budget approach
<b>Management Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	
<b>REPAIRS</b>			
Management Fee	17,627,000	17,355,000	To be agreed with the Council
Capitalisation	1,500,000	1,500,000	In line with the budgeted capital programme
Repairs Spend	19,127,000	18,855,000	Based on reduced responsive repairs and relets budget
<b>Management Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	

## Report to Resources Committee

25 February 2014



**Title:** Transfer of Accounts – Former Tenants Arrears

**Report of:** Head of Corporate Services

### Purpose of Report

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

### Background

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

### Summary

3. In 2012/13, a total amount of £276,129 owed by 473 former tenants was transferred in two instalments of £167,657 and £108,472.
4. During this financial year, the sum of £228,057 has been recovered from former tenants, including £41,230 relating to previously transferred accounts, which have been reinstated for recovery purposes.
5. Using the following criteria, it is proposed that 693 cases totalling £485,584 in value should be recommended for transfer. This transfer is the second of two instalments in 2013/14:

	<b>No of cases</b>	<b>Value £</b>
Debts created before 1 January 2008	251	172,663
Debts created after 1 January 2008 but no forwarding address is known or not at the forwarding address	64	84,563
Amounts considered unrecoverable or uneconomic to pursue including deceased, no next of kin, no estate, credits, etc.	378	228,358



6. Since April 2008, 1,552 cases considered unrecoverable through the internal recovery team and totalling £2,827,704 have been passed to external debt collection agencies. These agencies have managed to collect £153,879 so far from transferred cases.
7. As detailed in previous reports, the agency's fees are set at a flat rate of 22% regardless of their contact method. As a result, we will be passing more cases regarded as unrecoverable or uneconomic to pursue internally as a further stage before being considered for transfer to a debtors account.

### **Bankruptcy**

8. For information, there are currently 265 cases where tenants have been declared bankrupt or have applied for debt relief orders and debts on their rent accounts have been transferred to separate bankruptcy accounts. The total outstanding on these accounts is £298,626. None of the debts on bankruptcy accounts have previously been transferred to a debtors account. We are currently in discussion with Gateshead Council as to how these accounts will be treated in the future.

### **Link to values**

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

### **Impact on tenants**

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

### **Risk Management Implications**

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

### **Financial Implications**

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

### **Equality and Diversity Implications**

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

### **Value for Money implications**

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

### **Environmental Implications**

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

### **Health Implications**

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

### **Consultation carried out**

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

### **Recommendation**

18. It is recommended that the committee propose to Gateshead Council a transfer of former tenants' arrears into a debtors account of £485,584.

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Contact: Jeff Tudor, Senior Finance Officer

Tel No: (0191) 433 5361

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## Report to Resources Committee

25 February 2014

**Title:** Management Accounts – Third Quarter 2013/14

**Report of:** Head of Corporate Services

### Purpose of Report

1. To provide the Committee with an update on the management accounts for the third quarter of the financial year 2013/14.

### Background

2. The Accounts Team produces monthly management accounts which detail the actual charges for the month, the year to date charges and the budget year to date. This shows the variance and the forecasted budget. This report has been included in the Appendix to this report.
3. The Board agreed the budget for 2013/14 at its meeting on 21 March 2013.

### Management Accounts

4. The Council agreed to pay the company fees totalling £33.61m for the 2013/14 financial year. This consists of £12.833m for the Management Fee and £19.127m for the Repairs Fee, £1m for the Company to manage the capital programme and a Rent and Income Performance fee expected at £650,000.
5. The Company has also budgeted to receive £113,000 in income in 2013/14 in relation to rent at Keelman House, management fees for managing other properties and additional fees for welfare reform advisors.
6. The total revenue budget for 2013/14 is therefore £14.596m and the repairs budget £19.127m.
7. As detailed in the budget report, the proposed budget, similar to the prior year, includes a review of current vacancies and some of these posts have been included in the budget at zero cost.
8. The budget agreed by the board on the 21<sup>st</sup> March contained a deficit of £4,622. Following the board meeting we received further information which has now allowed a balanced budget to be set. We received confirmation of

the additional pension contributions figure for the year which was £4,700 less than originally forecast.

9. There was also a reduction in the number of employees who were part of the lease car scheme which reduced the lease car costs by £3,200. This budget was moved to increase the human resources budget for staff welfare and healthy lifestyle pilots by the same amount.
10. The 2013/14 repairs fee has been agreed as a decrease on the 2012/13 fee to reflect the 3% savings proposed in the Mears tendered price as a result of efficiencies.
11. The Management Accounts for the third quarter of the financial year 2013/14 are included within the Appendix to this report. The Management Accounts include the income and expenditure in relation to both revenue and repairs up to the end of December 2013.
12. The Management Accounts Revenue shows a surplus for the year so far of £16,000. This is mainly due to an increase in income received for the Rent and Income Performance Fee. This has increased by £109,000 for the year, from the budgeted figure of £650,000 to £759,000.
13. This increased income is offset by an increase in expenditure in relation to overhead costs which are £103,000 over budget at the third quarter. This is mainly due to a significant increase in the cost of insurance claims, where spend is at £272,000 for the third quarter compared to an annual budget of only £200,000, and a payment of £77,622 for Carbon Reduction Commitment (CRC) fees. The CRC charges relate to 2012/13 fees which were not recharged from the Council last year and for which there is no budget provision. In addition, we have been made aware that there is a further 2013/14 CRC charge of approximately £100,000 for which we are now liable. Discussions are ongoing with the council regarding budget provision for these charges going forward.
14. The overall position for repairs at the end of the third quarter is an overspend of £290,000. There are two areas of concern that are being closely monitored in partnership with the Council and Mears – Responsive Repairs Mears and Relets Mears. Further detail is included below highlighting the actions that are currently being undertaken to minimise the risks to our budget.
15. We are currently anticipating to be overspent by £520,000 by the end of the financial year. Senior Officers of the Council and TGHC are meeting on 24<sup>th</sup> February to discuss this projected overspend and a verbal update will be given at the Committee to keep members up to date with progress made.
16. The numbers of orders raised for vacant properties continues to rise and is now at 1,429 in the third quarter compared to 1,254 for the same period last year. This continues to be due to the impact of welfare reform changes on tenancy terminations. Discussions are still ongoing with the Council around how any overspend will be funded at the year end and repairs expenditure continues to be closely monitored.

### **Link to values**

17. 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**

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

### **Risk Management Implications**

19. Regular and accurate monitoring will ensure that the strategic risk within the business plan (insufficient available financial resources) is effectively controlled.
20. Current and proposed changes as part of Welfare Reform have impacted on void expenditure and will need to be closely monitored throughout the year to ensure any potential overspends are mitigated.

### **Financial Implications**

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

### **Health Implications**

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

### **Equality and Diversity Implications**

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

### **Value for Money implications**

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

### **Environmental Implications**

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

### **Consultation carried out**

26. None directly for this report.

## **Recommendation**

27. The committee's views are sought as to whether it is satisfied with the financial management of the Revenue and Repairs budgets for the third quarter of the 2013/14 financial year.

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Contact: Natalie Hewitt, Head of Corporate Services

Tel No: (0191) 433 5350

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**The Gateshead Housing Company  
Management Accounts – December 2013**

**Revenue and Repairs Executive Summary**

1. The management accounts for the third quarter of the 2013/14 financial year are shown below:

	<b>YTD Actual £'000</b>	<b>YTD Budget £'000</b>	<b>YTD Variance £'000</b>	<b>Annual Budget £'000</b>
<b>Management Fee</b>				
Income	11,029	10,947	82	14,596
Employee Costs	6,999	7,036	37	9,381
Overhead Costs	4,014	3,911	(103)	5,215
<b>Surplus/(Deficit)</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>
<b>Repairs Fee</b>				
Repairs Management Fee	13,223	13,223	0	17,627
Capitalisation	1,500	1,125	375	1,500
Insurance funded repairs	96	0	96	0
Repairs Costs	15,109	14,348	(761)	19,127
<b>Surplus/(Deficit)</b>	<b>(290)</b>	<b>0</b>	<b>(290)</b>	<b>0</b>
<b>Overall Annual Surplus/(Deficit)</b>	<b>(274)</b>	<b>0</b>	<b>(274)</b>	<b>0</b>

2. The revenue budget to the third quarter shows a surplus of £16,000. The surplus is mainly due to increased income from the Rent and Income Performance Fee, which has increased from the budgeted figure of £650,000 to £759,000.
3. The repairs budget is overspent at the end of the third quarter by £290,000. We are closely monitoring and working with the Council and Mears to ensure that the financial pressures due to welfare reform on the voids budget and the responsive repairs carried out to date do not adversely impact on the overall budget for the year.

## Income

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
<b>INCOME</b>				
Management Fee	9,625	9,625	0	12,833
Officer Costs	750	750	0	1,000
Management Fee from external bodies	16	16	0	21
Gardening Service Income	1	1	0	2
Rent	28	28	0	38
Performance Fee	569	488	81	650
Welfare Reform Officers	38	39	(1)	52
Feed in Tariffs	2	0	2	0
<b>Total Income</b>	<b>11,029</b>	<b>10,947</b>	<b>82</b>	<b>14,596</b>

4. Overall income for the third quarter is over target by £82,000, and is expected to come in £109,000 over target for the year, due to the increased income from the Rent and Income Performance Fee.
5. The Management Fee is in relation to the everyday management of Gateshead Council's properties. This was calculated based on the previous year's fee less an efficiency target of 1.41% savings.
6. The Officer Costs are for the work carried out in relation to managing the capital programme on behalf of the Council. This fee covers the staffing and overheads required to manage the programme. This fee equates to 5% of the overall capital programme.
7. The Management Fee from external bodies relates to the fee received by the company for undertaking the day-to-day management of properties on behalf of the company's subsidiary Keelman Homes and another local housing provider.
8. The Gardening Service income is an additional income amount agreed with Gateshead Council's Housing Options section. This income is received for the use of the Handyperson service to undertake grass cutting and other gardening services for the homeless section properties.
9. Rent relates to the £38,000 rent received for the section of Keelman House that has been sub-leased to NEPO. As NEPO moved out of Keelman House at the end of January we will only receive 10 months of rental income, therefore the income received will be under budget by £6,250 for the year.
10. The Performance Fee is in relation to the work that the rent and income teams undertake in the collection of rent and service charges. We have reached an agreement with the Council that if the rent and income teams collect rent and service charges over and above the national collection rate target we have a profit sharing arrangement where we receive 50% of the income collected over and above this target. This is paid annually in arrears and this is the fee due for



collection rates in 2012/13. The actual performance in 2012/13 was better than expected when the budget was set and therefore the actual income will be £759,000, an increase of £109,000 on the budgeted figure.

11. The Welfare Reform Officer income is funding we have received to employ 2 Advice and Support Officers to assist tenants who will be affected by welfare reform changes. The 2 officers started in post in February 2013 and the income is to pay for their salary costs incurred this year. This income is slightly under budget at the end of quarter 3 as the salary costs incurred by the 2 Advice and Support Officers have been slightly less than budgeted for.
12. The feed in tariff income of £2,000 relates to income we receive for the electricity generated by the photovoltaic panels on the 3 new build properties at High Lanes.

