

**South Essex Homes Limited**

**Board Meeting**

**Date: Wednesday 2 October 2019**

**Time: 5.00pm Committee Room 3**

**Board Agenda**

	<b>Item</b>	<b>Lead Person</b>	<b>Indicative Timing</b>
1.	Welcome and Introductions		
2.	Apologies for Absence		
3.	Declarations of Interest		
<b><u>PUBLIC AGENDA</u></b>			
4.	Governance & Stewardship	Simon Putt	10 mins
5.	Public Minutes & Matters Arising from meeting held on 10 July 2019	Roger Eastwood	10 mins
6.	Chair's Remarks	Roger Eastwood	5 mins
7.	Health & Safety Compliance and Fire Safety Update	Mario Ambrose	10 mins
8.	Partnership Agreement – progress update	Chris Vaughan	5 mins
9.	Residents' "Voice Your View"	Simon Putt	5 mins
10.	Company Assurance Report as at 31 August 2019	Daniel Lyons	15 mins
16.	Date of next meeting – <b>4 December 2019</b>		

# South Essex Homes Limited

**Governance and Stewardship report  
to  
The Board  
on  
2<sup>nd</sup> October 2019**

Report prepared by: Simon Putt  
Tel: 01702 212624

**Agenda  
Item No.**

**4**

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## **Governance and Stewardship**

*A Public Agenda Item*

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### **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 an oral update and recommendation from the Chair of the Board on behalf of the Recruitment Selection Panel to appoint a Tenant Board Member for a term of office of three years commencing 17<sup>th</sup> November 2019 in accordance with the Articles of Association
- 2.1.2 To note that Margaret Borton be appointed to the Audit & Risk Committee
- 2.1.3 To consider appointing to the position of Health and Safety Scrutineer
- 2.1.4 To consider and agree the appointment of the Group Manager for Corporate Resources and Income Management as the Company Secretary for South Essex Homes

### **3 Background**

#### **3.1 Board Appointments**

- 3.1.1 The term of office of an existing Tenant Board Member will end on the 17<sup>th</sup> November 2019. There has been an active recruitment campaign and in September 2019 interviews took place following a short list process and 3 candidates were invited to attend interviews with the Recruitment Selection Panel.

- 3.1.2 The Panel was made up of 3 people, including a representative of the Southend Tenants and Residents Federation (STRF), Phil Warren from Southend Borough Council, and Roger Eastwood, representing the Board. At the time of writing this report the interviews had not taken place and therefore a verbal update will be provided by the Chair of the Board at the Board meeting.
- 3.1.3 There are two vacant positions: (one for each) on the Audit & Risk and Personnel and Remuneration Committees, which occurred when Ron Woodley and David McGlone left the Board following the local elections in May 2019.
- 3.1.4 At the Board meeting on the 10<sup>th</sup> July 2019 the Board considered the replacements for these vacant positions and it was agreed that Peter Wexham was appointed to the Personnel and Remuneration Committee and that the Chair of the Board would speak to Margaret Borton, who was unable to attend the meeting, to ask whether she would be interested in sitting on the Audit and Risk Committee. Margaret Borton has subsequently agreed to sit on the Audit and Risk Committee.
- 3.1.5 The Board are asked to discuss and consider a replacement to the vacant position of Health and Safety Scrutineer that was previously occupied by Keith Ducker, the Tenant Board Member whose term on the Board finished on the 27<sup>th</sup> February 2019. At the last Board meeting on the 10<sup>th</sup> July 2019, the Board agreed that a note inviting expressions of interest would be sent out for the position. This resulted in one expression of interest from Margaret Borton.
- 3.1.6 At the last Board meeting on the 10<sup>th</sup> July 2019, Board Members asked Officers to provide options for appointing to the position of Company Secretary, recently vacated by Beverley Gallacher, as a result of an organisational move. The options and recommendations are contained within Appendix 1

## **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 Executive Management Team. The Board have identified risks associated with the governance of the organisation within statutory regulations.

**6 Financial Implications**

6.1 Not applicable for this particular report.

**7 Resident Consultation**

7.1 As part of the Recruitment Selection Panel for the Tenant Board Member nominations, there was one tenant forming the Panel.

**8 Background Papers**

8.1 South Essex Homes' Articles of Association

**9 Appendices**

9.1 Appendix 1 – Company Secretary Options

## **Options for appointment of Company Secretary for South Essex Homes**

### **Background**

At the last Board meeting on the 10<sup>th</sup> July 2019, Board Members asked Officers to provide options for appointing to the position of Company Secretary, the duties of which were until February 2019 undertaken by the Group Manager Resources and Business Development. Since February 2019 the duties in respect of Board administration and management have been undertaken by the Group Manager for Corporate Resources and Income Management.

