

**Minutes of the Meeting of the Performance & Audit Committee  
held on Thursday 15 November 2018 at 10.30am  
79 Hopetoun Street, Edinburgh**

<b>PRESENT:</b>	Mr D Scobie Ms P Dawson  Mr R Fernie Ms I McGarvie Mr G O'Sullivan Mr W Smalley	Chair (via teleconference, up to and including Minute 289(vi))
<b>IN ATTENDANCE:</b>	Mr B Logan Mr S Smith Mrs N Harcus Ms C Innes Ms H Thomson Mr M Lock Mr A Strickland Miss C Beesley Ms C Spence Mr G Gillespie  Mrs M Moore Ms J Stone	Chief Executive Director of Finance & ICT Services Interim Director of HR Head of Development (Minute 289(iv) only) Assistant Director: Property Services Housing Operations Manager (North) Business Improvement Manager Governance & Administration Manager Learning & Development Co-ordinator Wylie & Bisset (Internal Auditor) (excluding Minute 288(i)) Observer (Board Member) (from Minute 289(i)) Observer (co-opted Board Member)

### **Election of Chair**

The Chief Executive opened the meeting by requesting nominations for the position of Chair of the Committee. Mr G O'Sullivan nominated Mr D Scobie, seconded by Mr W Smalley. With no further nominations received, Mr D Scobie was duly elected as Chair of the Committee.

### **284. Apologies for Absence**

There were no apologies for absence.

### **285. Declaration of Interests**

There were no declarations of interest.

**286. Minutes of the Meeting held on 16 August 2018 and Confidential Minutes of the Meeting held on 16 August 2018**

The Minutes and Confidential Minutes of the meeting held on 16 August 2018, having been previously circulated, were approved and signed by the Chair.

**287. Business Arising from Previous Meeting**

- (i) Confidential Item: Actions Arising from Previous Meetings

**288. Priority Items**

- (i) Confidential Item: External Audit Tender Approach
- (ii) Confidential Item: Allegation of Fraud/Theft

**289. Performance**

- (i) Key Performance Indicators – Q2 (July-September 2018)

The Committee received Report PAC/6(i)/NOV/18 and a report in relation thereto from the Business Improvement Manager. It was noted that there were some corrections to the report as follows:

- Summary Sheet – fourth KPI heading, ‘complimentary’ should read ‘complementary’
- Indicator 12 – the target should be ‘4.5’
- Indicator 13 – the target should be ‘7’
- Indicator 17 – wording to be changed to ‘Number of hours as a % of capacity of Bield at Home’. The target should be ‘90%’

In relation to Indicator 7, the % of employees with up-to-date PDPs, it was noted that this was still outstanding but should be reportable by Q3.

A query was raised in respect of Indicator 21, the % of Stage 2 complaints answered within timescales, and the analysis which highlighted that two complaints had exceeded the timescale due to a staff member going on unexpected leave resulting in a delay – assurance was sought that a process was in place that another staff member would pick up any outstanding complaints when the lead investigator was absent. The Interim Director of HR advised that this was not always possible but that in these circumstances the complainant would be contacted to advise them of this and to request an extension. If a staff member was off long term sick, the complaint would be passed to another staff member to deal with. The Interim Director of HR also advised that all complaints were monitored centrally and staff were prompted on a regular basis to try and ensure timescales were met.

The Business Improvement Manager advised that reporting on BR24 had not yet been finalised and some options in this respect had been listed in the report. A request was made for further information to be provided in relation to the trends

shown on page 3 of the cover report and whether this could be extended to a full year of information rather than only the position in August of each year. The Business Improvement Manager confirmed that he would look into this.

In relation to BR24, it was noted that there appeared to be an increase in calls when there were any service changes. This could be down to staff hours having been changed but also the requirement to educate both staff and tenants on when it was appropriate to open doors and pull cords. The Assistant Director: Property Services advised that work was being done on changing door opening hours.

It was suggested to report on emergency calls to BR24 separately to other calls and the Business Information Manager confirmed that he could look into whether this was possible.

The Chair queried whether Bield should be measuring BR24 against the Telecare Services Association (TSA) performance standards and the Business Improvement Manager confirmed that two KPIs which had been removed during the Board's recent review were related to the TSA standards.

