South Essex Homes Limited

Board Meeting

Date: Wednesday 27th September, 2017

Time: 5pm  Committee Room 6

Board Agenda

<table>
<thead>
<tr>
<th>Item</th>
<th>Lead Person</th>
<th>Indicative Timing</th>
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<tbody>
<tr>
<td>1. Welcome and Introductions</td>
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<tr>
<td>2. Apologies for Absence</td>
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<tr>
<td>3. Declarations of Interest</td>
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<tr>
<td>4. Chair &amp; Vice-Chair Elections</td>
<td>Beverley Gallacher</td>
<td>10 mins</td>
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<tr>
<td>5. Minutes &amp; Matters arising from the Board Meeting of 25th July 2017</td>
<td>Tony Churton</td>
<td>10 mins</td>
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<tr>
<td>6. Chairs Remarks</td>
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<td>10 mins</td>
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<tr>
<td>- NFA Update</td>
<td>Tony Churton</td>
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<tr>
<td>- Altair ALMO Research Update</td>
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<tr>
<td>7. Residents: Voice Your View</td>
<td>Beverley Gallacher</td>
<td>5 mins</td>
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<tr>
<td>8. Governance &amp; Stewardship</td>
<td>Beverley Gallacher</td>
<td>10 mins</td>
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<tr>
<td>10. Fire Safety Update &amp; Compliance Position as at 31st August 2017</td>
<td>Mario Ambrose</td>
<td>10 mins</td>
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<td>11. Quality Assurance</td>
<td>Mario Ambrose</td>
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<tr>
<td></td>
<td>12. Core Project Update</td>
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<td>• ICT recommendations</td>
<td>Group Managers</td>
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<td>13. Date of Next Meeting — 6(^{th}) December 2017</td>
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Chair & Vice Chair Elections

A Public Agenda Item

1 Purpose of Report

1.1 To obtain agreement from the Board on the new Chair and Vice-Chair of the Board.

2 Recommendations

2.1 The Board are recommended:

2.1.1 To elect and agree the appointment of the Chair of the Board for a one year term of office in accordance with the Articles of Association, and to act as Chair from Agenda Item 5.

2.1.2 To elect and agree the appointment of the Vice-Chair of the Board for a one year term of office in accordance with the Articles of Association.

3 Background

3.1 Annual Appointments for the position of Chair and Vice-Chair

3.1.1 We have received nominations for the positions of Chair and Vice-Chair in accordance with the Articles of Association. Board Members can also nominate themselves or an agreed nominee at the Board Meetings itself under Agenda Item 4.

3.1.2 The Board are asked to formally accept the appointments of the Chair and Vice Chair, in accordance with Clause 5.1 of the Code of Governance, which states, “the Chairman is elected by the Board in accordance with the Articles, normally, in September of each year unless there is a vacancy in this post in year.
3.1.3 Persons so elected are appointed for a term of one year and cannot serve as Chairman for more than 6 consecutive years unless the Board agrees otherwise. Any Vice Chairman will be appointed on the same terms as the Chairman or otherwise the Vice Chairman or Deputy Chairman will be appointed on such terms as the Board sees fit.”

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 2017/18 budgets.

7 Resident Consultation

7.1 Not applicable for this particular report.

8 Background Papers

8.1 No applicable.

9 Appendices

9.1 None.
**South Essex Homes Limited**

**Draft Minutes of Board Meeting**

**Date:** 25th July 2017  
**Time:** 5.30 pm

**Committee Room 3, Civic Centre**

**Present:** Tony Churton – Chair of the Board; Roger Eastwood - Vice Chair of the Board; Catherine Haycock (up until Agenda Item 12); David Joyce; Keith Ducker; Meg Davidson; Rosalind Lane; Barbara Lambert; David McGlone; George Sutherland (South Essex Property Services) (Agenda Item 12.3-17.2);

**In Attendance:** Mike Gatrell - Chief Executive; Mario Ambrose - Executive Director; Chris Vaughan - Director of Business Development; Beverley Gallacher - Company Secretary; Paul Longman - Group Manager; Simon Putt - Group Manager; Sharon Houlden - Director of Adult Services & Housing (SBC); Tom Pritchard – Business Project Advisor; Daniel Lyons – Financial Services Manager; Lynsey Hurd – Communications Co-ordinator;

Observers: None

<table>
<thead>
<tr>
<th>Action</th>
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<tbody>
<tr>
<td>1. Welcome and Introductions</td>
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<tr>
<td>1.1 Tony Churton, Chair of the Board, welcomed and introduced those present. George Sutherland will be joining the meeting at a later stage.</td>
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<th>Action</th>
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<tr>
<td>2. Apologies for absence</td>
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<tr>
<td>2.1 Apologies for absence were received and accepted from Sacha Jevans, Michael Oxley and David Lincoln. Apologies were received from David Norman but unfortunately these were not passed on to the Board in sufficient time.</td>
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<td>3. Declaration of Interest</td>
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<td>3.1 There were no declarations of interest made.</td>
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<td>4. Minutes and Matters arising from the Board Meeting of 17th November, 2016</td>
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| 6. | Chair's Remarks | **6.1 **Catherine Haycock’s Term of Office Expiry  
The Board thanked CH for her term of office (9 years) on the Board and other Committees. CH welcomed BL and DM to the Board.  

**6.2 **National Federation of ALMOs Update  
TC provided an update to the Board; South Essex Homes has been re-nominated back onto the NFA Board for a further 2 years’ and Tony is currently the Vice-Chair of the NFA Board. Future areas of work will include supporting Board members; supporting ALMO’s to deliver Council services, closer working with partners, homelessness, the ALMO model and governance.  

**6.3 **Altair ALMO Research Update  
TC gave an overview of the research, which has shown the majority of ALMOs deliver more services than originally intended. The final report will be published in September and presented to the Board later in the year. The findings will also be shared with Councillors and other Council officers.  

**6.4 **Liaison Meeting Update  
A meeting between the Chair and Vice-Chair and the Leader and Housing Portfolio Holder from the Cabinet was held today with the new CE of Southend Borough Council (SBC), Alison Griffin. Matters discussed included Fire Safety, progress of South Essex Homes, Facilities Management contract successes, and future opportunities. |
| 7. | Residents: Voice Your View | **7.1 **Question: “Do Board members know there is a large 3 bedroom flat in Senier House that has been unoccupied for years now, and similar at Adams Elms? Why are the flats empty, and what is the plan to get them occupied?”  

Answer: There are currently 15 properties, either currently or previously occupied by resident sheltered housing officers. These properties are leased to South Essex Homes under the Management Agreement related to the operation as an Arms Length Management Organisation. Those properties that are no longer occupied by a resident sheltered housing officer will eventually be let once a Deed of Variation has been agreed and signed. This is a legal requirement and due to the complexities of housing legislation in relation to properties owned by local authorities this has been a somewhat protracted process. In relation to Senier House specifically due to its location, which is completely integral within a part two sheltered scheme, very careful consideration must be taken with regard to the future occupants of this flat. South Essex Homes are therefore currently working with the Council’s Adult Social Services Team and their Commissions Teams to identify suitable tenants.  

**8. **Health & Safety - Tower Blocks Fire Safety  
**8.1 **MG introduced the report and explained that the focus of the current audit |
8.2 A number of general questions were raised about specific blocks and schemes where it was agreed information would be sought and directed back to individual Board Members.

8.3 Resource Implications - MG will report back to the Board if additional budgets will be needed to support Fire Safety works.

8.4 Recommendations

i) The Board noted the current position in relation to Fire Safety.

ii) The Board endorsed the specific activities being undertaken and set out in the report and to support the tri-partite review being undertaken in conjunction with the Council and Essex Fire & Rescue Service.

iii) The Board approved, in principle, the use of reserves, as detailed in the reports, to support the additional resourcing costs being incurred and in advance of any agreement with the Council for specific funding for such fire safety related activities.

9. Audit & Risk Committee Minutes - 17th May & 11th July 2017

9.1 Recommendation

i) The Board noted the minutes of the Audit & Risk Committee meetings of 17th May & 11th July 2017.

