

TRUST HOUSING ASSOCIATION LIMITED

Minute of the Audit and Performance Committee Meeting held on Thursday 25 May 2023 at 12.15pm 12 New Mart Road Edinburgh

Present:

Board Members

Paul McFarlane

Ali Ross

Gordon Laurie

Ian Mitchelmore

David Knight

Officers in Attendance

Rhona McLeod, CEO

Zoe Purdie, Director of Finance & People

Jennifer Wallace, Director of Customer Experience

Neil Ferguson, Director of Business Development & Digital

Jackie McIntosh, Director of Assets & Sustainability

Darren Lewis, Head of Business Development

Claire Mottram, Governance & Business Support Manager

(Company Secretary)

Gemma Rickman, BDO

Gemma McLeod, BDO (By MS Teams)

PAUL MCFARLANE IN THE CHAIR

Agenda Item	Detail
1.	Convener's Opening Remarks
1.1	Paul McFarlane, Chair, welcomed everyone to the meeting, noting the key items on the agenda and detailed papers shared in advance with Board Members.
2.	Declarations of Interest
2.1	No declarations of interest by those in attendance.
3.	Apologies
3.1	Apologies were received from Ian Gunning (Board Member) and both Andy Shaw and Jim Gourlay of AAB.
4.	Quarter 4 2022/23 – Performance Report
4.1	Darren Lewis, Head of Business Development, advised that the performance report related to Trust's operational performance for Quarter 4 of 2022/23. He noted that the report follows the recently amended format, with the KPI suite reported by exception within the parameters of a quarterly downward trend; not performing well against target; or any other areas that the Leadership Team wished to flag to the Committee.
4.2	Darren moved on to the exception reporting, with the first performance area to highlight being complaints. Darren advised that overall, the total number of complaints is higher than the last financial year, with 113 more complaints in 22-

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	23 compared to 21-22. Darren noted that the significant colleague resource this demands in responding appropriately to them all.
4.3	David Knight, Board Member, queried the reason for some complaints being logged directly at Stage 2. Darren explained that it is dependent on severity of the complaint when received and whether it requires a Stage 2 investigation straight away upon receipt.
4.4	Darren moved on to advise that 'All complaints Responded to within Timescale' has marginally improved for Quarter 4 (89.6% YTD), but remains just below a 22-23 target of 90%. Darren added that the routine annual data cleanse has been completed for complaints, ahead of the reporting today and for the Annual Return of the Charter submission.
4.5	Darren noted that 'Stage 1 Complaints Responded to within Timescale' has, similarly encountered a marginal improvement (88.9% YTD) for Quarter 4 but remains just below the 22-23 target of 90%. Darren advised that 'Stage 2 Complaints Responded to within Timescale' ends the year at 92.3% YTD, which is similarly just below the higher target for investigative complaints, which was 95% for 22-23. Darren added that this may be a source of conversation for 23-24 target setting, and noted that the importance is providing a good outcome for the customer whilst balancing priorities across the teams. Ian Mitchelmore, Board Member, queried why the Stage 2 target had been set at a higher 95%. Darren advised that in previous financial years, 100% had been achieved for this indicator. Gordon Laurie, Board Member, advised that he is comfortable setting a high target for an external SPSO timescale, however he understood that when working with smaller numbers of complaints, such as Stage 2, it just takes one or two complaints out of timescale to pull that percentage down. Paul noted that the Committee and business should aim for high targets so long as they are realistic. Paul added that setting targets lower than previously achieved performance, however, should be avoided as this can lead to slips in performance. Paul remarked that the exception reporting format of the presentation makes the quarterly performance much easier to digest and pick out the highlights.
4.6	Jackie McIntosh, Director of Assets & Sustainability, updated the Committee on the Assets exception reporting, starting with 'Average Days to Complete Non-Emergency Repairs', noting that Quarter 4 performance (5.6 YTD) has been driven by a couple of factors. Firstly that Trust ceased completing Non-Emergency repairs in last few months of 22-23 and secondly, that a data cleanse was completed and, where previously our Housing Management System reported zero days for a job completed in the same day, this should have been reported as one day, and therefore this has been updated. Jackie suggested that keeping the target at 5 days would be beneficial for holding contractors to account, whilst recognising the challenges in supplies and delivery this year. Paul remarked on the strong performance overall, particularly against the Scottish Average and congratulations should go to the teams across Trust.

