



AGENDA

Meeting: Board meeting
Location: Vulcan Street

Invitees ng2 Board

Date Tuesday 16 June 2020

Time 5:30 pm

Please submit any apologies to Joanne Bradley
Jbradley@ng2works.com

Telephone: 0141 630 4259

	Agenda	Paper	Lead Officer	Page
1.	Apologies			
2.	Disclosure of Interest and Attendance			
3.	Minutes of Meeting on 3 December 2019	Yes		1-5
	i) Matters Arising			
4.	Vanguard Presentation	No	JD	
5.	Management Accounts	Yes	BH	6-9
6.	Operational Report	Yes	JD	10-24
7.	ng2 Staffing Report	Yes	JD	25-27
8.	Risk Register	Yes	JD	28-29
9.	Health and Safety Report	Yes	JD	30-31
10.	Anti Fraud Policy	Yes	BH	32
11.	AOCB			
12.	Date of Next Meeting – 22 September 2020			
	Appendices			
1.	ng2 service audit findings			



Board Minutes

Meeting: ng 2 Board meeting **Location:** The Ron Davey Enterprise Centre

Date: Tuesday 10 March 2020 5:30pm **Time:** 5:30pm

Attendees: G Satti – GS - Chair
Margaret Thomson MT – Vice Chair
Isabel Cross - IC
Jim Berrington - JB
Richard Porter – RP

Apologies: Tillie Dow – TD
Bob Hartness - RH (DCEO - Finance)

In Attendance: John Devine – JD (DCEO - Regeneration)
David McIntyre – DM (SOS)
Joanne Bradley – JPB (OS)

Minute Taker: Joanne Bradley

	Agenda	Action	Date
1.	Apologies		
	T Dow and R Hartness		
2.	Disclosure of Interest and Attendance		
	None		
3.	Minutes of Board Meeting on 3 rd December 2019		
a.	Matters Arising		
	Vanguard's review of ng2 operations and structure has been completed and a draft version of their report has been presented to management. The draft report will be furnished to the Chair as requested.	JD	ASAP
	The previous minutes were adopted as correct:		
	Proposed MT Seconded IC		

4.	For Approval		
a.	Management Accounts		
	<p>In Bob's absence JD presented the management accounts for the reporting period: -</p> <p>Income during the period was £2.598m with a gross profit of £465k. Overheads totalled £378k in the period with the main elements continuing to be motor expenses, management charges, uniforms and rent. Net profit for the period was £87k.</p> <p>Balance sheet continues to improve with increased reserves which now total £707k. Increases in stock and debtors reduced the cash balance in addition to funds paid back to the association. The intercompany balance now shows a balance of £43k in favour of ng2.</p> <p>Proposed JB Seconded RP</p>		
5.	Salary and Benefits Increase 2020		
	<p>JD presented this proposal for approval by the Board. For some staff the increase in Glasgow Living Wage will give them an automatic increase as ng2 continues to pay the Glasgow Living Wage as a minimum to employees. This increase is representative of a 3.3% increase affecting approximately 53% of staff. This will incur additional cost to ng2 of about £26k.</p> <p>An increase of 1.5% is proposed for the remainder of ng2 staff at an increased cost of about £14k.</p> <p>The management team further propose holiday entitlement increase by 1 day per year for each completed year of service with a maximum of 5 additional days for each eligible employee. This will impact positively on staff morale and retention in addition to making ng2 more attractive as a quality employer.</p> <p>The Board agreed that this would be good for staff retention and approved the proposal.</p> <p>Proposed JB Seconded IC</p>		

6.	Reports for Noting		
a.	Operational Report October - December 2019		
	<p>Business Planning & Growth</p> <p>DM presented the operations report for the reporting period showing growth aligned to the Association's stock survey. ng2 continue to liaise with the Association's Investment team to coordinate planned projects.</p> <p>Projects identified were</p> <p>Painting of metal fencing;</p> <p>Timber fence renewals;</p> <p>LED lighting upgrades;</p> <p>Carron Estate balconies.</p> <p>Door entry upgrade project has been put on hold due to the high number of voids received in the period.</p> <p>Landscaping project remains the largest contract with a strong focus on service delivery.</p> <p>Voids remain a priority and continue to represent a high percentage of the works carried out. An average of 500 void properties is being completed per annum.</p> <p>Vanguard Business and Operations Review</p> <p>The Vanguard review is now complete and a report has been submitted to the ng2 management team. JD to forward to ng2 Chair and meet with the Chair to discuss the initial findings of the review document.</p> <p>Vehicles</p> <p>Vehicle tracking reports continue to have a positive impact on productivity and fuel management. A report will be provided to the Board demonstrating the benefits of vehicle tracking which could also potentially reduce vehicle insurance costs to the organisation.</p> <p>ng2 Overtime</p> <p>In response to the increased pressure on targets it has been necessary</p>		

	for some operatives to work overtime. The overtime approval process was presented to the Board to demonstrate tight control of this expense. All requests must be supported by a business justification which is submitted to JD for approval in advance of any overtime being worked.		
b.	Staffing Report		
	<p>Slight reduction in staff numbers during the period due to seasonal and temporary contracts coming to an end. Sickness is still below 3% target at 1.76%. The Board noted that this was an extremely low figure in comparison to the Association.</p> <p>119 staff benefited from training during the period over 7 course titles in addition to the ongoing mentoring, coaching and informal training delivered on a daily basis.</p> <p>3 vacancies were advertised externally during the period leading to successful appointments in addition to 1 internal vacancy being filled.</p> <p>Simply health continues to receive good feedback from employees with the majority of claims remaining to be for optical and dental categories.</p>		
c.	Health & Safety		
	<p>ACS audit results are imminent, having been delayed by change of personnel within ACS.</p> <p>Health & Safety training remains ongoing throughout the year with scheduled refresher courses being completed.</p> <p>2 incidents were recorded within the period however these were non-reportable and there were no serious injuries or time lost.</p>		
d.	Risk Register		
	It was agreed that it should be reviewed as a separate individual item prior to each Board Meeting. This meeting will be given priority and will go ahead as soon as possible but prior to the next full Board meeting.	DM/RH/JB	ASAP
	Members were asked to note content of the reports which constitute items 5a – 5d		

7. AOCB		
<p>Corona Virus</p> <p>DM confirmed that a steering group had been formed to provide observations and recommendations. Staff's safety remains a priority and additional PPE has been supplied to them where appropriate. It has been agreed that all tenants reporting repairs via the call centre will be screened by CSOs to safeguard the health of staff. The cleaners have also been briefed on infection prevention.</p> <p>Provision of sick pay during self isolation period for staff where medically necessary is being considered and may be assessed on a case-by-case basis.</p> <p>Vehicle hire and machinery contracts are in their final year and will be put out to tender.</p> <p>There being no other competent business the Chair thanked all for their attendance and closed the meeting.</p>		
8. Date of next meeting :- Tuesday 16 June 2020 at 5.30pm		



Board Meeting

For Approval

To: Board
From: Finance Director

SUBJECT: MANAGEMENT ACCOUNTS – YEAR TO 31 MARCH 2020 **DATE:** 16 June 2020

1.	Introduction
	This report is detailing the financial results for the year to 31st March 2020.
2.	Risk and other issues
	<p>The management accounts are reviewed on a regular basis by the management team, Audit Committee and Board, ensuring close monitoring of financial position of the organisation. This is a key element of budgetary control and monitoring</p> <p>There are no applicable effects on sustainability or equality and diversity issues.</p>
3.	Commentary on results for the period
	<p>The income from activities in the year to 31st March 2020 amounts to £3.43m with £1.04m of direct costs and £1.80m of wages leading to a £593k gross profit. Ongoing review of charge out of costs within joinery and electrical.</p> <p>Overheads totalled £493k. The main elements being motor expenses, management charges, uniforms, rent and vehicle depreciation. After the overheads and interest charges a £100k net profit was made in the period.</p> <p>The balance sheet position continues to improve with increased reserves. The cash balance decreased with £156k more funds being paid out of the company than paid in. This was primarily through an increase in debtors and stock together with funds being paid back to the Association. Reserves now total £720k.</p>
4.	Recommendation
	Board members are asked to recommend approval of the management accounts of ng2 for the year to 31 st March 2020. A report of this will be put to the Board of the Association.

