



RESOURCES COMMITTEE

25 February 2014

PRESENT:

Directors

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

Advisers

Jon Mallen-Beadle	Managing Director
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

Apologies

Joachim Moussouanda Mouanda

42 DECLARATIONS OF INTEREST

No declarations of interest were declared.

43 MEMBERSHIP

The membership of the committee was noted.

44 APPOINTMENT OF DEPUTY CHAIR

RESOLVED – That Kathryn Ferdinand be appointed as Deputy Chair of the committee.

45 MINUTES

The minutes of the last meeting of the committee held on 5 November 2013 approved as a correct record.

46 MATTERS ARISING – HOUSEMARK BENCHMARKING RESULTS 2012/13

The committee will receive a report at a future meeting on measures the Company has taken to address the less positive findings where it was in the lower quartile.

47 BUDGET 2014-15

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.

Whilst the Company is still awaiting formal confirmation from the Council, it has prepared a budget for scrutiny by the committee based on its expectation of the likely level of fees.

A statement showing the proposed balanced budget for 2014/15 together with, for comparison purposes, the 2013/14 annual budget was submitted.

Whilst preparing the budget for 2014/15, the Company has 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.

A staffing budget has been produced based on the latest structure which includes all proposals agreed at previous committee meetings.

Any additional resource requirements will need to be met through service reviews and realigning staffing structures. This may potentially redirect resources into areas that require additional resources to ensure the Company continues to provide services in line with customers' needs.

The overhead budgets have been produced based on a number of assumptions, details of which were reported.

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.

- RESOLVED – (i) That the Board be recommended to approve the revenue and repairs budgets for 2014/15, subject to formal confirmation of the fees by the Council.
- (ii) That the committee receive further updates about any subsequent changes to the budget.

48 TRANSFER OF ACCOUNTS – FORMER TENANTS' 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 £228,057 has been recovered from former tenants, including £41,230 relating to previously transferred accounts, which have been reinstated for recovery purposes. Using the agreed criteria, it is proposed that 693 cases totalling £485,584 in value should be recommended for transfer.

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. 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 £485,584 of former tenants' arrears into a debtors account.

49 MANAGEMENT ACCOUNTS – THIRD QUARTER 2013/14

The committee received an update on the management accounts for the third 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 £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.

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. Discussions are ongoing with the Council regarding budget provision for these charges going forward. The committee expressed concern about the increased cost of insurance claims and requested a more detailed breakdown.

The overall position for repairs at the end of the third quarter is an overspend of £290,000 with the two areas of concern relating to Mears responsive repairs and relets being closely monitored in partnership with the Council and Mears.

The Company was currently anticipating to be overspent by £520,000 by the end of the financial year, however the committee received a reassurance that this would be met by the Council and reserves.

The committee received a reassurance that the Company was taking all possible measures to gain entry to properties where gas services were out of date and noted that the Gas Servicing Manager was now able to issue warrants.

- RESOLVED – (i) That the financial management of the revenue and repairs budgets at the end of the third quarter 2013/14 be noted.
- (ii) That the committee receive more details in future reports around the reasons for the increased expenditure repairing void properties.
- (iii) That the committee receive a breakdown for the reasons for the increased cost in insurance claims.

50 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received an update on general human resources initiatives and developments including sickness absence and learning and development from April to December 2013.

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%.

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 a reduction of 3.15% in long term absence.

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%.

Stress related absence was 373 days for the period compared to 746 days for the same period last year. This equates to a 50% reduction.

There were 267 days of stress related absence reported as non-work related stress. This equates to 71.6% as non-work related absence and 28.4% work related absence.

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

The company has held 18 short term and 11 longer term sickness absence review meetings in the period. Five first written cautions were issued and one second written caution was issued following a short term absence review meeting.

The committee also received details of the North East Health and Wellbeing Award, health and wellbeing with the Company as well as other HR initiatives and developments.

Details of learning and development activity during the period were reported. These included the North East Employment and Skills Network, the training matrix and health and safety and ICT training.

RESOLVED – That the information be noted.

51 HEALTH AND SAFETY UPDATE

The committee received an update in the following health and safety activities for the period October to December 2013: -

- Policy, procedure and safe systems
- Partners activity
- Accident reporting
- Accidents/incidents near misses TGHC employees
- Accidents/incidents near misses to 3rd party/sub-contractors
- Asbestos management
- Fire safety management
- Legionella control
- Cyclical repair and maintenance
- Lift maintenance
- Company construction related activities
- Health and safety legislation changes.

The committee received an assurance that appropriate measures were in place for carrying out gas services during mutual exchanges.

RESOLVED – (i) That the information be noted.

- (ii) That Officers look into whether the Fire Service was no longer attending lift entrapments and were expecting organisations to have methods in place to deal with them themselves.

52 EQUALITY AND DIVERSITY UPDATE

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

The Company continues to collect information about its customers to ensure that it understands the communities it is providing services to and details of the profile of its main tenants as at 31 December 2013 were reported.

In the last period, the results for the 2014 Stonewall Workplace Equality Index have been released, details of which were reported. 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. The company has increased from 181st with a score of 112 out of 200 in 2013, to 155th with a score of 128 this year which exceeds the average score of 115.

In the last period, the licence for the e-learning equality and diversity training, equality and diversity essentials have been renewed so that this can be provided for the next three years.

The Company has recently signed up to be part of the Housing Quality Network's Equality and Diversity Exchange attending the first meeting in January.

The Company has continued to recognise a number of national events as part of its general awareness raising of equality issues.

Following the update at the last meeting, Mears have now commenced a programme of equality and diversity training for all operatives. The positive feedback from the sessions was provided.

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 was reported. The committee asked if there was scope for this to be expanded.

RESOLVED – That the equality and diversity carried out in the third quarter of 2013/14 be noted.

53 DATE AND TIME OF MEETINGS 2014/15

RESOLVED – That the following date and time of meetings in 2014/15 be approved: -

- Tuesday 6 May 2014 at 2pm
- Tuesday 9 September 2014 at 10am
- Tuesday 4 November 2014 at 2pm
- Tuesday 24 February 2015 at 2pm

54 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.

55 MINUTES (Category 1)

The minutes of the last meeting of the committee held on 5 November 2013 approved as a correct record.