### **Formal duties**

According to the July 2018 UK Corporate Governance Code, "All directors should have access to the advice of the company secretary, who is responsible for advising the Board on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole Board."

The secretary is an officer of the company and their duties can be wide ranging. While the Companies Act does not generally specify the role of the company secretary, they usually undertake the following duties:

- Maintaining the Company's statutory books, including:
  - a register of present and past directors and secretaries
  - a register of all shareholders, past and present and their shareholdings
  - a register of any charges on the company's assets
  - minutes of general meetings and board meetings
  - a register of the debenture holders (typically banks)
- Filing annual returns at Companies House. Other documents which must be filed include the directors' report and auditors' report (unless the company is exempt), and financial statements, including details of the company's assets and liabilities.
- Arranging meetings of the directors and the shareholders. This responsibility will involve the issue of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record the business transacted at the meetings and the decisions taken.
- Informing Companies House of any significant changes in the company's structure or management, for example the appointment or resignation of directors.
- Establishing and maintaining the company's registered office as the address for any formal communications. Ensuring that all the company's business stationery carries its name, registered number, country of registration and registered address. These details must also appear on the company website, emails, order forms and invoices.

- Ensuring the security of the Company's legal documents, including for example, the Certificate of Incorporation and Memorandum and Articles of Association
- Deciding on the Company's policy for the filing and retention of documents
- Advising Directors on their duties and ensuring that they comply with corporate legislation and the Articles of Association of the Company

### Qualifications

Secretaries of private companies are not required to have any particular qualifications or experience. It may, however be helpful to be aware that in a public company, the Directors must make sure, as far as is reasonably possible, that the secretary has "the requisite knowledge and experience to discharge the functions of secretary of the company". In addition, they must meet one or more of the following qualifications:

- Be a member of any of the following bodies:
  - The Institute of Chartered Accountants in England and Wales
  - The Institute of Chartered Accountants of Scotland
  - Association of Chartered Certified Accountants
  - The Institute of Chartered Accountants in Ireland
  - The Institute of Chartered Secretaries and Administrators
  - The Chartered Institute of Management Accountants
  - or the Chartered Institute of Public Finance and Accounting
- Have held the office of company secretary of a public company for at least 3 out of the 5 years immediately before their appointment as secretary
- Be a barrister, advocate or solicitor called or admitted in any part of the UK
- Be a person who by virtue of their holding or having held any other position or their being a member of any other body, appears to the directors to be capable of discharging the functions of the secretary of the company. (Companies Act 2006, s.273)

### Options

1. To not appoint a Company Secretary
2. To buy in the service from an external provider
3. To appoint an existing Board Director
4. To appoint another Officer from within South Essex Homes
5. To appoint the Group Manager for Corporate Resources and Income Management, who has been successfully carrying out the duties relating to Board affairs since February 2019

## Considerations

In considering the above options Board Members have indicated at their meeting on the 10<sup>th</sup> July 2019 that they would like to appoint to the role of Company Secretary, so option 1 should be disregarded.

### *The option to buy in the service:*

We do not consider this to provide the best solution, as to buy services would only be justifiable if we buy a “professional” Company Secretary, such as a qualified lawyer or Institute member. This will be costly and since inception South Essex Homes has not had in place a qualified professional. This has worked to the satisfaction of the Board and allows specific advice around particular issues such as employment or company law to be bought in as necessary.

### *The option to appoint existing Board Directors:*

Existing Board Directors are both non-executive and part time. It is unlikely that existing Board Members could make themselves available to adequately take part in day to day activities required to serve the Board fully.

### *The option to appoint another Officer from South Essex Homes:*

Whilst there are a small number of Officers who could undertake this role, this would not be the preferred option, because Officers with sufficient seniority have a vested interest, in particular and specific areas of the work of South Essex Homes and good governance suggests that the opportunity for unconscious bias to steer the activities of the Board should be avoided.

The preferred option is to appoint the Group Manager for Corporate Resources and Income Management to the role of Company Secretary, based on the experience, convenience and history of managing Board affairs to date.

Board Members also sought clarity on how the Company Secretaries for both South Essex Homes and South Essex Property Services would work together. The Company secretaries are required to work independently for their respective organisations, in accordance with company law, however they will of course share the administrative support of the Corporate Resources Team.

## Recommendation

To appoint the Group Manager for Corporate Resources and Income Management to the role of Company Secretary for South Essex Homes and review the position in 12 months.