Year to
31/03/19

NG 2

Profit and Loss - period to

31-Mar-20

		Sales £	Materials £	Wages £	Gross Profit £
141,930	Cleaning	483,593	71,312	285,986	126,295
38,901	Power washing	25,289	2,480	15,000	7,809
48,433	Joinery	702,754	445,759	171,734	85,261
26,122	Electrical	465,557	394,821	23,362	47,373
31,504	Other sales	241,228	2,768	206,575	31,885
31,651	Back court cleaning	127,569	-	84,893	42,675
177,446	Garden maintenance	805,149	103,706	509,766	191,677
(99,395)	Management	-	-	74,147	(74,147)
70,822	Concierge	300,095	-	230,175	69,921
56,603	Hit squad	187,957	-	132,488	55,470
34,041	Painters	91,497	14,896	67,408	9,193
558,057		3,430,689	1,035,743	1,801,534	593,412
-	Other income	-	-	-	-
558,057		3,430,689	1,035,743	1,801,534	593,412
Overheads					
50,000	Management charges			50,000	
25,487	Rent and rates			25,395	
176,293	Motor expenses			217,133	
4,000	Telephone and IT support			4,000	
5,595	Printing, stationery and advertising			3,818	
16,854	Professional fees			22,677	
2,820	Container hire			2,452	
24,134	Uniforms, safety equipment and repairs			27,354	
10,533	Training			15,562	
4,000	Insurance			4,000	
112,285	Vehicle and plant depreciation			116,369	
(3,100)	Gain/Loss on sale of fixed assets			-	
285	Bank charges			230	
2,825	General expenses			3,899	
432,011					492,890
3,154	Loan interest				559
122,892	Net profit				99,963
26,228	Corporation tax/Gift aid				-
96,664					99,963

31/03/19	NG 2	31-Mar-20			
£	Balance sheet at		£	£	£
297,611	Fixed assets				220,976
	Current assets				
309,148	Stock and Debtors			645,050	
256,566	Bank and cash			99,829	
<u>565,714</u>				<u>744,879</u>	
	Current Liabilities				
136,331	Trade Creditors	110,298			
-	NGHA inter Company account	78,466			
25,661	Resilient Scotland loan	-			
81,049	Other creditors	<u>56,845</u>			
<u>243,041</u>				<u>245,609</u>	
<u>322,673</u>					<u>499,270</u>
<u>620,283</u>					<u>720,246</u>
100	Share capital				100
620,183	Profit and Loss account				720,146
<u>620,283</u>					<u>720,246</u>

31/03/19	NG2 CASHFLOW	31-Mar-20
£	OPERATING ACTIVITIES	£
96,664	Surplus for year	99,963
-	Interest Received	-
3,154	Loan Interest Paid	559
99,818	Operating surplus excluding int & tax	100,522
112,285	depreciation - vehicles and plant	116,369
253,494	Decrease/(Increase)in Debtors	(335,903)
(218,803)	(Decrease)/Increase in Creditors	28,229
246,794	Net Cash In/(Out)flow From Operating Activities	(90,782)
	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
-	Interest Received	-
(3,154)	Less: Interest Paid	(559)
(3,154)	Net Cash In/(Out)flow from Returns on Investments and Servicing of Finance	(559)
-	Corporation Tax Paid	-
	INVESTING ACTIVITIES	
(99,999)	Acquisition of Other Fixed Assets	(39,734)
-	Investment in Activities	0
(99,999)	Net Cash In/(Out)flow From Investing Activities	(39,734)
143,641		(131,076)
	FINANCING	
-	Loans Received	-
(41,795)	Less: Loans Repaid	(25,661)
-	Issue Of Share Capital	-
(41,795)	Net cash In/(Out)flow From Financing	(25,661)
101,846	Increase/(Decrease) in Cash and Cash Equivalents	(156,737)
101,846	Movement in Cash & Bank	(156,737)
101,846	Increase/(Decrease) in Cash and Cash Equivalents	(156,737)



Board Meeting

To: **ng2 Board**
From: **Deputy CEO (Regeneration)**

SUBJECT: ng2 OPERATIONS REPORT
JANUARY – MARCH 2020

DATE 16 June 2020

1.	Introduction
	<p>The report provides an update on ng2's areas of business operations for Quarter 4 2020. During this quarter we have had to deal with the coronavirus outbreak and we initiated lockdown in accordance with Scottish government advice and guidelines on Monday 23 March.</p>
2.	Strategy
	<p><u>Business Planning and Growth for 2019/20</u></p> <p>ng2 future growth will be aligned to ng homes recent stock condition survey and planned investment programme for 2019/20.</p> <p>Projects identified for 19/20 include:-</p> <ul style="list-style-type: none">- Metal Fencing – Painting- Timber Fencing – Replacement- LED Lighting Upgrade- Carron Estate - Balcony Works <p>The landscape maintenance contract continues to be ng2's largest contract for 2019/20. ng2 have consolidated this service over 2018/20 and focused on service delivery rather than growth of the contract. Due to the Corona Virus pandemic the 2020 landscape maintenance contract will start later in the year, we will provide an update on this at the next meeting.</p> <p>Void remedial works continue to be a major part of our day to day works over the year with on average 500 voids per annum being completed and returned to ng homes.</p> <p>We will continue to update the board on the development of any additional contracts and business opportunities identified during 2019/20.</p> <p><u>Vanguard Business and Operations Review</u></p> <p>The Vanguard business review proposal summary paper was received on 23/10/19 and approved for implementation by the 3 directors and chair of ng2 ltd during October 2019.</p>

The review took place over 4 days starting 6 January 2020 (See Appendix 1 – Vanguard Report)

A presentation of the review, findings and recommendations, will be delivered by Vanguard at the June 2016 ng2 board meeting. This enables board members to discuss and analyse the report with vanguard directly, before implementing any of the recommendations within the report.

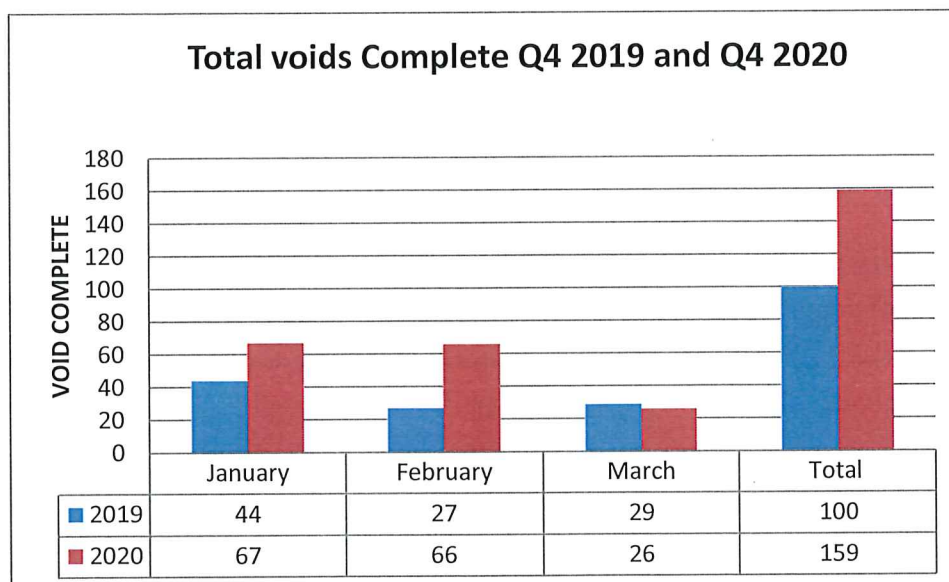
3. Voids

The chart below compares the void properties completed in quarter 4 of 2019 with that of the void properties completed in quarter 4 of 2020.

The total completed voids for quarter 4 in 2019 was 100, with the comparable figure for the same period in 2020 being 159.

The void properties are serviced in the first instance by the hit squad or concierge, who clears all properties of any household items left by the previous tenant. This is then followed by the appropriate trades who complete all of the required works.

Monthly Void Numbers Completed Comparison Quarter 4 (2019 and 2020)



Void Completion Times Comparison Quarter 4 (2019 and 2020)

ng2 have a target of 6 days per void set by the association. The table and charts below show the number of voids received by ng2 per week during the quarter. It also provides a breakdown of total days taken and an average numbers of days to complete each void.

ng2 have also continued to provide a package of services in relation to voids consisting of

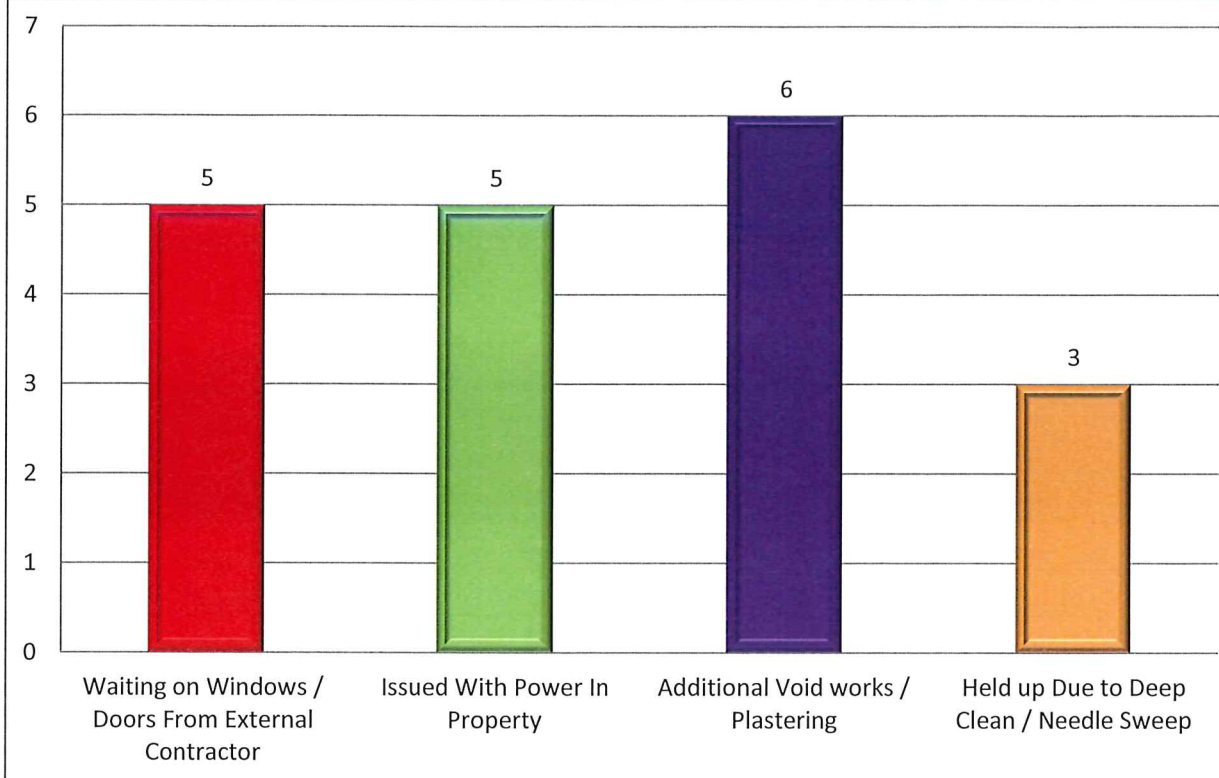
window safety check and a lock change.