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4.7	Jackie moved on to update the Board on 'Percentage of Properties with a Valid EICR Certificate', noting that 22-23 year-end performance (90.6%) is not inclusive of a large batch of certificates which are complete but have not been received back from contractors yet, within the year. Jackie added that there is also a portion of our tenant base who have not permitted access and so Trust is going through a process to aid access, which takes time.
4.8	Gordon queried if there was a target date for completion. Jackie advised that the EICR need to be completed as soon as possible and should be completed now, adding that there has been a drive this past year to ensure these get actioned, but the initial focus had been on upgrading heat and smoke detectors. Jackie added that the EICRs will be completed every 5 years.
4.9	Jenny Wallace, Director of Customer Experience, updated the Committee on exception reporting for Customer Experience, beginning with 'Lets versus Terminations', noting that this continues to be a challenge and Customer Partners (CPs) are still a struggling to let more properties than the number of terminations coming in. Jenny added a more recent updated, noting that last week CPs let 6 more tenancies than those which ended. Jenny expressed her hope that this would continue. Jenny advised that we are currently managing 148 void properties, which has reduced by 20 in the last month.
4.10	On a similar topic, Jenny advised that 'Days to Let' is sitting at 70 days, which is holding to target but continues to be a challenge. Jenny advised that Void Loss sits at 3.10% YTD for 22-23 and Gross Rent Arrears sits very positively at 1.67%. For void loss, Jenny updated the Committee that there are lots of initiatives in place. Jenny added that High Blantyre and Chirnside are showing high voids and Trust are working closely with the Local Authorities and Health and Social Care Partnerships, and have organised Open Days. Paul queried if there was any reasoning behind the high voids. Jenny advised that she recently discovered that South Lanarkshire Council have 1200 people on their waiting list for Sheltered Housing, and other RSLs with similar stock in the area have a similar void situation to Trust, so there may be a blockage with the process at the Council which she will be progressing with. Jenny added that there are 5 voids at Chirnside which had termination reasons linking with rent cost.
4.11	Gordon noted that despite the void numbers, the overall Customer Experience performance is positive and an improvement from last year. Paul agreed and noted the positive performance against 22-23 targets. Rhona McLeod, CEO, remarked that this has been a challenging year and noted that, particularly with the rent arrears figure, this is a great credit to the frontline teams and may be early indications of the Time is Now new operating model delivering early positive performance.
4.12	Zoe updated the Committee on Staff Absence figures, advising that there was an upward trend in earlier months of the year (Jan - Mar 2023), however, as a more recent update, April 2023 is a 1% decrease from the previous month, which is hopefully an indication of a downward trend for 23-24. Paul queried if there was a common factor behind staff absence being higher for Development

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4.13	<p>Colleagues. Zoe advised that with the nature of workload and ability to work from home, office colleagues are often able to work remotely and avoid spreading infection, if still feeling able to work whilst unwell. Jenny also advised that post Covid, development colleagues are still feeling exhausted. Jackie added that staff absence may remain high as NSH catch up with non-emergency operations post-covid.</p>
4.14	<p>Paul concluded that the performance for year-end was remarkable given the UK/Global socio-economic challenges. Gordon queried if there was a factor driving the positive rent arrear performance. Jenny advised there had been a lot of momentum and priority placed on Rent Sense and arrears monitoring in the final quarter of the year.</p>
4.15	<p>Decision: Noted the contents of the report and performance against our operational KPIs for Q4.</p>
5.	<p>Internal Audit Update</p>
5.1	<p>Zoe welcomed Gemma Rickman from BDO to the meeting and noted that Gemma is shortly leaving BDO. Zoe also welcomed Gemma MacLeod from BDO who was joining the meeting by MS Teams and who will be taking over the role of working with Trust.</p>
5.2	<p>Zoe referred to the three reports shared within the Committee's boardpack in advance of the meeting today – 'Payroll', 'Care & Support' and 'Follow Up Review'. Zoe advised that the reports portray disappointing results and Trust have attempted to negotiate on increasing the 'limited' operational effectiveness result. Zoe advised that Trust instigated the audit on the back of poor performance with the April 2022 payroll, however she is pleased to say that April 2023 was completed with no issues. Zoe advised that there are a lot of internal, manual processes, and with 700+ employees, errors arise more readily but with the new HR system Trust should see significant improvement. Gordon queried if Trust were still content with external payroll and if this remains the right solution. Zoe advised that Trust asked DataPlan to complete their own internal review, which found that the employee who set up Trust's payroll incorrectly at their end and no longer works for the company. This has been rectified and escalated within DataPlan.</p>
5.3	<p>Jenny moved on to the Care & Support audit, noting that Trust were expecting the high risk factor around mandatory training, with the pandemic having an impact on getting that to a 100% completion rate. Jenny advised that with the introduction of People XD and LearnPro, these are solutions to help record and centralise training data and our Learning & Development Partner has been working hard to get this caught up. Ali Ross, Vice Chair, asked Gemma Rickman if the audit found any incidents that occurred off the back of the high risks noted in the reports. Gemma advised that this was out with the scope of the audit and this point was more around the mandatory training and the assurances against health & wellbeing outcomes.</p>

