

12/03/2024

## Cloch Housing Association

### Minutes of Finance & Corporate Services Sub-Committee Meeting held on Tuesday 5 December 2023 at 6pm via MS Teams

- Present:** Ken Robertson (Chair)  
David McIndoe (Vice Chair)  
Kelly Ferns, Eileen Tamburrini, Jackie Smith
- Attending:** Alana Durnin (Chief Executive Officer)  
Valerie Wilson (Depute Chief Executive Officer)  
Shonaid Musgrove (Corporate Services Officer, Minute Taker)  
Ewan Barr (ICT Manager)

<b>1.</b>	<b>Appoint the Chair &amp; Vice-Chair</b>
	<p>The DCEO advised that the first item was to elect a Chair and Vice-Chair for the Sub-Committee.</p> <p>Following nominations and acceptances it was agreed that K Robertson would remain as Chair with D McIndoe being Vice-Chair.</p> <p><b>RESOLUTION</b> The motion was proposed, approved, and seconded.</p>
<b>2.</b>	<b>Apologies &amp; Declarations</b>
	<p>There were no apologies as J Smith joined the meeting during the proceedings.</p>
<b>3.</b>	<b>Minutes for Approval</b>
3.1	<p><u>30 May 2023</u></p> <p>Members were asked if they had any queries or amendments to the minute. There were none.</p> <p><b>RESOLUTION</b> The Minutes were approved as a true record.</p>
3.2	<p><u>25 July 2023</u></p> <p>A Member stated that this was a Special Meeting, and the Minute should state this.</p> <p><b>ACTION</b> To amend the minute to say, "Special Meeting".</p>

	<p><b>RESOLUTION</b> With the above change being made the Minutes were proposed, seconded and approved.</p>
<b>4.</b>	<b>Matters Arising &amp; Outstanding Actions</b>
	<p>The Chair took the meeting through the actions that remain outstanding. It was noted that a few were ongoing and that those that were marked complete would now be removed.</p>
	<b>ITEMS FOR APPROVAL</b>
<b>5.</b>	<b>New Policies/Policy Reviews</b>
5.1	<p><u>Modern Slavery Statement</u></p> <p>A Member asked how this would be implemented. The CSO replied that most major contractors, etc will have their own Modern Slavery statements. For those that do not have one they will be asked to adopt ours, e.g. smaller contractors. This can be done when we engage them and they sign the Data Sharing Agreements.</p> <p><b>ACTION</b> The CSO to discuss this with the HofPS.</p> <p><b>RESOLUTION</b> The Modern Slavery Statement was proposed, seconded and approved.</p>
<b>6.</b>	<b>Management Accounts – Quarter 2</b>
	<p>The DCEO took the meeting through the report and highlighted the key areas:</p> <ul style="list-style-type: none"> <li>• 24% additional surplus vs budget – mainly due to delays to planned maintenance work.</li> <li>• 4% increase in overall net worth (now £20m).</li> <li>• No pressure on loan covenants; all were met.</li> <li>• £800k drawdown from the revolving credit facility has been paid back.</li> <li>• Other surpluses of £53k in “other activities” occurring as we are reporting the income from IT services contracted-out to ██████ and staff costs grant associated with the Investing in Communities Fund here, while the costs are included within staff costs.</li> </ul> <p>The DCEO asked the meeting if there were any questions pertaining to the report.</p> <p>A Board member asked about the bad debt especially those with the higher levels of debt. The DCEO enquired if this related to the Factoring report as opposed to the Management Accounts. The Board member replied they did. The DCEO replied that processes were in place to deal with this (e.g. NoPL).</p>

The DCEO was asked how the flooding incidents will impact on the budget. The DCEO replied that further meetings with the loss adjuster were taking place. This will impact future payments. The member asked what responses have been forthcoming from [REDACTED] and [REDACTED]. The CEO replied that [REDACTED] have been very good in responding to-date. They have agreed to lower the level of water in the reservoir before the Christmas period. They have also set out a feasibility study of things they want done. They have said that they will do what they can but stipulated that everyone involved needs to respond too (e.g. look at design of culvert).

The CEO advised that [REDACTED] and [REDACTED] confirmed they would fund a feasibility study. A Board member commented that costs of the feasibility study were low compared to the repair costs and the damage to homes paid by Cloch and the insurer.

The DCEO pointed out that there were no flood costings in this set of Management Accounts.

