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Board

Held on

Tue 12 October 2021, 18:00 - 20:00

via Zoom and in the Office (Hybrid Meeting)

Attendees

Board members

Brian Corrigan (Chair), Heather Thomson (Secretary), Kelly Ferns (Vice Chair), Eileen Tamburrini (Board Member), Eleanor Robertson (Board Member), Alan Hutchison (Board Member), Ken Robertson (Board Member), David Brown (Board Member), Jackie Smith (Board Member), Patrick Marshall (Board Member)


Attending

Paul McVey (Director), Alana Durnin (Finance Director), Liz Bowden (Corporate Services Manager (Minute Taker)), Paul McColgan (Property Services Manager)

Meeting minutes

1. Apologies & Declarations of Interest

There were no apologies and no declarations of interest.

 00 - Agenda.pdf

Information
Chair

2. GAP Presentation on Furniture Project **

Jo Lloyd and Jonathan Muirhead from GAP Consultancy, attended by Zoom and gave a presentation on the outcomes of their feasibility study on the Furniture Project - Cloch Plus.

Decision
Director

The presentation highlighted that Furniture Poverty is defined as not accessing the basic items for a home. Lack of basic furniture can lead to health problems, food poverty and a worsening of a poor financial situation. The authors drew out the key differences between a furniture supply scheme and a furnished tenancies scheme - and with the former huge volumes are required to work and would lead to losses year on year. However, furnished tenancy schemes are cheaper, do not need volume of stock, and are self-sustaining when depreciated through the books. The financial modelling includes staffing, voids and replacing furniture and covers a 5 year and 10 year period. When financially modelled, the scheme is likely to generate a surplus.

It was stressed that the Association needs to hold its nerve to continue with the scheme through the duration which should be for a minimum of 10 years. Although it was highlighted that Cloch could decide to limit numbers as it incrementally grows the scheme.

It was concluded that -

- Using an adhoc furniture supply, such as white good replacement, then no separate scheme is needed. It can be serviced through the main scheme of furnished tenancies as a separate arm.
- A recycling standalone scheme is not recommended. It would be better to partner with a local charity.
- For all schemes, it will take 5 years to come into surplus and a deficit is to be expected, however as a Board they need to be prepared to accept losses initially.

The recommendation from the consultants was to launch a furniture tenancy scheme funded from accruals of previous furniture lets and for a duration of at least 10 years.

A Board Member noticed that the modelling has been done on an assumption of 2% inflation. How robust is this? Jo agreed it will change if inflation goes above this. The Director commented that if it is part of the overall rent, the increase of rent will then reflect an increase in the charge for the furniture. Jo agreed with this. This will make the figures "standstill" with regards to inflation.

A Board member asked about flooring costs. Jo replied that Cloch will floor each property. The Director says that there is a separate report on flooring and using recycled flooring. The Board Member commented on the cost to floor the houses, and it was agreed that this can be a huge undertaking for new tenants, however this is expected to be part of the furnished tenancy package.

The Board thanked Jo and Jonathan for coming to the meeting. Both left the meeting at 6.23pm.



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2.1. Cloch Furniture Project Feasibility *

The Director talked through the report attached to the Agenda.

The Director is seeking approval to develop the full Business Case and commence the furnished tenancy scheme at the start of the next financial year. The Association has in the region of £200K ring fenced and about £150K would be used over the period of the project. The project is linked in to the "End Furniture Poverty" project and we would seek their assistance with the set-up as well as potentially partnerships with other Housing Associations.

This project would be a direct response to our Business Plan by meeting a key Strategic Objective.

A Board Member asked about the operational aspects of managing the furniture project. What criteria is used for accessing and what would the response times be to requests? This can be a problematic area as Board Members experienced in this type of work recalled.

The Director replied that staff will look to mitigate problem issues before the project starts. The project in the main will likely involve furnishing the properties first and then advertise them as furnished tenancies. We would hope to tie in the linkages to our tenancy support service.

A Board member commented that the Housing Team will need a really good knowledge of benefits. The Director responded that we will have a maximum of 70 properties, so it is not an overwhelming amount and Cloch already let some furnished properties. So far it is working. Our relationships with Housing Benefits and DWP are good.