10. Draft Audited Accounts as at 31st March 2017, including External Auditors Report

10.1 Recommendations

i) The Board agreed the Financial Statements for 2016/17 as recommended by the Audit & Risk Committee contained at Appendix 2 to this report.

ii) The Board agreed the Letter of Representation from the Company to Scrutton Bland and to authorise the Chairman and Company Secretary to sign the letter on behalf of the Company contained at Appendix 3 to this report.

iii) The Board agreed the Letter of Support from South Essex Homes to South Essex Property Services from and authorise the Chairman and Company Secretary to sign the letter on behalf of the Company,
The Board noted the update provided on compliance provided at Appendix 3.

The Board noted the update provided on Health & Safety as detailed in Appendix 2.

The Board noted the Key Performance Indicator exceptions as at June, 2017.

The Board noted the update provided on financial information as at June, 2017.

The Board approved the Senior Management Team (SMT) producing an

### Quality Assurance Feedback - Property Services Group

The Board discussed the overall scoring framework used by the advisors carrying out the Quality Assurance Reviews. MA agreed to discuss with Campbell Tickell.

#### Recommendations

i) The Board noted the Executive Summary taken from the Campbell Tickell report and the scores attributed to the three areas of service delivery associated with Property Services.

ii) The Board approved the Senior Management Team (SMT) producing an
<table>
<thead>
<tr>
<th>13. Policies for Approval by the Board</th>
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<tr>
<td>13.1 BG requested where there are no major changes to policies they are approved and delegated to the relevant Committee as opposed to the Board.</td>
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<td>13.2 Recommendations</td>
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<td>i) The Board agreed the Absence Management, Safer Recruitment &amp; Selection, Grievance &amp; Dignity at Work and Study Support for Post Entry Training Policies as recommended by the Personnel &amp; Remuneration Committee.</td>
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<tr>
<td>ii) The Board agreed for the Code of Governance to be reviewed to reflect Policy approvals by the Committees and for the Terms of Reference to be amended to reflect specific Policy approvals at this level.</td>
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<th>14. Core Project Update</th>
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<tr>
<td>14.1 BG updated the Board on the ICT review, and the draft report updating on some of the high level recommendations. It was noted that the core systems with the exception of Apex are Council systems.</td>
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<tr>
<td>14.2 BG updated the Board on Careline marketing opportunities and confirmed the increase in customers by 1700 in three months. It was also confirmed that the current location for Careline staff was no longer suitable and that the West Office recently vacated would be the preferred option. Further updates would be provided in due course.</td>
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<tr>
<td>14.3 MA provided the Board with an oral update about the repairs contract. SEH are working closely with SBC procurement team.</td>
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<td>14.4 Recommendations</td>
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<tr>
<td>i) The Board noted the update on the High Five (noting the update on Expanding the Future is contained within Agenda Item 16) and received an oral update on the progression of the Delivery of Repairs Service.</td>
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Matters Arising from 25th July Board Meeting - 27th September 2017

Public

Minute 4.3 - Matters arising from Minutes of 15th March, 2017 to be sent electronically to the Board. (BG)

Sent by TA on 11th August 2017.

Minute 5.2 - DJ requested for abbreviations to be spelt out in future reports eg BQ-Better Queensway. (BG)

Noted.

Minute 8.2 - A number of general questions were raised about specific blocks and schemes where it was agreed information would be sought and directed back to individual Board Members. (BG)

MG met with Meg Davidson to discuss block specific issues.

Minute 8.3 - Resource Implications - MG will report back to the Board if additional budgets will be needed to support Fire Safety works. (MG)

MG will report back in due course as necessary.

Minute 11.3 - Board requested that, in future reports, financial information should include core Management fee income and service charge income as two separate lines in accordance with the reporting in the Financial Statements. (DL)

Noted.

Minute 11.4 - DJ requested that quarterly information would be useful and asked that if it was possible to add this into the Performance Summary. BG agreed to add this to the narrative. (BG)

BG has organised via Helen Walker.

Minute 12.1 - The Board discussed the overall scoring framework used by the advisors carrying out the Quality Assurance Reviews. MA agreed to discuss with Campbell Tickell. (MA)


Minute 14.1 - BG updated the Board on the ICT review, and the draft report updating on some of the high level recommendations. It was noted that the core systems with the exception of Apex are Council systems. (BG)

BG incorporated within Core Project Review - ICT Recommendations report.

Minute 14.2 - BG updated the Board on Careline marketing opportunities and confirmed the increase in customers by 1700 in three months. It was also confirmed that the current location for Careline staff was no longer suitable and that the West Office recently vacated would be the preferred option. Further updates would be provided in due course. (TD)

MG/TD to update at next meeting once report has gone to Sharon H.
South Essex Homes Limited

Report of Group Manager Resources and Business Development
to
The Board
on
27th September, 2017

Report prepared by: Beverley Gallacher
Tel: 01702 212649

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 agree to Rosalind Lane holding the position of the Board’s Safeguarding Children and Adults at risk of Abuse or Neglect scrutineer.

2.1.2 To note the delegated powers of the Board in accordance with the Code of Governance and agree to delegate to the relevant Committee approval of significant changes to existing policies and approval for adoption of new policies on behalf of the Board.

2.1.3 To agree the reviewed and updated Terms of Reference of the New Business Committee contained at Appendix 1

2.1.4 To note the Board Attendance performance data ytd in accordance with Clause 15.1.8 of the Code of Governance

3 Background

3.1 Board Safeguarding Scrutineer Appointment

3.1.1 Following the retirement of the Board Member fulfilling this role in July, 2017, the Board were asked if any members would be interested in the Board’s Safeguarding Adults and Children at risk of Abuse or Neglect scrutineer position.

3.1.2 Following a meeting to discuss the role and the responsibility involved in this position, Rosalind Lane has confirmed that she would like to undertake this
role and feels she has sufficient and appropriate experience in this area but is also keen to take on a new challenge to broaden her knowledge base.

3.2 **Board Training and Development**

3.2.1 The Chair and Vice Chair of the Board have now mostly completed appraisals for 2017/18. A number of recommendations around shadowing officers within the Company have been made and will be introduced shortly. When the appraisals are complete the training and development opportunities will be recommended to the Board. As we are already part way through the year, this will cover a full year period over the budget year end.

3.3 **Audit & Risk Committee Dates for 2018**

3.3.1 We are currently in the process of finalising Board and all Committee dates for 2018, subject to Chair and Vice-Chair approval.

3.3.2 It is necessary that during 2018 the schedule of Audit & Risk Committee meetings are shifted slightly in order to accommodate the Council’s requirement to have South Essex Homes’ audited final accounts slightly earlier than the deadline we have worked to in previous years. The new deadline going forward will be submission by the end of July 2018 rather than August/September.

3.3.3 We will liaise with the Council’s Group Manager for Finance, Internal and External Audit in order to find an appropriate date for this meeting.

3.4 **Review of Code of Governance**

3.4.1 In accordance with the Code of Governance and the Articles of Association, the Board have specific functions that need to be undertaken as part of their core duties.

3.4.2 The Board has to date not delegated the agreement to adopt new policies or approve significant amendments to existing policies to the Committees. However, in accordance with the powers to delegate the Board can agree to:

3.4.3 “Delegate any of their powers to a committee consisting of one or more Board Members together with such other persons as the Board sees fit (but so that in each case Board Members shall constitute a majority). Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any committee shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.”
3.5  **New Business Committee Terms of Reference**

3.5.1 Contained at Appendix 1

3.6 **Amendment to Forward Plan 2017**

3.6.1 Contained at Appendix 2.

3.7 **Board Member Attendance**

3.7.1 From March 2017 to September 2017, the Board as a whole have attended 77% of all Board, Committee and mandatory training sessions and have achieved the target set in accordance with Clause 15.1.8 of the Code of Governance.

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 2017/18 budgets.

7 **Resident Consultation**

7.1 Not applicable for this particular report.

8 **Background Papers**
8.1 No applicable.

9 Appendices

9.1 Appendix 1 - New Business Committee Terms of Reference
9.2 Appendix 2 - Forward Plan 2017
SOUTH ESSEX HOMES LIMITED

New Business Committee

Terms of Reference

The Committee will at all times uphold the organisation aims, objectives and policies and undertake to act on any specific tasks delegated to the Committee by the Board.

