

Minutes of the Finance & Corporate Services Sub-Committee meeting held on Thursday 25 November 2021 in the offices and on Zoom

Present (in the office)	Heather Thomson
Present (via Zoom)	Kelly Ferns, Brian Corrigan, Ken Robertson, Patrick Marshall
Attending (in the office)	Paul McVey, Director Alana Durnin, Finance Director Ewan Barr, ICT Manager
Attending (via Zoom)	Andy Thomson, Housing Services Manager Liz Bowden, Corporate Services Manager Shonaid Musgrove, Corporate Services Officer (Minutes)

1.	<p><u>Election of Chair</u></p> <p>The Director commenced the meeting advising that since it was the first one since the Annual General Meeting the position of Chair was required to be filled.</p> <p>The meeting was asked for volunteers or nominations.</p> <p>K Ferns nominated K Robertson. This was seconded by H Thomson. As there were no other nominations K Robertson accepted the position.</p> <p>A Board member enquired if the position of Vice Chair was required. It was felt this would be prudent so nominations were sought.</p> <p>K Ferns nominated H Thomson and this was seconded by B Corrigan. There were no other nominations and H Thomson accepted the position.</p> <p>RESOLUTION The positions of Chair and Vice Chair were proposed, seconded and approved.</p>
2.	<p><u>Apologies and Declarations of Interest</u></p> <p>Apologies had been received from J Smith. There were no declarations of interest.</p>
3.	<p><u>Minutes of 24 August 2021</u></p> <p>The meeting went through the Minutes for accuracy.</p> <p>RESOLUTION The Minutes were proposed, seconded and approved as a true record.</p>

4.	<p><u>Matters Arising & Outstanding Actions</u></p> <p>The Director and Corporate Services Manager (CSM) highlighted the main points.</p> <p>RESOLUTION</p> <p>The Meeting noted the report.</p>
5.	<p><u>Restructure of the Housing Section</u></p> <p>The Housing Services Manager (HSM) spoke to the report. The main points to note were:-</p> <ul style="list-style-type: none"> • Creating 3 smaller patches from the existing 2 larger patches. • Appoint a new Grade 7 and a Grade 6 post for this 3rd patch. • Remove the 2 x Grade 5 Housing Assistant Posts. • Create 1 x Grade 5 Housing Administrator post. • Current temporary positions in place so no risk of redundancy payments. <p>The HSM intimated that a Grade 6 post had already been ring-fenced when the new Customer Connectors (CC) service came into effect but the Board had asked for this to be put on hold to see how the new CC services would impact on Housing Services. This was the right decision at that time.</p> <p>The HSM explained the rationale for the restructure was to:-</p> <ul style="list-style-type: none"> • To make changes as cost neutral as possible in the new structure. • Create 3 smaller patches to distribute workloads evenly. • Provide more senior staff who can deal with decision making rather than revert to the managers. • Take account of the increase in Universal Credit applications, rent registrations, anti-social behaviour and increase in complex cases. • Create generic teams so that work is covered even if absences occur. <p>The HSM advised that the team has always been lean compared to other organisations of a similar size but that the restructure could still function well and provide a better service for our tenants.</p> <p>A Board member enquired if the proposed Admin Assistant would be working solely for the Senior Housing Officer (SHO) or would they be taking instruction from other staff. The HSM advised they would be the admin resource for the whole section.</p> <p>A Board member enquired if the restructure went far enough and if further staff resources were required. The HSM felt that the proposal covered the Association for the future too as the CC team deal with many housing queries that do not need passed through to the housing team.</p>

