

Minutes of the Finance & Corporate Services Sub-Committee meeting held at 6pm on Thursday 2 June 2022 via Zoom/office

Present: Ken Robertson (Chair)
Heather Thomson (Vice Chair)
Patrick Marshall
Kelly Ferns

Attending:
(in the office) Paul McVey, Director
Ewan Barr, ICT Manager
Shonaid Musgrove, Corporate Services Officer (on Minutes)

(via Zoom) Liz Bowden, Head of Corporate Services
Valerie Wilson, Financial Director - Atrium

1.	Apologies & Declarations of Interest Apologies had been received from B Corrigan and J Smith. There were no declarations of interest made.
2.	Minutes of Meeting – 24 February 2022 RESOLUTION There were no amendments, and the minutes were approved as a true record.
3.	Matters Arising & Outstanding Actions It was noted that the 1-year review of the new housing structure will be kept on as a reminder. Costs for tenders have increased significantly; the kitchen/bathroom/heating contract is currently being analysed but is way over budget. Need to prepare options on how to proceed and to be mindful of our covenants. RESOLUTION The Sub-Committee noted the report.
4.	ICT
4.1	<u>ICT Update Report</u> The ICT Manager took the Sub-Committee through the report. The Sub-Committee was advised that the following had been completed: -

	<ul style="list-style-type: none"> • ICHR software replacement – much of this work had been carried out by the ICHR Project Officer which had led to a very smooth transition. • Sequel server upgrade was completed at the end of March and our SDM and INVU systems were transitioned over to the new server. These are now supported to 2030. • Multifunction device contract has been split from OTHA. This expires in August, but we have managed to get a 2-year extension to this. Costs reduced by 15% and now for 2 devices instead of 3. The existing machines were not used during Covid so are in a very good condition and will easily last a further 2 years. • MS Office upgrade ongoing. Costs have increased due to additional licences that were required but this still under £2k for the year for all staff. It is possible that MS may remove the “not-for-profit” pricing that we currently receive but it would be still affordable if this were to happen.
<p>4.2</p>	<p><u>Managed IT Support Tender Report</u></p> <p>The Sub-Committee was advised that a recent tender exercise took place for the procurement of the Managed IT Support for the Association. Although the Association has 2 IT staff (that provide a shared service with OTHA) the provision of additional IT support is required for business continuity and to ensure systems are sufficiently protected.</p> <p>The tenders were returned and scored, and the existing provider came out as the best option. The new contract is for 4-years with the option of a 1-year extension. The costs have increased slightly, and the new contract is due to commence from 23 June 2022.</p> <p>RESOLUTION</p> <p>The Sub-Committee approved the awarding of the contract to Tecnica Ltd.</p> <p>The ICT Manager left the meeting at 6.20pm.</p>
<p>5.</p> <p>5.1</p>	<p>Finance & Governance Reports</p> <p><u>Factoring Debt Report</u></p> <p>The FD took the Sub-Committee through the report and highlighted that the debt stood at £29k which was a £2k reduction since October and was historically the lowest April debt recorded. Factoring invoices are issued every 6-months.</p> <p>The majority of the debt is secured by Notice of Potential Liabilities (NoPL’s) against owners’ properties. This means the debt goes with the sold property and this protects the Association. The team are working diligently to stop more debt building and many of our owners have payment plans in place.</p> <p>RESOLUTION</p> <p>The Sub-Committee noted the report.</p>