Statement of Purpose – The Board of Directors has delegated responsibility to the Committee to identify and evaluate new business opportunities and to perform an advisory and steering role in relation to new business activity within the organisation and for the wider group.

The duties of the Committee shall include the following:

- Oversee the development of a Commercial Strategy for South Essex Homes / South Essex Property Services, and recommend to Board for approval
- Authorise and approve the submission of Tender returns in relation to new business opportunities where this is required by the agreed risk and value criteria.
- Make recommendations to the Board in relation to the new business decisions and associated approval of contracts.
- Selection and appointment of external consultants and contractors who are appointed to advise the Committee.
- Agree annual budget for consultancy/ professional advice in relation to business development.
- Evaluate risks relating to the considered new business opportunity and where there is potential for a significant risk to be associated with the project to report to the Board.
- Determine and monitor investment opportunities in direct relationship with the Business Plan Vision 2022.
- To review and propose annual performance targets, and recommend to Board for approval
To monitor the performance of new business activity against agreed KPIs, and report to Board where performance is outside agreed variances

To ensure that any new opportunities are in strict compliance with the Financial Regulations

Evaluate the Risk Matrix and ensure that it is fit for purpose and undertake a review on an annual basis

The Committee will report to the Board on the effectiveness if its Terms of Reference and recommend any changes for the Board’s agreement.

The Chair of the New Business Committee shall, at their discretion, report any other urgent and/or relevant matters to the Board.

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 Director of Business Development (where appropriate) shall normally attend meetings and when required any other staff member.

Frequency of Meetings: Minimum of 2 per year
Support to the Committee: Company Secretary
Membership: A minimum of 3 Board Members
Attendees: Chief Executive and Director of Business Development
Co-opted Members South Essex Property Services Board Member (excluding the nominee from the South Essex Homes Board)
Quorum: 2
# BOARD WORK PROGRAMME 2017

## BUSINESS MANAGEMENT PROCESS / GOVERNANCE ARRANGEMENTS

<table>
<thead>
<tr>
<th>Officer Responsible</th>
<th>Feb / March</th>
<th>May / June</th>
<th>July</th>
<th>Sept / Oct</th>
<th>Nov / Dec</th>
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<tbody>
<tr>
<td>Governance &amp; Stewardship</td>
<td>B. Gallacher</td>
<td>X</td>
<td>X</td>
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<td>Residents Voice Your View</td>
<td>B. Gallacher</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Board/Company Assurance Report</td>
<td>M. Ambrose</td>
<td>X</td>
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<tr>
<td>Company Compliance Report inc. Health &amp; Safety Update</td>
<td>P. Longman</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Vision 2022 Business Plan Update</td>
<td>Group Managers</td>
<td>X</td>
<td>X</td>
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<td>SEPS Assurance inc. Financial Update &amp; New Business Opportunities</td>
<td>C. Vaughan</td>
<td>X</td>
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<td>Safeguarding Children and Adults at risk of Abuse or Neglect Update</td>
<td>T. Dixon</td>
<td>X</td>
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<tr>
<td>Audit &amp; Risk, Personnel &amp; Remuneration and New Business Committee Minutes</td>
<td>Committee Chairs</td>
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<td>Key Performance Indicator &amp; Target Setting</td>
<td>B. Gallacher</td>
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<td>Committee Terms of Reference &amp; Forward Planners</td>
<td>Committee Chairs</td>
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<td>Budget Proposals 2017/18</td>
<td>D. Lincoln</td>
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<td>Quality Assurance - New/Additional Requirements 2017/18</td>
<td>M. Ambrose</td>
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<td>Final Accounts 2016/17</td>
<td>D. Lyons</td>
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<td>BUSINESS MANAGEMENT PROCESS / GOVERNANCE ARRANGEMENTS</td>
<td>OFFICER RESPONSIBLE</td>
<td>FEB / MARCH</td>
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<td><strong>BOARD</strong></td>
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<td>Business Plan - Vision 2022 &amp; Organisational Development Plan Update</td>
<td>D. Lincoln</td>
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<td><strong>Altair Research Presentation</strong></td>
<td>T. Churton</td>
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<td>SEH Strategies as required</td>
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<td>Financial Regulations &amp; Scheme of Delegation (as required)</td>
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<tr>
<td>Complaints Update</td>
<td>B. Gallacher</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Business Opportunities (SEH/SEPS - as required)</td>
<td>B. Gallacher</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**APPENDIX 2 TO AGENDA ITEM 8**
1 Purpose of Report

1.1 To provide the Board with a high level statement of assurances relating to the financial performance of the company.

2 Recommendations

2.1 That Board are recommended to :-

2.1.1 Note the update provided on financial information as at August, 2017.

2.1.2 To agree the amendment to Financial Regulations contained at Appendix 1 to this report.

2.1.3 Note the semi-annual review of Key Performance Indicators and agree the proposal to amend the KPI 24 – Number of days lost due to sickness from 7.25 days to 8.75 days.

2.1.4 Note the Key Performance Indicator exceptions as at August, 2017.

3 Financial Update

3.1 Introduction

3.2 This report sets out the actual expenditure on the operating budget and revenue repairs budget to 31st August, 2017.
3.3 **Expenditure for 2017/18**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget for year £000</th>
<th>Budget to 31st August £000</th>
<th>Actuals at 31st August £000</th>
<th>Variance £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>9,493</td>
<td>4,203</td>
<td>4,248</td>
<td>45</td>
</tr>
<tr>
<td><strong>Operating costs &amp; Interest</strong></td>
<td>9,827</td>
<td>3,791</td>
<td>3,867</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>Profit / (Loss)</strong></td>
<td>(334)</td>
<td>412</td>
<td>381</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>The Revenue Repairs Budget</strong></td>
<td>4,830</td>
<td>1,976</td>
<td>2,133</td>
<td>(157)</td>
</tr>
<tr>
<td><strong>The Capital Programme</strong></td>
<td>8,613</td>
<td>1,991</td>
<td>1,768</td>
<td>223</td>
</tr>
</tbody>
</table>

3.4 **The Operating Budget**

The main variances on The Operating Budget are detailed below:

**Income from External Sources**

The forecast here now includes an anticipated spend of around £75k on commercialisation and marketing of South Essex Homes which has been agreed by the Board as coming from balances. This now means that this area is expecting an overall forecast profit of £153k. This is £36k behind budget.

**Employees**

Overall we expect employee costs to be underspent by around £38k. This is mainly due to savings achieved through the restructure in Finance, Property Services and Community Development. There have been some additional redundancy and financial strain costs which have now been accounted for.

3.5 **Revenue Repairs**

The Revenue Repairs Budget is over spent by £157k.

The Kiers contract extension is due to be agreed shortly and a fixed monthly fee is payable, this additional cost has been accrued into the accounts and this is the primary reason for the over spend. Work is currently underway to identify budget virements to meet the shortfalls of budgets in these areas and to meet the overall increase of £2.8mio out of existing resources.

3.6 **Capital Programme**

There is an under spend of £223k on the Capital Programme.

The 2017/18 programme for Decent Homes is progressing in accordance to plan, Fire safety works at Chiltern will be completed by the end of September and the
installation of the fire doors and screens to Pennine and Quantock is expected to commence late October /early November.

The Kitchens and Bathrooms contract is due to commence in October as are the installation of the smoke vents to the Balmorals Tower Blocks.

A number of other projects are currently being tendered and they are expected to commence in the new year in accordance with the programme.

All other capital schemes for 2017/18 are programmed to be completed by 31\textsuperscript{st} March 2018.

4 Financial Regulations and Scheme of Delegation (Appendix 1)

4.1 The Financial Regulations for South Essex Homes have been reviewed to reflect the need to delete the Director of Finance role and add the Director of Business Development. Appendix 1 contains the tracked Regulations with changes from the previous version highlighted.