### Staff Costs

13. Staff Costs are broken down as follows:

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
<b>Employee Costs</b>				
Customer Services	2,327	2,340	13	3,120
Neighbourhood Services - HQ	763	767	4	1,023
Investment & Development Services	569	571	2	761
<b>Customers and Communities sub total</b>	<b>3,659</b>	<b>3,678</b>	<b>19</b>	<b>4,904</b>
HR, Admin and Health & Safety	362	368	6	490
Finance	902	918	16	1,224
<b>Corporate Services sub total</b>	<b>1,264</b>	<b>1,286</b>	<b>22</b>	<b>1,714</b>
Neighbourhood Services - areas	2,076	2,072	(4)	2,763
<b>Total Employee costs</b>	<b>6,999</b>	<b>7,036</b>	<b>37</b>	<b>9,381</b>

14. Salary costs are underspent for the third quarter. The staff budget is based on the current structure but a number of vacant posts have been held at zero budget and therefore, they will not be appointed to during the year. This was to enable budgets to breakeven. As service areas are reviewed, restructures will be brought to this committee for approval to ensure that any vacant posts which are not required are deleted.
15. When the budget was set it was assumed that no pay increase would be awarded in 2013/14, however a 1% pay increase has now been awarded to all employees backdated to the 1<sup>st</sup> April 2013. Had this pay award been added to the budget the staffing budget would have been increased by £94,000.

16. Since the 2013/14 management fee was set, the company has agreed with the council that we will not receive any additional management fee to cover the pay award but instead will look to fund the cost from savings made through vacant posts and the additional income received from the Rent and Income Performance Fee.
17. At the end of the second quarter we reported the main area where staff costs were overspent was in Finance. This overspend related to a one off payment of £18,972 made in relation to outstanding equal pay claims. Following discussions with the Council they have agreed to pick up these costs. The current salary slippage is due to posts being held vacant in the Performance Team and Communications Team and from vacant posts in the Finance and Leasehold Teams earlier in the year.
18. There is an overspend in the Neighbourhood Services – areas staffing budget due to one-off holiday payments made to concierges who left the company (following the concierge restructure) and agency staff employed to cover long term sickness for customer-facing roles in the housing offices. This overspend has reduced by £3,000 since the second quarter as the employees who were on long term sick have now returned and the agency workers contracts have ended.
19. There is an underspend on staff costs in the Customer Services section, which is mainly due to the restructure being carried out within the Repairs Section. Vacant posts are being held whilst the restructure and subsequent filling of posts takes place.
20. During the third quarter we did not incur any agency costs and the spend remains the same as at the end of the second quarter of 2013/14 at £39,000, this is a decrease on the same period in 2012/13 when the spend was £54,000. 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.
21. The agency staff costs mainly relate to work in the Housing Offices to cover long term sick and to cover vacant posts in the Older Person's Team and Finance Team whilst recruitment takes place.

## Overhead Costs

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
<b>Overhead Costs</b>				
Customers and Communities HQ Total	198	214	16	286
Corporate Services Total	3,055	2,926	(129)	3,902
Customers and Communities Area Costs	761	770	9	1,027
<b>Total Overhead Costs</b>	<b>4,014</b>	<b>3,910</b>	<b>(104)</b>	<b>5,215</b>

22. Overhead costs are overspent at the third quarter. We expect that this budget will be overspent at the year end but this should be offset by the underspend on salaries and additional income received.
23. An analysis of overhead spend against budget is included within Appendix 1. Appendix 2 shows a pie chart of areas on which the HQ Overheads have been spent.
24. Budget Holders are accountable for their budgets and receive monthly management accounts. This enables them to review their spend in more detail. The Finance Section monitor all areas of spend and ensure that costs are effectively controlled. It should be noted that not all costs are fully controllable, especially those in relation to utilities and insurance claims. Finance monitors these costs on a monthly basis and highlights to the Management Team any areas causing concern.
25. The main area of concern within the overheads budget at present is the insurance budget. Spend is at £272,000 at the end of the third quarter against an annual budget of £200,000. This high cost is due to the settlement of a few large insurance claims within the period. Due to the increase in insurance claims, the insurance premiums which were due for renewal at the 1<sup>st</sup> January 2014 have also increased. The annual premiums have increased from £106,804 in 2013 to £148,608 in 2014 which will increase the overspend and put further pressure on the budget. We are currently looking at the options available to mitigate this pressure with Gateshead Council Insurance section and Marsh, our Insurance brokers.
26. Further pressure on the overhead budget relates to Climate Reduction Commitment charges (CRC) at £77,622. The CRC charges relate to 12/13 fees which were not recharged to us from the Council last year and for which there is no budget provision. We have also been informed that a further charge for CRC for 2013/14 may be made this year in the region of £100,000. We are currently in discussions with the Council regarding these charges and the 13/14 charge is not currently factored in to projections.

## Repairs Summary

27. The repairs budget was set with all Mears budgets reduced by a 3% efficiency saving as agreed in the repairs tender. All other budgets have remained at the same level as 2012/13.

28. An analysis of the repairs costs is provided below:

	YTD Actual £000's	YTD Budget £000's	Variance £000's	Annual Budget £000's
<b>REPAIRS</b>				
Fixed Costs (Contractors' Prelim's)	3,489	3,478	(11)	4,637
Responsive – Mears	3,812	2,906	(906)	3,875
Responsive – LES	826	750	(76)	1,000
Responsive – Mears Specialist	380	356	(24)	475
Responsive – External Specialist	181	191	10	255
Responsive - Others	71	53	(18)	70
Relets – Mears	3,162	2,535	(627)	3,380
Relets - Other	258	525	267	700
Cyclical Repairs – Servicing	251	375	124	500
Cyclical Repairs – Remedial Works	0	113	113	150
Water Hygiene Testing	39	113	74	150
Painting	850	840	(10)	1,120
Gas Servicing	1,374	1,439	65	1,918
Electrical Circuit Testing	70	101	31	135
Solid Fuel Testing	0	2	2	2
Lift Maintenance	72	101	29	135
Security	59	150	91	200
Environmental Works	81	169	88	225
Energy Performance Certificates	27	38	11	50
Aids & Adaptations	107	113	6	150
	<b>15,109</b>	<b>14,348</b>	<b>(761)</b>	<b>19,127</b>
Insurance Funded Repairs	96	0	96	0
Capitalisation	1,500	1,125	375	1,500
Repair Management Fee Income	13,223	13,223	0	17,627
<b>Income Total</b>	<b>14,819</b>	<b>14,348</b>	<b>471</b>	<b>19,127</b>
<b>REPAIRS TOTAL</b>	<b>(290)</b>	<b>0</b>	<b>(290)</b>	<b>0</b>

## Overall Summary

29. The overall position at the end of the third quarter is an overspend of £290,000. There are two areas of concern that are being closely monitored in partnership with the Council and Mears - Responsive Repairs Mears and Relets Mears. Further detail is included below highlighting the actions currently being undertaken to minimise the risks to our budget.

30. We are currently anticipating to be overspent by £520,000 by the end of the financial year. Senior Officers of the Council and TGHC are meeting on 24<sup>th</sup> February to discuss this projected overspend and a verbal update will be given at the Committee to keep members up to date with progress made.

### Responsive Repairs

31. Responsive repair costs have been split between spend with Mears, spend with Local Environmental Services and the other costs associated with repairs. Mears are the repairs contractor and they carry out all the repairs and maintenance at properties. LES carry out all drainage and highways repair works.
32. To reflect operational delivery and to allow for closer monitoring of the budgets, we have split the repairs other costs budget into three smaller budgets:
- Mears Specialist Works - for one-off larger jobs and batched work passed to Mears
  - External Specialist Works - for asbestos work and any other subcontractors used to provide specialist work (that Mears do not have the ability to carry out)
  - Responsive Other - for the repairs freephone number, postage for postcards/letters and removal and accommodation costs incurred due to repair works
33. There have been 41,606 repair orders invoiced to the end of the third quarter and the average repair cost for the period was £101.38 (a reduction from the second quarter). This compares to 35,770 invoiced repairs for the same period 2012/13, however this figure was low due to the start of the Mears contract.
34. An analysis of the type of responsive repairs carried out is included within Appendix 3 and a comparison of responsive repairs costs and number of jobs is included in Appendix 4.
35. We have seen a change in spend profiles due to the reduced provision for elemental replacements and subsequent increase in multiple repairs being carried out. This has put pressure on responsive repairs budgets in relation to roofing works, access, asbestos, plastering, multi storey externals and multi storey internal communal infrastructure.
36. New budget control measures have been introduced to try and mitigate some of the overspend by the year end including slowing down spend on specific repair areas such as external works, garages and detached outhouses and reviewing the property inspector role to support VFM. In addition, staff have been briefed to maintain a consistent message in managing customer expectations and demands.

### Relets

37. The relet budget is split between the costs of the works carried out by Mears and the other costs associated with relets. Other costs mainly relate to costs associated with asbestos works, security costs and decoration vouchers provided to new tenants.

38. Mears relet costs are over budget at the third quarter. The number of void properties has increased this year due to the impact of Welfare Reform with 1,429 properties let to the end of the third quarter, compared to 1,254 for the same period in 2012/13.
39. Weekly operational meetings are held with Mears to discuss the relet works being undertaken and we closely monitor the number of voids sent through to Mears for relet works.
40. The average relet cost for jobs completed and invoiced to the third quarter was £2,425.14 (a reduction from the second quarter) and the number of relets invoiced to the third quarter was 1,435. At the third quarter of 2012/13, 964 jobs had been invoiced at an average cost of £2,084.12.
41. The increase in average cost is due to more major work and category 3 voids being required this year in comparison to the same period last year. There has been more elemental replacement in line with maintaining decency and a higher level of plastering works carried out on voids, which has pushed voids into the higher categories.
42. The number of voids and the level of work content continues to be closely monitored and discussions are ongoing with the Council regarding the budget implications and options for mitigating the problem if the current trend continues.

#### Painting

43. The painting programme budget is currently over spent by £10,000 to the third quarter. The overspend is due to work commencing on many of the additional schemes that were added to this year's plan that were at the planning and preparation stage earlier in the year. During the winter months work will halt on the external painting programmes and work will be carried out on the internal programmes as the weather conditions are not suitable for outdoor painting. During these months we would expect the level of spend to slow down and we are anticipating that the budget will be slightly underspent by the year end.

#### Gas Servicing

44. Gas servicing is under budget for the third quarter as the number of gas repairs required has been lower during the summer months and lower than expected so far this winter, due to the mild weather conditions we have experienced. The spend could yet increase during the remaining winter months if the weather gets colder and boiler usage increases. This budget line also includes the Gas Care Plan which is a fixed monthly cost of £147,000, the budget for gas repairs and the no access team and any warrant required to secure access to a property.
45. Gas appliances are required to have a gas service carried out every 12 months. At the end of the third quarter, 99.86% of properties had a gas service within the previous 12 months. 7 properties were out of date by 1 to 4 weeks, 9 properties were out of date by 4 to 8 weeks, 7 properties were out of date by 8 to 12 weeks, 2 properties were out of date by 12 to 16 weeks and 2 properties were out of date by 16 to 20 weeks.