During this quarter ng2 have continued to ensure all void properties meet SHQS standard as required by the Housing Association.

The table below shows a screenshot of our weekly break down of all voids received and the progress against target dates given to ng homes during quarter 4 (January to March) 2020).

Week Commencing	Received in week	Returned in week	Returned on expected Target Date	Returned before Expected Target Date	Returned outwith Expected Target Date	Live Voids	Reason for late return
06/01/2020	18	5	3	2	0	13	
13/01/2020	8	4	3	0	2	17	Add works / Plastering
20/01/2020	14	5	3	2	1	26	Window Install
27/01/2020	15	14	9	2	3	27	Needle Sweep, Add works / Plastering
03/02/2020	12	9	5	4	0	30	
10/02/2020	15	17	11	4	2	28	Window Install
17/02/2020	15	14	6	6	2	29	Add works / Plastering
24/02/2020	11	12	7	4	1	28	
02/03/2020	14	11				31	
09/03/2020	9	12	7	4	2	28	
16/03/2020	11	17	3	11	3	22	Window Install, Needle Sweep
23/04/2020	13	7	4	3	0	28	
30/03/2020	4	13	6	5	2	19	Add Works / Plastering

The chart on the following page shows a breakdown of reasons for voids being returned after the 6 day target, as you can see, 19 voids did not meet the 6 day turnover target. The table shows reasons for these followed by the rectification action we have taken to reduce voids going back out with target. For voids that fell out with the 6 day target, the following rectification action is being taken:



Waiting on Windows / Doors from External Contractor

Due to the number of window and door repairs required in voids, we have brought another subcontractor on board. This should enable us to turn around voids requiring window/door repairs more efficiently however when a specific make, model or part is required there may still be a slight delay.

Power Issues

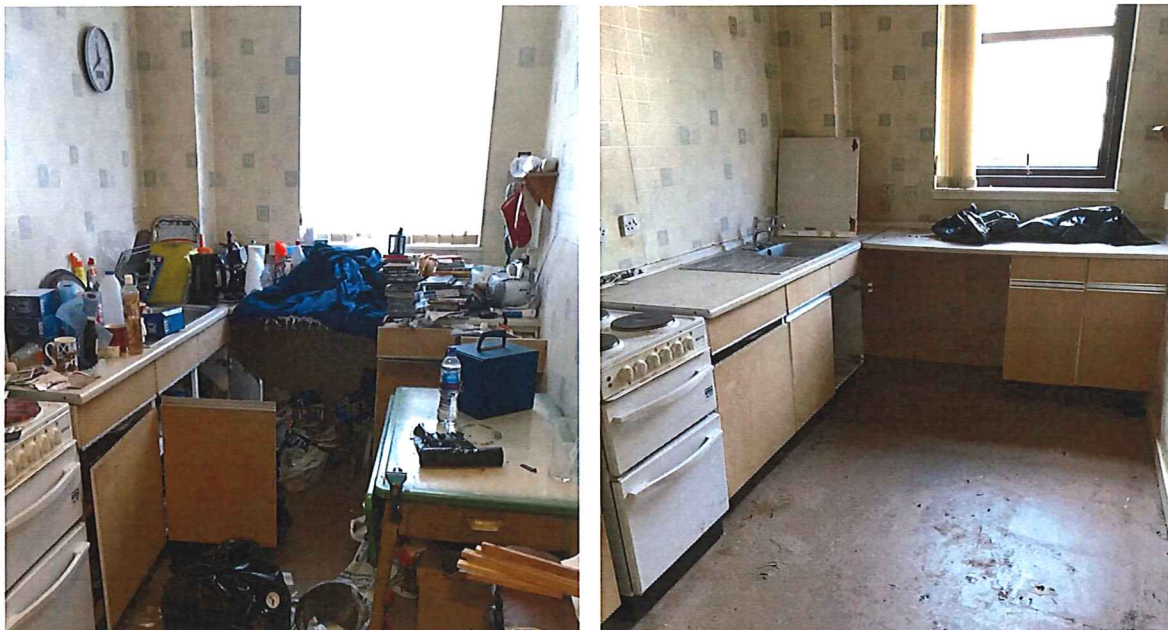
There has been a slight increase in voids coming to ng2 with no power over this quarter, this is a direct effect of the Corona virus pandemic.

Additional Void works

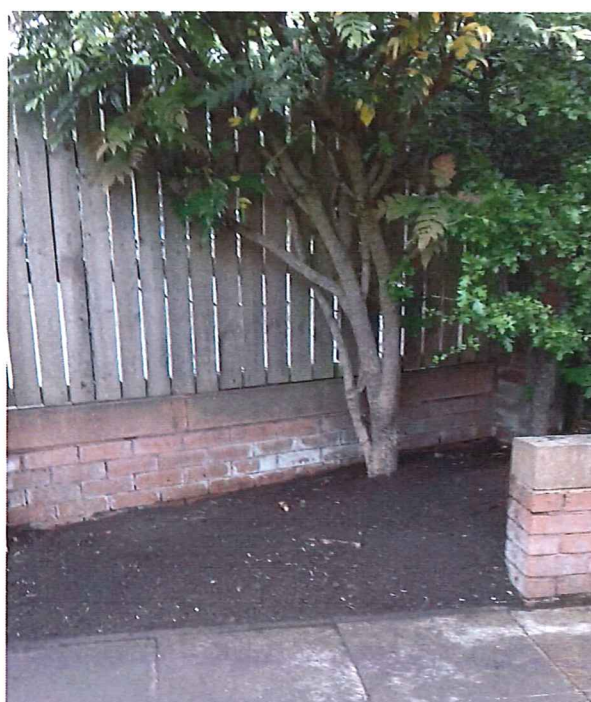
ng2 regularly meets with the void officer to agree additional work required and revise target dates for void works.

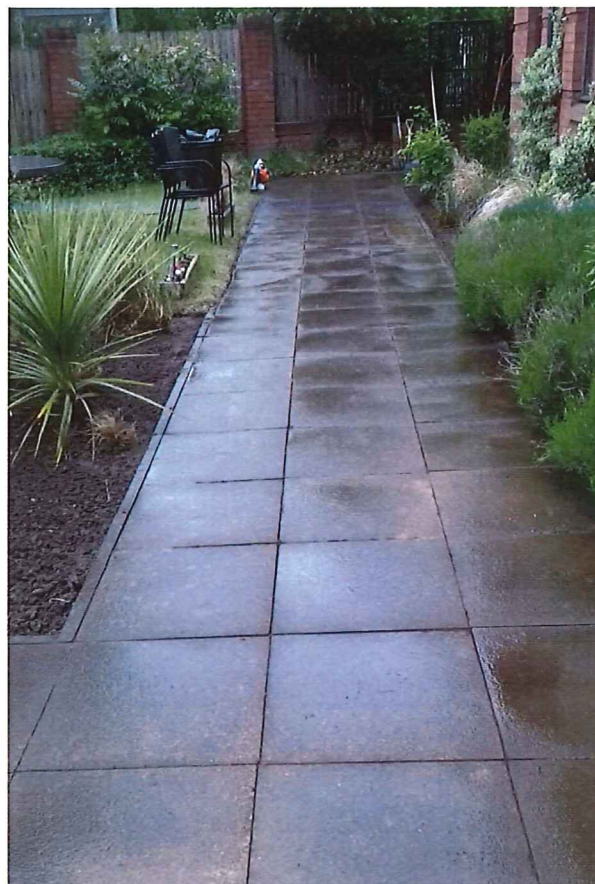
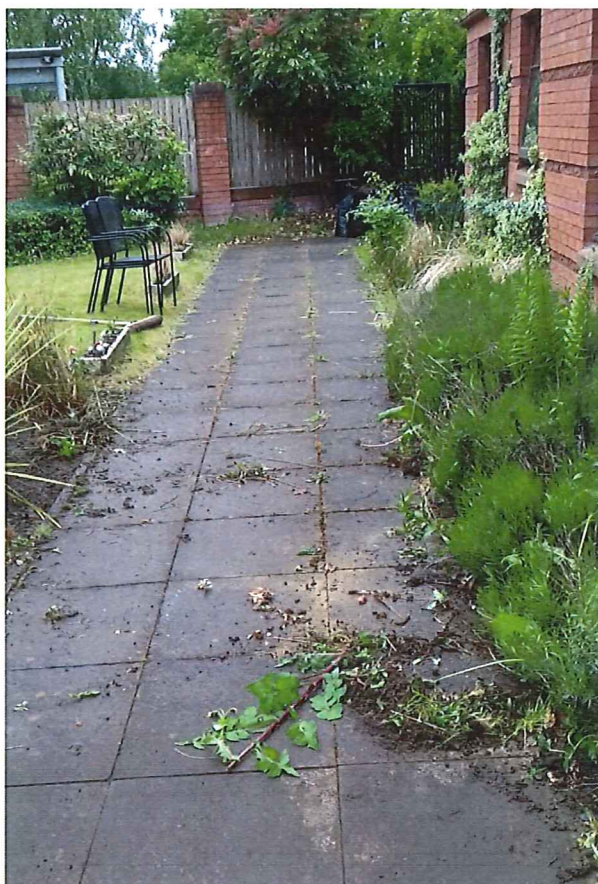
Number of Live Voids

