

**Cloch Housing Association Ltd**  
**Minutes from the Virtual Meeting of the**  
**Finance & Corporate Services Sub-Committee**  
**held on Thursday 28 May 2020 at 5.30pm**  
**(everyone present appeared by video link)**

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Present:	Brian Corrigan Julianne Scarlett Ronny Lee
Attending:	Paul McVey (Director) Liz Bowden (Corporate Services Manager) Ewan Barr (ICT Manager) Alana Durnin (Financial Services Director) Shonaid Musgrove (Corporate Services Officer) – Minutes Ken Robertson (Observer)
Apologies:	Kelly Ferns (Leave of Absence) Alison Greenhill (Leave of Absence)

<b>1.</b>	<b>Apologies &amp; Declarations of Interest</b>
	<p>Apologies had been received from Kelly Ferns and Alison Greenhill who were both on Leave of Absence.</p> <p>Convenor for the meeting was required as A Greenhill was absent. Julianne Scarlett proposed Ronny Lee who accepted.</p> <p>There were no declarations of interest noted.</p>
<b>2.</b>	<b>Minutes of Meeting held on 28 November 2019</b>
	With the removal of the narrative in “Any Other Business”, the minutes were approved as a true record and available for publication.
<b>3.</b>	<b>Matters Arising</b>
	No matters were arising.
<b>4.</b>	<b>Factoring Debt report</b>
	The Finance Director (FD) advised that factoring debt is at an all-time April low and is now down by a further 12% since January 2020, with overall debt of £42k. Much of this decrease is due to many owners now having payment plans in place. It was noted that three owners had contacted the Association to advise that they were having to suspend payments due to financial difficulties relating to the impact of Covid-19, however calls were scheduled for June to discuss the situations further in terms of re-starting payments.

The meeting was advised that 4 owners have had Sheriff Officer letters delivered and the next stage would be court action via the Simple Procedures, however it was noted that all court proceedings have been stopped due to the pandemic, therefore this action is on hold for the time being.

The Finance Director praised the efforts of the Finance Assistant who has been tenacious in the pursuit of the factoring debt. The level of work on this is being maintained whilst working from home and reminders and calls are still being made. The only part that cannot be actioned is the legal action. The Finance Assistant has a very professional, customer focussed manner on the telephone, even when owners are being difficult, and this has been a key success factor in reducing the debt / building customer relationships.

A Board member commented that all the work that has been put into the factoring debt process over the past years is now paying dividends and enquired if the Finance Director was satisfied with the level of debt. The Finance Director replied she was, highlighting that invoices are invoiced in arrears and therefore the debt level reflects this. She advised that owners were aware that the debt is being actively pursued and the aim was to get customers on board with payment plans, with the objective of having the invoice debt cleared by the time the next invoice is due for issue.

The Director advised that the factoring service itself has been reviewed and that this will continue to be improved upon. A new owners' handbook has been compiled and documents will be moved over to the Portal so that owners can access their accounts in the same way that our tenants can. Owners will also get a written statement of services.

It was noted that work on the June factoring invoices was underway and that these will be sent out imminently.

### **Resolution**

The meeting noted the report.

## **5. ICT**

### **5.1 ICT Report**

The ICT Manager advised that this was the usual report but that it had some additional information in it regarding the purchase of IT equipment for staff to work from home during the Covid-19 situation. He advised that the costs for the equipment was in the budget; it had just been brought forward to assist staff to work from home. He also informed the meeting that there was an increased risk to our cyber security as some staff have been given permission to connect to our network from their own devices which is not normal practice. However, it was necessary to get staff online in a short space of time. He advised that a lot of work has been done by the section over the past while to mitigate cyber breaches and increase the security of our systems.

The ICT Manager drew the meeting's attention to the IT Action Plan for 2020/21 and advised that the items in green had been started and were ongoing. The items in grey had yet to be started.

As mentioned above the IT section, along with our IT support contractor Tecnica are working towards cyber security accreditation from a Government backed scheme. Once achieved we will be able to put this onto our website and portal. This gives our customers

peace of mind that our site is secure, safe and trustworthy. Part of the test will be to have someone try to hack into our systems to see how robust they are.

The ICT Manager advised that the IT section have been planning over the last 2-3 years to put measures in place for most eventualities. When the pandemic hit it demonstrated that the investment in these measures has been worthwhile. The IT section were able to mobilise everyone including the Board to use the remote desktop server interface. Four additional laptops were purchased – these were to replace 4 old ones and were in the budget. The old laptops will be disposed of in the correct manner at a later date. No extra licences were required.

