South Essex Homes Limited  
Board Meeting  
Date: Monday 25th July, 2016  
Time: 5:30pm  
Committee Room 6, Civic Centre  

Board Agenda  

**Anti-Fraud & Corruption Update Presentation - 5:15pm**

<table>
<thead>
<tr>
<th>Item</th>
<th>Lead Person</th>
<th>Indicative Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Welcome and Introductions</td>
<td></td>
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<tr>
<td>2. Apologies for Absence</td>
<td></td>
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<tr>
<td>3. Declarations of Interest</td>
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<tr>
<td>4. Governance and Stewardship</td>
<td>Beverley Gallacher</td>
<td>10 mins</td>
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<tr>
<td>5. Chair’s Remarks</td>
<td>Tony Churton</td>
<td>10 mins</td>
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<tr>
<td>6. Residents: Voice Your View</td>
<td>(None this cycle)</td>
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**PUBLIC AGENDA**

<table>
<thead>
<tr>
<th>Item</th>
<th>Lead Person</th>
<th>Indicative Timing</th>
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<tbody>
<tr>
<td>7. Minutes and matters arising from 9th March 2016 &amp; 9th May, 2016</td>
<td>Tony Churton</td>
<td>15 mins</td>
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<tr>
<td>- Minute 5.5 of Minutes dated 9th March, 2016 – to provide an update on tenant board member payments</td>
<td>Contained in Agenda item 7</td>
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<tr>
<td>- Minute 8.1 of Minutes dated 9th March, 2016 and Minute 4.5 of Minutes dated 9th May, 2016 to provide clarification on the overspend of £110k on responsive repairs and year end results on</td>
<td>Sent to the Board electronically on 19th July, 2016</td>
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<tr>
<td>Day</td>
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<td>9</td>
<td>9.2</td>
<td>To provide a list of core services split by type and related costs.</td>
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<tr>
<td>9</td>
<td>12.2</td>
<td>To update the Board on targets for 8 local performance indicators not currently set.</td>
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<tr>
<td>8</td>
<td></td>
<td>Company Assurance Report as at 30th June, 2016</td>
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<td>9</td>
<td></td>
<td>Audit Committee Minutes - 16th May 2016</td>
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<tr>
<td>10</td>
<td></td>
<td>Final Accounts as at 31st March 2016</td>
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<tr>
<td>11</td>
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<td>Quality Assurance Feedback – Tenancy Services</td>
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<tr>
<td>12</td>
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<td>Personnel &amp; Remuneration Committee Terms of Reference</td>
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<tr>
<td>13</td>
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<td>Policies for Approval by the Board</td>
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<tr>
<td>14</td>
<td></td>
<td>Confidential Minutes &amp; Matters arising from the Board Meeting of 18th May, 2016</td>
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<tr>
<td>15</td>
<td></td>
<td>South Essex Property Services Financial Update and Exception Report</td>
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<tr>
<td>16</td>
<td></td>
<td>Safeguarding Children and Safeguarding Adults at risk of Abuse or Neglect Update</td>
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<tr>
<td>17</td>
<td></td>
<td>Personnel &amp; Remuneration Committee Minutes - 18th May, 2016</td>
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<tr>
<td>18</td>
<td></td>
<td>Date of Next Meeting – 21st September, 2016</td>
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Governance and Stewardship

A Public Agenda Item

1 Purpose of Report

1.1 To obtain agreement from the Board on governance related issues.

2 Recommendations

2.1 The Board are recommended:

2.1.1 To note the nominations from the Council to appoint David Norman, Meg Davidson and David Burzotta to the Board of South Essex Homes for a term of office of one year.

2.1.2 To agree the recommendation of the Board Selection Panel to appoint Roger Eastwood and Michael Oxley to the Board of South Essex Homes for a term of office until 25th July, 2019.

2.1.3 To note the advice from Department of Work and Pensions (DWP) contained at Appendix 1 relating to Board Member payments.

2.1.4 To note the Members for Audit Committee and Personnel & Remuneration Committee (P&R).

3 Background

3.1 Board Recruitment

3.1.1 At the Board Meeting on 9th May, 2016 the Board agreed proposals for the future governance arrangements for South Essex Homes and made a recommendation to the Council that was agreed by Special Resolution. Following the changes to the number of independent board members, the Chair of the Board convened the Board Recruitment Panel. The Panel met with two candidates and are recommending Roger Eastwood and Michael Oxley to the Board for a three year term of office. Members of the Panel will
update the Board orally on background details of the two proposed board candidates.

3.1.2 The Council met in May following local elections and nominated to the Board three new Board Members being David Norman, David Burzotta and Meg Davidson. Due to the timing of this Board Meeting, and in accordance with Articles of Association these members have been appointed to Companies House and have all given consent to become Non-Executive Directors in Company Law.

3.1.3 The Board are advised that one Tenant Board Member is due to leave the Board in November, followed by another mid-2017. The Southend Tenants and Residents Federation have been advised of the situation and are now progressing the process to recommend appointments to the Board later in the year. As previously agreed, the recommendations will include a period of time for succession planning to take place.

3.4 Extension of Term of Office

3.4.1 The Council have confirmed the recommendation made to the Board to extend the term of office of the Chair of the Board Tony Churton for a further year until February, 2018. This will enable the Board to look at succession planning for the Chair position over the next 18 months.

3.5 Committee Membership

3.5.1 The Chair of the Board has confirmed that the membership of the Audit Committee and P&R Committee will be as follows:

<table>
<thead>
<tr>
<th>Audit Committee</th>
<th>P&amp;R Committee</th>
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<tr>
<td>David Joyce (Chair)</td>
<td>Sacha Jevans (Chair)</td>
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<td>Catherine Haycock</td>
<td>Wendy Greenberg</td>
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<tr>
<td>David Burzotta</td>
<td>David Norman</td>
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<td>Michael Oxley (STA)</td>
<td>Meg Davidson</td>
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<td>Roger Eastwood (STA)</td>
<td>Keith Ducker</td>
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</tbody>
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STA = Subject to Appointment

3.6 Board Meeting Allowances

3.6.1 The Board agreed on 9th March, 2016 to amend the Expenses Policy to pay all Tenant and Independent Board Members.

3.6.2 At the Board Meeting which took place on 9th May, 2016, the Board requested information relating to the payment of Board Meeting Allowances by way of payroll and in particular asked for clarification around the impact (if any) on Benefit Welfare payments. The advice from DWP obtained is contained in the volunteering guidance is attached at Appendix 1 to this report.
4 Equality and Diversity

4.1 All equality and diversity issues identified from the proposals contained in this report have been considered and are in accordance with the South Essex Homes Equality and Diversity Policy.

5 Risk

5.1 Any risks identified from the proposals contained in this report have been considered by the Senior Management Team. The Board have identified risks associated with the governance of the organisation which is included in Agenda Item 8 – the Company Assurance Report. Risk SEHRISK06 – Risk that the governance arrangements including statutory compliance are not robust enough to enable the Board to undertake its roles and responsibilities in full as Non-Executive Directors under Companies Act 2006. The unmitigated risk for this score is 25.

6 Financial Implications

6.1 All costs associated with the recruitment of the non-executive directors for South Essex Homes are contained within the approved 2016/17 budgets.

7 Resident Consultation

7.1 Not applicable for this particular report

8 Background Papers

8.1 Board Member Expenses Policy

9 Appendices

9.1 Appendix 1 – DWP Guidance on Volunteering
Volunteering

while getting benefits

jobcentreplus

Part of the Department for Work and Pensions
This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure the leaflet is correct as of October 2010. Some of the information may be oversimplified, or may become inaccurate over time, for example because of changes to the law.
Contents
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What is volunteering?
This is when you choose to give your time and energy to benefit other people without being paid for it. You could do voluntary work with any kind of organisation, including:

• a charity, voluntary organisation or community group
• a public-sector organisation, like your local council
• a social enterprise supporting your local community, or
• a local business.

It’s not volunteering if you:

• help out a family member
• are given money apart from your expenses, or
• are under contract to do it (this does not include any ‘volunteer agreement’ you may have).

You may be given expenses and, in some cases (for example, if you’re volunteering full-time), you may also get a small subsistence allowance for food or travel or both.

If you’re getting State benefits, you can be a volunteer and, in nearly all cases, your benefits will not be affected. However, there are some cases where your benefits can be affected – for example, if you get a subsistence allowance or if you’re doing what someone else would normally be paid for.

Subsistence allowance
Some full-time volunteering programmes pay an allowance that usually covers food, travel and basic living costs. This allowance is paid by the organisation you’re volunteering with, not Jobcentre Plus.
If you’re getting benefits, you must always talk to Jobcentre Plus before you start any volunteering.

**Why do it?**

Volunteering helps other people and can also help you in many ways.

It can give you a better chance of getting paid work, by helping you to:

- learn new skills
- practise the skills you have
- become more confident
- put some volunteering experience on your CV
- pick up good ideas from other people
- show employers you can keep regular hours and stay committed to a task
- meet people who can help you find paid work
- have things to talk about in a job interview, and
- get references.
Volunteering is also a great way for you to:

- do something you enjoy
- find new interests
- stay active and healthy
- pass on your skills to other people
- keep to a daily routine
- get out and meet people
- give something back to your community
- increase your confidence, and
- thank people who have cared for a family member or friend.

What if I get State benefits?

We know that volunteering can give you a much better chance of finding paid work. So you can volunteer as many hours as you like while you’re getting benefits as long as you keep to the rules for getting them.

The basic rules

The basic rules are that if you get Jobseeker’s Allowance, you will still need to be looking for paid work. You must be free to go to an interview if we give you 48 hours’ notice. You must be able to start work within one week of us giving you notice.
You must not be paid money or anything else for volunteering. It’s OK to be paid your expenses but you must tell us what you get. So make sure you can get hold of your receipts.

You must contact Jobcentre Plus if you want to do any volunteering. We will ask you to fill in a simple form telling us about the volunteering you want to do.

To contact Jobcentre Plus, visit www.direct.gov.uk or get our details from the phone book.

What are expenses?
Expenses are costs you have to pay as a direct result of volunteering. Expenses can be things like:

- a bus or train fare for you to get to or from your volunteering
- the cost of somewhere to stay if you have to be away from home overnight because of your volunteering
- the cost of your meals while you are volunteering
- the cost of any special clothing or equipment that you need to carry out your volunteering, or
- the cost of some care expenses in certain cases.

It’s OK to get your expenses paid upfront.
If Jobcentre Plus pays your benefit, you must tell us about:

- all your expenses – remember to keep your receipts
- any money you get on top of expenses – this counts as earnings, and
- anything else you are given – this may not be money.

Partner

We will treat you as a couple if you live with your husband, wife or civil partner, or if you live with someone as if they were your husband, wife or civil partner. We call this other person your partner.

Always talk to your personal adviser before you start volunteering. They can tell you if volunteering will affect your benefits.

If you live with your parents or partner, their benefits could be affected if you get money or anything else on top of expenses.
What if I choose not to get paid for my work?

Choosing not to be paid is not the same as volunteering. If you’re doing what someone would normally be paid for – for example, if you’re working in a business or for a member of your family where they would usually pay someone to do the work – we will class this as unpaid work, not volunteering.

If you get Income Support, Jobseeker’s Allowance, income-related Employment and Support Allowance, Housing Benefit or Council Tax Benefit, we might decide that what you would have been paid are ‘notional earnings’. If we decide this, it may affect your benefits and tax credits.

We decide by looking at whether:

• someone would normally be paid to do the same kind of work

• your work helps society or your community in some way, and

• you work for a charity or similar group.
United Kingdom (UK)
This is England, Scotland, Wales and Northern Ireland, but not the Channel Islands or the Isle of Man

How will part-time volunteering affect my benefit?

Carer’s Allowance
You still can get Carer’s Allowance if you do volunteering in the UK and:
• care for a disabled person for at least 35 hours a week, and
• they get the right disability benefit.

If your volunteering takes you abroad for over four weeks, it could affect your Carer’s Allowance.

Disability Living Allowance or Attendance Allowance
Volunteering in the UK won’t affect your Disability Living Allowance or Attendance Allowance.

Volunteering abroad for less than six months won’t affect your Disability Living Allowance or Attendance Allowance.

If you want to volunteer abroad, tell the Disability and Carers Service. You should also tell them if your care needs or walking difficulties change.
Volunteering

**Employment and Support Allowance, Incapacity Benefit or Income Support**

You can still be a volunteer and get Employment and Support Allowance, Incapacity Benefit or Income Support as long as you:

- follow the basic rules for volunteering (see page 6)
- can still go to a work-focused interview when we ask you to, and
- let Jobcentre Plus know before you start, and tell them about any expenses you may get.

To find out how to contact Jobcentre Plus, visit [www.direct.gov.uk](http://www.direct.gov.uk) or get our details from the phone book.

**Housing Benefit or Council Tax Benefit**

You normally get Housing Benefit or Council Tax Benefit (or both) if you’re getting Jobseeker’s Allowance, Income Support, Employment and Support Allowance or Pension Credit, or you have a low income.

You can still get Housing Benefit or Council Tax Benefit if you follow the basic rules for volunteering (see page 6). You must tell your local council about any volunteering you do, and any expenses you get.
Jobseeker’s Allowance

You can still be a volunteer and get Jobseeker’s Allowance as long as you:

• follow the basic rules for volunteering (see page 6)
• are still actively looking for a full-time paid job
• are available for work (or treated as being available for work)
• are still able to go to an interview at 48 hours’ notice
• are still able to start a job at one week’s notice, and
• let Jobcentre Plus know before you start, and tell them about any expenses you may get.
Volunteering

National Insurance credits
You will usually get National Insurance credits if you’re getting a benefit like Employment and Support Allowance, Jobseeker’s Allowance, Incapacity Benefit or Carer’s Allowance.
You should carry on getting them as a volunteer.
You won’t get National Insurance credits just because you are a volunteer. But you may get National Insurance credits even if you don’t get benefits. This could be if you’re listed as actively looking for, and being free to, work or if you can’t work because of an illness or disability.
United Kingdom (UK)

This is England, Scotland, Wales and Northern Ireland, but not the Channel Islands or the Isle of Man.

Pension Credit

Being a volunteer in the United Kingdom should not affect your Pension Credit, as long as the only money you get is for expenses. But if you go abroad as a volunteer for more than 13 weeks at a time, your Pension Credit could be stopped. You should tell The Pension Service if you go abroad for any reason.

Tax credits

Working Tax Credit

You have to be in paid work for at least a set number of hours a week to get Working Tax Credit. The hours you volunteer don’t count towards your weekly working hours.

If you or your partner are responsible for a child or young person, or a disability makes it harder for you to get a job, you must be working at least 16 hours a week.

Otherwise, you must be 25 or over and working at least 30 hours a week.

Child Tax Credit

The amount of Child Tax Credit you get is based on your income. You may get it, whether or not you work, if you or your partner is responsible for a child or young person who normally lives with you.

Being a volunteer will not change how much Child Tax Credit you get.

Partner

We will treat you as a couple if you live with your husband, wife or civil partner, or if you live with someone as if they were your husband, wife or civil partner. We call this other person your partner.
Full-time volunteering

If you become a full-time volunteer, you may be given:

- a full-time subsistence allowance to cover food, travel and basic living costs
- somewhere to live, if you have to live away from home
- a chance to link your volunteering to a qualification, and
- help with childcare costs, if you need your children looked after while you are volunteering.

The subsistence allowance is paid by the organisation you’re volunteering with, not Jobcentre Plus.
Common questions about full-time volunteering

Q Can I get a full-time subsistence allowance as well as my benefits?

A Not normally. However, a subsistence allowance won’t affect your Disability Living Allowance or Attendance Allowance.

It also won’t affect Carer’s Allowance, but you would still need to care for a disabled person for at least 35 hours a week.

You may get Housing Benefit or Council Tax Benefit depending on your income and the amount of rent or council tax you pay.

Q Can I get Jobseeker’s Allowance if I do full time volunteering?

A Yes, as long as you keep to the rules for getting Jobseeker’s Allowance, such as being available for and actively looking for work (see page 12).

If you volunteer and want to get a full-time subsistence allowance, you may have to stop claiming Jobseeker’s Allowance.

Always talk to Jobcentre Plus before you start volunteering.
Q If I have to stop claiming Jobseeker’s Allowance, what happens to my other benefits, like Housing Benefit?

A If you were getting Housing Benefit before Jobseeker’s Allowance, you may still be able to get it. Talk to your personal adviser for more details.

Q Can I do full-time volunteering if I get Employment and Support Allowance, Incapacity Benefit or Income Support?

A Yes. Any reasonable expenses you get will not affect your benefit.

If you volunteer and want to get a full-time subsistence allowance you may have to stop claiming Employment and Support Allowance, Incapacity Benefit or Income Support

If you are on Employment and Support Allowance or Incapacity Benefit, always ask your personal adviser for more information about permitted work.

Q Will volunteering away from home affect my benefit?

A If you get Housing Benefit or Council Tax Benefit, or get Income Support for your housing costs, you may be able to live away from home for up to 13 weeks and still get benefit. An adviser will be able to explain the rules about this.
If you’re away from home for more than 13 weeks, these benefits will usually stop. However, they can continue for up to 52 weeks in some exceptional circumstances.

If you get Carer’s Allowance and volunteer away from home, you can get benefit but must still be caring for a disabled person for at least 35 hours a week.

Q Do I have to pay tax or National Insurance on the full-time subsistence allowance?
A Not if it’s your only source of income.

Q What about tax if I get a full-time subsistence allowance and do paid work?
A If the allowance and your wages take you above the tax-free limit, you will have to pay tax.
How do I get started?

1 A Volunteer Centre will have details of places that need volunteers. You can find your nearest Volunteer Centre by using the contact details on page 20.

You can go for an informal chat, or set up a more detailed interview with one of the staff to talk about what you want to do.

2 If you know who you want to volunteer for, you can contact them direct.

Many organisations have a volunteer co-ordinator who will discuss opportunities with you. This can help you make the best use of your abilities.

3 Other ways to find out about what you can do are to:

- ask friends and family
- look in your local library or community centre
- look on the internet, or
- check local newspapers and radio for organisations that may want volunteers.

There are many opportunities, so it’s worth searching for something that’s right for you. By having a chat with friends or the Volunteer Centre, you might find out about something you had not thought of.
To find out more about being a volunteer in your area, contact your local Volunteer Centre or Volunteer Development Agency. Their details are in the phone book.

Useful websites:

**Volunteering England:**
Website: [www.volunteering.org.uk/finder](http://www.volunteering.org.uk/finder)

**Volunteer Development Scotland:**
Website: [www.volunteerscotland.org.uk](http://www.volunteerscotland.org.uk)

**Wales Council for Voluntary Action:**
Website: [www.volunteering-wales.net](http://www.volunteering-wales.net)
Contact details

Jobcentre Plus
To contact Jobcentre Plus, visit www.direct.gov.uk or get our details from the phone book.

Directgov
Directgov provides information from UK government departments on topics ranging from travel safety to special educational needs and local NHS services.

Visit www.direct.gov.uk for more information.
Tax credits helpline
For advice about Child Tax Credit and Working Tax Credit.

- Phone: 0845 300 3900
- Textphone: 0845 300 3909

Open from 8am to 8pm.

Or visit: www.hmrc.gov.uk/taxcredits

The Pension Service
For general enquiries about pensions.

- Phone: 0845 60 60 265
- Textphone: 0845 60 60 285

Open Monday to Friday 8am to 8pm.

Or visit: www.direct.gov.uk/pensions
Call charges

Charges were correct as of the date on the back of this leaflet.

Calls to 0800 numbers are free from BT land lines, but you may have to pay if you use another phone company, a mobile phone, or if you are calling from abroad.

Calls to 0845 numbers from BT land lines should cost no more than 7p a minute with a 11p call set-up charge. You may have to pay more if you use another phone company, a mobile phone, or if you are calling from abroad.

Calls from mobile phones can cost up to 40p a minute, so check the cost of calls with your service provider.

Textphones

Our textphone numbers are for people who cannot speak or hear clearly. If you don’t have a textphone, you could check if your local library or citizens advice bureau has one. Textphones don’t receive text messages from mobile phones.
Directgov provides information from UK government departments on topics ranging from benefits to driving licenses and local NHS services. Visit www.direct.gov.uk

Jobcentre Plus is committed to applying the principles of equal opportunities in its programmes and services.

Produced by Jobcentre Plus, part of the Department for Work and Pensions

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DWP1023 | v2.2 (October 2010)
South Essex Homes Limited
Minutes of Board Meeting
Date: 9th May 2016
Time: 6pm
Tower Room 1.03, Civic Centre

**Present:** Tony Churton – Chair of the Board; Wendy Greenberg - Vice Chair of the Board; Mike Assenheim; Catherine Haycock; David Joyce (via Skype); Keith Ducker;

**In Attendance:** Mike Gatrell - Chief Executive; David Lincoln - Director of Finance; Beverley Gallacher - Company Secretary; Tasmin Arthurton - Corporate Services Officer;

Observers: None.

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<th>Action</th>
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<tr>
<td><strong>1. Welcome and Introductions</strong></td>
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<tr>
<td>1.1 Tony Churton, Chair of the Board welcomed and introduced those present.</td>
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<tr>
<td><strong>2. Apologies for absence</strong></td>
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<tr>
<td>2.1 Apologies for absence were received and accepted from Maureen Butler and Sacha Jevans</td>
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<td><strong>3. Declaration of Interest</strong></td>
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<tr>
<td>3.1 The Chair of the Board declared an interest in Agenda Item 5 ii.</td>
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<tr>
<td><strong>4. Minutes and Matters arising from the Board Meeting of 9th March 2016</strong></td>
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<tr>
<td>4.1 The minutes of 9th March, 2016 were agreed as a true and accurate record of the meeting subject to the following correction.</td>
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<tr>
<td>4.2 Minute 9.2 should read “July Audit Committee” and not “May Audit Committee”</td>
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<td>4.3 Minute 4.2 – The Board received confirmation that the Counter Fraud Team would be attending the Board Meeting on 25th July, 2016</td>
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<td>5.9</td>
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The Board agreed to extend the final term of office of Tony Churton, the current Chair for a period of one year.

The Board agreed to recommend to the Council Member the changes to the Articles of Association reflecting the recommendations above.

The Board noted the Chairs Action contained at Appendix 1 to this report.

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<th>6.</th>
<th>Confidential Minutes and Matters arising from the Board Meeting of 9th March 2016</th>
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<tr>
<td>6.1</td>
<td>The confidential minutes of 28th October, 2015 were agreed as a true and accurate record of the meeting subject to the clarification of minute 18.4.</td>
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<tr>
<td>6.2</td>
<td><strong>Recommendations:</strong></td>
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<td>i)</td>
<td>The Board agreed to call a Meeting of the Board on 18th May, 2016 and instructed the Company Secretary to give notice of the Board.</td>
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7. The meeting closed at 19:07

8. **Date of Next Meeting - 18th May, 2016 6.15pm**
South Essex Homes Limited  

Minutes of Board Meeting  

Date: 9th March 2016  

Time: 5.30pm  

Committee Room 6, Civic Centre

Present: Tony Churton – Chair of the Board; Wendy Greenberg - Vice Chair of the Board; Mike Assenheim; Mary Betson; Catherine Haycock; Sacha Jevans; David Joyce; Keith Ducker (Agenda Item 5 (recommendation ii onwards)).

In Attendance: Mike Gatrell - Chief Executive; Mario Ambrose - Executive Director; Beverley Gallacher - Company Secretary; Traci Dixon - Group Manager - East; Paul Longman - Group Manager Property Services; Simon Putt - Group Manager - West; Tasmin Arthurton - Corporate Services Officer; Daniel Lyons - Accountant; Sharon Houlden - Head of Adult Services & Housing SBC; George Sutherland - Atilius Limited (Agenda Items 15 & 15a); Tim O’Connor - Scrutton Bland (Agenda Items 15 & 15a)

Observers: 4 Tenants

| Action |  
| --- | --- |
| **1. Welcome and Introductions** |  
| 1.1 Tony Churton, Chair of the Board welcomed and introduced those present. |  
| **2. Apologies for absence** |  
| 2.1 Apologies for absence were received and accepted from Maureen Butler. |  
| 2.2 Apologies were also received from Simon Leftley and David Lincoln. |  
| **3. Declaration of Interest** |  
| 3.1 CH declared an interest in Agenda Item 15a as a Non-Executive Director of Atilius Limited. |  
| **4. Minutes and Matters arising from the Board Meeting of 28th October 2015** |  

4.1 The minutes of 28th October, 2015 were agreed as a true and accurate record of the meeting.

4.2 Minute 16.1 - MA confirmed a meeting would be taking place on 11th March with the Counter Fraud team where they will be asked to present an update at the July Board Meeting.

5. Governance and Stewardship

5.1 BG gave a statement in support of Keith Ducker’s appointment to the Board and advised of a correction to Recommendation 2.1 which should have stated that George Sutherland was part of the selection panel.

5.2 WG advised that she would like to see succession planning for prospective tenant board members taking into account the final terms of office of current tenant board members in 2017.

5.3 TC formally welcomed KD as a member of the South Essex Homes Board.

5.4 The Board agreed to remove “approve” from bullet point 1 at the top of page 11.

5.5 CH raised concerns over whether the payment to tenant Board Members is compulsory and whether there are any impacts on Benefit entitlement? BG to obtain further advice.

5.6 Recommendations:

i) The Board agreed to the recommendation of the Recruitment Selection Panel to the appointment as a Non-Executive Director of South Essex Homes of Keith Ducker for a three year term of office until 9th March, 2019.

ii) The Board agreed the Terms of Reference of the Audit Committee as recommended by the Committee, contained at Appendix 2. Subject to minute 5.5 above.

iii) The Board agreed the Chairs Action contained at Appendix 1 to the election of the Chair of Audit Committee of David Joyce and the Chair of the Personnel and Remuneration Committee of Sacha Jevans.

iv) The Board agreed the Expenses Policy which has been amended to reflect the change in payment of meeting allowances, as contained at Appendix 3 subject to obtaining advice in relation to paragraph 6.2.2.

6. Chair’s Remarks

6.1 TC updated the Board on his attendance at the NFA Board Meeting on the 3rd March 2016 where governance issues were discussed. It was also noted that the NFA Annual Awards & Conference are being held on 18th and 19th April in
| 6.2 | Birmingham. TC confirmed that SEH had recently received IIP accreditation and requested that MG passed on the Board’s thanks to staff and requested that a press release be prepared. |
| 6.3 | TC updated the Board on the recent job shadowing he had undertaken around compliance within the Property Services Team and how impressed he was following this. He commented that he would highly recommend job shadowing to other Board Members. |
| 7. | Residents: Voice Your View |
| 7.1 | None received this cycle. |
| 8. | Company Assurance Report |
| 8.1 | MA advised of the following items of correction:  
  - Recommendation 2.6 should refer to ‘Appendix 1’  
  - 3.5 reference to Appendix 2 should be deleted |
|  | 3.1.3 – clarification was sought by WG, on the overspent by £110k. Additionally, the Board requested that PL arrange to distribute electronically final year end information on jobs and recharges |
| 8.2 | BG confirmed that the target scoring would be undertaken with the Audit Committee in advance of the next Audit Committee meeting |
| 8.3 | The Board requested further assurances and controls for Risk 10, to include HHSRS, Repairs and Planned Maintenance. |
| 8.4 | The Board confirmed that the compliance format for the health and safety report was excellent and would like this to continue. |
| 8.5 | PL advised, in relation to the Electricity at Work Regulations section in Appendix 3, that we are now into year 4 having nearly completed all works apart from those with difficult access, and agreed that an updated figure would be circulated to Board Members at year end. |
| 8.6 | MA advised in Appendix 3 under the Legionnaires section it should read ‘2016-18’ instead of ‘2014-16’ |
| 8.7 | SJ queried if further works needed to be completed following such H&S compliance assessments? |
| 8.8 | MA advised that works tend to fall into two categories such as housekeeping, i.e. lighting or signage which are picked up under Responsive Repairs or significant issues which are put into the Capital Programme. |
### 8.9 Recommendations:

- **i)** The Board noted the regular update provided on Health and Safety as detailed in Appendix 2 of this report.

- **ii)** The Board noted the update provided on compliance attached at Appendix 3.

- **iii)** The Board noted that there are no exceptions to the Quality Assurance Reviews undertaken so far.

- **iv)** The Board noted the update provided on financial information as at January 2016 as recommended by the Audit Committee.

- **v)** The Board agreed the continuation of the Internal Audit Service in 2016/17 being provided by Southend Borough Council as recommended by the Audit Committee.

- **vi)** The Board agreed the Risk Register contained at Appendix 1 and noted that a further review of the Risk Management Framework will be undertaken for agreement of the Audit Committee following views discussed at the Board Development Session.

### 9. Budget Proposals 2016/17

#### 9.1
DJ requested the Board/Audit Committee to look at a developing a savings monitor in light of the savings plan the report discusses. Board Members agreed.

#### 9.2
The Board acknowledged concerns over continual efficiency savings being requested and discussed at which point services will become affected. The Board requested that officers prepare a detailed list setting out all services provided to SBC in the management of their stock and identify which services are deemed as statutory, regulatory or discretionary and what each service costs to assess their viability. It was agreed that the Audit Committee would receive an initial report in May and a recommendation be brought back to the Board in September.

#### 9.3 Recommendations:

- **i)** The Board agreed to the core, controllable, element of the Management Fee of £4,641k assumed by Southend Borough Council in setting the HRA budget for 2016/17 as recommended by the Audit Committee.

- **ii)** The Board agreed the proposed Operating budget for £9,599k for the company, set out in Appendix 1, as recommended by the Audit Committee.

- **iii)** The Board agreed the savings target for 2016/17 set out in paragraph 6 and amounting to £120k as recommended by the Audit Committee.
| iv) | The Board agreed that income from external sources of £90k is used to balance the budget in line with the strategy set out in the Business Plan Vision 2020 as recommended by the Audit Committee. |
| v) | The Board agreed that the proposed items of one off expenditure are met from balances, amounting to £139k as recommended by the Audit Committee. |
| vi) | The Board agreed for the Audit Committee to review and report to the Board on the analysis of services managed by South Essex Homes by statute, regulation, cost and discretion. |

10. **Quality Assurance - Leaseholder Services**

10.1 MA confirmed that the Leaseholder Services Action Plan had been electronically distributed to Board Members.

10.2 The Board discussed the ‘good’ outcome and clarified that the action plan reflects the planned improvements to be made.

10.3 Clarification was sought on associated costing’s and MA confirmed that 2016/17 costs would be capped at £22.5k as in 2015/16.

10.4 **Recommendations**

i) The Board noted the Executive Summary taken from the report and the score attributed to this area of service delivery by Campbell Tickell.

ii) The Board agreed to the Executive Management Team (EMT) producing an action plan based on the observations and recommendations made in the report. Where no actions are deemed appropriate these will be highlighted and the rationale behind decisions explained. The said action plan will be monitored and updated by Operations Management Team (OMT) and any exceptions will be reported to EMT.

iii) The Board agreed to further Quality Assurance reviews being undertaken during 2016/17, in line with the requirement not to exceed the agreed cap and for the project to be funded from balances.

11. **Management Agreement Update**

11.1 MG advised the Board that this report serves to formally advise the Board of the agreed extension to the Management Agreement.

11.2 MG explained the reason for a 3 year extension is due to the current level of uncertainty faced by the Council in relation to significant government policy changes around social housing. In support, SH added that any decision would be made in partnership with South Essex Homes.
11.3 MG advised that it has already been signalled from the Council that they would be in support of SEH taking on more services following indicative discussions around the allocations function.

11.4 **Recommendations**

i) The Board noted and welcomed the extension of the Management Agreement.

ii) The Board noted and endorsed the ongoing dialogue with the Council around continuing and developing the role of South Essex Homes.

12. **Performance Targets 2016/17 and Benchmarking Report 2014/15**

12.1 BG clarified that section 1 of targets had been agreed through dialogue with the Council. BG further confirmed that section 2 targets had been set in dialogue with the Group Managers and information from Housemark for agreement by the Board.

12.2 The Board requested that the 8 local performance indicators currently without targets should be justified or a target applied. This information to be sent out electronically to the Board.

12.3 **Recommendations**

i) The Board noted the targets set for 2016/17 following discussion with Southend Borough Council, as shown in section 1 of Appendix 1.

ii) The Board agreed the key performance targets for 2016/17 for the indicators shown in section 2 of Appendix 1.

iii) The Board noted a change to one indicator from Key Service Standard to Key Performance Indicator and to the addition of two new indicators.

iv) The Board noted our benchmarking results for performance indicators for our 2014-15 data as shown in Appendix 1.

v) The Board noted our benchmarking results for Value for Money indicators for our 2014-15 data as shown in Appendix 2.

vi) The Board noted the results of the STAR survey for 2015-16.

vii) The Board noted the performance for the year to date 2015-16, and current target exceptions.

13. **Audit Committee Minutes - 22\(^{nd}\) February 2016**

13.1 DJ advised that he had suggested to BG that the Audit Committee minutes are taken towards the start of the agenda as many of the recommendations in the reports are recommended to the Board by the Audit Committee.

BG
<table>
<thead>
<tr>
<th>13.2</th>
<th><strong>Recommendation</strong></th>
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<tbody>
<tr>
<td>i)</td>
<td>The Board noted the minutes of the Audit Committee Meeting of 22\textsuperscript{nd} February, 2016.</td>
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<tr>
<td>ii)</td>
<td>The Board agreed that the minutes be taken at an earlier point on future Board Meeting agendas.</td>
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| 20.  | **Date of Next Meeting - 27\textsuperscript{th} July, 2016** |

Signed .................................

Date .................................
South Essex Homes Limited

Report of Executive Director
to
The Board
on
25th July, 2016

Report prepared by: Beverley Gallacher
Tel: 01702 212649

Company Assurance Report

A Public Agenda Item

1 Purpose of Report

1.1 To provide the Board with a high level statement of assurances relating to the financial performance, health and safety and risk position of the company.

2 Recommendations

2.1 The Board are recommended to :-

2.1.1 Approve the Health and Safety Annual Report contained at Appendix 1, to request a volunteer to undertake the role of Health and Safety Board Scrutineer and to note the regular update provided on Health and Safety as detailed in Appendix 2 of this report.

2.1.2 Approve the Financial Regulations and Scheme of Delegation contained in Appendix 4 to this report as recommended by the Audit Committee

2.1.3 Approve the Treasury Management Strategy and Policy as contained in Appendix 5 to this report as recommended by the Audit Committee

2.1.4 Note the update provided on compliance attached at Appendix 3.

2.1.5 Note that there are no exceptions to the Quality Assurance Review action plans undertaken so far.

2.1.6 Note the update provided on financial information as at June, 2016.

2.1.7 Note the escalation of two risks within the Corporate Risk Register as recommended by the Audit Committee, as set out in Appendix 6

2.1.8 Note the performance against targets for Key Performance Indicators as set by the Board in March, 2016
3 Financial Update

3.1 Introduction

3.2 This report sets out the actual expenditure on the operating budget and revenue repairs budget to 30th June 2016. This also includes the progress against the savings target as at 30th June 2016. In addition the Treasury Management activity is recorded together with the cash flow information in line with the Treasury Management Strategy.