Door entry programme has been suspended until March as there is a large number of voids build up over the Christmas holidays coupled with a large influx of new voids over this period. This has ensured that ng2 is able to stay within the 6 day target for void.

4.	Void Monitoring and Management
	<p>ng2 continue to attend weekly performance and monitoring meetings in which we provide an accurate breakdown of void information. This assists ng homes Neighbourhood Managers to identify any areas of concern, and allows discussions to take place to rectify any queries quickly and effectively for the benefit of both parties. Before ng2 tradesmen enter a void the property is cleared of any of the previous tenant's belongings. See pictures below:</p> <div data-bbox="212 602 1385 1229">  </div> <p>Before and after void clearance in preparation of new kitchen installation</p>
5.	Garden Maintenance
	<p>The work involved under this contract comprises the provision of a grounds maintenance service to the Association's properties for a 5-year period commencing March 2017 and involving all aspects of grounds maintenance including both hard and soft landscaping to private and communal gardens as well as open space areas.</p> <p>The contract was due to start on Monday 23 March 2020 but due to the coronavirus pandemic it did not start until Monday 27 April 2020. We will keep the board updated on the progress of this contract in future board reports.</p>

The before and after pictures below highlight some of the work the Garden Maintenance Team carried out before lockdown.

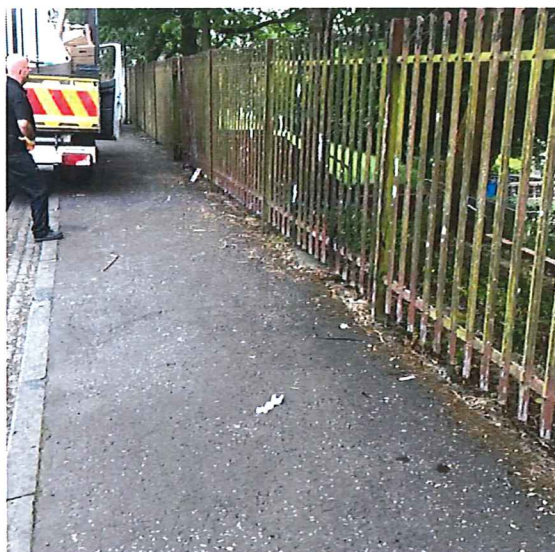


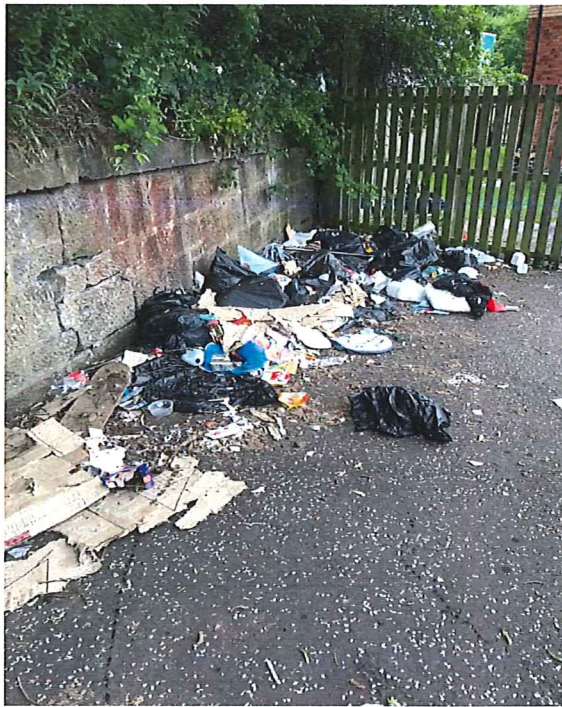


Before and after of landscape maintenance work to offices before the Corona virus lockdown

6. Environmental Hit Squad

During the quarter, the Hit Squad continued to make an impact in both environmental works and working from a database of jobs provided by housing staff. The pictures below highlight some of the work the Hit Squad do in the local area:





Before and after a bulk removal

7. Close Cleaning / Bulk Uplift

During the quarter we have continued to clean the associations common closes as well as removing bulk items and sweeping out the back courts associated with the properties.

Close cleaning continues to operate at an excellent standard with no complaints received during the quarter and several emails to compliment the team, please see below for examples of kind words received from tenants during the quarter:

"Wanted to say the guys who cleaned the close on Friday were great, they were polite, friendly and did a very thorough job"

"On behalf of my mum who resides at this address, she would like to thank the Cleaning Team who came out to clean the stairs, landing and other communal areas at this address. The guys did a fantastic job!"



Before and after bulk removal and tidy up in a back court

8. Home Support Team

During the quarter, there were a total of 87 void and tenanted properties requiring sparkle cleans after rewire/KBR'S had been carried out.

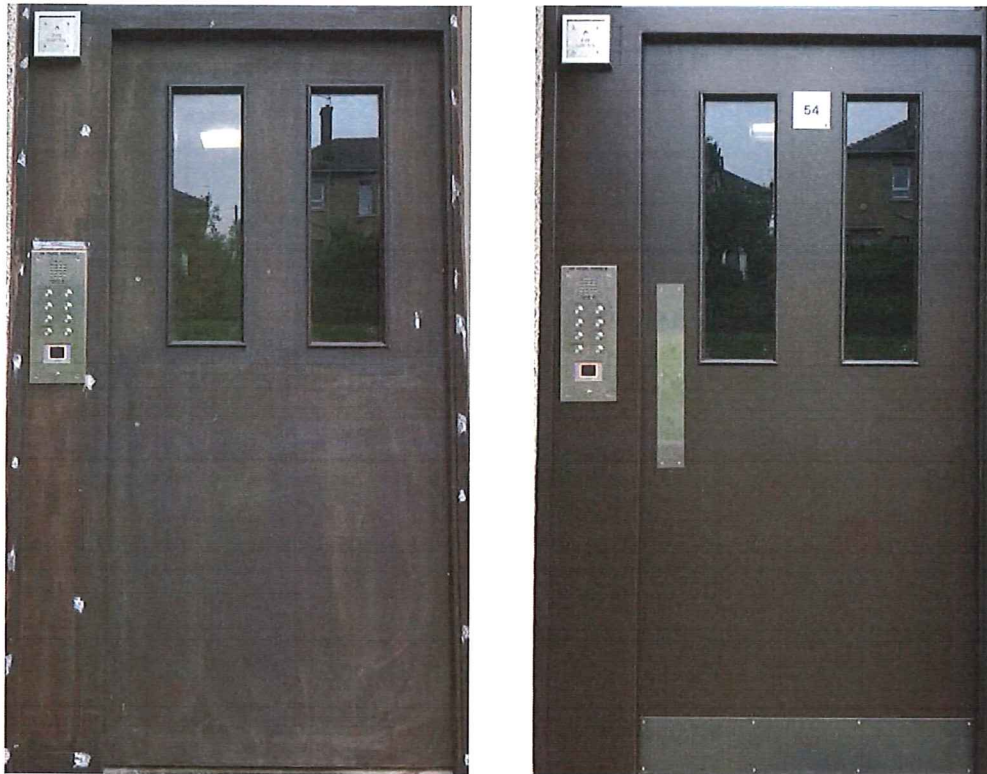
The Home Support Team continues to make a real difference to tenant's properties before, during and after rewire. This can normally be a difficult time for tenants and the idea behind the home support team is to make the transition as seamless as possible during major works. Operatives work from a daily spreadsheet which is populated by the Associations Tenant Liaison Officer. They will attend properties and wrap, cover and protect the tenant's furniture / belongings from dust and damages. In addition to the above, if the tenant chooses to remain in the property throughout the works, the team will liaise with them throughout to provide as smooth a process as possible returning at the end of each day to make sure that the tenant has sufficient seating, sleeping and cooking facilities.

The home support team now work from a calendar through outlook where work can be requested by ng homes and reviewed by the estate services foreman to ensure priorities are met.