**South Essex Homes Limited**

**Minutes of Board Meeting**

**Date: 10 July 2019**

**Time: 3:30 pm**

**Committee Room 5**

**Present:** Roger Eastwood - Chair of the Board; Meg Davidson - Vice-Chair of the Board; Rosalind Lane; Barbara Lambert; Phyllis Ward; Michael Oxley; Chris March; Sacha Jevans, Peter Wexham

In Attendance: Mike Gatrell - Chief Executive; Paul Longman – Group Manager; Simon Putt – Group Manager; Sarah Lander – Assistant Director Operations; Beverley Gallacher, Assistant Director Commercial; Tim Holland, Interim Head of Housing, SBC; Daniel Lyons – Financial Services Manager; Carol Cooper – Board Support, George Sutherland, Chair of SEPS Board (from Agenda item 12)

**Minutes of Board Meeting**

**Action**

	<b><u>Minutes of Board Meeting</u></b>	<b>Action</b>
	<b>PUBLIC AGENDA</b>	
<b>1.</b>	<b>Welcome and Introductions</b>	
1.1	RE welcomed everyone to the Board Meeting.	
<b>2.</b>	<b>Apologies for absence</b>	
2.1	Apologies for absence were received from Margaret Borton.	
<b>3.</b>	<b>Declaration of Interest</b>	
3.1	MO & RE declared an interest in Agenda item 4 and will leave the room at this point. CM and MG declared an interest as they are members of SEPS Board.	

<p>4.</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>4.5</p> <p>4.6</p> <p>4.7</p> <p>i)</p> <p>ii)</p> <p>iii)</p>	<p><b>Governance &amp; Stewardship</b></p> <p>(2.1.1) MO suggested that we “note” the reappointment and appointment of the new Councillors rather than “agree”. The Board agreed the change in wording and noted the reappointment of Meg Davidson and the appointment of Peter Wexham and Margaret Borton.</p> <p>(2.1.2) MO &amp; RE left the room whilst the Board discussed their re-election. MG explained how the Independent Board members were elected and how they become re-elected. The Board agreed to reappoint both RE &amp; MO for a further term of three years until 10 July 2022.</p> <p>(2.1.4) The Board agreed that the vacant position of Health and Safety scrutineer needed to be filled and Officers were asked to send out invitations for expressions of interest to all Board Members.</p> <p>(2.1.5) The Board agreed that PW would become a member of the Personnel &amp; Remuneration Committee. The Board agreed that RE would discuss the vacant position on the Audit &amp; Risk Committee with MB.</p> <p>(2.1.7) MG explained that due to the cancellation of the May Board meeting, the item regarding the Fire Safety Manager post had been agreed outside the Board by RE &amp; SJ as Chair’s Actions. MA updated on the position of the Fire Safety Manager that there had been 5 applications received and that interviews will be held shortly, with a view to the successful candidate hopefully starting in September 2019.</p> <p>DJ wanted assurance that there were no outstanding high priority actions regarding fire safety. MA confirmed that there were no high priority actions outstanding as any high priority job were actioned immediately. All other jobs are completed as part of the annual plan and this will be overseen by the Fire Safety Manager.</p> <p><b><u>Recommendation:</u></b></p> <p><b>The Board noted the re-appointment of Meg Davidson and the appointment of Margaret Borton and Peter Wexham as Council nominees for a period of one year in accordance with the Articles of Association.</b></p> <p><b>The Board agreed the re-appointment of Roger Eastwood and Michael Oxley to the Board for a further period of three years in accordance with the Articles of Association.</b></p> <p><b>The Board noted that Phyllis Ward be appointed to the Audit &amp; Risk Committee.</b></p>	<p><b>CC/SP</b></p> <p><b>RE</b></p>
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iv)	The Board agreed to appoint to the position of Health and Safety Scrutineer and to seek expressions of interest from Board members.	
v)	The Board considered Board member appointments for the two vacant Committee positions. It was agreed that RE would invite MB to join the Audit & Risk Committee and it was agreed that PW would join the Personnel & Remuneration Committee.	
vi)	The Board agreed the Audit & Risk Committee's Annual Report 2018/19 including the Annual Governance Statement 2018/19 and Action plan for 2019/20 as recommended by the Audit & Risk Committee.	
vii)	The Board noted the Chair's Action agreed by the Chair and Vice Chair, in accordance with the Code of Governance, for approval of the post of Fire Safety Manager.	
5.	<b>Minutes and Matters Arising from the Board Meeting held on 27 February 2019</b>	
5.1	The Minutes of the meeting of 27 February 2019 were agreed as a true and accurate record of the meeting.	
5.2	<b>Matters Arising</b> In relation to progressing negotiations on the new partnership agreement between the Council and South Essex Homes, TH advised Board members that a Section 27 approval would be required. The Council proposed to notify all tenants of the changes to the Partnership Agreement and giving them the opportunity to provide feedback.	
6.	<b>Chair's Remarks</b>	
6.1	The Chair provided an update on the new Homes Fit for Human Habitation Act. The Board requested a report summarising what the Act will mean for SEH.	<b>MA/SL</b>
6.2	The Board sought an update regarding the Government's initiative regarding replacing gas boilers. Officers confirmed that this is currently for new build properties but that SEH are in discussion with SBC regarding energy efficiency and how this can be incorporated into SEH managed properties	
7.	<b>Residents' Voice Your View</b>	
7.1	The Chair advised the Board that a question had been received from a resident, Mr Bury, in relation to Fire Safety. The Chair read out a detailed response and confirmed this response would be sent to the resident to confirm the position.	<b>SP</b>