5 Key Performance Indicator Exceptions

5.1 The performance report for the period April 2017 to August 2017 is shown at Appendix 2. 80\% of key indicators have been met, or were better than year-to-date targets with the following exceptions:

- KP4 – Collection rate for rents
- KP12 – Responsive repairs completed in target time
- KP15 – Average time to complete all repair jobs
- KP24 – Working days lost to sickness absence
- KP25 – Complaints responded to within 10 working days

5.2 Rent collection shown in KP4 was slightly below target in April 2017 and August 2017 due to the 2 bank holidays for Easter and the school holidays. The annual trend for rent collection rates shows a annual decrease during the school holiday periods. Rent collection was also slightly below target in June due to the timing of the month/quarter end but then exceeded target in July, as expected. There are no significant issues to report and we anticipate that rent collection will return to meet target over the year.

5.3 Performance for responsive repairs completed in target time in KP12 was affected in the earlier months by a small number of lower priority jobs and a small number of urgent jobs by both contractors. There were also issues identified with how requests for extensions of time were raised and whether these were carried out correctly. Performance returned to target for July and August 2017 and is now only a little below target.
5.4 Performance for KP15, the average time to complete all repair jobs, was on target in April and May but affected by the clearance of some older jobs during the month of June. In July, there were IT issues which resulted in job completions not being processed, and this appeared to raise the average time further. However performance then returned to target in August 2017. This indicator is prone to fluctuation caused by the volumes of completed jobs being processed, especially where there are access difficulties or extended works required. At present this is not of concern, but is continuously monitored with the contractor management teams.

5.5 The number of working days lost to sickness absence, KP24, stayed above target for each month so far. The majority of days lost so far have been caused by long-term sickness. In August, almost half of the days lost were due to long-term absence, although one of the two members of staff is due to return to work shortly. A new sickness reporting process has been implemented with effect from 1st May 2017 but the new procedures may be taking time to influence improvement. Where necessary, additional assistance will be given to enable staff members to return to work as soon as possible.

5.6 In August 2017, there were nine complaints responded to. One complaint response required input from two teams, and due to a communication failure it was not responded to until a day later than target. It is unusual for a response to not be made on time, and we will continue to monitor this closely.

6 Review of annual targets 2017-2018

6.1 As noted in section 5, most indicators are currently on course to achieve their annual targets. Whilst some indicators may not meet their targets by a small margin, these are no cause for concern due to mitigating factors.

6.2 However, staff sickness as shown in KP24 is already exceeding the portion of the annual target for the first 5 months of the year. Although there are new reporting procedures in place, we are yet to see a positive impact from these, and sickness has remained higher than expected.

6.3 So far this year, an average of 4.15 working days per member of staff have been lost to sickness, although this is only an average and does not reflect individual performance. As noted in 5.5, the majority of these days have been lost to long-term sickness, which has included injuries and illnesses requiring hospital treatment.

6.4 The annual target was set at 7.25 days but with 4.15 days already lost in 5 months, it is extremely unlikely that we can meet the original annual target. We have looked at the usual monthly performance trends throughout the year, and we always see higher levels of sickness due to colds, flu, and other viral infections during the autumn/winter months. The outstanding element of the target intended to cover these months, combined with current year-to-date performance would bring the annual result to almost 9 working days. An increase in target to 9.0 working days requires us to meet the profiled target for the rest of the year, with a small margin to allow for a possible increase in line with current NHS forecasts.
6.5 If as expected, the annual result increases to approximately 9 working days, then based on the benchmarking information available for 2015-16 data, this would place us in 3rd quartile. Although we do not yet have benchmarking results for 2016-17 data the result of 8.93 days would probably also place us in the 3rd quartile. Our original target of 7.25 days for 2017-18 would have placed us in second quartile.

6.6 The Board are therefore asked to approve an increase in the annual target from 7.25 days to 9.0 days.

7 Diversity and Equality Opportunities

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

8 Financial Implications

8.1 The financial implications are incorporated in the body of the report.

9 Resident Consultation

9.1 Residents are indirectly involved in budgetary control as they are involved in reviewing our performance on a regular basis.

10 Background Papers

10.1 None

11 Appendices

11.1 Appendix 1 – Financial Regulations & Scheme of Delegation
11.2 Appendix 2 – Key Performance Indicator Report
FINANCIAL REGULATIONS

May 2016 September 2017
## Appendix 4 to Agenda Item 8

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Appendix 1

Glossary | 3736

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Appendix 1

Glossary | 3837
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 and Risk 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.
Appendix 4 to Agenda Item 8
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.
Appendix 4 to Agenda Item 8

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 to the confidential whistle blowing telephone number and email address directly to the Fraud Team.

5.3 The Chief Executive, **Director of Finance** Financial Services Manager and the Chair of the **Audit Committee** Audit and Risk 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** Financial Services Manager.
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 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 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.
Appendix 4 to Agenda Item 8

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/Financial Services Manager. 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/Audit and Risk 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 and Risk 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.
Appendix 4 to Agenda Item 8

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.

10.3 Except for Exempt Purchases listed in 10.2, 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/Financial Services Manager.

2. On receipt 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 contactors 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/Financial Services Manager.

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/Financial Services Manager 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 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
Appendix 4 to Agenda Item 8

responsible for 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.
Appendix 4 to Agenda Item 8

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, Finacial Services Manager.
14 Petty Cash Accounts

14.1 The Director of Finance/Financial Services Manager 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/Financial Services Manager. 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 into 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 SMT. 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/Financial Services Manager 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 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 Director of Finance Executive Director and Financial Services Manager 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 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 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 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 on the self serve Agresso expenses system.

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 Business Development.

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.
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.
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.
Appendix 4 to Agenda Item 8

29  Taxation

29.1 The Director of Finance Financial Services Manager 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 and Business Development</td>
<td>£1,000,500,000</td>
</tr>
</tbody>
</table>

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

| **Agresso** | Agresso is the company’s main accounting system and is used for raising orders, paying invoices, financial reporting, payroll and HR management |
| **Virement** | Movements of budget provisions between budget headings. |
| **EMT** | The Executive Management Team is made up of the Executive Director, the Director of Finance Business Development and the Chief Executive |
| **SMT** | The Senior Management Team is made up of the Chief Executive, the Executive Director, the Director of Finance Business Development, and the Group Managers and any other members of staff from time to time agreed by SMT. |
| **Capital budget** | Proposed expenditure on the capital repairs budget as agreed with Southend Borough Council. |
| **Revenue repairs budget** | Proposed expenditure on the revenue repairs budget as agreed with Southend Borough Council. |
| **Operating budget** | Proposed expenditure by the company not out of the revenue repairs budget and not constituting part of the capital programme. |
Schedule of Delegated Responsibility
Virement Limits (for Operating Budget)

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board</td>
<td>Over £250,000</td>
</tr>
<tr>
<td>Members of EMT, Chief Executive, Executive Director &amp; Director of Business Development</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>
</tr>
</tbody>
</table>

These limits relate to moving budgets between Group Manager responsibilities.
### 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>Authorise 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>
<td></td>
<td>Purchase orders only, over £250,000</td>
<td>unlt</td>
<td>unlt</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Executive Management Team</strong></td>
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</tr>
<tr>
<td>Chief Executive (Note 1)</td>
<td>£350,000</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>
</tr>
<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>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Director of Finance Business Development (Note 2)</td>
<td>£250,000</td>
<td>£5,000</td>
<td>£25,000</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><strong>Operational Management Team</strong></td>
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</tr>
<tr>
<td>Group Manager Support Services(East)</td>
<td>£ 50,000</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 (Property)</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>JOB TITLE</td>
<td>Authorise purchase orders, GRN’s or invoices</td>
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<tr>
<td>Services)</td>
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<td></td>
</tr>
<tr>
<td>Group Manager (Resources and Business Development)</td>
<td>£ 50,000</td>
<td>£ 2,500</td>
<td>£ 10,000</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Manager Enforcement (West)</td>
<td>£ 50,000</td>
<td>£ 2,500</td>
<td>£ 10,000</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Notes**

1. The Chief Executive can authorise invoices for any amount in excess of £350,000 provided that the Board has given written 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.
## 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 FinanceBusiness Development</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Enforcement)(West)</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Resources and Business Development)</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Property Services)</td>
<td>B</td>
</tr>
<tr>
<td>Group Manager (Support Services)(East)</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>
## Authorise Investments of Cash Balances

<table>
<thead>
<tr>
<th>Job Title(s)</th>
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<tr>
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<tr>
<td>Group Managers (West)</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Group Manager (Resources and Business Development)</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Director of Finance Business Development</td>
<td>£1,500,000</td>
</tr>
</tbody>
</table>