	<p>The Director stated that it was gratifying to hear that the Board was suggesting employing additional staff but the Association is very conscious of its staffing costs and the proposal will help the areas where some services are being stretched.</p> <p>A Board member suggested that the proposal should be monitored and then reviewed to see if it was still sufficient for our service provisions. It was felt that this could be reviewed after a 12-month period.</p> <p>The HSM stated that this was an acceptable review period. The Finance Director (FD) intimated that the additional costs were not covered in the first draft of the budget going to the Board next week. However, they will be included in the final draft budget.</p> <p>ACTION To review the new structure after 1 year to monitor its effectiveness.</p> <p>RESOLUTION The housing section staff restructure was proposed, seconded and approved.</p> <p>The HSM left the meeting at this point – 6.30pm.</p>
6.	<p><u>ICT Update</u></p> <p>The ICT Manager (ICTM) presented his report highlighting the key points:-</p> <ul style="list-style-type: none"> • Obtained the Cyber Security Essentials Accreditation (this demonstrates the work done to reduce risk of security breaches). • Items in blue are complete and those in green are ongoing (some will carry over into next year’s plan – eg. the staff Intranet). • Email phishing simulation completed and a training session will follow at a future staff meeting. • Board Portal will replace the need for Admin Control; this will result in a huge cost saving to the Association. • Continue with the move from office-based servers to a Cloud-based system. • ICT Disaster Recovery test taking place in December. <p>A Board member congratulated the ICT team on gaining the Cyber Security accreditation.</p> <p>RESOLUTION The Board noted the contents of the report.</p> <p>The ICT Manager left the meeting at 6.40pm.</p>
7.	<p><u>Management Accounts – Quarter 2</u></p>

	<p>The Director shared his screen with the Zoom participants to view the FD's presentation. The FD reported as follows:-</p> <ul style="list-style-type: none"> • Overall performance shows a 2% dip in turnover on what was initially projected but there was a 4% increase in operating surplus. • Income from letting is £109k less in budget; timing issues with delay of Kings Glen and Acquisition Strategy. Also loss on voids – key point here was the Wellpark project. Units had to be kept empty to get works completed in them. Plus tenants moving to Kings Glen has created further voids. Budget has been updated to reflect this. All impacts on variance accounts. Grant amortisation was £1.3k lower than budget; again links to Kings Glen – depreciation value on grants. • Operating Expenditure was £164k less than budget. Much of this is down to scale of movement; 102 voids this year compared to 59 last year. Not a cost thing; more a number thing. Smoke detectors and reactive costs are timing variances. Bad debts continue to be improved upon especially in arrears over £750. In Wellpark flats got a full refurbishment bringing forward component replacement which affects the life cycle programme too. Lower staff costs relate to 2 Modern Apprentice posts not being filled, nor the ring-fenced HA post. • Major Repairs overspend of £73k directly linked to the early replacement of components and the extremely high number of voids. • Reflection – all covenants were exceeded. Gearing at 13% so plenty scope for future funding if required. <p>The FD stated that the overall net worth of the Association was very good. A discussion took place about tailored phasing for planned maintenance and the FD agreed that they could look at historical trends for the next budget.</p> <p>A Board member enquired if all the work being done at Wellpark is showing benefits. The Director stated that this project was on-target until Covid hit and then the contractor had problems securing tradespeople. However, it is catching up again and going well. It is expected all flats will be completed by January 2022.</p> <p>ACTION Look at historical trends in planned maintenance for the next budget.</p> <p>RESOLUTION The Management Accounts for Quarter 2 were proposed, seconded and approved.</p>
8.	<p><u>Personal Protection Equipment (PPE) POLICY</u></p> <p>The Board was advised that this policy is a new one and firms up on what the Association already does in line with the H&S Manual. The policy</p>

	<p>confirms what PPE is about, why it's important and who would receive it. It goes alongside the existing PPE risk assessment. Safety footwear is to become mandatory. Normally the Association purchases the PPE for employees but now an allowance will be given and staff can purchase more suitable footwear and clothing provided they meet certain standards.</p> <p>A Board member stated that hard hats have expiry dates on them now. The CSM advised that this was already being monitored.</p> <p>Another Board member enquired if items should be branded. The CSM stated that it was felt this was not necessary and all staff carried photographic ID badges when carrying out visits/estate management.</p> <p>A Board member asked if staff had been made aware of Covid protocols. The CSM advised that they had and that they should carry the items making up a Covid kit with them at all times. The Association kept plenty of stock of these items. It was noted that hand sanitisers were not specifically mentioned and that this should be added in.</p> <p>ACTION To add in hand sanitisers to the policy.</p> <p>RESOLUTION The new PPE Policy was proposed, seconded and approved.</p>
<p>9.</p> <p>9.1</p>	<p><u>Finance Reports</u></p> <p><u>Finance Director's Report</u></p> <p>The FD spoke to her report and highlighted the following items:-</p> <p><u>Staff Resources</u></p> <ul style="list-style-type: none"> • The Finance Assistant got the opportunity to move to Housing Services (HS) on a 6-month secondment. This left the finance position vacant and an ex-Modern Apprentice who had been helping out the HS team recently was employed. The benefit is that the individual knows the staff and the Association's systems. • The Graduate in Accountancy interviews had been held and candidate due to start on 6 December. Had 3 great potential candidates to choose from. • The IT Assistant will be undertaking an industry recognised IT qualification shortly that will be a 12-month online training session with exams. <p><u>Shared Services Review</u></p> <ul style="list-style-type: none"> • All KPI's were completed on time. • Secondment of FA not anticipated so put some work for Q2 under pressure.

