

# Cloch Housing Association

## Minutes of the Board meeting held at 6pm on Tuesday 24 October 2023 via MS Teams

Board Present: Kelly Ferns (Chair), Ken Robertson (Vice Chair),  
Eileen Tamburrini (Secretary), Eleanor Robertson,  
David Brown, Victoria Weir, Hristina Tarpanova,  
Nicola McLachlan

Attending: Alana Durnin (CEO)  
Valerie Wilson (DCEO)  
Paul McColgan (Head of Property Services)  
Shonaid Musgrove (Corporate Services Officer, on Minutes)

<b>1.</b>	<b>Apologies &amp; Declarations</b>
	Apologies had been received prior to the meeting from David McIndoe and Jackie Smith. No declarations of interest were noted.
<b>2.</b>	<b>Minutes of Previous Meetings</b>
2.1	<u>Minutes of the Board Meeting – 22 August 2023</u>  A question was raised about the £2.5m held in cash and asked if this figure was correct. The DCEO replied it was. Monies had been drawn down into the bank account but had since been paid back.  <b>RESOLUTION</b>  The Minutes were proposed, seconded and approved as a true record.
2.2	<u>Minutes of the Board Meeting – 20 September 2023</u>  The Chair intimated these Minutes followed the AGM and discussed various remits and roles for review.  <b>RESOLUTION</b>  The Minutes were proposed, seconded and approved as a true record.

2.3	<p><u>Minutes of the Housing &amp; Property Sub-Committee Meeting – 8 August 2023</u></p> <p>These Minutes were for noting and would be approved at the next meeting of the H&amp;PS Sub-Committee.</p> <p>The HofPS advised that the meeting had discussed new policies and discussions on the review of the Garden Tidy Scheme. This would be brought back to the next meeting. The void and reactive repairs contracts had been discussed. The members had asked that in future under “AOCB – Reflections” that staff leave the meeting at this point.</p> <p><b>RESOLUTION</b></p> <p>The Board noted the contents.</p>
3.	<p><b>Matters Arising &amp; Outstanding Actions</b></p> <p>The CEO took the meeting through the following points from the previous minutes, matters arising and outstanding actions:</p> <ul style="list-style-type: none"> <li>➤ <i>Annual Accounts</i> – Board raised the issue of the pension deficit; this will be taken up with the auditors as well as expecting them to make a presentation.</li> <li>➤ <i>Component spreadsheet</i> – this is a large piece of work that is in progress.</li> <li>➤ <i>Service Charge Liability Account</i> – Cloch has built up costs in this and will look to (i) release funds or (ii) reduce service costs.</li> <li>➤ <i>Board Appraisals</i> – the CSO is working on developing a training plan.</li> <li>➤ <i>GAP</i> – Q1 has been uploaded onto the Board Portal.</li> <li>➤ <i>Social Event</i> – this will now be a Christmas one in December and dates will be looked at.</li> <li>➤ <i>Staff Structure Refresh</i> – the consultant’s report is now in and has been presented to staff. Some recommendations will be implemented soon but others will be looked at in more detail.</li> </ul> <p>The presentation was made to all staff at the same time and good feedback was given. Smaller groups were then held for in-depth discussions and themes were noted. Next steps are for 1-2-1 discussions with their section heads. These will replace the annual appraisals this year. Naturally, there is sensitivity surrounding the SHO role. Due to these additional meetings the schedule has been put back by a couple of weeks, but it is important not to rush anything.</p> <p>Some areas are asking for additional resources, some staff may wish to reduce hours – a lot to get right. The HR consultant will speak to the LT how to deal with this. Suggestions were having an additional Board meeting on 19 December or</p>