## Cyclical Maintenance

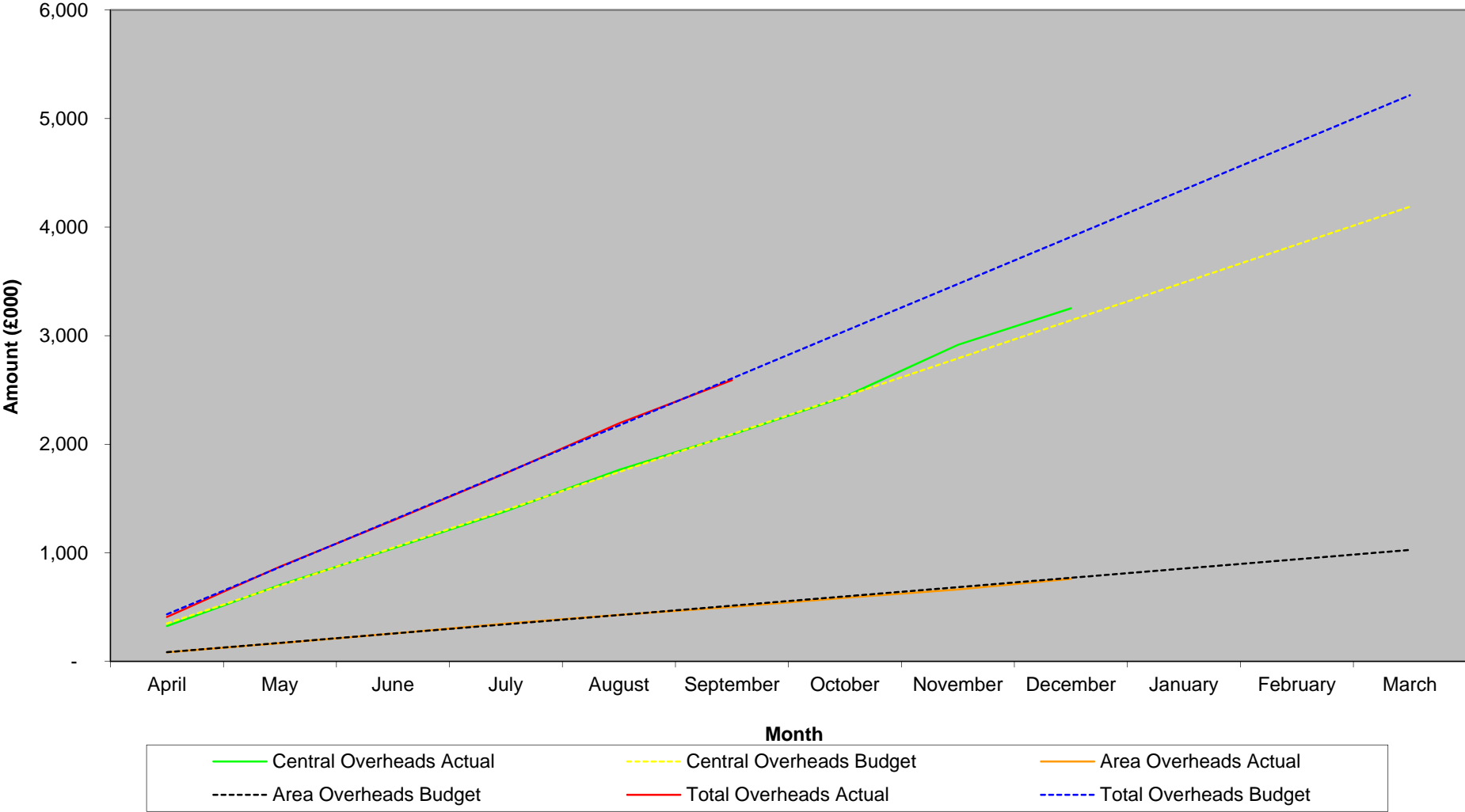
46. There are a number of repair costs in relation to the cyclical maintenance programme which have been developed for our properties. This is particularly in relation to cyclical repairs, water hygiene testing, lift maintenance, environmental works, electrical circuit testing and solid fuel testing.
47. We have a programme of works for these areas of maintenance. We have separated out the Cyclical Works – Remedial Works, as this is a responsive element of costs, so we can build up our ability to assess the expenditure. There has been no spend required in this area in the third quarter.
48. The security budget is underspent at the third quarter and this is due to queries with invoices from one of the contractors used for security works. Despite these outstanding queries, we would still expect this budget to come in underspent for the year.
49. The environmental budget is underspent to the end of the third quarter however we have received additional invoices from LES for environmental works which are currently being investigated these charges as the level of supporting information we have received to support the charges is insufficient. Once these outstanding invoices have been agreed we would expect this budget to be on budget or slightly overspend by the end of the year.
50. Following the appointment by the Company of a Cyclical Repairs Manager, all areas of cyclical maintenance will be reviewed, including the service level agreements we have in place, during 2013/14.

## Detailed Management Accounts

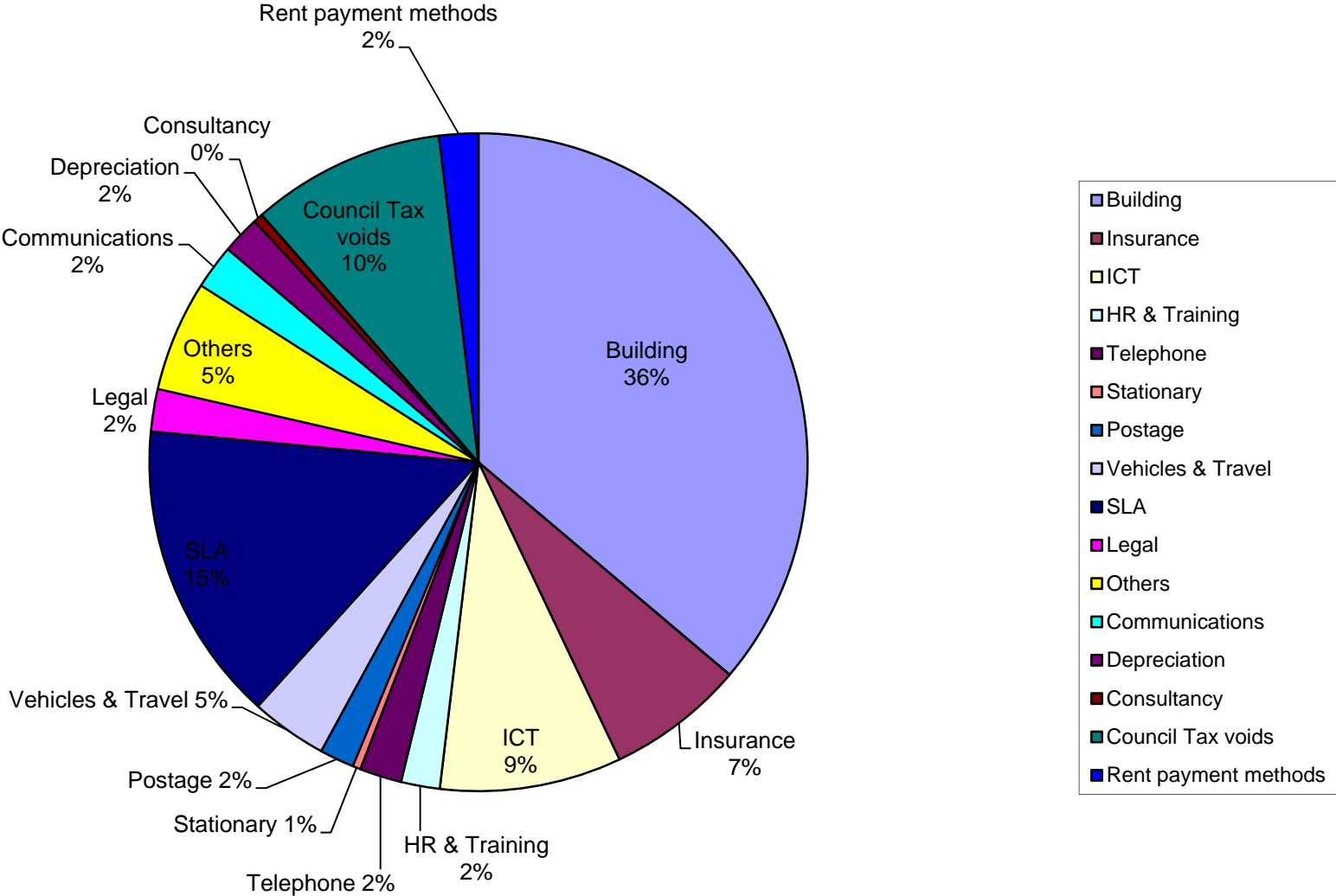
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Annual Budget £'000
<b>INCOME</b>				
Management Fee	9,625	9,625	0	12,833
Officer Costs	750	750	0	1,000
Management Fee from external bodies	16	16	0	21
Gardening Service Income	1	1	0	2
Rent	28	28	0	38
Performance Fee	569	488	81	650
Welfare Reform Officers	38	39	(1)	52
Feed in Tarrifs	2	0	2	0
<b>Total Income</b>	<b>11,029</b>	<b>10,947</b>	<b>82</b>	<b>14,596</b>
<b>Employee Costs</b>				
Customer Services	2,327	2,340	13	3,120
Neighbourhood Services - HQ	763	767	4	1,023
Investment & Development Services	569	571	2	761
<b>Customers and Communities sub total</b>	<b>3,659</b>	<b>3,678</b>	<b>19</b>	<b>4,904</b>
HR, Admin and Health & Safety	362	368	6	490
Finance	902	918	16	1,224
<b>Corporate Services sub total</b>	<b>1,264</b>	<b>1,286</b>	<b>22</b>	<b>1,714</b>
Neighbourhood Services - areas	2,076	2,072	(4)	2,763
<b>Total Employee costs</b>	<b>6,999</b>	<b>7,036</b>	<b>(37)</b>	<b>9,381</b>
<b>Overhead Costs</b>				
Customers and Communities HQ Total	198	214	16	286
Corporate Services Total	3,055	2,926	(129)	3,902
Customers and Communities Area Costs	791	770	9	1,027
<b>Total Overhead Costs</b>	<b>4,014</b>	<b>3,910</b>	<b>(104)</b>	<b>5,215</b>
<b>Surplus/(Deficit)</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>
<b>Repairs Fee</b>				
Repairs Management Fee	13,223	13,223	0	17,627
Capitalisation	1,500	1,125	375	1,500
Insurance funded repairs	96	0	96	0
Repairs Costs	15,109	14,348	(761)	19,127
<b>Surplus/(Deficit)</b>	<b>(290)</b>	<b>0</b>	<b>(290)</b>	<b>0</b>
<b>Overall Annual Surplus/(Deficit)</b>	<b>(274)</b>	<b>0</b>	<b>(274)</b>	<b>0</b>