5.2	<p><u>Treasury Management Report</u></p> <p>The FD reported that the Association remains in a strong position. The amount of cash held is high even though this has been reducing since last year. This is mainly due to delays with contracts as the cash is not being spent. Cash will be used for operating costs and planned maintenance rather than utilising the loan funding; a saving on loan interest rates.</p> <p>A member enquired if the banks had been providing any advice for businesses. The FD replied that the Bank of England are forecasting inflation to be in double digits by the end of 2022 and then to reduce again. However, they are not expected to be back at around the 2% level again until 2024. So, we can expect rates to rise.</p> <p>RESOLUTION</p> <p>The Sub-Committee noted the report.</p>
5.3	<p><u>Management Accounts 2021/2022 – Quarter 4</u></p> <p>The Sub-Committee was advised that there was nearly a £1m surplus but this was not reflective of true savings; it related to delays with expenditure. Higher tender costs may result in discussion with banks. The timing of when we spend the cash could be problematic for us. Need to ensure that our plans are extremely robust for the banks to be satisfied. The negative variances in voids is again down to contractor issues.</p> <p>Discussions took place on how planned maintenance could be managed due to the higher tender costs and increased inflation costs. The Director advised that options will be presented to the Board in due course.</p> <p>RESOLUTION</p> <p>The Quarter 4 Management Accounts were proposed, seconded and approved by the Sub-Committee.</p> <p>The FD left the meeting at this point; 6.30pm.</p>
5.4	<p><u>Audit Strategy & Annual Internal Audit Plan</u></p> <p>The Director advised that this was the final year of the contract with TIAA, our internal auditors. They stated that they had proved to be very good auditors. This had been a joint appointment along with OTHA.</p> <p>The next year will focus on the following areas: -</p> <ul style="list-style-type: none"> • Procurement • Planned & Cyclical Maintenance • Equality & Diversity • Budgetary Control

	<p>The Director advised that these areas were important and that we need to pay attention to. An audit provides us with the opportunity to ensure that we are on the right tracks. The review on Equality and Diversity is a new one for us but the HofCS was taking the lead on this. The plan was attached to the audit.</p> <p>RESOLUTION</p> <p>The Audit Strategy and Internal Audit Plan was proposed, seconded and approved by the Sub-Committee.</p>
<p>6.</p> <p>6.1</p>	<p>Policies for Review</p> <p><u>Alcohol & Drugs Misuse</u></p> <p>The HofCS advised that this policy was up for review and there were no changes proposed based on the model policy from EVH.</p> <p>RESOLUTION</p> <p>The policy review was proposed, seconded and approved</p>
<p>6.2</p>	<p><u>Shared Parental Leave</u></p> <p>The HofCS advised that this policy review is based on practices adopted and legislation. They also advised that the policy had never been implemented but a younger workforce may change this in the future.</p> <p>RESOLUTION</p> <p>The policy review was proposed, seconded and approved.</p>
<p>6.3</p>	<p><u>Sabbatical Policy</u></p> <p>The Sub-Committee was advised that this policy is very rarely used but it ties into our Flexible Working policy.</p> <p>RESOLUTION</p> <p>The policy review was proposed, seconded and approved.</p>
<p>6.4</p>	<p><u>Data Protection Policy</u></p> <p>The Sub-Committee was advised that this policy review had been updated by the Association’s Data Protection Officer (external DPO) as well as input from the LT. From the review it showed that the Association needs to have in place a separate CCTV policy – this will be done shortly.</p>

A member enquired if the policy should state somewhere that it had been reviewed by an independent source as this provides further assurance that diligence has been taken. The HofCS noted that this was a good point.

A member enquired as to which areas the CCTV was in situ. The HofCS responded that 1 camera was in reception and 1 in each of the 2 interview rooms. These had been installed as a safety precaution for staff protection. The camera in reception does not point towards the staff. All record audio as well as picture and these are cleared down monthly.

The HofCS stated that footage has had to be used in the past as evidence but storing this has now been highlighted as being an issue. A member advised caution that the system is not used for surveillance on staff and queried who had access to the recording. The HofCS acknowledged this and that discussions were taking place on how to proceed. Limited access was already in place, but it might be prudent to reduce this further. Thoughts on installing a monitor at reception to view the 2 interview rooms (minus sound) are being considered.