A Board member asked about service charge income being £11k higher than budget (2.1) in the report. They were concerned that the Association was overcharging factored owners. The DCEO explained that this related to the admin fee not being pulled through into the budget, not about over-charging owners. The member asked about our cyclical maintenance costs. The DCEO advised that this related to the poor performance of [REDACTED]. We negotiated reduced costs from them. The Board member noted the overspend of £118k and asked about this. The DCEO replied that the Association was monitoring this and the costs coming through in respect of the new contractors. It was more the volume of repairs than the costs that was impacting this. The member asked if the Association budgeted for non-utilisation fees. The DCEO replied they did.

#### **RESOLUTION**

The Board proposed, seconded, and approved the Quarter 2 Management Accounts.

#### **ITEMS FOR NOTING**

#### **7. ICT Update**

The ICT Manager made a presentation to the Board based on his report that had previously been circulated. The key points were:

- Reduction in risk with new server system now installed. Should reduce risk of hardware failure and operating systems failure. Security updates in place until 2029 now. Have kept everything in-house for the next 5 years.
- Agreed delivery plan going well. Remote access review and cyber security accreditation have been completed. It's unlikely that SharePoint will ever reach completion as this will be an ongoing project that gets altered and updated regularly.

- Will be reviewing the current phone system (3CX) that has been in place since 2020. Want to see what is on the market but this will now slip into 2024. As will the review of the Finance system.
- Server infrastructure replacement was carried out over the weekend of 25 August 2023. A lot of work communicating with our IT provider and other vendors took place prior to the changeover. All went very well with little downtime for staff. Part of the works the UPS (uninterrupted power supply) was upgraded.
- Likely the Association will move to a cloud-based system in about 5-6 years' time.
- Renewal of cyber accreditation went well. IT staff work on this all-year round. Do not require the advanced accreditation as it costs a lot of money. However, if in the future the SHR says we need it we will look at this then.
- Going to see if the college that our IT Modern Apprentice attends would undertake a "penetration" test of the system with their HND students. They might not agree but will ask.
- New website implementation had not been on the delivery plan, but the consortium of housing associations has asked the website designer to redesign the website. Website not solely the responsibility of the IT team. Other staff members have now been brought onboard to help. The new website will go live in January 2024.

The ICT Manager asked if there were any questions.

A member advised that they heard that a [REDACTED] had fallen victim to a cyber attack recently and lost everything. They had managed to recuperate some data but not all. It would be interesting to find out what happened. The ICT Manager intimated that whilst Cloch was doing everything it possibly could to protect itself there were no 100% guarantees that we would not fall foul of a cyber-attack in the future.

**RESOLUTION**

The report was noted.

**The ICT Manager left the meeting at this point – the time was 6.41pm.**

8.	<b>Equality Monitoring &amp; Recruitment</b>
	<p>The CSO took the meeting through the report and the new EO form that would be used for future recruitment processes.</p> <p><b>RESOLUTION</b> The report was noted.</p>
9.	<b>Treasury Report</b>
	<p>The DCEO advised that the return on cash is currently good however the amount the Association is paying on loans has also increased. The DCEO pointed out that the rates the Association has are still very competitive, so it is performing well. 88% of loans were still fixed so provided protection from further interest rate rises. Loans</p>

	<p>were secured against 838 properties. The 6 flooded units at Kilmacolm Road are linked to the loans secured with the [REDACTED] and the Association has kept the bank informed and up to date on both flooding incidents. [REDACTED] have agreed to discharge them and we have instructed our solicitors to progress with the discharge paperwork. The DCEO asked if there were any questions. There were none.</p> <p><b>RESOLUTION</b> The report was noted.</p>
10.	<p><b>Factoring Debt Recovery</b></p>
	<p>The DCEO advised that the Association is making good progress on debt recovery but as identified earlier in the meeting there were some owners who will not engage with the Association. The debt will follow them as the Association has secured NoPL's on the properties.</p> <p>The DCEO stated that the Association is always looking at ways to get engagement but utilising the "small claims courts" and "securing of assets" has been ruled out as this would likely cause the Association reputational damage. The Association is aware of 2 pending sales now and some monies will be recovered via this.</p> <p>One of the KPI's for factoring is the percentage of balances that are recovered within 3 months of invoicing. This figure is quite laborious to calculated as the system adds to the customer accounts on invoicing and does not operate a sales ledger where payments are allocated to a specific invoice. The value of this matrix is outweighed by the resource to report and so it will be replaced with the number of customers on a Direct Debit payment plan instead. We will also track and report on the percentage of owners in debt against those not in debt.</p> <p><b>RESOLUTION</b> The report was noted.</p>
11.	<p><b>DCEO Report</b></p>
	<p>The meeting had previously been circulated with the report, but the following main items were noted.</p> <ul style="list-style-type: none"> <li>• Extremely busy time for the Corporate Services team dealing with recruitment, induction and contract changes.</li> <li>• Absence KPI is high due to volume of long-term absence - particularly in Housing. A lot of roles being backfilled to help. Both long-term cases will come to an end soon. One staff member will return shortly, and the other has decided to leave.</li> <li>• Corporate Services Officer compiled a wellbeing survey that was issued to all staff. This was analysed and following on from this staff training was carried out. This session was well received by staff. Wellbeing Group to be set up.</li> </ul>