7.2	Residents who had attended the Board meeting asked for clarification as to whether the Board were considering removing the item of Residents' Voice your View. The Board confirmed that this will remain a standing Agenda item and that there were no plans to discontinue this. It was confirmed that any Residents' Voice your View requests needed to be received at least 15 working days prior to the date of the Board meeting.	
<b>8.</b>  8.1  8.2  8.3  8.4  8.5  8.6  8.7  i)  ii)	<b>Company Assurance Report as at 31 May 2019</b>  DL gave an update of the report and confirmed that SEH is financially on track.  DL updated on the initial, and anticipated, impact of the new repairs contract.  CM asked about Careline SoS and BG provided a progress update.  SJ asked if the previous maintenance contractor's staff had been TUPE'd to the new contractor? PL confirmed that they had.  DJ noted that on the report it should state Performance Indicator Report and not Exception Report.  The Board requested that additional narrative be provided to further explain the Complaints data in the KPI report.  <b><u>Recommendations</u></b>  <b>The Board noted the update provided on financial information as at 31 May 2019.</b>  <b>The Board noted the Key Performance Indicator exceptions as at 31 May 2019.</b>	<b>SP/DL</b>
<b>9.</b>  9.1  9.2  9.3  9.4	<b>Health &amp; Safety Compliance and Fire Safety Update</b>  MA updated on the electrical testing programme.  RE wanted it confirmed that no gas testing remained outstanding. MA confirmed that all gas testing was up to date.  BL requested an update regarding sprinklers being fitted in individual properties within Sheltered Housing. MA confirmed that consultation with residents in Sheltered Schemes is underway to progress this.  SJ asked if SEH were compliant for Legionella. MA confirmed that SEH are compliant.	

<p>9.5</p> <p>9.6</p> <p>i)</p>	<p>MA advised Board Members that consultation was currently underway regarding a new Communication system being made available in tower blocks that would be operated by the Emergency Services in the event of an emergency, to communicate with residents. A further update to be provided at future Board meeting.</p> <p><b><u>Recommendations:</u></b></p> <p><b>The Board noted the Compliance Position Statement provided by the Regulation Compliance Officer.</b></p>	<p><b>MA</b></p>
<p>10.</p> <p>10.1</p> <p>10.2</p> <p>i)</p> <p>ii)</p> <p>iii)</p> <p>iv)</p>	<p><b>Draft Audited Accounts as at 31 March 2019 including External Auditors' Report</b></p> <p>DL gave an overview of the accounts. He noted that the consolidated group accounts show SEH and SEPS together.</p> <p><b><u>Recommendations</u></b></p> <p><b>The Board approved the Financial Statements for 2018/2019 as recommended by the Audit &amp; Risk Committee.</b></p> <p><b>The Board agreed that the unadjusted errors contained within the External Audit report remain unadjusted due to the immateriality of the transactions as recommended by the Audit &amp; Risk Committee.</b></p> <p><b>The Board noted the letter of representation from Southend on Sea Borough Council confirming group support.</b></p> <p><b>The Board agreed the Letter of Representation from the Company to Scrutton Bland and agreed to the Chair and one other Board member signing the letter on behalf of the Company.</b></p>	
<p>11.</p> <p>11.1</p> <p>11.2</p>	<p><b>Minutes from Audit &amp; Risk Committee Meetings held on 15 May 2019 and 19 June 2019</b></p> <p>DJ confirmed that the Audit &amp; Risk Committee have asked the Officers for the treasury management policy to be reviewed by the Treasury Management Advisor – Link Asset Group.</p> <p>DJ confirmed that the Audit &amp; Risk Committee have asked for an Executive Summary of the reports. DJ asked whether this is something the Board would like to consider. It was agreed that Officers would prepare the Executive Summary for the Audit and Risk Committee and review if this proved successful.</p>	