They will also supplement the Hit Squad in the daily/weekly maintenance of the estate and void properties.

9. Painting Division

The Painting Division have been concentrating mainly on void properties, graffiti removal, We are also continuing with the programme of remedial painting and the preparation of the 3 door entries which where completed during Q4.



Before and after painting of a new door entry install

10. Joinery Division

During the quarter, 3 new door entry installs where completed by ng2. We are currently in talks with the Investment Team to identify the next phase of door entry installations.

When door entry systems are installed, we fit a new front door, a new control panel, an emergency fire switch, new hand set in all properties and a back door with a thumb turn for entry and exit.

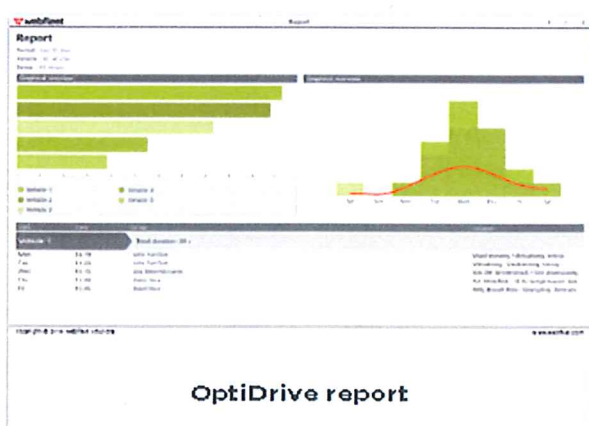
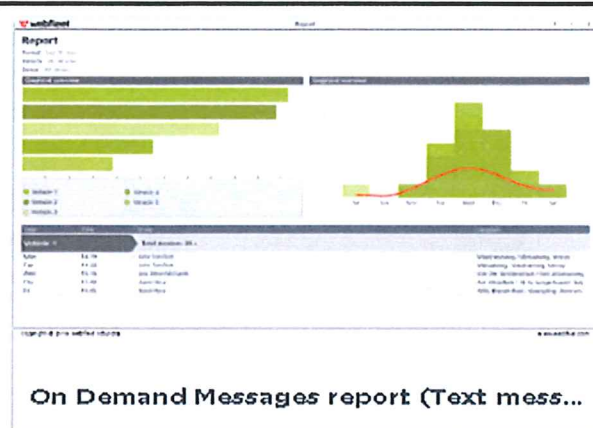
We are also continuing with the repair to wooden fences through the housing stock where required.



Before and after timber fencing repairs

11. Vehicles

The vehicle trackers which were installed this year have allowed for each foreman to manage staff more effectively, this is having a positive impact on efficiency for both productivity and fuel management. This should also help with insurance claims going forward and for any driving/vehicle incidents, the forward facing dash-cams will be crucial in identifying liability and fault in any accidents/incidents involving ng2 vehicles.



The above picture shows just some of the reports we are able to generate on every vehicle in the fleet.
















The report's listed above are:

Mileage report – A detailed report of the daily mileage of the fleet which allows supervisors scrutinise daily trips helps with fuel management

On demand Message report –a log of messages sent from ng2 to vehicles in the fleet.

OptiDrive report – This report allows ng2 to better understand areas for improvement such as speeding, idling and harsh breaking

Order Overview Report - The Order overview report provides a list of all orders sent to vehicles including MOT and service reminders.

12.	Key Performance Indicators																																			
	<table><tr><th>Repairs</th><th>Number</th><th>Target</th><th>Target Achieved QTR</th></tr><tr><td>Number of Emergency Repairs</td><td>38</td><td>24 Hours</td><td></td></tr><tr><th>Capital Projects</th><th>Number</th><th>Target</th><th>Target Achieved</th></tr><tr><td>Door Entry</td><td>3</td><td>2 Days</td><td></td></tr><tr><th>Voids</th><th>Number</th><th>Target</th><th>Target Achieved</th></tr><tr><td>Returned on Target</td><td>67</td><td>6 Days</td><td></td></tr><tr><td>Returned Before Target</td><td>47</td><td>6 Days</td><td></td></tr><tr><td>Returned Out with Target</td><td>19</td><td>6 days</td><td> Refer to page 4 for remedial action taken for voids out with target</td></tr></table>				Repairs	Number	Target	Target Achieved QTR	Number of Emergency Repairs	38	24 Hours		Capital Projects	Number	Target	Target Achieved	Door Entry	3	2 Days		Voids	Number	Target	Target Achieved	Returned on Target	67	6 Days		Returned Before Target	47	6 Days		Returned Out with Target	19	6 days	 Refer to page 4 for remedial action taken for voids out with target
Repairs	Number	Target	Target Achieved QTR																																	
Number of Emergency Repairs	38	24 Hours																																		
Capital Projects	Number	Target	Target Achieved																																	
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Voids	Number	Target	Target Achieved																																	
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Returned Out with Target	19	6 days	 Refer to page 4 for remedial action taken for voids out with target																																	
13.	Client / Tenant Communication																																			
	<p>Across all of ng2's contracts for the Housing Association we realise the need for Client/Tenant satisfaction.</p> <p>ng2 have had talks with the Housing Association regarding text messaging surveys to tenants. We are looking to trial this in the Garden Maintenance contract at the start of the next financial year and we will update the board at that time.</p>																																			
14.	Governance / Risk / Procurement																																			
	<p>During this quarter our risk register was reviewed to ensure it fully reflects the associated risks in contract operations. After the previous board meeting, ng2 contacted our vehicle insurers to consult on, vehicle management and how best to mitigate risk associated with 25+ vehicles. The vehicle insurance costs are affected by adverse claims history we have therefore invested in dash cams installation in all vehicles to better record any incidents and</p>																																			

	<p>monitor driver behaviour.</p> <p>This is a proactive investment to assist in reducing risks associated with driver behaviour and to reduce insurance costs.</p>
15.	<p>Operational Issues</p> <p><u>Labour Management</u></p> <p>There has been a substantial increase in the number of void properties received over the last quarter in comparison to previous year. In Quarter 4 of 2019 there were 100 void properties compared to 159 in Quarter 4 of 2020, an increase of 59 live voids. In addition to this increase in numbers there has also been a significant upturn in the amount of work involved in each property. This has impacted on ng2's labour resources, especially the joinery division as the majority of properties now require the kitchen to be completely refaced.</p> <p>The above is demonstrated in the "Monthly Void Numbers Completed Comparison Quarter 4 (2019 and 2020)" chart in section 2 of this report (page 2).</p> <p><u>ng2 Overtime</u></p> <p>In response to the increase in live voids and the subsequent impact on all labour divisions, it has been necessary to streamline the process for overtime analysis and approval in order to maintain control while maintaining and optimising profitability. This overtime allows for return of properties to ng homes, in a lettable state, at the earliest opportunity in order to maximise the Association's cash flow in addition to ensuring their compliance with Scottish Housing Regulator guidelines.</p> <p>All overtime must be approved by Depute CEO in advance of any additional hours being worked. Details of overtime required and supporting rationale is sent for approval using the form "ng2 Overtime Justification" as shown to the board as an appendix at the previous meeting.</p> <p>This overtime is required to expedite the return of each property to NG Homes, allowing ng2 to raise the invoices associated with each property, therefore maximising cash flow and profit for the financial period.</p> <p><u>Temporary Labour</u></p> <p>During this quarter we had an unusually high number of live voids (159). It has been necessary to employ 2 external (agency) tradesmen to deal with the spike of unplanned</p>

	<p>works for a 4 week period.</p> <p>This measure is used only in emergencies to ensure ng2 meet void return deadlines. This is more cost effective than passing the work to sub-contractors who are subject to VAT at 20%.</p>
16.	ng2 in the Community
	<p>ng2 continue to provide support in aiding ng homes regeneration projects in the local community.</p> <p>One example of this is our void properties whereby furniture in good condition is taken to our regeneration unit, cleaned and checked for safety purposes and donated to people in need.</p>
17.	Recommendation
	Members are asked to note the content and progress highlighted within this report.



Board Meeting For Noting

To: Board
From: HR Officer

SUBJECT: STAFFING REPORT (NG2)

DATE: 16 June 2020

1. Introduction

This report refers to the period of 1 January 2020 – 31 March 2020, covering staffing matters including: staff headcount, attendance and absence, learning and development, recruitment and the company health plan.

2. Staffing Report

Number of Staff

As at 31 March 2020, 76 staff were employed by ng2 Ltd. This is an increase from the previous reporting period in which 71 staff were employed.

Attendance and Absence

During this reporting period, 60 staff had perfect attendance (79% of the workforce). As well as this, 7 staff members qualified to receive their two day 'no sickness reward'.

The overall staff sickness absence percentage was below the 3% target and for this reporting period was 2.58%. The breakdown of the total number of working days available against days lost through sickness is detailed below:

Total number of work days available	Number of days lost through sickness	Sickness Absence %
4,582	118	2.58

The 118 days lost is broken down into short term (a maximum of 19 days) and long term (20 days or more) as follows:

	Short Term	Long Term
Days Lost	85	33
Number of employees	14	1
Percentage	1.86%	0.72%

The organisation followed the relevant policies and procedures to support this member of staff.

