

Cloch Housing Association
Board Meeting
held on Tuesday 19th November at 7pm
at Cloch's Offices, 19 Bogle Street, Greenock

Present: Julianne Scarlett, Chair
 Alison Greenhill, Secretary
 Eleanor Robertson, Board Member
 Jackie McKelvie, OTHA Nominee
 Eileen Tamburrini, Board Member
 Heather Thomson, Board Member

Attending: Paul McVey, Director
 Alana Durnin, Finance Director
 Paul McColgan, Property Services Manager
 Andy Thomson, Housing Services Manager
 Liz Bowden, Corporate Services Manager (Minute Taker)

Item	Description
1.	<p>Apologies & Declaration of Interest</p> <p>Apologies were received from Kelly Ferns, Ronny Lee, Brian Corrigan</p> <p>The following declaration of interest was made: Eleanor is on the Board of Financial Fitness</p> <p>Ronny Lee has asked for a flexible arrangement on his attendance, due to a family matter. This was approved.</p>
2.	<p>Minutes of 8th October 2019 for Approving and Available for Publication</p> <p>The Minutes attached to the Agenda were approved for accuracy, subject to some minor alterations which would be rectified post meeting.</p> <p>There was a discussion about whether the changes made to the minutes to make them web friendly, have shortened the minute and do not fully reflect the extent of discussion. The Board agreed that the minutes should demonstrate the breadth of the discussion.</p> <p>Resolution: The Minutes of the meeting were proposed and seconded and unanimously approved by the Board.</p>
3.	<p>Minutes of 25th September 2019 for approving and available for publication</p> <p>The Minutes attached to the Agenda were approved for accuracy.</p> <p>Resolution: The Minutes of the meeting were proposed and seconded and unanimously approved by the Board.</p>

*for approval **for noting

4.	<p>Matters Arising/Outstanding Actions</p> <p>The Director talked through the Outstanding Actions Report attached to the Agenda.</p> <p>The following items were highlighted:</p> <p>Item 7, 25/9/19: Recruitment of a project officer for ICHR: The Customer Connections Team Leader was successful and has had the role added to her duties.</p> <p>Item 5, 25/9/19: The Board Business Strategy Planning day will happen towards end of January/beginning of February after the outcome of the Options Appraisal is known.</p> <p>Item 11, 6/8/19: The Director will be reporting to the Board with updates on all the Association's action plans, this is likely to be in January/February 2020.</p> <p>Item 8, 12/3/19: The Killearn Road sale is now complete and the Lyle Street purchase came through this week.</p> <p>It was also noted that a previous legal action case where delegated authority had been provided to the Housing Services Manager to deviate from the eviction policy following the limited court sentence received, has now developed further. The indication is that the detail on the extract conviction is likely to result in the Association moving for eviction on Ground 2. This was noted.</p> <p>Resolution:</p> <p>The Board noted the content of the Report.</p>
5.	<p>Kings Glen Update Report</p> <p>In the absence of the Development Manager, the Director talked through the report attached to the Agenda. He summarised by saying that the recommendation is for the Board to accept the CCG tender for the work of £8.412M to allow development to move forward with an anticipated site start during week beginning 25th November 2019</p> <p>The Director reported that CCG have started doing preparation work and accepted the risks while waiting for the building warrant and government grant approval. The Board noted the extra cost for smoke heat detectors. Planning has been approved. The Scottish Government grant approval is expected to be given on 22nd November. The expected end date of the work is March 2021.</p> <p>The Board agreed to hold a sod cutting ceremony or opening of works in the New Year that will involve different sections of the community from the local area.</p> <p>The Board were asked, if they had any ideas for names for streets, to get them to the Director in the next two weeks.</p>