Another Board Member asked if the tenancy agreement would need amended. Also, how do staff stop fraud of the welfare fund and how do they get right the balance of inspection of furniture? The Director responded that the tenancy agreement has been adapted. Also, staff already manage furnished tenancies, so are aware of the fraud situation, however we will be as vigilant as we can - there will always be some negativity associated with projects such as this - it is expected though that the positive will outweigh this by far.

A Board Member asked about the quality of the furniture. He commented that anyone can purchase really good furniture in charity shops, saving money and supporting the furniture charity at the same time. The Director agreed that this is an approach that needs looking at and that staff can potentially develop relationships with charities to start to furnish the properties with second hand furniture. The next 6 months will be spent looking at this and many other pathways.


A Board Member asked about the ringfenced funding of £150K and is this for the set up of the project or for the furniture? The Director confirmed it is to buy the furniture and associated costs. The Board Member asked then, would Cloch be better piloting. The Director replied that the CRF furniture pilot has given us a good heads up to the issues. Next year, staff are only looking to set up another 7, so that they learn as they go. In many respects the pilot has begun.


A Board Member supported the project and asked about putting safeguards in which will allow tenants to come away from reliance on benefits and into work, without affecting their income. The Director commented that he and the Housing Services Manager have agreed that the project should not create poverty traps. There are ideas being looked at to mitigate the issues. A further comment was about curtains. The Director replied that it is hoped that partner organisations may help with things like this.

Recommendations

The Board noted the content of the report and GAP report. The following recommendations were proposed, seconded and approved by the Board:

- Approve the use of £150k accrued furniture service charge income for the set-up and ongoing management of the project.
- Provide the Director and Housing Services Manager delegated authority to progress the set-up of the project with a view to commencing the project fully after April 2022 to allow time to establish processes and agreements; running for an initial 10 year period.
- Approve that up to 70 properties (circa 5% of stock) will be utilised for the furnished housing project
- Refer to the GAP Communications report and approve the recommendations within the report.
- Approve the provision of an Ad-Hoc furniture replacement scheme for existing tenants, where practicable. This would be once the project is established.

 02 Furniture Project Feasibility October 2021.pdf

 02.1 Final Report - A Furniture Scheme for Cloch Housing Association - September 2021.pdf



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3. Minutes of Board Meeting held on 31 August 2021 *

Decision
Chair

The Minutes attached to the agenda were agreed as accurate. The Minutes were proposed, seconded and approved by the Board.

[03 Draft Minutes_Board_310821 \(2\).pdf](#)

4. Minutes of Board Meeting held on 23 September 2021 *

Decision
Chair

The Minutes attached to the agenda were agreed as accurate. The Minutes were proposed, seconded and approved by the Board.

[04 Minutes 230921.pdf](#)

5. Matters Arising/Outstanding Actions **

Information
Director

The outstanding actions were talked through by the Director.

He highlighted the following:

- Most actions have been completed.
- The Global Action Plan development is ongoing and will be on the Board Portal soon.
- Lessons learned from Kings Glen will be reported to the Board in due course.
- The KPI Strategic Report is Item 10.1 on the agenda.

[05 Outstanding Actions and Matters Arising.pdf](#)

6. Draft Assurance Statement

Decision
Director

The Director presented to the Board the work which had been undertaken by the Governance Activity Plan Working Group (GAP) and provided a recommendation from the group.

- The Statement is to the Regulator stating that the Board have assurance on governance and financial status of the Association and in accordance with the Regulatory Standards of Governance and Financial Management.
- The evidence comes from the Governance Review, the Options Appraisal, the annual Board Appraisal as well as the Toolkit evidence.
- Material non-compliance - the GAP group looked at the evidence for this but there are none.
- There are actions however, to ensure we keep everything up to date. This has led to an improvement plan being incorporated in to the Global Action Plan.
- The GAP group will consider the actions going forward.
- A refreshed 3-year self assessment review process will be drawn up to ensure that standards are considered incrementally and not all at once.

Resolution

The recommendation for the Board to approve the Assurance Statement and have it signed by the Chair was proposed, seconded and approved by the Board.