	<p>move the F&amp;CS from November to 19 December and all Board attend this meeting. The CEO stated the budget will not increase as unforeseen budgeting is required to be managed in respect of the £300k/unit costs for the flooded houses. Some of the additional resources being requested would take us £20k over the budget.</p> <p>Report to be uploaded onto the portal. The timetable must be adhered to where legal matters are concerned if a staff member's job is changed.</p> <p>➤ <i>Rent Increase</i> – investigate why Cloch's rents are higher than others. The HofHS knows about this and will bring a report to the Board at a future meeting.</p> <p><b>ACTIONS</b></p> <ol style="list-style-type: none"> <li>1. Move the F&amp;CS Sub-Committee from November to 19 December and all Board invited to attend the start of the meeting (but can stay for the whole meeting if desired).</li> <li>2. Load the report onto the Board Portal.</li> <li>3. Ensure legality of timetable is adhered to (eg where change to job occurs).</li> </ol> <p><b>RESOLUTION</b></p> <p>The report was noted.</p>
<b>ITEMS FOR APPROVAL</b>	
<b>4.</b>	<b>Pension Working Group Recommendations</b>
	<p>The DCEO took the Board through the report and the options being presented.</p> <p>Following on from the [REDACTED] report the Board agreed that the Final Salary/Defined Benefit (DB) scheme will need to close to mitigate the financial risk associated with it. However, the benefits cannot be taken away from existing members. They will merely stop, and a new Defined Contribution (DC) scheme opened. A working group of 2 Board and 6 staff members was set up with the remit to get solutions keeping to the current budget. The DCEO was present to facilitate the group as well as using a pensions consultant and HR consultant for advice. The union had been contacted to send an observer during these discussion stages. It was emphasised that this was not a cost-cutting exercise but a risk removal exercise. The changes will apply from 1 April 2024.</p> <p>The WG acknowledged that a move from the DB to a DC scheme was inevitable. Three proposals had been put to the group and lengthy discussions took place on the merits of each. Within budget one option favoured DB members and one favoured DC members, the other option was over budget by £37.5k (over the 3 years). All 3 options proposed fixing the employer contributions at 12% by Year 4.</p> <p>The Chair, who was part of the WG, intimated that it had been refreshing to see so many staff involved and the good discussions that took place. There were staff who were currently on DB and DC schemes participating. There was good</p>

understanding from each party on how the proposed changes would affect each other. It was also reassuring that staff understood where the Board was coming from in the decision to close the DB scheme.

A Board member was surprised by Option 2 that exceeded the budget but understood why it was included. The Chair intimated that they had requested this option, just to see how the figures looked but also as a compromise due to the position of the union rep. The union rep was adamant that those in the DB scheme should not lose this benefit. This was part of their terms and conditions when they joined. The WG pointed out that when the scheme was closed to new members of staff they were, naturally, disadvantaged not being able to join the DB scheme.

A Board member understood this rationale but stated that there is a different, global economic environment now and the Association must adapt to this. The DCEO stated that if Cloch removes the DB benefit then the link for employees on that scheme is retained. If, however, a staff member can no longer afford the DB scheme and moves to a DC scheme; then the link is broken. The WG recognised that further 1-2-1 meetings with pension experts is required and would be funded by Cloch.

A Board member asked what the opinion of the pension consultant was. The DCEO replied that the 12% being proposed was generous, many others were only offering 10%. The CEO advised that in 2016 it was agreed that the pension scheme would be reviewed annually. Staff were aware of this, and that the DB scheme has been retained for longer. The DCEO stated that the WG had asked the union rep what other associations had done when they closed the DB scheme. The union rep mentioned other HA's were offering lump sums when the DB scheme ended; but had failed to provide evidence of this when asked.

The Board was asked to think about which option to offer to staff. They were also asked to consider if they were satisfied with the 12% option as the final one or should it be multiple options for the transition.

The Board agreed that the 12% felt the fairest of the options proposed.

Further discussions took place on the options presented with emphasis on Option 2 and its implications. It was felt that the monies for this were not unsurmountable and was a good compromise for those who would need to leave the DB scheme and transfer to a DC one. It provided a further 3 years of protected benefit. The CEO advised that the Association could divert monies rather than adding to the budget if Option 2 was being considered. It was noted that there were contingency funds as some areas had been underspent in previous years. This year had seen some serious long-term absences and 2 maternity leaves (which we have not had for quite some time) but there were still monies that could be transferred. The Board were mindful of the impact all the options would have on both DB and DC members.

