

## Minutes from Online Audit and Risk meeting - Non-Confidential held 15<sup>th</sup> February 2024

Attendance	John Rawson (JR) (Chair), David Clowes (DC), Christine Gore (CG), Ian Mason (IM), Andrew Parfitt (AP), Richard Pineger (RP), Paul Leo (PL), Stafford Cruse (SC), Vicky Day (VD), Caroline Walker (CW), Mark Way (MW), Adam Waller (AW), Andy Tootell (AT) <i>(joined as noted in minutes)</i> , Ann Wolstencroft (AWo), Lucy Cater (LC) SWAP
Recorder	Rhian Watts (RW),
Apologies	Gareth Edmundson (GE), Arthur Dzido (AD)
Quorate?	Yes

Item	Notes	Action for
1	<p><b>Meeting commenced at 17:30</b></p> <p>Apologies received from GE and AD</p> <p>No declarations of interest.</p>	
2	<p><u>Board Champion for Risk (Verbal)</u></p> <p>IM introduced the report and explained that he had reviewed the suite of transition risks included in the agenda with AW. He thanked AW for his support throughout his time as Risk Champion. IM noted that he had also planned to meet with AT and review the T100 health and safety management system from a risk perspective.</p> <p><b>The Committee noted the contents of the verbal update.</b></p>	
3	<p><u>Board Champion for Wellbeing, Safety and Health (Verbal)</u></p> <p>CG explained that she had had a very helpful and reassuring meeting with MW and Emma McShane (EM) (Head of People and Culture) in January. She noted that they had discussed the</p>	

	<p>recommendations from recent SWAP audits and the actions being taken to respond to them. CG highlighted that they had also reviewed the wellbeing of colleagues in light of the transition, teams' continuing focus on improving performance and customer satisfaction, and ongoing issues with recruitment. She noted that damp, mould and condensation (DMC) remained an important focus and colleagues were working to ensure that tenants are safe in their homes. CG explained that they had also discussed efforts to ensure tenants' complaints are handled through CBH's complaints process rather than by solicitors to ensure compensation is paid directly to tenants. She highlighted that EM was working closely with her counterparts at CBC and reported a mutual desire to look after colleagues through the transition process. CG noted that they had developed a joint recruitment process to manage vacancies.</p> <p><b>The Committee noted the contents of the verbal update.</b></p>	
<p>4</p>	<p><u>Agree non-confidential minutes of the 09.11.2023 meeting and note progress on current action points</u></p> <p><b>The Committee agreed that the non-confidential minutes of the 09.11.2023 meeting were a true record and noted that all current action points were complete.</b></p>	
<p>5</p>	<p><u>Review and recommend to Board Internal Audit Plan 2024-2025 and Internal Audit Update</u></p> <p>LC provided an update on the 2023-24 internal audit plan and highlighted that 5 audit reports had been finalised since the last update – data quality and reporting, core financials, lifts, electric, and rent management. She noted that all agreed actions had also been followed up.</p> <p>IM asked for further information around the risks relating to data quality. AW explained that there were potential risks involved in the movement of raw data between different software packages,</p>	

