



RESOURCES COMMITTEE

8 September 2015

PRESENT:

Directors

John Hamilton (Chair)
 Sheila Bouitieh
 Elizabeth Bird
 Robert Buckley
 George Clark
 Mick Davison
 Kathryn Ferdinand
 Tracy Harrison
 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
Kelly Davies	Finance Manager
Stuart Gibson	Governance and Risk Officer

12 MINUTES

The minutes of the last meeting of the committee held on 5 May 2015 were approved as a correct record.

13 MATTERS ARISING – WREKENTON HUB

The Company was now working with the Council and operating the library element within the HUB. A six monthly evaluation would be carried out and the outcome of this would be reported to the committee.

14 CONTRACT PROCEDURE RULES

The committee received updated Contract Procedure Rules, which have been amended to ensure that they meet the new public sector procurement directive that became law early this year.

The main changes from the previous Contract Procedure Rules include:

- A contract should be awarded based on the “most economically advantageous tender”

- Where an external advertisement is made for contracts over £25,000, advertisements must also be placed on the governments “contracts finder” website, in line with new EU small procurement regulations
- Emphasis on the European Union rules on procurement
- Submission and opening requirements for electronic tenders

RESOLVED – That the Board be recommended to approve the amended Contract Procedure Rules, which are attached at the Appendix to these minutes.

15 MANAGEMENT ACCOUNTS – FIRST QUARTER 2015/16

The committee received an update on the management accounts for the first quarter of the financial year 2015/16.

The Management Accounts Revenue shows a surplus for the first quarter of £292,000. This is due to slippage on vacant posts and overhead budgets where spend will not be realised until later in the year.

The £197,000 under spend on employee costs is mainly due to slippage on vacant posts. Some of these posts were new posts that the company received additional management fee to fund, as the posts could not be advertised until the funding was agreed they were not filled for the start of the year.

The overhead costs are under budget by £97,000 to the first quarter. This is mainly due to budgets that are traditionally not spent until later in the year and lower utility bills during the summer months. It is being forecast that overheads will come in £37,000 over budget for the year due to the Health & Safety SLA which was not budgeted for, however a vacant post within the Health & Safety team is being held to fund the SLA so there will be a corresponding under spend on employee costs.

The overall position for repairs at the end of the first quarter is an under spend of £361,000. Although the position at the end of the first quarter would suggest that spend is on target there are a couple of areas of concern. Mears responsive repairs and relets are both overspent, this is partly due to Mears completing work they received last financial year for which the budget has now transferred to Construction Services. Construction Services budget have underspent which partly offsets the over spend, but this area will need to be monitored closely to ensure it comes in on budget by the year end.

Spend on the painting programme is currently underspent for both Mears and Construction Services. Mears are currently on site and it is being expected that spend will increase and be back on budget during the next quarter as works progress over the summer months. Construction Services aren't due to start their painting programme until the end of July, however they are confident they can complete the full programme this year, therefore the Company still expects this to spend to budget.

The committee asked if it needed to be concerned about the cost of some repairs going up by 8% whilst there was only a 2% inflationary increase in schedule of rates. It was noted that this would be a mix of repairs and if it continued going forward it would be a concern, however it was too soon to speculate at the moment.

The committee asked why the Company was still waiting for the detail of the work that had been completed by Construction Services and for an indication of when the Company would have this. It was noted that this was due to a number of ICT issues at the start of the year that were still being worked through. It was anticipated that actual data would be provided by the end of the third quarter.

RESOLVED – That the update on the management accounts for the first quarter of the financial year 2015/16 be noted.

16 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received an update on general human resources initiatives and developments from April to June 2015, including sickness absence and learning and development activity.

The total sickness absence for the period equates to 1.62 days per person, compared to 2.00 days for the same period last year, which is a decrease of 19%.

Short term absence for the period was 0.82 days per person. This compares with 0.76 days for the same period last year and represents an increase of 7.32%.

Long term absence for the period was 0.80 days per person this compares with 1.24 days for the same period last year. This represents a decrease of 34.48%

The biggest cause of absence for the period was stress with 168.50 days lost compared to 171.5 days lost last year, a decrease of 1.57%.

Of the 168.50 days of stress related absence 115 days was reported as non-work related stress. This equates to 67.87% as non-work related absence and 32.13% work related absence.

Of the 168.50 days lost to stress related absence, six employees reported non-work related stress and four employees reported work related stress.

The Company has held five short term sickness absence review meetings in the period with four first written cautions being issued following these meetings. Six long term absence review meetings were held in line with procedure two in the period.

The committee also received details of sickness absence benchmarking, the Chartered Institute of Personnel and Development (CIPD) Absence Management Annual Survey Report 2014, health and wellbeing, work life balance, bullying and harassment, recruitment, the Child Care Scheme, the ITrent System, learning and development activity, the behavioural framework and Investors in People.