The organisation will continue to manage staff attendance in a supportive manner in line with good practice and the organisation's policies and procedures. All staff, particularly those who are long term sick, are reminded of the support service provision through the Company Health Care Plan.

Absences due to Self Isolation (COVID-19)

During the reporting period, 7 members of staff required time off to self isolate. The total number of days lost due to self isolation is 64 days, with an average absence of 9 days.

The reason for self isolating is broken down as follows:

Reason for Self Isolation	Number of Staff
Developed symptoms	1
Member of household developed symptoms	4
Medically advised to shield	2

Learning and Development (L&D)

During the period covered by this report a total of 24 ng2 staff have benefitted from 113 hours of formal training and development on a range of subjects as detailed in the table below. The direct cost of this training equates to £734.

Course Title	Number of staff attending	Number of staff hours	Direct cost of Training (£)
Repairs Training	6	15	0.00
Staff Strategy Day (ng homes)	2	14	0.00
SVQ Management	7	28	0.00
Working Safely and Biohazards	9	56	734
Totals	24	113	£734

In addition to the formal training activity detailed in the table above, extensive informal learning and development such as coaching, mentoring, supervision and support is undertaken and delivered on a daily basis. The Board will continue to be provided with regular updates on staff learning and development and any formal training that is undertaken.

Recruitment and Leavers

During the reporting period, five vacancies were advertised. Details of the vacancies are as follows:

Job Title	Contract	Start Date	Contract End Date	Internal or External
Estate Services Supervisor	Permanent	19/02/20	N/A	Internal
Assistant Estate Services Supervisor	Permanent	02/03/20	N/A	Internal
Estate Services Operative x13	Fixed Term	Varied	31/10/20	External
Administration Officer	Permanent	23/03/20	N/A	Internal
Joiner	Fixed Term			Recruitment ongoing

During the reporting period, six members of staff left the organisation: [REDACTED]

[REDACTED] Where possible, exit interviews were conducted to gain feedback. Due to circumstances, one exit interview was conducted in which the staff member gave positive feedback regarding their time at ng2.

Company Health Plan – Simplyhealth

The Simplyhealth usage report has been requested however due to COVID-19 there is a delay with this being provided. Therefore, the Board will be updated on the details of the report at the next meeting. Staff have also been reminded of the Counselling Service available via Simplyhealth which can provide additional support at this time.

3. Recommendation

Members are asked to note the contents of this report.

Risk Register : (1 ng2

Operational Risk Area/ Hazard	Potential Risk Ng2	Potential impact - ng group parent	Risk Level: 1 (very low) to 5 (very high)			Who is responsible?	Control/ action	Monitoring / Review Procedure	Residual Risk
			i) How Likely?	ii) Severity?	Score i) x ii)				
Lack of clear plan and objectives with parent company sign-up	Short-termism and inability to forward plan the business with confidence	Adverse impact on ngh maintenance + procurement programme planning	3	4	12	Board Operational directors Ng2 Management team	ng2/ng2 jointly agreed annual development programme put in place setting out specific proposed works areas/ contracts to be undertaken by ng2, + rationale for same, + contingency plans with 6 monthly review	Regular operational performance Progress meetings with client Reports to ng2 Board.	2 x 2 = 4
Financial and other targets unrealistic	Adverse impact on ng2 delivery and destabilising impact on workforce planning	Deterioration in service/ quality from ng2, need to source alternative contractors at higher cost	3	4	12	Board Operational directors Management team	Annual plans provide basis for firmer, medium term financial planning. Quarterly management accounts review to ng2 Board.	Regular operational and financial performance Reports to ng2 Board.	2 x 3 = 6
Financial losses incurred	Financial viability of ng2 threatened	Potential financial liabilities for ng2 as wholly-owned subsidiary	3	5	15	Board Operational directors Management team	Annual plans as above will reduce risk. ng2 financial regulations in place; Quarterly financial reports provided by ng2 Director of Finance.	Regular management accounts and operational reports to ng2 Board.	2 x 3 = 6
Failure to deliver value for money	Loss of business from main customer ng homes	Failure to meet regulatory guidance on group structures, and higher costs. Requirement to wind-up ng2 if moving business away from subsidiary	3	5	15	Operational directors Management team	Jointly agreed ng2/ng2 clear definition of value for money + transparent basis for costing. Clear ng2 client work specifications. External advice + evaluation on cost competitiveness	Reports to Board Internal audit External reviews	2 x 4 = 8
Deficiencies in service	Loss of customer (ng2) confidence/ loss of business	Detrimental impact on tenants/ stock maintenance/ ng2 reputation	3	5	15	Operational directors Management team Staff	Service Level Agreement setting out clear ng2 client standards, costs and contractor/ client contract management arrangements. Review and update all service level agreements with the parent company.	Reports to ng2 Board.	2 x 3 = 6
Departure of Director/key staff	Loss of management expertise, with potential negative impact on the business	Increased risk for parent due to destabilisation/ loss of management expertise within subsidiary.	2	4	8	Board Operational directors	Workforce planning and succession planning in place so that there is a level of expertise within group to ensure business continuity/ ensure interim management for ng2	Staff training Flexibility in staff group and knowing others roles.	2 x 2 = 4
Seasonality	Staff downtime costs incurred, or use of temporary labour with potential negative impact on service quality	Reduced quality with detrimental impact on tenants/ stock maintenance/ ng2 reputation	2	4	8	Operational directors Management team Staff	Develop workforce plan and plan/train workforce so that staff can work flexibly across range of tasks/seasons	Workforce planning Flexibility in staff group Training programme	2 x 2 = 4

Risk Register : (ng2

Operational Risk Area/ Hazard	Potential Risk Ng2	Potential impact - ng group parent	Risk Level: 1 (very low) to 5 (very high)			Who is responsible?	Control/ action	Monitoring / Review Procedure	Residual Risk
			i) How Likely?	ii) Severity?	Score i) x ii)				
Breach of procurement rules	Breach of group policy, potential liability	Breach of group policy, potential liability, reputational damage	3	4	12	Operational directors Management team	Procurement Regulations to be applied for ng2; ng group Procurement Strategy to be put in place; in-house procurement compliance expertise function for ng2 Internal audit of ng2 procurement to provide assurance/ identify action	Reports to ng2 Board Internal audit	2 x 3 = 6
Breach of governance or financial rules	Breach of ng group Regulatory Standards, loss of ngh client confidence	Breach of ng group Regulatory Standards, risk of regulatory action, reputational damage, potential breach of financial covenants	3	5	15	Board Operational directors Management team	ng2 Financial Regulations in place; full suite of group governance policies in place. Financial controls implemented by ngh Director of Finance.	Reports to ng2 Board Internal audit	2 x 3 = 6
Breach of health and safety	Danger to tenants/ other customers/ staff/ general public	Danger to tenants/ other customers/ staff/ general public. Potential ng homes exposure to financial liability. Potential exposure of ngh staff to criminal action	3	4	12	Operational directors Management team Staff	Staff training programmes implemented. Regular H&S audit. Review of current risk assessments and method statements (RAMS) to ensure complies with current legislation. Explore requirement for any new RAMS as a result of operations/ review	Reports to ng2 Board External H&S audits	2 x 3 = 6
Low staff morale	High staff turnover + high staff sickness absence; increased costs; deterioration in quality; loss of ngh client confidence	Detrimental impact on value for money, tenants, stock maintenance and ngh reputation	3	4	12	Operational directors Management team Staff	Appropriate ng2 managerial structure in place; staff training programmes; staff surveys undertaken; Appropriate terms of employment. Upgraded employment package to include non contributory health plan (Simplyhealth plan provides a cash payment for dental, optical, acupuncture, etc for treatment received)	Reports to ng2 Board HR reports Staff appraisals Staff surveys	2 x 3 = 6

Risk Scoring for how likely and how

severe:

1 Very Low

2 Low

3 Medium

4 High

5 Very High



Board Meeting For Noting

To: ng2 board
From: David McIntyre

SUBJECT: HEALTH AND SAFETY

DATE 16 June 2020

1.	Introduction
	<p>The purpose of this report is to provide the Board with an update on the ng2 health and safety work plan for the period covering January 2020 – March 2020 and H&S issues for Jan – March 2020.</p> <p>0020</p> <p>Health & Safety</p> <p>Health and Safety within ng2 is given an extremely high priority.</p> <p>Health and Safety covers all of ng2 areas where employees or others may be at risk, this covers office based employees, trades and non-trades, as well as contractors which ng2 has a responsibility for within their day to day working practices. Areas which were identified as requiring attention within the last board report have been attended to and new areas have been introduced to replace those that have been addressed.</p>
2.	Actions Taken
	<p>In line with the Housing Association, ng2 have had a review from an ACS Risk Group independent H&S assessor. We are awaiting a report on his initial findings and will report back at the next meeting.</p> <p>Ongoing Health & Safety Actions</p> <p>The emphasis on completing the health and safety workplace induction for all new trades employees and other new starts ensuring that safe systems of work are understood and adhered to at all times, will be on a continuous basis. All new starts receive as a minimum the following training:</p> <ul style="list-style-type: none">- Working safely- Sharps handling- Manual Handling

General housekeeping will also be on the top of the H&S list to ensure that no slip, trip hazards are present and fire hazards are eliminated.