	<p>particularly where this was a manual process. He noted that we are working with Acuity to update the system and create an automated transfer through a secure FTP channel. JR noted that Board have previously discussed issues with collecting data at certain times such as Christmas and the impact this has on feedback. He asked whether this was being considered in our surveying. AW confirmed that Acuity followed a robust methodology that provides very accurate results through the use of properly stratified samples. He noted that we also try to ensure that no tenants are contacted more than once in a 12-month period.</p> <p>CG commented that it was rare to see such good overall performance on audits and thanked everyone involved. She noted the first observation on the data quality and reporting audit suggested the development of a less text heavy strategic quarterly performance report could be beneficial to Board. CG agreed that this would be useful to consider once CBH has moved back into CBC.</p> <p>DC commented that he had attended a very good presentation by SWAP and suggested that it would be useful to circulate the slides if possible. LC confirmed that they are hoping it will be possible to share recordings of the session.</p> <p><b>ACTION</b> - LC to share recording of SWAP training session with members of the Committee.</p> <p>JR commented the aspiration to have a single compliance team had been discussed in the past, he noted that the audit on lifts had shown this was not currently the case. He asked whether it was still the intention to unify oversight of compliance. VD agreed that this was still being pursued and had been temporarily delayed following the transition announcement. She noted that an advert was live to recruit administrative support for the compliance team which would provide capacity for the unification of oversight. MW highlighted that the tasks were still being successfully managed by the electrical supervisor in the meantime.</p>	<p>LC</p>
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	<p>LC introduced the draft audit plan for 2024-25 and noted that this was a 6-month operational plan created in consultation with AD, SC and AW. She noted that this plan doesn't currently complete the contracted 75 days and would be reviewed again in July. CG asked whether the plan would be able to effectively transfer to CBC in the future. LC confirmed that this was the intention behind the plan. She noted that she would be meeting with GE and Paul Jones (PJ) (Executive Director of Finance, Assets and Regeneration) in April to discuss how we will work in collaboration going forwards.</p> <p>DC asked whether there were any areas that we have not reviewed recently that could cause issues. LC confirmed that we had reviewed the audit universe and considered the major risks to identify audits that haven't been carried out in recent years or are current priorities.</p> <p>DC noted that we have a contingency in place and asked whether an audit could be carried out to assess the impact in the case that we lose a large number of people from a department. LC confirmed that it was a flexible plan and could be adjusted, if necessary, to consider this.</p> <p><b>The Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Noted the Internal Audit Update report and considered the assurances provided and the agreed actions, commenting on its content as necessary.</b></li> <li><b>2. Reviewed the Internal Audit Plan 2024-2025 and recommended it to Board for approval.</b></li> </ol>	
<p>6</p>	<p><u>Damp, Mould and Condensation Policy</u></p> <p>MW introduced the draft Damp, Mould and Condensation (DMC) policy and explained that it sets out clear parameters for how DMC will be managed by CBH to ensure tenant safety. He highlighted that this will always be a fabric first approach which will investigate any risk, eradicate damp problems and look at the environment in</p>	

