



RESOURCES COMMITTEE

17 January 2019

PRESENT:

Directors

Mick Davison (Chair)
Elizabeth Bird
Sheila Bouitieh
Robert Buckley
George Clark
Michael Hood

Advisers

Neil Bouch	Interim Managing Director
Debbie Worrall	Human Resources and Governance Manager
Phil Hogg	Head of Repairs and Maintenance
Michael Crinnion	Head of Commercial Services
Scott Straughan	Head of Planned Investment and Cyclical Works
Ian Price	Commercial Advisor
Stuart Gibson	Governance and Risk Lead

Apologies

Tracy Harrison

38 APPOINTMENT OF DEPUTY CHAIR

RESOLVED – That consideration of the appointment of a Deputy Chair of the committee be deferred until the next meeting.

39 MINUTES

The minutes of the meeting of the committee held on 8 November 2018 were approved as a correct record.

40 MATTERS ARISING – MANAGEMENT ACCOUNTS – SECOND QUARTER 2018/19

The Committee receive an update on the current position at the end of the third quarter.

The overall position for the company projected an overspend against the annual budget of £333,000 (Q2 £613,000 overspend). Following corrective action that was reported to Board on 20 September 2018, efficiencies of £455,000 had been identified to reduce the overspend position, £130,000 management and supervision and £325,000 repairs and maintenance, leaving a further £301,000 yet to be identified in repairs and maintenance.

The management and supervision accounts showed an overall overspend for the third quarter of £8,000 (Q2 £13,000 underspend). This was an improvement of £152,000 since the first quarter.

At the end of December, it was projected that repairs and maintenance delivery would overspend by £400,000 (Q2 £626,000 overspend) at the end of the year. There was a 10% (Q2 15%) increase on the number of repairs carried out which accounted for some of the overspend. The number of voids completed were also 5% (Q2 15%) higher than the same period last year.

Repairs were raised on a customer demand basis in line with Gateshead Council repairs policy, as a result only essential and landlord obligation repairs were completed. Unfortunately, no currently requested repairs were unavoidable but due to the savings needed, a hold and batch method had commenced which allowed the company to better use the resource available to it. At present there were 245 repair requests to a total value of £40,012 on hold to be batched. These works primarily include external boundary works such as fencing and walls. All make safe or essential repairs to these areas would have been completed.

To date, there had been an increase in the number of roofing works and associated costs such as scaffold. As a result of the increase, estates with high spend or number of repairs had been identified and discussions had been held with Gateshead Council asset management team with a view to developing future roofing investment schemes.

With the compliance review and new asbestos management policy and plan, there had been an increase in the level of surveys and removals to ensure they were operating safely and the Company and Council were compliant.

The largest increase had been seen in gas and electrical repairs. This was a result of the follow works identified from the annual gas service or periodic electrical check. Due to the increase in remedial works the approach to both areas of work were being reviewed with a view to ensuring better control and use of resource and budgets.

The capital delivery accounts showed an efficiency of £545,000 until the end of November (Q2 £226,000) in comparison to the budget for the year of £860,000. This compared to £699,000 to the end of December last year.

The required efficiency target equated to 5% of the budget allocated by the Council to deliver the capital schemes.

The committee previously expressed concern that only 19% (To November) (Q2 16%) of the housing capital programme had been delivered to date. However additional works have been completed with the building capital programme and committee were updated that 73% of the overall capital programme including non-housing work had been delivered by the end of December 2018.

41 PROPOSED CHANGE TO PAY PROTECTION – REDEPLOYMENT POLICY

On 18 July 2017, Gateshead Council presented a report to Cabinet to seek approval to implement a revised pay protection framework in respect of re-deployment protection.

Cabinet approved the retention of the four-year protection period but reduced the level of protection on a sliding scale over each year (100% protection in year one, 75% in year 2, 50% in year 3 and 25% in year 4). This was implemented on 1 October 2017.

The company recognised the continuing need to identify savings and reduce the variations in pay and benefits across the organisation and align with the Council.

The following was proposed: -

- To retain the 4 year protection but reduce the level of protection for people redeployed on a sliding scale over each year (100% protection in year one, 75% in year 2, 50% in year 3 and 25% in year 4).
- To review the redeployment policy to ensure that it continued to be fit for purpose and reflected the proposed pay protection payments within.

The company's current six employees on pay protection and the protection awarded would remain under the current policy.

RESOLVED – (i) That consultation be carried out with the Trade Unions on the proposals to align the company's re-deployment pay protection payments.

(ii) That a further report be brought back to the committee on the implementation of a revised redeployment pay protection policy.

42 EMPLOYEE FORUM

The Interim Managing Director advised that the trade unions had requested that TGHC to reinstate the Employee Forum. It was agreed that the first meeting would be set up late February/early March 2019. It was highlighted that a review of the original terms of reference would be required.

RESOLVED – That the Employee Forum be reinstated and be subject to review when the permanent Managing Director is in post.

43 DATE AND TIME OF NEXT MEETING

The next meeting of the committee would be held on Thursday, 14 March 2019 at 10am in the Saltwell Room, Gateshead Civic Centre, Regent Street, Gateshead.

44 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 the indicted categories of the company's Access to Information Rules.