	<ul style="list-style-type: none"> • Defer Business Continuity Plan and Policy Review to Q4. <p><u>Insurance Tender</u></p> <ul style="list-style-type: none"> • Tender for insurance due this year. Will bring in a consultant for this. Costs looking around £4.5k + VAT but will be split between both organisations. <p>RESOLUTION The Board noted the report.</p>
9.2	<p><u>Factoring Report</u></p> <p>The FD advised that Factoring Debt has decreased again and that this is the lowest October debt historically. The Board was advised that 85% of the total debt values relates to 12 people with 7 of them now having payment plans in place to clear their debt.</p> <p>From the last quarter of 28 individuals being at the pre-legal stage this has reduced down to 3 individuals this quarter.</p> <p>RESOLUTION The Board noted the report.</p>
9.3	<p><u>Rechargeable Repairs</u></p> <p>The FD reported that the debt stood at £24.4k. Much of this related to former tenants. Of the remaining £13k to be collected £12k related to tenants in rent arrears and this takes priority over rechargeable repairs. The Finance team will therefore focus on recovering the remaining £1k.</p> <p>RESOLUTION The Board noted the report.</p>
10.	<p>Treasury Management Report</p> <p>The FD reported as follows:-</p> <ul style="list-style-type: none"> • Over £4m cash in the bank • Return on cash reduced to 0.06% • Using cash to fund Kings Glen then will draw down loan funding • 70% of cash with BoS (under the 75% maximum) • 90% of the cash is readily accessible • Loan funding has increased slightly • 79% of loans are fixed • £2.2m still available from RBS loan • £2.5m being procured (acquisition strategy/planned maintenance) • Exception to the reputable bank status is Shawbrook.

	<p>The Director stated that it was worth noting that discussions ongoing with bank as interest rate lower than one being paid to Oak Tree. The FD advised that RBS said they could do this so it's being investigated.</p> <p>The FD advised that 3 loans are on London Interbank Offered Rates (LIBOR) but future ones would need to be secured using Sterling Overnight Interbank Average Rates (SONIA). However, the Base rate can be applied to the 3 existing LIBOR loans due to the wording of the loan. This Base rate lower than SONIA. The LIBOR paperwork was approved previously but this is a change to what had been reported.</p> <p>A Board member spoke about the use of Shawbrook and asked if it was safe to presume that the deposit with them was still showing a reasonable interest rate or had this fallen away. The FD replied that it was still good compared to anything else on the market.</p> <p>A Board member enquired about the pension deficit. The FD replied that it was likely this would be paid off in 2022 but it has been modelled to 2023 and confident this will be done. The FD stated that the Defined Contribution scheme has no risk and that the Defined Benefit scheme is reviewed every 3 years. The Director advised this review is due next year and will be brought to the Board then and would likely involve the appointment of a consultant to assist the Board.</p> <p>RESOLUTION The Board noted the report.</p> <p>The FD left the meeting at this point; 7.15pm.</p>
11.	<p>Corporate Services Report</p> <p>The CSM took the Board through the report and advised as follows:-</p> <ul style="list-style-type: none"> • Change in way customers are contacting us. Drop in footfall to the office with most continuing to contact us via telephone. This means call handling increases. • Many customers remain very angry/anxious/have increased mental health issues causing lengthy conversations to get to solutions as well as difficult for staff to deal with. • Training session for front line staff on Mental Health Awareness was provided and was well received. • Staffing KPI's for short term absence good but 3 long term absences cause for concern. • Staff resilience and ability to cope with Covid, etc is very pleasing. • Customer Service Excellence Award re-accreditation achieved with an increase in our Compliance Plus elements which is amazing and demonstrates our services go above and beyond the standards expected.