It was suggested that there could be two BR24 measurements, one in relation to performance and another relating to BR24 growth activity.

It was agreed that the Business Improvement Manager would take account of the Committee's comments and report back to the next Performance & Audit Committee.

**The Committee:**

- (i) **agreed that the aspects of Bield's performance in need of monitoring and improvement were as highlighted in the Performance Summary attached to the report; and**
  - (ii) **agreed to consider at its next meeting which performance indicator(s) for BR24 would be the most appropriate for KPI monitoring.**
- (ii) Business Strategy Tasks – Q2 (July-September 2018)  
The Committee received Report PAC/6(ii)/NOV/18 and a report in relation thereto from the Business Improvement Manager.

**The Committee reviewed the progress of the priority tasks for Quarter 2, July-September 2018.**

- (iii) Complaints Update  
The Committee received Report PAC/6(iii)/NOV/18 and a report in relation thereto from the Communications & Marketing Manager.

The Interim Director of HR advised that, in relation to the recent First Tier Tribunal (FTT) Hearing in respect of the owner at Newton Mearns, there had been no outcome received as yet. Communications from the owner had slowed down immediately following the hearing although these had now picked up again with a further three applications to the FTT having been sent.

**The Committee noted the contents of the Complaints Report for the period 1 June 2018 – 30 September 2018.**

(iv) Confidential: Development Performance Report

(v) ARC Performance Report 2017/18

The Committee received Report PAC/6(v)/NOV/18 and a report in relation thereto from the Business Improvement Manager. He advised that the report provided a comparison with Bield's peer group and covered the performance highlights. It was noted that the report could be reviewed via a link on Grapevine.

It was agreed that the report was very valuable.

**The Committee noted the content of the report.**

(vi) Procurement Performance Update – Bi-Annual Report Q1 and Q2 2018/19

The Committee received Report PAC/6(vi)/NOV/18 and a report in relation thereto from the Procurement Manager. The Director of Finance & ICT Services highlighted that the Procurement Manager had now left Bield.

The following amendments to the report were highlighted:

Page 1, Executive Summary – Price v Market Savings figure should read '£197,722'.

Page 4, Contract Delivery Plan, Re-tender Passenger Lift Maintenance Areas 1-3, Price v Market figure should read '(£837)' and the total Price v Market figure should read '£197,722'.

Page 5, Performance Measures and Targets, Direct price savings, Achieved Q1/Q2 2018/19 figure should read '£437,437' and the Process savings from use of collaborative arrangements, Achieved Q1/Q2 2018/19 figure should read '£33,000'.

A query was raised as to the difference between Direct Price based and Price v Market Savings. The Director of Finance & ICT Services advised that, the report had been prepared in accordance with Procurement Benefits Reporting Guidance developed by the Centre for Procurement Expertise covering public procurement for a range of bodies across Scotland. The document was available in the Board Area of Grapevine. Direct Price was used when a new contract replaced a pre-existing agreement. The Price v Market figures were used when the Direct Price method was inappropriate and therefore prices could only be compared with others in the market.

In relation to the Process Saving figures, from use of Collaborative Arrangements the Director of Finance & ICT Services advised that any contract up to £25K brought savings of £3K, anything beyond this brought savings of £6K.

A query was raised in relation to the contract delivery plan and whether the expected contract periods were standard. The Director of Finance & ICT Services advised that the duration would depend on the type of service being contracted. Bield could stipulate less time if this was thought necessary. He advised that it was hoped in time to move more contracts to a process which makes savings via collaborative arrangements, some of which were currently in place in relation to reactive repairs with Hanover and Trust. There had, however, been less successful collaborative experiences in relation to, e.g. furniture procurement, which ended up costing Bield more.

The Director of Finance & ICT Services was thanked for providing more detail to specific queries outwith the meeting in relation to agency costs.

In relation to food costs of £1.875m, a query was raised as to how this figure compared to the market. The Director of Finance & ICT Services advised that a basket of goods would be looked at in order to compare costs which were generally around the same as the market. Food costs in the past would have included care homes so it was difficult to benchmark exactly given there are no longer care home costs included.