The MS Teams software has been very useful for hosting meetings and this was setup and running in a very short space of time. A Board member commented that it was a very useful communication tool. The Director stated that it has been very successful part of working from home. Staff have been very quick to latch onto different platforms of working. He advised that the Association has also subscribed to Zoom as we have been advised that this will be a better system to use for our tenant engagement.

The ICT Manager stated that it had been a sudden change to the manner in which we work but that staff had been really responsive in taking this on board. Admittedly there had been a few teething problems at the start such as password changes and the server failed but there had been no change to the service for staff. The backup support with Tecnica ensured the service was unaffected. They had done a lot of work in the background to keep things running smoothly.

The Corporate Services Manager (CSM) stated that the IT section had been really supportive and essential when lock-down happened and afterwards; especially as they service the 2 associations. In stressful times they had added to the ease for staff who had never worked from home before. They had worked extremely hard to get this up and running.

A Board member enquired if we had seen any change in the usage of our tenant portal, Facebook and Twitter accounts. The ICT Manager and CSM advised that a further 150 tenants had signed up to the tenant portal and meant that we were at nearly 500 users. The Director stated that more tenants will turn to it as we move forward as it is so user friendly to register and use. He stated that we can communicate to tenants far quicker by this medium and that it is cost-effective. For example, putting the newsletter online is far cheaper than printing expensive brochures and mailing them out.

A Board member asked if working from home (wfh) has been so successful would this extend the time before going back to the office. The Director advised that a Return to Office Working group is being set up presently. It will look at a variety of different things moving forward. He advised that wfh will not work for all aspects but that it may suit some staff more than others and that the fear and trust elements about wfh had been removed as has been demonstrated by how successful it's been during the pandemic. He stated that one area that was not as "ready" as it could have been has been our telephony system. However, we are actively looking into this and 'soft phones' will be the way forward. This will make a massive difference to our tenants to get connected immediately to a member of staff; rather than the current system of leaving a message.

### **Resolution**

The meeting noted the report.

	<p><b>Action</b></p> <p>Change date in report of the day the office closed from 10 March to <b>17 March.</b></p>
5.2	<p><u>ICT Strategy</u></p> <p>The ICT Manager advised that the ICT Strategy was essentially the development plan for IT going forward. Most of this is the same in terms of what we are trying to do regarding IT. The following key items were highlighted: -</p> <ul style="list-style-type: none"> <li>• Secure IT environment – this will be an annual check; need to keep moving with the times.</li> <li>• External test of system – to see if someone can hack in and how quickly it takes them to do it.</li> <li>• Telephony &amp; Communication Lines. Cloch will be purchasing ‘soft phones’ in the very near future. The ICT Manager has wanted to go to a cloud-based system for some time but this has been postponed due to time constraints and the cost. A cloud hosted system is costed per handset. This system is much better from a disaster recovery point of view but needs to be able to work from the office as well as from home.</li> <li>• Reactive repairs. Due to the contractor terminating the contract a new integration system will be required or an upgrade to the existing SDM system.</li> </ul> <p>The ICT Manager asked if the meeting had any questions on the IT Strategy. A Board member enquired if any additional costs would be incurred. The ICT Manager replied that the costs were built into the budget but would be spent in the formative quartiles as opposed to the latter. The FM agreed and stated any change would be slight and not significant.</p> <p><b>Resolution</b></p> <p>The meeting noted the contents of the report.</p>
5.3	<p><u>Email &amp; Internet Policy</u></p> <p>The ICT Manager advised that there were very few changes to the policy. The policy detailed how staff should be conducting themselves when using the internet and email.</p> <p>The minor changes were highlighted in the Executive Summary and were (1) Management Team changed to Leadership Team and (2) email deletion box – emails sit in another box for a further 28 days giving staff time to retrieve a deleted email.</p> <p>A Board member enquired if IT are still monitoring the internet usage. The ICT Manager replied he did; he gets messages every day and there were no breaches or misuse to report. He advised that any suspect sites would be locked down anyway and not accessible.</p>