	<ul style="list-style-type: none"> • Investors in Young People (IYYP) Award re-assessment took place and increased our status from standard to Silver. Now on course to achieve the Gold standard. • Board Portal is now up and running and will be built upon in the coming months. All Board papers are being uploaded to it now and information on things such as training will get posted on it too. <p>RESOLUTION The Board noted the contents of the report.</p>
12.	<p>Verbal Report on Staffing Situation</p> <p>The CSM reported the following to the Board.</p> <ul style="list-style-type: none"> • Current situation is the 3 members of staff on long term sick leave could be dismissed due to incapacity and/or ill health. They have either been off the whole time or have periods of intermittent absence with some attendance. • All 3 staff members have been contacted individually and advised of this situation and discussions held on feasibility of returning to work. • All are on half-pay and been advised that the Association will not keep staff on if on no-pay. • Even if staff return to work the Association can still dismiss due to incapacity/ill health if they are not performing their duties. • All have attended Occupational Health (OH) appointments paid for by the Association. • Employee 1 has been off on long term, uninterrupted sick leave. They have advised they will return in December. If they fail to perform then dismissal due to incapacity could follow. • Employee 2 has had bouts of mental and physical ill health throughout their whole career with Cloch. At a recent welfare visit the individual appeared to still be in poor health. However, the OH report stated that their mental health was excellent and good to return to work after the recent physical ailment. The Association's solicitor has advised a further face-to-face meeting with them to ascertain the radical change in health and that dismissal due to incapacity is still an available option. • Employee 3 holds a senior role within the organisation and has had intermittent periods of absence for over 2 years. They have struggled to maintain the duties required of the role. A recent discussion with them revealed that there has been no improvement in their mental health. Again dismissal due to incapacity could follow. <p>The CSM advised that it is the F&CS Sub-Committee that will deal with any dismissals/disciplinary hearings and to prepare them for the possibility that there could be 3 instances to prepare for. The timescale for this is likely to be February for 2 of them with 1 possibly commencing in December.</p>

	<p>A Board member enquired if all procedures and policies are being adhered to as well as the advice from the Solicitor. The CSM replied that they are confident everything is in place. The Association will follow any recommendations made by the OH with regards to reasonable adjustments.</p> <p>The CSM informed the meeting that the Association’s insurers will be advised of the situation also.</p> <p>A Board member enquired if the senior post holder case falls under a Notifiable Event reportable to the Regulator. The CSM replied it was not.</p> <p>RESOLUTION The Board noted the verbal report.</p>
13.	<p>Director’s Staffing Report</p> <p>The Director asked if this item could be moved to after AOCB. The Chair agreed.</p>
14.	<p>Data Protection – verbal report</p> <p>The CSM advised that an audit had taken place and the external Data Protection Officer (DPO) had made several recommendations. The CSM wished to discuss these with the DPO first as they felt some comments were up for negotiation. A report will be brought to the next meeting.</p> <p>RESOLUTION The Board noted the verbal report.</p>
15.	<p>Health & Safety</p> <p>The CSM advised that a H&S Awareness training session was being done with staff. This training has to be refreshed every 3 years. It was taking the format of several small video presentations and is mandatory for all staff.</p> <p>The CSM stated that a similar format will be created for the Board but will be directed at their “Corporate” responsibilities.</p> <p>RESOLUTION The Board noted the verbal report.</p>
16.	<p>Public Holidays</p> <p>The Board had previously been issued with a report.</p> <p>Staff consultation had taken place on the Spring Weekend dates to (a) take the June Queen’s Jubilee dates, (b) remain with the existing May</p>

	<p>dates or (c) combine into annual leave. Staff opted to remain with the May dates.</p> <p>It was also proposed to close the office at Christmas Eve on 2pm with staff working being credited with the remaining hours.</p> <p>RESOLUTION</p> <p>The proposal to close at 2pm on Christmas Eve and remain with the May Spring Weekend dates was seconded and approved.</p> <p>Ken proposed, Kelly seconded</p> <p>The Corporate Services Officer left the meeting at this point; 7.40pm.</p>
17.	<p>Reflection</p> <p>The Board were happy with the papers and reporting at tonight's meeting</p>
18.	<p>AOCB</p> <p>None.</p>
19.	<p>Date of Next Meeting – 24 February 2021</p> <p>The meeting closed at 7.50pm</p>