TGHC Overheads Budget 2013/14

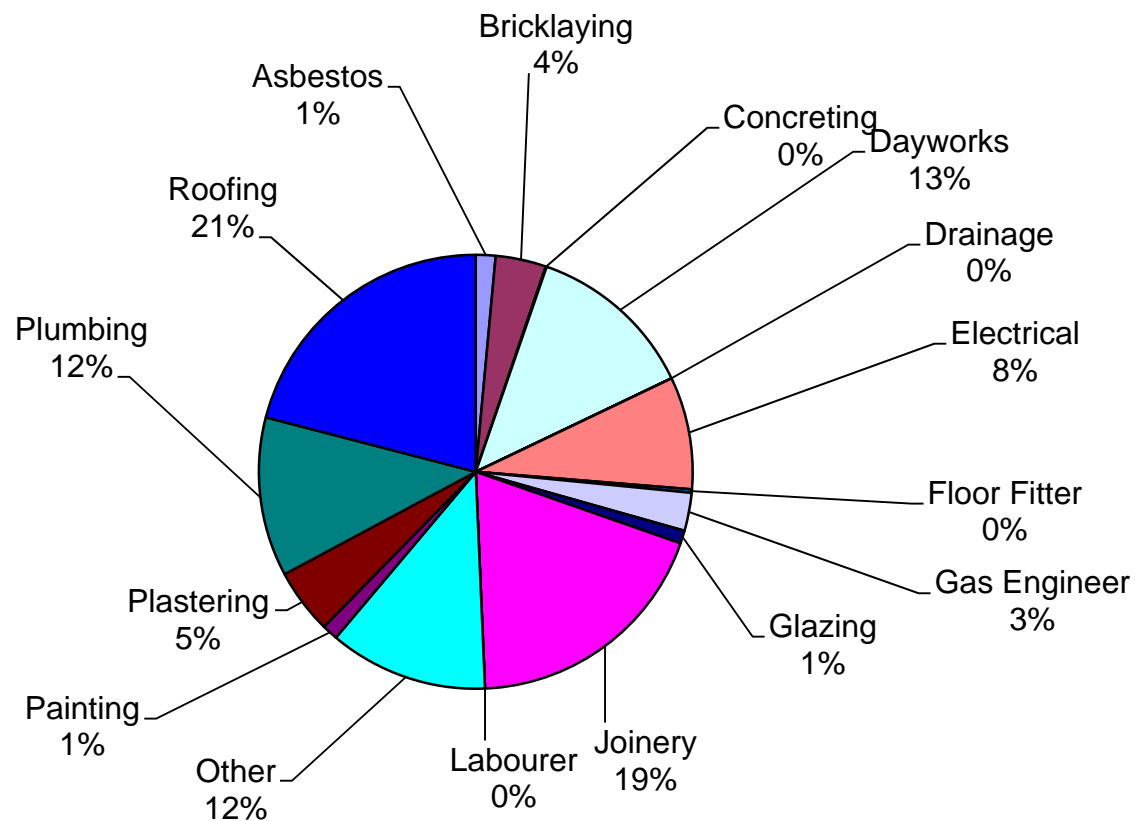


Central Overheads expenditure cumulative 31st December 2014



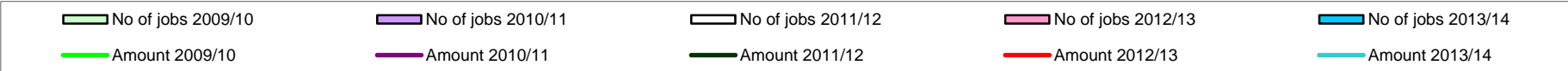
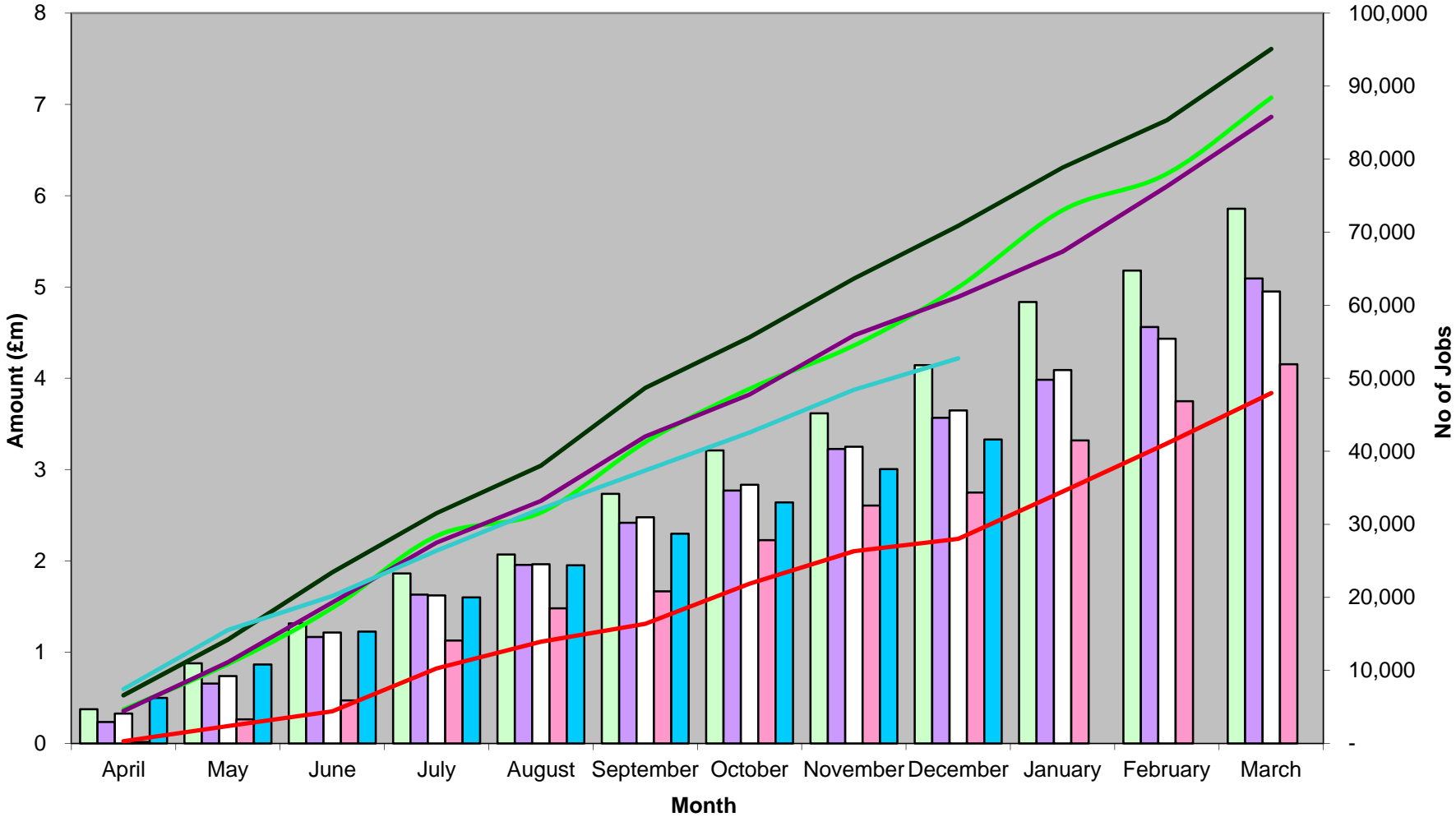
### Appendix 3

## Mears invoiced Repairs by trade for the period April 2013 - December 2013



Trade	2013/14 (9 months)
Asbestos	55,909
Bricklaying	143,385
Concreting	2,538
Dayworks	480,708
Drainage	118
Electrical	319,292
Floor Fitter	10,127
Gas Engineer	107,758
Glazing	36,852
Joinery	723,122
Labourer	-
Other	451,045
Painting	45,217
Plastering	184,315
Plumbing	452,183
Roofing	798,949
<b>TOTAL</b>	<b>3,811,516</b>

Comparison of Responsive Repairs to Previous Years



## Report to Resources Committee

25 February 2014




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**Title:** Sickness Absence and Human Resources Update

**Report of:** Support Services Manager

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### **Purpose of Report**

1. To provide the committee with an update on general HR initiatives and developments from 1 April 2013 to 31 December 2013 to include sickness absence, and learning and development activity.

### **Employee and HR Monitoring Digest**

2. Attached at Appendix 1 to this report is an analysis of the key employee data and HR monitoring to provide the committee with an overview of the Company's performance and key priorities. There are no areas to highlight

### **Sickness Absence Update**

3. Attached at Appendix 2 is an analysis of the sickness absence levels for the period from April to December 2013.
4. Appendix 3 provides in a graphical format the reasons for absence within each directorate of the company for the period April to December 2013.
5. In comparing absence between April and December 2013 with same period in the previous year, the following trends have occurred.
6. The total sickness absence for the period equates to 5.52 days per person compared to 5.76 days for the same period last year which is a reduction of 4.17%.
7. Short term absence is defined as a period of less than 15 working days in duration and long term absence is greater than 15 days in duration. Short term absence for the period was 2.14 days per person and long term absence was 3.38 days. This compares with 2.28 days short term absence and 3.49 days long term absence for the same period last year. This represents a reduction of 6.14% in short term absence and an increase of 3.15% in long term absence.

8. The biggest cause of absence was post operation recovery with 516 days lost compared to 315 days lost last year. This is an increase of 38.95%.
9. Stress related absence was 373 days for the period April to December 2013 compared to 746 days for the same period last year. This equates to a 50% reduction.
10. 267 days of stress related absence was reported as non work related stress. This equates to 71.6% as non work related absence and 28.4% work related absence.
11. A personal support package continues to be provided to employees who are absent due to stress to include occupational health, home visits, counselling and cognitive behavioural therapy (CBT).

### **Managing Sickness Absence**

12. The company has held 18 sickness absence review meetings (short term) in the period April to December 2013. These meetings are triggered in response to four periods of absence or two periods of 15 days or more in a rolling 12 month period.
13. Five first written cautions were issued and one second written caution was issued following an absence review meeting.
14. Under procedure two an absence management review (long term absence) considers an employee's health and future employability with the company. Options discussed at the absence reviews include phased return to work, redeployment, work life balance, reduced hours, reasonable adjustments to the working environment and ill health retirement.
15. Eleven absence review meetings were held in the period April to December 2013.
16. In the period April to December 2013, four employees attended an occupational health physician's appointment as a result of absence review meetings.
17. In the period April to December 2013, seven cognitive behavioural therapy (CBT)/counselling sessions were supported by the company.
18. In October 2013 the company started working with an Occupational Therapist who specialises in supporting individuals with impaired mental wellbeing.
19. In the period October to December 2013 14 occupational therapy sessions were supported by the company.
20. In the period April to December 2013, 23 employees were referred to occupational health for an initial assessment. 43 employees attended an occupational health review.
21. Nine employees returned to work on phased hours and duties in the period April to December 2013.

22. Management information and guidance on managing sickness absence is provided to managers on a monthly basis.

### **NE Health and Wellbeing Award**

23. Amacus Ltd. attended the Housing Company in December to assess the company against the Better Health at Work Award standard. The award comes in three levels, bronze, silver and gold. Organisations cannot move straight to gold by must pass through each level in turn.
24. The assessment consisted of a portfolio review of the company's health and wellbeing activity, initiatives and policies and procedures. Findings from the assessment were submitted to a regional coordinator for verification.
25. In January 2014 we were informed that our portfolio and on site assessment had achieved Bronze level. The assessor was extremely complimentary of our portfolio submission and commented that it reflected silver or gold level.