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	<p>Resolution:</p> <p>The recommendation that the Board approve acceptance of CCG's unqualified tender in the sum of £8,412,382 when confirmation is in place regarding the complete funding package for the project allowing the project to move forward to the construction phase was proposed and seconded and unanimously approved by the Board.</p>
6.	<p>Director's Report</p> <p>The Director talked through the report attached to the agenda and the following was noted:</p> <p>Item 1: The Director thanked the Board members for attending the joint Options Appraisal meeting on 5th November. He commented that it was a strong turnout and strong input from the Board. The next joint session is on 7th December 2019. The Board Meeting on 21st January will allow us to reflect on the outcomes of these meetings before a final joint session to agree the way forward.</p> <p>The Director reported that the Chair at Oak Tree had requested to know about the reported "red lines" referred to by the Cloch Director. The Director had responded saying that Cloch has no red lines. The red lines mentioned were in response to a question from the Oak Tree CEO at the June meeting (and repeated at the recent Joint Session) and these were more a concern from a Cloch staff perspective. It was reiterated that Cloch's governing body is open minded and concerns about clashes in culture, which the Leadership Team have, will be fully explored at the Options Appraisal session.</p> <p>Item 2: Wider Role Update: The Director commented that he was disappointed that the Association's Investing in the Community application was rejected. He had been pleased to see that Oak Tree managed to get their employability application through. The Young Person Steering Group has good ideas on the Young Clochie Club and Children's College and these will reported to the Board in the New Year.</p> <p>Item 3: Admin Control: The Admin Control Board Portal contract has been signed and it is hoped to be up and running by the next Board Meeting.</p> <p>Item 6: Internal Audit on Complaints: The Director commented how pleased he was with the Internal Audit for Complaints. The Board concurred.</p> <p>Section 7: Employee Issues: Pamela MacLeod is our new Property Services Officer and starts on 25th November 2019.</p> <p>Section 8: Conferences, meetings and events: The Director's appraisal is now done. He thanked the Board Members who had made comment before the appraisal.</p>

	<p>The staff attended a fantastic Autism awareness session performed by local autism group, ATLAS. There is now interest in become an autism friendly workplace and this is currently being looked into by staff.</p> <p>Resolution:</p> <ol style="list-style-type: none"> 1. The Board Christmas Night out is agreed as Wednesday 11th December 2019 and will be at The Albany in Greenock. 2. The Board were happy to approve the closure of the Association at 2pm on Christmas Eve. <p>The remainder of the report was noted.</p>
<p>7.</p>	<p>Finance</p>
<p>7.1</p>	<p>First Draft Budget</p> <p>The Finance Director used a power point presentation to explain the details of the First Draft Budget 2020/2021. The following is the summary of the report:</p> <p>The budget showed the costs required to deliver our planned work activities for 2020/21. These plans and associated costs have therefore informed the recommended rent increase of 2.8% for 2020/21.</p> <p>The bank covenants have been tested and are met throughout the 30-year financial plan, with the exception of 1 year, however, this can be mitigated by bringing the investment in planned maintenance forward.</p> <p>Long term financial strength is good and has been tested against the gearing ratio. The financial plan showed an improved position against last year's financial plan, due to:</p> <ul style="list-style-type: none"> • Budgets showing a reduction in loan interest due to fixing the Bank of Scotland's variable loan. • Higher rental income due to rent rationalisation. • Reduced capital expenditure on IT due to the introduction of terminal servers (thin clients). <p>The Finance Director commented that the final budget will be stress tested against the risk register scenarios and that realistic expectations are used rather than margins of tolerance.</p> <p>Resolution:</p> <p>The draft Budget for 2020/2021 was proposed and seconded and unanimously agreed by the Board.</p>
<p>7.2</p>	<p>Cheque Signatories</p> <p>The report attached to the agenda, was explained in some detail by the Finance Director.</p>

