



The Gateshead Housing Company

Working with Gateshead Council

RESOURCES COMMITTEE

6 May 2014

PRESENT:

Directors

John Hamilton (Chair)
 Sheila Boutieh
 Robert Buckley
 George Clark
 Joachim Moussouanda Mouanda

Advisers

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

Apologies

Mick Davison
 Kathryn Ferdinand
 Paul Foy

1 DECLARATIONS OF INTEREST

No declarations of interest were declared.

2 MINUTES

The minutes of the last meeting of the committee held on 25 February 2014 were approved as a correct record.

3 MATTERS ARISING

(a) Management Accounts – Third Quarter 2013/14

A breakdown of the reasons for the increased cost of insurance claims has been sent to all members of the committee.

(b) Health and Safety Update

It was noted that the Tyne and Wear Fire Service has no intentions at the moment to not attend lift entrapments and don't expect organisations to have methods in place to deal with them themselves.

4 EQUALITY AND DIVERSITY ANNUAL REPORT 2013/14

A draft Equality and Diversity Annual Report 2013/14 was submitted. The report summarises key activities undertaken to provide a public account of how the Company is progressing equality and diversity for tenants, leaseholders, employees and stakeholders. The report also supports the Company's compliance with the equality duty.

RESOLVED – (i) That the draft Equality and Diversity Annual Report 2013/14 be approved.

(ii) That the report be designed and made available on the Company's website and be issued on request.

5 MANAGEMENT ACCOUNTS – FOURTH QUARTER 2013/14

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

An overall deficit of £95,000 for the year ended 31 March 2014 is forecast, subject to the external audit work to be carried out by KPMG. The £95,000 can be covered by the Company's reserves which stood at £921,000 at the start of the financial year.

The Management Accounts revenue shows a surplus for the year of £337,000. This is mainly due to an increase in income received for the rent and income performance fee, which has increased by £109,000 for the year, from the budgeted figure of £650,000 to £759,000 and by savings made in the salary budget during the year by not filling some vacant posts.

This increased income is partly offset by an increase in expenditure in relation to overhead costs which are £627,000 over budget at the fourth quarter.

This is mainly due to a significant increase in the cost of insurance claims, where spend is at £342,000 for the fourth quarter compared to an annual budget of only £200,000 and a payment of £118,963 for Carbon Reduction Commitment (CRC) fees. £77,622 of 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, the Company has paid a further £41,341 relating to 2013/14 CRC charge.

The overall position for repairs at the end of the fourth quarter is an overspend of £432,000. The actual spend on repairs this year has been £21.2million compared to the budgeted spend of £19.1million.

The Council has provided additional capital funding of £0.7 million and additional revenue funding of £0.7 million, hence the year end position being an over spend of £432,000 on repairs. The two areas of the budget that have produced this additional cost are responsive repairs and voids.

RESOLVED – That the financial management of the revenue and repairs budgets for the fourth quarter of the 2013/14 financial year and for the year overall be noted.

6 SICKNESS ABSENCE AND HR UPDATE

The committee received an update on general human resources initiatives and developments including sickness absence and learning and development from April 2013 to March 2014.

The total sickness absence for the period equates to 8.58 days per person compared to 7.67 days for the same period last year which is an increase of 10.61%.

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 3.10 days per person and long term absence was 5.48 days. This compares with 3.34 days short term absence and 4.34 days long term absence for the same period last year. This represents a reduction of 7.74% in short term absence and an increase of 20.80% in long term absence.

The biggest cause of absence was post operation recovery with 756 days lost compared to 420 days lost last year. This is an increase of 44%.

Stress related absence was 630 days for the period compared to 918 days for the same period last year. This equates to a 45% reduction.

418 days of stress related absence was reported as non-work related stress. This equates to 66% as non-work related absence and 34% work related absence.

Since 2006/7, the Company has consistently reduced sickness absence every year. The increase this year is attributed to long term absence as employees recover from operations. However, the Company has continued to reduce short term absence, stress related absence and the numbers of occasions of absence.

The company has held 25 short term and 21 longer term sickness absence review meetings in the period. Eight first written cautions were issued and one second written caution was issued following a short term absence review meeting.

The financial cost of sickness absence to the Company for the period was £289,476 as compared to £264,699 for the same period last year.

The committee received details of the NE Health and Wellbeing Award, the entry for a Chartered Institute of Personnel and Development Engagement and Wellbeing Award and details of other HR initiatives and developments.

Following relocation to the Civic Centre, the Company has reviewed its approach to the management of environmental issues as most of the activity required to achieve the standard is no longer within its control. The Company remains keen to follow the environmental policy and maintain the principles that have been established through the working group.

The cost of accreditation, valid for three years is £1,600, with each annual audit inspection £2,500 per year. It was proposed therefore to let the ISO14001 accreditation lapse in June 2014 which would also result in a financial saving of

£9,100 over three years. The Company would continue to monitor its performance against the ISO principles through the working group and continue to implement best practice.

The decommissioning of Keelman House is progressing well and the building is expected to be empty by the end of April 2014. Additional work carried out by the Company's Administration Team has resulted in a substantial reduction from the initial forecast of dilapidations submitted by the Landlord. Subsequently, a £49,000 saving has been agreed with the Landlord's representative.

The committee also received details of health and safety and ICT training during the period.

RESOLVED – (i) That the sickness absence and human resources update be noted.

(ii) That the decision to let ISO 14001 lapse in June 2014 be endorsed.

7 HEALTH AND SAFETY UPDATE

The committee received an update in the following health and safety activities for the period January to March 2014: -

- Partners activity
- Accident reporting
- Asbestos management
- Fire safety management
- Legionella control
- Fire alarm systems and sprinkler system
- Emergency lighting
- Wet and dry riser tests and inspections
- Bin chute fire shute off tests and inspections
- Cyclical repair and maintenance
- Lift maintenance
- Company construction related activities
- Health and safety legislation

RESOLVED – That the information be noted.

8 DATE AND TIME OF NEXT MEETING

The next meeting of the committee will be held on Tuesday, 9 September 2014 at 10am in the Whickham Room, Gateshead Civic Centre, Regent Street, Gateshead

9 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.