A query was raised in relation to the Procurement Manager post and how this would be taken forward. The Director of Finance & ICT Services advised that the role would be considered during the organisational review. In the meantime, other staff were to be given more responsibility in relation to procurement and the role would be looked at more closely in relation to longer term arrangements. If it was felt procurement support was required, this would be brought in as and when necessary.

**The Committee noted the contents of the paper.**

## **290. Internal Audit**

### (i) Internal Audit Reports

#### (a) Change Management

The Committee received Report PAC/7(i)(a)/NOV/18 and a report in relation thereto from the Business Improvement Manager.

The Internal Auditor advised that the audit had received a strong grading with two medium priority recommendations together with eight areas of good practice highlighted.

A query was raised as to why the audit was scored as strong when there were two medium recommendations highlighted. The Internal Auditor advised that

an overall view was taken and he felt it would have been unfair to score anything less than strong. The Committee agreed that the audit was a good outcome.

**The Performance & Audit Committee approved the Change Management report.**

(b) Arrears Management

The Committee received Report PAC/7(i)(b)/NOV/18 and a report in relation thereto from the Business Improvement Manager.

The Internal Auditor advised that the audit had received a strong grading with one medium priority recommendation together with five areas of good practice highlighted.

The Chair advised the Internal Auditor that the Performance & Audit Committee did not approve policies but that the Board did this. There was also an incorrect figure in relation to the target figure of 1.5% which should read 1.4% (page 6). The Internal Auditor confirmed that he would make these amendments to the report.

A query was raised as to whether Committee should be concerned in about the performance of the West region which was not as good as that of the North and East regions. The Chief Executive advised that this could be further checked. The Housing Operations Manager (North) advised that there had been higher levels of staff turnover in the West area which could possibly have been an issue. The Chair highlighted that management had taken the recommendation seriously which was encouraging.

**The Committee approved the Arrears Management Report.**

(ii) Progress Update on Audit Recommendations –October 2018

The Committee received Report PAC/7(ii)/NOV/18 and a report in relation thereto from the Business Improvement Manager. He advised that there were currently 21 actions open, 2 completed over the last six months and 10 actions added for the first time. Many of the actions would be addressed by the introduction of the Housing Management System.

The Business Improvement Manager advised that any actions which had been superseded would require to be looked at and a decision made as to what to do with these e.g. the care action on page 3 of the report. The Chair suggested that redundant items could be removed from the report based on reports providing the rationale for their removal. The Internal Auditor confirmed that he could also sign any deletions off at the Follow-Up review.

It was noted that there was one outstanding audit for 2018/19 which was the Follow-Up Review.

**The Committee noted the Progress Update on Audit Recommendations listed in the report and agreed to remove any superseded or obsolete actions, subject to a**

**report being provided listing those actions recommended for removal and the reasoning behind the proposed removal.**

**291. Policies**  
Nil

**292. Risk Management**

(i) Risk Register 2018-19 – November 2018 Update

The Committee received Report PAC/9(i)/NOV/18 and a report in relation thereto from the Business Improvement Manager. He advised that the majority of changes since the last meeting related to changes in review dates. There had been some changes to the text and scoring and one risk had been removed.

In respect of Risk R19 – ‘Impact of increase in staff related costs means we can no longer remain competitive, results in the loss of business and charges to customers become unaffordable as a result of increased costs’ – it was noted that this risk was scored as ‘tolerable’ and not ‘moderate’ as shown on the summary. The Chair queried why this risk had been reduced and the Director of Finance & ICT Services confirmed that the financial risk could be managed. It was noted that the risk was originally added to the register mainly in relation to remaining competitive. This risk had now reduced as Bield was no longer tendering for local authority care and support contracts.

In relation to the KPI information in the report, the Chair asked if the targets could be provided to facilitate comparison with the outcome figures. The Business Improvement Manager confirmed that he would look at this again in an effort to make the information more relevant.

**The Committee scrutinised the report and confirmed that the current controls and mitigating actions were sufficient to manage the identified risks.**

**293. Any Other Business**

There was no other business.

**294. Date of Next Meeting**

The date of the next meeting was confirmed as Thursday 28 February 2019 in Edinburgh.