* This must be consistent with the Company’s approved Treasury Management Policy and Strategy
## KP Report for August 2017

### PI Status

- **Alert**
  - **Long Term Trends**: Improving
  - **Short Term Trends**: Improving

- **Warning**
  - **Long Term Trends**: No Change
  - **Short Term Trends**: No Change

- **OK**
  - **Long Term Trends**: Getting Worse
  - **Short Term Trends**: Getting Worse

### KP Report Details

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KP 3</td>
<td>Careline calls answered in 1 minute</td>
<td>98.7%</td>
<td>98.0%</td>
<td>98.4%</td>
<td>98.2%</td>
<td>Down</td>
<td>Down</td>
<td>97.5%</td>
<td>OK</td>
<td>Although there is always monthly fluctuation in rent collection figures, in August the rent collection was below the target. This was primarily caused by the impact from the school summer holidays. There has been no reduction in recovery activity and the overall arrears figures are within target.</td>
</tr>
<tr>
<td>KP 4</td>
<td>Collection rate for rents</td>
<td>99.98%</td>
<td>100.92%</td>
<td>98.28%</td>
<td>99.58%</td>
<td>Down</td>
<td>Down</td>
<td>98.70%</td>
<td>Warning</td>
<td>This indicator represents the current arrears as a percentage of the total rent collectable for the year. Whilst we will always see seasonal fluctuations in the arrears position, we are currently meeting the target, however the further &quot;roll out&quot; of Universal credit which started on the 19th July, coupled with the school summer holidays has seen the figure increase slightly this month.</td>
</tr>
<tr>
<td>KP 5</td>
<td>Current rent arrears as % of rent due</td>
<td>1.35%</td>
<td>1.29%</td>
<td>1.33%</td>
<td>1.33%</td>
<td>Up</td>
<td>Up</td>
<td>1.77%</td>
<td>OK</td>
<td>This months figure has continued to improve and put our voids performance for the year under target 16.7 days</td>
</tr>
<tr>
<td>KP 7</td>
<td>Void turnaround time</td>
<td>15.5</td>
<td>15.8</td>
<td>11.9</td>
<td>16.7</td>
<td>Up</td>
<td>Up</td>
<td>17.0</td>
<td>OK</td>
<td>This months figure has continued to improve and put our voids performance for the year under target 16.7 days</td>
</tr>
<tr>
<td>KP11</td>
<td>Satisfaction with outcome of ASB complaints</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
<td>93%</td>
<td>OK</td>
<td>In August 2017 we achieved a good response rate to surveys, and all those who responded were satisfied with the outcome of their complaint.</td>
</tr>
<tr>
<td>KP12</td>
<td>Responsive repairs completed in target times</td>
<td>97.51%</td>
<td>99.19%</td>
<td>99.37%</td>
<td>98.53%</td>
<td>Up</td>
<td>Up</td>
<td>99.00%</td>
<td>OK</td>
<td></td>
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<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></td>
<td></td>
</tr>
<tr>
<td>KP15</td>
<td>Average time to complete all jobs</td>
<td>8.74</td>
<td>9.85</td>
<td>7.79</td>
<td>8.59</td>
<td>8.50</td>
<td></td>
<td></td>
<td></td>
<td></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>100.00%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>KP19</td>
<td>% non-decent council homes</td>
<td>1.7%</td>
<td>19.9%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Arrow</td>
<td>Current Target</td>
<td>Current Status</td>
<td>Latest Note</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Arrow</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP20</td>
<td>Improvement Programme completed</td>
<td>92.4%</td>
<td>11.6%</td>
<td>14.0%</td>
<td>14.0%</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP24</td>
<td>Working Days Lost Due to Sickness Absence</td>
<td>8.93</td>
<td>0.89</td>
<td>0.94</td>
<td>4.15</td>
<td>0.56</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP25</td>
<td>Complaints responded to within 10 days</td>
<td>98%</td>
<td>100%</td>
<td>89%</td>
<td>97%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local N20</td>
<td>Anti-Social Behaviour cases successfully resolved</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>99.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R2</td>
<td>Number of evictions for rent arrears</td>
<td>28</td>
<td>0</td>
<td>6</td>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R7</td>
<td>Write-offs (cash value)</td>
<td>£92,982</td>
<td>£23,160</td>
<td>£0</td>
<td>£63,518</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local R13</td>
<td>Current rent arrears (in cash)</td>
<td>£437,610</td>
<td>£415,743</td>
<td>£431,949</td>
<td>£431,949</td>
<td>£580,500</td>
<td></td>
<td></td>
<td>This is the cash figure used in the calculation of KP5, so please see comments under this indicator above</td>
<td></td>
</tr>
<tr>
<td>Local R13a</td>
<td>Former tenant arrears</td>
<td>£396,992</td>
<td>£397,941</td>
<td>£418,368</td>
<td>£418,368</td>
<td>£440,000</td>
<td></td>
<td></td>
<td>This represents the cash figure for the former tenant arrears. The figure is constantly changing as any termination, be it an eviction or a tenant terminating their tenancy voluntarily will create a former tenant debt. Nevertheless, we are currently meeting the target</td>
<td></td>
</tr>
</tbody>
</table>

As a result of further stock validation, the non-decent count of properties has been reduced due to the review of existing components life cycle. Further validation is pending and we believe the newly arising need affect will be further reduced.

Works have started for 2017/18 however some contracts are still undergoing procurement; therefore, no works have been completed under these. The works that have started are recorded this month and majority of works are likely to take place from now onwards.

In August 2017, 154 working days were lost to sickness absence, of which 86 were due to long-term sickness. We are continuing to apply robust processes to managing sickness.

There were 9 complaints responded to at stage 1 in August 2017. However one complaint fell to 2 different service areas, and a communication failure effected a delay of 1 day over the 10 day response deadline meaning that one complainant was not responded to in target time.

There were 30 cases closed during the month of July. All of these cases were resolved. The number of cases will naturally fluctuate from month to month, according to complexity of the cases and interventions necessary.
Appendix 2 to Agenda Item 9

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Local R14</td>
<td>FTAs as a percentage of debit</td>
<td>1.03%</td>
<td>1.05%</td>
<td>1.10%</td>
<td>1.08%</td>
<td></td>
<td>1.20%</td>
<td></td>
</tr>
<tr>
<td>Local R66b</td>
<td>% of Tenants in arrears over 7 weeks</td>
<td>3.06%</td>
<td>2.60%</td>
<td>2.92%</td>
<td>2.72%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local SP8</td>
<td>Occupancy rate for Hostels</td>
<td>87%</td>
<td>84%</td>
<td>92%</td>
<td>86%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V3</td>
<td>Void loss as % of debit</td>
<td>1.85%</td>
<td>1.90%</td>
<td>1.68%</td>
<td>1.86%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V3  (F1)</td>
<td>Void loss</td>
<td>£610,609</td>
<td>£59,943</td>
<td>£42,614</td>
<td>£257,949</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local V8</td>
<td>Percentage of property void &amp; relettable</td>
<td>0.95%</td>
<td>1.10%</td>
<td>1.10%</td>
<td>1.07%</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>30.4</td>
<td>26.2</td>
<td>26.2</td>
<td>21.0</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>
</tr>
<tr>
<td>Local V22  (F1)</td>
<td>Number of tenants underoccupying due to spare room subsidy who have been contacted</td>
<td>14.17</td>
<td>4</td>
<td>16</td>
<td>8.6</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>14.17</td>
<td>4</td>
<td>16</td>
<td>8.6</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

The former tenant arrears is a constantly moving figure in that any termination, be it an eviction or a tenant terminating their tenancy voluntarily will create a former tenant debt, therefore it is quite difficult to predict the levels of new debt. Nevertheless we are currently meeting the target.
Purpose of Report

1.1 This report is intended to provide Board Members with an update on the current position in relation to fire safety in the residential properties managed on behalf of the Council. In particular, the focus relates to the tower and high rise blocks, given the fire at Grenfell Tower in June 2017.

