



## RESOURCES COMMITTEE

6 September 2016

### PRESENT:

#### Directors

Tracy Harrison (Deputy Chair in the Chair)  
 Sheila Bouitieh  
 Robert Buckley  
 George Clark  
 Mick Hood  
 Joachim Moussanda Mouanda

#### Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Jennifer Aston	Support Services Manager
Martin Poulter	Customer Support Manager
Mark Banks	Finance Manager
Debbie Worrall	Senior HR Advisor
Stephen Foggin	Health and Safety Advisor, Gateshead Council
James Morgan	KMPG
Stuart Gibson	Governance and Risk Officer

#### Apologies

Liz Twist  
 Helen Hall (invited as member of Audit Committee)  
 Peter Mole (invited as member of Audit Committee)

### 13 TRANSITION TO FRS 102

Following the withdrawal of the old UK GAAP, the company adopted FRS 102 in preparation of its financial statements for the first time this year. The committee received a presentation from KPMG explaining the transitional adjustments from this change. The main areas, which were explained, were as follows: -

- Presentation of the primary statements
- Presentation of pension costs and income
- Holiday pay accrual
- Accounting policies

The committee noted that whenever the company had to add to the pension fund, the additional funding had always been provided by the Council with an increase in the Management Fee.

RESOLVED – That the presentation be noted.

## 14 MINUTES

The minutes of the last meeting of the committee held on 3 May 2016 were approved as a correct record.

## 15 MATTERS ARISING

### (a) Equality and Diversity Annual Report 2015/16

The previous decision not to collect information around sexuality or religion for Board members still needed to be considered by the Board.

### (b) TGHC Reserves Policy

The committee received details of how the company's reserves compared with other housing providers.

## 16 PERFORMANCE AND SERVICE STANDARDS – QUARTER 1 2016/17

The Committee received the Performance Indicator (KPI) and Service Standard results for quarter 1 2016/17.

There were currently eight KPIs that were reported to this committee on a quarterly basis. At quarter 1:

- Six indicators were traffic lighted green, which showed that the annual targets for these indicators had been achieved. This was comparable with performance at the same period last year.
- No indicators were traffic lighted amber, which showed that the target set had not been met but performance had increased on the previous year. This was comparable with performance at the same period last year.
- No indicators were traffic lighted red, which showed that the target set had not been met and performance had decreased compared to the previous year. This was comparable with performance at the same period last year.
- Two indicators were not yet measureable.

The performance results therefore indicated that at quarter 1, performance relating to six out of the six measureable Performance Indicators could be traffic lighted as on target or improving, which related to 100% of the indicators. This was comparable with performance at the same period last year.

The committee felt that reporting rent lost through Council houses being empty as a percentage was an anomaly because the cash value was lower than last year. It was noted that it was a direct reflection of what was in the HRA business plan. It was agreed that it would be made clearer in future reports.

**RESOLVED –** That the committee is satisfied with the quarter 1 2016/17 Performance Indicator and Service Standard results, subject to the way that rent lost through Council houses being empty is calculated be made clearer in future reports.

## 17 MANAGEMENT ACCOUNTS – FIRST QUARTER 2016/17

The Committee received an update on the management accounts for the first quarter of the financial year 2016/17. These included the income and expenditure in relation to revenue, repairs and housing services up to the end of June 2016.

The Management Accounts Revenue showed a surplus for the first quarter of £248,000. This was due to slippage on vacant posts and overhead budgets where spend would not be realised until later in the year.

There was a £122,000 underspend on employee costs. This was mainly due to slippage on vacant posts. Some of these posts were vacant following the post holder taking voluntary redundancy in order to meet the 2016/17 savings target. There were currently no plans to recruit to these posts in the year. Other vacancies had now either been filled or were in the process of being recruited to. The committee received an assurance that this was not affecting performance elsewhere in the organisation.

The overhead costs were under budget by £127,000. This was mainly due to budgets that were traditionally not spent until later in the year and lower utility bills during the summer months.

The overall position for repairs was an over spend of £39,000, however no invoices had been received from Construction Services on the repairs and relet works they had completed, therefore an accrual had been estimated using historic expenditure. The lack of information had also meant that it had not been possible to transfer any of the Construction Services costs to the capital programme which meant the income was less than expected for the first quarter which was a major contributor to the overspend.

The Committee were advised that post March 2017 the repairs and maintenance contract with Construction Services would be delivered through Northgate and the committee received an assurance that there would not be the same issues when this contract started. It was noted that Northgate integration was planned by the end of this calendar year.

It was further noted that the company had since met with Construction Services to discuss this year's activity and received accurate projections for monitoring spend. This information would be reflected in the second quarter report.

Housing services budgets were currently being shown as breaking even, however the overall budgets and management fee had yet to be finalised. In addition, some of the costs were still being charged to the Council's budgets and were therefore not included in the figures being reported. Until all the relevant costs had been transferred and the management fee was formally agreed income was being shown at a level that would break even with expenditure. The Managing Director advised that he expected to sign this off by the end of this month.