The DECO stated that the Board can consider offering more than 1 of the options to the staff. The CEO agreed; this would demonstrate fairness and consideration from the Board. A presentation to staff on the options being offered could be done, then followed up with a survey, with a winning choice being demonstrated. The Board

	<p>acknowledged this offered up fairness together with openness and transparency on their part. The DCEO would make a presentation to staff on the options prior to the survey.</p> <p><b>ACTIONS</b></p> <ol style="list-style-type: none"> <li>1. A presentation to the staff on the 3 options being considered.</li> <li>2. A survey of the 3 options to be sent to staff.</li> <li>3. Report on the outcomes to the Board.</li> <li>4. Working Group to continue.</li> </ol> <p><b>RESOLUTION</b></p> <p>The Board unanimously agreed to the 12% final rate being offered together with the 3 options being put to staff to vote on.</p>
5.	<p><b>Annual Assurance Statement (AAS)</b></p>
	<p>The CEO firstly apologised for the lateness of this report.</p> <p>From the Board appraisals it transpired that many members wanted some training on this, and it had been the CEO's intention to do this tonight. However, the discussions on the previous item had taken up much time and it was proposed to carry out the training at another time. The Board agreed.</p> <p>The CEO advised that the AAS is directly linked to the Association's Strategic Priority 21 whereby good governance and financial control needs to be proved. A working group was set up comprising the CEO and DCEO, the Chair and 3 further Board members. The group met to discuss the review and to look at the evidence. Within the spreadsheet are columns detailing the evidence, questions for consideration and thoughts on where the Association could improve. The Scottish Housing Regulator (SHR) is homing in on H&amp;S compliance this time. The Chair intimated that the process gave good insight into what goes on behind the scenes, something that the Board is not necessarily aware of.</p> <p>The CEO suggested having the AAS audited to give guidance and wondered if the Board would be interested in breaking the AAS down into more manageable steps. For example, bring 1-2 standards to discuss at a time to future Board meetings.</p> <p>The Chair liked the format of the AAS and thought it read very well. The Chair noted it was a different format from previous year and suggested holding off on the training until the AAS was audited.</p> <p><b>ACTIONS</b></p> <ol style="list-style-type: none"> <li>1. The AAS to be independently audited.</li> <li>2. Training to be postponed until the audit completed.</li> <li>3. Consider bringing the standards to the Board in smaller groups rather than whole document.</li> </ol>

	<p><b>RESOLUTION</b></p> <p>The AAS was proposed, seconded, and approved.</p>
<b>6.</b>	<p><b>OSCR Return – 2022/2023</b></p> <p>The DCEO advised that the return had to be submitted to the charity regulator by 31 October 2023. A copy had been provided within the Board papers. The Board was advised that the figures come directly from the approved accounts but are shown in a slightly different way for the charity regulator.</p> <p><b>RESOLUTION</b></p> <p>The Board proposed, seconded, and approved the OSCR Return.</p>
<b>7.</b>	<p><b>Management Accounts 2023/2024 – Quarter 1</b></p> <p>The DCEO advised that these were a bit historic now. They were to have been presented to the August F&amp;CS meeting but unfortunately it was cancelled.</p> <p>Key points to note were:</p> <ul style="list-style-type: none"> <li>➤ Surplus is over budget but this down to timing differences.</li> <li>➤ Covenants all okay and have been met.</li> <li>➤ Slightly lower cash valances as repaid the drawdown.</li> <li>➤ One negative is the factoring bad debt has increased but the Finance team are working on this.</li> </ul> <p><b>RESOLUTION</b></p> <p>The Board proposed, seconded, and approved the Quarter 1 Management Accounts.</p>
<b>8.</b>	<p><b>Treasury Report</b></p> <p>The DCEO advised that this item had been brought over from the cancelled August F&amp;CS meeting too.</p> <p>Key points to note were:</p> <ul style="list-style-type: none"> <li>➤ Higher interest rates occurring, now starting to receive interest on instant access accounts.</li> <li>➤ 50% of funds were fixed to end of June but this has increased to 88% by end of July when the BoS loan fixed for 5 years. We are now protected from any future interest rate rises. Previous interest rate predictions were that rates would peak; however, they have risen. It is expected that this will happen until mid-2024 and not go below the 5% now until 2025. We have secured good protection with this.</li> </ul>