### **Health and Wellbeing**

26. In November 20 employees attended occupational health for a Flu vaccination. The treatment was on site and offered to employees at a reduced cost by occupational health services.
27. The company held a "Souper Day" event in December. The aim of event was to encourage employees to think about soup as a simple healthy lunch option.
28. Jon Mallen-Beadle and Neil Bouch, along with the Heads of Service and employees accepted the challenge to 'peddle' the length and breadth of the borough on the "Fender Blender" cycle located in Keelman House reception. They blended a variety of hot soups for employees and distributed across the housing office network on the day.
29. In December employees were also encouraged make healthy homemade soup for colleagues. Several teams entered and in return had a chance of winning one of four soup making hampers.
30. We continue to investigate initiatives that will help us to better understand the causes of depression, anxiety and stress. We aim to use the knowledge gained in this area to research new initiatives to assist employees to manage their condition and remain in work.

### **Information Sharing**

31. The Company continues to work with Gateshead Council to more closely align our services through sharing information and initiatives.

### **Other HR initiatives and Developments**

32. The chiropodist has attended Keelman House on nine occasions in the period April 2013 to December 2013. 93 appointments were attended by employees. The chiropodist also carried out appointments at Blaydon housing office where

seven employees attended and Wrekenton housing office where five employees attended.

33. The Pay Day Pamper Days have been reintroduced. Eight sessions have been held and 50 employees attended appointments in the period April 2013 to December 2013.

### **Work Life Balance**

34. In the period April to December 2013, the following work life balance applications have been approved:

<b>No of Applications</b>	<b>Type of Work Life Balance Request</b>
7	Applications to reduce working hours
2	Application for compressed hours

### **Investigation and Disciplinary**

35. In the period April to December 2013 the following activities have taken place:

<b>Investigation</b>	<b>Outcome</b>
3	1 Progressed to Disciplinary meeting
<b>Disciplinary</b>	<b>Outcome</b>
1	1 Dismissal
<b>Appeal</b>	<b>Outcome</b>
1	Not Upheld

### **Grievances**

36. In the period April to December 2013, there were no reported grievances.

### **Bullying and Harassment**

37. In the period April to December 2013 there were no allegations of bullying or harassment.

### **Probity (including whistleblowing, bribery, fraud and corruption)**

38. In the period April to December 2013, there was whistleblowing incident reported.

### **Other HR Initiatives and Developments**

#### **Recruitment**

39. In the period April to December 2013, the company has advertised 18 jobs as follows: -



<b>Job title</b>	<b>Method of recruitment</b>	<b>Number of applications</b>
Housing Manager – Customers & Communities	Internal TGHC & Gateshead Council	8
Older Persons Housing Manager – Customers & Communities	Internal to TGHC employees only	5
Administration Assistant Housing Services – Customers & Communities	Internal TGHC & Gateshead Council	3
Leasehold Officer – Corporate Services	Internal TGHC & Gateshead Council	19
Customer Service Assistant – Customers & Communities	Advertised Externally	80
Technical Clerk – Corporate Services	Internal TGHC & Gateshead Council	5
Administration Assistant Housing Services – Customers & Communities	Advertised Externally	128
Administration Assistant, Legal Recovery – Customers & Communities	Advertised Internal TGHC & Gateshead Council initially then went External	3 Initially then 111
Electrical Auditor - Customers & Communities	Internal TGHC & Gateshead Council	3
Advice Assistant (6posts) – Customers & Communities	Internal Vacancy ring fenced to TGHC Repairs Reporting & Improvement Team Only	14
Housing Management Assistant – Customers & Communities	Internal TGHC & Gateshead Council	4
Project Officer – Corporate Services	Internal TGHC & Gateshead Council	4
Rent & Income Officer – Customers & Communities	Internal TGHC & Gateshead Council	10
Housing Management Assistant (Multi Storey) – Customers & Communities	Internal TGHC and Gateshead Council	10
Clerical Assistant, Finance – Corporate Services	Internal TGHC and Gateshead Council	1

<b>Job title</b>	<b>Method of recruitment</b>	<b>Number of applications</b>
Clerical Assistant, Investment & Development	Internal TGHC and Gateshead Council	1
Building Surveyor, Investment & Development	Internal to TGHC employees only	1
Housing Officer – Customers & Communities	Internal TGHC and Gateshead Council	8

### **Child Care Scheme**

40. The company continues to offer a salary sacrifice scheme. In December 2013, 11 employees were in the scheme.

### **Learning and Development Activity**

#### **Repairs Team Event**

41. The repairs team has gone through significant structure changes. In conjunction with the Home Repairs Manager, organisational development has developed a team build event to help develop new relationships and build on existing relationships. The event re-invigorated the team and has helped them to prepare for the challenges of working to a revised structure. The event was delivered in a local community hall.

#### **Customer Service Training**

42. We have developed and delivered Customer Service Training. The training has been rolled out to 250 employees in facilitated workshops. Delegates provided suggestions on ways the company can improve customer service. Feedback has been shared at the service managers meeting and will form part of service plans and appraisal objectives.

#### **North East (NE) Employment and Skills Network**

43. We continue to attend the NE Employment and Skills Network. This provides a valuable way of sharing best practice about apprenticeship schemes, financial inclusion and worklessness and increasing employment opportunities for the wider community.

#### **Training Matrix**

44. Meetings have been held with managers to review and confirm training needs for all roles within the company. We are carrying out a gap analysis to ensure employees training needs are identified. The updated training matrix will be available on the appraisal system for managers to review and prioritise attendance on training. Priority will be given to mandatory courses to include health and safety.

## **Investors in People**

45. During October Lesley Curtis provided feedback on the outcomes of the IIP mini diagnostic. A working group led by Neil Bouch has been set up to focus on the development areas in preparation for the assessment due in June 2014.

## **Health and Safety Training**

46. In the period April to December 2013, the following health and safety training has been delivered:
- Asbestos Awareness
  - Appointed first aider training (3 days with test to become a first-aider)
  - COSHH Interactive
  - COSHH - classroom
  - Driving Safety
  - DSE Interactive
  - Fire Safety
  - Health and Safety for Managers
  - Induction Safety Interactive
  - Manual Handling Interactive
  - Office Safety Interactive
  - Stress Management
  - Risk Assessment one day course and refresher
  - One day first aid training
  - Water Mains Connection and L8 Regulations and How this affects what we Do (one hour workshop delivered by Gateshead Council)

## **ICT Training**

47. In the period April to December 2013 the following ICT training has been delivered:
- May 13: Informal training for asset management team in Microsoft Project.
  - June 13 – July 13: Keystone Asbestos Register E-Learning. 35 individuals from across the company completed an e-learning module.
  - Nov 13 – Jan 14 – Northgate v6 Tenancies Signup manuals (currently in production and review by Housing Management)

## **Link to values**

48. 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**

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

## **Risk Management Implications**

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

## **Financial Implications**

52. The financial cost of sickness absence to the Company for the period April to December 2013 was £185,924 as compared to £199,353 for the same period last year.

## **Equality and Diversity Implications**

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

## **Value for Money implications**

54. We continue to manage sickness absence in order to maximise service delivery to tenants and customers. Through an increased use of internal delivery and development value for money is being achieved. We aim to use the most beneficial methods of delivery to maximise the return for the benefit of the company and customers. Value for money principles are followed in all aspects of the service to include work life balance requests, recruitment and selection.

## **Health Implications**

55. The initiatives and prevention work that has been introduced over the past year have had a positive impact on the health of our employees. The clearest measure of this is the achievement of Investors in People (IiP) Gold award and Health and wellbeing award and the North East Health and Wellbeing Award Bronze level (January 2014)
56. The Company's commitment to learning and development is embedded in the Investors in People award (IiP) and is applied consistently across the company. Our approach to provide tailored learning will have a positive impact on employee's health and overall wellbeing and will minimise any stress.

## **Environmental Implications**



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



## **Consultation carried out**



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

## **Recommendation**

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

					
<b>Employee and HR Monitoring Digest 2013/14</b>					
<b>Performance Measure</b>		<b>Qtr 1</b>	<b>Qtr 2</b>	<b>Qtr 3</b>	<b>Qtr 4</b>
<b>Number of people employed by TGHC</b>					
Male		137	140	143	
Female		187	181	187	
Permanent Employees		323	320	325	
Temporary Employees		1	1	5	
Full Time		261	259	263	
Part Time		63	62	67	
Number of starters (per quarter)		6	4	10	
Number of leavers (per quarter)		6	7	1	
Ill health retirements		0	0	0	
Number of employees seeking redeployment		0	0	0	
<b>Diversity Monitoring</b>					
<b>Gender</b>					
Male		137	140	143	
Female		187	181	187	
<b>Age</b>					
Under 18		0	0	0	
18 – 25		21	18	20	
26 – 35		108	106	106	
36 – 45		71	72	75	
46 – 55		88	84	84	
56 – 65		35	40	42	
66 +		1	1	3	
<b>Disability</b>					
Perceived themselves as disabled		36	37	36	
Do not perceive themselves as disabled		288	284	294	

 <b>The Gateshead Housing Company</b> Working with Gateshead Council					
<b>Employee and HR Monitoring Digest 2013/14</b>					
<b>Performance Measure</b>	<b>Qtr 1</b>	<b>Qtr 2</b>	<b>Qtr 3</b>	<b>Qtr 4</b>	
<b>Ethnicity</b>					
White British	310	307	316		
White Irish	2	2	2		
White Other	1	1	1		
White and Black Caribbean	0	0	0		
White and Black African	1	1	1		
White and Asian	1	1	1		
Asian or Asian British Indian	1	1	1		
Asian or Asian British Pakistani	0	0	0		
Asian or Asian British Bangladeshi	1	1	1		
Asian or Asian British Other	1	1	1		
Black or Black British Caribbean	0	0	0		
Black or Black British African	4	3	3		
Black or Black British Other	1	1	1		
Chinese	1	1	1		
Other	0	1	1		
<b>Recruitment Monitoring</b>					
Number of BME applicants for posts					
Application for employment	12	1	0		
Short listed for interview	5	1	0		
Offered post	0	0	0		
Number of disabled applicants for posts					
Application for Employment	10	0	2		
Short listed for interview	3	0	2		
Offered post	0	0	Ongoing		
<b>HR advisory issues</b>					
Investigations	1	0	1		
Disciplinary	1	0	0		
Suspensions	1	0	0		
No Further Action	0	0	1		
Oral Warning	0	0	0		
First Written Warning	0	0	0		
Final Written Warning	0	0	0		
Dismissals	1	0	0		
Appeals Submitted	1	0	0		
Stage 1 Grievance	0	0	0		
Stage 2 Grievance	0	0	0		

				
<b>Employee and HR Monitoring Digest 2013/14</b>				
Performance Measure	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Capability Bullying and Harassment Whistleblowing Employment Tribunals	0 0 0 0	0 0 0 1	0 0 1 1	
<b>Health and Wellbeing</b>				
Total number of working days lost per employee (target 7.50 April to March 2014)	1.63	1.89	2.00	
Total number of working days lost to sickness	488.8	563.5	600.8	
Number of Occupational Health appointments				
<ul style="list-style-type: none"> <li>• New referrals</li> <li>• Review appointments</li> </ul>	8 12	8 16	7 15	
<ul style="list-style-type: none"> <li>• Surgery appointments</li> <li>• Home appointments</li> </ul>	2 0	0 0	2 0	
Number of employee counselling/CBT sessions	7	0	0	
Number of Absence Management Reviews				
<ul style="list-style-type: none"> <li>• Short Term</li> <li>• Long Term</li> </ul>	6 0	7 0	5 7	
Number of employees who have had a phased return	2	3	4	
<b>Learning and Development</b>				
Number of new staff receiving induction	5	4	10	
Number of staff undertaking professional Qualifications (report in Qtr 2)	4	13	13	