	<p><b>Resolution</b></p> <p>With no objections the Email &amp; Internet Policy was approved.</p>
	<p>The ICT Manager left the meeting at 6.07pm.</p>
<b>6.</b>	<b>Finance</b>
6..1	<p><u>Management Accounts</u></p> <p>The Finance Director (FD) advised that there was a significantly higher surplus compared to the 2019/20 budget; with surplus of £1.578M versus the budget of £540k, highlighting circa £1M additional surplus versus the financial plan. However, once the variances are explained (in sections 4-9), this highlights that £705k of the budget provision is being carried forward into the 2020/21 budget due to timing variances. The value of savings made in the year was noted as £333k and this was detailed in section 12 of the report.</p> <p>The FD enquired if anyone had any questions on the variances. A Board member asked if, aside from the timing differences, any actual savings/efficiencies had been made. The FD replied that efficiencies had been made in relation to void loss with better management of the void process, bad debts due to arrears management, higher interest received due to proactive treasury management activities, savings associated with overheads, etc. However, some savings were associated with economic assumptions in the budget versus reality, e.g. savings against loan interest was associated with lower LIBOR rates versus the projections. Under salaries, a saving has technically been made for a post that is in the budget but hasn't yet been approved to the structure, (Housing Assistant). The Director confirmed a move from printing tenant handbooks and issuing these electronically has also made savings re: printing and postage. This has already been done with the tenants' newsletter at a saving of £10k per year.</p> <p>The FD stated that the net worth of the Association had gone up by 13%, which is a good indicator of all round performance.</p> <p><b>Resolution</b></p> <p>The meeting approved the Quarter 4 Management Accounts and the carryover of budget to 2020/21, as detailed in appendix 2.</p>
6.2	<p><u>Treasury Management Report</u></p> <p>The Finance Director advised that the Association has just under £6M in the bank, however there were reasons for this high balance compared to the financial forecast. There is an amount of £423k that was paid to us from Inverclyde Council in March 2020, however this will be paid back to the Scottish Government in respect of the Kings Glen development, (HAG repayment). A £700k, 5-year loan has been received to support the smoke detector replacement project, however only £216k had been spent by the year end. There was also £705k of work being carried forward into the 2020/21 budget and £280k of capital expenditure being carried forward, e.g. on components. In addition, there were savings noted in the Management Accounts. The FD stated that the figure of just under £6M will reduce as programmes pick up again, hopefully going forward into September/October 2020. The Director advised that there will be critical issues in terms of our return to full service delivery. The return to office is scheduled for Phase 3 but other services will be permitted/feasible in Phase 2. The Director stated that presently there is</p>

no real clarity about going into tenants' homes which is an issue for our smoke detector and bathroom programmes. Only emergency work is being carried out at the moment.

The FD confirmed that the return for cash held had increased in 2019/20 to 0.91% from 0.78% last year, however from May 2020 the banks had provided notification of a drop in rates due to the low Bank of England Base rate.

The FD advised that the Association had recently secured a low fix rate of 0.77% for £1.8M of Nationwide's loan funding, when we previously paid 1.23%, with saving of over £100k projected against the February 2020 financial plan. It was noted that there were also two high fixed rates with Bank of Scotland and breakage fees had been requested. She confirmed that the breakage fees were quoted as circa £500k, however it may be worth taking this forward when current rates are so low and this would be financially appraised.

The FD advised that the report noted the total value of loans outstanding was £13.99M at the end of March 2020, however the LD2 smoke detector loan funding had been omitted in the report, therefore the total loan value was actually £14.69M. The FD confirmed this had been updated in the report and this could be re-circulated as a version 2, however the Board agreed to note this in the minute as an amendment.

The FD stated that the Treasury Report reflected a full year of activity, (2019/20) and the next Q1 2020/21 report will not be as long, focussing only on Q1 activity.

The Director advised that the Finance Director had been working on a revised 2020/21 Budget and 30 Financial Plan to reflect the impact of Covid 19 and the 2019/20 financial out-turns and suggested a separate meeting is held in July 2020 to review and approve the revised budget. The FD confirmed this information would then be issued to the SHR re: the 5 Year Financial Return.

### **Resolution**

The meeting noted the report.

The Finance Manager left meeting at 6.22pm

## **7. Corporate Services Manager Report**

The Corporate Services Manager (CSM) advised that her report dealt with the human side of the Covid pandemic. The emphasis here was the concern for staff who were feeling isolated as they worked from home whether they live on their own, have young children or were shielding. She stressed that it is important for Cloch to maintain contact with all staff whether working from home or furloughed. The CSM stated that all staff who had been on the rotation of furlough will all be back as of Monday 1 June. This now only leaves a Property Assistant, our 2 Modern Apprentices and our Housekeeper who are still on furlough.