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	<p>Resolution:</p> <p>The recommendation to add the Finance Manager and new Vice Chair and remove the retired Vice Chair was proposed and seconded and unanimously approved by the Board.</p>
<p>7.3</p>	<p>Security for Kings Glen Loan Facility</p> <p>The Chairperson reported that in connection with the facilities agreement originally dated 27 April and 1 May 2012 and amended and restated by agreement dated 5 March 2018 between the Borrower and The Royal Bank of Scotland plc (the “Bank”) (as so amended and restated the “Facilities Agreement”) under which the Bank provided to the Borrower loan facilities of up to £5,355,740 (the “Facilities”) the Borrower has agreed to grant to the Bank a standard security for all monies due and to become due to the Bank over (a) 6 dwelling houses at 1 to 6 Corlic Street, Greenock, (b) 30 dwelling houses at 41 to 99 (odd numbers) Kilmacolm Road, Greenock, (c) 18 properties at 2 to 36 (even numbers) Millar Street, Greenock and (d) 4 dwelling houses at Hillside Road, Greenock (together “the Properties”); and that it was in accordance with the Rules of the Borrower and in the interests of the Borrower to grant such standard security.</p> <p>It was resolved that, in security of the Facilities and all other sums of money that now are or may be at any time be due by the Borrower to the Bank, a Standard Security over the Properties be granted in favour of the Bank.</p> <p>The Committee instructed that the Standard Security which was produced should be Sealed and subscribed for and on behalf of the Borrower by either Paul McVey, Director, Alana Durnin, Finance Director, Julianne Scarlett, Chairperson or Alison Greenhill, Secretary and delivered to the Society along with a certified excerpt of this Minute. It was also resolved that details of the Standard Security should be recorded in the Borrower’s Register of Disposals of land.</p> <p>.</p> <p>Resolution:</p> <p>The Security as outlined above was proposed and second and unanimously approved by the Board.</p>
<p>8.</p>	<p>Rent Increase Options</p> <p>The report attached to the agenda was talked through by the Housing Services Manager.</p> <p>The Housing Services Manager reported that the rent restructure has complicated the rent increase process because the rent increases will be different on a property by property basis. He asked the Board to note the examples at 2.1 and 2.2 in the report. In addition, because of the rent restructure, when voids are available then the rent is already adjusted. Overall, the global 1.45% increase reported with the budget is an actual increase of 2.8%.</p>

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	<p>Additional options are in the paper at item 2.6 which allow tenants to “vote” for additional services. At this point, the Housing Services Manager asked the Board for any other ideas for additional services. He explained that the Regulator expects Associations to offer the additional options. Further, he reported that early indications from other housing associations are that increases will range from 1.5% to 3.9%.</p> <p>The Board discussed options that would allow Cloch to “bridge the gap” with some services that might experience Council cuts. They also considered different ways to fund tenancy support. However, the Board recognised that for this increase, every house will be affected differently, with those whose rents are frozen, perhaps being more willing to vote for an increase above 2.8%, whereas those tenants who were at the top end of increases under rent restructure, would not be willing. To stop a discrepancy where those who are frozen may outvote those who will receive the top increase, the Board agreed that no options should be put in with the rent consultation. It was felt that this was the fairest way to proceed taking into account the additional element of the rent restructure.</p> <p>Resolution:</p> <p>The Board proposed and seconded and unanimously approved to consult on 2.8% only.</p> <p>The consultation will take place from early December 2019 to mid-January 2020.</p>
9.	<p>Pensions Report</p> <p>The report attached to the agenda was talked through by the Director. He commented that the executive summary of the report focusses on the 4 bullet points to consider,</p> <ul style="list-style-type: none"> • external independence advice; • pension advice to staff and would staff pay for this; • changes the pension offer which will require full consultation and to take account of the fact that any change to the offer cannot take place until April 2021 due to the consultation process; • what option do they want to approve for future service contributions? <p>He commented that Cloch offer a range of schemes. This does not affect the Defined Contributions scheme. Past service deficit overall has reduced and is expected to clear by 2022.</p> <p>Previously, housing associations were told by SHAPS what the employer/employee contribution will be, but now the employer makes the decision. Appendix 4 is the results from the staff questionnaire showing how staff might react to the various proposals and whether or not it would affect their decision to stay in the Defined Benefits Scheme. 19 staff are part of the Defined Benefits Scheme. Item 2.3 shows the increases including a fourth option of the employee taking the full increase.</p>

