

**Minutes of the Finance & Corporate Services Sub-Committee
 meeting held at 6pm on Tuesday 29 November 2022
 via MS Teams**

Present: Ken Robertson
 (via Teams) Heather Thomson
 Kelly Ferns
 Jackie Smith
 Eileen Tamburrini

Attending: Alana Durnin, CEO
 (via Teams) Ewan Barr, ICT Manager
 Valerie Wilson, Finance Director
 Shonaid Musgrove, Corporate Services Officer (Minute Taker)
 Liz Bowden, Head of Corporate Services

1.	<p>Apologies & Declarations of Interest</p> <p>There were no apologies apart from the 2 Observers who had previously intimated they would not be able to attend. There were no declarations of interest.</p>
2.	<p>Election of Sub-Committee Chair</p> <p>The CEO took the meeting for this item and advised that the Sub-Committee required a Chair and Vice-Chair. After a brief discussion, nominations, and approvals the Chair is K Robertson and Vice-Chair is H Thomson.</p> <p>Resolution The positions of Chair and Vice-Chair were proposed, seconded, and approved.</p>
3.	<p>Minutes of Meeting – 24 August 2022</p> <p>There were no redactions required for the Minutes.</p> <p>Resolution The Minutes were proposed, seconded, and approved.</p>
4.	<p>Matters Arising & Outstanding Actions</p> <p>The Committee noted that the actions had been completed. There were no matters arising.</p>

<p>5.</p>	<p>ICT Update</p> <p>The ICT Manager gave an introduction to the report for the benefit of new Committee members and presented the key points from the report advising where the Association was sitting in terms of the 2022/2023 ICT delivery plan.</p> <ul style="list-style-type: none"> • SDM licensing costs increased substantially; unexpected and not budgeted for. • Office 365 and intranet development will be an ongoing item. Server review will fall into next year. • Renewal of the Government supported Cyber Security accreditation. A lot of work has gone into this by the team. Accreditation getting harder as more criteria being added to it each year. • Disaster Recovery testing scheduled for 10 December 2022. • Our Modern Apprentice in IT has started and has settled in well. They had participated in The Recruit programme and stood out on the day. The role combines in-post learning alongside an SQA programme with the college and is a 2-year post. • The IT Assistant undertook a professional IT qualification training in their own time and passed. • The first IT Assessment Service has taken place and deemed a success. • SDM, the software we use for our housing management system, has been taken over by Volaris and costs have trebled. The takeover was unexpected. We have renewed for a year and will look at options going forward. <p>A Board member enquired as to the reasons given for the massive price increase. The ICT Manager replied that SDM's parent company stated we had been paying too low a price for too long. A Board member asked if Cloch benchmarked these costs against other companies. The HofCS replied we didn't, but it was something that could be looked at.</p> <p>A Board member commented on the achievement of the renewal of the cyber accreditation and also to pass on the Board's congratulations to the IT Assistant for gaining the IT professional qualification.</p> <p>There were no further questions, and the ICT Manager left the meeting at 6.25pm.</p>
<p>6.</p>	<p>Finance Director Report</p> <p>The HofCS shared their screen with the FD's presentation. The FD reported on the following key points:</p> <ul style="list-style-type: none"> • Finance team now have full complement of staff; the first time since March this year. • New Finance Assistant started in November along with the new Finance Director.

	<ul style="list-style-type: none"> • Senior Finance Officer has done an amazing job keeping the section going during the lengthy absence of a Finance Director. • Once inductions have been completed the team will look at key areas of bank accounts, loans, factoring debt and the 30-year financial plan. • External audit is due for retender. Current auditors, Alexander Sloan, had won 3-year tender in 2018 with a +2 option which was taken up. There has been a large hike in fees due to the increase in inflation and pressures in that sector. A proposal is being put to the Committee to extend the contract for one more year. There would be no need to go out to tender for this as it is below the regulated procurement threshold. A benchmarking exercise had taken place to ensure value for money would be achieved. Alexander Sloan's quotation was very competitive. • Proposal to increase the authorisation levels for staff considering the increasing job order pricing: <ul style="list-style-type: none"> ➢ CEO to be increased to £15k from £10k. ➢ Heads of Sections to be increased to £10k from £5k. ➢ Grades 5 & 6 to increase to £1k from £500. • The mid-year budget would be brought to the Board meeting on 6 December. • Treasury Management – 76% of loans are on a fixed rate. Cloch has a high cash balance which is not earning much interest and not ideal and this could be used to reduce loan interest. A revised strategy will be brought to the Board next week also. <p>A Board member enquired if the extension to the auditor's contract was jointly with Oak Tree Housing Association or not. The FD confirmed that it was not and was a contract solely and directly with Cloch only.</p> <p>A Board member enquired if benchmarking was carried out for the authorisation levels to see what other housing associations did. The FD replied that it had not for this exercise. The CEO intimated that this could be done going forward as the IFLAIR finance group was being reinstated and benchmarking could be done with them.</p> <p><u>Resolution</u></p> <ol style="list-style-type: none"> 1. The proposal to extend current contract with external auditors Alexander Sloan was proposed, seconded, and approved. 2. The proposal to increase the levels of authorisation as stated above was proposed, seconded, and approved.
<p>7.</p>	<p>Management Accounts</p> <p>The HofCS shared their screen with the FD's presentation. The FD reported on the following key points:</p> <ul style="list-style-type: none"> • Turnover and operating costs slightly down but operating surplus is up. • Surplus standing at £796k at half-year point.