The CSM informed the meeting that a change to the message on our answering machine has allowed an easier platform for our customers to get in touch with us and this has been a success as more customers have left us a message. We are also hoping to introduce a 'hotline number' for our more vulnerable tenants. This will allow them to call this number and be linked directly to a member of staff.

Staff meetings will be resuming next week via Zoom on the normal split basis. Some staff will attend on the Tuesday afternoon and some on the Thursday afternoon. This will be good for catching up with our colleagues who are not in our own sections.

One of the furloughed members of staff who is coming back next week has requested to work from the office. This staff member does not have a work pc/laptop or iPad and would find it difficult to communicate effectively from home. Their role is also one of having a high office-based profile. A personal risk assessment has been done today and will be signed off by them before they enter the office. This RA includes ensuring the staff member will be safe, hygiene to be maintained, PPE supplied and social distancing to be maintained at all times. Other staff members are coming into the office to collect PPE, collect keys and scan paperwork. A system has been put in place to alert one another to who is in the office.

A "Return to Office" working group is being set up to look at what needs to be done before we can return to the office. This will be reported back to Board meetings as it develops.

The CSM advised that all the processes that were put in place, in a very short space of time, to allow working from home has proven invaluable as it was a very stressful time. Cloch has been managing staff mental health as best as we can under the circumstances and this seems to have paid off as we have no staff off on sick leave at the present time.

The CSM stated that our 'Wider collaboration with Community Links has been a real success story. Cloch managed to get £47k of funding which will be used for the following projects (storybooks & activity packs for 150 children, budget cookbook, wifi dongles to assist children to access school study websites – this will be done via Belville Community Gardens, food vouchers for households with under 5's for HomeStart Inverclyde). Belville Community Gardens have messaged us to say how much this means to them. They can now complete their project with IT equipment/website access for children.

The CSM advised that our Board Induction is now going electronic and is being digitised presently. The attached appendices to the report show how this will look. Each part has a short, one-page introduction with information notes and a jargon buster. Sitting alongside this is a set of videos so that the user has the choice of reading the information or listening to the video. A Board member stated that they had to set up a Google Account to view this. The CSM stated she was not aware this was a requirement and will investigate this. The Director advised that he thought it was looking good and innovative. The CSM stated that it will take some time to roll this out for all the departments but was pleased with how it had turned out. The CSM hoped to have it ready by the Board meeting on 9 June to promote it.

The CSM advised that the Association had received its review regarding the Investors in Young People (IYYP). The Association is on course for the Gold Accreditation if we keep the momentum up. The reviewer was delighted with the progress we had made on this. The Director stated that we will use the review on how to tailor the Modern Apprenticeships in the future. We may look at extending the period from 18mths to 2 years. It has been proven that MA's learn and understand more in the 2<sup>nd</sup> year. It will also be a sounding base to prepare them for work. The Association needs to work on its 'softer skills' called Meta Skills and also on 'emotional intelligence'.

#### **Resolution**

The meeting noted the report.

#### **Action**

The CSM to investigate why the digital Board Induction asking for user to create a Google Account.

8.	Policies
8.1	<p data-bbox="220 210 536 241"><u>Flexi &amp; TOIL - Review</u></p> <p data-bbox="220 282 1485 353">The meeting had been circulated with a copy of the reviewed policy. There were only a few minor changes.</p> <p data-bbox="220 394 1485 465">The CSM advised that the use of flexi and TOIL was currently suspended due to the pandemic.</p> <p data-bbox="220 506 389 537"><b>Resolution</b></p> <p data-bbox="220 577 836 609">The meeting approved the reviewed policy.</p>
8.2	<p data-bbox="220 685 657 716"><u>Young Person Strategy – New</u></p> <p data-bbox="220 757 1485 976">The CSM advised that this policy encompasses young people in general; not just for our Modern Apprentices. The policy embraces the philosophy of the IYYP and is for any young person up to the age of 28 and includes our permanent staff who come under this category. The strategy and action plan gives the Association a focus on how to build on our relationships with young people using our ‘growth mindset’ skills to help develop our young people.</p> <p data-bbox="220 1016 389 1048"><b>Resolution</b></p> <p data-bbox="220 1088 992 1120">The meeting approved the new policy and action plan.</p>
8.3	<p data-bbox="220 1200 641 1232"><u>Domestic Abuse (staff) - New</u></p> <p data-bbox="220 1272 1485 1451">The CSM advised that the Association had recently approved a Domestic Abuse Policy at the Housing &amp; Property Services Sub-Committee. The Association has signed up to pledges in taking a stand against domestic abuse for our customers. This has been driven by the need to protect our customers (eg someone in a joint tenancy who is suffering from domestic abuse).</p> <p data-bbox="220 1491 1485 1599">The CSM stated that to adapt the policy for staff ensures that the workplace will be a safe and confidential place for a staff member who is a victim of domestic abuse to be able to report this. The policy sets out how we will treat this and what we can do for them.</p> <p data-bbox="220 1639 1485 1747">All staff will be given training on this new policy and those that become the ‘champions’ will be given more in-depth training. The CSM advised that she will be one of the ‘champions’.</p> <p data-bbox="220 1787 1485 2007">A Board member commented that they had not realised the policy would be linked to Cloch’s discipline procedures if a staff member was found guilty of perpetrating domestic abuse. The Director responded by stating that domestic abuse allegations would be treated in the same manner as any other serious assault. The Association would want to know about it and take a stand on this. He hoped that the chances of having to invoke it would be very slim.</p>