	<p>Option 1 – 50/50 – additional £17K. Option 2 – 66/33 – employer/employee £22K – this is in the budget. Option 3 – 100% – employer £33K Option 4 – 0 – employee takes the full increase.</p> <p>The Board need to make the decision by 31st January 2020 or it is assumed that the employer will pay the full increase in contributions.</p> <p>The Board agreed that there were many external advisors for staff and the Association can signpost staff to these. Also, they agreed that they do not need an external consultant to make the decision on the annual contribution. To make the decision, all the staff present, left the room.</p> <p>Resolution: After due consideration, the following was proposed and seconded and unanimously agreed by the Board.</p> <ol style="list-style-type: none"> 1. To signpost staff to external sources of advice on pensions 2. To proceed with Option 1, a 50/50 split of the increase, employer/employee 3. To not change the pension offer at this time.
10.	Performance
10.1	<p>Business Plan Report with Quarter 2 KPI Report and Risk Map</p> <p>The report, KPI Dashboards and Risk Map were talked through by the Director. He commented that there had been improvements across a lot of the dashboards and the Risk Maps had only minor changes.</p> <p>Board commented that they like the dashboards, as it gives them the results at a glance. Performance was noted, as were the risks.</p> <p>Resolution: The Board noted the report, KPI dashboards and Risk Map.</p>
10.2	<p>6 Monthly Complaints Report</p> <p>The report attached to the agenda was talked through by the Corporate Services Manager.</p> <p>She commented that the report showed a small improvement and asked the Board to note the Lessons Learned at the end of the Report. The Board asked for the 6 monthly report to be sent to all the staff.</p> <p>Action: Corporate Services Manager to send the report to all staff.</p> <p>Resolution: The Report was noted by the Board.</p>

11	Freedom of Information
11.1	<p>Update on Implementation of Freedom of Information</p> <p>The report attached to the agenda was talked through by the Corporate Services Manager.</p> <p>Resolution: The Report was noted by the Board.</p>
11.2	<p>Environmental Information Regulations Policy</p> <p>The Policy attached to the agenda was talked through by the Corporate Services Manager.</p> <p>The Board asked about the additional clause to be added to contracts informing Contractors that Cloch is now subject to Freedom of Information requests. The Property Services Manager commented that this was already being implemented based on the template sent by the SFHA.</p> <p>The Board asked for an analysis of requests on an annual basis. The Corporate Services Manager commented that it can be run at the same time as the Data Protection Annual Report. Also, there will be a report going to the Board in May about all the registers that are held by Cloch.</p> <p>Resolution: The Policy was proposed and seconded and unanimously approved by the Board.</p>
11.3	<p>Charging Policy</p> <p>The Policy attached to the agenda was talked through by the Corporate Services Manager.</p> <p>Recommendation: The Policy was proposed and seconded and unanimously approved by the Board.</p>
12.	<p>Asset Management Report & Strategy</p> <p>The Report and Strategy attached to the Agenda was talked through by Director.</p> <p>He explained that the Strategy offered up a number of approaches and not all of them will be taken up by the Association, but they are there as part of the Strategy for the Board to consider. He commented that the £100K "Opportunity Fund" is in the budget. At Item 2.4, Disposals, he explained that there are 9 blocks of flats where Cloch own 25% or less of the properties in the block. Consideration will be given whether or not to sell these flats. On the flip side, consideration will be given to a buy back approach - some properties where Cloch own 75% or more in a block. 20 blocks are affected by this. Also,</p>

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	<p>consideration could be given to property reconfiguration, for example, at Wellpark, where the room sizes are not proving popular.</p> <p>Resolution:</p> <p>The Strategy was proposed and seconded and unanimously approved by the Board. They gave the Leadership Team delegated authority to investigate the different options, however, they will come back to the Board with any suggestions for moving forward on particular items of the Strategy.</p>
13.	<p>Document Management Report and Strategy</p> <p>The Report and Strategy attached to the agenda was talked through by Corporate Services Manager.</p> <p>Resolution:</p> <p>The Strategy was unanimously approved by the Board.</p>
14.	<p>AOCB</p> <p>There was no other business.</p>
15.	<p>Date of Next Meeting: 21st January 2020</p>