	<ul style="list-style-type: none"> <li>• Wider Action event (Winter Warmer) arranged and co-ordinated by the Corporate Services Assistant was very well received. This event was funded by monies from the Lottery.</li> <li>• Customer Service Excellence standard audit took place. 55 areas were highlighted for full compliance and 2 for compliance plus. The Association could probably have achieved more compliance plus, but we were unaware that we had to put things forward ourselves, not just stick to the standard items, and if not presented by Cloch as compliance plus would not be assessed as such by the assessor even if they were of that standard.</li> <li>• Substantial assurance was received for our Corporate Performance Management audit.</li> <li>• Customer Engagement internal audit was carried out in November, and we are expecting to receive substantial assurance for this.</li> <li>• Pension consultation is underway. A survey has been issued to all staff and our SharePoint has a dedicated “Pension” area where all information is easily accessible. SHAPS have been reminding employers of the possibility that deficit contributions may be reintroduced. Legal case regarding scheme benefit review is with the Courts but unlikely to be heard until 2025.</li> <li>• Kilmacolm Road previously discussed but DCEO reiterated that these properties are no longer insured against flooding.</li> </ul> <p><b>RESOLUTION</b> The report was noted.</p>
12.	<p>[REDACTED]</p>
	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
13.	<p><b>Health &amp; Safety Update</b></p>
	<p>The CSO advised there had been no further updates to the manual, nor anything to report on.</p>
14.	<p><b>AOCB &amp; Reflections</b></p>
14.1	<p>[REDACTED]</p>



	<p>Our “Paws Policy” got called out as a good employee benefit. We are hoping things like this make us stand out. A member enquired who would be on the interview panel for this role. The CEO replied as follows:</p> <ul style="list-style-type: none"> <li>• CEO of Cloch</li> <li>• Chair of Cloch</li> <li>• HR Consultant [REDACTED]</li> </ul> <p>[REDACTED]</p> <p>[REDACTED]</p>
14.5	<p><u>Other Matters</u></p> <ul style="list-style-type: none"> <li>• The CEO advised that there had been good feedback following on from the staff refresh meeting held on 29 November 2023. Most staff seem happy with the progress. This in turn will help us to provide on our new delivery plans. It also takes account of our succession planning and for staff who have intimated they wish to reduce hours due to family commitments, etc.</li> <li>• Pensions – a lot of information for staff to process. Some of the new proposals may help facilitate reduced hours for some staff without too much detriment to their income. Linked to wellbeing.</li> <li>• Look at recruitment and succession planning for the Board for next year.</li> <li>• Rent consultation event planned for December. Will include a visit from Santa.</li> <li>• The Chair mentioned a recent course they had attended called “Building Better Boards”. This was discussing how to get ahead in attracting new Board members. The session had used rent consultation as an example and suggested experimenting with hybrid or in-person only events and see what works best. Need to try different ways. One suggestion had been a group called “Community Voice” that had about 10 tenants meeting monthly. Perhaps Cloch could try this and get a representative from each of our estates.</li> <li>• A member asked if the Association was capturing feedback from the recent resignations, and if the Board would be party to what this might be. The CEO advised that exit interviews are carried out and if anything was highlighted then this would be raised with the Board. The Chair intimated that the Association would also need to let the SHR know if anything was to arise.</li> </ul>
14.6	<p><u>Christmas Closure</u></p> <p>The CSO apologised as a report had been prepared for the Board meeting that should have taken place tonight. However, the Board and the F&amp;CS had swapped dates thus leaving the report on the office closure too late for planning.</p>

	<p>The CSO advised the meeting of the standard closure practices that had been in place for many years. The Board had given permission for the office to close at 2pm last year even though it was not Christmas Eve but the 23 December 2023.</p> <p>The meeting agreed that the office will close at 2pm on Friday 22 December 2023 and will not open to the public until Thursday 4 January 2024.</p>
	<b>Date of Next Meeting – 27 February 2024</b>
	There being no further business the meeting closed at 7.18pm