3.3 Expenditure for 2016/17

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget for year £000</th>
<th>Budget to 30th June £000</th>
<th>Actual at 30th June £000</th>
<th>Variance £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>9,560</td>
<td>2,737</td>
<td>2,710</td>
<td>(27)</td>
</tr>
<tr>
<td>Operating costs &amp; Interest</td>
<td>9,699</td>
<td>2,233</td>
<td>2,226</td>
<td>7</td>
</tr>
<tr>
<td>Profit / (Loss)</td>
<td>(139)</td>
<td>504</td>
<td>484</td>
<td>(20)</td>
</tr>
<tr>
<td>Revenue Repairs Budget</td>
<td>4,736</td>
<td>1,158</td>
<td>1,124</td>
<td>34</td>
</tr>
<tr>
<td>The Capital Programme</td>
<td>7,803</td>
<td>795</td>
<td>724</td>
<td>71</td>
</tr>
</tbody>
</table>

3.4 Operating Budget

The main variances on Operating Budget are detailed below;

3.4.1 Employees - £11k underspend

This underspend is due to savings in the Property Services areas. The savings made here are partially offset by additional costs for the Cost of Living increase amounting to £60k. Currently we expect the underspend by year end to be in the region of £32k.

3.4.2 Training and staff advertising - £20k underspend

Although we are currently slightly behind budget in this area we expect this to fall in line with budget as the year goes on and company training needs are assessed and put into place.

3.4.3 Supplies and services - £21k overspend

The overspend here largely relates to the Software budget where we have seen some invoices arrive for payment earlier than in previous years. As the year goes on we would expect this to come into line with budget and do not anticipate an overspend by year end.
3.5 **Savings 2016/17**

In setting the budget the Company needed to achieve a savings target of £121,000. This was due to reductions in the management fee previously set by Southend Borough Council. These savings have now been fully identified.

<table>
<thead>
<tr>
<th>Description</th>
<th>2016/17 Saving £000</th>
<th>Full Year saving £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructure within Property Services</td>
<td>57,000</td>
<td>57,000</td>
</tr>
<tr>
<td>Restructure within Corporate Services</td>
<td>57,000</td>
<td>57,000</td>
</tr>
<tr>
<td>Other minor efficiency savings</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>121,000</strong></td>
<td><strong>121,000</strong></td>
</tr>
</tbody>
</table>

3.6 **Income in support of Budget**

The Board approved support for the budget from income from external sources. This totals £269k in 2016/17. This includes income from the Women’s Refuge service amounting to £80k. The Council is intending to issue tenders to provide this service in the near future. Whether South Essex Homes is successful or not in retaining the service following the procurement process, it is clear this income will reduce significantly. This will apply a further budget pressure, likely from 2017/18.

3.7 **Revenue Repairs**

The Revenue Repairs underspend is associated with the planned and cyclical maintenance contract in the amount of £64k due mainly to unspent contingencies with each maintenance contract, which may or may not be expended throughout the year.

3.8 **Capital Programme**

The Capital Programme is £71k underspent in the 3 months to the 30th June, 2016. Decent Homes works on central heating and roofing contracts are continuing. The fire compartmentation works at Malvern and Mornington House have been completed. The LED lighting works at Riverstone and Mornington House have also been completed. The underspend to 30th June is due to a number of contracts which, due to their nature, involve the formal section 20 leaseholder notification process which has elongated the procurement process. However, all projects are still on track to be completed by year end.

4 **Health and Safety Exceptions**

4.1 As set out in the Health and Safety Update report at Appendix 2, the Board are asked to note there are no exceptions for this period.

4.2 On an annual basis the Board are recommended to approve the Annual
Health and Safety Report which has been agreed by the Senior Management Team. The report includes all mandatory and regulatory work that has been complied with in 2015/16.

4.3 Included with Appendix 2 is an update in relation to the recent fire at Grampian Flats and the actions undertaken to date. We are still awaiting the full assessment from the Fire Brigade and upon receipt will complete a full action plan of areas requiring further work from South Essex Homes.

4.4 The role of Health and Safety Scrutineer on the Board enables the Board to receive direct reassurance in this key area of responsibility for members, very much through establishing a strong relationship with the Health and Safety Coordinator at South Essex Homes. Information relating to Health and Safety regulations is discussed with the Scrutineer and that information brought to the Board.

5 South Essex Homes Governance Assurance Statement

5.1 The Audit Committee met on 18th May, 2016 and reviewed the draft Annual Governance Statement. Since that date the Managers Assurance work has been completed and Internal Audit have reviewed the work. They confirmed that the Annual Governance Statement and 2016/17 action plan does not require any further changes. The outcomes from the follow up work are consistent with the Head of Internal Audit report which was considered and agreed by the Audit Committee. The Audit Committee agreed to make a recommendation to the Board to agree the Annual Governance Statement attached at Appendix 8 to this report.

6 Risk Register

6.1 Audit Committee have reviewed the Risk Register attached at Appendix 6. The Senior Management Team have recommended that two risks be escalated as detailed below:

6.2 SEHRISK 03 – Risk that the Company will lose main business contracts leading to significant loss of income, with subsequent impact on the operating budget and service delivery currently scoring a mitigated score of 15.

6.3 Following a meeting with the Council we have received confirmation that the current contract to manage the Women’s Refuge will be due out to tender in the next month. The Council have already indicated that the refuge will not be continued at the current location but will be operated as a floating support initiative across individual properties in the borough. The number of rooms required will be reduced from 24 to 10. On that basis, and along with the known end of the Castle Point Borough Council current contract ending this year, we have added some further target actions to this risk and further recommend to the Audit Committee that the mitigated risk score be escalated to 20 (5x4 (impact/likelihood).

6.4 The recommended target actions are:
• That South Essex Homes completes a business case for the tender and pricing options for the new Women’s Refuge contract and bids in partnership with a support provider to be identified as part of the contract.

• To work with the Council on any opportunity for contracts due to be procured by the Council that may be considered for direct award to South Essex Homes

6.5 SEHRISK 05 – Risk to the organisation that the commercial subsidiary will not identify new opportunities to enable it to remain viable with subsequent impact to South Essex Home’s ability to support a reduction in Management Fee currently scoring a mitigated score of 20

6.6 The Board of South Essex Property Services have been advised that it is highly likely that two of the current properties being managed by way of guardian schemes will be required to be returned to the Council in the next 6-9 months. On that basis and with no other vacant properties in the pipeline the business will no longer be viable. The caveat for this is that there are other opportunities that are being investigated with the Council which may be better placed to sit within South Essex Property Services. On the basis of this information we are undertaking further work to give assurance

• To investigate further opportunities for vacant property management following informal notice from the Council that existing properties will be required to be returned within the current financial year

6.7 The Board are asked to note that at the last South Essex Property Services Board meeting the Board recommended that, in the instance that notice is formally given to the company by Southend Borough Council to terminate one or more of the properties currently being managed, the company will make a recommendation to the parent Board to cease trading and for any existing business to be assigned to South Essex Homes. The subsidiary will remain dormant until such time that any new business opportunity arises and, at that stage, trading will be recommenced.

6.8 The SMT are now recommending that the unmitigated risk score should be increased to 25 (5x5) to reflect the current situation and the viability of this line of business which is no longer assured.

7 Corporate Compliance Position

7.1 All programmes of work and actions required to meet legislative compliance are on track for 2016/17. At present there are no exceptions to be reported. The Compliance Report is attached at Appendix 3 to this report.

8 Quality Assurance Audit Position

Currently, there are no outstanding actions to report with regards to previous Quality Assurance Reviews except due to the absenteeism of a key staff
member, some of the timescales on the Leasehold Services action plan have been revised.

9 **Financial Regulations and Scheme of Delegation**

9.1 At the Board Meeting on 9th June, 2014 the Board agreed to the recommendation that changes to the Financial Regulations should be streamlined and the process of agreeing the detailed limits of delegations to officers would be set by the Chief Executive in consultation with the Director of Finance. Further any changes relating to the Senior Management Team was delegated to the Chair of the Board and the Chair of the Audit Committee for consideration.

9.2 Contained at Appendix 4 are tracked amendments which reflect the annual review of the Financial Regulations along with specific changes to the management structure which have been reviewed by the Audit Committee and are being recommended for approval by the Board.

10 **Treasury Management Strategy and Policy**

10.1 The Audit Committee considered the Treasury Management Report at its meeting of 22nd February 2016 and requested further changes which have been discussed and considered further at the Audit Committee meeting on 16th May, 2016.

10.2 The Committee agreed various changes, which have now been incorporated into this revised Strategy which is now recommended to the Board for agreement as detailed in Appendix 5.

11 **Key Performance Indicator Exceptions**

11.1 The current performance for the first quarter of 2016-17 is shown in Appendix 7

11.2 Performance is meeting target, or better than target for most indicators with a few exceptions. These are:

- KP15 Average time to complete all jobs
- KP24 Working days lost to sickness absence
- KP25 Complaints responded to within 10 working days
- KP32 Tenants satisfied with the viewing and letting process

11.3 Performance for KP15 has been affected by two different issues during the first quarter. For both May and June, there were small numbers of jobs which were not actioned by Kier in line with contract timescales, which affected the overall repair completion time. The issue has been raised with Kier at Director level. In April, there were issues with the accuracy of completion times reporting at Aaron Services. This was addressed with the contractor and resolved.

11.4 Following an improved position in 2015-16 in which we saw the overall
sickness absence level drop to the lowest level recorded by the company, the beginning of 2016-17 has shown an increase in the levels of sickness. The main reason leading to this increase has been due to long-term sickness absences for a small number of staff which affect the overall reported position. While all cases are managed robustly by relevant managers, supported by the Human Resources team, we have not been able to reduce sickness absence back to target.

11.5 In April 2016, the ASB team missed one complaint and did not respond in target time. Although this is an isolated incident, it does mean that we will not achieve the target for this year.

11.6 Satisfaction with the viewing and letting process fell below target, although it should be noted that dissatisfaction was only recorded in 4 of 105 questionnaire results. One tenant was unhappy at being allocated a property which was not ground floor, whilst another was unhappy at waiting for the keys. The other two failed to give any reason for dissatisfaction.

11.7 In terms of anticipating future risks to our operating performance, the Board requested an update on the significant pieces of new legislation to affect social housing. The Welfare Reform and Work Act 2016 received Royal Assent on the 16th March 2016. The key issues for the Council and for us to address, contained in the legislation, are the Welfare Benefit cap further reduction and the social housing Local Housing Allowance (LHA) cap.

11.8 The Welfare Reform legislative changes are in addition to the Housing and Planning Act 2016 which will introduce the High Income Social Tenants (HIST) regime or “Pay to Stay” as it is being referred to. Officers are currently working with the Council and partner organisations to gain a better understanding of who will be impacted on by these changes, and will be developing an action plan to mitigate the impact on residents, and the Councils rental income stream. Our Risk Register has been reviewed and updated in light of the risks created by the new legislation.

11.10 Further updates will be provided for the Board in due course, as more detail becomes known.

12 Diversity and Equal Opportunities

12.1 There are no direct Equality and Diversity implications arising from this report.

13 Financial Implications

13.1 All financial implications are addressed throughout the report.

14 Resident Consultation

14.1 Residents are indirectly involved in budgetary control as they are involved in reviewing our performance on a regular basis. Our performance on standards is underpinned by our expenditure. Further we consult with residents on our Key Service Standards.
15  **Background Papers**

15.1 Annual Governance Statement Action Plan 2016/17

16  **Appendices**

16.1 Appendix 1 – Health and Safety Annual Report

16.2 Appendix 2 – Health and Safety Update Report

16.3 Appendix 3 – Compliance Statement

16.4 Appendix 4 – Financial Regulations and Scheme of Delegation

16.5 Appendix 5 – Treasury Management Strategy and Policy

16.6 Appendix 6 – Risk Register Exceptions

16.7 Appendix 7 – Performance report as at end June 2016

16.8 Appendix 8 – Annual Governance Statement 2015/16
Annual
Health and Safety Report for South Essex Homes
2015/16

By
Kerry Sinclair
CMIOSH
Regulation Compliance Officer
HEALTH AND SAFETY REPORT 2015/16

1. Introduction

This Health and Safety Annual report has been produced by Kerry Sinclair (KS) (Regulation Compliance Officer) for South Essex Homes. This report highlights the main planning and organisation of Health and Safety over the past 12 months.

2. Sharing Health and Safety Information

There are a variety of ways to promote a positive safety culture. This year the following publications and initiatives have been promoted, developed and circulated to staff.

- Regular Health and Safety updates to the Board
- Health and Safety articles for STARS
- Health and Safety Newsletters – on intranet site

3. Communication - Staff Forum

The Staff forum meets 3 monthly and KS attends so she is informed of any Health and Safety matters arising. KS attends the CMG meetings to address any health and safety issues and update the meeting on Health and Safety. Health and Safety is also a standard item on all Company meeting agendas.


All Health and Safety Policies are reviewed annually and the review has been completed for this year.

5. Fire Risk Assessments

All fire risk assessments for South Essex Homes Properties have been completed and will be annually reviewed and monitored. KS completed Fire Audits with Fire and Rescue Officers from Essex County Fire and Rescue Service for all South Essex Homes Tower Blocks and Sheltered Housing Schemes. A successful fire evacuation drill was carried out at the Civic Centre.

| SHC | 22 |
| TB  | 13 |
| H   | 9  |
| B   | 149|
| OTHERS | 85 |

6. General Risk Assessments undertaken

General risk assessments are undertaken by either KS or one of the Company’s competent persons. These include:

- Young Person Risk Assessments
- Maternity Risk Assessments
- Manual Handling Risk Assessments
- Stress Risk Assessments
- Display Screen Equipment Risk Assessments
- Lone Worker Risk Assessments
7. Health and Safety Inspections and audits

KS has completed health and safety inspections and audits on all Sheltered Housing schemes, Hostels, and Tower blocks. All recommendations have been implemented.

8. Health and Safety Contractors Site Inspections have been completed for
   - Gerda Doors at Blackdown, Brecon and Grampian
   - Roof work at Mendip Crescent
   - Wet rooms Nayland House
   - Mornington House, new fire panel and sprinkler systems
   - Electrical work at Barringtons

9. Health and Safety Issues
The following list highlights some of the issues and projects that KS has had an active involvement in this year:
   - Risk Assessment for the Community Event at Priory Park
   - Review PRR
   - Accidents involving members of staff and residents
   - Estate walkabouts.
   - Health and Safety contractors Site Inspections
   - Working with the Local Fire Safety Officers to reduce the amount of False Fire alarms emanating from South Essex Homes
   - Addressing the fire issues with the storage and charging of mobility scooters in communal areas.

9. Quarterly Health and Safety Meeting
KS attends a quarterly health and safety review meeting where
   - Accidents, incidents and near misses are reviewed,
   - health and safety training records and evaluation sheets are reviewed
   - departmental audits and inspections are reviewed
   - and completed risk assessments are reviewed.

10. Welfare Visits
KS completed welfare visits to lone workers including, Sheltered Housing Officers, Hostel Managers, Cleaners and Caretakers

11. Health and Safety Training
There is an ongoing programme of Health and Safety Training Courses for both new and existing staff, which KS provides including
   - Fire Marshal Training
   - Lone Worker Training
   - Sharps Training
   - Display Screen Equipment
   - Stress Awareness
   - Competent Person Training
   - Legionnaires Training
   - Potential Risk Register Awareness
   - Basic Health and Safety including Manual Handling
Manual Handling Awareness Training
Health and Safety Awareness Training for Cleaners, Caretakers and SHO’s
Asbestos Awareness training

The Health and Safety Acton Plan for 2015/2018 for South Essex Homes is based on Successful Health and Safety Management (HSG65). The Action plan has been reviewed and all of the objectives are on target.

13. Management of Stress at South Essex Homes
Staff are recommended to use the confidential counselling provided by Simplyhealth. KS undertakes Stress Risk Assessments with staff to establish if their absences are work related and whether working practices need to be amended to assist recovery.

14. Local Performance Indicators
The agreed Local Performance Indicators are now recorded quarterly on the Covalent System. Results for the last and previous year are shown below.

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</tr>
</thead>
<tbody>
<tr>
<td>HR 8 Number of H&amp;S Incidents recorded</td>
<td>65</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>52</td>
<td>55</td>
</tr>
<tr>
<td>HR 8 F1 Number of RIDDOR H&amp;S Incidents Recorded</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>HR 8 F2 Number of other H&amp;S Incidents Recorded</td>
<td>63</td>
<td>45</td>
<td>52</td>
<td>65</td>
<td>48</td>
<td>51</td>
</tr>
<tr>
<td>HR 8 F3 Number of Near miss H&amp;S Incidents recorded</td>
<td>0</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>HR 9 Staff Satisfaction with Health and Safety (Annual Indicator)</td>
<td>83%</td>
<td>N/A</td>
<td>N/A</td>
<td>81%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(The results of the staff survey inform staff satisfaction with H&S)
From year 5 to year 6 there has been an increase in incidents recorded, this is a result of a campaign to increase staffs awareness of the importance to report and record accidents, incidents and near misses with regards to staff, residents and contractors. Year 6 shows a decrease in the number of near misses reported and an increase in RIDDOR reporting incidents, RIDDORS are now reported after 7 days off sick instead of 3 days.

HR9 - the staff satisfaction survey was not carried out in year 6, so there are no annual indicators to staffs satisfaction with regards to Health and Safety for this year.

15. Competent Persons
Competent Person training has been promoted this year and the Company now has eight fully trained competent persons who are able to undertake risk assessments as required.

16. Networking
KS has attended regular meetings with Local Fire and Rescue Officer to discuss good practice. The Local Fire and Rescue Officers have visited various Sheltered Housing Schemes to provide Fire safety information to residents.

17. New Business
KS completed Fire Risk Assessments and Health and Safety Inspections for Castle Point Borough Council.
KS provided Health and Safety Training for Southend Borough Council as an external consultant.

18. Personal Development
In accordance with IOSH (Institute of Occupational Safety and Health) KS has continued to undertake personal development which includes:
- Continually updating her CPD

19. Summary
All Fire Risk Assessments have been completed and are annually reviewed. A wide selection of Health and Safety Training is available for all members of staff, including contractors, agency and work placements. New and Expectant Mothers are risk assessed for hazards and risks in the workplace. All members of staff who are habitual users of workplace equipment complete Display Screen Equipment Risk Assessments. Accident, Incident and near miss forms are completed by members of staff as required; KS also investigates any event which may be a potential claim. Regular Health and Safety Inspections and annual Health and safety audits are completed. Members of staff who are absent from work due to work relate stress are risk assessed.

20. Regulation updates
All Health and Safety Regulations are under review and being simplified by the government. The changes in Europe will mean some Health and Safety regulations being removed by the UK.
Health and Safety Training Completed for 2016

Fire Marshal Training for staff on the 3rd Floor at the Civic Centre
- Annual refresher Training completed for 6 members of staff
- Fire Marshal Training completed for 2 new Fire Marshals
Fire Marshal Training for 4 Residents attending the Community Event

Caretaker and Cleaner Health and Safety Awareness Refresher Training including
- Fire Safety Awareness
- Manual handling including completing a MH Risk Assessment,
- Slip, trip, falls, looking at slip, trip, fall prevention, completing a Slip / Trip hazard spotting checklist.
Caretakers 25
Cleaners 14
Office staff / Team Leaders 3
2 members of staff missed the training due to sickness / annual leave

Completing Asbestos Annual Awareness Training for Staff
Property Services = 7 members of staff
Tenancy Services = 8 members of staff
Caretakers Services = 25 members of staff

Completed Health and Safety training for 3 Hostel cleaners including MH, Sharps, Lone Working, PPE, COSHH, HASAWA

SBC Health and Safety Training completed for 2016
4 Health and Safety Awareness Training course including Manual Handling and Display Screen Equipment
1 Control of Substances Hazardous to Health (COSHH) Awareness Training Course.

Inspections/Assessments/Audits completed for 2016

- Health, Safety and Fire Workplace Inspections
  Health, Safety and Fire Inspections completed by KS in South Essex Homes, 279 properties for 2016, including 22 Sheltered Housing Schemes (SHS), 13 Tower Blocks (TB), 9 Hostels (H), 235 Others including low rise blocks (O).
  SHC = 12
  TB = 13
  H = 8
  O = 41

- Fire Audits and Fire Inspections completed by the Fire Service for 2016
  The Fire Service annually Inspect / Audit South Essex Homes Properties including 22 Sheltered Housing Schemes (SHS), 13 Tower Blocks (TB), 9 Hostels (H), Others including low rise blocks e.g. Fairfax Drive where SEH has had a previous fire incident (O).
  2016 Visits
  6 = SHC
  3= TB
  0 = H
  2 = O
- **Estate Walkabouts completed for 2016**
  
  80 Estate walkabouts are scheduled for 2016, KS intends attending 50% of the scheduled estates walkabouts. 13 Estate walkabouts attended by KS so far for 2016.

- **Workplace risk Assessments completed for 2016**
  
  Three Stress risk assessments.
  
  
  One Display Screen Equipment Risk Assessment.
  
  Two Home working Risk assessments for staff off sick.

- **South Essex Homes Health and Safety Policies and procedures**
  
  KS has reviewed all South Essex Homes Health and Safety Policies and Procedures for 2016.

- **Reviewed the Potential Risk Register**
  
  KS has completed a 6 monthly review of the Potential Risk Register.

- **Contractors - Health and Safety spot check inspections completed for 2016**
  
  11 Health and Safety spot check inspections have been completed.

- **Health and Safety Quarterly Meeting**
  
  Discussed Accident, Incidents and Near Misses.
  
  Reviewed Accidents.
  
  Reviewed Health and Safety Training and evaluation sheets.
  
  Reviewed workplace risk assessments completed.

- **Major Accident/ Incident Investigations completed for 2016**
  
  One major accidents/ incidents/ near misses investigated.

**Major fire at Flat 53, Grampian Tower Block – update – this incident is still under Police and Fire Investigation.**

- Fire Risk Assessments for Grampian for 2015 and 2016 have been provided for a FOI request.
- A Fire Safety Leaflet drop has been provided to residents at Grampian by Tenancy Officers and the fire community safety officers.
- SEH is developing a Fire Safety notice for landings, main entrances, rear front flat doors, with the Fire Service.
- KS and other SEH staff met with 3 of the residents from the 9th Floor of Grampian to discuss concerns. KS following up on the fire issues mentioned at the meeting.
- SEH are working with the Fire Service and Gerda- the door manufacturers to identify any areas which need addressing from the incident.

**Major fire at Flat 53, Grampian Tower Block – update – this incident is still under Police and Fire Investigation – some of this content is confidential**

- Fire Risk Assessments for Grampian for 2015 and 2016 have been provided for a FOI request.
- A Fire Safety Leaflet drop has been provided to residents at Grampian by Tenancy Officers and the fire community safety officers.
• SEH is developing a Fire Safety notice for landings, main entrances, rear front flat doors, with the Fire Service.
• KS and other SEH staff met with residents from the 9th Floor of Grampian to discuss concerns. KS following up on the fire issues mentioned at the meeting.
• Smoke entering, flat No. 53 door via the letterbox, view hole, surrounding door framework and cables entering the flat by the front door.

A meeting has been held with the door manufacturer as the Fire brigade wish to undertake some additional tests on the fire doors.

• KS met with 3 fire safety officers on site at Grampian, one fire engineer officer, one fire investigating Officer and a fire office who attended the fire at Grampian. KS and the Fire Safety Officers following up on the fire issues mentioned at the meeting.

1. The Gerda doors worked perfectly, the fire service could not fault the communal or front doors.
2. The smoke and fire damage was confined to the communal area of the 9th floor.
3. There was however minimal smoke damage to the inside of flats of the 9th floor which was mainly due to the doors not being fully closed when the properties were vacated.
4. The communal Gerda door adjacent to flat 53 was found ajar by the fire service, the fire service would not comment any further on this.
5. The front door mat acted as a wick for the fire.
6. The fire was instantly extinguished by the fire service; the fire did not spread from the original point of combustion.
7. The landing window was removed to disperse smoke, the fire service raised concerns about the amount of smoke that accumulated in the area and the toxicity of the smoke. The fire service is going to use a damaged front door and frame work to re-enact the fire, to gather information about the incident.
8. No fire or smoke damage to floors 8 or 10

• Other issues being investigated

1. Additional signage, over and above that is required legally.
2. SEH training, maintenance and servicing programme for Gerda doors.
3. Improved communication to leaseholders

➢ South Essex Property Services Reviewed fire risk assessment for 2 Mendip and the Renown.
➢ Meetings attended as Health and Safety Advisor in 2016
  Health and Safety Quarterly Meeting
  Team Leaders Property Services
  Hepatitis B Meeting
  Staff Forum
  CMG
  False Fire Alarm Meeting
  TVA Meeting
➢ Other Information
  • Next 3 year Health and Safety action plan 2015 - 2018, based on HSG65, is being implemented.

Kerry Sinclair CMIOSH Regulation Compliance Officer June 2016
# Corporate Compliance Position Statement

**30th June 2016**

<table>
<thead>
<tr>
<th>Key Regulations</th>
<th>List of Control measures, South Essex Homes, has in place in order to comply with Health and Safety Legislation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Regulatory Reform (Fire Safety) Order 2005</td>
<td>Fire Alarm tests – BS5839, Weekly fire alarm call point tests and annually fire alarm serviced and maintained</td>
</tr>
<tr>
<td></td>
<td>Annual test in April 2016 followed by three quarterly tests carried out in July, October and January 2016. Programme for 2016 will commence in April 2016.</td>
</tr>
<tr>
<td></td>
<td>Fire fighting Equipment in accordance with –BS5306</td>
</tr>
<tr>
<td></td>
<td>Fire extinguishers and fire blankets are annually serviced and maintained</td>
</tr>
<tr>
<td></td>
<td>Fire evacuation drills completed in Sheltered Housing Schemes and Civic Centre.</td>
</tr>
<tr>
<td></td>
<td>Smoke and heat detector annually serviced and maintained</td>
</tr>
<tr>
<td></td>
<td>Fire doors regularly serviced and maintained</td>
</tr>
<tr>
<td></td>
<td>Fire Risk Assessments completed on all South Essex Homes properties and annually reviewed. Annual Fire Audits completed by the Fire Safety Officer on all Sheltered housing schemes and tower blocks.</td>
</tr>
<tr>
<td></td>
<td>South Essex Homes Property list for 2016 states 22 Sheltered Housing Schemes (SHC), 13 Tower Blocks (TB), 9 Hostels (H) and 149 medium and low rise blocks (B) 85 Others (O), a total of 278 Fire Risk Assessments. All blocks have had their fire risk assessment revised for the calendar year 2015. Progress so far for 2016 up until 30th June 2016:-</td>
</tr>
<tr>
<td></td>
<td>SHC = 12 completed</td>
</tr>
<tr>
<td></td>
<td>TB = 13 completed</td>
</tr>
<tr>
<td></td>
<td>H = 8 completed</td>
</tr>
<tr>
<td></td>
<td>B = 41 completed</td>
</tr>
<tr>
<td></td>
<td>0 = 10</td>
</tr>
<tr>
<td></td>
<td>South Essex Homes complies</td>
</tr>
<tr>
<td></td>
<td>Electricity at Work Reg. 1989</td>
</tr>
<tr>
<td></td>
<td>Mains electrical systems test certificate and 5 yearly hard wiring testing</td>
</tr>
<tr>
<td></td>
<td>Annual Portable Appliance Testing (PAT Testing)</td>
</tr>
<tr>
<td></td>
<td>Escape / Emergency Lighting – BS 5266</td>
</tr>
</tbody>
</table>

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### Electricity at Work Reg. 1989

- Mains electrical systems test certificate and 5 yearly hard wiring testing
- Annual Portable Appliance Testing (PAT Testing)
- Escape / Emergency Lighting – BS 5266
Appendix 3 to Agenda Item 8

### Monthly and annual emergency lighting testing

Information regarding Electrical Periodic Testing - Borough wide.

1. Approximate number of SEH properties – 6,093
2. New Contract M1516/29 –
3. Start of contract: Mid-June 2016 end date 31\textsuperscript{st} March 2021
   - PAT testing: Appliances are tested over a three month period. Not due to start until December 2016
   - Escape / Emergency Lighting and annual emergency lighting testing. We carry out an annual test in April, followed by 11 monthly visits. March visits remain.

### South Essex Homes complies

<table>
<thead>
<tr>
<th>Legionnaires Disease, The Control of Legionella Bacteria in water systems. Approved Code of Practice and Guidance (L8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment and water samples from every sheltered scheme undertaken every 2 years. Next two year programme commences 2014 - 2016.</td>
</tr>
<tr>
<td>Water temperatures are taken at each of the 22 sheltered schemes each month and are monitored by a system.</td>
</tr>
<tr>
<td>Tower Blocks</td>
</tr>
<tr>
<td>South Essex Homes currently sample and test for Legionella six monthly to buildings containing 1369 flats, the testing regime started 2015-2016 and orders are repeated each year, to date we have had no adverse samples. The contractor concerned is Northumbrian Water Scientific Services (NWG Scientific Services).</td>
</tr>
<tr>
<td>South Essex Homes complies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Control of Asbestos Reg. 2012 (CAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Essex Homes aims to carry out Asbestos Management Surveys to 10% of our homes annually to comply with current legislation.</td>
</tr>
<tr>
<td>Licensed Asbestos removal and Waste Carrier Risk</td>
</tr>
<tr>
<td>Steps have been taken to enter the ‘no access’ properties by working closely to Tenancy Services.</td>
</tr>
<tr>
<td>AC&amp;MS have had their contract extended for 1 more year where the aim is to ensure we have up to date asbestos records for all properties by 31\textsuperscript{st} March 2017.</td>
</tr>
<tr>
<td>South Essex Homes complies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Lifts Reg. 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually surveyed by Insurers who produce annual certificates. The undertaking of monthly inspections and maintenance in accordance with a written planned maintenance scheme. Examination is by a competent person who will detect defects or weaknesses and assess the safety and continued safe use of the lifts</td>
</tr>
</tbody>
</table>

---

57
The annual LG15 and 10 Tests are not mandatory, but the lift contractors carry these out as good practice.

Insurers also carry out 6 monthly checks on each lift. Clive Digby checks Allianz system on a regular basis and sends reports to the lift maintenance contractor to execute tests and recommended repairs/adjustments, all currently up to date.

**South Essex Homes complies**

| Gas Safety (Installation and Use) Reg. 1998 | South Essex Homes complies with the legal obligation to carry out an annual gas safety check in all properties with Council owned gas appliances. Annual gas safety certificate for gas boiler / appliances.

South Essex Homes runs a rolling 10 month service programme to ensure every gas appliance is definitely serviced before expiry of the CP12 Landlord Gas Safety Certificate. The number of gas properties as at 30th June is 4715 requiring servicing 10 monthly amounting to 5658 tests and services 12 monthly. All properties have a valid LGSR certificate.

**South Essex Homes complies**

| Construction (Design and Management) Reg. 2015 | Applies to Capital works contracts and is managed by South Essex Homes.

**South Essex Homes complies**
FINANCIAL REGULATIONS

May 2016
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<td>282932</td>
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<td>23. Third Party Funds (excluding Grants)</td>
<td>293033</td>
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<td>24. Grants and Financial Assistance</td>
<td>303134</td>
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<td>313235</td>
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<td>323336</td>
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<td>343538</td>
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</table>

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<th>Appendix 1</th>
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</thead>
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<tr>
<td>Glossary</td>
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</tr>
</tbody>
</table>
1. Introduction

1.1 These financial regulations set out the rules for the secure, efficient and proper conduct of financial transactions for South Essex Homes Ltd (SEH). These regulations comply with the Company’s Code of Governance and are designed not only to establish clearly defined practices (under which all officers must operate) but also provide protection for officers.

1.2 Aside from practical changes that have been agreed with the Chair of the Board and the Chair of the Audit Committee; these regulations can only be amended or waived by agreement of the Board, which would normally be on recommendation of the Audit Committee.

1.3 Every Board Member and all officers must comply with the Financial Regulations and have a duty to take reasonable action to provide for the security of the assets under their control. They must also ensure that the use of South Essex Homes Ltd’s resources is legal and properly authorised, in the best interests of the organisation, and delivers Value for Money for SEH and its customers.

1.4 The Senior Management Team (SMT) will determine within these regulations whether matters are “material”, “substantial” or “significant”. If any non-compliance with these Financial Regulations occurs the Executive Director or Director of Finance must consult with the Chief Executive and then inform the Chair of the Audit Committee or the Board if necessary.

1.5 All officers must comply with the Company’s procedures for financial management; failure to do so may result in disciplinary action and potential dismissal

1.6 Where stipulated, contractors and associated bodies must comply with these regulations. Such stipulation will be included in contract and service agreement documents.

1.7 These regulations set out the principles by which the Company’s financial administration is carried out. Detailed procedures, which must be complied with, will be found in various policies and procedures that complement them.
2 Accounting Arrangements

2.1 All accounts of the Company shall be compiled under the direction of the Director of Finance who is responsible for the organisation and supervision of all accounting arrangements.

2.2 The Director of Finance referred to in 2.1 above will notify the Audit Committee of any proposed changes in Accounting Policies adopted by the Company as and when they occur.

2.3 South Essex Homes Ltd’s Annual Operating Budget will be approved by the Board on the advice of the SMT. Approval of the Annual Operating Budget carries with it the authority for the SMT to incur any expenditure included within that budget without further reference to the Board.

2.4 It is the responsibility of the SMT to ensure that budget estimates reflect agreed priorities in the Business Plan, Vision 2020, and are submitted to the Board.

2.5 The SMT may appoint suitably trained individual managers to manage the whole or part of any budget. The authority for suitably trained officers to execute or authorise any financial transaction is set out in The Scheme of Delegation, which will be set by the Chief Executive in consultation with the Director of Finance. The levels of authority appertaining to the Chief Executive and the Senior Management Team will be set by the Board —after consideration by the Audit Committee.

2.6 All officers to whom budgets are delegated are accountable for the expenditure and income in those budgets and must take action to avoid exceeding budget allocations, and inform SMT of any potential issues.

2.7 All Group Managers must establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, value for money and for achieving their financial performance targets.

2.8 All employees have a duty to ensure the financial and business transactions of the Company are carried out with integrity, are properly recorded, and that the Company is not brought into disrepute.
3 Financial/Computing Systems & Procedures

It is the ultimate responsibility of SMT to ensure all systems, electronic or otherwise, and procedures include adequate arrangements to ensure proper internal controls.

3.1 All officers must consult with, and obtain the agreement of the Management Accountant regarding the development and implementation of all financial information systems or amendments thereto, who is responsible for ensuring their financial integrity.

3.2 All Group Managers must ensure that all procedures include adequate segregation of duties to ensure no one officer is able to handle any financial or property transaction from start to finish.