	<p>A Board member enquired if the additional interest being received would help with the pensions and the extra monies required if Option 2 proceeds. The DCEO replied it would.</p> <p>A Board member asked why 99% of the Association's cash is being held in instant access accounts and did we need to do this, would it not be better served in fixed term accounts. The DCEO replied that the finance team are currently reviewing this. One of the issues had been the signatories needed updating, this took longer than anticipated and has now been resolved. Instant access has plus to if we need to dip into our revolving credit, but it may be beneficial to look at 30-, 60- or 90-day notice accounts for better interest rates.</p> <p>The CEO stated the high cash figure can also be attributed to the Association being behind on the planned maintenance contract due to contractor liquidation. The HofPS is working on a programme just now that we can implement.</p> <p><b>RESOLUTION</b></p> <p>The Board approved the current Treasury Management position and the report.</p>
<p><b>9.</b></p>	<p><b>Calendar of Meetings</b></p>
	<p>The Board had previously been circulated with a draft calendar of meetings. Following previous discussions, it had already been agreed to move the F&amp;CS Sub-Committee meeting from 28 November 2023 to 19 December 2023.</p> <p>Discussions took place around the F&amp;CS Sub-Committee pencilled in for 28 May 2024. It was noted that this was the first day back following the Spring Weekend. The decision was taken to move this to 4 June 2024.</p> <p>The Chair stated that the Vice-Chair may need to step in for the 5 December 2023 meeting as they have a previous engagement.</p> <p>The CEO intimated that the full Board may be invited to the H&amp;PS Sub-Committee being held on 13 February 2024 if approval for the staff structure refresh is ready; consultation timings need to be adhered to. The Board needs to have the 30 January 2024 meeting for the pension's consultation.</p> <p>The DCEO advised that the Board needs to meet a minimum of 6 times per year in line with the rules.</p> <p>The Chair stated that it has been helpful in the past to have the bitesize training sessions before the Board/Sub-Committee meetings and could this be considered for the forthcoming training. The Chair also commented that having the key matters of business included in the calendar was very useful.</p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• F&amp;CS Sub-Committee meeting to be moved from 28 November to 19 December 2023.</li> </ul>

	<ul style="list-style-type: none"> <li>F&amp;CS Sub-Committee meeting to be moved from 28 May 2024 to 4 June 2024.</li> </ul> <p><b>RESOLUTION</b></p> <p>The calendar of meetings was approved subject to the above date changes being implemented.</p>
	<p><b>ITEMS FOR NOTING</b></p>
<p><b>10.</b></p>	<p><b>CEO Report</b></p>
	<p>The CEO advised that the report this month was based solely on the flooding incident at Kilmacolm Road of 7 October 2023. The following points were highlighted:</p> <ul style="list-style-type: none"> <li>Links to various strategic objectives.</li> <li>£300k financial implications for this (based on £50k excess on each unit).</li> <li>Meeting had been scheduled to deal with last flooding event, but recent flooding incident happened before meeting took place.</li> <li>Consider employing a PR/media company to co-ordinate on Cloch's behalf.</li> <li>Are Board happy for the CEO and Chair to act on the Association's behalf.</li> <li>Meeting scheduled for 4pm on 6 November 2023 with [REDACTED]</li> <li>Tenants understandably getting angry at flooding situation. Cloch collating personal statements from the tenants to try and raise profile of the situation.</li> <li>What does Cloch do with these properties going forward?</li> <li>Do we consider selling them? Downside is that there are no homes of the quality of these ones plus they have back/front doors and gardens. What would Cloch get for them if sold? If Scottish Government is giving associations £50k to buy off-the-shelf units, can they give Cloch the same to save an existing home (eg the flooded ones).</li> <li>Cloch not flood experts but trying to come up with proposals and solutions. Some are short-term measures (metal gates/sandbags). Using a lot of staff time and resources on this. Whatever Cloch does will not be a quick fix.</li> <li>An options appraisal to be brought to the Board at a future meeting.</li> <li>This is a notifiable event; the SHR is satisfied with Cloch's responses to-date.</li> <li>Cloch's financial plan being updated to reflect the unbudgeted cost.</li> </ul> <p>The Chair would try to attend the joint meeting on 6 November to represent the Board and give their perspective on things. The Chair was not keen on engaging the services of a PR/media company but would like to know what other Board members thought. The feeling was not to use a PR/Media company at this time. Most members deemed this money would be better utilised on flood defences. The Chair wondered if Cloch could access the Scottish Government's infrastructure fund; details could be found on their website.</p> <p>A Board member commented that the mantra coming from [REDACTED] was that the flooding was "an Act of God" but this was not the case. The Met Office and other agencies had been advising of the deteriorating weather</p>