16.	Date of next meeting 2 October 2019 – Committee Room 3	
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**Public Matters Arising from Board meeting held on 10 July  
2019**

<p>4.</p> <p>4.3</p> <p>4.4</p>	<p><b>Governance &amp; Stewardship</b></p> <p>(2.1.4) The Board agreed that the vacant position of Health and Safety scrutineer needed to be filled and Officers were asked to send out invitations for expressions of interest to all Board Members.</p> <p><b>Details contained in Stewardship and Governance Report</b></p> <p>(2.1.5) The Board agreed that PW would become a member of the Personnel &amp; Remuneration Committee. The Board agreed that RE would discuss the vacant position on the Audit &amp; Risk Committee with MB.</p> <p><b>Details contained in Stewardship and Governance Report</b></p>	<p><b>CC/SP</b></p> <p><b>RE</b></p>
<p>6.</p> <p>6.1</p>	<p><b>Chair's Remarks</b></p> <p>The Chair provided an update on the new Homes Fit for Human Habitation Act. The Board requested a report summarising what the Act will mean for SEH.</p> <p><b>Sarah Lander supplied information which has been added to the Diligent Resource Centre</b></p>	<p><b>MA/SL</b></p>
<p>7.</p> <p>7.1</p>	<p><b>Residents' Voice Your View</b></p> <p>The Chair advised the Board that a question had been received from a resident, Mr Bury, in relation to Fire Safety. The Chair read out a detailed response and confirmed this response would be sent to the resident to confirm the position.</p> <p><b>The details were contained in the Board paper pack available to the resident and members of the public</b></p>	<p><b>SP</b></p>
<p>8.6</p>	<p>The Board requested that additional narrative be provided to further explain the Complaints data in the KPI report.</p> <p><b>Contained in updated Company Assurance Report</b></p>	<p><b>SP/DL</b></p>

<b>9.</b>	<b>Health &amp; Safety Compliance and Fire Safety Update</b>	
9.5	<p>MA advised Board Members that consultation was currently underway regarding a new Communication system being made available in tower blocks that would be operated by the Emergency Services in the event of an emergency, to communicate with residents. A further update to be provided at future Board meeting.</p> <p><b>MA will give a verbal update at the meeting</b></p>	<b>MA</b>

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**South Essex Homes Limited**  
Report of the Assistant Director, Operations  
to  
**The Board**  
on  
**2<sup>nd</sup> October 2019**

Report prepared by: Kerry Sinclair

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**Health and Safety Update**

*A Public Agenda Item*

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**1 Purpose of Report**

- 1.1 To provide the Board with an update of matters relating to Health and Safety within the Company.

**2 Recommendation**

- 2.1 That the regular progress information provided by the Regulation Compliance Officer is noted.

**3 Background**

- 3.1 Details of Health and Safety progress until 11<sup>th</sup> September 2019 are provided in Appendix 1.

**4 Diversity and Equal Opportunities**

- 4.1 Health and Safety legislation is equality impact assessed at source.

**5 Risk**

- 5.1 The report in the name of the Board's Health and Safety Scrutineer to each Board meeting, which sets out the regular work of the Company's Regulation Compliance Officer, serves to ensure our compliance with the Health and Safety at Work Act 1974 and mitigates the risk of prosecution of the Company, employees and Board.

**6 Financial Implications**

- 6.1 The reporting and monitoring process will not attract any additional costs.

**7 Union Consultation**

- 7.1 Information is shared through Staff Forums and Performance Packs.

## **8 Background Papers**

8.1 None

## **9 Appendices**

9.1 Appendix 1 – Health and Safety Update until September 2019

As of 11<sup>th</sup> September 2019**Corporate Compliance Position Statement**

<b>Key Regulations</b>	<b>List of Control measures South Essex Homes has in place in order to comply with Health and Safety Legislation.</b>
<b>The Regulatory Reform (Fire Safety) Order 2005</b>	<p>The schedule for fire risk assessments for 2019/20</p> <p>Progress for 2019/20 (up to 11<sup>th</sup> September 2019):</p> <ul style="list-style-type: none"> <li>○ Sheltered Housing Scheme = 22 out of 23 completed</li> <li>○ Tower Blocks = 13 out of 13 completed</li> <li>○ Hostels = 7 out of 9 Completed</li> <li>○ Medium and Low rise Blocks = 86 out of 149 completed</li> <li>○ Others = 76 out of 85 completed</li> <li>○ Progress is on target to complete this financial year</li> </ul> <p><b>South Essex Homes complies</b></p>
<b>Electricity at Work Reg. 1989</b>	<p><u>Annual Portable Appliance Testing</u> (PAT Testing): 2019/2020 programme is being administered by the Caretaking Team, summarised thus:</p> <ul style="list-style-type: none"> <li>○ Sheltered Housing Scheme = 23 out of 23 completed (93 individual properties still require access. These will be prioritised during this year's programme commencing in October and completed within the financial year. A small number of these are likely to extend past a year between testing. However, the Regulations do not specify a set frequency between tests.)</li> <li>○ Offices = 3 out of 3 completed</li> <li>○ Community Rooms = 6 out of 6 completed</li> <li>○ Hostels = 8 out of 8 completed</li> </ul> <p><b>South Essex Homes complies</b></p>