	<p>the property. MW noted that alongside treating the properties we will work with tenants on DMC management to provide information and advice on areas such as heating and ventilation. He explained that this will include the provision of simple monitoring systems to homes to allow the collection and analysis of data. MW added that tenants with smart phones will be able to access this information directly. He noted that KPIs monitoring DMC will continue to be reported to the Committee quarterly. MW highlighted that a government White Paper on DMC is anticipated in April and that he had taken the opportunity to consult with solicitors working on the Paper to understand the expected requirements, which had been reflected in the policy.</p> <p>RP commented that this was a well written policy that captured the positive action he had already seen for his constituents. He thanked the team for the swift action being taken and effort put in, even if it was not always possible for it to be immediately effective. RP asked whether the inclusion of trickle vents in double glazed windows would jeopardise the work being carried out on insulating properties. MW explained that it was important to balance moisture within properties by the use of heating, mechanical extraction and ventilation. He highlighted that rather than asking tenants to open windows the most effective way to draw in fresh air was through the use of passive ventilation such as trickle vents. MW noted that these can be closed during the coldest and windiest periods and that the location of radiators also mitigates against drafts.</p> <p>IM commented that he had attended a DMC skills presentation by Mike Scourfield (MS) (Repairs Manager) at the Skills Hub and had received a hygrometer to help monitor moisture in his home. He highlighted how useful this session had been. IM added that as a tenant he had seen a huge improvement in response since the dedicated DMC team had been in place.</p> <p>IM noted that the next review date was February 2027 and suggested that as a new policy it may be beneficial to review this</p>	
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	<p>sooner to acknowledge new learning. MW agreed that he was happy for this to be reviewed sooner. He noted that we are monitoring any actions or requirements coming from the government or Housing Ombudsman and will review the Policy in light of any changes. MW added that we will be working to ensure that the procedures and processes that sit beneath the policy are meeting the needs of our tenants and that we have the correct resources, approaches and training in place for delivery. The Committee agreed that the policy should be reviewed in 2026, or sooner if required.</p> <p><b>ACTION</b> – Change the review date of the Damp, Mould and Condensation policy to February 2026.</p> <p>JR noted that some tenants may be offended by being given advice and that it was important to find a balance to ensure that lifestyle issues are not being blamed. He added that it was also important to ensure in procedures that tenants who may have language or understanding issues are provided with additional support. IM commented that it was also important that tenants who may feel shame or embarrassment are not reluctant to report DMC issues. MW agreed that these were all important issues that had been considered. He highlighted that colleagues will be taking a straightforward fact-based approach which avoids making assumptions about tenants’ knowledge or behaviour. MW explained that the use of data will also support this approach and provide tenants’ with clear information. He added that following the current focus on response and eradication during the ‘condensation season’, we will be revisiting these issues in the summer with a ‘communication season’ to define trends, raise aware and support tenants to improve their experience in their properties.</p> <p><b>The Committee reviewed the draft Damp, Mould and Condensation Policy and recommended it to Board, subject to change.</b></p> <p><b>SC left the meeting</b></p>	<p><b>MW</b></p>
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7	<p><u>Big Six Audit Action Plan</u></p> <p>VD introduced the update on progress on the recommendations from the Pennington’s Choices audit and noted that there were a small number of outstanding recommendations. She explained that these related to resourcing the compliance team, developing processes and procedures, and carrying out technical audits. VD noted that the asbestos contract procurement was still ongoing but would be going out to tender shortly. Significant development of processes has been undertaken since the Estate Compliance Officer (ECO) roles were introduced and VD explained that a review was being carried out to determine what/if additional resource might now be required for the compliance team to enable water temperature and hygiene management to be undertaken by the ECOs.</p> <p>IM commented that he had met with the ECOs during a Monkscroft visit and had been impressed by the work they were carrying out with tenants and their pragmatic approach.</p> <p>IM asked whether there would be any gap between providers following the procurement exercises and whether this would cause issues. VD explained that the existing contractors were continuing to provide services and whilst their contract had expired they were performing well. She noted that we had registered a risk that this may change once procurement is live and we are identifying how we would manage that situation. VD highlighted that this was a very complex project with two procurement exercises involved, one for surveying and one for remediation, running alongside a complete review and audit of our processes. She explained that they will also involve system development to ensure information is managed and accessible.</p> <p>AP asked whether we had concerns that the transition will impact completion of the remaining recommendations. VD explained that it was too early to say as we current do not know what structures will stay the same. She noted that policies and processes will need</p>	
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	<p>to be reviewed to reflect changes in the structure and that this had been flagged in the transition risk register.</p> <p><b>The Committee noted progress against made against the 'Big Six' Healthcheck Action Plan.</b></p> <p><b>AT joined the meeting.</b></p>	
<p>8</p>	<p><u>Wellbeing, Safety &amp; Health Update and Compliance Summary</u></p> <p>AT introduced the wellbeing, safety and health update and explained that the T100 health and safety management system report was now fully developed. He noted that Jo Rea (JR) (Senior People and Culture Business Partner) and the Wellbeing Champions were leading a number of wellbeing activities with more planned for the next quarter. AT highlighted the accident, RIDDOR and near miss statistics for April to December and provided details of the incidents. He noted that anti-social behaviour (ASB) continued to be the dominator. AT added that our RoSPA (Royal Society for the Prevention of Accidents) submission had been completed and if we achieved a 10<sup>th</sup> gold award we would be upgraded to the President's award.</p> <p>AP asked whether we expected to continue using the T100 health and safety management system following the transition. AT confirmed that we are hoping that it will be adopted by CBC but this would need to be discussed. He commented that he had presented the system to CBC and it had been well received.</p> <p>DC commented on an ASB incident involving a contractor and asked whether there had been other incidents involving contractors in the past and whether they were encouraged to report these incidents. AT confirmed that contractors were informed of how to report incidents and had reported inappropriate language in the past. He explained that this was the first time a contractor had experienced aggressive behaviour and noted that they would not be returning to site until the issue had</p>	



	<p>been addressed. RP noted that the work CBH does to provide better environments can have a positive impact on ASB. IM agreed that real engagement with communities to improve their areas makes a significant difference.</p> <p>AT asked whether the Committee were comfortable with how the gas incident at 45 Springbank had been handled. RP commented that he had felt fully informed throughout the incident with regular updates provided. CG noted that a report will be provided to Board to update them on further actions and lessons learned from the incident.</p> <p><b>The Committee noted the information within the report.</b></p> <p><b>AT left the meeting.</b></p>	
<p>9</p>	<p><u>Sector Risk Profile Summary and Corporate Risk Update</u></p> <p>AW introduced the report and explained that it contained the latest assessment of the corporate risks. He highlighted that the risks ‘loss of structures and processes’ and ‘lack of information management’ had both increased scores but remained at an overall level 3 risk. AW noted that the report also contained the summary of the Sector Risk Profile produced by the Regulator of Social Housing (RSH) and an overview of the key areas that emerged from discussion with ET and Heads of Service.</p> <p>AP noted that report showed an evolving picture, particularly in light of the transition, he asked whether this provided a realistic overview. AW confirmed that the report always represented a point in time with risks presented in both a raw untreated state and with controls in place. He noted that assessments are undertaken regularly but currently don’t consider how these risks would look in the future. AW noted that this is an approach that could be considered. He highlighted that the aim of the report was to provide a transparent, honest assessment and give reassurance</p>	