3.3 All Group Managers are responsible on a daily basis for ensuring that systems and procedures within their area, or for which they are responsible on a Company-wide basis, are adequately detailed in writing.

3.4 All officers are responsible for ensuring the accuracy and integrity of information entered into, and contained within the accounting and management information systems of the Company.

3.5 All officers are responsible for ensuring the security and probity of all financial and other information belonging to the Company.

3.6 All officers must comply with the Company’s ICT policies and strategy together with the requirements of the Data Protection Act 1998 and the Computer Misuse Act 1990.
4 Audit

4.1 The external auditors will be appointed by the Board on the recommendation of the Audit Committee. The Director of Finance directly responsible for the financial services function will liaise with the external auditors on behalf of South Essex Homes Ltd.

4.2 The SMT is collectively responsible for maintaining an adequate and effective system of internal audit of the Company in line with the Audit Plan as approved by the Audit Committee.

4.3 The SMT and any officer to whom the duty of internal audit has been delegated has at any reasonable time, the right:-

   (i) Of access to all Company records and property

   (ii) To inspect any of the accounts, systems, records whether on paper or electronic, cash, stock, securities or assets as they may deem necessary

   (iii) To obtain any explanation or information they may require without delay.

4.4 Upon the completion of an audit, draft Internal Audit reports will be issued to the appropriate Manager and members of OMT who will be required to respond within the agreed timescale from the date of receipt and detail the action(s) to be taken on the recommendation(s) made.

4.5 All completed audit reports will be submitted to the Audit Committee for consideration and as necessary, recommendation to the Board in relation to the findings of those reports.

4.6 Periodic review of both External and Internal Audit Services will be undertaken and agreed between the SMT and the Audit Committee.
5 Fraud, Irregularities and “Whistleblowing”

5.1 All employees and Board members must comply with the Company’s Anti-Fraud and Corruption Policy, Anti money laundering, confidential reporting and Southend Borough Council’s Computer Security Policies.

5.2 It is the duty of any Board member or employee who knows of or suspects fraud, corruption, bribery, theft or other financial irregularity concerning the Company’s property or its transactions or private funds if appropriate, to immediately report their line manager in the first instance. If it concerns a line manager, or the matter appears not to have been dealt with appropriately, then employee matters should be reported to the Human Resources Manager and all other matters should be reported to the Director of Finance. In addition to the there is a confidential whistle blowing telephone number and email address directly to the Fraud Team.

§.3 The Human Resources Manager, The Chief Executive, Director of Finance and the Chair of the Audit Committee will arrange for such action or investigation as is considered appropriate to be undertaken whenever they are informed of any irregularity or suspected irregularity as above.

5.4 The Company’s Confidential Reporting Policy (“whistle blowing” policy) should be readily available and should be regularly communicated to all officers. (It is currently available on the Intranet under “Policies and Procedures”)

5.5 It is the duty of every Board member and employee to be aware of the Company’s Anti Money Laundering and Bribery Policy and to act in accordance with that Policy and the related Briefing Notes issued from time to time under that Policy. In the event that a Board member or employee knows of, or suspects a case of money laundering, they must report this immediately to the Director of Finance.
6 Risk Management & Business Continuity

6.1 Corporate arrangements for the management of risk are under the direction of the SMT.

6.2 The SMT will prepare a Risk Management Strategy for approval by the Audit Committee and adoption by the Board. The Risk Management Strategy will be reviewed on a three two yearly basis.

6.3 The actual risk management arrangements made by SMT are subject to the approval of the Audit Committee and adoption by the Board.

6.4 The Company will prepare a Risk Register, to be reviewed regularly by SMT and submitted to the Audit Committee to ensure the risks identified are complete in their coverage and that they remain appropriately assessed and mitigated wherever possible.

6.5 All members of OMT—Group Managers will ensure that risks are managed in accordance with the Company’s Risk Management Strategy.

6.6 The members of SMT will ensure that there is an adequate Business Continuity Plan and that it is regularly reviewed by the Audit Committee and agreed by the Board.
7 Value for Money (VfM)

7.1 The SMT is responsible for ensuring the VfM strategy and associated documents are maintained and adopted by the Board.

7.2 A continuous review of service delivery will be undertaken by all Managers to ensure compliance with the VfM strategy and any savings made will be recorded in the VfM Register.

7.3 All employees should adhere to the Company’s VfM strategy and associated service plans and are responsible for ensuring the Company achieves VfM in carrying out its functions.
8 Operating Budget

8.1 The members of SMT are responsible for developing and maintaining Service Plans for the business in line with the Business Plan. These service plans in turn inform the creation of the Operating Budget.

8.2 The Board approves the Operating Budget as prepared by SMT and any variations to the total sum agreed must be approved by the Board. This is informed by the annual Management Fee negotiated with the Council and any other sources of funding available.

8.3 The SMT is responsible for delegating ownership of individual budgets within the Company to ensure maximum accountability and VfM.

8.4 The Chief Executive is responsible for delivering services within the Annual Operating Budget approved by the Board. In the event of a forecast overspend at Company level, the Chief Executive will report to the Board at the earliest opportunity outlining the options available including the use of any working balances.

8.5 The Board is responsible for approving virements in excess of £250,000 between budgets. Any virements below this level will be in line with the Virement Limits set by the Chief Executive in consultation with the Director of Finance. This is also subject to any other Board Directives that may currently be in force and adherence/compliance with the Personnel and Remuneration Committee Terms of Reference.

8.6 The SMT will consider and review monthly Budget Monitoring Reports and take action as necessary to ensure effective delivery of planned services within the year will be contained within the approved Annual Operating Budget.

8.7 The SMT will ensure that the Board and the Audit Committee will receive regular Assurance Reports.

8.8 Further detailed guidance and advice is provided in the Budget Holders Handbook which is reviewed regularly.
9  **Capital Budget and Revenue Repairs Budget**

9.1 Both the Capital Budget and the Revenue Repairs Budget are managed by the Company on behalf of Southend Borough Council.

9.2 In addition to managing the budget, the payment process is delegated to the Company.

9.3 **Capital Budget**

9.4 The Executive Director, in conjunction with the Group Manager (Property Services), is responsible for the preparation of estimates of Capital Expenditure and a multi-year Capital Programme for approval by Southend Borough Council.

9.5 Expenditure will be incurred in line with these Financial Regulations and the Council’s contract procedure rules and authorisation limits set out elsewhere in these regulations.

9.6 The approval of any virements between Capital Budgets should be by agreement of Southend-on-Sea Borough Council.

9.7 The SMT will monitor all capital projects from inception to completion and ensure that agreed procedures followed.

9.8 The SMT will submit regular reports of capital expenditure to the Audit Committee detailing and explaining significant variations. The SMT will submit summary financial statements to the Board at each formal meeting.

9.9 **Revenue Repairs Budget**

9.10 The Executive Director in conjunction with the Group Manager (Property Services), is responsible for the preparation of estimates for the Revenue Repairs Budget for approval by Southend Borough Council.

9.11 Expenditure will only be incurred in respect of the Revenue Repairs Budget when the budget has have been approved by Southend Borough Council.

9.12 The Board is responsible for approving virements in excess of £250,000. Any virements below this level will be in line with the Virement Limits set by the Chief Executive in consultation with the Director of Finance.
9.13 The SMT will receive monthly budgetary control reports on the progress of all expenditure and performance outcomes.

9.14 The SMT will ensure that the Board and/or the relevant Committee receive regular Assurance Reports.
10  Procurement of Works, Supplies and Services

10.1 Before any order is issued for supplies the authorising officer must ensure that:

a) the supplies are necessary for the discharge of the responsibilities of South Essex Homes Ltd
b) sufficient budget is available
c) the Contract Procedure Rules have been complied with and
d) the procurement of such supplies is within their delegated authority.
e) No contract currently exists for the supply of the goods or services being procured, that provides better value for money or whether there is an in-house resource that can be used instead.

10.2 The following are the minimum requirements for procuring new works, supplies & services:

Up to £1,000 – endeavour to get two written quotes when reasonably possible to do so

£1001 - £5,000 – obtain two written quotes

5,001 - £50,000
Obtain three written quotations to be retained in the Service; if this is not possible then the approval of a member of SMT is necessary.

£50,001 – EU Threshold
Formal tender process to be used requiring submission of sealed bids.

Where work is of a specialist nature, such that competitive quotes cannot realistically be obtained, endorsement of a Group Manager and written authorisation of the Director of Finance or Executive Director or the Chief Executive is required, to seek a price from a single contractor. Due regard should be made to ensure value for money. Above £50,000 authorisation is required by the Board.

Above EU Threshold
Formal tender process to be used requiring advertisement in the Official Journal of the European Union (OJEU) for services and supplies and for Works Contracts over the EU threshold. This does not preclude the use of suitable framework contracts.

10.3 Except for Exempt Purchases listed in 10.20, all orders for, or commitments entered into, to procure works, supplies and services must be raised using the Agresso purchase requisitioning system following the current Purchase Requisitioning Procedures.

10.4 For any purchase of goods or services which is not an Exempt Purchase:
1. The purchase orders must be authorised in accordance with the levels of delegated authority set by the Chief Executive in consultation with the Director of Finance.

2. On receipts of the goods or service an officer must mark the order as received by entering the GRN.

3. On receipt of the invoice, two authorisations are required with the appropriate level of delegated authority set by the Chief Executive below SMT level or agreed by the Board above this.

10.5 All contracts up to the limit specified in the Management Agreement (or variations thereto) must be in writing and signed on behalf of the Company in accordance with the arrangements set out in these Financial Regulations.

10.6 All contracts over the limit specified in the Management Agreement must be in the name of Southend Borough Council and executed accordingly (including compliance with Southend Borough Council’s standing Orders and Financial Regulations).

10.7 All officers must comply with the Company’s procedures for financial management; failure to do so may result in disciplinary action and potential dismissal.

10.8 Copies of all orders placed over £1,000 shall be retained on file within the Service. Budget holders are responsible for matching the orders they place to the invoices received and investigating any differences with the supplier before authorising the invoice for payment.

10.9 For all orders less than £1,000 Budget Holders must exercise appropriate controls in order that such expenditure can stand up to external scrutiny and be justified as safeguarding public money and achieving VfM.

10.10 All discounts available from a supplier should be taken as a deduction against the cost of the goods purchased and must appear on the invoice. Where a supplier provides any free item or a discount is available in the form of goods; these are the property of South Essex Homes Ltd and must be declared.

10.11 For provision of electrical installation and or maintenance works the contractor must be on the Roll of Approved Electrical Installation Contractors of the National Inspection Council for Electrical Installation Contractors or the Electrical Contractors Association.
10.12 For provision of gas installation and or maintenance works the contractor must be on the Gas Safe Register.

10.13 For provision of scaffolding services the contractor must have a licence issued by the Health and Safety Executive.

10.14 If providing asbestos services then the contractor must have a licence issued by the Health and Safety Executive.

10.15 All contractors engaged by South Essex Homes Ltd must have all accreditations and certifications decreed by law; these must be valid and up to date throughout the term of the engagement.

10.16 Contractors used for provision of Revenue Repairs Budget related expenditure should be registered with ‘Construction Line’ and such contractors/companies should also be Contractor’s Health and Safety Assessment Scheme (CHAS) approved. If no suitable companies can be found using this selection process then the SMT may agree to use other contractors or consultants during the year.

10.17 The above does not exclude the use of procurement consortiums. If the use of such a consortium will provide Value for Money to the organisation and all other standard criteria are met (e.g. procedures and standards required by the consortium are equivalent to those adopted for construction line) then the consortium may be used.

10.18 The Financial Authority Limits for officers to place orders are set out in the Schedule of Delegation set by the Chief Executive in consultation with the Director of Finance.

10.19 The following are Exempt Purchases and are not required to be ordered through the Agresso purchase requisitioning system:

- Utility supplies
- Telephone service
- Responsive, planned and void maintenance works where the purchase is initiated through the I-World system
- Capital improvement works to managed properties
- Any purchase over £50,000 (dealt with manually by paper)
- Any operational budget purchase of less than £1,000

The Director of Finance may from time to time add categories of purchases or specific purchases to the Exempt Purchases.

11 Appointment of Temporary Officers and Consultants
11.1 This section relates to all non-permanent officers who are not directly employed by South Essex Homes Ltd whether they are covering vacancies, supplementing capacity or providing consultancy services.

11.2 The approved budget will include the authorised staffing establishment in both numbers of Full Time Equivalents (FTE) and monetary provision.

11.3 The recruitment of any non-permanent officers as defined in 11.1 above requires specific written approval from a member of SMT on the appropriate form (available either from Human Resources or the Intranet).

11.4 The appointment of such officers should be based on a robust assessment of need (i.e. a business case) and affordability within the current year’s budget.

11.5 The procurement of consultancy services must be in line with the requirements in section 10 above.

11.6 It is the responsibility of the appropriate line manager that where systems access has been approved for non-permanent officers as soon as they leave, this should be terminated upon departure (as is the case with permanent officers).

11.7 Particular care should be taken when allowing non-permanent officers, access to financial systems and processes. This should include the relevant vetting and processes e.g. CRB checks.

11.8 Non permanent officers do not have the authority to commit the company to any expenditure whatsoever unless expressly approved by the Board.
12 Contracts

12.1 Before going out to tender, the relevant Budget Holder must prepare a pre-tender estimate of the cost of the specified work, service or supply and ensure that they have the financial resources available to enter into the contract. This estimate must be certified by the The Executive Director.

12.2 Where such pre-tender estimate indicates that additional financial resources will be necessary, the relevant Budget Holder must either review the specification to reduce its cost or request a virement between budgets to cover the shortfall as set out in these Financial Regulations (see section 8).

12.3 Tenders that do not exceed the budgeted provision by more than 10% or £10,000 (whichever is the greater) may be accepted by the Budget Holder without further approval of the SMT as long as the total sum is within the officers’ authorisation limits, subject to adequate financial provision being available to cover the additional cost.

12.4 Acceptance of all tenders that exceed the approved estimate as set out in 12.3 above are subject to the approval of the SMT.

12.5 Any variation on, addition to, or omission from a contract duly authorised must be given in writing to the contractor by the responsible Budget Holder.

12.6 Where a variation to a contract duly authorised is estimated to vary the amount of an accepted tender or estimate by an amount in excess of 10% a report including the comments of the Executive Director will be submitted to the Board as soon as possible by the appropriate Budget Holder, together with a revised estimate of the project cost and possible funding sources.

12.7 Budget Holders are responsible for ensuring the accuracy of contractors' final accounts, which must be made available to the Executive Director when required.

12.8 Where a firm of consultants are employed to act as supervising officer(s) for work carried out by a contractor to the Company it shall be:-

(i) A condition of their employment that they comply with the Company’s Financial Regulations and all other relevant procedures.

(ii) The responsibility of the consultant, to certify the value of work completed but the relevant Budget Holder will remain responsible for
Appendix 4 to Agenda Item 8

certifying payment to the contractor as the Company’s authorised certifying officer.

iii) See also requirements in section 11.

12.9 The company shall maintain a Contract Register showing details of all contracts tendered.
13 Payment of Creditors

13.1 Apart from petty cash payments (see 14 below) the method and frequency of payment of accounts will be determined by the SMT and shall be by BACS, cheque, company credit card, online payment or other instrument drawn on South Essex Homes Ltd’s bank account.

13.2 All Budget Holders are responsible for ensuring that all sums that they or their officers certify for payment by the Company are legally and properly payable. They are also responsible for identifying the budget provision by way of an accounting expenditure code.

13.3 By signing an account for payment or authorising an invoice, whether manually or through the Agresso system by authorising a purchase order, or approving an invoice, the authorised Officer certifies that satisfactory checks have been carried out to ensure that:

(i) Goods supplied, work done or services rendered have been received and/or satisfactorily carried out;

(ii) Charges are correct and in accordance with quotations or contracts;

(iii) All discounts have been claimed;

(iv) There is a proper VAT invoice where appropriate

(v) As far as possible the account has not previously been certified for payment;

(vi) Previous payments on account have been deducted,

(vii) The proper entries have been made in the inventories or stores records, where appropriate;

13.4 The Authorised Signatories and the Finance Team will examine, so far as they consider necessary, certified accounts passed for payment and will authorise payment only if such accounts are found to be in order.

13.5 Any account paid must be available for inspection on request at any reasonable time by any Board Member of the Company.

13.6 The Financial Authority Limits for officers to approve payment of invoices (including Petty Cash) are set out in the Schedule of Delegation set by the Chief Executive in consultation with the Director of Finance.
Appendix 4 to Agenda Item 8

14 Petty Cash Accounts

14.1 The Director of Finance will provide petty cash accounts for the purpose of meeting ad-hoc expenses of less than £10.

14.2 Imprest accounts must be operated in full accordance with the procedures set down by the Director of Finance. Officers responsible for petty cash accounts will maintain full records and reconciliations of the account at all times.

14.3 Income received shall not be paid in to the petty cash accounts, but must be accounted for and paid into the Company bank account as provided in item 18.5.
15 Certification

15.1 SMT are able to delegate responsibility for certification of Official orders, accounts, contract certificates and similar documents on their behalf to any appropriate designated member of their staff or a duly appointed contractor providing that:

15.2 Such delegations are made in writing and approved by a member of SMT and the Chief Executive.

15.3 The Company will maintain and keep up to date a list of all such delegations, detailing the documents the authorised signatory is authorised to certify and provide copies to the Finance Team, complete with specimen signatures.
16 Credit Cards

16.1 All arrangements regarding payment and procurements cards will be under the direction of the SMT.

16.2 Each cardholder will ensure the directions stated in the credit card guidance issued to them by the Finance Team along with the card are adhered to at all times.
17 Salaries, Wages and Pensions

17.1 The Personnel & Remuneration Committee is responsible for the approval of the arrangements for the payment of all salaries, wages, pensions, compensation or other emoluments of the SOMT. It is also responsible for agreeing the overall salaries and terms and conditions for all other officers with reference to the recommendations of the Chief Executive. (For further clarification please refer to Terms of Reference of the Personnel & Remuneration Committee)

17.2 The SMT is responsible for making the arrangements for the payment of all salaries, wages, pensions, compensation or other emoluments for all other officers.

17.3 All payment of salaries, wages, pensions and other emoluments to employees or former employees, and deductions shall be processed through the payroll system.

17.4 The Human Business Partner on behalf of the Company must ensure that appointments of all employees are in accordance with the appropriate employment policies of the Company, approved Establishment list, grades and rates of pay.

17.5 The Human Resources Business Partner on behalf of the Company will maintain adequate records to notify the payroll provider of all matters of appointments, resignations, dismissals and retirements together with changes in pay rates, bonuses, overtime and other matters affecting remuneration, and ensure correct information is provided to ensure that the correct adjustments are made in respect of absences, pensions, income tax, national insurance, sickness, maternity pay, paternity pay and any other additions to or deductions from pay.
18 Income Collection

18.1 The Group Managers are responsible for approving arrangements for the collection of all monies due to the Company.

18.2 As soon as items or services to be recharged are identified, full details must be passed to the Finance Team immediately to maximise recovery prospects and cashflow.

18.3 Where new sources of income are identified, the Director of Finance must be consulted, so as to establish robust charging arrangements.

18.4 All items identified for write-off should be duly authorised in accordance with the Schedule of Delegation, and in a timely manner.

18.5 All income due to the Company should wherever possible be paid electronically into the Company’s bank account. Where other methods are used, payments should be paid into the bank as soon as possible with all details being passed to the Finance Team immediately.
19 Banking Arrangements

19.1 The Director of Finance is responsible for all arrangements made with the Company's Bankers concerning the Company's banking accounts, the issue of cheques, corporate purchase and credit cards, and for other methods of payment. Clients of the Company should be strongly encouraged to use the BACS system for payment of invoices, although other arrangements are in place should the need arise.

19.2 All cheques drawn on South Essex Homes Ltd must be signed in accordance with the approved Signatory Levels set by the Chief Executive in consultation with the Director of Finance. This mandate will be reviewed as necessary.

19.3 All individual invoices must be authorised in line with the approved Schedule of delegated responsibility.

19.4 Once collated, each payment batch will be checked by an Accountant within the finance department for completeness, and also the accuracy of manual authorisations.

19.5 Once the Finance Department is satisfied that invoices have been authorised appropriately then payment will be made on such invoices by the finance department by whatever method is deemed appropriate by the finance department.
20 Property

20.1 The Company will maintain an asset register of all property, land, and other fixed assets owned by the Company.

20.2 The OMT Group Managers are responsible for ensuring Company assets are kept securely and, where appropriate, marked as the property of the Company/the Council.

20.3 The Company’s Legal Advisors will have secure custody of all title deeds.

20.4 The Budget Holders to whom assets have been entrusted must maintain records detailing numbers, location, value and condition of the items and ensure that these are also recorded on the Company’s Asset Register.

20.5 Company assets can only be removed from Company premises for Company business with the approval of the relevant Group Managers and are only to be used for Company business.

20.6 No officer will make significant change of use to Company property used by their service area or discuss its use by any third party without the agreement of the SMT; which may be given on conditions designed to protect the Company’s interest.

20.7 Where goods become surplus or obsolete the appropriate Budget Holder must seek approval of the Group Manager (Finance and Support Services)—Director of Finance before making arrangements for sale or redeployment within the Company with a view to maximising income. Where no value is deemed retrievable, charitable or appropriate disposal can take place. All legislation controlling safe disposal of goods (such as those relating to electrical equipment) must be conformed with.
21 Investments, Borrowing, Treasury Management and Capital Financing

21.1 All investments made or controlled by the Company will be in the Company's name and authorised in line with the Schedule of Delegation.

21.2 The Company adopts the four clauses set out in section 5 of the CIPFA revised code of Treasury Management.

21.3 Accordingly, the Company will create and maintain, as the cornerstone for effective treasury management:

(i) a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities;

(ii) suitable treasury management procedures (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

21.4 Investments will be selected in accordance with the criteria set out in the Treasury Management strategy applicable at the time of the investment.

21.5 Investment activity will be subject to review and monitoring as set out in the current Treasury Management strategy. As a minimum this will include regular reports to the Audit Committee on investments made and their performance, together with monthly reports to the Director of Finance.

21.6 The SMT is responsible under delegated authority for all of the Company's capital financing arrangements including leasing contracts.

21.7 Once the decision to make an investment has been made (in accordance with the Treasury Management strategy Investments) the actual placement should be authorised in line with appendix 1.
22  Insurances

22.1  The SMT is responsible for assessing insurable risk and ensuring the Company has adequate insurance cover, subject to any directions which may be given by the Board.

22.2  Budget Holders shall be responsible for promptly notifying the OMT Group Managers of the extent and nature of new risks, properties, vehicles or equipment to be insured and of any alterations affecting insurable risks, insured property or assets, or insured values in their service areas.

22.3  Any incident or loss which could give rise to an insurance claim must be notified without delay to the OMT Group Managers and Finance Team by the relevant officer who must also inform the police where appropriate.

22.4  The SMT is responsible for making arrangements for the administration of insurance claims in conjunction with the Company’s insurers and with the Company’s Legal Advisor if proceedings are issued.

22.5  Where the Company is requested to give an indemnity, the relevant officers must consult with the SMT and the Company’s Legal Advisor.
23 Third Party Funds (excluding Grants)

23.1 It is not general Company Policy to hold any funds on behalf of third parties (see section 24 for administration of Grants).

23.2 However, in cases where this is unavoidable, any cash or other valuables held must be kept to an absolute minimum and held securely; such funds must be banked or deposited as soon as possible. The responsible officer must seek the prior written approval of a member of the OMT Group Manager and Finance must be made aware accordingly.
24 Grants and Financial Assistance

24.1 All grants and financial assistance must be administered in accordance with the Company’s approved Budget or agreements with third parties.

24.2 The full value of all grants, whether financial or in kind, must be recorded transparently in the Company's accounts.

24.3 For grants or assistance to any voluntary organisation, such as Residents Associations, appropriate controls must be clearly in place and must comply with these Financial Regulations in all respects e.g. Budgetary Control and sound Accounting arrangements.

24.4 Where third party grants are administered by the Company these must be processed in accordance with the specific grant conditions and Internal Controls and Procedures.
25 Relationships with Partners, Clients & Contractors

25.1 The SMT is responsible for approving the financial arrangements relating to any and all contracts entered into to ensure they are sound and secure.

25.2 Officers must not work for any current or prospective supplier or contractor to South Essex Homes Ltd or Southend Borough Council which may cause, or lead to the suspicion of, any conflict of interests as detailed in the staff handbook and contracts of employment.

25.3 All intellectual property created by employees of South Essex Homes Ltd in the course of their duties is the property of South Essex Homes Ltd and cannot be sold or passed to third parties without the permission of the Chief Executive.
26 **Travelling, Subsistence & Other Expenses**

26.1 Payment of all claims are to be made in accordance with the Expenses policy and procedures and the Conditions of Service adopted in respect of the employees to which the payment relates.

26.2 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses must be made on a form approved by the SMT.

26.3 The certification of a claim by the authorising officer is taken to mean that the officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by South Essex Homes Ltd.

26.4 Any expense claims (including mileage) submitted by the Chief Executive will need to be authorised by the Chair or Vice Chair of the Board. If the Chief Executive is absent, then any claims submitted by the Executive Director must be authorised by the Chair or Vice Chair of the Board or the Director of Finance.

26.5 Any claims submitted by Board Members will need to be authorised by a member of SMT and be in accordance with the agreed budget.

26.6 Claims submitted more than six months after the expenses have been incurred will not be paid; except in special circumstances as agreed by a member of SMT.
Appendix 4 to Agenda Item 8

27 Gifts & Hospitality

27.1 It should be noted that this section of the policy applies to both Board Members and officers alike.

27.2 The receipt of personal gifts should be discouraged as far as possible.

27.3 Any impersonal gift of nominal value such as diaries, calendars, sweets may be retained by the recipient (although, to completely remove any suggestion of impropriety, should be shared with the employee’s team where possible)

27.4 All gifts and hospitality must be recorded in the gifts and hospitality register (“Honesty Book”) maintained by Human Resources which should be inspected or reviewed by the SMT periodically.

27.5 All known receipts of gifts and/or hospitality should be included on the SMT meeting agenda

27.6 Hospitality must only be given or accepted where it is on a scale appropriate to the circumstances, reasonably incidental to the occasion, not extravagant and justifiable as in the public interest.
Appendix 4 to Agenda Item 8

28 Maintenance of Records

28.1 The retention and disposal of all records and documents shall be in accordance with the current legislation in force and as detailed in the Retention Policy.
29 Taxation

29.1 The Director of Finance is responsible for submitting all returns to HM Revenue & Customs for PAYE, VAT, Corporation Tax and other tax returns, making payments or seeking refunds and for obtaining and giving advice and guidance to officers on PAYE and VAT matters that relate to the company.
**Authorise Investments of Cash Balances**

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive *</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Executive Director</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Group Managers</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>£1,000,000</td>
</tr>
</tbody>
</table>

* This must be consistent with the Company’s approved Treasury Management Policy and Strategy
### Glossary

<table>
<thead>
<tr>
<th><strong>Agresso</strong></th>
<th>Agresso is the company’s main accounting system and is used for raising orders, paying invoices, financial reporting, payroll and HR management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Virement</strong></td>
<td>Movements of budget provisions between budget headings.</td>
</tr>
<tr>
<td><strong>EMT</strong></td>
<td>The Executive Management Team is made up of The executive Director, the Director of Finance and the Chief Executive</td>
</tr>
<tr>
<td><strong>SMT</strong></td>
<td>The Senior Management Team is made up of the Chief Executive, the Executive Director, the Director of Finance and the Group Managers.</td>
</tr>
<tr>
<td><strong>OMT</strong></td>
<td>The Operational Management Group is made up of the Executive Director and all the Group Managers.</td>
</tr>
<tr>
<td><strong>Capital budget</strong></td>
<td>Proposed expenditure on the capital repairs budget as agreed with Southend Borough Council.</td>
</tr>
<tr>
<td><strong>Revenue repairs budget</strong></td>
<td>Proposed expenditure on the revenue repairs budget as agreed with Southend Borough Council.</td>
</tr>
<tr>
<td><strong>Operating budget</strong></td>
<td>Proposed expenditure by the company not out of the revenue repairs budget and not constituting part of the capital programme.</td>
</tr>
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</table>
Schedules of delegated responsibility
Appendix 1

Virement Limits (for Operating Budget)

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Level</th>
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<tbody>
<tr>
<td>The Board</td>
<td>Over £250,000</td>
</tr>
<tr>
<td>Members of EMT</td>
<td>Up to £250,000</td>
</tr>
<tr>
<td>Group Managers</td>
<td>Up to £50,000</td>
</tr>
<tr>
<td>Other Signatories</td>
<td>Nil</td>
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</tbody>
</table>

These limits relate to moving budgets between OMT member Group Manager responsibilities.
## Appendix 2

### General Limits (excluding payments and virements)

<table>
<thead>
<tr>
<th>JOB TITLE</th>
<th>Authorise purchase orders, GRN’s or invoices</th>
<th>Authorise Write Offs</th>
<th>Authorise Credit Notes</th>
<th>Appoint officers</th>
<th>Amend officers contracts</th>
<th>Amend grades of post</th>
<th>Authorise Payroll input</th>
<th>Overtime claims</th>
<th>Mileage claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Board</strong></td>
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</tr>
<tr>
<td>Purchase orders only, over £250,000</td>
<td>unltld</td>
<td>unltld</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td><strong>Executive Management Team</strong></td>
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</tr>
<tr>
<td>Chief Executive (Note 1)</td>
<td>£2350,000</td>
<td>£10,000</td>
<td>£50,000</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Executive Director (Note 2)</td>
<td>£250,000</td>
<td>£5,000</td>
<td>£25,000</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Director of Finance (Note 2)</td>
<td>£250,000</td>
<td>£5,000</td>
<td>£25,000</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td><strong>Operational Management Team</strong></td>
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<tr>
<td>Group Manager (East)</td>
<td>£50,000</td>
<td>Nil</td>
<td>Nil</td>
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<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## Appendix 4 to Agenda Item 8

<table>
<thead>
<tr>
<th>JOB TITLE</th>
<th>Authorise purchase orders, GRN’s or invoices</th>
<th>Authorise Write Offs</th>
<th>Authorise Credit Notes</th>
<th>Appoint officers</th>
<th>Amend officers contracts</th>
<th>Amend grades of post</th>
<th>Authorise Payroll input</th>
<th>Overtime claims</th>
<th>Mileage claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager (Property Services)</td>
<td>£ 150,000</td>
<td>Nil</td>
<td>Nil</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Group Manager (West)</td>
<td>£ 50,000</td>
<td>£ 2,500</td>
<td>£ 10,000</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Notes

1. The Chief Executive can authorise invoices for any amount in excess of £2350,000 **provided that the subject to Board has given written approval the Chair of the Board or the Chair of the Audit Committee must give prior approval** to incur the expenditure.

2. In the absence of the Chief Executive, invoice authorisation in between £250,000 - £350,000 requires the signature of the Executive Director and Director of Finance.

3.4. **There must always be two people authorising payments with the required level of authorisation.**
Appendix 3

Authorised Cheque Payment Signatory List

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>A</td>
</tr>
<tr>
<td>Executive Director</td>
<td>A</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Finance &amp; Support Services)</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Property Services)</td>
<td>B</td>
</tr>
<tr>
<td>Group Manager (Housing Management)</td>
<td>B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount</th>
<th>Minimum Authorisation Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1 - £10,000</td>
<td>1A or 2Bs</td>
</tr>
<tr>
<td>£10,001 - £250,000</td>
<td>2As</td>
</tr>
<tr>
<td>Over £250,000</td>
<td>2As including the Chief Executive</td>
</tr>
</tbody>
</table>

NB A “payment” is the total amount paid to an individual entity within a payment batch.
Authorise Investments of Cash Balances

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive *</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Executive Director</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Group Managers <em>(Finance &amp; Support Services)</em></td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>£1,000,000</td>
</tr>
</tbody>
</table>

* This must be consistent with the Company’s approved Treasury Management Policy and Strategy
Appendix 5 to Agenda Item 8

TREASURY MANAGEMENT
POLICY and STRATEGY

Date published: May 2012 Revised May 2013
Revised May 2014 Revised January 2015 Revised
January 2016 May 2016
South Essex Homes – Keeping you informed
www.southessexhomes.co.uk 0800 833 160
### Contents

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4. Policy....................................................................... 46
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7. Risks ......................................................................... 9
8. Review and Monitoring ........................................... 79
1. Introduction

- The CIPFA code of practice recommends that all Public Sector organisations adopt the CIPFA Code of Treasury Management and this policy is based upon that recommendation.

- Investing surplus cash will supplement the income of South Essex Homes Ltd (SEH) and the guidelines laid down by this document will enable officers to pursue this objective within boundaries approved by the Board.

- The policy is consistent with and complimentary to the Company’s core activity, which is to deliver housing management and maintenance services for Southend Borough Council.

- The Policy Statement covers the financial year 2016/17.

2. General Policy Statement

- Treasury management activities are defined as:
  The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

- The key objectives of the Treasury Management Policy/Strategy is to minimise risk, ensure security and liquidity and to protect capital rather than maximise return.

- The company will not make any investments that involve exchange rate risk.

- The successful identification, monitoring and control of risk is the prime criteria by which the effectiveness of the Company’s Treasury Management activities will be measured.

- Obtaining value for money is one of the Company’s key objectives and Treasury Management will contribute to this in the context of effective risk management.
3. Aims

South Essex Homes mission statement is;

Working smarter together to:

- involve Residents
- invest in decent homes
- improve services and build strong, proud communities
- Empower our Residents
- Provide excellent services and quality homes
- Engage with our Communities

And work in partnership with Southend Borough Council

Effective treasury management will ensure that the Company is able to maximise its investment in the services that residents need. As a result, it is committed to the principle of achieving value for money as part of this treasury management policy/strategy within an effective risk management framework.

4. Policy

South Essex Homes Ltd will ensure the following:

- The company will be risk adverse in its approach to investing. And to such an end it will balance risk against return; placing the emphasis on the security of its invested funds and liquidity rather than on maximising the returns.

- The Company will adopt the four clauses set out in section 5 of the CIPFA revised code of Treasury Management within its Financial Regulations.

- The Treasury Management procedures will operate in conjunction with Cash Flow forecasting in order to ensure that:
  - The Company always has sufficient funds to meet its obligations as they fall due.
  - Investment opportunities are maximised, subject to meeting the investment criteria and limits approved by the Board.

- The Company does not go into overdraft

- South Essex Homes Ltd will use a ratings based approach to selecting approved financial institutions for investments.
The Director of Finance will monitor the credit ratings of approved financial institutions to ensure that these continue to meet the minimum credit criteria at all times.

Potential risks will be identified and understood, and the necessary steps will be taken to minimise these risks.

The authority to commit an investment will follow the procedures set out in the Financial Regulations.

The Company will use the services of suitably qualified consultants to give advice and training on Treasury Management.

On any day that investments are to be undertaken a cost benefit analysis will be undertaken before placing any investments.