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5.4	Paul noted that he felt the use of language in the reports was quite strong and does not reflect the work put in by Trust employees, who might, upon reading the report, feel deflated. Paul acknowledged that the high risk items need improved but felt it was an important question to consider if any incidents happened as a result of the risks.
5.5	Gemma advised that BDO have done reports in the past that have looked into incidents and looked to link these back to risk assessments, for example, with Safeguarding, however this was not an exercise completed on this occasion. Ali queried if BDO were recommending the completion of this kind of exercise following this report. Gemma advised no, and felt the management responses indicated a good level of assurance around how risks would be controlled.
5.6	Gordon queried if the training was mandatory based on Regulatory Guidance or Trust Policy. Jenny advised that it was a mixture of both, with training on 'Moving and Handling' and 'Adult Support & Protection' mandated by the Care Inspectorate, for example. Jenny advised that Trust aims to phase the training to that all employees have a window to complete the mandatory training, followed by the remaining training courses Trust offers. Jenny noted that it was the face to face training like 'Moving & Handling' that was impacted during the pandemic lockdowns.
5.7	Gordon queried the recommendation around medication. Jenny advised that medication errors were very low at Trust and reportable to the Care Inspectorate, so these are monitored very closely by Trust, the Inspectorate and the Commissioning Partners. Jenny advised that the recommendation a link back to make sure right managers closing the loop on follow up.
5.8	Zoe advised that she is reassured that the new e-learning platform and HR System will be positive solution. Ali asked if our legacy systems were noted as a risk on our Risk Register. Zoe advised that this was not the case but could be incorporated.
5.9	Zoe moved onto the 'Follow Up Review' noting the progress made and advised that the recommendations will form a spreadsheet tracker which can be brought to the Committee every quarter. Zoe also referred section 2.12 around removing 9 recommendations which are either very old and superseded or are no longer relevant upon Management review or not deemed practical for full implementation within Trust's operating model. Gemma acknowledged the proposed removal and Managements opinion around loss of relevance, but this will require minuted approval from the Committee.
5.10	David queried if there will be an audit relating to mould and damp. Zoe and Gemma confirmed that there is no guidance published around this at present to audit against, however BDO could complete a readiness audit upon publication and prior to enforcement, in a similar vein to GDPR when guidance was published but prior to the enforcement date. They also noted that the Audit Plan

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5.11	<p>for 23-24 is flexible if guidance was published and this became time sensitive. Gemma confirmed that a change to the audit plan would just require minuted approval by the Committee.</p> <p>Decision: Noted the contents of the Payroll, Care and Support and Follow Up reports.</p>
5.12	<p>Decision: Approved removal of the 9 partly implemented recommendations per 2.12.</p>
6.	<p>Risk Register</p>
6.1	<p>Zoe updated the Committee that the Risk Register was submitted to SHR as part of the Regulatory Engagement Plan for the year.</p>
6.2	<p>Gordon queried if Item 1 relating to ‘economic and political’ factors sufficiently covered issues like the rising ‘Cost of Living’ and inflation, or whether it warranted it’s own risk item. Consensus was reached that Item 1 covered the issue.</p>
6.3	<p>Gordon also queried if there should be a risk around the crisis in care seen in the news. Rhona advised that this is not impacting on Trust at present and our recruitment position has been strong lately, with less need for agency hours. Gordon commented on the reduction of Housing Support Funding from Local Authorities and if this was incorporated. Jenny advised that we do have a risk around service change and there has been more pressure on Councils by SFHA and CCPA around being more timely with inflationary uplifts. Rhona confirmed we need to keep monitoring these situations.</p>
6.5	<p>Decision: Noted the content of this report and the attached Risk Register</p>
7.	<p>GDPR & FOI</p>
7.1	<p>Zoe referred to the 13 FOI requests noted within the report, which all related to the same request for information about energy costs at one development. Zoe explained that a response was provided and the matter was also handled for tenants as a Stage 1 complaint. Zoe noted that following the Trust response, no further communication has been received and the tenants have not asked for the matter to be escalated. Ian queried if that scale of FOI requests was unprecedented. Zoe confirmed that normally only 1 request is received per quarter.</p>
7.2	<p>Zoe noted that it has been 5 years since the introduction of GDPR legislation and suggested that this item is brought twice a year rather than four times a year to the Committee.</p>
7.3	<p>Gordon advised that the 107 data breaches seems quite high. Zoe advised that this covered a long period of 6 months and 700+ employees. Paul commented that if you compare the breaches against the number of emails coming in, the</p>

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7.4	percentage is likely very low. Zoe added that each breach gets followed up between the Digital & Data Team and the GDPR Officer.
7.5	Decision: Noted the content of this report.
8.	Health & Safety Update
8.1	Jackie referred the Committee to the updates within the Health & Safety Policy shared prior to the meeting, as well as the standalone Driver's Handbook for employees. Jenny noted that the new 'Accidents and Incidents' electronic form has been created and rolled out to the business which was an Audit recommendation and is making it easier to report incidents and retrieve accurate data.
8.2	Jackie updated the Committee on the recent Business Continuity Planning day held internally, delivered by specialist consultants Inoni. Jackie concluded that despite several learning points and actions to take forward from the day, the BCP document is robust and it was a very useful day for raising staff awareness and readiness. Jackie advised that once the formal findings from Inoni are received, these will be shared with the Committee at a future meeting.
8.3	Decision: Noted the content of this report.
9.	Previous Minute of the Audit and Performance Committee Meeting of 9th February 2023.
9.1	Minutes unanimously agreed.
9.2	Decision: Approved as a true and accurate record.
10.	Action Tracker
10.1	Discussion held on the action tracker and what items can be greyed out as completed.
11.	Any Other Business
11.1	None.
12.	Date of Next Meeting – 26 July 2023 at 12.15pm (in person at the Edinburgh office)