It should be noted that health and safety within the organisation has been addressed with the help and participation of all members of staff and an ongoing commitment to a positive health and safety culture is the number one priority for all.

Incidents, Accidents and Near Misses

During the reporting period two incident occurred involving staff members as detailed below:

Location / Date	Nature of Incident, Accident or Near Miss	Action	HSE Report Required
Void Property 24/2/20	Whilst lifting a rubbish bag, the operative felt a sharp pain in his thigh	Went to hospital where a tetanus was administered – No days lost – Toolbox talk given on manual handling	N/A
A back court	The operative pulled a muscle whilst climbing a fence to get out of a back court after someone had locked him in.	Toolbox talk given about working safely – no days lost	N/A

3. Recommendation

Members are asked to note the contents of this report.



Board Meeting

For Approval

To: Board
From: DCEO - Finance

SUBJECT: ANTI FRAUD POLICY

DATE: 16 June 2020

1.	Introduction
	<p>This is a new Policy which has been developed to support the Group's approach to strong financial management, good practice and compliance with the SHR's new Regulatory Framework including the Standards of Governance and Financial Management which were implemented on 1 April 2019. As ng2 is a subsidiary of the Association then it would have to comply with the same standards of governance.</p> <p>The development and adoption of an Anti-Fraud Policy was identified within the Association's Governance Continuous Improvement Plan produced as an outcome of the Governance Self-Assessment process conducted last year in preparation for the development of the Association's Annual Assurance Statement.</p> <p>This new policy covers the following:</p> <ul style="list-style-type: none">• Introduction and Scope• Context and Definition• Strategy and Principles• Roles and Responsibilities• Reporting• Fraud Response Plan• Other Related Policies• General Data Protection Regulation• Policy Review• Fraud Response Plan (Appendix)
2.	Recommendation
	Board members are asked to recommend approval of the anti fraud policy.



Anti-Fraud Policy

Contents

Section 1	Introduction and Scope
Section 2	Context and Definition
Section 3	Strategy and Principles
Section 4	Roles and Responsibilities
Section 5	Reporting
Section 6	Fraud Response Plan
Section 7	Other Related Policies
Section 8	General Data Protection Regulation
Section 9	Policy Review
Section 10	Equality Impact Assessment
Appendix 1	Fraud Response Plan

1. Introduction and Scope

1.1 ng homes Group ('the Group') is made up of North Glasgow Housing Association (trading as ng homes), and its subsidiaries, ng2 Limited (ng2), ng Property (Scotland) Limited (NGPS), Design Services Glasgow Limited (DSGL). The Group is committed to achieving the highest standards of openness, probity and accountability. It recognises the particular importance of this as it works to maintain its reputation and that of the housing association sector as a whole.

1.2 In pursuit of its aim to carry on a viable and sustainable business it takes appropriate actions to identify and guard against adverse financial and business risks. In this context, the Group is committed to reducing its risk of fraud to the lowest possible level.

1.3 This policy outlines the broad principles the Group will adopt in order to protect the organisation and the public funds it receives, its assets and its services against fraud. It is of relevance to Board and Committee Members, staff, tenants and residents, members of the public, contractors, consultants and service providers. In particular it aims to emphasise the importance the Group places on deterring fraud and the specific responsibilities on all members of staff to identify and report any suspicion of fraudulent activity.

2. Context and Definition

2.1 For the purpose of this policy fraud may be defined as "wrongful or criminal deception intended to result in financial or personal gain." The Group identifies fraud as a distinct business problem and risk. It operates a separate Anti-Bribery Policy outlining its approach to dealing with this discrete, but often related issue.

3. Strategy and Principles

3.1 The Group recognises the potential for fraudulent activity taking place within or targeting any area of its business. At a strategic level, its response embraces identified good practice. The key elements of this involve:

- developing and maintaining an anti-fraud culture;
- creating a strong deterrent effect;
- preventing fraud by designing weaknesses out of processes and systems;
- detecting fraud, where it is not prevented;
- investigating suspicions of fraud in an expert, fair and objective manner;
- seeking to apply a range of sanctions where fraud is believed to be present;

- seeking redress and recovery of any losses that are incurred.

3.2 Central to this anti-fraud 'strategy' are a range of operational policies, systems and procedures that are designed to deter, and enable detection and reporting of fraud. In particular, this includes:

- Financial Regulations, Treasury Management, and Delegated Authority policies and the controls detailed therein;
- Standing Orders and other governance related policies, covering matters including Whistleblowing, Payments and Benefits and Conflict of Interest; and the associated management systems;
- Service based policies, guidance and operating procedures covering tenancy related matters; repairs, maintenance and development activities; estates services; care and support services; and staff recruitment.

3.4 Established internal audit arrangements further support the detection of fraud, through testing the appropriateness, adequacy, effectiveness and robustness of relevant policies and systems. Similarly, through the annual examination of the financial statements, the External Auditor identifies any audit and accounting issues and assesses the effectiveness of internal control.

4. Roles and Responsibilities

4.1 The ng homes Board and the subsidiary Boards is responsible for ensuring the Group:

- operates an anti-fraud culture;
- maintains effective risk management and internal control systems;
- has relevant policies and systems in place to deter, detect and report suspected fraudulent activity;
- maintains appropriate procedures that ensure reported incidents of suspected fraud are promptly and vigorously investigated; and effective sanctions and redress are applied in instances where fraud is detected.

4.2 ng homes Board is also responsible for ensuring it conducts its own affairs in accordance with the Scottish Housing Regulator's regulatory standards of governance and financial management; and recognised principles of good governance. In adhering to the published Code of Conduct individual Board Members are responsible for reporting any suspicions of fraud or

attempted fraud they encounter; and otherwise acting with integrity and propriety, within the law, and in accordance with relevant policies and procedures.

ng2, NGPS and DSGL boards

4.3 ng2, NGPS and DSGL Boards will ensure the responsibilities set out in 4.1 and 4.2 are fulfilled in their entirety in each of the respective organisations.

Audit Sub-Committee

4.4 As detailed within its terms of reference, the Audit Sub-Committee's role includes:

- monitoring and reviewing the effectiveness of internal, including financial, controls and risk management systems;
- reviewing internal audit reports;
- reviewing findings of external audit;
- monitoring and reviewing the effectiveness of internal audit activities; and also in reviewing arrangements for whistleblowing and detection of fraud.

Chief Executive Officer

4.5 The Chief Executive Officer has the authority to invoke the provisions of the Fraud Response Plan (see section 6.) As part of this the Chief Executive Office is responsible for:

- convening an initial meeting of the Fraud Response Team;
- appointing an Investigating Officer, where the Fraud Response Team decides that a fraud investigation is the appropriate course of action;
- informing the Chair of the Audit Sub-Committee that an incident of suspected fraud or attempted fraud has been reported, and is to be investigated.

The Chief Executive Officer also has a particular role in relation to whistleblowing. This is defined within the Whistleblowing Policy.

Executive Team (ET)

4.6 The ET has collective responsibility for:

- developing and maintaining effective policies, procedures and control systems for deterring, detecting and reporting fraud; and ensuring these are both working effectively, and periodically reviewed in accordance with good practice;

- ensuring the Board has up to date and accurate information on regulatory requirements in relation to governance and financial management, governance good practice and expected standards of conduct;
- fostering a culture of honesty and openness amongst all staff, and ensuring staff are aware of expectations relating to their professional conduct and the requirements of this policy;
- ensuring all staff have the required level of knowledge and understanding of the range of policies, procedures and systems that are relevant to the Group's anti-fraud strategy;
- implementing any relevant operational anti-fraud measures, including segregation of duties;
- ensuring staff receive appropriate training that enables them to identify suspected fraud;
- ensuring the notification requirements of regulators are met.

4.7 Individual members of the ET, primarily the CEO and DCEOs, have roles in relation to the Fraud Response Team as detailed in the Fraud Response Plan.

4.8 The CEO also has a particular role in relation to whistleblowing. This is defined within the Whistleblowing Policy.

Staff Members

4.9 In adhering to the published Code of Conduct all staff members are responsible for:

- being vigilant to possible indicators of fraud or attempted fraud, within their respective areas of work;
- reporting any suspicions of fraud or attempted fraud they encounter; and otherwise,
- acting with integrity and propriety, within the law, and in accordance with relevant policies, systems and procedures.

4.10 Similarly, staff members should report to their line manager any areas of weakness they identify in procedures or systems; or suggested ways of reducing the possibility of fraud.

5. Reporting

5.1 The Whistleblowing Policy enables staff, Board or Committee members, or any other person to raise concerns relating to conduct which they believe to be improper, illegal or immoral.

Notwithstanding this, the Chief Executive Officer should be informed of all suspected or detected fraud at the earliest opportunity. Where suspicions or allegations of fraud relate to the Chief

Executive Officer, the separate policy on Handling Serious Complaints against the Chief Executive Officer should be referred to for guidance on the appropriate process.

5.2 The Group acknowledges the requirement to report fraud, the investigation of fraud and instances of whistleblowing to the Scottish Housing Regulator (SHR) as a Notifiable Event. It shall report to SHR without delay, in accordance with the SHR guidance note and the Association's policy on Notifiable Events.