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

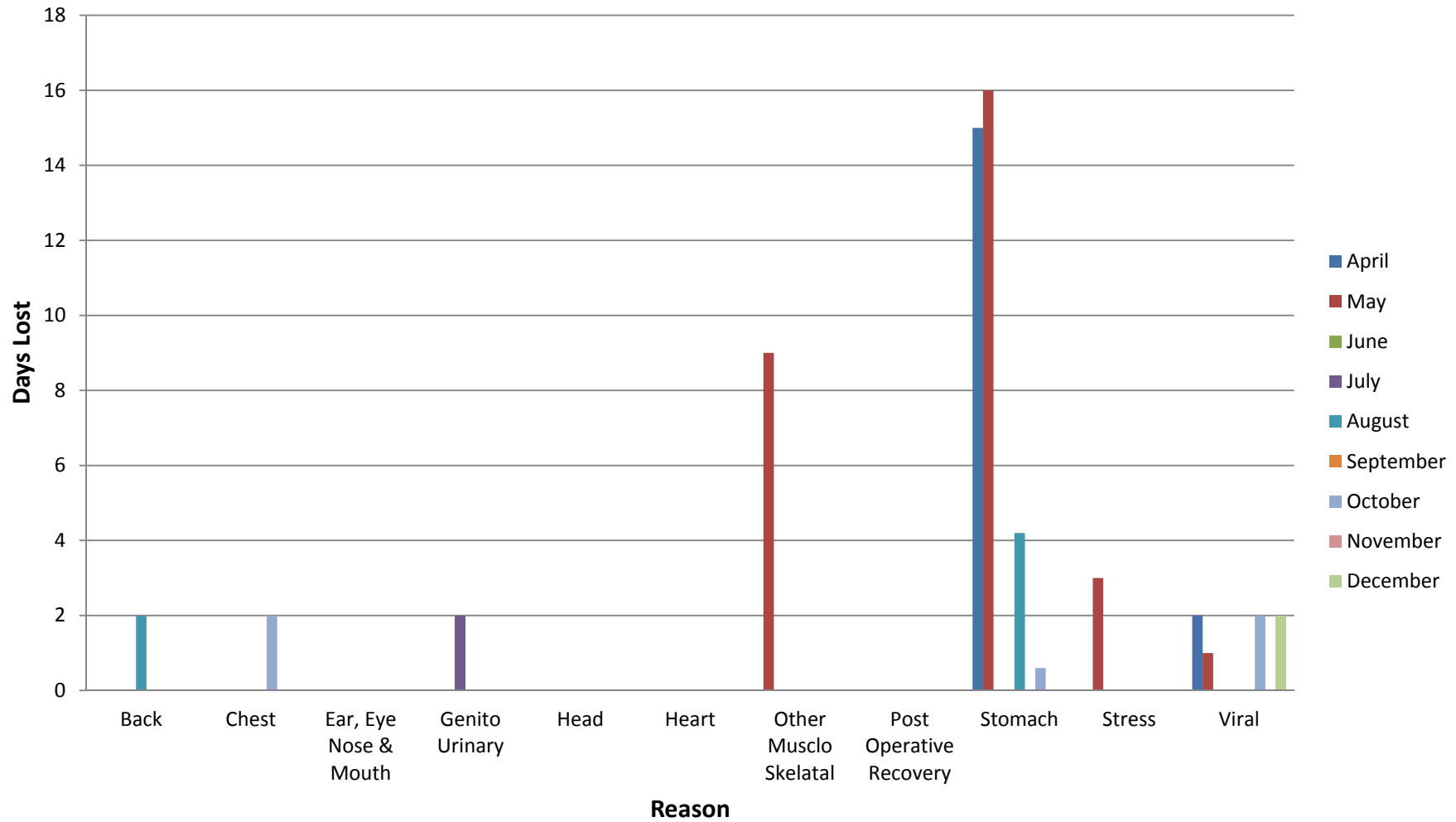
2013/2014	Customers & Communities - Customer Services	Customers & Communities Neighbourhood Services	Customers & Communities Property Services	Corporate Services Finance	Corporate Services Support Services	All employees TGHC	TGHC cumulative	2012/13 TGHC Cumulative	Days Lost per month	Days Lost Short Term Absence	No of Occurences Short Term	Days Lost Long Term Absence	No of Occurences Long Term
April	0.54	0.72	0.03	0.35	0.38	0.54	0.54	0.95	161.00	0.34	29.00	0.20	3.00
May	0.15	0.70	0.19	0.59	0.65	0.48	1.02	2.06	144.50	0.23	21.00	0.25	4.00
June	0.59	0.95	0.15	0.00	0.00	0.61	1.63	3.01	183.30	0.26	23.00	0.35	6.00
July	0.37	1.22	0.15	0.09	0.00	0.69	2.32	3.57	205.40	0.23	19.00	0.46	7.00
August	0.24	1.08	0.40	0.18	0.08	0.62	2.94	3.96	185.90	0.22	17.00	0.40	6.00
September	0.46	0.92	0.31	0.00	0.00	0.58	3.52	4.22	172.20	0.17	18.00	0.41	6.00
October	0.91	0.94	0.15	0.11	0.09	0.71	4.23	4.69	213.50	0.35	31.00	0.36	5.00
November	0.43	1.10	0.00	0.00	0.00	0.65	4.88	5.27	195.50	0.21	20.00	0.44	7.00
December	0.52	0.98	0.00	0.09	0.00	0.64	5.52	5.76	191.80	0.13	19.00	0.51	9.00
January								6.67					
February								7.18					
March								7.67					
Cumulative by service area									1653.10				53.00

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

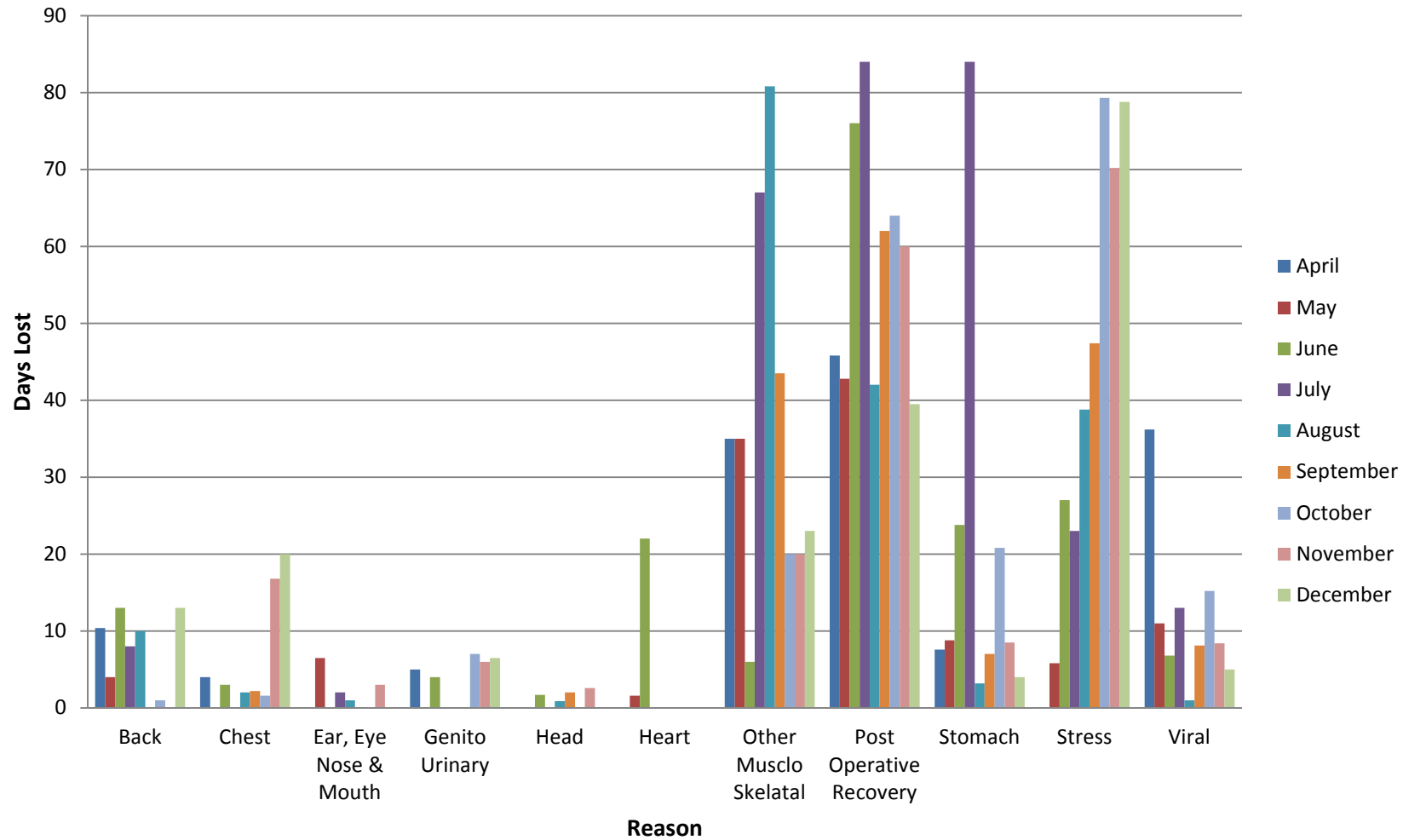
BV12

excludes temp employees with <12 months service

## Corporate Services



## Customers & Communities



## Report to Resources Committee

25 February 2014




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**Title:** Health and Safety Update

**Report of:** Support Services Manager

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### Purpose of Report

1. To provide the committee with a report on the company's health and safety activities for the period October to December 2013.

### Background

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

- Site Waste Management Plans

### **Policy, Procedure and Safe Systems of Work Update**

6. In the previous reporting period, we reviewed the corporate risk assessment process and developed with service users a simplified assessment process. The initial review process has been completed for Neighbourhood Services and we are now reviewing Property Services and Corporate Services.
7. During this reporting period, we have reviewed our SharePoint training and delivered this to users in Sheltered Housing.
8. We are in the process of reviewing the SharePoint sites used in caretaking services and Housing Offices. As the review is completed we will deliver training to the users.
9. We have developed a draft Health and Safety Audit Plan to cover all areas of activity for the company. Performance against the audit plan will be reported periodically to the committee.
10. In consultation with managers and employees we have reviewed the training matrix and carried out a gap analysis. We are now in a position to identify training priorities for employees and managers for the period 2014 to 2015.