**RESOLVED –** That the Revenue and Repairs budgets for the first quarter of the 2016/17 financial year be noted.

## 18 SICKNESS ABSENCE AND HUMAN RESOURCES UPDATE

The committee received an update on general human resources initiatives and developments from 1 April to 30 June 2016, including sickness absence and learning and development activity.

The HR Team were currently unable to produce an automated absence summary report by service and was working with iTrent to address the issue. The committee was informed that the HR Team could produce some information but was uncertain about its accuracy and therefore agreed to defer presenting this information to the committee until the issue had been resolved with iTrent.

The total sickness absence for the period equated to 2.99 days per person, compared to 1.62 days for the same period last year.

Short term absence for the period was 0.83 days per person, compared with 1.46 days for the same period last year. 57 employees were absent short term.

Long term absence for the period was 2.16 days per person, compared with 0.80 days for the same period last year. 20 employees were absent long term.

44% of absence in the period was attributed to Housing Services (TUPE) and 56% to TGHC employee's pre TUPE. Further analysis of absence would be carried out in the next quarter to determine actions required to reduce. The committee expressed concern about this and received an assurance that it was manageable. In particular, reference was made to the higher sickness levels when the company was established which had now been reduced significantly. The company was confident that it could tackle this similarly.

The committee asked if there were any lessons that could be learnt ahead of next year's TUPE of employees from Mears to Construction Services. It was agreed to bring a report on this to a future meeting of the committee.

The biggest cause of absence for the period was stress related illness with 405 days lost compared to 173 for the same period last year. Of the 405 days lost, 345 days were reported as non-work related stress. This equated to 85% non-work related absence and 15% work-related absence.

Nine employees reported non-work related stress and three employees reported work related stress.

The company had held 21 short term sickness absence review meetings. Nine absence review meetings were held under procedure one, which resulted in seven written cautions being issued.

Eight long term absence review meetings were held in line with procedure two in the period. Of these, two employees have returned to work.

The committee also received updates in relation to the following: -

- TUPE
- Co-location
- Desk moves
- iTrent

- Health and wellbeing
- Work Life Balance
- Investigation and Disciplinary
- Other HR initiatives and developments
- HMRC Visit
- Competency Framework
- Learning and Development

- RESOLVED – (i) That the sickness absence and human resources update be noted.
- (ii) That the committee receives a report at a future meeting on lessons learnt regarding the TUPE of employees from the Council to TGHC.

## 19 HEALTH AND SAFETY UPDATE

The committee received an update on the following health and safety activities for the period 1 April to 30 June 2016: -

- Performance Partnership
- Partners Activity
- Accidents/Incidents and Near Misses – TGHC Employees and 3<sup>rd</sup> Party / Subcontractors
- Corporate Health and Safety Management Action Plan 2016/17
- Other significant health and safety issues
- Repairs and Maintenance Mobilisation

The committee questioned why it was no longer receiving details of weekly fire tests carried out in multi storey blocks and sheltered housing communal areas, which the committee previously had an issue with it not being at 100%. It was noted that cyclical maintenance was no longer included in this report. It would be clarified where this information was being reported.

- RESOLVED – (i) That the health and safety activities and developments be noted.
- (ii) That it be clarified where details of weekly fire tests carried out in multi storey blocks and sheltered housing communal areas was now being reported.

## 20 EQUALITY AND DIVERSITY – UPDATE

The committee received a summary of equality and diversity work with the company in the first quarter of 2016/17.

The company continued to collect a range of information about its customers to ensure that it understood the makeup and needs of the communities it was working in. The profile of main tenants at June 2016 was reported. The company was now collecting information from over 40% of customers on sexual orientation and religion which allowed it to start using this information to monitor and compare services.

The Equality and Inclusion Scheme was launched with involved customers and partners in May 2016. The company was currently developing a framework that set out in more detail how it would support its aim of making its services accessible, fair and equal.

The company continued to undertake a range of activities to demonstrate that it was LGBT inclusive, both as an employer and a service provider. This included attendance at the North East Equality and Diversity Network for Housing Practitioners and a LGTB Network meeting in June 2016.

During this period, the company was shortlisted and won the 2016 National TPAS Award for Excellence in Equality and Diversity. This was for the “We Stand Together Project” produced in partnership with GemArts and Gateshead Council, a project created by pupils of Joseph Swan Academy and Heworth Grange Comprehensive Schools to raise awareness of what hate crime was and how to report it. Following the success, the company has been invited by TPAS to attend its regional meeting in September to talk about the project.

- RESOLVED – (i) That the committee is satisfied with progress carrying out equality and diversity activity during the first quarter of 2016/17.
- (ii) That the committee place on record its congratulations to the company on winning the TPAS National Award for Excellence in Equality and Diversity.

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

The next meeting of the committee will be held on Thursday, 8 November 2016 at 2pm in Room S21 at Gateshead Civic Centre, Regent Street, Gateshead.