RESOLVED – That the update on sickness and human resources initiatives be noted.

17 HEALTH AND SAFETY UPDATE

The committee received an update on the following health and safety activities for the period 1 April 2015 to 30 June 2015: -

- Corporate Health and Safety Groups

- Partners activity
- Accident reporting
- Asbestos management
- Fire safety management
- Legionella Control
- Fire alarm systems and sprinkler system
- Out of hours
- Emergency lighting
- Non domestic gas boilers
- Bin chute fire shut off tests and inspections
- Cyclical repair and maintenance
- Lift maintenance
- Company construction related activities

RESOLVED – That the update on health and safety activities be noted, subject to the committee receiving updates on the following: -

- Confirmation that risk assessments from Crowhall Towers, Tennyson Court and Newbold Court had been completed.
- Confirmation that the last two water hygiene inspections/treatments had been completed by Construction Services.
- Confirmation that the 31 outstanding fire alarm tests had been carried out to multi storey blocks and sheltered housing communal areas and the risks of not carrying these out.
- Lift maintenance performance – was this improving on last year.

18 EQUALITY AND DIVERSITY UPDATE

The committee received a summary of equality and diversity work within the Company in the first quarter of 2015/16.

The Company continues to collect a range of information about its customers to ensure it understands the makeup and needs of the communities it is working in. The Company has now collected information from over 40% of customers on sexual orientation and religion which will allow it to start using this information to monitor and compare services.

A joint meeting of the BME, LGTB and Disabled Persons' Forums has been reviewing the Single Equality Scheme to ensure it is up to date and relevant based on current legislation and Company priorities. It is proposed to change the name of the scheme to the 'Equality and Inclusion Scheme' as it will refer to digital and financial inclusion information. The group will continue to meet on a regular basis until the document is finalised.

During the period, the Company has worked in partnership with Gem Arts and Gateshead Council to deliver arts projects in senior schools around hate crime.

The Company has continued to undertake a range of activities to make it more LGTB inclusive, both as an employer and a service provider.

RESOLVED – That the progress activity relating the equality and diversity carried out in the first quarter of 2015/16 be noted.

19 DATE AND TIME OF NEXT MEETING

The next meeting of the committee would be held on Tuesday, 3 November 2015 at 2pm at Gateshead Civic Centre.

20 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.

The Gateshead Housing Company Governance Handbook Contract Procedure Rules

1. Introduction and Interpretation

1.1 The following words within these Contract Procedure Rules shall be interpreted as follows:

1.1.1 “Board” shall mean the board of The Gateshead Housing Company.

1.1.2 “Contract” shall mean a contract with a third party for works, goods or services.

1.1.3 “EU Procurement Regulations” shall mean the Public Contract Regulations 2015, Directive 2014/24/EU, and any other amendment, re-enactment or subordinate legislation.

1.1.4 “EU Threshold” shall mean the financial thresholds as prescribed by the EU Procurement Regulations.

1.1.5 “Rules” shall mean these Contract Procedure Rules.

1.2 Every contract entered into by The Gateshead Housing Company shall be awarded in compliance with these Rules, unless any of the exceptions or exemptions set out at Rule 3 applies.

1.3 Every exception to these Rules, and the reasons for it, will be recorded in the minutes of the relevant Board meeting.

2. Tendering Procedure

2.1 Tenders and/or quotations shall be invited or negotiated for all contracts with an estimated value in excess of £2,500, in accordance with the following provisions.

2.2 The relevant Head of Service, or another employee with delegated power, will adopt one of the following tendering procedures:

2.2.1 If the contract value is between £2,500 and £20,000, quotations may be requested from at least three contractors, or if this is not possible, from all capable contractors.

2.2.2 If the contract value is above £20,000, but below £50,000, written tenders may be invited (either with or without advertisement) from a reasonable number of capable contractors.

- 2.2.3 If the contract value is above £50,000, tenders may be invited by advertisement, giving at least seven days' notice for potential bidders to respond. If the contract value in question is less than £50,000, an advertisement shall be published in at least one local newspaper, and an additional advertisement may also be published in a specialist, trade or professional journal. If the contract value in question is over £50,000, a trade or professional journal may be used instead of a local newspaper.
- 2.2.4 A tender may be invited from a contractor already engaged by the company, if that is in the company's interests, provided that the combined value of contracts awarded to the Company in accordance with this Rule does not exceed the relevant EU Threshold.
- 2.2.5 A tender or quotation may be obtained through a framework or consortium arrangement which is compliant with EU Procurement Regulations, provided that the Managing Director and the Head of Corporate Services are satisfied both with the procedures for the procurement, and with the terms of any appointment made through the framework in question.
- 2.3 Any invitation to tender will specify that all tenders must be submitted either:
- 2.3.1 Electronically through an approved electronic tendering system; or
- 2.3.2 In a plain sealed envelope addressed to a nominated officer and marked 'Tender', stating the closing date for return of the tenders and description of the contract, without any mark revealing the tenderer's identity.
- 2.4 The table below summarises the requirements of the tendering procedure:

Threshold	Requirement
£0 - £2,500	No formal tendering procedure
£2,501 - £20,000	Written quotations invited (minimum of 3)
£20,001 - £50,000	Written tenders invited (reasonable number) Discretion to advertise – and potential requirement to advertise on Contracts Finder
£50,001 - EU Threshold	Advertise & obtain written tenders, or use framework/consortium. Requirement to advertise on Contracts Finder
Above EU Threshold	European Union (EU) tender process, or EU compliant framework/consortium

As at the date these contract procedures rules were adopted, the relevant EU Thresholds were Goods & Services- £172,514 and Works- £4,322,012

3. Exemptions and Exclusions

3.1 These Rules do not apply to any Contracts:

- 3.1.1 For goods, works or services which are obtainable only from one contractor;
- 3.1.2 For the procurement of information technology supplies and services, in which case the Head of Corporate Services may invite quotations and tenders in accordance with procedures agreed with the Managing Director;
- 3.1.3 Where the Board authorises an exception to the Rules;
- 3.1.4 The matter is so urgent that it is not feasible to comply with these Rules; in which case the Managing Director shall have delegated authority to act on behalf of the Board and authorise an exception to these Rules, and will report the reasons (and the details of the contract award) to the next meeting of the Board.

4. Opening Tenders

- 4.1 All **electronic tenders** and all envelopes containing paper-based tenders will **be held by the relevant Head of Service**, or by their nominated representative, until they are opened.
- 4.2 All **electronic tenders** and all envelopes containing tenders for the same contract will be opened at the same time by a representative of the officer who invited the tenders, and a representative of the Head of Corporate Services.
- 4.3 Any tender received after the deadline for the receipt of tenders will not be considered, unless the other tenders have not yet been opened and the employees referred to in paragraph 4.2 are satisfied that:
 - 4.3.1 **In the case of an electronic tender, the tender could not have been submitted by the deadline for reasons outside of the tenderer's control;** or
 - 4.3.2 In the case of a paper-based tender, the tender was posted in sufficient time for it to have been received in the ordinary course of post.

5. Evaluation of Tenders and Award of Contracts

- 5.1 Award criteria must be clearly set out in the invitation to tender or equivalent documentation, together with the weighted scoring methodology.
- 5.2 **A contract should be awarded based on the "most economically advantageous tender", which may not necessarily be the lowest priced tender.** A record of the tender award decision and the reason for it being made should be included in the minutes of the next meeting of the Board.

- 5.3 A tender for works, supplies or services £50,000 or above in value may not be accepted without the approval of the Board. In urgent situations, a tender above £50,000 may be accepted by the Managing Director, in consultation with the Chair of the Board, with the reasons being reported at the next meeting of the Board.

6. Alterations

- 6.1 Where an examination of competitive tenders reveals an error or discrepancy which would affect the sum payable by or to the company, in a tender which might otherwise be accepted, the tenderer may be given the opportunity of confirming or withdrawing his/her tender.
- 6.2 Where the appropriate employee is satisfied that the error or discrepancy is an arithmetical error, the tenderer may be given the opportunity to correct it.
- 6.3 Where an error or discrepancy is not an arithmetical error, or further information is required, in consultation with the Head of Corporate Services, an employee may ask the tenderer to clarify his/her tender or to provide additional information.

7. Form and Content of Contracts

- 7.1 Every contract above £20,000 in value and any other contract where the Managing Director so decides, must be in writing and must be signed by him/her on behalf of the company.
- 7.2 Every contract shall be reviewed and approved by Gateshead Council's legal team prior to being signed.
- 7.3 Every such contract will:
- 7.3.1 Specify the work to be carried out, or the supplies or services to be provided, the price to be paid (including any discounts), and the timetable for performing the contract; and
 - 7.3.2 Where relevant, require that the goods and materials must comply, at a minimum, with any relevant specification issued by the British Standards Institution or equivalent European or International standard.

8. Common Seal of the Company

- 8.1 The Common Seal of the Company will be kept in a safe place in the custody of the Managing Director.

8.2 The Common Seal will be affixed to those documents which in the opinion of the Managing Director should be sealed. The affixing of the Common Seal will be attested by the Managing Director and another Director.

9. Communication

9.1 These Rules will be published on The Gateshead Housing Company's intranet.

9.2 If the contract value is over £25,000 and an external advertisement is made, an equivalent advertisement must also be made on the government's "Contracts Finder" website, in accordance with EU Procurement Rules.

10. Revision

10.1 The Head of Corporate Services shall keep these Rules under review, and may make recommendations to the Board to amend the Rules from time to time where considered necessary.