### **Partners Activity Update**

11. In the period October to December 2013 we have monitored and review all asbestos incidents. We continue to work closely with Mears Safety Advisors for continued compliance and safe systems of working.
12. During the period October to December 2013 the following joint Health and Safety site visits have taken place with Mears:
  - Two joint visits to; Marion court, Portobello, Vigo, Wrekenton, Pleasant Place 1-24 and Harrison Court to monitor the safety arrangements on the external painting project 2013 – 2014.
  - Three planned site visits covering responsive repairs, gas safety inspection, electrical testing, joinery works, painting and roof line repairs.
  - One site visit to inspect temporary structures safety.
13. There were no significant areas of weakness identified on the site visits. A number of minor recommendations and areas for improvement were identified and arrangements have been made to implement the recommendations.

### **Accident Reporting**

14. There has been an increase in accidents reported in the period October to December 2013 from Contractors working on our construction sites. This is a result of increased awareness through effective joint working with Partners in the reporting of all accidents.
15. We are closely monitoring the impact of changes to RIDDOR 2013 as it is envisaged we will see an increase in reported workplace injuries as a result of the simplified mandatory reporting.

## **Accidents / Incidents near misses TGHC Employees**

16. In the period October to December 2013 there were seven minor accidents and no major accidents reported as follows:-
- One employee suffered minor contusions as result of door falling on her during a site inspection.
  - One employee suffered whiplash as result of car accident during working hours.

## **Accidents / Incidents near misses to 3<sup>rd</sup> Party / Subcontractors**

17. In the period October to December 2013 there has been one major accident and nine minor accidents as follows:-
- One operative tripped and fell down stairs sustaining cuts to the head, bruises to shoulder and ribcage. This accident was reported to the HSE under RIDDOR 2013
  - One operative suffered minor back injuries from lifting a bag of waste from a bin
  - One operative suffered a minor bruise to the lower limb as a result of a fall during refurbishment
  - One operative suffered a laceration to their hand as a result of misuse of a stanley knife.
  - One operative suffered a minor eye injury as a result of dust ingress.
  - One operative tripped over a scaffold under construction sustaining minor bruising.
  - One operative was bitten by a cat suffering a minor puncture to their hand.
  - One operative was bitten by a dog suffering minor puncture to their lower limb.
  - One operative sustained minor bruises to their hand from a falling hand tool
  - One operative suffered minor contusion from a flying object to their head
  - One operative fell through ceiling boards with no injuries sustained.
18. In the period October to December 2013 there have been reported three near misses:
- Two alleged CO poisoning requiring attendance at hospital.
  - One reported gas escape caused by tenant misuse. The Dangerous Occurrence was reportable to the HSE under RIDDOR 2012.
19. In the reporting period of October to December 2013 there has been the following reported Violence and Aggression to TGHC Employees;
- One case of physical assault
  - Eighteen cases of verbal abuse
  - Six cases of threatening behaviour
20. In the period October to December 2013 the following 3<sup>rd</sup> Party/Subcontractors Violence and Aggression has been reported:
- Seven cases of verbal abuse
21. All accidents and reported violent incidents have been investigated and follow up action taken to include a review of safe systems of work and support provided to individuals.

## **Asbestos Management**

22. Meetings have taken place with Northern Housing Consortium and Gateshead Council procurement in relation to the asbestos tender.
23. We have met with internal stakeholders to assess the initial specification requirements.
24. During the period October to December 2013 asbestos surveys have been requested for voids, gas servicing, maintaining decency, maintenance fire improvement works, lifts refurbishment, buildings electrical rewiring and aids and adaptations.
25. The following asbestos surveys have taken place for refurbishment and demolition (R&D) surveys:
  - 24 Surveys maintaining decency investment work
  - 20 Survey repairs and maintenance including gas servicing
  - 29 Surveys major works projects, such as fire or electrical improvement works.
  - 28 Surveys void properties and aids and adaptations.
  - 20 Air stage four test
  - 27 Re-inspection of know asbestos containing materials (ACM) in non-domestic buildings
  - 11 Bulk sampling
26. During the period October to December 2013, there were no reported incidents of accidental disturbance of ACM's.
27. HSE Inspectors are currently carrying out an investigation on two reported Asbestos Dangerous Occurrences with Mears and two reported Asbestos Dangerous Occurrences with LES.

## **Fire Safety Management**

28. Proactive monitoring of our Fire Safety strategy continues to take place through joint working and regular meetings with Tyne and Wear Fire and Rescue Service (TWFRS).
29. The work programme for the Sheltered Housing buildings is progressing with several schemes completed during the reporting period.
30. We continue with a review and update of fire risk assessments and evacuation strategies. On completion employees and residents will receive training with information on action to take in event of fire in the building.
31. During this reporting period, our state of readiness in event of minor and major incident has been tested by the industrial action taken by TWFRS. We have worked with Gateshead Council Resilience Planning Section and have reviewed and updated our contingency plans in response to the planed action.
32. There were no reported incidents during the period of industrial action by TWFRS.

## **Legionella Control**

33. Monthly meetings with our maintenance contractor are ongoing. No significant risks have been identified.
34. In the period October to December 2013 no positive tests were reported.
35. To date 66 out of 67 water hygiene risk assessments have been completed in High Rise Buildings, Sheltered Housing, Communal Lounges and Housing Offices. Schedule of proposed recommendations from findings have been considered and remedial works planned.

## **Cyclical Repair and Maintenance Update**

36. The periodical meetings with Gateshead Council Local Environmental Services and the Gateshead Housing Company are progressing with the monitoring of the delivery of the cyclical maintenance programme. Inspections to Fire alarms, emergency lighting systems, dry and wet risers have been completed in line the maintenance programme.
37. No immediate actions have been identified during this reporting period.

## **Lift Maintenance**

38. No relevant immediate actions in relation to breakdowns, maintenance and repairs have been reported during the period October to December 2013.
39. There were 2 reported lift entrapments in the period October to December 2013.
40. Passengers were released to our agreed service standard response time by the lift maintenance company.

## **Update on the Company Construction Related Activities**

41. There are twelve construction related projects ongoing with notifications to the HSE.
42. Works are ongoing on ten projects involving multiple sites as follows: -
  - Insulation works to non traditional properties in Springwell
  - Maintaining decency works covering various estates across the Borough
  - Planned painting works across various sites
  - Fire safety improvement works to Sheltered Housing across various sites.
  - Tunstall Telecare upgrades across the Borough
  - Lift replacement at Pleasant Place unit D
  - Lifts replacement at Priory, Park and Peareth
  - Barnes Close electrical upgrade works
  - Accessibly improvement works in Sheltered Housing across various sites.
  - Stoneygate conversion works
  - New Build development for 20 new properties



43. Minor non-compliances identified during the site visits have been discussed with the Principal Contractors and remedial actions agreed to mitigate the risk from construction related activities.

### **Update on Health and Safety Legislation Changes**

44. The following code of practices have been reviewed during this reporting period as follows:-
- Control of substances hazardous to health (COSHH) (L5). The sixth edition of this Approved Code of Practice and guidance provides practical advice to help duty holders comply with the requirements of the COSHH Regulations.
  - Asbestos (L143) This publication contains the Control of Asbestos Regulations 2012, the Approved Code of Practice (ACOP) and guidance for employers about work which disturbs, or is likely to disturb, asbestos, asbestos sampling and laboratory analysis. The Regulations set out your legal duties and the ACOP and guidance give practical advice on how to comply with those requirements. The Regulations give minimum standards for protecting employees from risks associated with exposure to asbestos.

### **Links to Values**

45. 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**

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

### **Risk Management Implications**

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

### **Financial Implications**

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

### **Equality and Diversity Implications**

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

### **Value for Money Implications**

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

### **Health Implications**

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

### **Environmental Implications**

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

### **Recommendation**

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

## Report to Resources Committee

25 February 2014




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**Title:** Equality and Diversity - Update

**Report of:** Involvement and Diversity Manager

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### **Purpose of Report**

1. To provide a summary of Equality and Diversity work within the organisation in the third quarter of 2013/14.

### **Background**

2. The Company continues to place equality and diversity at the heart of everything it does with one of the values being 'embracing equality'.
3. The Single Equality Scheme has been in place since 2008 to provide an overall approach to the Company's work on equality covering both the organisation as an employer and service provider.
4. The scheme and associated actions help to ensure that we are meeting our requirements under the Equality Act 2010.
5. The Company contributes to the wider equality agenda in Gateshead as a member of Gateshead Council's Corporate Equality Working Group, ensuring that the Company is contributing to the equality objectives set by the council.

### **Knowing our Customers**

6. The company continues to collect information about our customers to ensure that we understand the communities we are providing services to. This information is used both to tailor the services and way we communicate on an individual basis as well as helping us to plan and shape services more widely.
7. The information can also be used to identify any trends in satisfaction or take up of services to help us target resources and efforts in particular areas where necessary.
8. In the last quarter we have updated customer information on over 3500 occasions with the majority of updates taking place through Tyne and Wear Homes.

9. As at 31 December 2013, the profile of our main tenants (19490 tenancies) was as follows:
- 58.5% female
  - 2.8% Black Minority Ethnic (BME) with highest proportion being Black African
  - 41.2% are over 60, 3.3% are under 25
  - 28.9% of households have at least one person who has a disability, with the most common reported being mobility issues and mental health.
10. We have collected 37.5% of sexuality information and 41.6% of religion, and continue to collect this to be able to monitor and compare services effectively.

### **Stonewall Workplace Equality Index**

11. In the last period, the results for the 2014 Stonewall Workplace Equality Index have been released. The index shows how employers are performing to provide the best possible working environments for lesbian, gay and bisexual employees, which ultimately creates a more inclusive working environment for all employees.
12. This year 369 organisations entered the index across public, private and voluntary sectors. It is the fourth year that the company has entered the index and we have steadily increased our placing each year. The company has increased from 181<sup>st</sup> with a score of 112 out of 200 in 2013, to 155<sup>th</sup> with a score of 128 this year which exceeds the average score of 115.
13. As the organisation is a Stonewall Diversity Champion, a benchmarking meeting is held annually following the publication of the results to discuss the details of our performance and identify a range of areas to focus on in the following year. This meeting took place on 6 February identifying that the company had scored highly in areas covering employee benefits, community engagement and work with suppliers. In particular, our scoring for our work with suppliers exceeded both the average for the housing sector and the Top 100 Employers.
14. There were also a number of areas where progress could be made and these will form an action plan for the year ahead, whilst maintaining our current areas of strength.
15. The areas we will be focussing on in 2014 will include:
- Developing an LGBT staff network
  - Developing positive LGBT role models within the organisation
  - Increasing opportunities to gather monitoring information
16. The report providing scoring and feedback will be made available on the Board members website after this committee.
17. As part of our overall LGBT activity, in the last period the company attended a joint housing session hosted by the LGBT Federation. This event was a follow up to a session in 2011 and saw a range of local housing providers and service users coming together to share progress and identify the outstanding issues.

## **Training and Awareness Raising**

18. In the last period we have renewed our licence for the e-learning Equality and Diversity Training, Equality and Diversity Essentials so that this can be provided for the next three years. This training is undertaken by all employees on their first day of working for the company and then all employees are expected to undertake the training as a refresher as a minimum every 3 years.

## **Networking and joint working**

19. The organisation has recently signed up to be part of the Housing Quality Network's Equality and Diversity Exchange attending the first meeting in January. This is a national group of housing organisations who will meet on a quarterly basis to discuss and share best practice in equality as well as getting access to advice and briefings from equality specialists.
20. As a member of this exchange we will receive a number of equality briefings during the year. The first one 'Evidence: Equalities' has been made available on the Board Member Website.