	<ul style="list-style-type: none"> • Income from rental was down from budget due to high void loss (relates to issues with Wellpark contract and contractors' performance). • Small variation of £1k in grant amortisation. • Most significant variance is in major repairs driven by cancellation of door replacement contract. • Reactive maintenance below budget overall but the average job cost has increased. • Depreciation is lower as underspend in capital projects. • Bad debts - no write-offs presently. • Operating expenses is £484k below budget – biggest variation is overheads including staff costs which is underspent. • Legal costs – related to Maukinhill dispute, no legal costs have been incurred to date. • Capitalised major repairs are over budget. • Financial covenants met. • Gearing at 12%. • Net worth has increased by 4% to £18.61m. <p>A Board member enquired about the costs relating to the Maukinhill dispute. The CEO advised that a provision of £50k has been put in and that this item will likely be dealt with via the Housing & Property Services Sub-Committee and reported at future Board meetings.</p> <p><u>Resolution</u> The Committee proposed, seconded, and approved the Management Accounts.</p>
<p>8.</p>	<p>Treasury Management</p> <p>The HofCS shared their screen with the FD's presentation. The FD reported on the following key points:</p> <ul style="list-style-type: none"> • Cloch in a strong cash position with £4.18m in the bank. • A lot of uninvoiced works still to be paid – mainly Saltire. • All banks have good credit ratings except Shawbrooks (which is not rated) but they are covered by the Financial Services Compensation scheme. • The balance in each account was presented. • A breakdown of the notice periods was presented. • Compliance with Financial Regulations was confirmed. • Average loan interest at 3%; below the 5% market benchmark. • 76% of loans were fixed as at 30.09.22. • Loans are secured against 839 units; Cloch low risk for lenders. • BoS loan of £4.3m expires on 31 January 2023; will be looking at proposals later. • RBS Facility Loan for Kings Glen – not fixed when originally planned due to staff changes; will be looking at higher interest rates now so alternative treasury strategy will be proposed to Board.

	<p><u>Resolution</u> The Committee noted the report.</p>
9.	<p>EVH Cost of Living Proposal</p> <p>The CEO advised that the Board had made their decision known. The HofCS will feedback to EVH tomorrow with the result.</p> <p>The Board have agreed to the 5.25% wage rise and the 3 x one-off payments in January, February and March 2023.</p> <p>The outcome will be reported later.</p> <p><u>Resolution</u> The Committee noted the verbal report.</p>
10.	<p>Head of Corporate Services Report</p> <p>The HofCS took the meeting through the key points of the report:</p> <ul style="list-style-type: none"> • SDM software discussed at the ICT Manager's report. The Association has now paid the invoice and got the 2% discount for paying earlier. Cloch is one of the best users of the system and one of the few Associations that got a separate meeting with the CEO of SDM. The Association benefits from lot of investment in our tenant portal. Going forward we need to think about what we do and where we want to go. Need to do due diligence first. • Engaging staff with translation services for Customer Connectors, housing and property staff. Chat cards have been created that can get translators online/phone. Global translate number readily available. Also, the problem of how we know English not the first language of a tenant. Need to have more discussions about cultural norms. Cloch fortunate to have one female Property Services Officer if no males allowed in a property if the husband/father not present. • With the numerous new staff CS have been carrying out many inductions. Trying to get as much onto the new Sharepoint portal. Will work on this going forward. Similarly do this for the Board too. • H&S Audit was a success. A couple of minor things can be done to improve but overall, a great result. • Professional training started again; much had been halted due to Covid. . The new Chair is undertaking the ILM course in Chairing. One Board member is attending the HR & Governance Conference along with the HofCS. • Sickness levels good. <p><u>Resolution</u> The Committee noted the report.</p>
11.	<p>Equality Action Plan Update</p>