**Corporate Compliance Position Statement**As of 11<sup>th</sup> September 2019**Electrical Testing**

We are taking all measures to ensure that every property including those that have proved difficult to access has a valid test certificates during this financial year. The current position regarding valid electric test certificates is:

- |  |       |
|--|-------|
| ○ Completed Test Certificate within last five years: | 4,611 |
| ○ No current certificate or no access:               | 1,337 |
| ○ Properties with no recorded details:               | 40    |
| Total Properties requiring Certificates:             | 5,988 |

Electrical Testing for 2018/19 - 19/20 programme was delayed, but the contractor is now on site and has made a measurable effort to recover the situation. However, concerns over their ability to achieve the necessary output and deliver the programme as required has resulted in the need to secure a separate resource.

We recognise that this is a priority for us and have implemented a programme which schedules in all of the properties without current checks during this financial year.

In addition we have arranged for our gas contractor Aarons to undertake the electrical test at the same time as carrying out the gas service/CP12 visit in those properties that remain on their programme this year. This programme will commence in October. This has the added benefit of enabling us to use the statutory powers for access that are associated with gas inspections, to complete electric checks in some 350 homes.

We appreciate that there will be some properties that are genuinely difficult o access however, Property Services and the Tenancy Team will liaise to identify those and take necessary legal action which may include seeking an injunction.

**South Essex Homes partially complies**

**Corporate Compliance Position Statement**As of 11<sup>th</sup> September 2019

<p><b>Legionnaires</b> Legionnaires Disease, The Control of Legionella Bacteria in water systems. Approved Code of Practice and Guidance (L8)</p>	<p>Monthly monitoring of sheltered schemes continues to programme. New contract commenced 2nd September and now includes 6 monthly testing of high rise blocks. Automated remote monitoring, once installed as part of the new contract, will provide advanced control and aid prevention.</p> <p><b>South Essex Homes complies</b></p>
<p><b>Control of Asbestos Reg. 2012 (CAR)</b></p>	<p>Regulations state that organisations need to ensure that asbestos is managed and monitor the condition of any asbestos materials. To mitigate the risk, we respond to repair issues when identified utilising licenced contractors and all staff undergo regular Asbestos Awareness training. Other methods of embedding a routine re-inspection regime are under consideration such as visual inspections being carried out by all visiting officers and caretakers on an ongoing basis. This would need to be underpinned by information and appropriate technology being available to staff (potentially use of the Photobook app which has started to be used by Caretaking Staff) In the meantime, in-house recording of void asbestos re-inspections has been reinstated following changes to the provision of the void process.</p> <p><b>South Essex Homes complies</b></p>
<p><b>The Lifting Operations Lifting Equipment Regulations 1998 (LOLER)</b></p>	<p>Independent Insurance Inspections are undertaken at six monthly intervals. Monthly inspections at tower blocks and bi-monthly inspections in sheltered schemes are undertaken by the lift maintenance contractor. The above meet the requirements</p> <p><b>South Essex Homes complies</b></p>
<p><b>Gas Safety (Installation and Use) Reg. 1998</b></p>	<p>All properties have a valid LGSR certificate.</p> <p><b>South Essex Homes complies</b></p>

**Corporate Compliance Position Statement**

**As of 11<sup>th</sup> September 2019**

<b>Construction (Design and Management) Reg. 2015</b>	This function is provided in-house. Staff received refresher training in February in order to demonstrate competency.  <b>South Essex Homes complies</b>
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# South Essex Homes Limited

Report of Director of Business Development  
To  
**The Board**  
On  
**2<sup>nd</sup> October 2019**

Agenda  
Item No.

**10**

Report prepared by: Daniel Lyons  
Tel: 01702 212605

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## Company Assurance Report

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### 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 2019.
- 2.1.2 Note the Key Performance Indicators position as at August 2019.