5. Strategy

Investment Objectives

The general principle is to invest surplus funds prudently. The priority will be (1) security (2) liquidity (3) yield, in that order. The highest rate of return is sought only after security and liquidity requirements are satisfied. (set out below)

Security

The Company will only invest on deposit in sterling in UK registered banks with a credit rating of: Fitch – F1 and Moody’s P-1 to P-3 (the highest credit rating) or where the UK bank is majority owned by the Government. In addition other general indicators will be used to complement this, such as: information from quality papers, credit default swap prices, government support of banks, rates being offered and market price of debt securities. A composite rating statement from CAPITA is used to direct the decisions on investment

In addition the Company will invest in Money Market Funds with triple A rating to a maximum of £2.5m.

In 2016/17 these are:

- Natwest plc
- Barclays plc
- HSBC Bank plc
- Lloyds Bank plc
- Nationwide Building Society
- Royal Bank of Scotland plc
- Santander UK plc
The maximum investment in any one institution at any one time will be £1.5m.

- **Liquidity**
  
  Cash flow will be monitored and investments made to ensure that the Company does not go overdrawn or as far as possible the balance on deposit does not exceed £1.5m. If this is exceeded a report will be produced for the following meeting with an explanation. A report of cash flow will be produced for each Audit Committee.

- **Yield**
  
  Returns will be maximised by obtaining the best rates available on the day of investment consistent with the criteria set above.

- **Investment Profile**
  
  The investment pattern will be in line with the investment profile set out in Appendix 1. This will be reviewed at least half yearly intervals.

- **Training**
  
  Treasury Management training will be provided for both the Audit Committee Members and key officers with responsibility for treasury management. The Company will use Capita Asset Services (Capita) for advice and training in 2016/17.

- **Performance**
  
  Regular reports will be made to the Audit Committee on performance and security arrangements.

### 6. Responsibility

- The **Executive Director** of Finance is ultimately responsible to the Board for compliance with the Policy and Strategy. On a day to day basis the Finance Team will be responsible for maintaining the cash-flow and all associated investments with the support of the Group Manager (Housing Services) in line with the Policy and Strategy and Financial Regulations.
The Audit Committee will be responsible for the effective scrutiny of Treasury Management.

7. Risks

The CIPFA code sets out the eight key treasury management risks. These are set out in Appendix 2 together with the appropriate mitigating actions required.

8. Review and Monitoring

- As part of the monthly budget monitoring report the Executive Director of Finance will receive notification of any interest earned within the month.
- On a quarterly basis, the Audit Committee will be notified of all investments made and any interest earned.
- All investments will be approved in line with Schedule of Delegation contained in the Financial Regulations.
- Regular report on risk management performance will be made to the Audit Committee.
- The Treasury Strategy will be reviewed annually by the Audit Committee.
- Where it is necessary to exceed the £1.5m deposit with Barclays Plc, the reasons will be reported on an exception basis to the next Audit Committee.
Appendix 5 to Agenda Item 8

For more information about this document please contact us

Write to us at: South Essex Homes,
Cheviot House,
PO BOX 5817,
Southend on Sea, SS1 9EL
Civic Centre,
Victoria Avenue,
Southend-on-Sea
SS3 6FY

Phone: 0800 833 160
Appendix 5 to Agenda Item 8

Email: customerservices@seh.southend.gov.uk
Visit: www.southessexhomes.co.uk
**Appendix 6 to Agenda Item 8**

**SEHRISK 03 Risk that the company will lose main business contracts leading to significant loss of income, with subsequent impact on the operating budget and service delivery.**

**Stage 1 - Risk without controls (unmitigated risk)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Risk Title</th>
<th>Internal Guidance</th>
<th>Risk Owner</th>
<th>Risk type &amp; Category</th>
<th>Approach</th>
<th>Unmitigated risk score</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEHRISK 03</td>
<td>Risk that the company will lose main business contracts leading to significant loss of income, with subsequent impact on the operating budget and service delivery.</td>
<td>Strategic</td>
<td>Mario Ambrose</td>
<td>Reputation</td>
<td>Treat</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

**Stage 2 - Current Risk with Controls and Assurances (mitigated risk)**

<table>
<thead>
<tr>
<th>List of controls and associated assurances to ensure controls are in place</th>
<th>Current / mitigated risk score</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. This area of business relates directly to the &quot;other business&quot; generated by South Essex Homes, including Castlepoint, Estuary and any other.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Ensure that qualified staff are managing the contracts with external organisations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Ensure that performance measures are in place for each contract and exceptions reported to the Customer and Executive Management Team on a regular basis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Take a pro-active approach to identifying new business lines that complement the work SEH currently undertakes outside of the Management Fee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Senior Management has built strong partnership relationships with external organisations that enhance the contracts in place.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Ensure that performance is on track to deliver contract on time and on budget.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. The ability to identify and respond to developing and existing business opportunities.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Review History**

<table>
<thead>
<tr>
<th>20-May-2016</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood</td>
<td>High</td>
</tr>
</tbody>
</table>
### Stage 3 - Further actions to reduce the risk (target risk)

<table>
<thead>
<tr>
<th>Code</th>
<th>Actions to further mitigate risk / maximise opportunities</th>
<th>Action Owner</th>
<th>Due date</th>
<th>Comments / update on progress</th>
<th>Linked Action Status</th>
<th>Target risk score</th>
<th>Impact</th>
<th>Likelihood</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RMAP05</td>
<td>Work with Castlepoint Borough Council senior management team on proposals for a new contract to encourage the continuation of our provision of property management and repairs client management with our largest external business partner.</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td>15</td>
<td>Disastrous</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>RMAP06</td>
<td>To identify new business opportunities with other external organisations and the host Council utilising the Commercial Subsidiary, decreasing the impact on one large contract being lost.</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMAPXX</td>
<td>South Essex Homes is working on its tender and pricing options following confirmation from the Council that the Women's Refuge contract will be tendered and not solely awarded to SEH as has previously been the case</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMAPXX</td>
<td>Officers from South Essex Homes and the Council are in early stage discussion over contracts due to be procured by People division within the Council that may be considered for direct award to South Essex Homes</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**SEHRISK 05** Risk to the organisation that the commercial subsidiary will not identify new opportunities to enable it to remain viable with subsequent impact to South Essex Homes ability to support a reduction in the management fee.

### Stage 1 - Risk without controls (unmitigated risk)

<table>
<thead>
<tr>
<th>Code</th>
<th>Risk Title</th>
<th>Internal Guidance</th>
<th>Risk Owner</th>
<th>Risk type &amp; Category</th>
<th>Approach</th>
<th>Unmitigated risk score</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEHRISK 05</td>
<td>Risk to the organisation that the commercial subsidiary will not identify new opportunities to enable it to remain viable with subsequent impact to South Essex Homes ability to support a reduction in the management fee.</td>
<td>Strategic</td>
<td>Mike Gatrell</td>
<td>Financial</td>
<td>Treat</td>
<td>25</td>
</tr>
</tbody>
</table>

### Stage 2 - Current Risk with Controls and Assurances (mitigated risk)

**List of controls and associated assurances to ensure controls are in place**

1. Utilise the risk management framework for all risks and review the risk matrix framework for risks associated with financial and reputation.
2. Review the Company's income forecasts on a monthly basis.
3. Update the Board on the progress against the income forecasts in accordance with the Inter-Company Agreement.
4. Ensure commercial subsidiary works within the funding envelope.
5. Convert the loan facility to share capital to reduce the expenditure on interest payments.
6. Impair the share capital in SEH accounts for 15/16

<table>
<thead>
<tr>
<th>Current / mitigated risk score</th>
<th>20</th>
</tr>
</thead>
</table>
### Appendix 6 to Agenda Item 8

### Stage 3 - Further actions to reduce the risk (target risk)

<table>
<thead>
<tr>
<th>Code</th>
<th>Actions to further mitigate risk / maximise opportunities</th>
<th>Action Owner</th>
<th>Due date</th>
<th>Comments / update on progress</th>
<th>Linked Action Status</th>
<th>Target risk score</th>
<th>Impact</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMAP11</td>
<td>Continue dialogue with senior SBC officers to identify further opportunities for Atilius Limited</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td>20</td>
<td>Disastrous</td>
<td>Very High</td>
</tr>
<tr>
<td>RMAP12</td>
<td>Further consider if the business remains viable, or options on mothballing the commercial subsidiary permanently or on a temporary basis to ensure that no further losses are incurred.</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Very High</td>
</tr>
<tr>
<td>RMAPXX</td>
<td>To investigate further opportunities for vacant property management following informal notice from the Council that existing properties will be sold within the current financial year</td>
<td>Beverley Gallacher</td>
<td>31-Mar-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Very High</td>
</tr>
</tbody>
</table>
### June 2016 Board

**KP Report for June 2016**

<table>
<thead>
<tr>
<th>PI Status</th>
<th>Long Term Trends</th>
<th>Short Term Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alert</td>
<td>Improving</td>
<td>Improve</td>
</tr>
<tr>
<td>Warning</td>
<td>No Change</td>
<td>No Change</td>
</tr>
<tr>
<td>OK</td>
<td>Getting Worse</td>
<td>Getting Worse</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PI Code</th>
<th>Short Name</th>
<th>2015/16</th>
<th>May 2016</th>
<th>June 2016</th>
<th>2016/17</th>
<th>Long Term Trend</th>
<th>Current Target</th>
<th>Current Status</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>KP 3</td>
<td>Careline calls answered in 1 minute</td>
<td>98.5%</td>
<td>98.8%</td>
<td>98.6%</td>
<td>98.6%</td>
<td>Improving</td>
<td>97.5%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 4</td>
<td>Collection rate for rents</td>
<td>99.85%</td>
<td>97.12%</td>
<td>102.54%</td>
<td>99.86%</td>
<td>Improving</td>
<td>100.08%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 5</td>
<td>Current rent arrears as % of rent due</td>
<td>1.37%</td>
<td>1.46%</td>
<td>1.52%</td>
<td>1.52%</td>
<td>Improving</td>
<td>1.70%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 6</td>
<td>Satisfaction with property condition</td>
<td>99%</td>
<td>-</td>
<td>99%</td>
<td>99%</td>
<td>Improving</td>
<td>97%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 7</td>
<td>Void turnaround time</td>
<td>18.7</td>
<td>17.1</td>
<td>12.1</td>
<td>15.5</td>
<td>Improving</td>
<td>18.0</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 11</td>
<td>Satisfaction with outcome of ASB complaints</td>
<td>100%</td>
<td>No data</td>
<td>100%</td>
<td>94%</td>
<td>Improving</td>
<td>93%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 12</td>
<td>Responsive repairs completed in target times</td>
<td>98.46%</td>
<td>99.10%</td>
<td>99.15%</td>
<td>99.29%</td>
<td>Improving</td>
<td>99.00%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 13</td>
<td>Jobs completed right first time</td>
<td>98.7%</td>
<td>99.2%</td>
<td>98.9%</td>
<td>99.3%</td>
<td>Improving</td>
<td>97.0%</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>KP 15</td>
<td>Average time to complete all jobs</td>
<td>6.80</td>
<td>12.37</td>
<td>10.44</td>
<td>12.05</td>
<td>Improving</td>
<td>7.00</td>
<td>Red</td>
<td>Red</td>
</tr>
</tbody>
</table>

A small number of jobs (approximately 100) continue to not be actioned by the repairs contractor Kier in accordance with contract timescales which as a result continues to adversely affect the overall turnaround time for June. The number of these jobs in the system are reducing as the contractor completes them and this is anticipated to have a reduced
### Appendix 7 to Agenda Item 8

<table>
<thead>
<tr>
<th>PI Code</th>
<th>Short Name</th>
<th>2015/16 Value</th>
<th>May 2016 Value</th>
<th>June 2016 Value</th>
<th>2016/17 Value</th>
<th>Long Term Trend</th>
<th>Current Target</th>
<th>Current Status</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Arrow</td>
<td></td>
<td></td>
<td>impact on the July figure. The situation has been escalated to Kier at Director level.</td>
</tr>
<tr>
<td>KP16</td>
<td>Tenants satisfied with jobs completed</td>
<td>99.5%</td>
<td>99.6%</td>
<td>99.6%</td>
<td>99.7%</td>
<td></td>
<td></td>
<td>99.0%</td>
<td>-green-square</td>
</tr>
<tr>
<td>KP17</td>
<td>Gas safety certificates</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td>100.00%</td>
<td>-green-square</td>
</tr>
<tr>
<td>KP19</td>
<td>% non-decent council homes</td>
<td>2.5%</td>
<td>7.1%</td>
<td>6.3%</td>
<td>6.3%</td>
<td></td>
<td></td>
<td>6.3%</td>
<td>-green-square</td>
</tr>
<tr>
<td>KP20</td>
<td>Improvement Programme completed</td>
<td>103.3%</td>
<td>3.2%</td>
<td>9.9%</td>
<td>9.9%</td>
<td></td>
<td></td>
<td>7.6%</td>
<td>-green-square</td>
</tr>
<tr>
<td>KP24</td>
<td>Working Days Lost Due to Sickness Absence</td>
<td>6.63</td>
<td>0.73</td>
<td>0.85</td>
<td>2.37</td>
<td></td>
<td></td>
<td>0.50</td>
<td>-red-square</td>
</tr>
<tr>
<td>KP25</td>
<td>Complaints responded to within 10 days</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>96%</td>
<td></td>
<td></td>
<td>100%</td>
<td>-green-square</td>
</tr>
<tr>
<td>KP32</td>
<td>Tenants satisfied with viewing and letting process</td>
<td>98%</td>
<td>-</td>
<td>96%</td>
<td>96%</td>
<td></td>
<td></td>
<td>97%</td>
<td>-yellow-square</td>
</tr>
<tr>
<td>Local N20</td>
<td>Anti-Social Behaviour cases successfully resolved</td>
<td>99.7%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td>99.0%</td>
<td>-green-square</td>
</tr>
<tr>
<td>Local R2</td>
<td>Number of evictions for rent arrears</td>
<td>45</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R7</td>
<td>Write-offs (cash value)</td>
<td>£135,468</td>
<td>-£17</td>
<td>£14,982</td>
<td>£18,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R13</td>
<td>Current rent arrears (in cash)</td>
<td>£449,893</td>
<td>£479,220</td>
<td>£483,599</td>
<td>£483,599</td>
<td></td>
<td></td>
<td>£552,000</td>
<td>-green-square</td>
</tr>
<tr>
<td>PI Code</td>
<td>Short Name</td>
<td>2015/16</td>
<td>May 2016</td>
<td>June 2016</td>
<td>2016/17</td>
<td>Long Term Trend Arrow</td>
<td>Current Target</td>
<td>Current Status</td>
<td>Latest Note</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------</td>
<td>---------</td>
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<td></td>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R13a</td>
<td>Former tenant arrears</td>
<td>£396,899</td>
<td>£412,667</td>
<td>£403,962</td>
<td>£403,962</td>
<td>1.20%</td>
<td>£440,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R14</td>
<td>FTAs as a percentage of debit</td>
<td>1.10%</td>
<td>1.07%</td>
<td>1.06%</td>
<td>1.05%</td>
<td>1.20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R66b</td>
<td>% of Tenants in arrears over 7 weeks</td>
<td>2.85%</td>
<td>2.98%</td>
<td>3.05%</td>
<td>2.95%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local SP8</td>
<td>Occupancy rate for Hostels</td>
<td>82%</td>
<td>81%</td>
<td>76%</td>
<td>78%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V3</td>
<td>Void loss as % of debit</td>
<td>2.05%</td>
<td>1.88%</td>
<td>1.98%</td>
<td>1.99%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V3 (F1)</td>
<td>Void loss</td>
<td>£686,605</td>
<td>£60,681</td>
<td>£49,654</td>
<td>£164,715</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V8</td>
<td>Percentage of property void &amp; relettable</td>
<td>1.40%</td>
<td>0.96%</td>
<td>0.93%</td>
<td>0.95%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V21</td>
<td>Proportion of lettable voids empty for over four weeks</td>
<td>31.0</td>
<td>28.1</td>
<td>25.5</td>
<td>26.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V22</td>
<td>Percentage of tenants underoccupying due to spare room subsidy who we have contacted</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V22 (F1)</td>
<td>Number of tenants underoccupying due to spare room subsidy who have been contacted</td>
<td>9.08</td>
<td>11</td>
<td>8</td>
<td>10.33</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V22 (F2)</td>
<td>Total number of tenants underoccupying due to spare room subsidy</td>
<td>9.08</td>
<td>11</td>
<td>8</td>
<td>10.33</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Scope of responsibility

South Essex Homes

South Essex Homes (SEH), formed in October 2005, is the Arm’s Length Management Organisation of Southend-on-Sea Borough Council, responsible for the management and maintenance of the Council's homes. It was financed by a Management Fee in 2015/16, from the Council, of £9,264k together with income from external organisations of £677k.

There is a formally binding Management Agreement between the Council and SEH and this clearly sets out the governance arrangements that should apply between the two parties. This complies with national best practice.

SEH is managed by a Board comprising four Council nominees, three tenants and three independent members. The Board is ultimately responsible for ensuring that SEH establishes and maintains a sound system of internal control appropriate to the various business environments in which it operates. Committees reporting to the Board include Audit Committee and Personnel and Remuneration Committee. In addition, the commercial subsidiary – Atilius Ltd reports directly to its parent company.

2. The purpose of the Governance Framework

Good governance leads to good management, good performance, good stewardship, good public engagement, and ultimately good outcomes for citizens and service user. Good governance enables the Company to pursue its vision effectively, as well as underpinning that vision with mechanisms for control and management of risk.

The governance framework comprises the systems, processes, culture and values, by which the Company is directed and controlled and its activities through which it accounts to, engages with and serves the community. It enables the Company to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Company’s policies, aims and objectives; to evaluate the
likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

3. The Governance Framework

The Key elements of the Governance Framework are:

- Community Engagement
- Business Strategy
- Financial Reporting including budgetary control
- Risk Management including Anti-fraud and Corruption
- Health and Safety
- Asset Management
- Performance Management & Data Quality
- Value for Money

- The employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal appraisal system.
- The preparation of forecasts and budgets that allow the Committees and the executive officers to monitor the key business risks and financial objectives and identify variances arising during the monthly reporting cycle.
- Business planning that cascades through the organisation, supporting Service Plans and key actions to enable SEH to achieve its ambitions and aspirations as set out in the Vision 2020 Business Plan.
- The regular reporting and review by Executive Management and the Board of performance against objectives and targets detailed in service plans.
- The Board has two Committees which review and scrutinise delegated work from the Board in accordance with the Terms of Reference.
The Company operates a development and training programme for the Board Directors developed from appraisals and one to ones and Committee self-assessment which are carried out annually.

South Essex Homes ensures that the Board Directors are fulfilling their responsibility under Companies Act 2006 for adequate risk management, control and governance. The Audit Committee has a key role in overseeing and assessing the risk management arrangements and reporting to the Board on an exception basis.

4. Review of Effectiveness

South Essex Homes is responsible for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Executive Directors, the Director of Finance and Group Managers within the Company who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit’s annual report, and also by comments made by external auditors and other review agencies and inspectorates.

The Council’s processes to review on-going effectiveness of SEH include Council officers meeting with SEH officers on a monthly basis to review performance against a suite of performance indicators and its strategic aims as follows:

- Deliver Value to the Council
- Empower Residents and Staff
- Manage High Quality Homes
- Provide Excellent Services
- Engage with Communities

SEH’s internal arrangements for ensuring the effectiveness of its governance arrangements consist of:

- The SEH Board receiving monthly performance reports across operational, human resources and value for money indicators;

- The Audit Committee undertaking a review of the Risk Management Strategy and the Strategic Risk Register to ensure that Risks are relevant and applicable and that the Board Members are responsible for ensuring that Risks are monitored effectively by the Executive Management Team.

- The Audit Committee undertaking a review of both its effectiveness as well as the operational arrangements for the first time.
South Essex Homes
Annual Governance Statement 2015/16

- The production and approval of annual Manager Assurance Statements by service managers and group manager to assess compliance with key governance processes throughout the year;

- The Corporate Services Manager then independently checking that the evidence supports the service manager's assessment of how well each of the business management processes have operated in their area.

- Internal Audit auditing these arrangements to evaluate whether the company operates a robust process for assessing how well services have applied the critical business management systems throughout the year.

- The Company undertaking a review of leaseholder services and voids and allocations during 2015/16. A number of actions were identified to improve the service and the Board receive an update at each meeting on progress against actions.

- South Essex Homes continuing to review and adjust staffing structures aligning them with the services provision and the business plan Vision 2020.

Internal Audit

Internal Audit is delivered through a Service Level Agreement with the Council’s Internal Audit Services. The Charter, Strategy and risk based Audit Plan is prepared in consultation with The Executive Management Team and approved by the Audit Committee.

The Audit Plan was delivered with reports issued to senior managers at the conclusion of each audit highlighting internal control weaknesses identified and the actions required to address them. Recommendations were also reviewed to ensure they were implemented properly, by the due date. A quarterly performance report was taken to the Audit Committee.

The Head of Internal Audit also prepared an Annual Report that was considered by the Audit Committee.

Head of Internal Audit Opinion for the year ended 31 March 2016 was as follows:

*Overall, the design and operation of the company's risk management, control and governance framework was satisfactory throughout the year, with the opportunity to strengthen these arrangements in some areas.*

*Particular focus has been given by the company, to further developing the processes for managing the Careline service and the Door Entry Service and Repair Contract*
South Essex Homes
Annual Governance Statement 2015/16

The service has substantially conformed to the relevant professional standards throughout the year.

There continues to be a high level of compliance with the requirements of the CIPFA Statement on the Role of the Head of Internal Audit.

The Council's external auditor continues to confirm that internal audit's financial systems work can be relied upon when undertaking the audit of the statement of accounts.

The Company provided the Council with the following assurance regarding the robustness of its governance arrangements during the year:

- Internal Audit reports;
- Summary results of Manager Assurance Statements;
- Head of Internal Audit annual report (including an opinion on the adequacy and effectiveness of the company’s governance, risk management and control framework; and
- Audit Committee Annual Report.

External Audit

External Audit of the annual financial statements was undertaken by Scrutton Bland with the view to expressing an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

In carrying out the audit work Scrutton Bland considered whether the financial statements were free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will normally be considered material if its omission would reasonably influence the decisions of those using the financial statements.

Scrutton Bland issued a report to management at the conclusion of the audit work. This included a management letter containing comments and recommendations for improvements in operations and internal control in respect of the Company. This was discussed with management prior to the issue of the final report. The report also includes details of significant adjusted and unadjusted items that arose as a result of the audit work.

The Audit Committee consider the external auditor's report and recommends adoption of the financial statements to the Board.
Key Governance Issues

The main area for further work identified through the Governance Assurance Process in 2015/16, and which should be disclosed in the Governance Statement Action Plan is;

- **Value for Money** – To review and update the Value for Money Register & in accordance with the HCA regulations on value for money & governance financial viability standards
South Essex Homes Limited
Minutes of Audit Committee Meeting
Date: Monday 16th May, 2016
Time: 5.30pm
Room 4.03, Civic Centre

Present: David Joyce - Chair of the Audit Committee; Mike Assenheim; Catherine Haycock;

In Attendance: David Lincoln – Director of Finance; Beverley Gallacher – Company Secretary; Tasmin Arthurton – Corporate Services Officer; Elaine Allen – Audit Manager SBC; Linda Everard – Head of Internal Audit; Daniel Helps - Fraud SBC; (Agenda Item 1 – Agenda Item 9)

<table>
<thead>
<tr>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Welcome and Introductions</td>
</tr>
<tr>
<td>1.1 David Joyce welcomed Officers from South Essex Homes, Internal Audit and introduced Daniel Helps from Fraud SBC.</td>
</tr>
<tr>
<td>2. Apologies for Absence</td>
</tr>
<tr>
<td>2.1 Apologies for absence were accepted and received from Maureen Butler.</td>
</tr>
<tr>
<td>3. Declarations of Interest</td>
</tr>
<tr>
<td>3.1 Catherine Haycock declared and interest in Agenda Item 15 as a Board Member of Atilius Limited.</td>
</tr>
<tr>
<td></td>
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<td>---</td>
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<tr>
<td>4.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.</th>
<th><strong>Minutes and Matters Arising from the Meeting held on 22nd February, 2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>The minutes of the meeting on 22nd February, 2016 were agreed as a true and accurate record subject to the following corrections.</td>
</tr>
<tr>
<td>6.1</td>
<td>6.1 – delete the duplicated wording ‘of the meeting’</td>
</tr>
<tr>
<td>13.5i</td>
<td>13.5i - Action change from DJ to DL</td>
</tr>
<tr>
<td>5.2</td>
<td>ICT SLA Progress – BG confirmed receipt of an early draft version from SBC which is being reviewed. The SLA will require approval by SMT and brought back to the next Audit Committee meeting.</td>
</tr>
<tr>
<td>5.3</td>
<td>Stakeholder Engagement Survey – An update would be included in the HoIA report at the next meeting.</td>
</tr>
<tr>
<td>5.4</td>
<td>Careline Action Plan - Contained within Agenda Item 16.</td>
</tr>
<tr>
<td>5.5</td>
<td>12.3 - DL confirmed that a cash flow forecast for South Essex Homes would be prepared and sent out by end of May.</td>
</tr>
<tr>
<td>5.6</td>
<td>DJ requested in future that all actions arising are included on the agenda.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.</th>
<th><strong>Internal Audit Quarterly Performance Report</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>MAs queried the partial result for the Safeguarding Audit? EA confirmed that Recommendation 6 – adherence to contractor policies and procedures required assessment in relation to safeguarding.</td>
</tr>
<tr>
<td>6.2</td>
<td>Mas queried the partial results for the Complaints Audit. EA confirmed that Recommendation 1 – inclusion of changes to Local Government Ombudsman (LGO) required implementation</td>
</tr>
<tr>
<td>6.3</td>
<td>DJ asked for clarification of Recommendation 3 “regularity of post inspections” for Door Entry &amp; Repair Audit. EA confirmed that the</td>
</tr>
<tr>
<td>6.4</td>
<td>size of contract was taken into consideration. DJ asked for clarification of Recommendation 4 options for action for Door Entry and Repair Audit. DL agreed to update the Committee electronically.</td>
</tr>
<tr>
<td>6.5</td>
<td>Recommendation</td>
</tr>
<tr>
<td>i)</td>
<td>The Audit Committee noted the report.</td>
</tr>
</tbody>
</table>

7. Head of Internal Audit Annual Report

7.1 Head of Internal Audit Opinion for the year ended 31 March 2016

Overall, the design and operation of the company's risk management control and governance framework was satisfactory throughout the year, with the opportunity to strengthen these arrangements in some areas.

Particular focus has been given by the company, to further developing the processes for managing the Careline service and the Door Entry Service and Repair Contract.

7.2 Head of Internal Audit Opinion

The service has substantially conformed to the relevant professional standards throughout the year. There continues to be a high level of compliance with the requirements of the CIPFA Statement on the Role of the Head of Internal Audit.

7.2 Recommendations

i) The Audit Committee accepted the Head of Internal Audit's Annual Report for 2015/16.

ii) The Audit Committee agreed that the contents of the report are appropriately reflected in the Company's Annual Governance Statement.
### Audit Committee Annual Report 2015/16

#### Recommendations

**i)** The Audit Committee accepted the performance and effectiveness assessments outlined in the report and the recommendations made for further action (Appendices 2 and 3).

**ii)** The Audit Committee will report to the Board that it has successfully delivered the requirements of its Terms of Reference in 2015/16.

**iii)** The Audit Committee recommended that the Board approves the Annual Governance Statement.

### Counter Fraud & Investigations Directorate, 2015/16 Annual Report and Plan

**9.1** DL confirmed that the Fraud Team managed all reporting and registers for Fraud. To date there had been no staff related fraud detected.

**9.2** Recommendation

**i)** The Audit Committee agreed the report.

### Finance & Risk Management

#### Financial Budget Position and Management Accounts as at 31st March 2016

**10.1** The Audit Committee agreed that Appendix 5a,5b and (Appendix 6) be removed from future reports.

**10.2** DJ sought clarification on Appendix 3 on reasons behind underspends on capital works. DL assured the Committee that programme has been completed, and the key reasons for the underspend related to original tender prices being higher than agreed contract and that less follow up works were carried out following post inspections.

**10.3** Recommendation
The Audit Committee reviewed and considered the Company’s financial performance based on information as at 31st March 2016.

11. Financial Regulations & Scheme of Delegation Review
   11.1 DL confirmed that detailed points contained as Appendix 1 to these minutes will be included within the final Financial Regulations to be agreed electronically.
   11.2 Recommendation
      i) The Audit Committee considered the Financial Regulations and recommends them to the Board for approval subject to any amendments agreed electronically.

12. Treasury Management Strategy
   12.1 Recommendation
      i) The Audit Committee agreed the revised Treasury Management Policy and Strategy.

13. Treasury Management Annual Report 2015/16
   13.1 The Audit Committee asked for additional wording to follow Clause 3.2 bullet 4 add in after “The yields are maximised” the following wording “whilst meeting our SLY criteria”.
   13.3 DJ asked whether the Atilius investment should be reflected in the policy. As this is for Treasury management only it was agreed that a full report including a SWOT analysis of Atilius would be produced for the next meeting.
   13.4 Recommendation
      i) The Audit Committee agreed the Annual Treasury Management report for 2015/16 and noted that there are no exceptions to the report.

14. Risk Management Strategy Review
   14.1 Recommendations
The Audit Committee agreed the proposal from the EMT for no changes to the Risks or the Risk scores of the Strategic Risk Register as recommended by the EMT.

The Audit Committee agreed the amendment to the Risk Strategy following the development session on Risk Management.

The Audit Committee noted that the Group Managers have not escalated any risks identified on the Operational Risk Register for inclusion into the Strategic Risk Register.

15. Atilius Management Account and Budget Position Update 31st March, 2016

15.1 In relation to Appendix 1, DJ asked how the Audit Committee are supposed to see variances between what has been spent by Atilius and what has been authorised to spend.

15.2 DL explained that the main differences related to expenditure for the loan interest paid to SHE and an unexpected electricity bill.

15.3 The Audit Committee confirmed that they require regular feedback from Atilius regarding deviation from the budget.

15.4 BG agreed to send the intercompany agreement between South Essex Homes and Atilius to DJ for information. DL assured the Committee about the process for invoice payment.

15.5 Recommendations

i) The Audit Committee noted the draft financial position for year ending 31st March, 2016 contained at Appendix 1.

ii) The Audit Committee noted the budget proposal contained at Appendix 2 for 2016/17.

Other

16. Careline Internal Audit Action Plan Update

16.1 Recommendation

i) The Audit Committee noted the background to the current position and noted the content of the report.
<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>18.</td>
<td>Date of Next Meeting – 18\textsuperscript{th} July, 2016  Location – TBA.</td>
</tr>
<tr>
<td>19.</td>
<td>The meeting closed at 6:45pm.</td>
</tr>
</tbody>
</table>
1 Purpose of Report

1.1 To present the Consolidated Financial Statements for 2015/16 and to recommend their approval by the Board.

1.2 To bring to the attention of the Board the Letter of Representation to the External Auditors, Scrutton Bland.

2 Recommendations

2.1 The Board is requested to:

2.2 To approve the Financial Statements for 2015/16 as recommended by the Audit Committee contained at Appendix 2 to this report

2.3 To approve the Letter of Representation from the Company to Scrutton Bland and to authorise the Chairman and Chief Executive to sign the letter on behalf of the Company contained at Appendix 3 to this report

2.4 To approve the Letter of Support from South Essex Homes to South Essex Property Services Limited and authorise the Chairman and Company Secretary to sign the letter on behalf of the Company, contained at Appendix 5 to this report

2.5 To note the External Auditor’s report contained at Appendix 6.
3 Background

3.1 Summary Year end Management Accounts

<table>
<thead>
<tr>
<th></th>
<th>Previously reported to Audit Committee</th>
<th>Final figures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Budget</td>
<td>Actuals To 31st March 2016</td>
</tr>
<tr>
<td>Turnover</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Operating Costs and Interest</td>
<td>9,525</td>
<td>9,638</td>
</tr>
<tr>
<td>Profit / (Loss) as per Management Accounts</td>
<td>38.7</td>
<td>401</td>
</tr>
</tbody>
</table>

3.2 The above is a headline summary of the management accounts presented at the last meeting of the Audit Committee which was held on 16th May 2016. The total profit reported previously was £401k.

3.3 The final position at year end showed a total a loss of £68k (Appendix 1).

3.4 The difference between the position set out on 16th May and the position reported here is, as shown in paragraph 3.6 below, in relation to the write down of investment in South Essex Property Services, as previously approved by the Board.

3.5 Statutory Accounts

3.6 The consolidated Financial Statements include the final accounts of South Essex Property Services Limited. The South Essex Property Services Financial Statement was presented to the South Essex Property Services Board at its meeting of 28th June, 2016.

3.7 The Financial statements (Appendix 2) have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Recommended Statements of Standard Accounting Practice. They show a loss of £383k after FRS 102 adjustments and consolidation with the accounts of South Essex Property Services Limited.

3.8 Reconciliation between Management Accounts and Statutory Accounts

<table>
<thead>
<tr>
<th></th>
<th>£'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Accounts</td>
<td></td>
</tr>
<tr>
<td>Profit as per draft management accounts to the Audit Committee of 16th May 2016</td>
<td>401</td>
</tr>
<tr>
<td>Write down of Investment in South Essex Property Services</td>
<td>(425)</td>
</tr>
<tr>
<td>Provision for South Essex Property Services doubtful debt</td>
<td>(41)</td>
</tr>
<tr>
<td>Final adjustments</td>
<td>(3)</td>
</tr>
</tbody>
</table>
Loss for year as per Management Accounts (68)

FRS102 Adjustments
FRS 102 Operating costs for the year (471)
FRS 102 Financing Cost (246)

South Essex Homes loss as per Statutory Accounts (785)
SEPS Loss as per Statutory Accounts (67)
SEH/SEPS Intercompany items cancelled on Consolidation 469

Group Loss as per Statutory Accounts (383)

Note: FRS 102 is the Financial Reporting Standard No.102: “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. This standard requires appropriate adjustments in a company’s accounts to reflect potential liabilities arising from the impact of pension fund deficits.

4 Letter of Representation

4.1 The Letter of Representation (Appendix 3) from the Company to Scrutton Bland formally provides Scrutton Bland with assurance that key disclosures the Company made during the audit are correct, to the best of the Directors’ knowledge and belief having made appropriate enquiries from staff members. A synopsis of disclosures identified in the letter cover:

- The Financial Statements include all transactions relating to the year and reflect the Company’s position
  The Board has received assurance in the regular management accounts presented to them that reconcile with the management accounts on which the statements are based together with explanations of variances.

- That all accounting records were made available to the Auditors,
  All information requested by the Auditors has been provided by the finance team.

- That there were no irregularities in accounting or control systems that could have a material effect on the financial statements. Annual Report of Internal Audit, which was reported to the Audit Committee at its last meeting on 16th May 2016, provides assurance of this.