The HofCS and Director both stipulated that the system was in place for staff safety and not for spying on staff. It was also for the validity of evidence should aggressive behaviour be displayed towards staff.

A draft CCTV policy has been provided by the DPO for the Association to consider.

ACTION

The HofCS to make a note in the policy that it had been reviewed by an external source.

RESOLUTION

The policy was proposed, seconded and approved subject to the inclusion of the action above.

6.5 Flexible Working Policy & EQIA

The Director took the Sub-Committee through the changes and intimated that the Flexible Working policy and Flexi/TOIL policy had been combined into the one policy.

The Sub-Committee was advised that flexi time had been suspended during Covid, but this had recently been reintroduced. Staff took part in a consultation of the policy and have been advised of the new practices. Details of hybrid working have now been included as part of the flexible working patterns. The Director advised that the policy also calls out the clear distinction between job share and part time working. This had been an historical oversight on how contracts had been prepared in the past. All relevant parties that this change affected have been spoken to about it. The Director further stated that any request for flexible working would need to be considered with the business needs as a priority in the first instance.

	<p>A member enquired if this meant a change in employees' terms and conditions. The Director replied that the change proposed is in the contract that these posts are job share and not part time, not a change to the T's & C's. However, it will deviate from what EVH states in that if one half of a job share post leaves the organisation the other post holder will not be expected to work full time. EVH states that they should work full time. The HofCS advised that it was important to impart on job share post holders that the work must be shared throughout the week in order for business continuity. Definition of our part time employees is that no one else shares that role. This will be clarified with letters/new contracts to the 4 affected staff.</p> <p>The Sub-Committee agreed that it was important to get clarity on this matter and for the system to work for both employee and employer. The Director agreed and stated that the positive response from the recent staff engagement survey shows this.</p> <p>RESOLUTION</p> <p>The reviewed policy was proposed, seconded and approved.</p>
6.6	<p><u>Driving at Work Policy</u></p> <p>The HofCS advised that this policy had been brought forward by 1-year following the recent updates to the H&S manual that had been discussed at the previous meeting.</p> <p>A member asked if it was necessary to have the section in about the removal of a lanyard whilst driving. The CSO advised that this had been an earlier update to the H&S manual. Several incidences had been reported that when an airbag is deployed in an accident the plastic ID badges on a lanyard are penetrating the body causing significant injury.</p> <p>RESOLUTION</p> <p>The policy review was proposed, seconded and approved.</p>
6.7	<p><u>Appropriate Policy Document</u></p> <p>The HofCS advised the Sub-Committee that it had been pointed out to the Association, by the DPO, that we need to have this in place. This calls out the documents that we already have in place and list all the policies we have. The DPO has checked this for us. The policy and documents will then be loaded up onto the Board portal.</p> <p>A member enquired if this needs to be done from a H&S perspective also. The HofCS was not sure on this matter but will look into it. The member advised if they find out during the course of their work they will let the Association know.</p> <p>ACTION</p> <p>The HofCS to ascertain from the DPO if there is a requirement to complete this from a H&S perspective.</p>