	<p>conditions for days before the flooding. It was a known event. The member felt that the joint agencies had been procrastinating since the first flooding event and perhaps the Association should be looking at claiming compensation from them.</p> <p>A Board member commented that these flooding events used to be few and far between; once every 10-20 years. However, they are now happening annually in some instances. They did not think that selling the properties was an option – who would want to buy them? The Board noted that this was the 3<sup>rd</sup> flooding incident since February 2022 and infrastructure change was required. Some suggestions had been utilising pods, signing up to SEPA alerts, barriers, sandbags, bridge bags that expand but the Board noted that these should not be relied upon and that the onus on protecting their homes should not be placed upon the tenant. The CEO advised that the Association will not put the tenants back into these homes if they do not wish to go back. We would not put them through that.</p> <p>A Board member asked if the Association had provided independent advice for the tenants affected. The CEO advised that staff were supporting the tenants who had been grateful for the support; they realised that Cloch was not at fault. However, they are upset that white goods will not be supplied by the Association this time round. A Board member suggested putting the tenants in touch with the [REDACTED] to see if they could help them; especially if any tenants do not have contents insurance in place. The Board noted that [REDACTED] has the legal duty to rehome our tenants, but they have no capacity for this presently.</p> <p>A Board member stated that it was important that all agencies take responsibility now for all the flooding occurrences that have happened since 2022. These are now predicable events that could turn into a “danger to life” situation.</p> <p>The Board discussed how the Association could encourage tenants to take out contents’ insurance (eg in newsletters, on the website) but agreed that this is something that the Association cannot monitor. During these difficult, financial times it was realised that this would be low priority for many families.</p> <p><b>RESOLUTION</b></p> <p>The Board noted the contents of the report. The CEO will keep the Board informed of progress.</p>
<p><b>11.</b></p>	<p><b>Gifts and Hospitality</b></p> <p>The Board had been circulated with the report prior to the meeting.</p> <p><b>RESOLUTION</b></p> <p>The Board noted the contents of the report.</p>
<p><b>12.</b></p>	<p><b>Health &amp; Safety</b></p> <p>The HofPS advised that the Association took a call last week of a report of gas from a close. Scottish Gas were called to attend. The tenant of the property had</p>

	<p>previously had their gas capped due to “no access”. On entering the property, the gas engineer found 2 meters inside. The tenant had had one meter connected. The engineer made this safe. Whilst there was sympathy for the poverty that the tenant may have found themselves in, this could potentially have caused a catastrophic outcome. Steps were taken to ascertain if this was a RIDDOR notification by the Association. Scottish Gas said it was not and they would deal with it. The gas engineer reported that they thought they saw a handgun in the property, so the Police were called. It turned out to be a novelty lighter. However, unlicensed air rifles were found in the property, and they were confiscated. The Police will be compiling charges towards the tenant regarding the air rifles. The Housing team will deal with the gas situation via the tenancy agreement.</p> <p>The HofPS advised that they also had to deal with a small fire in the kitchen of one of its properties. This turned out to be a faulty electrical cooker. Minimal damage and no injuries occurred. Immediate steps were taken to disconnect the appliance.</p> <p><b>RESOLUTION</b></p> <p>The Board noted the H&amp;S report.</p>
	<p>The meeting had reached the 8pm deadline and Standing Orders were invoked. The Board unanimously agreed to continue for the last agenda item.</p>
<b>13.</b>	<b>AOCB &amp; Reflections</b>
13.1	<p>The Board was advised that the HofHS had handed in their resignation as their family was moving to [REDACTED]. The notice period was 3 months so the HofHS would be leaving at the end of January 2024. The CEO advised that our HR Consultant has suggested modernising the way the Association currently carries out its recruitment so this will be a diversion from our current policy. Instead of candidates completing a form they will be asked to submit a c.v. with a covering letter.</p> <p>The Board asked for their congratulations to be conveyed.</p>
13.2	<p><b>Reflections</b></p> <p>The Chair felt that the meeting had generated very good discussions on some very difficult and contentious topics.</p> <p>It was agreed that deferring some of the papers had been the right decision.</p>
<b>14.</b>	<b>Date of next meeting – 5 December 2023</b>
	<b>The meeting closed at 8:05pm.</b>