- That there have been no events since 31st March that should be disclosed in the financial statements, or could materially affect the value of assets or liabilities in those financial statements. Officers are not aware of any such events.

- That all information that could affect the company in relation to fraud or suspected fraud has been disclosed. Officers are not aware of any such activity.

- That related party transactions have been properly disclosed. All related party transaction forms have been completed and returned to the finance department.

- That accounting policies are appropriate and all pension costs and contractual arrangements are properly accounted for, Assurance for this has been provided by presenting the Audit Committee with all changes to accounting policies for ratification.

- That there is no pending litigation or breach of laws or regulations, including corporation tax. Officers are not aware of any such pending litigation or breaches and it should be noted that in the event of such an instance occurring the financial regulations demand that the Board is informed immediately.
4.3 **Letter of Support**

The directors of South Essex Property Services requested that a Letter of Support be prepared to give assurance to South Essex Property Services from South Essex Homes. The form of letter to be agreed has been drafted and reviewed by Scrutton Bland and is contained at Appendix 5.

5 **Diversity and Equal Opportunities**

5.1 There are no direct Equal Opportunities or diversity issues which arise from this report.

6 **Risk**

6.1 If the Company's Annual Accounts are not signed by the Board and filed at Companies House within 9 months of the financial year end (i.e. by 31st December 2016) the company will be liable for a penalty and the Directors (Board Members) would also become liable.

7 **Financial Implications**

7.1 Financial implications have been considered throughout this report.

8 **Resident Consultation**

8.1 The financial statements will be published on the internet.

9 **Background Papers**

9.1 None

10 **Appendices**

10.1 Appendix 1 – Budget Summary as at 31st March 2016

10.1 Appendix 2 – Financial Statements for the year ended 31st March 2016

10.2 Appendix 3 – Representation letter to Scrutton Bland

10.3 Appendix 4 – Representation letter from the Council

10.4 Appendix 5 – Letter of Support

10.5 Appendix 6 – External Auditor’s Report to the Board
### Appendix 1

#### Income and Expenditure Account

**For year ended 31st March 2016**

<table>
<thead>
<tr>
<th></th>
<th>2015/16 Budget £000's</th>
<th>2015/16 Actual £000's</th>
<th>Variance £000's</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fee</td>
<td>9,264</td>
<td>9,264</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other income</td>
<td>82.0</td>
<td>72</td>
<td>-10</td>
<td>-12%</td>
</tr>
<tr>
<td>Income from External Sources</td>
<td>179</td>
<td>301</td>
<td>122</td>
<td>68%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td>9,525</td>
<td>9,637</td>
<td>112</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>5,887</td>
<td>5,855</td>
<td>(32)</td>
<td>-1%</td>
</tr>
<tr>
<td>Premises</td>
<td>746</td>
<td>803</td>
<td>57</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>824</td>
<td>625</td>
<td>(199)</td>
<td>-24%</td>
</tr>
<tr>
<td>Telephone</td>
<td>124</td>
<td>116</td>
<td>(8)</td>
<td>-6%</td>
</tr>
<tr>
<td>Legal and Insurance</td>
<td>317</td>
<td>393</td>
<td>76</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>111</td>
<td>115</td>
<td>4</td>
<td>-4%</td>
</tr>
<tr>
<td>Supplies and Services</td>
<td>850</td>
<td>718</td>
<td>(132)</td>
<td>-16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>SLA's</td>
<td>672</td>
<td>676</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>0</td>
<td>468</td>
<td>468</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating costs</strong></td>
<td>9,531</td>
<td>9,769</td>
<td>238</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit / (Loss)</strong></td>
<td>(6)</td>
<td>(132)</td>
<td>(126)</td>
<td></td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>44</td>
<td>64</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit / (Loss)</strong></td>
<td>38</td>
<td>(68)</td>
<td>(106)</td>
<td></td>
</tr>
</tbody>
</table>

Earmarked reserves;  
Contribution to reserves for trienniel valuation  
Underspend on utilities  

| (Use of) / Contribution to reserves | (81) | (387) |

* One off projects agreed by the board

---

The board agreed the use of £179k of this income to support the budget, the actual figure is the actual gross profit from external business activities for the year.

The overspend here relates mainly to 2 areas: firstly the Council tax payable on void properties has impacted us where we hold properties empty at the Queensway estate pending a decision on the future of the area; secondly, the spend on waste collection has increased due to increasing costs of bulk refuse being cleared.

The milder winter has seen lower than normal utility bills resulting in an underspend which will need to be kept in reserves in order to fund lower service charges in future years.

The Armour case resulted in higher legal costs this year, the settlement for the Armour case materialised in this year which resulted in costs in excess of £100k.

The main area of underspend here was in relation to software costs. We spent less on Northgate than expected and didn’t incur any I-World hosting costs. Other areas of underspend are in the communications team and also the reduced use of underoccupation grants.

This budget of £50,000 was moved to Legal to part cover the cost of the Armour case.

The £425k impairment of the investment in SEPS is shown within this amount.

This increased Interest receivable in the year is due to the interest on the SEPS loan being recognised.

---

* One off projects agreed by the board
SOUTH ESSEX HOMES LIMITED
COMPANY LIMITED BY GUARANTEE
Consolidated Financial Statements
31st March 2016
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<td>Company statement of financial position (balance sheet)</td>
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<td>22</td>
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<td>24 to 40</td>
</tr>
</tbody>
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The Board of Directors

Council Nominees
- Cllr Mike Assenheim (Resigned 19.05.16)
- Cllr Mary Betson (Resigned 19.05.16)
- Cllr Judith McMahon (Resigned 10.06.15)
- Cllr Tino Callaghan (Resigned 19.05.16)
- Cllr Maureen Butler (Resigned 19.05.16)
- Cllr David Burzotta (Appointed 23.05.16)
- Cllr Margaret Davidson (Appointed 26.05.16)
- Cllr David Norman (Appointed 26.05.16)

Resident Members
- Wendy Greenberg (Vice Chair)
- Catherine Haycock
- Elizabeth Mansfield (Resigned 05.01.16)
- Keith Ducker (Appointed 09.03.16)

Independent Members
- Anthony Churton (Chair)
- George Sutherland (Resigned 04.10.15)
- Sacha Jevans (Appointed 28.10.15)
- David Joyce (Appointed 28.10.15)

Company Secretary
- Beverley Gallacher

Executive Team
- Michael Gatrell, Chief Executive
- Mario Ambrose, Executive Director
- David Lincoln, Director of Finance

Registered Office
- Civic Centre
- Victoria Avenue
- Southend on Sea
- Essex, SS2 6FY

Auditor
- Scrutton Bland
- Chartered Accountants & Statutory Auditor
- 820 The Crescent
- Colchester Business Park
- Colchester
- Essex, CO4 9YQ

Bankers
- Barclays Bank
- 174 High Street
- Southend on Sea
- Essex, SS1 1JS

Solicitors
- Southend on Sea Borough Council
- Civic Centre
- Victoria Avenue
- Southend on Sea
- Essex, SS2 6ER
The directors are pleased to present their report and the audited financial statements of South Essex Homes Limited (SEH) for the year ended 31st March 2016.

Principal Activity

South Essex Homes Limited (the Company) is a local authority controlled company of Southend-on-Sea Borough Council (the Council) established with no share capital and limited by guarantee.

The Company manages Council properties on behalf of the Council with the primary goal of providing an excellent housing management service to all our service users.

The company has one wholly owned subsidiary, South Essex Property Services Limited (formerly Atilius Limited), whose principal activity is housing related activities. Further details are included in note 9.

Results

The initial surplus after tax, but before FRS 102 defined benefit pension scheme adjustments for the year was £334k (2015 : Deficit £439k). This resulted in a deficit of £383k (2015 : £602k) for the year, after FRS 102 defined benefit pension scheme adjustments. £36k of this deficit was attributable to South Essex Property Services Limited (formerly Atilius Limited) (2015 : £419k).

Financial risk management objectives and policies

The Company maintains a risk register that is updated and reviewed regularly by both the Board and the senior management team. The main risks facing the company at the date of signing these accounts were:

i. Risk that the company will lose main business contracts leading to significant loss of income, with subsequent impact on the operating budget and service delivery.

ii. Risk to the organisation that the commercial subsidiary will not identify new opportunities to enable it to remain viable with subsequent impact to South Essex Homes ability to support a reduction in the management fee.

iii. Failure to make adequate arrangements to deal with the economic and political changes indicated by the Government in social housing leading to significant reduction in our management fee and continuation of the Management Agreement.

The company retains sufficient cash for its working capital needs and does not use other financial instruments for treasury management. The company therefore has very little exposure to cash flow risk.
The company is assessed by various yardsticks applicable to similar housing organisations and is looking to be in the upper quartile in the various cost and quality benchmarks. The main key performance indicators include tenant satisfaction, the levels of overdue rents, the length of time taken to re-let empty properties, customer satisfaction with repairs.

Registered office:                  Signed on behalf of the directors
Civic Centre                        Beverley Gallacher
Victoria Avenue                     Company Secretary
Southend on Sea                     
Essex SS2 6FY                       
Approved by the directors on
Directors’ Report

Year ended 31st March 2016

The directors present their report and the financial statements for the year ended 31st March 2016.

Directors

The directors who served the company during the year were as follows:

Cllr Mike Assenheim (Resigned 19.05.2016)
Cllr Mary Betson (Resigned 19.05.2016)
Cllr Judith McMahon (Resigned 10.06.2015)
Cllr Maureen Butler (Resigned 19.05.2016)
Cllr Tino Callaghan (Appointed 10.06.2015) (Resigned 19.05.2016)
Wendy Greenberg
Catherine Haycock
Elizabeth Mansfield (Resigned 05.01.2016)
Keith Ducker (Appointed 09.03.2016)
Anthony Churton
George Sutherland (Resigned 04.10.2015)
Sacha Jevans (Appointed 28.10.2015)
David Joyce (Appointed 28.10.2015)

Directors’ responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgements and estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
Directors' Report

Year ended 31st March 2016

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office: Civic Centre
Victoria Avenue
Southend on Sea
Essex
SS2 6FY

Signed on behalf of the directors

Beverley Gallacher
Company Secretary

Approved by the directors on
In 2015/16 the Board of South Essex Homes worked in partnership with Southend Borough Council and agreed an extension to the Management Agreement for a further three year period until 31st March, 2019. The Chair and Vice Chair of the Board met with the Leader of the Council, the Portfolio Holder for Housing and the Chief Executive regularly during the year to continue to develop a close working relationship and to ensure that the Vision 2020 Business Plan linked directly with the strategic aspirations of the Council.

The Council have given strong indication that the functions currently delegated to South Essex Homes will be reviewed following the success of the previous 10 years, which has seen the Company continue to reduce costs and increase resident satisfaction significantly to the top quartile position within peer groups for 6 key performance indicators. The Council have confirmed that services relating to allocation of properties will be undertaken by South Essex Homes in 2016/17 as a pilot with a view taken on further opportunities in the future.

The Board reviewed the Risk Management Strategy and streamlined the Strategic Risk Register whilst working with the Executive Management Team to consider the Company’s appetite to new business risk. Work continued to develop a robust framework to ensure the Board received assurance against all of the high level risks. The Audit Committee Terms of Reference were reviewed and amended to reflect the challenge and scrutiny it was delegated to undertake on behalf of the Board, with exception reports being issued to the Board on a regular basis.

The Vision 2020 Business Plan action plan work was concluded and agreed by the Board. The actions were cascaded throughout the organisation via Staff Briefing, bulletins and team briefs. The Executive Management Team tasked the Company to review and amend the Performance Appraisals for all Staff to align it with the aims of the Business Plan and The Board continue to monitor the work being undertaken to ensure that the Vision outcomes are being completed effectively.

During the year the Board continued to robustly monitor the work being undertaken by Atilius Limited and the financial position. The Board discussed with the Atilius Board options to manage the debt more effectively and on 18th February 2016 the debt was, by special resolution of the Members of Atilius Limited, converted to share capital of 425,000 ordinary shares of £1 each. The Board received further information relating to the financial position and have continued to raise concerns that new opportunities to ensure viability of the commercial subsidiary have not materialised which will not enable the commercial subsidiary’s business plan to be achieved.

During 2015/16 there were a number of changes to the Board which included the end of a final term of office of a very experienced Board Member. During the year, an active recruitment exercise was undertaken and a selection panel made up of three Board members was convened to recruit to the two Independent vacancies. The Board also looked at succession planning for the future and the skills necessary to strengthen the Board were further considered. The Board successively recruited two new people to the Board with strengths in finance, housing, property services and human resources which compliments those skills already existing on the Board.
Towards the end of the year, the Board commenced a review of the Governance arrangements which considered the size of the Board and its makeup. The outcomes are due to be agreed in the early part of 2016 and should be rolled out during 2016/17. At the same point the Executive Management Team considered the structure of the organisation with a plan to detail outcomes from the review in 2016/17.

Further reviews of services provided have been undertaken during the year by an external provider, along with work on processes and internal control being completed by Internal Audit. This joined up work has given us the assurance that the services we provide are strong and effective whilst developing plans to improve areas of the business which require change.

Anthony Churton
Chair of the Board
SOUTH ESSEX HOMES LIMITED
COMPANY LIMITED BY GUARANTEE

Statement of the Chief Executive

Year ended 31st March 2016

2015/16 marked the tenth anniversary of the establishment of South Essex Homes in October 2005. Importantly, the dialogue with Southend-on-Sea Borough Council on the continuation of the company’s management agreement led to the Council formally deciding to award a three year extension. While there was a consideration of a longer term extension of the agreement, the uncertainty created across the whole social housing sector by the government’s Housing and Planning Bill led the Council to take a realistic and pragmatic view about the period of time it could commit to an extended agreement at this time.

The decision to reduce social housing rents by 1% each year for the next four years, along with a planned levy on Council’s Housing Revenue Accounts in order to fund the discounts for housing associations tenants being given the Right to Buy, create very significant financial pressures for Councils, and in turn ALMOs. In that context, the three year decision can be seen as understandable. We have to recognise that it does bring about a potential risk to the future role of South Essex Homes as the extent of the financial impacts becomes clearer. We continue to work closely with the Council in order to understand, model and plan for the financial impacts on both the HRA and South Essex Homes business plans.

2015/16 saw the company’s commercial subsidiary continue to face a questionable trading position. With one operating, but limited, line of business, costs were cut back significantly in order to bring the company back to a position where it could project a modest surplus being generated. South Essex Homes, as the shareholder, also took the considered decision to convert the original loan funding into share capital. The on-going viability of the commercial subsidiary continues to be monitored closely by the subsidiary’s Board as well as the shareholder. Dialogue continues with Southend Borough Council as to whether there are other activities which the subsidiary might undertake which could assist in achieving its strategic objectives.

Dialogue, and the relationship, with the Council continued to strengthen during the year and this was particularly evidenced by the establishment of scheduled meetings involving the Chair and Vice-Chair of the Board, the Leader and Executive Councillor for Housing and the Chief Executive of the Council. These meetings are already proving to be very constructive and have served to promote the decision to trial the delegation of a further key housing function to South Essex Homes, the allocation of Council and local registered provider accommodation. Subject to the successful implementation of this activity, it is intended to continue to look at the business case for delegation of further functions.

Following the decision to extend the management agreement, the Board concluded it was an appropriate time to review both its own governance arrangements and the structure of its senior management team. The outcome of both reviews will lead to changes to the Board and Management Team Structures as we move into 2016/17, all of which will be intended to strengthen and make the company more resilient as it faces the challenges and opportunities of its new ‘contract’ with the Council.

From an operational perspective, 2015/16 produced further positive outcomes for the company. Performance across a wide range of nationally benchmarked indicators (KPIs) continued to be strong, notably in relation to income recovery and arrears management as well as high customer satisfaction. Further inroads into addressing the backlog of non-decent properties continued with more than 97% of homes meeting or exceeding the national Decent Homes Standard by the end of March 2016. This means we continue on-track to achieve 100% compliance for all homes by the end of the year.
Encouragingly, the organisation achieved the national Investors in People accreditation during the year, at its first attempt. Our aspiration is to join the 5% of accredited organisations achieving the IiP Gold Standard. This award is a genuine testament to the commitment and ability of our whole workforce.

I am particularly pleased to be able to note a continuingly close out-turn of our budget against the original estimate, as demonstration of the effective financial controls in place at all levels of the business.

In closing this statement I can reflect on a solid years’ performance which has seen some very real achievements - not least being the clear endorsement of Southend-on-Sea Borough Council to the continuation of South Essex Homes’ role. However I must equally acknowledge the range of factors which have the potential to produce risks for the organisation as we move forward. My role, along with the Board and the executive team, is to identify those challenges, address them and, where possible, convert them into opportunities.

Michael Gatrell
Chief Executive
1. Scope of responsibility

South Essex Homes

South Essex Homes (SEH), formed in October 2005, is the Arm’s Length Management Organisation of Southend-on-Sea Borough Council, responsible for the management and maintenance of the Council’s homes. It is financed by a Management Fee in 2015/16, from the Council, of £9,264k together with income from external organisations of £677k.

There is a formally binding Management Agreement between the Council and SEH and this clearly sets out the governance arrangements that should apply between the two parties. This complies with national best practice.

SEH is managed by a Board comprising four Council nominees, three tenants and three independent members. The Board is ultimately responsible for ensuring that SEH establishes and maintains a sound system of internal control appropriate to the various business environments in which it operates. Committees reporting to the Board include Audit Committee and Personnel and Remuneration Committee In addition, the commercial subsidiary – South Essex Property Services Limited (formerly Atilius Limited) reports directly to its parent company.

2. The purpose of the governance framework

Good governance leads to good management, good performance, good stewardship, good public engagement, ultimately good outcomes for citizens and service user. Good governance enables the Company to pursue its vision effectively, as well as underpinning that vision with mechanisms for control and management of risk.

The governance framework comprises the systems, processes, culture and values, by which the Company is directed and controlled and its activities through which it accounts to, engages with and serves the community. It enables the Company to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Company’s policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.
3. The governance framework

The Key elements of the Governance Framework are:

- Community Engagement
- Business Strategy
- Financial Reporting including budgetary control
- Risk Management including Anti-fraud and Corruption
- Health and Safety
- Asset Management
- Performance Management & Data Quality
- Value for Money


- The employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal appraisal system.

- The preparation of forecasts and budgets that allow the Committees and the executive officers to monitor the key business risks and financial objectives and identify variances arising during the monthly reporting cycle.

- Business planning that cascades through the organisation, supporting Service Plans and key actions to enable SEH to achieve its ambitions and aspirations as set out in the Vision 2020 Business Plan.

- The regular reporting and review by Executive Management and the Board of performance against objectives and targets detailed in service plans.

- The Board has two Committees which review and scrutinise delegated work from the Board in accordance with the Terms of Reference.

- The Company operates a development and training programme for the Board Directors developed from appraisals and one to ones and Committee self-assessment which are carried out annually.

- South Essex Homes ensures that the Board Directors are fulfilling their responsibility under Companies Act 2006 for adequate risk management, control and governance. The Audit Committee has a key role in overseeing and assessing the risk management arrangements and reporting to the Board on an exception basis.
4. Review of effectiveness

South Essex Homes is responsible for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Executive Directors, the Director of Finance and Group Managers within the Company who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit’s annual report, and also by comments made by external auditors and other review agencies and inspectorates.

The Council’s processes to review on-going effectiveness of SEH include Council officers meeting with SEH officers on a monthly basis to review performance against a suite of performance indicators and its strategic aims as follows;

- Deliver Value to the Council
- Empower Residents and Staff
- Manage High Quality Homes
- Provide Excellent Services
- Engage with Communities

SEH’s internal arrangements for ensuring the effectiveness of its governance arrangements consist of;

- The SEH Board receiving monthly performance reports across operational, human resources and value for money indicators;
- The Audit Committee undertaking a review of the Risk Management Strategy and the Strategic Risk Register to ensure that Risks are relevant and applicable and that the Board Members are responsible for ensuring that Risks are monitored effectively by the Executive Management Team.
- The Audit Committee undertaking a review of both its effectiveness as well as the operational arrangements.
- The production and approval of annual Manager Assurance Statements by service managers and group manager to assess compliance with key governance processes throughout the year;
- The Corporate Services Manager then independently checking that the evidence supports the service manager's assessment of how well each of the business management processes have operated in their area.
- Internal Audit auditing these arrangements to evaluate whether the company operates a robust process for assessing how well services have applied the critical business management systems throughout the year.
- The Company undertaking a review of leaseholder services and voids and allocations during 2015/16. A number of actions were identified to improve the service and the Board receive an update at each meeting on progress against actions.
- South Essex Homes continuing to review and adjust staffing structures aligning them with the services provision and the business plan Vision 2020.
Internal Audit

Internal Audit is delivered through a Service Level Agreement with the Council’s Internal Audit Services. The Charter, Strategy and risk based Audit Plan is prepared in consultation with The Executive Management Team and approved by the Audit Committee.

The Audit Plan was delivered with reports issued to senior managers at the conclusion of each audit highlighting internal control weaknesses identified and the actions required to address them. Recommendations were also reviewed to ensure they were implemented properly, by the due date. A quarterly performance report was taken to the Audit Committee.

The Head of Internal Audit also prepared an Annual Report that was considered by the Audit Committee.

Head of Internal Audit Opinion for the year ended 31st March 2016 was as follows:

*Overall, the design and operation of the company’s risk management, control and governance framework was satisfactory throughout the year, with the opportunity to strengthen these arrangements in some areas.*

*Particular focus has been given by the company, to further developing the processes for managing the Careline service and the Door Entry Service and Repair Contract.*

*The service has substantially conformed to the relevant professional standards throughout the year.*

*There continues to be a high level of compliance with the requirements of the CIPFA Statement on the Role of the Head of Internal Audit.*

The Council's external auditor continues to confirm that internal audit's financial systems work can be relied upon when undertaking the audit of the statement of accounts.

The Company provided the Council with the following assurance regarding the robustness of its governance arrangements during the year:

- Internal Audit reports;
- Summary results of Manager Assurance Statements;
- Head of Internal Audit annual report (including an opinion on the adequacy and effectiveness of the company’s governance, risk management and control framework; and
- Audit Committee Annual Report.
External Audit

External Audit of the annual financial statements was undertaken by Scrutton Bland with the view to expressing an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

In carrying out the audit work Scrutton Bland considered whether the financial statements were free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will normally be considered material if its omission would reasonably influence the decisions of those using the financial statements.

Scrutton Bland issued a report to management at the conclusion of the audit work. This included a management letter containing where necessary comments and details of recommendations for improvements in operations and internal control in respect of the Company. This was discussed with management prior to the issue of the final report. The report also included details of significant adjusted items that arose as a result of the audit work. There were no significant unadjusted items to report.

The Audit Committee consider the external auditor's report and recommends adoption of the financial statements to the Board.

Key Governance Issues

The main area for further work identified through the Governance Assurance Process in 2015/16, and which should be disclosed in the Governance Statement Action Plan is:

- **Value for Money** – To review and update the Value for Money Register & in accordance with the HCA regulations on value for money & governance financial viability standards

______________________     _____________________
Anthony Churton      Michael Gatrell
Chair of the Board      Chief Executive
We have audited the financial statements of South Essex Homes Limited for the year ended 31st March 2016 which comprise the Group Income and Expenditure Account, Group Statement of Other Comprehensive Income, Group Balance Sheet, Company Balance Sheet, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group Statement of Cash Flows and the related notes numbered 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 18 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report, Statement of the Board and Statement of the Chief Executive to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.
Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent company’s affairs as at 31st March 2016 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TIMOTHY O’CONNOR (Senior Statutory Auditor)
For and on behalf of
SCRUTTON BLAND
Chartered Accountants & Statutory Auditor

820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ
GROUP INCOME STATEMENT (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31ST MARCH 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>2</td>
<td>10,050</td>
</tr>
<tr>
<td>Staff costs</td>
<td>3</td>
<td>5,667</td>
</tr>
<tr>
<td>FRS 102 staff costs adjustment</td>
<td>17h</td>
<td>471</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>4</td>
<td>4,083</td>
</tr>
<tr>
<td><strong>Operating (deficit)</strong></td>
<td></td>
<td>(171)</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>FRS 102 interest adjustment</td>
<td>17h</td>
<td>(246)</td>
</tr>
<tr>
<td><strong>(Deficit) on ordinary activities before taxation</strong></td>
<td></td>
<td>(384)</td>
</tr>
<tr>
<td>Tax on ordinary activities</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td><strong>(Deficit) for the financial year</strong></td>
<td></td>
<td>(383)</td>
</tr>
</tbody>
</table>

The surplus/(deficit) for the financial year before and after adjustments required under FRS 102 in respect of defined benefit pension schemes is as follows:

**Operating surplus/(deficit) after tax:**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Essex Homes Limited</td>
<td>370</td>
<td>(20)</td>
</tr>
<tr>
<td>South Essex Property Services Limited (formerly Atlius Limited)</td>
<td>(36)</td>
<td>(419)</td>
</tr>
<tr>
<td></td>
<td>334</td>
<td>(439)</td>
</tr>
<tr>
<td>FRS 102 defined benefit pension scheme charges:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs adjustment</td>
<td>(471)</td>
<td>102</td>
</tr>
<tr>
<td>Interest costs</td>
<td>(246)</td>
<td>(265)</td>
</tr>
<tr>
<td><strong>(Deficit) for the financial year</strong></td>
<td>(383)</td>
<td>(602)</td>
</tr>
</tbody>
</table>

All of the activities of the company are classed as continuing.

The notes on pages 24 to 40 form part of these financial statements.
## Group Statement of Other Comprehensive Income

**Year ended 31st March 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit) for the financial year</td>
<td>(383)</td>
<td>(602)</td>
</tr>
<tr>
<td>Actuarial gains/(losses) on pension scheme</td>
<td>17d</td>
<td>1,491</td>
</tr>
<tr>
<td>Total recognised gains and losses for year</td>
<td></td>
<td>1,108</td>
</tr>
</tbody>
</table>

The notes on pages 24 to 40 form part of these financial statements.
### SOUTH ESSEX HOMES LIMITED
#### COMPANY LIMITED BY GUARANTEE

#### Group Statement of Financial Position (Balance Sheet)

#### 31st March 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>336</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>4,003</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>12</td>
<td>456</td>
</tr>
<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td>13</td>
<td>(2,913)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>1,882</td>
</tr>
<tr>
<td><strong>Net assets excluding pension liabilities</strong></td>
<td></td>
<td>1,882</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>17</td>
<td>(6,967)</td>
</tr>
<tr>
<td><strong>Net liabilities including pension liabilities</strong></td>
<td></td>
<td>(5,085)</td>
</tr>
</tbody>
</table>

#### Reserves

Income and expenditure reserve – Excluding FRS 102 defined benefit pension scheme reserve | 14 | 1,882 | 1,548 |
FRS 102 defined benefit pension scheme reserve | 14 | (6,967) | (7,741) |
| **Member's funds (deficit)** | | (5,085) | (6,193) |

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by:

Anthony Churton  
Chair of the Board  
Company Registration Number: 05453601

The notes on pages 24 to 40 form part of these financial statements.
### SOUTH ESSEX HOMES LIMITED
#### COMPANY LIMITED BY GUARANTEE

**Company Statement of Financial Position (Balance Sheet)**

**Year ended 31st March 2016**

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>335</td>
<td>768</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>4,003</td>
<td>5,512</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>12</td>
<td>442</td>
<td>-</td>
</tr>
<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td>13</td>
<td>(2,880)</td>
<td>(4,313)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>1,900</td>
<td>1,967</td>
</tr>
<tr>
<td><strong>Net assets excluding pension liabilities</strong></td>
<td></td>
<td>1,900</td>
<td>1,967</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>17</td>
<td>(6,967)</td>
<td>(7,741)</td>
</tr>
<tr>
<td><strong>Net liabilities including pension liabilities</strong></td>
<td>17</td>
<td>(5,067)</td>
<td>(5,774)</td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenditure reserve – Excluding FRS 102 defined benefit pension scheme reserve</td>
<td>14</td>
<td>1,900</td>
<td>1,967</td>
</tr>
<tr>
<td>FRS 102 defined benefit pension scheme reserve</td>
<td>14</td>
<td>(6,967)</td>
<td>(7,741)</td>
</tr>
<tr>
<td><strong>Member's funds (deficit)</strong></td>
<td></td>
<td>(5,067)</td>
<td>(5,774)</td>
</tr>
</tbody>
</table>

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Anthony Churton  
Chair of the Board

Company Registration Number: 05453601

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These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by:

Anthony Churton  
Chair of the Board

Company Registration Number: 05453601
### Group Statement of Changes in Equity

**Year ended 31st March 2016**

<table>
<thead>
<tr>
<th></th>
<th>Defined benefit pension scheme reserve £000's</th>
<th>Income and expenditure account excluding pension reserve £000's</th>
<th>Total £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1st April 2014</strong></td>
<td>(6,568)</td>
<td>1,987</td>
<td>(4,581)</td>
</tr>
<tr>
<td><strong>Deficit for the year</strong></td>
<td>(163)</td>
<td>(439)</td>
<td>(602)</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year</strong></td>
<td>(1,010)</td>
<td>-</td>
<td>(1,010)</td>
</tr>
<tr>
<td><strong>At 31st March 2015</strong></td>
<td>(7,741)</td>
<td>1,548</td>
<td>(6,193)</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the year</strong></td>
<td>(717)</td>
<td>334</td>
<td>(383)</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year</strong></td>
<td>1,491</td>
<td>-</td>
<td>1,491</td>
</tr>
<tr>
<td><strong>At 31st March 2016</strong></td>
<td>(6,967)</td>
<td>1,882</td>
<td>(5,085)</td>
</tr>
</tbody>
</table>
Company Statement of Changes in Equity
Year ended 31st March 2016

<table>
<thead>
<tr>
<th></th>
<th>Defined benefit pension scheme reserve £000’s</th>
<th>Income and expenditure account excluding pension reserve £000’s</th>
<th>Total £000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st April 2014</td>
<td>(6,568)</td>
<td>1,987</td>
<td>(4,581)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(163)</td>
<td>(20)</td>
<td>(183)</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>(1,010)</td>
<td>-</td>
<td>(1,010)</td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td>(7,741)</td>
<td>1,967</td>
<td>(5774)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(717)</td>
<td>(67)</td>
<td>(784)</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>1,491</td>
<td>-</td>
<td>1,491</td>
</tr>
<tr>
<td>At 31st March 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(6,967)</td>
<td>1,900</td>
<td>(5,067)</td>
</tr>
</tbody>
</table>
### SOUTH ESSEX HOMES LIMITED
### COMPANY LIMITED BY GUARANTEE
### Group Statement of Cash Flows
### Year ended 31st March 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit for the financial year</td>
<td>(383)</td>
<td>(602)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Interest received</td>
<td>(33)</td>
<td>(49)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(1)</td>
<td>2</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>40</td>
<td>(146)</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>(1,448)</td>
<td>473</td>
</tr>
<tr>
<td>FRS102 defined benefit pension scheme adjustment</td>
<td>717</td>
<td>163</td>
</tr>
<tr>
<td>Cash from operations</td>
<td>(1,108)</td>
<td>(157)</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>Net cash (outflow) from operating activities</td>
<td>(1,107)</td>
<td>(159)</td>
</tr>
<tr>
<td>Interest received</td>
<td>33</td>
<td>49</td>
</tr>
<tr>
<td>Decrease/(increase) in investments</td>
<td>501</td>
<td>(1)</td>
</tr>
<tr>
<td>Increase/(decrease) in cash and cash equivalents</td>
<td>(573)</td>
<td>(111)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>2,532</td>
<td>2,643</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>1,959</td>
<td>2,532</td>
</tr>
<tr>
<td>Cash at bank at end of year</td>
<td>456</td>
<td>21</td>
</tr>
<tr>
<td>Cash equivalents at end of year (included within investments)</td>
<td>1,503</td>
<td>2,511</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>1,959</td>
<td>2,532</td>
</tr>
</tbody>
</table>
1. Accounting policies

Company information

South Essex Homes Limited is a company limited by guarantee, incorporated in England and Wales. Its registered number is 05453691. The registered office is Civic Centre, Victoria Avenue, Southend on Sea, Essex, SS2 6ER.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', with the Companies Act, and FRC Abstracts.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition is 1 April 2014. Refer to note 20 for an explanation of how the transition to FRS 102 has affected the reported financial performance.

The financial statements are presented in Sterling (£) and are rounded to the nearest £1,000.

The financial statements show net assets before pension liabilities of £1,882,000 but net liabilities of £5,085,000 once the provision for pension liabilities is included. The financial statements have been prepared on the basis of a going concern, on the assumption that the core funding from the Southend-on-Sea Borough Council in future years will enable the increased pension contributions to be met.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources and support to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of South Essex Homes Limited and its subsidiary undertaking for the year ended 31 March 2016.

Debtors

Short term debtors are measured at the transaction price, less any impairment/provision for irrecoverable amounts.

Creditors

Short term creditors are measured at the transaction price.
1. **Accounting policies (continued)**

**Turnover**

Turnover, excludes Value Added Tax (VAT) and represents in the main, the invoice value of services provided during the financial year covered by these financial statements. Turnover is recognised when the revenue is earned by South Essex Homes Limited. All turnover arises in the United Kingdom.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Tangible fixed assets are capitalised if the item is not office equipment and costs £5,000 or more. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis.

Straight line annual rates of depreciation used are:

- **Motor vehicles** - 4 years

**Impairment of fixed assets**

Tangible fixed assets are reviewed for impairment annually and if found to be impaired, the lower of book value and open market value is used. Any impairment is recognised in the income and expenditure account in the year in which it arises.

**Investments**

Investments in subsidiary undertakings are included at the lower of cost and net realisable value in the individual company's financial statements.

**Provisions for liabilities and charges**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the company will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
1. **Accounting policies (continued)**

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the Income Statement over the lease term on a straight line basis.

**Pensions costs - local government pension scheme**

South Essex Homes Limited is an admitted body of the Local Government Pension Scheme administered by Essex County Council. The assets belonging to the pension scheme are held and administered independently by Essex County Council.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company’s defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes’ assets and the increase during the year in the present value of the schemes’ liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension schemes’ surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

Further disclosures relating to retirement benefits can be found in note 17.

**Taxation**

Any operating surplus of the company, before FRS 102 defined benefit pension scheme adjustments, arising from savings of overhead costs compared to the core funding provided by Southend-on-Sea Borough Council, is non-taxable. Taxation is chargeable only on the surplus from its activities with other housing associations.
1. **Accounting policies (continued)**

**Trading with third parties**

In the year ended 31st March 2010, South Essex Homes Limited began trading with other selected third parties to reduce its reliance on the management fee in the light of an uncertain future for the Housing Revenue Account (HRA). This trading is not expected to provide significant profits but to provide a contribution to the overall operating costs of the company.

