

Finance & Corporate Services Sub-Committee

Thu 26 November 2020, 18:30 - Thu 26 November 2020, 20:30

Virtual

Present

Board members

Brian Corrigan, Julianne Scarlett, Heather Thomson, Alan Hutchison, Ken Robertson

Attending

Paul McVey (Director), Liz Bowden (Corporate Services Manager), Ewan Barr (ICT Manager), Shonaid Musgrove (Corporate Services Officer (Minutes)), Kes Cameron (Finance Manager)

Meeting minutes

1. Election of Sub-Committee Chair and Vice-Chair *

Decision

The Director

The Director took the chair and asked for nominations to the post of Chair of the Sub-Committee. K Robertson was proposed, seconded and accepted.

The post of Vice-Chair was then up for nomination. H Thomson was proposed, seconded and accepted.

Resolution:

K Robertson was appointed Chair. H Thomson was appointed Vice-Chair.

2. Apologies & Declarations of Interest **

Information

Director

There were no apologies for the meeting but Julianne Scarlett had intimated she could be late to the proceedings.

The Chair noted the above and started the meeting.

3. No Minutes for Meeting on 27/08/20 as Inquorate **

Information

Director

The meeting scheduled for 28 August 2020 was inquorate and therefore there was no minute to approve. The minutes of the meeting held on 28 May 2020 were approved at the September Board meeting.

4. Matters Arising *

Information

Chair

There were no matters arising.

Bowden, Liz
12/07/2020 13:44:52

5. Factoring Debt **

The Board were advised that debt had continued to decrease by about 20% since July. This is mainly due to many owners now having payment plans in place. The impact of Covid on the debt has been minimal with only 3 owners contacting the Association to discuss payments. The Finance Manager explained the accompanying graphs highlighting that the owners who owe over £500 are a combined total of £32k. The Board wished to know what the breakdown was (eg lowest and highest). The FM did not have these figures to hand. It was agreed that a report would be brought to the next meeting giving an anonymous breakdown of each of the debt totals. The FM advised that these debts all related to factoring charges together with the associated legal costs. The Director advised that some owners refuse to pay for common works (eg close painting) but that the Finance team had been working extremely hard to reduce the debt levels.

The Board asked if the Association has the ability to write-off the debt at any stage. The Director replied that it did but that all debts must be recorded irrespectively and need to come to Board/Committee for approval to write off the debt. He further stated that should the owner try and sell the property the Association has safeguards in place (Notices of Potential Liability) and the debt would be recovered.

A discussion took place about "sinking funds" whereby payments must be made in advance. The Director advised that the Association cannot enforce a "sinking fund" but would rather continue to encourage owners to set up monthly direct debits to help with factoring costs. The FM stated that this method is successful.

Resolution & Action:

The Committee noted the report and the new breakdown of each debt >£500 will be prepared for the next meeting.

 05 - Factoring report at 31.10.2020.pdf

6. Rechargeable Repairs Debt **

The Finance Manager took the meeting through the report noting that the overall debt stood at £22.1k. This related to 24 former tenants (£9.7k) and 76 current tenants (£12.3k).

A Board member asked if a report can be prepared, similar to that being requested of factoring debt, that breaks the debt down anonymously into individual amounts. It was felt that this figure was high and was queried how was it accrued in the first instance. The Corporate Services Manager advised that tenants have a responsibility to pay upfront for rechargeable repairs and staff are trained in requesting this before a repair is put through. However, many of the tenants that the debt relates to fall into a "vulnerable" category and have no means to pay for the repair. The decision to proceed with the repair without upfront payment is made by the Housing/Property teams. She advised that there has also been an issue with our contractors not invoicing these jobs early enough. In some instances invoices have taken 6 months to get to us and it is then even more difficult to recoup this money. The Director stated that whilst the figure does look high it is relatively small compared to other associations and our KPI figures show that we are doing well in recouping some of the rechargeable costs.

Resolution & Action:

The Committee noted the report and that the new breakdown request would be prepared for the next meeting.

 06 - Rechargeable Repair Debt Analysis October 20.pdf

Bowden, Liz
12/07/2020 13:44:52

7. ICT Manager's Report - ICT Update **

The ICT Manager advised that the report was for noting and was an update on the last quarter's progress.

He took the meeting through the IT plan and strategy highlighting areas that had now been completed such as the new softphones installation. He advised that "Secure Environment" will always remain "green" as it will be hard to eliminate this completely. He stated that accreditation to the Government backed Cyber Security programme had been achieved on 28 August 2020. This gives our customers confidence that we treat their data/digital interactions with us as securely as we possibly can.

Regarding our "reactive maintenance software" we are trying to get an interface up and working for with our contractor, McDougall's. The Association has our set up in place and McDougall's are working hard to get to the standard required.

The ICT Manager advised that it has been decided to postpone the ICT side of the Disaster Recovery plan to January 2021. This is nothing untoward about Cloch's systems, but more to do with current government restrictions. He explained that Cloch's IT support consultants are based in Fife and it did not seem prudent to ask an engineer to cross area tiers. He advised that these tests have gone well in the past so does not foresee any issues with this going forward.