### 3 Financial Update

#### 3.1 Introduction

- 3.2 This report sets out the actual expenditure on the Operating Budget and Revenue Repairs Budget to 31<sup>st</sup> August 2019.

#### 3.3 Expenditure for 2019/20

Description	Budget for year £000	Budget to 31 <sup>st</sup> August £000	Actuals at 31 <sup>st</sup> August £000	Variance £000
Turnover	10,666	4,635	4,636	1
Operating costs & Interest	10,663	4,504	4,345	159
<b>Profit / (Loss)</b>	<b>3</b>	<b>131</b>	<b>291</b>	<b>160</b>

The Revenue Repairs Budget	5,385	2,250	2,182	68
The Capital Programme	7,743	1,826	1,979	(153)

### 3.4 **The Operating Budget**

3.4.1 The main variances on the Operating Budget are detailed below;

#### 3.4.2 Training and Staff Advertising - £9k favourable

3.4.3 A review of all mandatory training is currently underway to identify training needs. Information from appraisals is being collated by managers and further training needs will be identified following the finalisation of this.

#### 3.4.4 Utilities - £40k favourable variance

3.4.5 Spend on gas and electric in sheltered schemes is lower than anticipated so far this year. This is always an area that fluctuates due to weather conditions and market prices.

#### 3.4.6 Telephones - £22k unfavourable variance

3.4.7 We are still incurring costs associated with broadband lines within Sheltered Schemes, these costs should have been cancelled when Southend Borough Council undertook the exercise to install fibre lines into Sheltered Schemes.

3.4.8 The Council's ICT services with whom we have an operational Service Level Agreement (SLA), have been asked to investigate this and progress this line of work.

#### 3.4.9 ICT Costs - £36k favourable variance

3.4.10 This budget includes a number of one off items where we will incur expenditure this year and we will see this gap reduce as the year goes on.

### 3.5 **Revenue Repairs**

3.5.1 The Revenue Repairs Budget is underspent by £68k to date

3.5.2 The Responsive Repairs area is overspent by £159k, which is due to some large one off costs being incurred in the first part of 2019/20 as well as some legacy works carried over from the Kiers' contract in 2018/19. We should see this overspend against budget reduce as the year progresses.

3.5.3 The Voids area is currently underspent by £203k, a prudent budget was set for this area based on the previous year's spend. As we are being billed based on a price per void at an assumed level of voids when a reconciliation is done between billed voids and void works actually carried out this figure may change. We are still likely to see a large underspend of around £300k at year end in this area.

### 3.6 Capital Programme

3.6.1 There is an overspend of £153k on the Capital Programme to date.

3.6.2 The capital works programme for 2019/20 is progressing mainly in accordance with our works programme. There have been some delays due to the kitchen and bathroom contractor not commencing their works as expected however a way forward has now been agreed and it is expected works will commence in early October with the completion of required properties by March 2020.

## 4 Key Performance Indicator Exceptions

4.1 The performance report for the period April 2019 to August 2019 is shown at Appendix 1. The following Key Performance Indicators have not met the monthly or annual performance target to date;

SEH KP4 – Collection rate for rents

SEH KP 7 – Void Turnaround time

SEH KP12a – Responsive Contractor repairs completed in target times

SEH KP19 - % non decent homes

4.2 Rent collection shown in KP4 was below target in August 2019, this was due to the school holidays. Rent collection rates usually fall during the school holiday periods. There has been no reduction in recovery activity and every effort has been made to reach the target.

4.3 Void turnaround time has failed to meet its target of 17 days for every month of 2019/20. There was an improvement in August with the average for the month falling to 22.5 days. There were a large number of Voids carried over from 2018/19 and assigned to the new contractor, the new contractor was slow to mobilise enough resources to deal with this backlog along with the properties becoming void in 2019/20 and so turnaround time was adversely affected. Voids are now starting to see a decrease in turnaround and the contractor is starting to perform better. The total number of voids has now reduced which is making it more manageable for the contractor.

4.4 Performance for responsive repairs completed in target time in KP12a failed to meet target in August. Due to work in progress clearance, there has been a decrease to routine and overall responsive repair KPIs. The exercise continues to be manageable with positive outcomes which will reflect in future reporting. Routine repairs have been considerably low compared to previous months, most likely due to the holiday season. The target for the urgent repairs KPI had been missed by 1 repair which was delayed due to subcontractor (TC Glass) being on holiday and the Morgan Sindall engineer being fully booked until next availability. All emergency jobs were completed within target.

4.5 The majority of decent homes failures for this year are for electrical rewires, a standalone tender is currently progressing to address these properties. All other works are progressing and we are on target to meet the full decent homes standard by year end.