	<p>The HofCS made a presentation to the Board. The Board had seen the Assurance Statement at the October meeting and the following was a review of how things stood.</p> <ul style="list-style-type: none"> • The survey of the tenants that took part showed just over half indicated they had a disability. Majority of this was mental health issues. Staff may need more training to deal with this. Other interesting fact was the unusually high numbers having COPD and Fibromyalgia. Need to see why this area has such higher number and is there a link (e.g. ex-shipbuilding area). • Modern Slavery statement will be included. How will it affect our smaller contractors? Do we do some training with them? • Communications Strategy is late and planned for later in the year. • Use Plain English in the Communications Strategy; need to think about this. • 3-Year Engagement Plan (e.g. Mental Health training or do campaigns with staff). • Review of the tenant portal. • Do we continue to use prefixes (e.g., Mr, Mrs); can be seen as controversial sometimes? • Board involved in timing of survey. To do again after 2 years instead of the usual 3 years. Build equalities into this and hope we will get a higher response rate. • Annual Assurance Statement – use equality data; we have taken cognisance of this. Also create KPI's around equalities. • Equality Impact Assessment due to be finished. • Work and training ongoing for Dementia Friendly, Safe Spaces and translations services. <p>A Board member advised this was a good recap of what was happening and enquired if this will be added into the Global Action Plan. The HofCS replied it would. A Board member asked if there was an “easy read” format that could be built into the Communications Strategy. This helps people who have visual impairments and dyslexia. The HofCS would look into this.</p> <p>ACTION</p> <ol style="list-style-type: none"> 1. The Global Action Plan to be updated. 2. The HofCS to investigate the “easy read” format to incorporate into the Communications Strategy. <p><u>Resolution</u> The Committee noted the report.</p>
12.	<p>Policy Reviews</p> <p>The Committee had previously been circulated with the policy reviews and were asked if there were any questions or queries about them. The HofCS advised that only a few minor changes had been made and they had been shown in red font.</p>

	<p>The HofCS advised that there were no changes to the Freedom of Information Policy. A Board member enquired if the Association received a lot of FOI requests and if a Register of these were kept. The HofCS replied that we did not receive large volumes of requests and a Register was kept. The Board member enquired if the Association needed to start thinking about our Environmental Information Regulations policy. The HofCS replied that this had been mentioned at the HR & Governance Conference they had recently attended. The HofCS mentioned that the lawyer taking this session mentioned housing associations tend to be very good on their environmental social governance but needed to start thinking a bit more on it.</p> <p>A Board member enquired about the Board papers being used where there is confidential information. The HofCS advised that confidential and sensitive data is redacted before being uploaded onto our website or as part of a FOI request.</p> <p><u>Resolution</u> The Committee proposed, seconded and approved the policies en masse.</p>
<p>13.</p>	<p>Office Closure</p> <p>The Committee noted the report, the public holidays for 2023 and that the office will work until normal closing time of 4pm on Friday 23 December. However, it was felt that the staff have coped admirably with the pressures of work this year, and that the usual practice of finishing at 2pm on the last day before the Christmas closure should be reinstated.</p> <p>The CEO responded and stated that this would undoubtedly be appreciated by staff especially as resilience is starting to go back up again after a period of uncertainty (e.g. staff changes). The CEO thanked the Committee for this gesture and would arrange for an email from the Chair of the Board to be issued.</p> <p><u>Resolution</u> An email to be issued advising of the earlier closing of the office at 2pm on Friday 23 December 2022.</p>
<p>14.</p>	<p>Health & Safety Update</p> <p>The CSO drew out the key areas from the H&S Audit and invited the Committee to make comment.</p> <p>A member commented that their organisation carries out PAT testing annually and assumed that the Association did this for its sheltered complex at Elliot Court and our furniture projects. They agreed that it would make more sense if the H&S Manual gave fixed timescales rather than use terminology such as “frequently”.</p>

	<p>The HofCS intimated that they were delighted with the outcomes from the Audit and to advise that the Landlords Safety Manual follows similar rules but this is dealt with by the HofPS and their team.</p> <p><u>Resolutions</u></p> <p>The Committee noted the report.</p>
15.	<p>Reflections</p> <p>A member advised that the reports were good but that the presentations made to accompany them were very valuable. They gave a shorter, more concise understanding of the full report. They were particularly pleased with the financial reporting as this is not their area of expertise. The CEO advised that with new/newer Board members we can always do some additional training sessions e.g. on finance to help. This could be daytime and/or evening training. The Finance Director will compile some suitable dates for the future.</p> <p>ACTION</p> <p>The Finance Director to compile some dates for future financial training.</p>
16.	<p>AOCB</p> <p>There were no further items to discuss.</p>
17.	<p>Date of Next Meeting – 28 February 2023</p>
	<p>The meeting closed at 7.30pm</p>