With regards to the IT response to the COVID situation, they have been able to support the staff team without a big increase in expenditure. Everyone was able to work from home (wfh) with equipment already in place; there was no need to buy extra laptops as the investment was already there due to the IT improvements made over the last few years. The CSM stated that the IT section have done a wonderful job with their efforts in keeping staff online and wfh and this is not just for Cloch but for Oak Tree too.

A Board member enquired as to how the Association knows McDougall's is progressing the interface issue. The ICT Manager replied that there are lots of meetings taking place to get this rectified as soon as possible. The CSM pointed out that the tender was issued during Covid and normal pre-tender meetings were held virtually as opposed to face-to-face. It was possible that the contractor underestimated what Cloch wanted. The methods they are using are very basic and not what Cloch requires from the contract. However, she and the ICT Manager are confident it will be resolved soon. The Director advised that the contractor's performance is improving and this is a positive.

Resolution:

The Committee noted the report.

 07 - ICT Update Report - CHA - November 2020.pdf

7.1. Defer Communications Line Procurement *

The ICT Manager advised that the Communication Line is due for re-tender but he was extremely concerned about changing communication lines at this critical point. It has the potential to go wrong and as wfh was working extremely well. He did not want to risk this changing in the immediate future. He advised that he wanted to extend the current contract by 12 months and that the supplier was happy for this extension at the same costs as the Association currently pays.

The Committee agreed that this approach was the right way forward just now.

Resolution:

Approval was proposed, seconded and the motion carried.

The ICT Manager left the meeting at 7.10pm.

 07.1 Exeptions Report - Defer Communications Line Procurement.pdf

8. Management Accounts *

The Finance Manager took the meeting through the report highlighting the following points:-

- Good financial performance
- Some savings been made; some relate to timing differences
- Void loss is quite high but budget had been increased to offset this (area of concern - Covid and Wellpark)
- Furlough grant - amendment made to budget
- Covenants all met (headroom for future loan funding if required)
- Income graph shows very little variance
- Expenditure graph shows savings of £270k (8%). Some of these relate to timing differences and impact of Covid. For Example, only emergency repairs carried out in Quarters 1 & 2. Major repairs - smoke detector replacement - timing variance. Other differences were in bad debts which will reduce with the 13th Housing Benefit payment and the post of Housing Assistance not being filled yet.

Resolution:-

As there were no questions for the Finance Manager the motion was proposed, seconded and approved.

Decision
ICT ManagerDecision
Finance Manager

9. Treasury Management Report **

Information
Finance Manager

The Finance Manager advised that the Association has a very healthy financial statement sitting at £6.1m of cash in bank accounts. The key points to note were:-

- Kings Glen - the Association has now used all the HAG (grant funding) and is in a position to pay this back using the Association's cash reserves rather than drawing down from the RBS Loan. This move will reduce loan interest costs.
- 91% of loans fixed into lower rates
- LIBOR is decreasing and is reflected in our bank rates.

Resolution:

There were no questions and the Committee noted the report.

09 - CHA Treasury Report Q2 2020-21.pdf

10. 2020/2021 Budget Amendment Request *

Decision
Finance Manager

The Finance Manager took the meeting through the report advising that the main amendment relates to changes in the reactive maintenance programme following a review of costs as prepared by the Property Services Manager.

A Board member questioned item 2 regarding the changes in service delivery within the Housing section and was this only about changing service provision. The Director replied it was and stipulated that the discussions that are taking place are not with a view in any way to increase expenditure on employees or salaries it was more about using what we have more effectively. In order to even up areas where there's imbalances, staff are investigating difference approaches. An example could be to change one of our Modern Apprenticeships into a Graduate Apprenticeship.

(Julianne joined the meeting at this point 7.15pm)

The Director also advised that changes are being investigated about how to improve areas such as tenant engagement.

Resolution:

There were no further questions and the motion was proposed, seconded and approved.

10 - 2020-21 Budget Amendment Report.pdf

11. Policy Reviews *

A covering report had been prepared by the Finance Manager for the Treasury Management Policy.

A separate covering report prepared by the Corporate Services Officer dealt with the remaining policies that were to be reviewed.

11.1. Treasury Management

The Committee had previously been circulated with the report, the existing policy and the proposed policy. The Finance Manager advised that the proposed changes had been sent to the Association's auditor for feedback. The Auditor had made some suggestions including:-

- changes to dates of standards practice codes
- remove references to Oak Tree; Cloch only policy
- insert paragraph about risk when too few borrowers available
- consider other areas such as non-utilisation fees, loan set up fees and covenants when seeking new financing.

Resolution:

As there were no further questions for this report it was proposed, seconded and approved.

The Finance Manager left the meeting at 7.20pm.