**Repairs and maintenance**

South Essex Homes Limited is responsible for managing Southend-on-Sea Borough Council's housing repairs and maintenance contracts. The related expenditure is reflected within the Council's financial statements.

2. **Turnover**

Turnover is derived completely from the principal activities of the group. Principal activities comprise of providing housing management services to Southend-on-Sea Borough Council and providing housing related services to other third parties. Turnover arises solely within the United Kingdom.

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fee paid by the Council in respect of housing management and support services</td>
<td>9,264</td>
<td>9,217</td>
</tr>
<tr>
<td>License fee income</td>
<td>76</td>
<td>73</td>
</tr>
<tr>
<td>Other services</td>
<td>710</td>
<td>931</td>
</tr>
<tr>
<td></td>
<td><strong>10,050</strong></td>
<td><strong>10,221</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other services revenue represents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other charges to the Council</td>
<td>395</td>
<td>538</td>
</tr>
<tr>
<td>Income from trading with third parties</td>
<td>241</td>
<td>329</td>
</tr>
<tr>
<td>Recharges to third parties</td>
<td>74</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td><strong>710</strong></td>
<td><strong>931</strong></td>
</tr>
</tbody>
</table>
3. Particulars of employees

The average monthly number of staff employed during the financial year amounted to:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management group</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Finance and resources</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Income Management</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Housing management services</td>
<td>114</td>
<td>121</td>
</tr>
<tr>
<td>Property services</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>South Essex Property Services Limited</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Number of staff</strong></td>
<td>167</td>
<td>181</td>
</tr>
</tbody>
</table>

The aggregate payroll costs of the above were:

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>4,692</td>
<td>4,702</td>
</tr>
<tr>
<td>Social security costs</td>
<td>352</td>
<td>351</td>
</tr>
<tr>
<td>Pension costs</td>
<td>608</td>
<td>943</td>
</tr>
<tr>
<td>Pension administration costs</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,667</td>
<td>6,011</td>
</tr>
</tbody>
</table>

FRS 102 defined benefit pension costs adjustment

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRS 102 defined benefit pension costs adjustment</td>
<td>471</td>
<td>(102)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,138</td>
<td>5,909</td>
</tr>
</tbody>
</table>

The directors’ aggregate remuneration in respect of qualifying services was:

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate remuneration</td>
<td>21</td>
<td>26</td>
</tr>
</tbody>
</table>

The members of the company's board are the directors of the company. The board members are entitled to an allowance and reimbursement of incidental expenses incurred when attending board meetings or other formal events in their capacity as board members.
4. Operating surplus/(deficit)

The operating surplus/(deficit) is stated after charging:

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000's</td>
<td>£000's</td>
<td></td>
</tr>
<tr>
<td>Auditor's remuneration - Scrutton Bland</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Training and recruitment costs</td>
<td>71</td>
<td>73</td>
</tr>
<tr>
<td>Agency and consultancy costs</td>
<td>319</td>
<td>708</td>
</tr>
<tr>
<td>Other expenses - note 5</td>
<td>3,671</td>
<td>3,894</td>
</tr>
<tr>
<td></td>
<td>4,083</td>
<td>4,696</td>
</tr>
</tbody>
</table>

5. Other expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000's</td>
<td>£000's</td>
<td></td>
</tr>
<tr>
<td>Electricity and gas (own buildings)</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Electricity and gas (landlord's supplies on estates and</td>
<td>635</td>
<td>768</td>
</tr>
<tr>
<td>sheltered accommodation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent and rates</td>
<td>440</td>
<td>473</td>
</tr>
<tr>
<td>Repairs, maintenance and modifications</td>
<td>56</td>
<td>111</td>
</tr>
<tr>
<td>(on administrative buildings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning and rubbish removal</td>
<td>267</td>
<td>286</td>
</tr>
<tr>
<td>Computers and other equipment</td>
<td>275</td>
<td>244</td>
</tr>
<tr>
<td>Transport</td>
<td>117</td>
<td>114</td>
</tr>
<tr>
<td>Communication</td>
<td>210</td>
<td>266</td>
</tr>
<tr>
<td>Insurance</td>
<td>66</td>
<td>79</td>
</tr>
<tr>
<td>Legal fees</td>
<td>173</td>
<td>114</td>
</tr>
<tr>
<td>Grants and subscriptions</td>
<td>68</td>
<td>98</td>
</tr>
<tr>
<td>Other Service Level Agreements and charges by the Council</td>
<td>847</td>
<td>778</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>78</td>
<td>64</td>
</tr>
<tr>
<td>Conference expenses</td>
<td>17</td>
<td>55</td>
</tr>
<tr>
<td>Bank charges</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Grounds maintenance charge</td>
<td>204</td>
<td>189</td>
</tr>
<tr>
<td>Other general expenses</td>
<td>163</td>
<td>189</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3,671</td>
<td>3,894</td>
</tr>
</tbody>
</table>
6. **Interest receivable and similar income**

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposits</td>
<td>33</td>
<td>49</td>
</tr>
</tbody>
</table>

Interest was received on:

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposits</td>
<td>33</td>
<td>49</td>
</tr>
</tbody>
</table>

7. **Taxation on ordinary activities**

**Analysis of charge in the year**

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Corporation tax for the year at 20% (2015 : 20%)</td>
<td>(1)</td>
<td>2</td>
</tr>
<tr>
<td>Total current tax</td>
<td>(1)</td>
<td>2</td>
</tr>
</tbody>
</table>

8. **Tangible fixed assets**

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicles</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cost**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st April and 31st March</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

**Depreciation**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st April</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>At 31st March</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

**Net book value**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31st March</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
9. Fixed asset investments

South Essex Homes Ltd owns 100% of the share capital of South Essex Property Services Limited (formerly Atilius Limited), being 425,001 ordinary shares of £1.

South Essex Property Services Limited (formerly Atilius Limited) is incorporated in England and Wales and its principal activity is housing related activities.

South Essex Homes Ltd has the power to exercise, or actually exercises, dominant influence or control over South Essex Property Services Limited (formerly Atilius Limited).

10. Debtors

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 £000's</td>
<td>2015 £000's</td>
</tr>
<tr>
<td>Falling due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed by SBC</td>
<td>225</td>
<td>140</td>
</tr>
<tr>
<td>Amounts owed by South Essex Property Services Limited (formerly Atilius Limited)</td>
<td>-</td>
<td>408</td>
</tr>
<tr>
<td>Other debtors</td>
<td>122</td>
<td>164</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>Bad debt provision</td>
<td>(12)</td>
<td>(10)</td>
</tr>
<tr>
<td></td>
<td>335</td>
<td>768</td>
</tr>
</tbody>
</table>
11. Investments

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Lloyds TSB Plc</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Santander UK Plc</td>
<td>503</td>
<td>2,011</td>
</tr>
<tr>
<td>NatWest</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Nationwide Building Society</td>
<td>-</td>
<td>1,001</td>
</tr>
<tr>
<td>HSBC</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>The Northern Trust</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,003</td>
<td>5,512</td>
</tr>
</tbody>
</table>

All investments are held on fixed term deposit.

12. Cash at bank and in hand

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>442</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>442</td>
<td>456</td>
</tr>
</tbody>
</table>

13. Creditors : Amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Bank loans and overdraft</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>95</td>
<td>161</td>
</tr>
<tr>
<td>Amounts owed to SBC</td>
<td>2,064</td>
<td>3,072</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>114</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>252</td>
<td>337</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>355</td>
<td>738</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,880</td>
<td>4,313</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Bank loans and overdraft</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>95</td>
<td>167</td>
</tr>
<tr>
<td>Amounts owed to SBC</td>
<td>2,077</td>
<td>3,076</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>112</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>274</td>
<td>380</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>355</td>
<td>738</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,913</td>
<td>4,361</td>
</tr>
</tbody>
</table>
### 14. Reserves

<table>
<thead>
<tr>
<th></th>
<th>Total reserves 2016</th>
<th>Total reserves 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>(6,193)</td>
<td>(4,581)</td>
</tr>
<tr>
<td>Retained (deficit) for the financial year</td>
<td>(383)</td>
<td>(602)</td>
</tr>
<tr>
<td>Actuarial gain/(loss) on the pension scheme</td>
<td>1,491</td>
<td>(1,010)</td>
</tr>
<tr>
<td><strong>Balance carried forward</strong></td>
<td>(5,085)</td>
<td>(6,193)</td>
</tr>
<tr>
<td>Income and expenditure reserve excluding pensions</td>
<td>1,882</td>
<td>1,548</td>
</tr>
<tr>
<td>Pensions reserve</td>
<td>(6,967)</td>
<td>(7,741)</td>
</tr>
<tr>
<td><strong>Total reserves</strong></td>
<td>(5,085)</td>
<td>(6,193)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total reserves 2016</th>
<th>Total reserves 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company</strong></td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>(5,774)</td>
<td>(4,581)</td>
</tr>
<tr>
<td>Retained (deficit) for the financial year</td>
<td>(784)</td>
<td>(183)</td>
</tr>
<tr>
<td>Actuarial gain/(loss) on the pension scheme</td>
<td>1,491</td>
<td>(1,010)</td>
</tr>
<tr>
<td><strong>Balance carried forward</strong></td>
<td>(5,067)</td>
<td>(5,774)</td>
</tr>
<tr>
<td>Income and expenditure reserve excluding pensions</td>
<td>1,900</td>
<td>1,967</td>
</tr>
<tr>
<td>Pensions reserve</td>
<td>(6,967)</td>
<td>(7,741)</td>
</tr>
<tr>
<td><strong>Total reserves</strong></td>
<td>(5,067)</td>
<td>(5,774)</td>
</tr>
</tbody>
</table>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.
15. Related party transactions

The company is wholly owned by Southend-on-Sea Borough Council. Turnover for the company for the year was £9,973k (2015: £10,145k) including £9,264k (2015: £9,217k) paid as management fees by the Council. The management fee covers salaries and staff-related supplies and services costs. Balances due to and from related parties at the year end are included in debtors and creditors, as disclosed in notes 10 and 13.

Interest was being charged at a rate of 4.88% to 5.04% on the loan to South Essex Property Services Limited (formerly Atilius Limited). Interest is payable annually on the anniversary of the loan being provided to South Essex Property Services Limited (formerly Atilius Limited).

A provision of £41k has been made against the balance due from South Essex Property Services Limited.

The company reimbursed the Council in respect of payroll administration costs.

The senior management personnel comprised:

Michael Gatrell
Mario Ambrose
David Lincoln
Simon Putt
Traci Dixon
Paul Longman

During the year the remuneration paid to the above senior management personnel totalled £593,363 (2015: £636,657).

16. Company limited by guarantee

The company is limited by guarantee and has no share capital. The liability of the member, Southend-on-Sea Borough Council, in the event of winding-up is limited to £1.
17. Pension commitments

(a) The assets and liabilities of the pension scheme at 31 March were:

<table>
<thead>
<tr>
<th>% of scheme assets</th>
<th>2016 £000's</th>
<th>% of scheme assets</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>67.7%</td>
<td>17,304</td>
<td>67.3%</td>
</tr>
<tr>
<td>Bonds</td>
<td>7.7%</td>
<td>1,981</td>
<td>13.9%</td>
</tr>
<tr>
<td>Properties</td>
<td>11.9%</td>
<td>3,045</td>
<td>10.9%</td>
</tr>
<tr>
<td>Cash</td>
<td>3.2%</td>
<td>831</td>
<td>2.2%</td>
</tr>
<tr>
<td>Alternative assets</td>
<td>4.4%</td>
<td>1,137</td>
<td>5.7%</td>
</tr>
<tr>
<td>Other managed funds</td>
<td>5.1%</td>
<td>1,270</td>
<td>-</td>
</tr>
<tr>
<td>Total market value of assets</td>
<td>25,568</td>
<td>24,895</td>
<td></td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(32,535)</td>
<td>(32,636)</td>
<td></td>
</tr>
<tr>
<td>Net estimated pension liability</td>
<td>(6,967)</td>
<td>(7,741)</td>
<td></td>
</tr>
</tbody>
</table>

(b) Asset and liability reconciliation:

<table>
<thead>
<tr>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities at start of period</td>
<td>32,636</td>
</tr>
<tr>
<td>Service cost</td>
<td>1,034</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,069</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>262</td>
</tr>
<tr>
<td>Actuarial (gain)/loss</td>
<td>(1,717)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(792)</td>
</tr>
<tr>
<td>Past service costs</td>
<td>43</td>
</tr>
<tr>
<td>Liabilities (extinguished) on settlements</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities at end of period</td>
<td>32,535</td>
</tr>
</tbody>
</table>
17. **Pension commitments** *(continued)*

(b) Asset and liability reconciliation: *(continued)*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td><strong>Reconciliation of assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets at start of period</td>
<td>24,895</td>
<td>21,678</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>823</td>
<td>948</td>
</tr>
<tr>
<td>Actuarial (loss)/gain</td>
<td>(226)</td>
<td>2,132</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>618</td>
<td>983</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>262</td>
<td>257</td>
</tr>
<tr>
<td>Benefits received</td>
<td>(792)</td>
<td>(679)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(12)</td>
<td>(10)</td>
</tr>
<tr>
<td>Settlement (paid)</td>
<td>-</td>
<td>(414)</td>
</tr>
<tr>
<td><strong>Assets at end of period</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25,568</td>
<td>24,895</td>
</tr>
</tbody>
</table>

(c) History of scheme assets and liabilities:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td><strong>Fair value of the scheme assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>25,568</td>
<td>24,895</td>
<td>21,678</td>
<td>13,671</td>
<td>15,180</td>
</tr>
<tr>
<td><strong>Present value of scheme liabilities</strong></td>
<td>(32,535)</td>
<td>(32,636)</td>
<td>(28,246)</td>
<td>(21,666)</td>
<td>(23,428)</td>
</tr>
<tr>
<td><strong>Scheme deficit</strong></td>
<td>(6,967)</td>
<td>(7,741)</td>
<td>(6,568)</td>
<td>(7,995)</td>
<td>(8,248)</td>
</tr>
</tbody>
</table>
17. Pension commitments (continued)

(d) History of experience gains and (losses):

\[
\begin{array}{ccc}
 & 2016 & 2015 & 2014 \\
\text{£000's} & \text{£000's} & \text{£000's} \\
\hline
\text{Difference between the expected and actual return on scheme assets:} & & \\
\text{Amount} & (226) & 2,029 & 521 \\
\text{Percentage of scheme assets} & 1% & 8% & 2% \\
\text{Experience (losses)/gains on scheme liabilities:} & & \\
\text{Amount} & 1,717 & (3,039) & (1,428) \\
\text{Percentage of the present value of scheme liabilities} & (5%) & (9%) & (5%) \\
\hline
\text{Total amount recognised in statement of other comprehensive income} & 1,491 & (1,010) & (907) \\
\end{array}
\]

(e) Return on scheme assets:

The overall expected rate of return on scheme assets was expected to be 14% in 2015/16. This figure will vary year on year depending on the assumptions made and the underlying distribution of the fund’s assets which will vary during the year and as a result it is not appropriate to break down the expected return on assets across the different asset categories. Actual returns on scheme assets have been £597,000 for the year to 31 March 2016, being 2.3% of the year end asset value.

(f) A full actuarial valuation was carried out for the defined benefit scheme at 31st March 2013 and updated to 31st March 2016 by Barnett Waddingham using the Projected unit method. The major assumptions used by the actuary were:

\[
\begin{array}{cc}
\text{2016} & \text{2015} \\
\% & \% \\
\hline
\text{Main assumptions:} & & \\
\text{Rate of increase in salaries} & 4.1 & 4.1 \\
\text{Rate of increase in pensions in payment} & 2.3 & 2.3 \\
\text{Discount rate} & 3.6 & 3.3 \\
\text{Inflation assumption} & 3.2 & 3.2 \\
\end{array}
\]
17. Pension commitments *(continued)*

(g) Movement in deficit during the year:

<table>
<thead>
<tr>
<th></th>
<th>2016 £000's</th>
<th>2015 £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st April</td>
<td>(7,741)</td>
<td>(6,568)</td>
</tr>
<tr>
<td>Current service cost</td>
<td>(1,034)</td>
<td>(906)</td>
</tr>
<tr>
<td>Net interest cost</td>
<td>(246)</td>
<td>(265)</td>
</tr>
<tr>
<td>Actuarial gains/(losses)</td>
<td>1,491</td>
<td>(1,010)</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>618</td>
<td>983</td>
</tr>
<tr>
<td>Past service costs</td>
<td>(43)</td>
<td>(102)</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>(12)</td>
<td>(10)</td>
</tr>
<tr>
<td>Liabilities extinguished on settlement</td>
<td>-</td>
<td>551</td>
</tr>
<tr>
<td>Settlement prices paid</td>
<td>-</td>
<td>(414)</td>
</tr>
<tr>
<td><strong>At 31st March</strong></td>
<td><strong>(6,967)</strong></td>
<td><strong>(7,741)</strong></td>
</tr>
</tbody>
</table>

The Council supports the annual pension contributions due from South Essex Homes including the back funding, through the management fee.

FRS 102 disclosures are not on the same basis as the triennial actuarial review of the pension fund valuation and the two are for different purposes. FRS 102 is a one off assessment at the year end for accounting disclosure purposes. The FRS 102 calculations are more prescriptive. At the current time they emphasise the liabilities and produce a balance sheet position worse than the triennial valuation position.

While the figure is substantial it should be remembered that:

- It is not an immediate deficit that has to be met now. The sum is the current assessment taking a long term view of the future liabilities both for existing pensioners and current employees who are accruing pension entitlement.

- It is not a problem unique to South Essex Homes or indeed ALMOs generally. There is a national problem for pension funds both private and public sector.

- The Essex pension fund is regularly reviewed and additional contributions have already been initiated to address the problem over a period of years.
17. Pension commitments (continued)

(h) Analysis of the amount charged to the income and expenditure account:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>1,034</td>
<td>906</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>(618)</td>
<td>(983)</td>
</tr>
<tr>
<td>Past service costs</td>
<td>43</td>
<td>102</td>
</tr>
<tr>
<td>Settlement service costs</td>
<td>-</td>
<td>(137)</td>
</tr>
<tr>
<td>Administration costs</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>FRS 102 adjustment</td>
<td>471</td>
<td>(102)</td>
</tr>
</tbody>
</table>

Analysis of amounts charged to finance costs:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other finance costs: expected return on assets in the scheme</td>
<td>823</td>
<td>948</td>
</tr>
<tr>
<td>Other finance costs: interest costs</td>
<td>(1,069)</td>
<td>(1,213)</td>
</tr>
<tr>
<td>FRS 102 adjustment</td>
<td>(246)</td>
<td>(265)</td>
</tr>
</tbody>
</table>

During the year to 31st March 2016 the employer contribution rate was 15.6%.

(i) Life assumptions:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current pensioner aged 65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>22.9</td>
<td>22.8</td>
</tr>
<tr>
<td>female</td>
<td>25.3</td>
<td>25.2</td>
</tr>
<tr>
<td>Future pensioner aged 65 in 20 years time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>25.2</td>
<td>25.1</td>
</tr>
<tr>
<td>female</td>
<td>27.7</td>
<td>27.6</td>
</tr>
</tbody>
</table>
18. Operating lease commitments

At 31st March 2016 the company had the following total commitments under non-cancellable operating leases:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000’s</td>
<td>£000’s</td>
</tr>
<tr>
<td>Operating leases which expire:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two to five years</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Over five years</td>
<td>86</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>£102</td>
<td>£100</td>
</tr>
</tbody>
</table>

The total charge taken to the income and expenditure account for the year amounted to £16,079 (2015: £15,842).

19. Ultimate parent and controlling company

The ultimate parent undertaking and controlling party is Southend-on-Sea Borough Council, which is a local government authority of the United Kingdom.

The consolidated financial statements as at 31st March 2016 of the Council are available to the public and may be obtained from Southend-on-Sea Borough Council, Civic Centre, Southend-on-Sea, SS6 2ER.

20. Transition to FRS 102

The company has adopted FRS 102 for the year ended 31st March 2016.

(i) Defined benefit pension scheme

There is a presentational change under FRS 102 whereby net interest on the net defined benefit pension liability is presented in the income and expenditure account using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. This has no impact on members' funds on transition but affects the allocation of interest between the income and expenditure account and other comprehensive income.

The following change in accounting policies arose from the transition to FRS 102:

Adjustment to net interest on net defined pension liability

Under previous UK GAAP the interest on the expected return on the pension plan assets was calculated using an expected asset rate. FRS 102 requires that the net defined benefit liability is calculated using the liability discount rate for the scheme.
Appendix 3 to Agenda Item 10

South Essex Homes Ltd, Civic Centre, Victoria Avenue, Southend on Sea, SS2 6FY

This matter is being dealt with by: Direct Line:
Our Ref: Facsimile:
Your Ref: Email
Date:

Scrutton Bland
Chartered Accountants
and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Dear Sirs

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and where appropriate, of inspection of supporting documentation, sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the group’s and parent company’s financial statements for the year ended 31 March 2016.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Financial Statements:

1) We acknowledge and have fulfilled, as directors, our collective responsibility under the Companies Act 2006 for presenting consolidated financial statements (in accordance with the Companies Act 2006 and United Kingdom Accounting Standards), which give a true and fair view of the financial position at the reporting date, and of the result for the period then ended, and for making accurate representations to you. We confirm that we have approved the group’s and parent company’s financial statements for the year ended 31 March 2016.

2) We confirm that the accounting policies and estimation techniques, including those measured at fair value and adjustments for consolidation purposes, adopted for the preparation of the consolidated financial statements are the most appropriate to the circumstances in which the group and parent company operate.

3) We confirm that directors’ remuneration for the year totalled £20,000.

4) Other than as disclosed in the financial statements, the company has not entered into any transactions involving directors, officers or other related parties, which require disclosure under the
Companies Act or Financial Reporting Standards. Appropriate disclosure has been made of the control of the company.

5) We have disclosed all known or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.

6) The financial statements of the company have been prepared on the going concern basis as we believe that adequate cash resources will be available to cover the company’s requirements for working capital and capital expenditure for at least the next twelve months. We are not aware of any other factors which could put into jeopardy the company’s going concern status during or beyond this period, other than disclosed in the financial statements.

7) There have been no events since the balance sheet date affecting any part of the group which necessitate revision of the figures included in the consolidated financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the consolidated financial statements or inclusion of a note thereto, we will advise you accordingly.

8) We confirm that we have agreed the adjustments included in the report at Appendix 1 which have been made to the Trial Balance which we presented to you.

9) We confirm that we have been notified by you that no unadjusted items or only clearly trivial errors were identified during the audit.

10) With regard to the defined benefit pension plan, we are satisfied that:
    ⇒ the actuarial assumptions underlying the valuation are consistent with our knowledge of the business;
    ⇒ all significant retirement benefits have been identified and properly accounted for;
    ⇒ and all settlements and curtailments have been identified and properly accounted for.

Information provided:

11) All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to speak to. All other records and relevant information, including minutes of all management and shareholders' meetings, have been made available to you.

12) Other than those disclosed in the financial statements we are not aware of any material liabilities, provisions, contingent liabilities, contingent assets or contracted for capital commitments, that need to be provided for or disclosed in the financial statements.

13) We confirm that we have notified you of all related party relationships, and transactions that the company has entered into with those related parties during the year of which we are aware.

14) We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect errors or fraud, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We are unaware of any irregularities, including fraud and suspected fraud, involving management, employees or others who have significant roles in internal control, or those employed by the company where the fraud could have a material effect on the financial statements. No allegations of such irregularities or breaches have come to our notice.
15) We are unaware of any breaches or possible breaches of statute, regulations, contracts, agreements or the company’s Memorandum and Articles of Association which might result in the company suffering significant penalties or other loss. No allegations of such irregularities or breaches have come to our notice.

16) We confirm receipt of your report to the Board.

17) We confirm that we have been notified by you that there are no matters which you are required to raise with us to comply with your profession’s ethical guidance which are in addition to the matters included in your external audit plan.

Yours faithfully

Signed on behalf of the board of the Executive

Date:

Signed on behalf of the board of directors

Date
Mr Tim O'Connor,
Scrutton Bland
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Dear Mr Tim O'Connor,

Representation Letter in respect of South Essex Homes Limited

This representation letter is provided in connection with your audit of the financial statements of South Essex Homes Limited for the year ended 31st March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 2016 and of its profit or loss and cash flows for the period 1st April 2015 to 31st March 2016, in accordance with the Companies Act 2006.

I confirm, to the best of my knowledge and belief and having made appropriate enquiries, the following representations:

Management Fee
The management fee payable to South Essex Homes Limited in respect of core housing services provided to Southend-on-Sea Borough Council amounts to £9,264k for the period 1st April 2015 to 31st March 2016.

Inter company Balances
All amounts due to and payable by Southend-on-Sea Borough Council as at 31st March 2016 in respect of services exchanged between South Essex Homes Limited and the Council have been identified and notified to South Essex Homes Limited, so that accounting entries in relation to these can be considered complete.

As at 31 March 2016, the amount payable to South Essex Homes Ltd accounts was £199,987.14 plus VAT where appropriate, and the amount receivable was £2,064,206.84 plus VAT where appropriate.
Going Concern and Pension Liabilities - FRS17
Under FRS17 the Company must account for the net surplus or deficit arising from its share of the pension assets and liabilities in respect of its employees who are members of the Essex County Council Pension Fund. As at 31st March 2016 there was a net deficit of £6,967k in respect of the Company’s pension liabilities. As at 31 March 2016 the company also had a retained surplus of £1,882k in respect of its Profit and Loss reserve. The parent organisation, Southend-on-Sea Borough Council, therefore undertakes to provide continuing financial support to enable the financial statements of South Essex Homes Limited to be prepared on a going concern basis.

Yours sincerely

[Signature]

Joe Chesterton
Head of Finance and Resources
The Directors
South Essex Property Services Limited
Civic Centre
Victoria Avenue
Southend-on-Sea
SS2 6FY

Dated 25th July, 2016

Dear George and Catherine

Letter of Support

We write to confirm that South Essex Homes Limited will continue its financial support of South Essex Property Services Limited for at least a further eighteen months from 25th July, 2016

Yours faithfully,

Tony Churton
Chair of the Board

Beverley Gallacher
Company Secretary

For and on behalf of South Essex Homes Limited
SOUTH ESSEX HOMES

REPORT TO THE BOARD

AUDIT OF THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 MARCH 2016
Contents

1 Introduction .................................................................................................................. 1
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3 Main Areas of Audit Risk............................................................................................ 3
4 Controls ...................................................................................................................... 4
5 Independence ............................................................................................................. 4

Appendices

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Appendix 2
Letter or Representation ................................................................................................. 7

Appendix 3
Management Letter......................................................................................................... 10
1 Introduction

1.1 In accordance with International Standards on Auditing 260 (“Communication with those charged with governance”) we are setting out various matters relating to our audit of the financial statements of South Essex Homes (“the Company”) for the year ended 31 March 2016.

1.2 We can confirm that we have completed our audit work, subject only to the finalisation of our work in respect of events since the balance sheet date and the receipt of a signed letter of representation. We currently anticipate being able to give an unqualified opinion on these financial statements in accordance with the requirements of the Companies Act 2006.

1.3 We have not been engaged to carry out the Corporation Tax compliance work for the Company.

1.4 Consolidated financial statements have been prepared again this year to include the results of South Essex Property Services Limited.

2 The Financial Statements

The consolidated financial statements can be summarised as follows:

2.1 Income and expenditure account

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016 £’000</th>
<th>31 March 2015 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>10,050</td>
<td>10,221</td>
</tr>
<tr>
<td>Operating charges</td>
<td>(9,750)</td>
<td>(10,707)</td>
</tr>
<tr>
<td></td>
<td>300</td>
<td>(486)</td>
</tr>
<tr>
<td>Interest income</td>
<td>33</td>
<td>49</td>
</tr>
<tr>
<td>Operating surplus / (deficit)</td>
<td>333</td>
<td>(437)</td>
</tr>
<tr>
<td>FRS 102 defined benefit pension scheme (charges) / credits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs adjustment</td>
<td>(471)</td>
<td>102</td>
</tr>
<tr>
<td>Interest costs</td>
<td>(246)</td>
<td>(265)</td>
</tr>
<tr>
<td>(Deficit) before taxation per financial statements</td>
<td>(384)</td>
<td>(600)</td>
</tr>
<tr>
<td>Taxation</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>(Deficit) for the financial year</td>
<td>£ (383)</td>
<td>£ (602)</td>
</tr>
</tbody>
</table>
2.2 The group income and expenditure account has been presented in the above format in this report in order to show the results before and after adjustments under FRS 102 in respect of the defined benefit pension scheme. The results before these adjustments are the results that management are able to influence and control. The FRS 102 defined benefit pension scheme adjustments are only known after the end of the financial year and are determined by the actuary of the Essex County Council Pension Scheme (“LGPS”).

2.3 The group income and expenditure account can be considered to have four discrete components:

- There are the various overheads costs of the Company which are funded, in accordance with a budget, by a management fee from Southend-on-Sea Borough Council. To the extent that the actual costs are greater than or less than the management fee, the Company records either a deficit or a surplus.

- There are other company activities which fall outside of the management fee, but are performed for the council. These are invoiced separately.

- There are commercial activities undertaken by the company such as the management of properties for other organisations.

- Finally, there are the commercial activities undertaken by the company’s trading subsidiary, South Essex Property Services Limited.

2.4 We do not consider that the surplus made by the Company in respect of the ALMO activity with Southend-on-Sea Borough Council to be taxable. Any other surpluses made will be subject to corporation tax.

2.5 Group balance sheet

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016 £’000</th>
<th>31 March 2015 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets before FRS 102 defined benefit pension scheme adjustments</td>
<td>1,882</td>
<td>1,548</td>
</tr>
<tr>
<td>FRS 102 net pension liability</td>
<td>(6,967)</td>
<td>(7,741)</td>
</tr>
<tr>
<td><strong>Net Liabilities including FRS 102 defined benefit pension scheme</strong></td>
<td><strong>£ (5,085)</strong></td>
<td><strong>£ (6,193)</strong></td>
</tr>
</tbody>
</table>

2.6 The balance sheet of the Group shows net liabilities of £5,085,000 compared to £6,193,000 in the previous year.
2.7 We consider that the most meaningful figure in considering the ability of the Group to continue as a going concern is the net assets before the pension liability which amount to £1,882,000 (2015: £1,548,000). This is the surplus of the assets over the current liabilities and is therefore closer than other figures on the balance sheet to a cash flow measure. This, together with the knowledge that the Company generally forecasts to breakeven, and that the management fee is received on a profiled basis from Southend-on-Sea Borough Council, is indicative of the robustness of the balance sheet.

2.8 The large liability of £6,967,000 (2015: £7,741,000) in respect of pension obligations is not an immediate liability to be met from cash flows: it represents the current best estimate of the pension deficit for those Company employees in the LGPS. The expectation is that future budgets presented to Southend-on-Sea Borough Council will include the appropriate amounts in respect of future employer contributions and that these contributions will be then be funded by the management fee.

2.9 Under FRS 102 there is a requirement for the pension surplus or deficit to be shown on the face of the balance sheet. As noted above, there is also a requirement for the income and expenditure account to be amended in order to show pension costs based on the current costs accruing, rather than on the basis of the employer contributions payable to the scheme.

3 Main Areas of Audit Risk

3.1 There is an audit risk that late costs may be incurred in relation to overheads of the Company. We therefore carry out a review of purchase invoices and payments after the end of the year in order to identify any such costs. We also seek to agree larger supplier balances on the bought ledger to statements from those suppliers.

3.2 There is a significant audit risk that the information in respect of the defined benefit pension scheme reporting requirements under FRS 102 may be presented incorrectly or may be based on inappropriate assumptions. We therefore review the detailed figures provided by the Actuary, including the assumptions, and carry out detailed reviews of the information provided in the financial statements with regard to the net pension liability and the pension costs.

3.3 With the current economic climate many organisations in the public sector have a heightened requirement to consider their ability to continue as going concerns. The Company has a management agreement in place to provide the ALMO services to Southend-on-Sea Borough Council, and we consider that the management team are taking the appropriate steps in order that the company can continue as a going concern for at least 12 months from the date of approving the financial statements.
4 Controls

4.1 During our audit we examined certain of the control procedures operated by the management team. We also reviewed the various reports issued by the internal audit service to the Company.

5 Independence

5.1 We can confirm that we consider the partners and employees of Scrutton Bland and Scrutton Bland Limited to be independent of the Company, its subsidiary company South Essex Property Services Limited, and also Southend-on-Sea Borough Council.

Scrutton Bland

xx July 2016
### Appendix 1

**Adjustments to Company Financial Statements**

<table>
<thead>
<tr>
<th></th>
<th>Balance Sheet</th>
<th></th>
<th>I &amp; E</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dr</td>
<td>Cr</td>
<td>Dr</td>
<td>Cr</td>
</tr>
<tr>
<td>Creditors</td>
<td></td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
</tbody>
</table>

**Being adjustment of balance provided for corporation tax**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt provision</td>
<td></td>
<td>41,000</td>
</tr>
<tr>
<td>Balance due from South Essex Property Services Limited</td>
<td>41,000</td>
<td></td>
</tr>
</tbody>
</table>

**Being provision against balance due from subsidiary**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42,000</td>
<td>42,000</td>
</tr>
</tbody>
</table>

**Effect on company general reserve profit**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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### FRS 102 Defined Benefit Pension Scheme Adjustment

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<th>Balance Sheet</th>
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<td>Dr</td>
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<td>FRS 102 interest adjustment</td>
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<td>Employer service costs</td>
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<td>FRS 102 interest adjustment</td>
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<td>Employer service costs</td>
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<td>Actuarial gain</td>
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<td>Balance carried forward</td>
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<td>Adjustment to reserves</td>
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<td><strong>Total</strong></td>
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**Effect on pension reserve**

(717,000)

**Effect on surplus of FRS102 defined benefit pension scheme journal**

(717,000)

**Effect on group surplus of other journals**

(1,000)

**Group surplus after tax per client draft**

335,000

**Group deficit after tax per accounts**

(383,000)
Dear Sirs

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and where appropriate, of inspection of supporting documentation, sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the group’s and parent company’s financial statements for the year ended 31 March 2016.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Financial Statements:

1. We acknowledge and have fulfilled, as directors, our collective responsibility under the Companies Act 2006 for presenting consolidated financial statements (in accordance with the Companies Act 2006 and United Kingdom Accounting Standards), which give a true and fair view of the financial position at the reporting date, and of the result for the period then ended, and for making accurate representations to you. We confirm that we have approved the group’s and parent company’s financial statements for the year ended 31 March 2016.
2 We confirm that the accounting policies and estimation techniques, including those measured at fair value and adjustments for consolidation purposes, adopted for the preparation of the consolidated financial statements are the most appropriate to the circumstances in which the group and parent company operate.

3 We confirm that directors remuneration for the year totalled £20,000.

4 Other than as disclosed in the financial statements, the company has not entered into any transactions involving directors, officers or other related parties, which require disclosure under the Companies Act or Financial Reporting Standards. Appropriate disclosure has been made of the control of the company.