## **5 Diversity and Equality Opportunities**

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

## **6 Financial Implications**

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

## **7 Resident Consultation**

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

## **8 Background Papers**

8.1 None

## **9 Appendices**

9.1 Appendix 1 – Key Performance Indicator Report

## August 2019 performance report Board

August 2019 performance report



PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

Code	Short Name	2018/19	July 2019	August 2019	2019/20	Long Term Trend Arrow	Current Target	Traffic Light Icon	Latest Note
		Value	Value	Value	Value				
SEH KP 4	Collection rate for rents	99.33%	101.58%	97.97%	99.48%		98.60%		Although there is always monthly fluctuation in rent collection figures, in August the rent collection was below the target, although the overall year to date figure is 99.48% this is above the target of 98.60%. The main reason for the lower collection in August were the school holidays. There has been no reduction in recovery activity and every effort has been made to reach the target, nevertheless the overall arrears performance (KP5) is within target.
SEH KP 5	Current rent arrears as % of rent due	1.91%	1.89%	1.98%	1.98%		2.60%		This indicator represents the current arrears as a percentage of the total rent collectable for the year. I am pleased to report that we are on target this month, which has been as a result of the combined efforts of the frontline teams working together to tackle rent arrears at an early stage, and to support tenants in sustaining their tenancies. The target has been changed for this year in agreement with SBC to take into account the continuing roll out of Universal Credit, and the significant impact this is having and will continue to

Code	Short Name	2018/19	July 2019	August 2019	2019/20	Long Term Trend Arrow	Current Target	Traffic Light Icon	Latest Note
		Value	Value	Value	Value				
									have on the arrears position.
SEH KP 7	Void turnaround time	13.9	28.6	22.5	25.7	↓	17.0	🛑	Voids are now starting to see a decrease in turnaround and the contractor starting to perform better. Total number of voids has reduced which is making it more manageable for the contractor and should now continue to decrease.
SEH KP12a	Responsive contractor repairs completed in target times	93.99%	100.00%	90.20%	94.89%	↓	97.00%	🛑	Due to WIP clearance, there has been a decrease to routine and overall responsive repair KPIs. The exercise continues to be manageable with positive outcomes to reflect future reporting. Routine repairs have been considerably low compared to previous months, most likely due to the holiday season. The target for Urgent KPI had been missed by 1 repair which was delayed due to subcontractor (TC Glass) being on holiday and MS Engineer being fully booked until next availability. Emergency jobs were completed within target.
SEH KP12b	Gas contractor repairs completed in target times	99.48%	100.00%	100.00%	100.00%	↑	100.00%	✅	
SEH KP17	Gas safety certificates	100.00%	100.00%	100.00%	100.00%	↑	100.00%	✅	
SEH KP19	% non-decent council homes	1.6%	5.4%	5.4%	5.4%	↓	3.8%	🛑	Majority of DH failures for this year are for electrical rewires, a standalone tender to address these is currently underway. All other works progressing in line with planned works and works identified from Surveyors.
SEH KP24	Working Days Lost Due to Sickness Absence	11.76	0.92	0.53	3.47	↑	0.75	✅	A performance of 0.53 days per employee for August is the best performance in this area for the year to date and is the best performance since July 16. There were 23 days attributed to short term sickness and 58 attributed to long term sickness. The number of days short term sickness is the lowest number of days in a month since we started recording this stat in December 2016. For the year to date we have lost 524.50 days due to sickness of which 21 days have been noted as due to pregnancy related issues. 314 were attributed to long term sickness (60%) and 210.5 were attributed to short term sickness (40%).

Code	Short Name	2018/19	July 2019	August 2019	2019/20	Long Term Trend Arrow	Current Target	Traffic Light Icon	Latest Note
		Value	Value	Value	Value				
									For the 5 months to date our performance is 3.47 days sickness per employee compared to a target of 3.75 days.
SEH KP25 (F2)	Total Complaints responded	76	12	21	64	↑			
SEH Local R13	Current rent arrears (in cash)	£612,231	£616,403	£646,620	£646,620	↓			This is the base figure used in the calculation of KP5, so please see comments under this indicator above
SEH Local R13a	Former tenants arrears	£413,647	£417,105	£404,860	£404,860	↑			
SEH Local R14	FTAS as a percentage of debit	0.98%	1.05%	1.02%	1.02%	↓	1.20%		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 achieving the target this year, and there is no reason at this stage in the year why we shouldn't achieve the target.
SEH Local V3	Void loss as % of debit	1.26%	2.09%	1.74%	1.84%	↓			
SEH Local V8	Percentage of property void & relettable	0.99%	1.43%	1.24%	1.24%	↓			