[06 Draft Annual Assurance Statement - Executive Summary.pdf](#)

[06.1 Assurance Statement Improvement Plan 21-22.pdf](#)

[06.2 Draft Annual Assurance Statement Appendix 2.pdf](#)

7. Policies

Decision
Various

7.1. Entitlements, Payments & Benefits

Decision
Director

The Director highlighted the main points of the Policy. He commented that the Association has two registers associated with this Policy. The Register of Interests and the Entitlement Payment and Benefits Register.

A board member asked for clarity on what to declare as he works with some contractors who also work for Cloch. The Director assured him that he should simply declare on the form that this is the case. The main point is that the Contractor does not receive any advantage from the association with the Board Member. Also, that the Board Member will step aside from any decision making in relation to a contractor with whom he works or has a relationship with.

Resolution

The Policy attached to the agenda was proposed, seconded and approved by the Board.

[07.1 Entitlement Payment & Benefits Policy.pdf](#)

[07.1.1 EPB Appendix C -Tracked Changes.pdf](#)



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7.2. Code of Conduct for Staff

The Code of Conduct for Staff was talked through by the Corporate Services Manager. It was explained that the SFHA have reviewed this Code and have changed a few elements to bring it up to date with current best practice and regulation and also to clarify a few points.

Resolution

The Board proposed, seconded and approved the revised Code of Conduct for Staff.

- [07.2 Code of Conduct - Staff - Executive Summary Report.pdf](#)
- [07.2.1 Code of Conduct - Staff.pdf](#)
- [07.2.2 Code of Conduct - Staff - Summary of Changes.pdf](#)

Decision
Corporate Services Manager

7.3. Scheme of Delegation

The Director talked through the Scheme of Delegation.

A Board Member asked if the Board will still receive Tender Reports after contract award. The Property Services Manager confirmed that this will continue and the report will go to the next available Board or Sub meeting. Another Board Member asked if the related policies are due to be updated? The Director confirmed that the Financial Regulations and Procurement Policy will be changed to reflect the Scheme of Delegation.

Resolution

The Scheme of Delegation was proposed, seconded and approved by the Board.

- [07.3 Scheme of Delegation Policy.pdf](#)
- [07.3.1 Revised Scheme of Delegation Appendix 1.pdf](#)
- [07.3.2 Previous Scheme of Delegation Policy Appendix 2.pdf](#)

Decision
Director

7.4. Disclosure of Interest

The Disclosure of Interest was talked through by the Corporate Services Manager. There were no changes to the Disclosure of Interest and no questions from the Board.

Resolution

The Disclosure of Interest was proposed, seconded and approved by the Board.

- [07.4 Disclosure of Interest.pdf](#)

Decision
Corporate Services Manager

8. Governance Appraisal Report - Final Report *

The Director presented the report following the work undertaken by Arneil Johnson. He commented that the recommendations in the report will be added to the Global Action Plan.

The 22 recommendations will be considered by the GAP group and these may reduce if they have already been completed, or are now thought unnecessary. The Director is proposing to discuss with Oak Tree H.A. a 1 year extension to the contract with Arneil Johnson.

Resolution

The Board agreed to take the recommendations to the GAP group to decide on what to adopt, when to do them and on when to report back to the Board. They also are happy to extend the contract by one year, subject to discussions between Oak Tree, Arneil Johnson and the Director.

- [08 Governance Appraisal Report.pdf](#)

Decision
Director

9. Finance

Decision
Finance Director

9.1. OSCR Return **

The Finance Director talked through the OSCR return. It is based on the information on the Annual Accounts and the report explains where the information comes from. There were no questions from the Board

Resolution

The Board proposed, seconded and approved the OSCR Return. The Finance Director will now submit this to OSCR.

- [09 OSCR Return 2020-21 Cover Paper.pdf](#)
- [09.1 OSCR 2020-21.pdf](#)

Information
Finance Director



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9.2. LIBOR Transition Paper *

The Finance Director talked through the report using a Powerpoint presentation. These are the main points:

- The report talked through the difference between using LIBOR and SONIA and also confirmed that the Bank of England Base Rate can be used. LIBOR has a risk element and is more expensive, so going to SONIA and Base Rate is cheaper, so no-one loses out when you cross to these type of lending models.
- The change to these will be cost neutral and the lenders have been given comfort in this.
- Where there are fixed loans they do not change, but the Loan Agreements need to update
- In renegotiation, the discussion is about whether or not Cloch uses Base Rate or SONIA. Base Rate is lower and more transparent and this being used where it is being offered.
- The report shows which lending model is being used on which loans.
- The proposals have been run past ATFS Treasury Management Consultants who have agreed with the Financial Director's recommendations.
- The future steps of what happens next, after approval, were outlined.