	<p><b>Resolution</b></p> <p>The meeting approved the new policy.</p> <p><b>Action</b></p> <p>Amend the typo – ‘domestic abuser’ to domestic abuse.</p>
<b>9.</b>	<b>Staff Re-Grading</b>
	<p>The Director advised that the post of IT Assistant (EVH Grade 4) has developed significantly since it was created. He stressed that it was the post that was being re-graded not the person in the post.</p> <p>The Director advised that our IT costs are split 50/50 with ourselves and Oak Tree Housing Association and they have given their support of the re-grade and the costs associated with this. The Director intimated he was supporting the re-grade. He advised that during the recent lock-down one of the servers went down. The ICT Manager was on leave and the post-holder stepped up to the challenge, went to the office, got the server up and running, ordered the part required and kept communication open and concise with both organisations on all steps of the issue. This was just one example of the increased level of responsibility that the post has developed.</p> <p>A Board member stated that they had felt the post should have been re-graded at the time it had become permanent and was wholly supportive of it now.</p> <p>A discussion took place about re-grading of posts in general. Questions were asked about staff who perform out with their grading, over-qualified, professional qualifications or asking for financial rewards and how will this be dealt with. The Director responded by advising that all staff have had their job descriptions reviewed in the last 3 years (with the exception of him) and any re-grading is evaluated. A sound rationale for any re-grading must be evident. The Association also used the services of Employers in Voluntary Housing (EVH) our external agency to look at certain re-grading requests to ensure fair and equal practices. It was also noted that costs for re-grading must fall within our budget parameters. It was acknowledged that, in some instances, financial rewards will only be achievable for staff outwith the organisation by seeking a different role. Similarly, staff who consistently over-perform for their grade will be recognised through our own acknowledgement and appraisal of their work.</p> <p>The Director concluded the discussion by stating that the Association operated in a manner consistent with the guidance set out by EVH but acknowledged that there is a lot of variation within the housing sector and for some staff the only option for financial reward will be to seek employment elsewhere. He further advised that Cloch has worked hard to get its staff overheads to a place that is very reasonable compared to other housing associations.</p> <p><b>Resolution</b></p> <p>The re-grading of the IT Assistant post to EVH Grade 5 was approved.</p>
<b>10.</b>	<b>Westfield Health Scheme</b>

	<p>The CSM advised that this was the annual breakdown of the usage of the health scheme the Association offers its staff. The benefits help to keep staff health to keep them in work as opposed to going off on sick leave. The counselling service access is of particular use especially in these stressful times.</p> <p>A Board member enquired if more of the staff use all the benefits does the cost to the Association increase. The CSM replied it did not.</p> <p><b>Resolution</b></p> <p>The meeting noted the report.</p>
<b>11.</b>	<b>Health &amp; Safety</b>
	<p>The CSM advised that there were only minor changes to the updates and these were noted within the report.</p> <p><b>Resolution</b></p> <p>The meeting noted the report.</p>
<b>12</b>	<b>AOCB</b>
12.1	<p><u>Factoring</u></p> <p>A Board member enquired if it would be useful to have a 'sinking fund' for factoring to take fees up front. The Director replied it was something he would have liked to have in place but unfortunately it is very difficult to set this up with current owners and even with new owners, it can be some time before the Association are notified of change in ownership.</p> <p>There being no other business the meeting closed at 7.04pm.</p>
<b>13.</b>	<b>Date of Next Meeting</b>
	<p>The date of the next meeting is 27 August 2020.</p>