11.1 - Treasury Management Policy Review - Cover Paper.pdf

11.1.2 - Appendix 1 - Treasury Management Policy - Final Version.pdf

11.1.3 - Appendix 2 - Treasury Management Policy - Tracked Changes Version.pdf


Decision
Finance Manager

11.2. Staff Training & Development

The CSM advised that most of policy changes were very limited and suggested that all the policies were reviewed first and then put forward for approval en-masse. The Committee agreed.

The main change to this policy was under item 12 and was the inclusion of the Modern Apprentice scheme and graduate scheme. The CSM stated that an MA gave an individual paid employment and training for a specific qualification eg specific to housing. She stated that the Association was keen to offer a future MA in customer service. The CSM advised that with a graduate scheme all fees are paid for by the government. The individual completes a degree with most of work done in the workplace. If the Association does not have the framework for this in place this year then it will look to do this the following year. She advised that applications to this scheme do not have to be external; it could be from an internal applicant. This would be another way of developing staff and, perhaps, offering a promotion.

 11 - Policy Review Report.pdf

 11.2 Staff Training and Development Policy.pdf

11.3. Staff Appraisal

The CSM advised that the only change was to item 2.2 where a couple of new principles had been added in. She advised that with all the work recently on the mind-set, these new principles tied in with the current appraisal.

 11.3 - Staff Appraisal Policy.pdf

11.4. Membership Strategy

The CSM advised that this was developed attendance/no apologies submitted

 11.4 - Membership Strategy.pdf

11.5. Board Members Recruitment

As mentioned above the Board recruitment has been successful with 2 new members coming on recently and another 2 possible candidates going to observe the next Board meeting. So, from this perspective the Strategy has worked. The CSM stated that the Association has been fortunate with the quality of Board members and this is a real positive. In the new year, she may consider a survey of new Board members.

A Board member wished to acknowledge the result of the recent Separation Ballot which had just been announced; with 95% of those that voted saying "Yes" to the separation from Oak Tree. The CSM advised she had been impressed with the consultant, UK Engage, on how easy they made the process for our customers.

Resolution:

The reviews of the following policies were proposed, seconded and approved.

- Staff Training & Development
- Staff Appraisal
- Membership Strategy
- Board Members Recruitment

 11.5 - Board Members Recruitment.pdf

Decision
Corporate Services Manager

Decision
CSM

Decision
CSM

Decision
CSM

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12. Corporate Services Manager's Report **

Information
CSM

The CSM advised that all the financial implications were contained within the existing budgets. She noted the gratitude of the Association for the contribution made by the contractor, L&D - £2k, towards the costs of our Young Clochie Club.

She noted that whilst wfh has been successful, there is some staff showing signs of low morale but this is not work related; more to do with the length of time pandemic is lasting. It was important that Cloch's very resilient staff remain so and she hopes that the upcoming Christmas break and imminent vaccinations will help recharge staff.

The CSM advised that the launch of the Young Clochie Club is imminent and this is being done in tandem with the Dolly Parton Imagination Library. The youngsters in the households will receive a backpack filled with a cup/hat/lunch box/selection box/certificate and a Christmas card (designed by a member of staff). A new page on the website will be just for the Under-5's.. She advised that the summer activity packs had been well received and was a good bit of PR work for the Association.

The Association will shortly be commencing a Leadership & Supervision training course for the next tier of staff and those taking part are looking forward to it. There is also a Mentoring training session.

The Committee was advised that the Housekeeper, Margaret Douglas, is retiring in early next year. After the retiral, the decision has been taken to employ the services of a cleaning contractor. The Association currently uses the services of Ethos who have provided cover in the past and it has been agreed to use them for our cleaning services for the first year. A decision on the level of cleaning for Elliott Court has still to be confirmed as this will be paid for via the tenants' service costs.

A Board member queried whether reducing the cleaning services during a pandemic was advisable. The CSM stated that for the office there would be no change. The issue would relate to Elliott Court's Common Room which has been closed down during the pandemic. The CSM will discuss this with the Housing Services team. A risk assessment will be required prior to Ethos taking over at Elliott Court.

The Committee was advised that the current arrangement with the Customer Connectors Team Leader/ICHR Project Officer has been made permanent until such time as (1) the ICHR part of the post is no longer required or (2) the current post holder leaves the Association.

Resolution:

The Committee noted the contents of the report.

 12 - Corporate Services Manager Report.pdf

13. Health & Safety Audit **

Information
CSM

The Committee had previously been circulated with the H&S Audit report compiled by the CSO/H&S Administrator.

The CSM reported that there is much work required on the admin side of the office H&S Manual and was pleased to report that the Audit went extremely well. There are over 70 areas of compliance required. The Audit only reported 2 minor areas for attention and in both of these instances they were already being addressed.

Both the CSM and the Director commended the CSO on the result of the Audit and the work that is continuously required to keep this standard high.

Resolution:

The Committee noted the report.

 13 - Health & Safety Audit Report.pdf

14. AGCE

Information
CSM

The CSM advised that a staff virtual Advent calendar had been produced and she would email this out to the Board.

The meeting closed at 7.55pm.

15. Date of Next Meeting - 25 February 2021

Information