5.3 The Group notes that where SHR is notified and makes regulatory enquiries, SHR will report to the Office of the Scottish Charity Regulator (OSCR), in accordance with legal provisions (The Charities and Trustee Investment (Scotland) Act 2005) and the associated Memorandum of Understanding between OSCR and SHR. In addition to this, auditors have a statutory duty to report matters of "material significance" to OSCR. This includes "matters suggesting dishonesty or fraud involving a significant loss of, or a major risk to, charitable funds or assets."

5.4 Dependent on the nature of the fraud or suspected fraud, it may be appropriate or necessary to report to other bodies.

Monitoring

5.5 As part of its governance systems, the Group maintains various registers to record certain types of activity. Its Fraud, Whistleblowing and Notifiable Events Registers are of relevance to this policy and will be maintained accordingly. The individual Fraud Registers will be subject to a six monthly review by the respective Chairpersons.

5.6 The Chair of ng homes Board and the Chief Executive Officer will sign the Housing Association Fraud Register on an annual basis to verify its completeness. In regards to the subsidiaries the Chair of the respective Boards will sign their Fraud register on an annual basis; thereafter, the status of all Fraud Registers will be reported to the ng homes Audit Committee.

6. Fraud Response Plan

6.1 The Group is committed to the rigorous investigation of any suspected fraud. It has in place a Fraud Response Plan, which the Chief Executive Officer can invoke on receipt of an allegation or the identification of suspected fraud. This Plan provides a consistent framework for investigating and reporting fraud, and is contained within Appendix 1 to this policy.

6.2 Fraudulent activity constitutes gross misconduct and where fraud is detected, the disciplinary procedures operated by the Group will be instigated. Where there is direct evidence of fraud, the police shall be informed. The Group will co-operate fully with the police and pursue prosecutions where advised that this is feasible. The Group acknowledges that the decision to

initiate criminal prosecution rests with the police in conjunction with the Crown Office and Procurator Fiscal Service.

6.3 Similarly, where it is determined that an allegation of fraud has been made maliciously, the Group may pursue disciplinary and or legal action against the perpetrator(s).

6.3 It should be noted that suspects have certain legal rights and no action (such as interviewing staff) should be taken without prior consultation with the Chief Executive Officer. Failure to follow appropriate procedures can invalidate disciplinary action and compromise the success of any investigation and or prosecution.

7. Other Related Policies

- Declaration of Interests
- Financial Regulations and delegated authority
- Gifts, Hospitality and Donations
- Treasury Management
- Bribery
- Whistleblowing
- Standing Orders
- Staff Code of Conduct
- Board Members Code of Conduct
- Notifiable Events
- Personal Relationships at Work
- Freedom of Information and Environmental Policy and Procedures

8. General Data Protection Regulation

The organisation will treat your personal data in line with our obligations under the General Data Protection Regulation and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Employee Fair Processing Notice.

9. Policy Review

This Policy will be reviewed every two years or earlier in line with regulatory or legislative guidance/changes or good practice guidelines.

10. Equality Impact Assessment

This Policy is equally applicable to all and has no impact on protected characteristic groups.

APPENDIX 1

Fraud Response Plan

1. Introduction

1.1 The purpose of this Plan is to outline the steps to be followed in the event of a suspected fraud. It provides a consistent framework for investigating and reporting fraud by defining authority levels, responsibilities for action and lines of reporting. This Plan should be read in conjunction with the Anti-Fraud Policy and Whistleblowing Policy.

2. Initiating Action

2.1 Suspicion of fraud may be captured through a number of means. This includes internal audit work, external audit, or incidences of whistleblowing. In all cases the Chief Executive Officer should be alerted to the matter without delay. In the absence of the Chief Executive Officer, another member of the Executive Team should be informed, and they will inform the Chair of the Audit Sub-Committee.

2.2 The Chief Executive Officer (or in their absence, another member of the Executive Team) shall, as soon as possible and normally within 24 hours, convene a meeting of the Fraud Response Team. This Team shall normally include the Chief Executive Officer and DCEOs. The Team has the task of deciding on the initial action to be taken. This action will normally involve:

- engaging the internal auditor to act as Investigating Officer and undertake an investigation;
- informing external auditors of the matter, and agreeing arrangements for keeping the external auditors informed about the work of the Team;
- considering how to secure records/assets and prevent further loss;
- considering the membership of the Fraud Response Team, and the need to involve other members of the Executive Team. This will typically be determined by the area of business where the alleged or suspected fraud has taken place;
- seeking expert legal advice from the Group's solicitors, as required;
- confirming responsibilities and arrangements for submitting relevant regulatory notifications;
- confirming requirements and arrangements for notifying funders.

2.3 The Chief Executive Officer should advise the Chair of the Audit Sub-Committee as soon as an investigation under this procedure has been initiated.

3. Preliminary Investigations

3.1 The Investigating Officer must conduct an initial information gathering exercise to enable the circumstances to be investigated rigorously, confidentially and without undue delay. They should thereafter report their initial findings to the Fraud Response Team, any interim conclusions and provide an action plan to guide the full investigation if this is the recommended course of action.

3.2 The Fraud Response Team will consider the Investigating Officer's report, but the information will not be disclosed or discussed with anyone else who does not have a legitimate need to know. In cases where an individual is suspected of fraud, which a subsequent investigation does not substantiate, every effort must be made to minimise potential damage to the individual's reputation.

4. Involving the Police

4.1 Where preliminary investigations establish that there are reasonable grounds to suspect that fraud has taken place, it is the Group's policy to pass details directly to the police, normally without undue delay and prior to any further internal investigation. The Chief Executive Officer will notify the Chair of the Audit Sub-Committee of this action.

4.2 The police will lead any further investigations from this stage. All employees are required to co-operate fully with police enquiries in this regard. The Chief Executive Officer will establish and maintain appropriate lines of communication with the police.

4.3 The provisions of this Plan apply in full in cases where external frauds, perpetrated by third parties, are identified or suspected and there is any suspicion of collusion of staff members.

4.4 In all other cases of suspected external fraud the Chief Executive Officer, in consultation with the Fraud Response Team and Chair of the Audit Sub-Committee shall normally report the matter to the police without delay.

4.5 A major objective in any fraud investigation will be the punishment of any perpetrator, to act as a deterrent to other potential perpetrators. ng homes and its subsidiaries will follow the respective Disciplinary Policy and Procedures in dealing with any member of staff who has committed fraud; and will normally pursue the prosecution of any such individual.

5. Subsequent Investigations

5.1 Where preliminary investigations provide reasonable grounds for suspecting a member or members of staff of fraud, the Fraud Response Team will decide whether there is a requirement to suspend the suspect(s). It will do so, with reference to the relevant Disciplinary Policy and Procedures. It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or legal action.

5.2 In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the Group's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the Group. Any keys to premises, offices and furniture should be returned.

5.3 DCEO – Finance or any available officer should arrange for the withdrawal, without delay, of access permissions to the Group's computer systems. The suspect(s) should be requested to hand over all IT and communications equipment provided to them by the Group, including laptops, mobile telephones and other devices.

5.4 If no suspension takes place following preliminary investigations, the Fraud Response Team should review this at subsequent stages of the ensuing investigation.

5.5 The Investigating Officer shall consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the employee may have had opportunities to misappropriate the Group's assets. In consultation with the Fraud Response Team they will also determine whether there is a need to collect additional information in order to provide an appropriate level of evidence.

5.6 Dependent on the nature of the suspected fraud, the investigation may require technical expertise that the Investigating Officer does not possess. In these circumstances, the Fraud Response Team has responsibility for the appointment of external specialists to lead or contribute to the investigation.

Access to Information

5.7 Any requests for information from the press or other external agency concerning any fraud investigation must be referred to the Chief Executive Officer and dealt with in accordance with the Media Handling Procedure and Openness and Confidentiality Policy. Under no circumstances should the Investigating Officer or any other employee provide statements or information to the press or external agencies.

6. Recovery of Losses

6.1 The Investigating Officer shall ensure that the amount of any loss is quantified wherever possible. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Group will normally expect to recover costs in addition to losses.

6.2 The Investigating Officer, in discussion with the Chief Executive Officer and or DCEO - Finance should also decide whether any of the losses warrant a claim under any Group insurance policy. Action to recover losses via insurance will normally be taken only as a last resort.

7. Investigation Report

7.1 On completion of a fraud investigation, the Investigating Officer will submit a written report to the Fraud Response Team. If a fraud has been established, the report shall contain:

- a description of the incident, the people involved, and the means of perpetrating the fraud;
- the measures taken to prevent a recurrence;
- quantification of losses;
- progress with recovery action;
- progress with disciplinary action;
- progress with criminal action;
- actions taken to prevent and detect similar incidents.

7.2 The report will normally be submitted to the next meeting of Audit Sub-Committee. Where the fraud is significant, in terms of losses incurred, or particularly novel, unusual or complex, a special meeting of the Audit Sub-Committee may be convened. The Audit Sub-Committee will report fully to the next meeting of the Board, or where appropriate to the subsidiaries Boards, on matters considered and relevant management responses.

8. Review of the Fraud Response Plan

8.1 As a minimum, the Plan will be reviewed every two years to ensure fitness for purpose. It will also be reviewed after any fraud incident in order to identify any need for change.