Recommendations

2.1 The Board are asked:

2.2 To note the current position in relation to Fire Safety

2.3 To agree the Compliance report at Appendix 1.

Background

3.1 At its meeting on the 25th July 2017 the Board received a report from the Chief Executive advising them of actions South Essex Homes were implementing that since the tragic fire at Grenfell Towers in London.

3.2 These actions are reviewed on a fortnightly basis by the Senior Management Team and updates are given to the Council on progress at their Fire Safety Review Group.

Update on Actions being Undertaken

4.1 The fire safety work at Chiltern tower block is now completed apart from snagging items.

4.2 The fire safety works to the remaining two tower blocks on the Queensway Estate; Pennine and Quantock are due to start at the end of October 2017.
Surveys of all the dry risers at all the blocks have been completed and the minor remedial works identified from the surveys are being arranged.

The contract to install automatic smoke ventilation at the Balmoral blocks has been let and the works are due to start at the end of October 2017.

A contract to install sprinkler systems to four of the hostels is out to tender and the works themselves are due later this year.

The existing sprinkler systems at the other hostels, the bin rooms of the tower blocks and Mornington House have all been serviced in August 2017.

Preparatory work is being carried out to fit smoke vents at the stairwell at the ten Laing design tower blocks.

We are making arrangements for the fire door manufacturer to service all the tower block doors with a view to ensuring that they are all fit for purpose and working correctly. From November 2017 South Essex Homes will continue to service the fire doors using its own maintenance technician.

The inaugural meeting of the tri-partite fire safety review group took place at the end of August 2017, where terms of reference were agreed. The first formal meeting is being arranged.

Members of the Senior Management Team attended a special fire safety meeting with the Southend Tenants and Residents Federation on the 14th September to give them an update.

The Board were advised that we intended to visit all the residents at all the tower blocks. So far using existing resources we have visited 225. Members will recall that the purpose of the visit was to establish who is resident within the properties, with an enhanced focus on tenancy conditions, including hoarding, condition of the property, welfare issues etc.

In order to accelerate this process extra temporary resources are being brought in to continue with this task.

The visits will also provide the opportunity to address any breaches within the communal areas, for example residents leaving door mats, pot plants and mobility scooters in these areas, which are not permitted by the Essex Fire and Rescue Service.

Our Estate Services team continue to remove rubbish and other items left in communal circulation areas. They are also replacing fire signs as and when necessary.
5 Communication

South Essex Homes continues to work in close partnership with Southend Borough Council in delivery of consistent information and ensuring that residents are receiving the assurances they need over the fire safety of our tower blocks and properties in general. We have issued statements on the website and social media to ensure that as many residents hear from us as possible.

6 Risk

6.1 The risk of fire occurring in any residential location under the Company’s management - and particularly in high rise multi-occupancy locations - has always been, and will always continue to be a specific area of focus for the organisation and this report sets out the current position in terms of mitigating the risk and impact.

7 Financial Implications

7.1 The report makes reference to funding provided by the Council in order to accelerate high rise fire safety works. It is quite possible further major works may need to be undertaken in future dependent upon outcomes from the expert advisory panel, the public inquiry and the local review.

7.2 For South Essex Homes this is already producing additional resource requirements and the Board will continue to be advised of any financial implications arising.

8 Resident Consultation

8.1 Residents have continued to be updated and reassured about the position in terms of fire safety in the Council’s residential blocks, as set out in the report.

9 Background Papers

9.1 None.

10 Appendices

10.1 Appendix 1 - Insight Article
Corporate Compliance Position Statement

31st August 2017

<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 BS 5839: Fire detection and Fire alarm systems for buildings – Part 1: Code of Practice for design, Installation, commissioning and maintenance.</td>
<td>Fire Alarm systems, Weekly fire alarm call point tests are carried out in Sheltered Housing Schemes, Homeless Hostels and Women’s Domestic Violence Refuge. Fire alarm systems are serviced and maintained by specialist contractor. The full fire alarm wiring is tested at the beginning of a new contract (April 2016). This was carried out in April 2016. The systems themselves are tested and checked four times a year April, July, October and January 2017. This included fire doors being serviced and maintained as part of the fire alarm service contract. <strong>The July test has been carried out.</strong> Fire evacuation drills are completed in all Sheltered Housing Schemes every 3 months. <strong>These are up to date and recorded in the onsite fire log</strong> Fire extinguishers and fire blankets are annually serviced and maintained in accordance with BS 5306. <strong>Service regime progressing to schedule</strong> Mains operated smoke and heat detectors are annually serviced and maintained as part of the gas servicing contract. <strong>Service regime progressing to schedule in line with gas service programme</strong> Fire Risk Assessments completed on all South Essex Homes properties and annually reviewed. Annual Fire Audits completed by the Fire Safety Officer to all blocks including 22 Sheltered Housing Schemes and 13 Tower Blocks. The assessments are progressing with the following results so far:</td>
</tr>
</tbody>
</table>

<p>| BS 5306-8:2012 | |</p>
<table>
<thead>
<tr>
<th><strong>Appendix 1 to Agenda Item 10</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• High rise blocks Inspections: 100% complete</td>
</tr>
<tr>
<td>• Sheltered Schemes: 86% complete</td>
</tr>
<tr>
<td>• Homeless hostels: 100% complete</td>
</tr>
<tr>
<td>• General needs blocks: 20% complete</td>
</tr>
</tbody>
</table>

**South Essex Homes complies**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>BS 5266 Emergency lighting. Code of Practice for the emergency escape lighting of premises</td>
<td>Emergency Lighting testing: Annual programme, this consists of an annual inspection &amp; 11 monthly service visits. <strong>All inspections are progressing in line with agreed schedule</strong></td>
</tr>
<tr>
<td>Electricity at Work Reg. 1989</td>
<td>Mains electrical systems periodic test certificate. 5 yearly Programme boroughwide. We are into year two of the programme</td>
</tr>
<tr>
<td></td>
<td>Number of properties issued to the contractor for year two 1,604 the contractor has completed 52% of year two.</td>
</tr>
<tr>
<td></td>
<td>There are 114 properties where we have no access, two of these require rewiring &amp; are on the Capital programme list to be completed before 31\textsuperscript{st} March 2018</td>
</tr>
<tr>
<td></td>
<td>The remaining properties have been rewired within the last 10 to 20 years so their wiring systems are within the 30 year life span for a domestic electrical system. However the technical team together with tenancy team we will endeavour to gain access to these properties</td>
</tr>
<tr>
<td><strong>South Essex Homes partially complies</strong></td>
<td>Risk assessment for every sheltered scheme and homeless hostel are undertaken every 2 years. The existing contract started in 2014 and ends in 2018. Water samples are taken every quarter and analysed and results stored on a data base.</td>
</tr>
<tr>
<td>Legionnaires Disease, The Control of Legionella Bacteria in water systems. Approved Code of Practice and Guidance (L8)</td>
<td><strong>Samples have been taken in accordance with the schedule and any remedial works carried out</strong></td>
</tr>
<tr>
<td></td>
<td>Hot water temperatures are taken at each of the 22 sheltered schemes each month by the gas contractor and all remedial works carried out as required.</td>
</tr>
</tbody>
</table>
This is in line with the monthly service visit for the communal boilers and is on schedule

At the high rise blocks South Essex Homes currently sample and Test for Legionella every six months. To date we have had no adverse samples. The last round of testing has been completed

South Essex Homes complies

Control of Asbestos Reg. 2012 (CAR)

South Essex Homes monitor and update the asbestos register, to maintain the information held on it. Surveys are undertaken before all refurbishment works and asbestos is removed if applicable.

Two contractors are employed with regards the asbestos regime. One undertakes the test, inspection and analysis while the other is licenced for Asbestos removal and Waste Carrying.

South Essex Homes complies

The Lifts Reg. 1997

The lifts are surveyed by the Councils Insurers (ALLIANZ) every six months and certificates of compliance are issued. At the time of the six month inspection the inspector will advise whether any supplementary tests are required. All comments and recommendations made by the insurers are passed to South Essex Homes technical staff, who forward said reports to the lift Maintenance contractor for action and where necessary for quotes.

The Lift Contractor undertakes monthly inspections and maintenance services to each lift in accordance with a service schedule. The inspection is carried out by a competent person who will detect defects or weaknesses and asses the safety and continued safe use of the lifts.