## **Supporting National Diversity Events**

21. We have continued to recognise a number of national events as part of our general awareness raising of equality issues. This includes either attending organised events or disseminating information to employees as part of the weekly HomeWork.
  - **World Mental Health Day** – recognising that mental health affects both a significant number of our residents and our employees, key facts and figures were included in weekly HomeWork for all employees. The company also attended an event held in Trinity Square to mark the day, where a range of organisations were represented to give information and advice on the support available to people.
  - **World Aids Day** – information was provided to all employees about the challenges that still affect people with HIV and Aids, dispelling some of the myths surrounding the issue.
  - **International Day of Disability** – Representatives attended a large event organised by Disability North, at the Sage Gateshead where a number of seminars and workshops were delivered on the theme of disability and inclusion.

## **Mears Update**

22. Following the update at the last meeting, Mears have now commenced a programme of equality and diversity training for all operatives. The training is classroom based and provides an overview of the equality act, protected characteristics and appropriate behaviours. To date approximately 150 people have undertaken the training, with the programme running weekly until all employees working on the Gateshead contract have completed it. Feedback from the sessions has been very positive and provides a platform for the company to work closely with Mears on more focussed issues in the future. Feedback from the sessions to date is provided at Appendix 1.

23. In the last quarter, Mears have also taken on a work placement as part of the Employability Project delivered by Percy Hedley Trust. The summary of the placement is provided at Appendix 2.

### **Link to values**

24. This report relates to the following Company values: -

- Being a listening and learning organisation
- Being motivated, trained, and committed
- Being customer focused, innovative and professional
- Caring and respecting
- Embracing equality
- A commitment to all our employees.

### **Impact on tenants**

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

### **Risk Management Implications**

26. Not meeting the requirements of current and new diversity legislation has been identified as an operational risk for the Company, which if breached could lead to significant financial loss and risk of reputation. Regular monitoring and reporting on our progress helps to ensure that we continue to meet our requirements.

### **Financial Implications**

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

### **Equality and Diversity Implications**

28. This report relates to our approach to equality as a whole, ensuring that we are considering the impact on our employees and customers of the decisions we take.

### **Value for Money Implications**

29. The Single Equality Scheme provides a focus for our approach to being an equal opportunities employer and service provider, promoting equality in relation to access to goods, facilities and services and helping us to ensure that no individual or group experiences direct or indirect discrimination.
30. Carrying out equality analysis when planning a project or service delivery allows us to identify any issues at the outset and find solutions where possible, rather than having to make potentially costly changes retrospectively.

### **Health Implications**

31. The Company's approach to equality and diversity, embedded within everything that we do will ultimately has a positive impact on people's health and overall wellbeing.
32. A number of the initiatives included within our overall approach to equality has a positive impact on the health and wellbeing of either employees or customers.

### **Environmental Implications**

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

### **Consultation carried out**

34. Progress on equality issues are provided to the Involvement Service Improvement Group and the Disabled Persons and BME Housing Forums.

### **Recommendation**

35. The views of the committee are sought on whether it is satisfied with the progress activity relating to Equality and Diversity carried out in the third quarter of 2013/14.

At GATESHEAD we are very fortunate to have a strong working relationship with the Employability Project at The Percy Hedley Foundation. It is due to this relationship that one of our clients was offered a work experience placement at the MEARS Group. Our client Edward Atkinson was overjoyed to hear that he had been chosen to take part in the placement. From his initial interview and meeting with the company he has been shown a very professional approach to work and this has ultimately impacted on his workplace behaviours and encouraged him to work to a high standard. The good relationship which is obvious between The Employability Project and MEARS shines through and they have both played an active role in Edward's development.

Edward has expressed that he has really enjoyed his time at MEARS. He has found the staff to be very welcoming, friendly and has been made to feel like part of the team. He feels the work environment at MEARS is more professional and members of staff are very valued for what they do.

Before working at MEARS Edward would isolate himself in his room where he would surf the internet on his laptop and play on his Playstation. The only time Edward would go out would be if he was going to the cinema by himself or with friends. Edward quoted that "Working at MEARS has made his life better because he now has a routine."

Edward feels that MEARS has motivated him to make a good impression and show what he can do as he knows potential employers will be looking for individuals who are enthusiastic and are willing to push themselves beyond their limitations. This has also motivated him to play on his games less.

He said his achievements have been many because he was given great experience with a fantastic work force. These achievements are; becoming more independent i.e. going into the work environment on his own and being left to do work tasks after being shown once. Edward has also said about how being at MEARS has helped to break his habit of playing on games all of the time.

Edward never thought he would get the opportunity to work in an establishment such as MEARS and thought he may have struggled to get up early due to a repetitive routine for the last 3 years. Edward never thought that he would get the opportunity to do more than one day at MEARS and was delighted when Julie Bell asked if he could do 2 or 3 days.

Julie Todd who has supported Ed at MEARS said "Ed has come a long way since he started his placement in so many ways. Ed is a naturally confident and amiable young man who enjoys focussing on the tasks in hand. He has been able to develop many of the social skills required to work as part of a team. He learns new tasks easily and is not afraid of asking people when he comes across anything he is unsure of. Although having said this, Ed has a remarkable ability of being shown a task once and then being able to complete the task independently and thoroughly on a weekly basis. I believe



that Ed will be a valuable asset to any fortunate company who ultimately employs him.”

### Case study:

#### **Equality and Diversity Training by the Employability Project to Mears Group Ltd.**

##### **Background Information**

Mears Groups have formed a partnership with the Employability Project (EP) which is part of The Percy Hedley Foundation. The Foundation is a registered charity that provides services for disabled people and their families. They offer a wide range of services to children, young people and adults. The education services include Percy Hedley Lower and Upper School, Northern Counties School, Percy Hedley College, residential and respite care for all ages. Adult services include residential services, and an ever increasing variety of adult day care services. The Employability Project works across the region to develop employability opportunities for disabled people and break down the barriers that employers envisage exist to employing disabled people. This project encourages regional organisations to be socially responsible and proactive by acting as a link between employers, supported employment organisations and disabled people. It also delivers first class Equality, Diversity and Disability Training to those employers who are committed to embed and embrace equality within their workplace - this is how the relationship continues.

##### **Training and Delivery**

The Employability Project designed and developed a training package to suite the needs of Mears staff at the Gateshead branch. The training had to be specific to ensure that all delegates were able to engage, interact and benefit from this training. Mears committed over 300 staff members to attend this training and time was taken to carefully consider a time table to ensure staff were willing and had the time to partake and they also had to consider customers needs and requirements. This was managed very well and initially 2 sessions were booked 1 a per week over a 8 week period, thereafter EP delivered 1 session per week over 6 months. To date over 150 employees have been through the training and the full programme is due to be completed by April 2014.

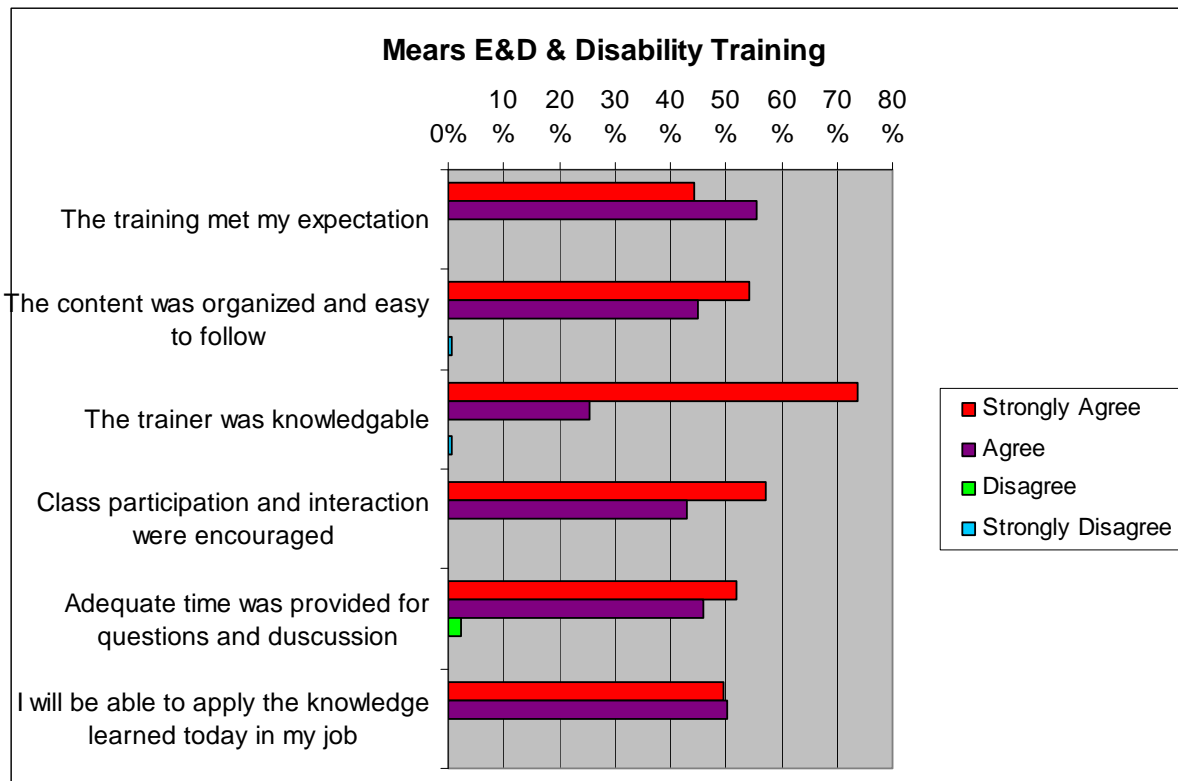
The training is specifically designed to raise awareness to equality, diversity and disability. The trainer Ashleigh Ritchie is a first class trainer and delivered awareness training in schools and hospitals. She has cerebral palsy and has used a wheelchair her whole life and was able to empathise and communicate to groups in a way which made people have real 'eye openers' there own words! The training was specifically tailored to cover all aspects of equality, diversity and disability with the foresight to build confidence from the most senior level and cascade this throughout the organisation.

The training has received excellent feedback from all staff who have taken part. We have measured the impact this has had on staff and further feedback has highlighted that training had a positive impact on communication, performance and inclusion.

## Facts and Graphs

### Questions on the feedback included:

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
The training met my expectation	44.4%	55.6%		
The content was organized and easy to follow	54.1%	45.1%		0.8%
The trainer was knowledgeable	73.7%	25.5%		0.8%
Class participation and interaction were encouraged	57.1%	42.9%		
Adequate time was provided for questions and discussion	51.9%	45.8%	2.3%	
I will be able to apply the knowledge learned today in my job	49.6%	50.4%		



As the graph indicates the training has been a huge success with an overarching conclusion that the training exceeded expectations and they agree both strongly that they will be able to apply the knowledge in their day to day work.

Feedback from operatives included that the session was a real 'eye opener' they 'never would have guessed' 'I never knew disabled people could. . . . 'and many more.

To conclude:

The sessions have been a huge success and have made a positive difference to the way in which people will work and how they communicate will people.