5 We have disclosed all known or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.

6 The financial statements of the company have been prepared on the going concern basis as we believe that adequate cash resources will be available to cover the company’s requirements for working capital and capital expenditure for at least the next twelve months. We are not aware of any other factors which could put into jeopardy the company’s going concern status during or beyond this period, other than disclosed in the financial statements.

7 There have been no events since the balance sheet date affecting any part of the group which necessitate revision of the figures included in the consolidated financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the consolidated financial statements or inclusion of a note thereto, we will advise you accordingly.

8 We confirm that we have agreed the adjustments included in the report at Appendix 1 which have been made to the Trial Balance which we presented to you.

9 We confirm that we have been notified by you that no unadjusted items or only clearly trivial errors were identified during the audit.

10 With regard to the defined benefit pension plan, we are satisfied that:

- the actuarial assumptions underlying the valuation are consistent with our knowledge of the business;
- all significant retirement benefits have been identified and properly accounted for; and
- all settlements and curtailments have been identified and properly accounted for.
Information provided:

11 All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to speak to. All other records and relevant information, including minutes of all management and shareholders' meetings, have been made available to you.

12 Other than those disclosed in the financial statements we are not aware of any material liabilities, provisions, contingent liabilities, contingent assets or contracted for capital commitments, that need to be provided for or disclosed in the financial statements.

13 We confirm that we have notified you of all related party relationships, and transactions that the company has entered into with those related parties during the year of which we are aware.

14 We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect errors or fraud, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We are unaware of any irregularities, including fraud and suspected fraud, involving management, employees or others who have significant roles in internal control, or those employed by the company where the fraud could have a material effect on the financial statements. No allegations of such irregularities or breaches have come to our notice.

15 We are unaware of any breaches or possible breaches of statute, regulations, contracts, agreements or the company's Memorandum and Articles of Association which might result in the company suffering significant penalties or other loss. No allegations of such irregularities or breaches have come to our notice.

16 We confirm receipt of your report to the Board.

17 We confirm that we have been notified by you that there are no matters which you are required to raise with us to comply with your profession’s ethical guidance which are in addition to the matters included in your external audit plan.

Yours faithfully

Signed on behalf of the board of the Executive

Date:

Signed on behalf of the board of directors

Date
Dear Sirs

South Essex Homes Limited

Following our recent final audit in connection with the financial statements for the year ended 31 March 2016, we are writing to bring to your attention certain matters that we have identified during the course of our work. We hope that you will find our comments helpful.

Our work during the audit included an examination of some of the company's transactions and procedures with a view to expressing an opinion on the financial statements for the year. This work was not directed primarily towards discovering weaknesses or towards the detection of fraud. We have only considered matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

Our work also included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the company. This review identified no significant matters which we believe are necessary to draw to your attention.

We would like to draw your attention to the following points:

**Going Concern**

**Pension liability**

The balance sheet includes a large provision of £6,967,000 in respect of the FRS 102 defined benefit pension fund deficit. The inclusion of this provision means that there is a deficit of member’s funds of £5,026,000 for the company. If the future performance of the pension scheme remains identical to the assumptions made by the Actuary, then there would need to be an increase in total contributions into the pension scheme in order to cover the funding shortfall. We consider that the financial statements should continue to be prepared on the going concern basis, provided that the directors are of the view that increased pension contributions in future years will be met by the funding received each year from Southend-on-Sea Borough Council.
FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland

As previously notified, there has been a significant change in UK Generally Accepted Accounting Practice and this has been the first financial year end for which South Essex Homes has prepared financial statements under this new UK GAAP.

The format and content of the financial statements has therefore been amended this year to comply with the requirements set out in FRS 102.

The comparatives for this set of financial statements also need to be compliant with the requirements of FRS 102. Following a review of items such as holiday pay accruals, no significant differences between the figures reported under old UK GAAP, and those under new UK GAAP have arisen. It has therefore not been necessary to restate the comparatives within these financial statements.

We would appreciate an acknowledgement of the receipt of this letter and look forward to receiving your comments when you have had the opportunity of considering the matters that we have raised.

This letter is for private use only. It has been prepared on the understanding that it will not be disclosed to any third party, or quoted to or referred to, without our prior written consent and we assume no responsibility to any other party.

We should like to take this opportunity of thanking you and your staff for the assistance and co-operation we have received during the course of our work.

Yours faithfully

Scrutton Bland
Quality Assurance Feedback - Tenancy Services

A Public Agenda Item

1 Purpose of Report

1.1 To advise the Board of the results of the quality assurance exercise relating to Tenancy Services

2 Recommendations

2.1 The Board are recommended to:-

2.2 Note the Executive Summary taken from the report and the score attributed to this area of service delivery by Campbell Tickell.

2.3 Approve the Senior Management Team (SMT) producing an action plan based on the observations and recommendations made in the report. Where no actions are deemed appropriate these will be highlighted and the rationale behind the decision explained. The said action plan will be shared with Board members electronically and monitored and updated by Operational Management Team (OMT) and any exceptions reported to SMT.

3 Background

3.1 On the 9th March 2016 the Board approved a proposal, to instigate a further series of Quality Assurance reviews across service areas, which would objectively look at the various services delivered by South Essex Homes, on behalf of Southend on Sea Council. Previous areas looked at as part of this exercise were caretaking, income management and leaseholder services.

3.2 The purpose of a Quality Assurance review is to have an independent perspective of how we deliver our services and provide an impartial challenge
to current thinking and practice and constructively and positively help the organisation to improve.

The review examined:
- If internal systems and processes are effective
- Whether staff are well informed
- Is performance well managed
- Is value for money is being achieved
- Whether service improvement plans are realistic and appropriate
- Areas of good practice are also identified

3.3 The organisation undertaking the review was Campbell Tickell, who has carried out this work for other similar organisations.

3.4 Staff and managers of the area to be reviewed are not informed of the review or the date it starts until two weeks before the Campbell Tickell team actually visit site. However background information regarding the service to be reviewed is passed to Campbell Tickell in advance of the review taking place.

3.5 The review of Tenancy Services began in May 2016 and included all the relative members of staff in the process including both Housing Group Managers. They also spoke to members of other teams that link or work closely with the tenancy team.

3.6 The final report was produced and submitted in mid-June 2016 and the key findings are being analysed in order for an action plan to be produced.

4 The Executive Summary (taken from the report)

4.1 South Essex Homes (SEH) has a track record of improving services and satisfaction since their formation. In order to secure further improvements SEH has commissioned Campbell Tickell to conduct a Quality Assurance Review of the tenancy service. The methodology of the review is to work closely and flexibly with SEH staff to understand the strengths and weaknesses of the current approach and to make recommendations for improvements. The methodology used involves a team comprising consultants and key staff working closely together. The approach is designed to ensure strong ownership of the review's findings amongst staff.

4.2 The overall outcome of the review is that we rate the tenancy service at SEH as Good.
This is a reflection of a service achieving a high tenant satisfaction rating - 96% at the end of 2015/16. Coupled with this is the fact that the cost of delivering the service has remained second quartile (HouseMark data) since the restructure of the tenancy service in 2014. The strongest positive impression we gained is of staff working flexibly and cooperatively with each other to deliver the service. The satisfaction score is evidence of the effect this is having. However this is a service still maturing in its current form. In addition to the positives we also found some unintended outcomes in terms of how the restructure is working out in reality. So in this report we talk to your strengths and also make recommendations for changes that can improve the efficiency, effectiveness and outcomes delivered by your tenancy service. It is important to note that the satisfaction score reflects customer views across the housing service not just the service delivered by the Tenancy Services Team.

The scope we have worked to centres upon the extent to which the Tenancy Service Officers are delivering the intended operating model of being seen by tenants as the first point of contact, maintaining a visible presence on site and ensuring coordination of issues across their patch.

There are a good number of strengths about the service. For example:

- As in previous reviews, we have found that SEH is meticulously thorough in its preparation of policies and procedures. These are an essential base from which to deliver a high-quality service. We would observe though that the informality of the approach which we consider a weakness and on which we reflect below is possible within the procedures as they stand. You may wish to improve the clarity of role descriptions and hand-offs. Managers have updating the policy in hand.

- Staff are committed to making the approach work and work flexibly to make it work.

- The website is well laid out and easy to use

- At upper median quartile service costs compare favourably to your peers

The performance of the Tenancy Service team is good; with strong performance across the four indicators used to performance manage the tenancy service. There was encouraging feedback from both officers and managers at the perceived success of the restructuring of the tenancy service in 2014 notably that it had broken down a previous culture of silo working.

Our overarching observation coming out of this review is that the Tenancy Service Officers (TSO) do not exhibit a strong sense of ownership for the full range of issues arising in their patch. We are given to understand that the intention of the TSO role is to act as the coordinating hub for what happens in their patch. As a hub, the TSO role is expected to be looking across the work
of the specialist teams ensuring joined up thinking:

- for single customers who relate to multiple teams
- for groups of customers (e.g. a block) facing multiple issues
- for a single issue across multiple locations

4.8 We did not develop a sense of this kind of ownership. Instead we developed a sense of a role that hands off some complex issues to other teams who are then largely left to their own devices. It is fair to say, that the role of the Tenancy Service Officer feels more like a conduit role between other teams and departments rather than being at the centre of matters coordinating services for residents.

4.9 One aspect that we recommend you consider is clarifying the principles underlying the service. It is important that you processes are configured around a clear definition which will be somewhere along a continuum with a bare bones, enforcement oriented service at one extreme and a deeply supportive approach at the other extreme. You will also want your staff to understand and work to deliver the service in a way that translates your definition into action.

5 The Rating of the Service

5.1 Campbell Tickell’s judgements are based on five themes:

- Policy, strategy & risk
- Operational delivery
- Quality of service
- Resource management, efficiency & value for money
- Performance & continuous improvement

Appendix 1 gives more details on the range of grades and criteria for making judgements.

5.2 Campbell Tickell’s overall assessment was that the Tenancy Service delivered by South Essex Homes was **GOOD** when compared with other landlords. Given that across the 5 themes three are scored GOOD and two scored ADEQUATE our overall score of GOOD is in the middle of the GOOD range.

<table>
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<tr>
<th>Theme</th>
<th>Judgement</th>
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<tbody>
<tr>
<td>Policy, strategy &amp; risk</td>
<td>Good</td>
</tr>
<tr>
<td>Operational delivery</td>
<td>Adequate</td>
</tr>
</tbody>
</table>
Quality of service | Good
---|---
Resource management, efficiency & value for money | Adequate
Performance & continuous improvement | Good

OVERALL RATING | Good

6 Themes deemed Adequate

6.1 There were two areas of activity that were assessed as being adequate by Campbell Tickell. These were: Operational delivery and Resource management, efficiency & value for money. For both these areas Campbell Tickell suggested key improvements which are as follows:

6.2 Operational delivery

1. Within the new Tenancy Management Procedure ensure that the principles of the service are described. E.g. is it a bare bones enforcement based service or a supportive service?

2. Create a description of the Tenancy Services Officer (TSO) role that provides clarity on the role as the hub of customer service. Describe how this role will be measured and monitored to ensure there is consistency across all officers.

3. Move responsibility for estate walkabouts to the TSO.

4. Make the TSO role the formal internal client for caretaking and grounds maintenance. Describe the TSO ‘internal client’ role in relevant policy and procedure.

5. Consider moving the responsibility for the 4 week visit to the TSO team.

6. Review the split of tasks between the Tenancy Services team, the Community Development Team and the Anti-Social Behaviour Team including consideration of the potential benefits of the business partner approach.

7. Establish a model time split for the TSO role (e.g. X% Tenancy Management, Y % Arrears etc.) and run an annual monitoring exercise to understand how actual performance compares to the plan).

6.3 Resource management, efficiency & value for money

1. Clarify and rationalise the approach taken to customers accessing officers by telephone.

2. Review the split of tasks between the Tenancy Services team, the Community Development Team and the Anti-Social Behaviour Team
including consideration of the potential benefits of the business partner approach.

3. The method of call-routing and handling is muddled and could be streamlined

4. A of lack of consistency exists, which means that the proportion of the housing management task being delivered varies from TSO to TSO. This needs to be reviewed.

These recommendations, along with those associated with Performance & continuous improvement, Quality of service and Policy, strategy & risk will be analysed and form part of the action plan.

6 Risk

6.1 The suggested areas for improvement as well as strengths will be analysed by the SMT and risk assessed in order to determine what actions are appropriate. From this exercise an action plan will be produced and shared

Unlike the Audit Commission Inspections reports actions and recommendations are not mandatory, but need to be considered as part of the overarching strategic approach of each organisation taking into consideration potential costs.

7 Resident Consultation

7.1 Campbell Tickell used resident feedback and the most recent resident satisfaction data as the basis of resident’s perception of the service.

7.2 The Resident Scrutiny Forum agreed that the Quality Assurance initiative would not be in conflict with their programme of reviews, but would in fact “dovetail” with it.

8 Financial Implications

8.1 At its meeting in March 2016 the Board agreed that the cost of the Quality Assurance reviews for 2016/17 would be funded from balances, but the previous instruction to cap costs at £22,500.00 was to remain which equates to a maximum of circa 30 days.

8.2 The cost for the tenancy review equated to 6 days at £750 per day which equals £4500.00 + VAT. Also to be added on will be expenses which will include two nights hotel stay for the consultant. But we have not had the final invoice.

9.0 Appendices

9.1 Appendix 1 : Service Grading
Appendix 1 to Agenda Item 11

**Service Grading**

**Service Ratings**
Service ratings are now on a five point scale:
- Great
- Very good
- Good
- Adequate
- Unclassified

**Key factors for each service theme**
Reviews are structured around five themes. Scoring is carried out both overall and against each theme. Below are set out key factors for each theme.

**Theme 1 – Policy, strategy & risk**
- There is an approved clear and appropriate policy and/or strategy;
- The policy aims to go beyond basic minimum requirements and reflect best practice;
- Tenant views informed the development process and the content of the policy & strategy;
- The organisation identifies and effectively manages risks;
- The policy is reviewed at appropriate intervals with input from residents and staff.

**Theme 2 – Operational Delivery**
- There are clear arrangements for delivery of the strategy;
- There are SMART service standards and local offers where appropriate;
- There are appropriate procedures to enable consistent implementation of policy;
- Staff delivering the service are well informed and trained, and have the tools they need;
- Information systems support efficient and effective service delivery;
- There is appropriate co-ordination of tasks across different teams and levels;
- Information systems support effective performance management.
Theme 3 – Quality of service

- Tenants can easily access the service;
- Tenants know the quality of the service they can expect;
- Service delivery takes into account the diverse needs of tenants;
- Services use intelligence about demand to effectively deliver the service;
- Tenants have appropriate choices over how they receive the service;
- Tenants are satisfied with the overall quality of the service and it delivers positive outcomes;
- Tenants have clear information on what to do if they are not happy with the service.

Theme 4 – Resource management, efficiency & added value

- Appropriate resources are allocated to deliver the service;
- Resources are well managed to achieve demonstrable efficiencies;
- The landlord is aware of the overall costs of providing the service;
- Costs and performance compare well with peer groups;
- There is a strong focus on achieving excellent value for money;
- The service adds social value to residents and/ or the wider community, and this can be evidenced.

Theme 5 – Performance and continuous improvement

- Performance data is robust, reliable, appropriate, and available when needed;
- Performance is regularly and effectively reviewed, with appropriate challenge from the governing body and senior staff;
- Tenant comments and complaints are positively welcomed and are used to improve the quality of service;
- Resident scrutiny and tenant insight help to drive improvement;
- There is learning from others;
- Service development plans are consistent with corporate priorities, are appropriate and achievable, and are leading to improvement;
The organisation shows innovative good practice that others can learn from.
SOUTH ESSEX HOMES LIMITED

Personnel & Remuneration Committee

Terms of Reference

The Committee will at all times uphold the organisation’s aims, values, objectives and policies. The Committee will also undertake to act on any specific tasks delegated to it by the Board.

Statement of Purpose - The Board of Directors has delegated responsibility to the Personnel & Remuneration Committee to monitor and make decisions on the terms and conditions and salaries for the staff of South Essex Homes. The Committee will be responsible for advising the Board of any risk implications to the organisation. The duties of the Committee shall include the following:

• The Committee has responsibility for setting, or making a temporary variation to, the salary and terms and conditions for the Executive Management Team. It undertakes to review the salaries, taking into account inflation, the labour market, comparability factors and recruitment and retention issues/risks, based on recommendations from The Director of Finance.

• Variations to salaries, terms and conditions affecting more than 5% of staff members must be approved by the Committee. Variations to less than 5% will be completed at the Chief Executive’s discretion and will be reported to the next Personnel & Remuneration Committee for information.
• Variations to the establishment affecting up to 5 members of staff are the responsibility of the Chief Executive in consultation with the Executive Management Team and will be reported to the next Committee Meeting. All changes of more than 5 members of staff requires’ formal approval by the Committee.

• The Committee has responsibility for recommending to the Board arrangements for termination of employment and other contractual terms for the Executive Management Team.

• The Committee has responsibility for the setting and implementing of any performance bonus scheme.

• The Committee has the responsibility to ensure effective communication with the Board. The Chair of the Committee will report to the Board after each Personnel & Remuneration Committee meeting to provide information about actions agreed, and any exceptions that require the attention of the Board.

• The Committee will monitor the effectiveness of communication with Union Representatives and staff forums.

• The Chair of the Committee will be responsible for notifying the Director of Finance of any changes to salaries or terms and conditions for members of the Executive Management Team.

• The Committee will monitor the progress made on the Organisational Development Action Plan including the training programmes for the Board and Staff on an exception basis.

• The Committee will receive, at appropriate intervals the results of staff surveys and undertakes to report any issues to the Board.
• The Committee Members are empowered to call upon the services of external
advisers in furtherance of its aims and objectives.

• The Committee will carry out any specific task assigned them by the Board

• The Committee will report to the Board on the effectiveness of its Terms of
Reference and recommend any changes for the Board’s agreement.

The minutes of the Personnel & Remuneration Committee meetings shall be formally
recorded and submitted to the Board. The Chair of the Committee shall, at their
discretion, report any other urgent and/or relevant matters to the Chair and/or Board.

The Director of Finance through the HR Business Partner will notify individual
members of staff of decisions taken. The Committee shall be appointed by the Board
from amongst the Board Members and shall consist of not less than three members.
The Board shall appoint the Chair of the Committee. The Chief Executive and or the
Executive Director and the HR Business Partner shall normally attend meetings. All
other Board Members shall have the right to attend at their discretion, without the
right to vote. The Chair of the Board and the executive Directors may also be
required to attend by invitation of the Personnel and Remuneration Committee.

Frequency of Meetings: Minimum of 2 per year
Support to the Committee: Company Secretary
Date originally approved: June 2006
Membership: Minimum 3 Board members.
Attendees: The Director of Finance &/Chief Executive,
HR Business Partner
Quorum: 2 Board Members

Approved by the Board
Complaints Policy and Document Retention Policy Reviews

1 Purpose of Report

1.1 This report sets out the revised Document Retention Policy and a new Complaints Policy which aligns with the process already in place.

2 Recommendations

2.1 The Board are recommended to :-

2.2 Approve the revised Document Retention Policy.

2.3 Approve the new Complaints Policy.

3 Background

3.1 Document Retention Policy

3.2 South Essex Homes complies broadly with the Council’s retention policies relating to all documentation on housing services matters delegated to South Essex Homes under the Management Agreement.

3.3 A review was undertaken to ensure that the Policy remains fit for purpose and remains aligned with the Council’s Policy. However, the Council’s policy had not been reviewed since our last review. Therefore, taking this into consideration we benchmarked against other housing providers and ensured that the proposed policy was in line with the Information Commissioners guidance.

3.4 The Policy has been tracked and is contained at Appendix 1 to this report and has been reviewed by the Communication Management Group (CMG) and the Senior Management Team (SMT).
3.5 **Complaints Policy**

3.6 Following a review of the Complaints procedure the Internal Auditors recommended that a Policy be completed to formalise the Complaints process and website information which defined the way in which complaints should be managed.

3.7 The Complaints Policy was completed as a new document which is contained at Appendix 2 and includes elements previously included on the South Essex Homes website.

4 **Diversity and Equal Opportunities**

4.1 There are no direct equality and diversity opportunities or issues arising from the proposals in this report.

5 **Risk**

5.1 The key risk to the Company would be that documentation is processed outside of the Document Retention Policy which could incur fines from the Information Commissioners Office and additionally that information is destroyed outside of the Policy which may reflect poorly on the organisation. We have ensured that information relating to this policy is cascaded throughout the organisation by reminding Staff using the bulletin communication tool and further adding information in the Stars update.

5.2 The key risk to the Company in relation to the Complaints Policy is the reduction in satisfaction from our tenants should there be an increase in the number of complaints. In addition, that lessons from trends analysed as part of the procedure are not cascaded throughout the organisation and the way in which we work changed to reflect these lessons learned.

6 **Financial Implications**

6.1 There are no direct financial implications to this report

7 **Background Papers**

7.1 None

8 **Appendices**

8.1 Appendix 1 – Document Retention Policy

8.2 Appendix 2 – Complaints Policy
## Document Retention and Disposal Procedure

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<td>DocumentRetentionPolicy</td>
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<td>Group Managers Executive Management Team Senior Management Team The Board</td>
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<td>App 1 Key Disposal/Retention Considerations</td>
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<td>App 2 Records Management Society Retention Schedules</td>
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1. INTRODUCTION

1.1. In the course of carrying out its various functions and activities, South Essex Homes collects information from individuals and external organisations; generating a wide range of data and information which is recorded. These records can take many different forms, including:

- Letters received from third parties
- Copies of letters which have been sent out
- File attendance notes
- Invoices
- Completed application forms
- Plans/drawings
- Financial records
- Invoices
- Registers
- Contracts
- Deeds
- e-mail communications (and any attachments)
- Social Media
- Tenancy Details
- Repairs/works orders
- Photographs
- Tape Recordings/Video recordings

1.2. Many of the above can be retained as ‘hard’ paper records or in electronic form. Retention of specific documents may be necessary to:

- Fulfil statutory or other regulatory requirements
- Evidence events and agreements in the case of disputes
- Meet operational needs
- Ensure the preservation of documents of historic or other value

1.3. The untimely destruction of documents could cause South Essex Homes:

- Difficulty in defending litigious claims
- Operational problems
- Embarrassment
- Failure to comply with the Freedom of Information or Data Protection Acts
- Reputational Damage

1.4. Conversely, the permanent retention of all documents is undesirable, and appropriate disposal is to be encouraged for the following reasons:

- There is a shortage of new storage space
- Disposal of existing documents can free up space for more productive activities
- Indefinite retention of personal data may be unlawful
- Reduction of fire risk (in the case of paper records)
- There is evidence that the de-cluttering of office accommodation can be
psychologically beneficial for many workers
1.5. Modern day records management principles stress the importance of organisations having in place systems for the timely and secure disposal of documents and records that are no longer required for business purposes. Additionally, the Freedom of Information Act 2000 and Data Protection Act 1998 will make it important that South Essex Homes has clearly defined policies and procedures in place for disposing of records, and that these are well documented. Good record keeping allows us to respond faster to business challenges, and provide better customer service, whilst poor record keeping can mean costly delays and possible legal challenges.

2. SCOPE & PURPOSE

2.1. The purpose of this policy is to provide a corporate policy framework to govern management decisions on whether a particular document (or set of documents) should either be:

- Retained – and if so in what format, and for what period;
- Disposed of - and if so when and by what method.

2.2. Additionally, this policy seeks to clarify the roles and responsibilities of Group Managers responsible for each Service in the decision making process.

2.3. This policy is not concerned with the disposal/retention of unused materials (e.g. stocks of paper, unused forms, duplicated documents)

3. THE RETENTION/DISPOSAL POLICY

3.1. Any decision whether to retain or dispose of a document should be taken in accordance with the retention/disposal policy. This policy consists of:

- The key disposal and retention considerations criteria checklist, set out in Appendix 1. Essentially no document should be disposed of unless all these have been considered in relation to the document.
- The Retention Schedules (taken from the Records Management Society) contained in Appendix 2. These provide guidance on recommended and mandatory minimum retention periods for specific classes of documents/records.

3.2. Where a retention period has expired in relation to a particular document a review should always be carried out before a final decision is made to dispose of that document. Such reviews need not necessarily be detailed or time consuming. Where the Group Manager (or designated officer) is familiar with the contents of the document or where the contents are straightforward and easily apparent then such an exercise may only take a few minutes.
3.3. In the event that a decision is taken to dispose of a particular document or set of documents, then consideration should be given to the method of disposal (see section 5).

4. ROLES & RESPONSIBILITIES

Group Managers

4.1. Responsibility for determining (in accordance with the Document Retention and Disposal Policy mentioned above) whether to retain or dispose of specific documents rests with the individual Group Managers, in respect of those documents that properly fall within the remit or control of his or her service.

4.2. The rationale for this is that it is reasonable to both assume and expect that each Group Manager should be broadly conversant with the types of documents received, generated and stored by his/her Service.

4.3. Because of the clear benefits resulting from the disposal of unnecessary documentation, Group Managers are expected to be proactive in carrying out or instigating audits of existing documentation that may be suitable for disposal.

4.4. Group Managers may delegate the operational aspects of this function to one or more senior officers within their Service. However in doing so they should ensure that any such Officer is fully conversant with this Policy and is also familiar with the operational requirements of the Service in relation to document retention/disposal.

Role of the Corporate Services Team

4.5. Our Legal provider can advise on whether minimum retention periods are prescribed by law, and whether retention is necessary to protect South Essex Home’s position and where the likelihood of a claim has been identified by the relevant Group Manager.

4.6. The advice given by the legal provider cannot be expected to include possession of the operational or background knowledge required to assess whether a particular document may be required by the Service concerned for operational need. This is the responsibility of the relevant Group Manager or his/her designated Officers.

4.7. The Corporate Services Team is available to provide Group Managers with advice and guidance on effective records management practices.

5. DISPOSAL

5.1. Disposal can be achieved by a range of processes:

- Confidential waste – i.e. making available for collection by a designated refuse collection service or use of the yellow bins provided in service areas.
- Physical destruction on site (paper records - shredding)
- Deletion – where computer files are concerned
5.2. Group Managers should take into account the following considerations when selecting any method of disposal:

- **Archiving system** – directly linked to retention policy within systems utilised

- Under **no** circumstances should paper documents containing personal data or confidential information be simply binned or deposited in refuse tips. To do so could result in the unauthorised disclosure of such information to third parties, and render South Essex Homes liable to prosecution, **fines** or other enforcement action under the Data Protection Act. Such documents should be destroyed on site (e.g. by shredding) or placed in the specially marked “Confidential Waste” refuse bins.

- **Deletion** – the Information Commissioner has advised that if steps are taken to make data virtually impossible to retrieve, then this will be regarded as equivalent to deletion.

- **Recycling** – wherever practicable disposal should further recycling, in-line with the Sustainability Strategy

5.3. Disposal should be documented by:

- Keeping a record of the document disposed of
- The date and method of disposal
- The officer who authorised disposal.
- Confirmation of disposal of documents

The documenting of disposal is particularly important due to the Freedom of Information Act.

6. **DATA PROTECTION ACT 1998**

6.1. Group Managers need to be aware that under the Data Protection Act personal data processed for any purpose must not be kept for longer than is necessary for that purpose. In other words, retaining documents or records that contain personal data beyond the length of time necessary for the purpose for which that data was obtained is unlawful.

6.2. The Data Protection legislation contains no interpretive provisions on this provision. It is a matter for reasonable **judgement** and common sense as to how long personal data should be retained.

6.3. Clearly, in many instances the retention of personal data will be necessary and thus justified for a very long period of time. In general, provided there is adherence to this policy few problems should arise.

6.4. Group Managers and their staff need to be conscious of the fact that in some contexts it can be relatively easy to fall foul of the Data Protection Act regarding the retention of personal data.
Disposal and Retention Considerations

Introduction:
No document should be earmarked for disposal unless due regard has first been given to (i) the four Key Disposal and Retention considerations detailed in this Appendix, and (ii) to the Retention Schedules contained in Appendix 2.
KEY CONSIDERATION NO. 1

HAS THE DOCUMENT BEEN APPRAISED?

1. As a first step, the nature or contents of any document being considered for disposal should be ascertained. No document(s) should be earmarked or designated for disposal unless this has been done. Insofar as existing documents are concerned, it follows that the above can only be achieved by the carrying out of physical inspection and appraisal.

2. The process may only take a few minutes. Nonetheless it can be a skilled task - depending on the complexity of the document(s) concerned – and should only be undertaken by officers who possess sufficient operational knowledge to enable them to identify the document concerned and its function within both the individual Service and corporate frameworks.

3. Any decision to the effect that future documents of a specified description be disposed of on expiry of a specified retention period should be an informed one i.e. taken with a full appreciation and understanding of the nature and function of such document.

4. The above is largely commonsense, and hardly needs to be stated. However, if appraisal is inadvertently overlooked or carried out negligently, or by an employee who lacks the necessary background operational knowledge, South Essex Homes runs the very real risk of important documents being destroyed in error.
KEY CONSIDERATION NO. 2

IS RETENTION REQUIRED TO FULFIL STATUTORY OR OTHER REGULATORY REQUIREMENTS?

1. There is, in fact, very little specific legislation that stipulates mandatory retention periods for documents in Local Government.

2. The pieces of legislation which do, either directly or indirectly, impose minimum retention periods are as follows:

3. **Tax Legislation:** Minimum retention period for certain financial records are imposed by statutes such as the VAT Act 1994, and the Taxes Management Act 1970. These retention periods are identified in the retention schedules.

4. **Company Law:** The Companies Act 2006 requires every company to keep adequate accounting records. These records must be sufficient to show and explain the transactions and financial position of the company at that time; enable true and fair P&L accounts and balance sheets; and must be kept in such a manner as to enable them to be properly audited.
1. On occasions, South Essex Homes becomes involved in disputes with third parties. Such disputes, if not satisfactorily resolved, can result in the dissatisfied party bringing legal proceedings against the Company, usually (but not always) with a view to obtaining monetary compensation.

2. Conversely, South Essex Homes may wish to institute legal proceedings against an individual or Company e.g. to recover an unpaid debt, or in respect of faulty workmanship. Where a dispute arises, or litigation has been commenced it is important that the Company has access to all correspondence and other documentation that is relevant to the matter. Without such, there is the danger that the Company’s position will be compromised, and the very real possibility that an unmeritorious claim might succeed, or that the Company may be unable to assert its legal entitlements.

3. The **Limitations Act 1980** specifies time limits for commencing litigation. The starting point therefore, is that the retention period is the length of time that has to elapse before a claim is barred. The main time limits that are directly relevant to local government are as follows:

   - Claims founded on simple contract or tort (other than personal injury claims) cannot be brought after the expiration of 6 years from the date on which the cause of action occurred.
   - Compensation claims for personal injury are barred on expiry of 3 years from the date on which:
     - The cause of action occurred (this will usually be the date when the incident causing the injury occurred; or
     - The date when the injured person first had knowledge of the injury, its cause and the identity of the person responsible (some injuries are latent and do not manifest themselves for some period of time).
   - Claims that are based on provisions contained in documents that are ‘under seal’ are barred after the expiration of 12 years from the date on which the cause of the action occurred.

4. **Limitations Act 1980 S.14A and S.14B**: “Latent damage claims”: S.14A provides a special time limit for negligence actions (excluding personal injury) where facts relevant to the cause of action were not known to the claimant at the date of the negligence.
5. **The six-year retention period and risk assessment:** As stated above the majority of potential legal claims are statute barred on the expiry of 6 years. For this reason many organisations consider it prudent to retain files/records for a period of 6 years from the date when the subject matter was completed.

6. It is important, though, to keep in mind that in the course of South Essex Homes’ everyday business, large masses of document action are generated that serve no purpose after relatively short periods of time. Many documents will relate to completed matters where, realistically, the risk of subsequent litigation or other dispute is minimal, if not non-existent. Long-term retention of such documents is counter productive. Group Managers should be prepared to carry out a risk analysis, with a view to disposal of such documents within a shorter period of than the 6 years time frame.
KEY CONSIDERATION NO. 4

IS RETENTION REQUIRED TO MEET THE OPERATIONAL NEEDS OF THE SERVICE?

1. In some cases retention may be desirable (whether permanent or otherwise) even though no minimum retention period applies or has expired. Group Managers should be open to the danger of discarding documents or records that might be useful for future reference purposes (e.g. training), as precedents, or for performance management (performance indicators, benchmarking and comparison exercises). A professional judgement needs to be made as to the usefulness of a particular document.
Document Retention Schedules

1. Documents and personal data records relating to Personnel matters warrant careful attention insofar as retention periods are concerned. There is the need, when considering appropriate retention periods, to be aware of the fact that South Essex Homes may need recourse to certain documents/records in the event of a claim being made against it under employment protection or antidiscrimination legislation.

2. Many employment documents or records will contain “personal data” and “sensitive personal data” as defined by the Data Protection Act 1998. The fifth Data Protection principle (that personal data shall not be kept for longer than is necessary for the purpose or those purposes for which it was originally obtained for) is therefore relevant. Thus, in some instances, South Essex Homes will be under a legal duty to destroy employment records.

3. The Information Commissioner has stated, however, that in considering an employer’s compliance with this principle he will have regard to the need for the employer to respond to enquiries, for example, from an employee’s new employer or from Inland Revenue as well as for its own use. The Information Commissioner has published a draft code of practice (“ICE of P”) on the use of personal data in employer/employee relationships that provides guidance on retention periods for certain categories of employment records. The Information Commissioner has published a code of practice ‘The Employment Practices Code’ on the use of personal data in employer/employee relationships. This provides guidance on retention periods for certain categories of employment records, whilst striking a balance between the legitimate expectations of workers, and the legitimate interests of employers. Where applicable, these are referred to in the schedule below.

4. Documents relating to legal issues warrant special consideration, as they may have legal significance. In addition to the document retention considerations set out in the main body of the policy it should be noted that we are governed by guidelines issued by the Law Society of England and Wales under the guise of its Professional Conduct Rules. The Law Society at the outset stresses that it is unable to specify particular periods of years for which individual old files should be retained. Solicitors should exercise their own judgement in this respect, having regard to such factors as the subject matter of the contents and their own circumstances, including availability of storage space and the costs thereof.
Subject to that, the Law Society considers it may well be advisable to retain all files for a minimum period of 6 years from when the subject matter was wholly completed. At the end of the 6 year period, our Legal Advisors should review the files again according to the nature of the particular transactions to which they refer, and the likelihood of any claims arising there from within the appropriate limitation period.

After taking these matters into account and before deciding that certain old files can be destroyed, our legal advisors should consider whether there are any documents that ought nevertheless be preserved for their archival or historic value. If there is any possibility of this it is suggested that contact should be made with the County Archivist in order to arrange for an inspection.

The Law Society guidelines are, of course, in line with the key Disposal and Retention considerations set out in this Policy. This schedule seeks among other things to identify documents and files that can be safely disposed of before expiry of the six year ‘rule of thumb’.