All monthly inspections are on schedule

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 certificates for gas boiler / appliances are issued by our contractor and said certificate (CP12) are recorded on our data system. Remedial works are actioned by the contractor as part of the comprehensive contract.

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 Record certificate (LGSR).
The programme is on track and all properties have a valid LGSR certificate.  
**South Essex Homes complies**

| Construction (Design and Management) Reg. 2015 | This regulation applies to capital and major works contacts and is managed “in house” by the South Essex Homes property team.  
**South Essex Homes complies** |
South Essex Homes Limited

Report of the Executive Director
to
The Board
on
27th September 2017

Report prepared by: Mario Ambrose
Tel: 01702 212694

Quality Assurance - New & Additional Requirements 2017/18

A Public Agenda Item

1 Purpose of Report

1.1 To advise the Board of the current situation regarding the quality assurance reviews carried out by Campbell Tickell and propose what form if any future reviews will take.

2 Recommendations

2.1 The Board are recommended:-

2.1.1 To note and consider the content of the report.

2.1.2 To agree to a pilot project in order to assess the value of further reviews in line with the new approach.

3 Background

3.1 On the 25th July 2017 the Board received a report on the quality assurance review of all three teams within the property Services Group. This was the latest of a number of reviews carried out on service areas of South Essex Homes.

3.2 The Board discussed the report in particular but also debated the effectiveness and usefulness of the reviews as a whole and whether South Essex Homes should continue with them. The Board therefore asked the Executive Director to bring a further report back to the Board setting out the current position and what options or improvements, if any, there were for the future.

3.3 Campbell Tickell (CT) have been providing quality assurance reviews to South Essex Homes (SEH) for over three years. In that time much has changed in the housing sector. The rent reduction has increased the focus
on cost reduction, operational efficiency and securing increased revenue through diversification whilst the Grenfell tragedy will inevitably lead to a changed landscape in terms of compliance and risk management.

3.4 The purpose of a Quality Assurance review was 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:
- How customer expectations are identified and met
- If internal systems and processes are effective
- Whether staff are well informed
- Is performance well managed
- If value for money is being achieved
- Whether service improvement plans are realistic and appropriate
- Areas of good practice are also identified

3.5 The organisation undertaking the review was Campbell Tickell, who has carried out this work for other similar organisations. The first QA report was submitted in July 2014 and was a review of the Caretaking Service. The full list of reviews is:

- Caretaking (July 2014)
- Voids (July 2014)
- Caretaking implementation support (April 2015)
- Income (July 2015)
- Tenant Service Charges (October 2015)
- Leaseholder (Feb 2016)
- Tenancy Services (May 2016)
- Careline (October 2016)
- Property Services (March 2017)

3.6 The scope of each review is agreed in advance; however there has been a tendency for the reviews to focus on a relatively high level of detail. One of the effects of this is that the recommendations tend to be relatively small in scale. Over time there has also been a reduction in the extent to which reviews have scanned the sector.

3.7 The scoring mechanism was the subject of some discussion at the Board
meeting as understandably there is a focus on achieving an ever-higher score. The Campbell Tickell scoring scale does appear to be overcomplicated and confusing as all the reviews of South Essex Homes service areas have been assessed as “Good” with the exception of repairs which was assessed as “Very Good”. But even the latter isn’t the highest assessment.

4

The Future of the Quality Reviews

4.1 In order to establish a way forward a meeting was held with Campbell Tickell to raise the issues and concerns discussed at the Board meeting.

4.2 Campbell Tickell advised that they have been having similar conversations with their other clients, as generally for many years across the sector the pressure to improve service outcomes and/or customer satisfaction was the chief driver of service development. However the cost of this service provision or the efficiency of service delivery was considered only marginally if at all.

4.3 The 1% rent reduction has changed this dynamic. Across the sector Campbell Tickell reported seeing cost reduction and operational efficiency given a much higher priority with organisations agreeing their “standard” and then committing to maintaining the standard rather than trying to attain ever more difficult to achieve targets. The steady decline in benchmarking is also indicative of this change in approach across the sector.

4.4 It is with this mind that Campbell Tickell are suggesting a shift in focus from the “always getting better” no matter what the cost to delivering the agreed standard (fit for purpose) as efficiently and cost effectively as possible.

4.5 In line with the new approach Campbell Tickell are suggesting a change in the scoring regime to a simpler, two level score of:
   • Improvement needed
   • Fit for Purpose (meets the organisation standard)

4.6 In addition to scoring as above the new format will include “Innovative” trends and practice in the sector which will allow organisations to decide whether to adopt said practices giving due consideration the outcomes and costs.

4.7 This new scoring system embodies the idea that a service may be good enough (meeting its agreed standard) whilst also maintaining headroom above the standard that is concerned with being innovative rather than simply pursuing ever-better. The key point here being that innovation may be about changing service specifications or delivery mechanisms or other
operational efficiencies rather than simply chasing ever-higher performance statistics.

4.9

The other facet of ‘good enough’ is that allows an organisation to establish a level of service delivery based on its own bespoke aspirations and resources rather than a single generic idea of what is a good, bad or excellent service. In the days of the Audit Commission inspection regime it was the case that their Key Lines of Enquiry provided a one-size-fits-all definition of what a housing service should look like and then measured all organisations against that definition.

4.10

However, in the years since the demise of the inspection regime the landscape has changed massively. Although the ongoing regulation regime establishes some bottom lines for service delivery and compliance above that bottom line there has been a wide range of different responses in terms of methods of service delivery, service standards and issues such as diversification.

5

The New Approach

5.1

If we accept that external validation is still a worthwhile exercise and adds value to the organisation, the new approach would see Campbell Tickell firstly taking a view on our “standard” and how it compares with the sector as a whole and then interrogating it to confirm that we are meeting our own standard.

5.2

The first part of the process is basically a position statement, so for instance if the sector as a whole achieves satisfaction at 85% plus and we were willing to accept 60% as our standard they would raise that as an initial observation and concern.

5.3

The second part would be then an assessment of the agreed key areas of service delivery.

5.4

The change in approach will provide assurance to the Board and the Senior Management Team that:

- The level of service South Essex Homes provides meets the regulatory requirements,
- Comments and observations associated with the key attributes of the services and the way it is delivered in accordance with our agreed standard
- Innovation in the sector with respect to the area of activity being reviewed. Good ideas may be directly applicable or they may trigger tangential thoughts that lead to good ideas that can improve South
Essex Homes’ service.

5.5 The report produced by Campbell Tickell will contain the following:

- Description of the scope, key service drivers (e.g. council objectives, ALMO corporate objectives) and key attributes (e.g. performance metrics, outcomes required)
- Commentary on the service key attributes – are they well aligned to corporate objectives, how do they relate when looking across the sector?
- Sector scan: good practice drawn from across the sector in relation to the subject of the review
- Comment on whether the service meets statutory and regulatory standards
- Comment on strengths and areas for improvement of the service in relation to its delivery of the key attributes
- Straightforward recommendations
- Score based on delivery against the key attributes:
  - Improvement needed
  - Fit for Purpose meets the South Essex Homes standard

6 Risk

6.1 South Essex Homes already has other forms of validation of service delivery such as Internal Audit and the residents Scrutiny Forum. But both these groups look at specific areas such processes and procedures and how the end user views the service delivery. The external QA review adds another perspective as not only will Campbell Tickell review our own standard and key attributes it will compare us with others and also suggest innovative ideas and practice in the sector for us to consider.

6.2 The risk of not having external validation is that the organisation could stagnate and become too inclusive and may become out of step with the sector as a whole.

7 Financial Implications

7.1 The Board have previously agreed that the cost of the Quality Assurance reviews should be funded from balances, but capped at the £22,500.00 which equates to a maximum of 30 days. Thus far all the reviews have stayed within this capped amount.

7.2 It is not known at present what the cost of a pilot will be, but the normal approach is for Campbell Tickell to base the works on the number of days against their day rates, which are all agreed as part of the scoping for each review.
8 Resident Consultation

8.1 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.