	<p>that they were being managed. AW agreed that risk scores were likely to fall again as the transformation progresses.</p> <p>IM asked PL whether the corporate risk assessment felt reasonable and accurate from his experience and fresh perspective. PL explained that he is reviewing the corporate risks as part of the transition programme. He noted that from his perspective some of the risks listed, for example in relation to the viability of the HRA, more appropriately sat with CBC rather than the Board. PL added that in these cases it was still important to have the Board’s expertise and knowledge providing oversight as these are carefully transitioned to CBC to ensure the strong systems build continue. He highlighted that it was important to fully assess and understand these risks and mitigations before anything is changed. PL added that his previous experience of transitions will also act as a mitigation and enable him to step in if things are not progressing correctly.</p> <p>DC commented that the introduction of the new senior leadership structure will see some of the risk scores improving. He noted that the imminent departure of AW is a significant risk and asked how this will be managed. AW explained that AD has been working with Claire Hughes (CH) (Corporate Director and Monitoring Officer) to redistribute his roles across teams and individuals across CBH and CBC. He commented that the arrangement should be confirmed shortly.</p> <p>JR noted the comment that Carbon Net Zero vs New Supply was a “key decision... to be made by CBC” and explained that at a recent Cabinet Member Housing Working Group (CMHWG) it had been confirmed that development sites were beginning to drop out. He highlighted that where houses are planned to a Net Zero standard sites are proving not to be financially viable. JR noted that the £180m investment by CBC was a borrowing arrangement which required each site to be financially viable in its own right. IM agreed that there was a difficult decision to be made considering both the climate crisis and the housing crisis. He highlighted that it</p>	
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	<p>was great to have ambitious targets but that delivery was proving immensely difficult. IM commented that even if the government was to fully fund a programme we would still face difficulty in resourcing qualified people and the national grid infrastructure would still be missing. PL commented that an advantage of bringing housing in-house is that councillors are brought closer to the decisions they are making. He noted that Paul Minnis (PM) (Director of Major Development and Regeneration) was very aware of the issues facing Net Zero housing across the country and well placed to help councillors decide what compromises should be made. IM agreed that this will galvanise people to understand the decisions made in terms of practicality, rather than delivery being a step away from policy making.</p> <p>JR commented on the note that the “Programme to tender and carry out stock surveys is more critical than ever and need to be completed sooner rather than later”. He asked whether we are experiencing delays with this programme. AW explained that this comment was not highlighting specific issues at CB was reflected a sector wide need to be proactive in this area.</p> <p><b>The Committee considered and challenged appropriately the information provided against all risks.</b></p>	
<p>10</p>	<p><u>Suite of Transition Risks and Controls</u></p> <p>AW explained that these were a suite of shorter-term risks relating to the transition that had been developed following discussion with Board, ET and Heads of Service. He highlighted that it aimed to consolidate potential issues raised and ensure that they can be managed effectively. AW noted that currently many of the risks are red as the controls are raw and untreated but this rating will improve as the transformation progresses and the risks and controls are integrated into the transition programme plan. PL highlighted that this work was a key stage in carrying out due diligence. He noted that as part of the process the lack of an annual report to tenants had been identified as a regulatory</p>	



	<p>JR commented that following the transition CBC will need to establish a committee that provides the level of scrutiny that Audit &amp; Risk currently provides. He highlighted that there will be a lot of statutory requirements for councillors to manage, which it will not be possible for Overview and Scrutiny to manage directly. JR noted that it will also be important for the External Auditor to interpret the correct management of the ringfence around the HRA.</p> <p><b>The Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Scrutinised and contributed to the suite of risks.</b></li> <li>• <b>Supported the proposal that these Risks and Controls are:</b> <ul style="list-style-type: none"> <li>○ <b>to be managed by the Housing Transformation Director overseeing the transition programme.</b></li> <li>○ <b>reported by the Housing Transformation Director overseeing the transition programme into Board each month at a high level, and to a more specific level to Audit and Risk Committee as required.</b></li> </ul> </li> </ul>	
	<p>JR noted that this would be the last Committee meeting for both AW and DC. The Committee thanked both for their commitment and huge contribution during their time at CBH. They wished both the best of luck for the future.</p>	

Meeting Closed at 19:27



Signed.....  
 Chair of the Audit and Risk Committee  
 (Signed digitally)

Date: 09/05/2024