The Finance Director explained that once all the renegotiations have been completed, the loan paperwork will come to either the next Finance & Corporate Services Sub-Committee or the next Board Meeting, whichever is nearer to the loan paperwork being completed.

There were no Board Questions.

Resolution

The recommendations on loan changes in the Report were proposed, seconded and approved by the Board.

 09.2 LIBOR Transition Report & Recommendations.pdf

 09.2.1 Appendix 1) ATFS Confirmation of review & support for recommendations.pdf

10. Director's Report

The Director's Report was talked through by the Director using a Powerpoint presentation. Updates were provided on reactive and void maintenance, and our progress with the various planned and cyclic works.

Discussions took place on a number of strategic items, including our offer to the refugee crisis via Inverclyde Council, the Acquisition Strategy and progress with this and potential disposals which the Association will need to consider.

Additional updates were provided on communication from external bodies and a focus on our own staffing situation regarding recruitment and structural change.

A Board Member commented on the Housing Services review and the fact that it is not long since this was looked at previously. The Director agreed but the previous review was not followed through. This review is about aligning the service with the current objects on tenancy support and to address personnel concerns on the lack of difference between what a Grade 5 and a Grade 6 staff member does in their work.


A Board Member talked about Gas Safety. Her understanding is that the Scottish Government letter is on the topic of training on call handling. It came off the back of an incident with another housing association. The Property Services Manager commented that he is comfortable that the association's out-of-hours call handler is compliant given that it is our gas contractor who receives the out of hours calls. Property Services and Customer Connections staff have all had training on how to triage calls. There is information in the Tenants Handbook and website is being double checked and there are agreed actions regarding defects on boilers with the manufacturers. A suggestion from the Board member of including gas safety as part of staff induction was agreed as a good idea and will be looked at for future inductions.

Resolution

The Director's Report and comments from the Board were noted.

 10 Directors Report.pdf

 10.1 Directors Report - Appendix 1 Joint Statement on new grant benchmarks.pdf

 10.2 Directors Report - Appendix 2 Gas Safety Management Systems.pdf

 10.3 Directors Report Appendix 3 SPSO Correspondence.pdf

10.1. Business Planning Strategic Objectives (presented at the meeting) **

The Director reported that this plan was new and had only been completed this afternoon. It will be issued to all Board in the coming week and put on the Board Portal.

Resolution



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The Board noted the verbal report.

11. Kings Glen Report **

Information
Director

The Director talked through the Kings Glen Report.

He reported that we are in the defects liability period which will last until 12 months from completion.

Landscaping snagging is ongoing and although there are drainage issues these will be dealt with. The developer has been responsive to date which is positive.

The one area of contention is collateral warranties. There is communication between lawyers which is being looked at by Cloch. Ken and Alan have also looked at this, given their experience. A meeting has been convened with to iron this out in the weeks ahead in a bid to find compromise.

Staff have carried out new tenant visits and very positive feedback is being received.

Resolution

The Board noted the report,.

[\[PDF\] 11 Kings Glen Covering Report.pdf](#)

[\[PDF\] 11.1 Kings Glen Appendix 1.pdf](#)

12. Six-Monthly Report on Donations **

Information
Corporate Services Manager

The Corporate Services Manager talked to the Report. She commented that most donations are made during the winter, often around Christmas. The Association has up to £2000 to donate each year.

Resolution

The Report was noted by the Board.

[\[PDF\] 12 Six Monthly Review of Donations.pdf](#)

13. AOCB

13.1. Timing of Board Meetings and Reflections

The Board were asked about the start time of meetings being 6pm. It was unanimously agreed as a good time for the meetings. They also agreed that this first hybrid meeting has worked well.

13.2. Director's 50th Birthday

The Board gave a gift to the Director for his Birthday and wished him many happy returns.

14. Date of Next Meeting - 7 December 2021

Information
Chair



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