	<p>RESOLUTION</p> <p>The policy was proposed, seconded and approved.</p>
<p>6.8</p>	<p><u>Senior Staff Succession Policy</u></p> <p>The Director made a presentation to the Sub-Committee and drew their attention to the key points of the policy as stated below: -</p> <ul style="list-style-type: none"> • The purpose of having succession planning in place. • Compliance requirements. • The need for Board recruitment and induction process and the annual reviews/appraisals that we do. Allows us to plan eg if Chair plans to step down. Sometimes this can be unplanned as has happened recently. The current Chair having to step down due to the terms of a new employment contract. Cloch is fortunate that the Vice-Chair is able to step up in the interim. • Responsibilities – A Board member on the panel for LT recruitment is required. If Director leaves then section 5.4 tells you what you need to do. • Assistance and support are on hand for the Board at all times. • Anticipating changes - Appraisals are key for LT and Board. Addition of new 3-month notice period. All of LT and other critical staff (eg ICT manager). • If CEO/director leaves then business planning and options appraisal are important. We have recently carried out an options appraisal when Cloch left OTHA arrangement. The SHR needs to be advised. The Chair and Board are responsible for recruitment. <p>RESOLUTION</p> <p>The Sub-Committee proposed, seconded and approved the policy.</p>
<p>7.</p>	<p>Annual Data Protection & Freedom of Information Statistics</p> <p>The HofCS advised that this report gives the Sub-Committee an insight into the levels of requests and how the Association is doing in terms of responses and response times. It also details any breaches that occurred and how the Association remedied this. The HofCS advised that many Subject Access Requests (SAR's) were becoming extremely time-consuming in terms of redaction and were being prompted by solicitors who were not complying with requests in the proper manner.</p> <p>The HofCS advised that the Association held a Register too as is required.</p> <p>RESOLUTION</p> <p>The report was noted.</p>
<p>8.</p>	<p>Health & Safety Update</p> <p>No updates to report.</p>

9.	Reflection The members noted that the Teams invitation was easier to use than the Zoom platform and was the platform that most businesses were using now. It has been agreed that this will now be our default platform for governance meetings.
10.	AOCB There was nothing to report and the HofCS and the CSO left the meeting at this point. The time was 7.10pm.
11.	Private & Confidential Report
12.	Date of next meeting – 25 August 2022

**Minutes of the Finance & Corporate Services Sub-Committee
Private & Confidential Section of Meeting
held after Sub Meeting at 7.10pm on Thursday 2 June 2022 via Zoom/office**

Present: Ken Robertson (Chair)
Heather Thomson (Vice Chair)
Patrick Marshall
Kelly Ferns

Attending: Paul McVey, Director
(in the office)

11.	Private & Confidential Report
11.1	<p>The Director presented a paper both advising the F&CS about some proposed changes and asking for approval for others. Full detail and rationale was given for each aspect, which included –</p> <ul style="list-style-type: none">• Regrading the Head of Corporate Services to SM12-14• Recruiting the Customer Connections Team Leader and amending the grading from Grade 7 to Grade 6/7• Regrading the ICT Manager to SM4 – 6• Participating in the Recruit Programme and seeking an IT Modern Apprentice• Recruit a Head of Finance as per previous advert• With the 2 regrades above place on 3-month Notice Period• Review the success of the IT Consultancy Services <p>There was considerable discussion around the Head of Housing Services leaving with only 4 weeks' notice and the difficulty this could have presented for the Association, and therefore it is important to put Leadership Team and critical officers on a 12-week notice period when possible.</p> <p>It was also noted the impact that the HoH situation has on the other 2 roles in Corporate Services and IT, and there was unanimous approval for all of these proposals and recommendations.</p> <p>The only caveat was to clarify that the regrading of the ICT Manager was not linked in any way to the actual outsourcing of consultancy work. If this does not progress in any significant way then so be it, however during the next 2 years this should be kept under review and potentially a further regrade if this gathers momentum and potentially inclusion in the Leadership Team.</p>
11.2	<p>The Director also advised the F&CS of his own impending resignation. Only hours earlier, he had been offered the CEO role at Southside HA and intends to accept the offer. He has also spoken with the current Chair to advise him of the situation. Communication will go out to the full Board tomorrow along with the staff team. He will work 12 weeks' notice and won't leave Cloch until September. This is subject to final offer following references.</p>

	<p>The members expressed their congratulations and also commented on the need for stability during the transition. The Director will work with the Leadership Team and Board to ensure that this is what happens. There will be further discussion at the Board Meeting in June.</p> <p>At the Chair's request, the Director will submit a Notifiable Event once the offer and subsequent resignation is made.</p>
	<p>The meeting closed at 8pm.</p>