9 Background Papers

9.1 Not applicable.

10 Appendices

10.1 Not applicable.
South Essex Homes Limited

Report of Group Managers
to
The Board
on
25th September, 2017

Report prepared by: Beverley Gallacher
Tel: 01702 212649

Core Project Update

A Public Agenda Item

1 Purpose of Report

1.1 To update Board Members on progress against the 5 key targets (High 5) set by the Board under Vision 2022 Business Plan.

2 Recommendations

2.1 The Board are recommended:-

2.1.1 To note the update on the High Five

2.1.2 To note the action taken following the recommendations from the ICT review

3 Background

3.1 ICT Strategy

3.1.1 The Final Report has now been received from Alysium and the SMT have reviewed the following top level recommendations:

3.1.2 1. **SEH should embark on a Soft Market Test of Housing Management Solutions and providers (including integrated Asset Management provision)**

   This should consider a five-year TCO model to provide a true comparison of both re-implementation and replace options. It can consider which current supplier(s) will provide the most fit-for purpose solutions to meet business requirements and will allow the organisation to future-proof its strategic IT application portfolio for the short to medium term.

   - This would then inform the formal tender procedure for the elements required for the way forward. The tender process would also be simplified as the evidence from the soft market test would allow SEH to be more prescriptive about its requirements, where appropriate, with good evidence...
for its rationale should the assumptions for the tender specification be challenged.

3.1.3  **2. Comprehensive process mapping exercise and review across SEH**

This should aim to identify initially the ‘As Is’ core processes across all the core business areas and functions within SEH, highlight the manual processes, use of systems and, where possible, identify any external system, spreadsheet and/or database where additional information is stored.

3.1.4  **3. Spreadsheet/database ‘amnesty’**

As an output of the recommendation above, this should look to educate the business and begin to change the culture and modify behaviour in order to embrace the opportunities of a new system and new and streamlined ways of working.

3.1.5  **4. Proactive SEH engagement with supplier/application user groups**

SEH should look to engage more closely with their supplier community in conjunction, where possible with SBC IT and business representatives to further improve the supplier engagement and proactive development of the application strategy for SEH.

3.1.6  **5. Data review and cleansing**

SEH should embark on a plan of developing data ownership through the business and engage in a comprehensive programme of data identification, categorisation and cleansing, in preparation for a new suite of core business solutions.

3.1.7  **6. Consider optimal approach for effective application support**

SEH should consider a broader, more comprehensive view of ICT and application support arrangements across the entire application portfolio and business to better deliver a fit-for-purpose support environment.

3.1.8  The SMT reviewed these recommendations and cascaded the outcome of the report to the Communication Management Group and further via staff briefings to the Company.

3.1.9  The SMT have considered the order of the initial recommendations and concluded that whilst embarking on a soft market test for a housing management system needs to be considered, a review of the process mapping incorporating clear guidelines around primary system use would enable the Company to move forward with this review and capture a clearer understanding of whether further system integration may be more desirable, effective and value for money than procurement of a new
system primarily for housing management.

3.1.10 Contained at Appendix 1 is the draft project plan which details a clear journey path towards a review of processes and timescales need to be added to the plan and brought back to the Board for consideration.

3.1.11 At the New Business Away Day, resource implications around Corporate, Finance and New Business where discussed and a report recommending the temporary appointment of two Project Managers was agreed for a short term period until 31st March, 2018. The primary purpose was to alleviate the impact to the current Group Manager of Resources and Business Development to enable her to focus on new business opportunities and to enable the ICT project to be focussed on by the Project Manager whilst undertaking the day to day overarching management of Corporate & Finance. The 2nd post enables a strengthening and focus on voids and fire safety work.

3.1.12 The review of the Service Level Agreement for ICT between South Essex Homes and Southend Borough Council has been underway for sometime, and both parties agreed that in order to progress this work they would jointly procure a continuing arrangement with Alysium. A skeleton SLA has been produced and is on track to be completed for approval at the next Board meeting.

3.2 Careline

3.2.1 The number of Basildon customers moving over to South Essex Homes Careline as at the end of August 2017 was 1756 connections. There is currently two and half weeks booked for new installations for dispersed alarms (this is a total of 24). The total earnings from installation fees so far this year has been £6000. Careline are still receiving enquiries from Basildon clients. Careline have also taken on two new major clients Countrywide, monitoring 42 flats and 18 speech modules for an annual fee of £4212 and Wheeldon and Deacon, monitoring 49 flats for an annual fee of £4077.

3.2.2 The new client base (once all new clients have been programmed) equates to an income of £146,099.20 per annum, plus £3,617.28 for the new clients currently awaiting installation per annum and £8289 per annum for the two new major clients. A total of £158,005.48 per annum.

3.2.3 Careline has commenced the marketing strategy targeting existing clients, existing Council tenants and then approaching the wider community, this exercise is due to be completed by the end of October 2017. The marketing strategy is currently being produced.

3.2.4 We will continue to monitor the various procurement sites for tender opportunities and approach directly other potential clients.
3.3 Restructure of Front Line Services

3.3.1 The Phase 1 amended structure within the relevant teams has now been put in place with the last day of service being 8th September 2017, for the affected staff.

3.3.2 The restructure has gone very smoothly, with no degradation in the service being delivered within the relevant teams.

3.3.3 The Group Managers are currently finalising the next phase of the proposed frontline restructure, and will be presenting the proposals to the Senior Management Team in October, before bringing a report to Board for consideration at the next meeting in December 2017.

3.3.4 Given the rapidly developing landscape around issues such as the new business opportunities, Fire Safety and Welfare Reform, there is recognition that further redesign phases will need to be informed by these developments in the coming year and beyond.

3.4 Repairs & Maintenance

3.4.1 The contract with Kiers is being extended to facilitate the procurement of a new repairs and voids contract. Consultants have been interviewed to assist with this new contract preparation and it is expected the consultant will commence work in October 2017.

3.4.2 Meetings are to be arranged with stakeholders to agree the nature of the new contract, pricing basis and structure. It is expected that the new contract will commence Autumn 2018.

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.

6 Financial Implications

6.1 All costs associated with the 5 key projects for South Essex Homes are contained within the approved 2017/18 budgets.
7    Resident Consultation

7.1 The Vision 2022 Business Plan has been shared and consulted with the Southend Tenants and Residents Federation

8    Background Papers

8.1 Not applicable.

9    Appendices

9.1 Appendix 1 - ICT Indicative Project Plan
Indicative Project Plan (to be added to Covalent)

Way forward IT

1) Create project plan
   a. Cover that listed below
   b. Approvals at each stage
   c. Project Resource (PROPOSED and AGREED)
   d. Timescales
   e. Costs
   f. PID (short) and list of working assumptions (COMPLETED)

2) Re-engineering
   a. Identify the users of each system (COMPLETED)
   b. Identify the primary purpose of each system (COMPLETED)
   c. Identify the main processes (reverse Pareto 20% of processes deliver 80% of throughput)
   d. Map those processes include volumes and time and money – do not use systems symbols use clerical symbols this is human process.
   e. At each point first thing is to ask the question do we need this at all.

3) Take the processes and requirements to the system expert i.e. supplier or Winston in the case of Northgate or both
   a. Check fit with system functionality
   b. Identify critical gaps
   c. Check capacity
   d. Explore costs and logistics of functionality use

4) Draw all processes together
   a. Identify cross over points and lead-ins/outs
   b. Agree connectivity and value of process
   c. Examine alternate means of achieving process outcomes
   d. Conclude process suite
   e. Review integration needs and recommend where and what

5) Draw together architecture overview
   a. Model and articulate corporate need re the process
   b. Identify broad current process cost
   c. Identify broad efficiency savings relating to new process
   d. Identify if any IT system enhancement/change plan including integration
Appendix 1 to Agenda Item 12

e. Identify and quantify training and organisational change required, including costs and timescales
f. Clearly articulate benefits and outcomes flowing from this integrated change
g. Clearly articulate impact on suppliers and non SEH users
h. Complete ROI

6) Document implementation plan
   a. Gantt chart real time based with dependencies
   b. Resource needed
   c. Cultural change if needed
d. Asset change/roll out if needed
e. Outcome milestones

7) Do it
   a. Monitor progress
   b. Monitor outcomes
   c. Monitor benefits
d. Change whatever needs changing to make it work