Retention and disposal decisions in respect of ‘residual documentation and records’ (i.e. those which are not specifically covered by the preceding schedules) should be considered against the guidelines contained in this Schedule. Indeed, it is likely that the majority of documentation will fall within this ‘residual’ category. It cannot be over emphasised that in determining the retention period appropriate for documents regard must be had to the key disposal and retention considerations set out in Appendix 1. Group Managers and Managers should be prepared, where necessary, to carry out a risk analysis such as assess:

- the value (or possible value) of a particular document/class of document;
- the likelihood that recourse may be needed to it in the future (Key Disposal and Retention Consideration No. 4 is relevant here);
- The consequences to South Essex Homes or the service it provides if that document is not available because it has been destroyed.

Clearly, there will be the temptation to adopt a policy of retaining every single document or record for at least 6 years. Undoubtedly, this will be the safest option; but it is also unduly cautious and generally to be discouraged.

Where paper records are concerned Group Managers/Managers should also endeavour to avoid duplicity of record keeping, wherever it is practicable to do so. It may sometimes be the case that two or more
Services have the same documents /records in their possession. Provided that one Service has a full set in safe storage there may well be the case that there is no need for the other Service(s) to retain a set. Inter-Service communication and cooperation in the context of document retention is to be encouraged.
## The Retention Schedules – Contents

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• Consolidated financial statements  
• Statement of financial position  
• Operating statements  
• General ledger | Common practice |
|                                                                                      |                  |                                                                                     |                                       |
|                                                                                      | Destroy when administrative use is concluded | • Consolidated monthly & quarterly reports  
• Consolidated monthly & quarterly financial statements  
• Working papers for the preparation of the above  
• Monthly accrual statements  
• Cashflow statements  
• Creditor listings and reports  
• Debtor listings and reports | Common practice |
| **Capital expenditure**                                                              | Retain for ten years | Invoice for capital items  
Successful quotations for capital expenditure | Companies Act/Charities Act and HMRC  
Commercial considerations |
| Permanently                                                                          |                  | Loan Agreements  
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<td>• Taxation records&lt;br&gt;• Motor vehicle logs&lt;br&gt;• Fringe benefits tax records&lt;br&gt;• Group certificates</td>
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| Summary management reporting on the overall assets            | Permanent Transfer to place of deposit after administrative use is concluded | • Consolidated current asset reports  
• Annual reports  
• Summary of current assets  
• Asset registers | Common practice                                          |
| Management systems that allow the monitoring & management of assets in summary form | Destroy 7 years after the financial transaction that the record supports have been audited | • Subsidiary asset registers | Common practice                                          |
| Process of reporting and reviewing assets status              | Destroy 2 years after administrative use is concluded | • Routine returns and reports on asset status  
• Inventories  
• Stocktaking  
• Surveys of usage  
• Acquisition and disposal reports & proposals | Common practice                                          |
| The process of maintaining assets                             | Destroy 7 years after last action               | • Garden maintenance  
• Cleaning  
• Painting | Common practice                                          |
| The process of maintaining plant and equipment                | Destroy 7 years after sale or disposal of asset | • Service records  
• Plant files | Common practice                                          |
### Function Description

**Management of the acquisition (by financial lease or purchase) and disposal (by sale or write off) process for assets**

Destroy 6 years, if under £50,000 or 12 years if over £50,000, after all obligations/entitlements are concluded

- Legal documents relating to the purchase/sale
- Particulars of sale documents
- Board of survey
- Leases
- Applications for leases, licences & rental revision
- Tender documents
- Conditions of contracts
- Certificates of approval

**Rationale / Notes**: Statutory

### CCTV

**Management of the CCTV cameras**

Tapes retained for 31 days.

- Information regarding the CCTV system.
- CCTV Tapes

**Rationale / Notes**: Publication scheme 2.9

Data Protection Act 1998 stipulates that tapes are to be kept for a period that is ‘reasonable’.

### Housing Management
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| Process involving individual case management of children. This includes children and young people: | Destroy 75 years after 18th Birthday | • Young persons being looked after files  
• Looked after children client files  
• Residential care children's file  
• Adoption files  
• Privately fostered children’s file | Common practice, Statutory basis |
| Children and young people subject to supervision orders | Destroy 21 years from DOB |  |  |
| Process involving individual case management of families or adults who have fostered children in their care | 35 years after carer has ceased to foster | • Foster carer files  
• Supported lodging files | Common practice |
<p>| Process involving summary case management of children under the protection | Permanent / Offer to Archivist. Transfer to place of deposit after administrative use is concluded | • Child Protection Register | Common practice closed for 70 years |
| Process involving summary case management of adults convicted of Schedule 1 offences | Permanent Transfer to place of deposit after administrative use is concluded | • Schedule 1 offenders | Common practice closed for 70 years |
| Process involving individual case assessment, investigation, registration, and management of children involved in child protection: a) investigated, conferenced and registered b) core assessment c) investigated but not conferenced and registered | Destroy 35 years from closure of case | • Child protection case files which have a) Conference minutes b) Core assessment c) Investigation d) Registration | Common practice |</p>
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| Process involving individual cases involving initial assessment and provision of advice in regards child protection | Destroy 5 years from closure of case | - Child protection files  
  a) Initial assessment  
  b) Advice only | Common practice |
| Process involving individual case management of services or support to unaccompanied minors (e.g. Asylum Seekers) if not “looked after” | Destroy 10 years from closure of case | | Common practice |
| The registration of individuals housing applications                                 | SC                               | - Council housing register | Common practice  
  Section: 4.2, 5 of SBC Publication Scheme. |
| The process for applying for Council housing (Unsuccessful applications only, successful applications will generally be placed on the tenancy file) | SC                               | - Council housing Application forms and supporting material  
  - Application for transfer of tenancy and supporting papers | Common practice  
  Sections: 4.1, 4.2, of SBC Publication Scheme. |
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<thead>
<tr>
<th>Function Description</th>
<th>Retention Action</th>
<th>Examples of Records</th>
<th>Rationale / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process for managing the tenancy of an individual tenant</td>
<td>SC</td>
<td>Destroy 12 years after termination of tenancy</td>
<td>• Correspondence re tenancy&lt;br&gt;• Tenancy files&lt;br&gt;• Council housing Application forms and supporting material&lt;br&gt;• Application for transfer of tenancy and supporting papers&lt;br&gt;• Application for emergency housing or referral from another agency&lt;br&gt;• Tenants handbook&lt;br&gt;• Information Re. types of sheltered housing available.</td>
</tr>
<tr>
<td>Housing Strategy&lt;br&gt;The corporate planning and reporting activities</td>
<td>Permanent Transfer to place of deposit after administrative use is concluded</td>
<td>• Corporate Plans&lt;br&gt;Strategy Plans&lt;br&gt;Business Plans&lt;br&gt;Annual Reports</td>
<td>Common practice</td>
</tr>
<tr>
<td>The process of preparing business for strategic consideration and making the record of discussion, debate and resolutions</td>
<td>Permanent Transfer to place of deposit after administrative use is concluded</td>
<td>• Strategic management team minutes</td>
<td>Common practice</td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>----------------------</td>
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<td>------------------</td>
</tr>
<tr>
<td>The process of preparing business for cross departmental consideration and making the record of discussion, debate and resolutions</td>
<td>Destroy 3 years from closure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The process of preparing business for consideration and making the record of discussion, debate and resolutions</td>
<td>Destroy 3 years from closure</td>
<td>Corporate Plan, Local Performance Plans</td>
<td>Common practice</td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| The process of preparing business for consideration and making the record of discussion, debate and resolutions | Permanent Transfer to place of deposit after administrative use is concluded | • minutes  
• agenda and business papers  
• notice papers and proceedings  
• Indexes  
• Committee minutes  
• Registers of delegations to Special Committees  
• Certificate of Incorporation  
• Memorandum and Articles of Association  
• Governance Framework | Common practice |
<table>
<thead>
<tr>
<th>Function Description</th>
<th>Retention Action</th>
<th>Examples of Records</th>
<th>Rationale / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft minute taking</td>
<td>Destroy after date of confirmation of the minutes</td>
<td>● Draft/rough minutes</td>
<td>Common practice</td>
</tr>
<tr>
<td><strong>Board Member Documents</strong></td>
<td>6 years after Board Membership ceases</td>
<td>Appointment Letters Personal Details</td>
<td><strong>DPA 5th Principle Companies Act</strong></td>
</tr>
<tr>
<td>Permanent</td>
<td>Register of Directors</td>
<td>Common Practice</td>
<td></td>
</tr>
<tr>
<td><strong>PROPERTY SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The activity of planning, designing, programming and constructing</td>
<td>Permanent Transfer to place of deposit after administrative use is concluded</td>
<td></td>
<td>Common practice</td>
</tr>
<tr>
<td>The activity of recording property repairs, improvements and maintenance</td>
<td>6 years Property repair information Void inspection records</td>
<td>Limitation for legal proceedings</td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>Cyclic Maintenance Records Building Regulation Certificates Property adaptation records</td>
<td>Good practice</td>
<td></td>
</tr>
<tr>
<td>Minimum 3 years</td>
<td>Gas Safety Certificates</td>
<td>Gas Safety (Inst.&amp;Use) Regulations 1998 IEE Guidance note 3</td>
<td></td>
</tr>
<tr>
<td>10 Years</td>
<td>Electrical Inspections Fire safety checks Fire risk assessments Legionella checks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Corporate Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process to develop the emergency/disaster plan for the local community</td>
<td>Permanent. Transfer to place of deposit after superseded</td>
<td>• Major Incident Plan</td>
<td></td>
</tr>
<tr>
<td>Process of recording the results of the test for emergency/disaster plan for the local community</td>
<td>Destroy 10 years after closure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities that report on all major incidents in the local community, whether the emergency plan has been invoked or not</td>
<td>Permanent. Offer to Archivist for review. Transfer to place of deposit after administrative use is concluded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities that report on all minor incidents in the local community</td>
<td>Destroy 7 years after closure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The management in summary form of enquiries and complaints directed to the South Essex Homes</td>
<td>Permanent / Transfer to place of deposit after administrative use is concluded.</td>
<td>• Indexes • Registers</td>
<td>Common practice</td>
</tr>
<tr>
<td>The management of enquiries, submissions and complaints which result in significant changes to policy or procedures</td>
<td>Permanent / Offer to Archivist. Transfer to place of deposit after administrative use is concluded</td>
<td>• Stage 1 Complaints unless vexations • Stage 2 Complaints unless vexatious</td>
<td></td>
</tr>
<tr>
<td>The management of detailed responses on council actions, policy or procedures</td>
<td>Destroy 6 years after administrative use is concluded</td>
<td>• Reports • Returns • Correspondence</td>
<td>Common practice</td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>-------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>The management of routine responses</td>
<td>All</td>
<td>Destroy 2 years after administrative</td>
<td>Printed material</td>
</tr>
<tr>
<td></td>
<td>use is concluded</td>
<td>use is concluded</td>
<td>Form letters</td>
</tr>
<tr>
<td>Health and Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspections and Assessments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process of inspecting equipment to ensure it is safe</td>
<td>All</td>
<td>Destroy 6 from the disposal of the</td>
<td>Equipment inspection records</td>
</tr>
<tr>
<td></td>
<td></td>
<td>equipment, unless an accident or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>incident has been reported.</td>
<td></td>
</tr>
<tr>
<td>Process of carrying out monitoring to ensure that the process is safe</td>
<td>All</td>
<td>Destroy 6 years from last action,</td>
<td>Monitoring results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unless covered by Noise, COSHH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(then retain for 40 years)</td>
<td></td>
</tr>
<tr>
<td>Process of monitoring of areas where employees and persons are likely to have become</td>
<td>All</td>
<td>Destroy 40 years from last action</td>
<td>Property asbestos files</td>
</tr>
<tr>
<td>contact with asbestos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process to ensure safe systems of work</td>
<td>All</td>
<td>Destroy 6 years after the process</td>
<td>Common practice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ceased, unless an accident or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>incident has been reported.</td>
<td></td>
</tr>
<tr>
<td>Process to assess the level of risk</td>
<td>All</td>
<td>Destroy 6 years from last assessment,</td>
<td>Risk assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unless superseded and no accidents</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>or incidents have been reported.</td>
<td></td>
</tr>
<tr>
<td>Processes that permit work</td>
<td>All</td>
<td>Destroy 6 years from last action,</td>
<td>Common practice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unless superseded and no accidents</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>or incidents have been reported.</td>
<td></td>
</tr>
<tr>
<td>Process that records injuries to adults</td>
<td>All</td>
<td>Destroy 3 years from closure (if no</td>
<td>Accident books</td>
</tr>
<tr>
<td></td>
<td></td>
<td>possibility of a future claim).</td>
<td></td>
</tr>
<tr>
<td>Process that records injuries to children</td>
<td>All</td>
<td>Destroy 25 years from closure (if no</td>
<td>Accident books</td>
</tr>
<tr>
<td></td>
<td></td>
<td>possibility of a future claim).</td>
<td>Based on Statutory</td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>-------------------</td>
</tr>
</tbody>
</table>
| The process of preparing of honours submission | CETC Destroy 5 years after last action | - Honours nomination form  
- Covering documentation  
- Letters of support  
- Referral for comment from lord lieutenant | Common practice |

**Information Management**

The activity whereby standards, authorities, restraints and verifications are introduced and maintained to manage information effectively

Permanent / Transfer to place of deposit after administrative use is concluded

- Classification schemes  
- Registers  
- Indexes  
- Authorised lists of file headings

Common practice

Section 8.1 of the SBC Publication Scheme (Council's Constitution setting out how the Council Operates)
<table>
<thead>
<tr>
<th>Function Description</th>
<th>Retention Action</th>
<th>Examples of Records</th>
<th>Rationale / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management of collections of records transferred to the archives</td>
<td>Permanent / Offer to Archivist. Transfer to place of deposit after administrative use is concluded</td>
<td>- Accession registers</td>
<td>Common practice</td>
</tr>
<tr>
<td>The process that records the disposal of records</td>
<td>Destroy 12 years after last action</td>
<td>- Depositor files</td>
<td></td>
</tr>
<tr>
<td>E-Mails</td>
<td>The retention period for e-mails is to be determined from its content using the information within these schedules.</td>
<td>- Disposal certificates</td>
<td>Common practice based on Limitation Act</td>
</tr>
<tr>
<td>Disclosure of records under the freedom of information act</td>
<td>All 10 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclosure of records under Subject Access</td>
<td>All 7 years after disclosure</td>
<td>- Request for information</td>
<td></td>
</tr>
<tr>
<td>The process that records data security</td>
<td>All Permanent</td>
<td>- Documentation relating to disclosure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 years after data sharing scheme has finished</td>
<td>- Request for information</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>- Copy of Information</td>
<td></td>
</tr>
<tr>
<td>The summary management of insurance arrangements</td>
<td>Permanent Transfer to place of deposit after administrative use is concluded</td>
<td>- Data security breach forms</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Information sharing Protocols</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Insurance register</td>
<td></td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
<td>---------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>The process of insuring officers, Executive Directors, property, vehicles and equipment against negligence, loss or damage</td>
<td>Destroy 7 years after the terms of the policy have expired</td>
<td>• Insurance policies • Correspondence</td>
<td></td>
</tr>
<tr>
<td>The process of renewing insurance policies</td>
<td>Destroy 5 years after the insurance policy has been renewed</td>
<td>• Insurance policy Renewal records • Correspondence</td>
<td></td>
</tr>
<tr>
<td>Claims Management</td>
<td>Retain for 40 years</td>
<td>• Employer’s Liability insurance certificate</td>
<td>Employers Liability (Compulsory Insurance) Regulations 1998</td>
</tr>
<tr>
<td>The process that records insurance claims against the Council or South Essex Homes officers</td>
<td>Destroy 7 years after all obligations/entitlements are concluded (allowing for the claimant to reach 25 years of age)</td>
<td>• Claims records • Correspondence</td>
<td></td>
</tr>
<tr>
<td>Legal and Contracting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Litigation</td>
<td>Destroy 7 years after last action</td>
<td>• Criminal case file • Childcare case file • Civil case file • Correspondence</td>
<td>Common practice</td>
</tr>
<tr>
<td>The process of managing, undertaking or defending for or against litigation on behalf of the Council</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice</td>
<td>Destroy 3 years after last action unless a major precedent,</td>
<td></td>
<td>Common practice</td>
</tr>
<tr>
<td>The process of providing legal advice on a point of law.</td>
<td></td>
<td></td>
<td>Law Society Guidance</td>
</tr>
<tr>
<td>Agreements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Process of agreeing terms between organisations</td>
<td>Destroy 6 years after agreement expires or is terminated</td>
<td>• Concordat</td>
<td>Common practice&lt;br&gt;Depends on value of agreement&lt;br&gt;Mainly to do with agreements between public bodies, not in regard to contracts</td>
</tr>
<tr>
<td><strong>Note</strong>: this does not include contractual agreements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Partnership, Agency and External Meetings</strong></td>
<td>Permanent&lt;br&gt;Transfer to place of deposit after administrative use is concluded</td>
<td>• Documents establishing the committee&lt;br&gt;Agendas&lt;br&gt;Minutes&lt;br&gt;reports&lt;br&gt;Recommendations&lt;br&gt;Supporting documents such as briefing and discussion papers</td>
<td>Common practice&lt;br&gt;Common practice</td>
</tr>
<tr>
<td>The process of preparing business for partnership and agencies consideration and making the record of discussion, debate and resolutions, where South Essex Homes legally owns the record.</td>
<td>Destroy 3 years after last action</td>
<td>• Documents establishing the committee&lt;br&gt;Reports&lt;br&gt;Recommendations&lt;br&gt;Supporting documents such as briefing and discussion papers</td>
<td></td>
</tr>
<tr>
<td>The process of preparing business for external committees’ consideration, and making the record of discussion, debate and resolutions, where South Essex Homes does not own the record.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function Description</td>
<td>Retention Action</td>
<td>Examples of Records</td>
<td>Rationale / Notes</td>
</tr>
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</tbody>
</table>
**Personnel Administration**

Summary management systems that allow the monitoring & management of employees in summary form.

Note: The summary information that this record class attempts to capture is:

- Name
- DOB
- Date of appointment
- Work history details
- Position/designation
- Titles & dates held

The process of administering employees to ensure that entitlements & obligations are in accordance with agreed employment requirements.

- Records containing superannuation information
- Permanent / Transfer to place of deposit after administrative use is concluded

<table>
<thead>
<tr>
<th>Permanent / Transfer to place of deposit after administrative use is concluded</th>
<th>Employment Register</th>
<th>Employment Register</th>
<th>Employment Register</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent Staff</td>
<td>Temporary Staff</td>
<td>Casual Staff</td>
</tr>
<tr>
<td></td>
<td>Registers of personnel files</td>
<td>Personal History cards</td>
<td>Superannuation history card</td>
</tr>
<tr>
<td></td>
<td>Salary master record</td>
<td>Medical clearance</td>
<td>Letter of appointment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Letter of acceptance</td>
<td>Details of assigned duties</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Probation reports</td>
<td>Medical examinations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personal particulars</td>
<td>Educational qualifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Declarations of pecuniary interests</td>
<td>Secrecy undertakings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment contracts</td>
<td>Health declaration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overtime records/authorization</td>
<td>Staff Accident Records and Reports</td>
</tr>
</tbody>
</table>

Common practice

Destroy 6 years from date of last pension payment.

Note that it is considered desirable that records for key senior executives should be kept permanently for historical purposes.
## All other records

5 years after cessation of employment

### Employee and Industrial Relations

Identification & development of significant directions concerning industrial matters

- Permanent / Offer to Archivist.
- Transfer to place of deposit after administrative use is concluded

- Generic agreements and awards
- Negotiations
- Disputes
- Claims lodged

#### Liaison processes of minor and routine industrial matters

- Destroy 2 years after administrative use is concluded

- Daily industrial relations management

#### Processing of disciplinary and grievances investigations where proved

- Oral Warning – 6 months
- Written Warning - 1 year
- Final Warning - 1 year
- The above warnings to be removed & destroyed after the relevant time has ‘spent’.
- Warnings Involving Children – Placed on personal file permanently

- Disciplinary

For all practical purposes this function would not be subject to records management, except for Warnings Involving Children, which remain on the personal file permanently for reference purposes.

#### Processing of disciplinary and grievances investigations where unfounded

- Destroy immediately after the grievance has been found to have been unfounded; or after appeal

- Disciplinary

### Equal Employment Opportunities
### Occupational Health
The process of checking and ensuring the health of staff

- Destroy 75 years after DOB
- Health questionnaire
- Medical clearance
- Adjustment to work place
- Restrictions
- Recommendations

### Recruitment
The selection of an individual for an established position

- Destroy 6 months after recruitment has been finalised
  (For letter of appointment for successful candidate use employment conditions)
- Advertisements
- Applications
- Referee reports
- Interview reports
- Unsuccessful applicants

### Staff Monitoring
Performance

- Destroy 6 years after termination of employment.
- Probation reports
- Performance plans

Process of monitoring staff leave and attendance

- Destroy 2 years after action completed
- Sick leave
- Jury service
- Study leave
- Special and personal leave
- Attendance books
- Flexitime sheets
- Leave applications
- Clock on/off cards
- Annual leave

### Staff Retention
<table>
<thead>
<tr>
<th>Process</th>
<th>Retention Period</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial reward</td>
<td>Destroy 6 years after termination of employment.</td>
<td>Common practice: All records relating to actual payments are dealt with under finance.</td>
</tr>
<tr>
<td>Other strategy</td>
<td>Destroy 3 years after action completed</td>
<td>Common practice</td>
</tr>
<tr>
<td><strong>Termination</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The process of termination of staff through voluntary redundancy, dismissal and retirement</td>
<td>Destroy 6 years after termination</td>
<td>Common practice: Resignation, Redundancy (Section 188), Dismissal, Death, Retirement</td>
</tr>
<tr>
<td>If a pension is paid then records should be destroyed 6 years after last payment of pension</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Training and Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine staff training processes, not occupational health and safety or children related Training (concerning children)</td>
<td>Destroy 2 years after action completed</td>
<td>Common practice: Course individual staff assessment</td>
</tr>
<tr>
<td>Training (concerning children)</td>
<td>Destroy 35 years after training completed, or last entry</td>
<td>Common practice: Course individual staff assessment, training register</td>
</tr>
<tr>
<td>Training (occupational health and safety training)</td>
<td>Destroy 50 years after training completed</td>
<td>Common practice: OH&amp;S training register</td>
</tr>
<tr>
<td>Individual course assessment records should be destroyed once the training has been renewed every 3 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training (materials)</td>
<td>Destroy 1 year after course is superseded (If all employees have been retrained and if there is no possibility of a future claim).</td>
<td>Common practice</td>
</tr>
<tr>
<td>Training (proof of completion) for the employment of individual employees.</td>
<td>Destroy 7 years after action completed</td>
<td>Common practice: Certificates, Awards, Exam results</td>
</tr>
</tbody>
</table>
The process of administering employees to ensure that entitlements & obligations are in accordance with agreed employment requirements

The appointment of an individual for a statutory position

The process of selection of an individual for a statutory position

Destroy 6 years after departure from employment

Permanent
Transfer to place of deposit after administrative use is concluded

Common practice

Common practice

Common practice

Appoint File

Vacancies & applications records

Interview notes

Prospective staff records

Registers of applicants

Unsuccessful applications records

Policy, Procedures, Strategy and Structure

Activities that develop policies, procedures, strategies and structures for the Company

Permanen
Transfer to place of deposit after administrative use is concluded.

Common practice

Common practice

Common practice

Policy, procedure, precedent, instructions

Organisation charts

Records relating to policy implementation and development

Education plan

Asset management plan

Children's services plan

Community strategy

Community plan

Community safety plan
The process of monitoring and reviewing strategic plans, policies or procedure to assess their compliance with guidelines

**Property Services**

**Reports to management on Council Property**

Permanent Transfer to place of deposit after administrative use is concluded

- Consolidated property & buildings annual reports
- Summary of leased property
- Summary of Council’s owned property
- Site register
- Register of leases

**Property Acquisition and Disposal**

Management of the acquisition (by financial lease or purchase) process for real property

Retain for life of property or building plus 12 years. Offer material re major/significant properties to Archivist.

- Plans
- Title Deeds
- Architectural records

Management of the disposal (by sale or write off) process for real property

Destroy 15 years after all obligations/entitlements are concluded. Offer material re major/significant properties to Archivist.

- Legal documents relating to the sale
- Particulars of sale documents
- Board of Survey
- Tender documents
- Conditions of contracts

**Common practice**
<table>
<thead>
<tr>
<th>Management</th>
<th>Permanent / Transfer to place of deposit after administrative use is concluded</th>
<th>Plans</th>
<th>Installation manuals</th>
<th>Certificates of approval</th>
<th>Title deeds</th>
<th>Common practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>buildings and estates of “special interest”</td>
<td>Retain for life of property or building</td>
<td>Plans</td>
<td>Installation manuals</td>
<td>Certificates of approval</td>
<td>Title Deeds</td>
<td>Common practice</td>
</tr>
<tr>
<td>all other buildings and estates</td>
<td>Destroy 7 years after the conclusion of the transaction that the record supports (12 years for contracts under seal)</td>
<td>Work orders</td>
<td>Tender documents</td>
<td>Conditions of contracts</td>
<td>Common practice</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leasing and Occupancy</th>
<th>Destroy 15 years after the expiry of the lease</th>
<th>Lease agreements</th>
<th>Rental expenditure authorities</th>
<th>Valuation queries</th>
<th>Applications for leases, licences &amp; rental revision</th>
<th>Common practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process of managing leased property</td>
<td>Destroy 7 years after the conclusion of the transaction that the record supports</td>
<td>Requests for works, cleaning, etc.</td>
<td>Common practice</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Provision</th>
<th>Destroy 4 years after last action</th>
<th>Stock monitoring records</th>
<th>Common practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process of managing the Councils housing estates</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 2
## Public Consultation

**The process of consulting the public and staff in the development of significant policies of the Company**

Destroy 5 years from closure

**Common practice**

**The process of consulting the public and staff in the development of minor policies of the Company**

Destroy 1 year from closure

**Common practice**

## Public Relations

### Publications

**The process of designing setting information for publication**

Destroy 3 years from last action

**Common practice**

**The published work of South Essex Homes**

Destroy after administrative use is concluded

Note: One copy from the initial print run should go directly to the archive.

**Common practice**

## Media Relations

**Process of interaction with the media**

Destroy 3 years from closure

**Common practice**

Media publications concerning local authorities

Permanent / Offer to Archivist. Transfer to place of deposit after administrative use is concluded

- Press cuttings
- Media reports

**Common practice**

## Marketing

**The process of developing and promotion of local authorities campaigns and events**

Permanent / Offer to Archivist for review. Transfer to place of deposit after administrative use is concluded

**Common practice**
### Quality and Performance Management

<table>
<thead>
<tr>
<th>The process of monitoring or reviewing the quality, efficiency, or performance of South Essex Homes service or unit</th>
<th>Destroy 5 years from closure</th>
<th>Common practice Statutory</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>The process of assessing the quality, efficiency, or performance of each service or unit</th>
<th>Destroy 2 years from closure</th>
<th>Assessment form</th>
<th>Common practice</th>
</tr>
</thead>
</table>

### Statutory returns

<table>
<thead>
<tr>
<th>The process of preparing information to be passed on to Central Government as part of statutory requirements</th>
<th>Destroy 7 years from closure</th>
<th>Reports to Central Government</th>
<th>Common practice</th>
</tr>
</thead>
</table>

### Systems Management

| The internal process to develop or extend the capabilities of a system used to support the activities of the Company | Retain for life of system then destroy | | |
The process to implement a system used to support the activities of the Company

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The process to support and administer a system used to support the activities of the Company

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Destroy 7 years after last action

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Destroy 5 years after last action

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Implementation plan
Complaints Policy & Procedure

Date published: May 2016
South Essex Homes – Keeping you informed
ww.southessexhomes.co.uk  0800 833 160
Contents

1. Introduction
2. General Policy Statement
3. Our Mission Statement & Aims
4. Responsibility
5. Review and Monitoring
6. Procedure
1. Introduction

At South Essex Homes we are committed to improving our services so that we meet our customers’ needs.

To do this, we need to know when you are not happy, or if you have a suggestion for ways to improve our services. Equally, if we have done something well please let us know.

If you have not contacted us before to tell us about your complaint, please do so first. For example, if you haven’t reported a repair to us, or need to tell us about a problem on your estate, please telephone our Freephone number and allow us to try to put things right first. But if you have previously contacted us and are not happy with the outcome, please visit our website at www.southessexhomes.co.uk.

We will keep you informed about the progress of your complaint during our investigations, and aim to give you a full response within 10 working days.

To download a printable fact sheet about comments, compliments and complaints, please visit our website.

You can provide your feedback on the service we provide by returning a feedback form or in any of the following ways:

Freephone: 0800 833 160

Email: complaints@seh.southend.gov.uk

Letter: Write to the Corporate Services Officer at FREEPOST SOUTH ESSEX HOMES
2. General Policy Statement

Comments and Compliments

A comment is a suggestion about how South Essex Homes can improve its services.

However, if you feel you want to make a positive comment about an individual, team or service, South Essex Homes will treat this as a compliment.

We welcome all compliments, as these help us to identify where we are performing well and share this good practice with other departments within South Essex Homes.

We will acknowledge receipt of your comments and compliments, and let you know what action we will be taking. We will also pass your comment or compliment to the relevant Group Manager, and publish the best suggestions in our Insight magazine.

Making a complaint

South Essex Homes is committed to providing its customers with a high standard of service at all times. However, we accept that there may be occasions when you are not satisfied with the service you have received and as a result you may wish to make a complaint.

All complaints will be registered and monitored weekly. Details of the number of complaints we receive, and compliance with our performance indicators, are reported annually in our Annual Performance Report.

All complaints will be dealt with promptly and in a professional manner by the appropriate member(s) of staff. Confidentiality will be preserved as far as is possible.

Complaints relating to nuisance or harassment by neighbours will be dealt with separately, under the Anti Social Behaviour Policy. A copy of the policy can be obtained by visiting our website.
South Essex Homes defines a complaint as:

‘An expression of dissatisfaction, where South Essex Homes has failed to do what it has agreed to do’

For example, if you feel a service standard, policy or procedure has not been met, or a contractor fails to keep an appointment time, please inform our Customer Contact Centre on 0800 833 160.

3. Our Mission Statement & Aims

Our Mission Statement

Working smarter together to:

- Empower our residents
- Provide excellent services & quality homes
- Engage with our communities

And work in partnership with Southend-on-Sea Borough Council

Our Aims

- Deliver value to the Council
- Empower residents and staff
- Manage decent quality homes
- Provide excellent services
- Engage with communities

Effective handling of complaints will ensure the company is able to learn from complaints to improve the service to our customers and deliver in accordance with expectations.

4. Responsibility

The Group Manager for Resources & Business Development is ultimately responsible for the compliance with the Policy on a day to day basis.

The Corporate Services Team will be responsible for responding to complaints in line with the Policy.
5. Review and Monitoring

As part of the monthly performance monitoring, the Senior Management Team and the Board will receive updates on the number of complaints received, what stage they have reached and how we have performed against our response target timescales.

In addition, for each complaint closed, a telephone survey is undertaken to establish satisfaction with both the handling of the complaint and the outcome reached.

We ensure that we benchmark against our peers, to learn from other organisations within the housing sector on how they provide their service.

South Essex Homes ensures that it monitors the complaints about its contractors. Each contractor will be expected to have a complaints policy comparable to the policy of South Essex Homes. In particular, complaints about the service provided by larger contractors will be reviewed and discussed with individual contractors at client management meetings and reported to the Board in exceptional circumstances.
6. Procedure

South Essex Homes has three stages for dealing with complaints. At every stage of your complaint, we will ask you how you feel that we have failed to meet your expectations and what you think we should do to resolve your complaint.

Stage 4 is the final external stage of complaint that is reached if you remain dissatisfied with what we have done after Stage 3 is complete.

Stage 1

If you are making a complaint about a person or a service area for the first time, the Corporate Services Officer will be responsible for making sure it is investigated and will send you an acknowledgement letter within 3 working days. Whenever possible we will do our best to provide a full response to your complaint at this point.

Your complaint will be passed to the Manager or Team Leader responsible for the area of service you are unhappy about, who will send you a full response within 10 working days. This letter will also include details of who to contact if you are still unhappy.

Stage 2

If, despite efforts to resolve the issue at Stage 1, you are still unhappy with the way it was dealt with, or the service is still poor, please contact the Corporate Services Officer (the telephone number will be provided on response letter from Stage 1).

Your complaint will then be passed on to a Group Manager or the Director. The Director or Group Manager will respond to you within 10 working days. The response will include an explanation of what you can do if you are still not satisfied.

If you feel a response at Stage 2 has not fully satisfied your complaint, you can appeal. In this request, you must set out clearly why you think the ongoing complaint has not been resolved and the remedy required. We need this information in order for the Complaints Review Panel to be convened and to enable them to consider your request effectively. Failure to provide this may result in us being unable to proceed with your complaint.

Your appeal must be received by the Corporate Services Officer within 15 working days of the response to your Stage 2 complaint.
Stage 3

Your Stage 3 complaint will be investigated within 21 working days by a review panel made up of members from our South Essex Homes’ Management Board. The Corporate Services Officer will send you a response within two working days of the panel meeting. This will set out the panel’s decision and will also give you details of the Ombudsman if you are not satisfied.

Stage 4

If you have been through the South Essex Homes complaints process and are still not satisfied with our response or feel the issue has not been resolved, there are further options you can take;

1. Instead of going directly to the Housing Ombudsman, residents can go to a ‘designated person’ and ask their assistance in resolving their complaint and/or referring their complaint to the Housing Ombudsman. A ‘designated person’ can be:
   - A Member of Parliament
   - A local Councillor from the district you live in - for us, Southend-on-Sea Borough Council
   - A designated Tenant Panel - however there is currently no designated Tenant Panel in Southend

   The ‘designated person’ will try to resolve the complaint locally but if they are unable to, and the complainant wishes them to, they can refer it to the Housing Ombudsman.

2. Contact the Housing Ombudsman directly. However, you must wait for eight weeks from the date of the decision on your Stage 3 complaint - this will be the date on the letter confirming the review panel’s decision.

You can contact the Housing Ombudsman at:
Housing Ombudsman Service
81 Aldwych, London, WC2B 4HN

Telephone: 0300 111 3000
Email: info@housing-ombudsman.org.uk
Website: www.housing-ombudsman.org.uk
Fax: 020 7831 1942

Compensation

Please click here to download our compensation policy.
For more information about this document, please contact us.

**Write to us at:** South Essex Homes,
Civic Centre,
Victoria Avenue,
Southend-on-Sea
SS3 6FY

**Phone:** 0800 833 160

**Email:** sehcustomerservices@seh.southend.gov.uk

**Visit:** www.southessexhomes.co.uk