

List of Signatures

Page 1/1



Minutes_Board_310821.pdf

Name	Method	Signed at
Brian Corrigan	One-Time-Password	2021-11-25 11:20 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: B505536774034A80904EC697990C8BA2

Board

Tue 31 August 2021, 18:00 - 20:00

via Zoom

Attendees

Board members

Brian Corrigan (Chair), Heather Thomson (Secretary), Kelly Ferns (Board Member), Ken Robertson (Board Member), David Brown (Board Member), Eleanor Robertson (Board Member), June McIntosh (Board Member), Paul McVey (Director), Liz Bowden (Corporate Services Manager), Paul McColgan (Property Services Manager), Kes Cameron (OTHA Finance Manager), Shonaid Musgrove (Corporate Services Officer (Minutes)), Patrick Marshall (Observer), Philip Morrice (Auditor (Alexander Sloan)), Sean Marshall (OTHA Senior Development Officer)

Absent: Susan Skelton (Board Member), Julianne Scarlett (Vice Chair), Jackie Smith (Board Member), Alan Hutchison (Board Member), Eileen Tamburrini (Board Member)

Meeting minutes

1. Apologies & Declarations of Interest


Information

Chair

Apologies had been received in advance of the meeting from E Tamburrini, S Skelton, A Hutchison and J Scarlett.

The Chair welcomed to the meeting Patrick Marshall who was observing the meeting; with a view to possibly joining the Board at a later date.

There were no declarations of interest registered.

 00 - Agenda.pdf

2. Annual Accounts *



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

2.1. Presentation by Auditor

The Finance Manager introduced the Phil Morrice, our auditor from Alexander Sloan to the meeting who would be making the presentation.

It was advised that this report is compiled for the benefit of the members of the Association. The first part of the report detailed the Board members and Executive Officers of the Association as well as a review of the business purpose and content of Cloch's activities. The next part (a standard template) deals with the responsibilities of the Board, the legal status, statement of concern and a statement of internal financial control. This is required of all Registered Social Landlords (RSL's). The Board need to acknowledge their financial controls.

Page 9 of the report details that what they found during the audit is consistent with the statement of internal control and this is the case at Cloch. Page 10 is a radical change to how things have been reported in the past. The Auditor is now required to give a more in-depth opinion that the financial statement gives a true and fair account of the Association's affairs. The auditor could confirm that there was nothing untoward to report to the members at the AGM and the accounts reflect the information that has been provided.

Pages 12 & 13 are new parts to the audit and look to ascertain to what extent the audit was considered capable of detecting irregularities including fraud. It sets out how the auditors assess the risk and any non-compliances. This is far more expansive than previous audits as it is tailored to suit each audit and no longer just a standard template. It also addresses what the inherent limitations of the audit are. For example, fraud by its very nature is by concealment and/or collusion and therefore difficult to detect.

Page 14 details the statement of comprehensive income which aligns to the Management Accounts that the Board get presented with.

The auditor took the meeting through the following areas:-

- operating surplus
- gain on sale of housing stock
- interest rates
- pension scheme (was a pension surplus in 2020 but now a pension liability)
- surplus for the year
- net assets
- creditors

The auditor advised that Page 16 dealt with the statement of cash flows that shows how the money comes into the Association and how it is spent.


A Board member enquired how did the pension status change so drastically. The auditor replied that main reason was the impact of the pandemic and actuarial valuations. The Board was advised that historically the pension sits at a deficit until the assets are sufficiently built up to off-set this. Last year the pension scheme was valued at 31 March 2020 which was a very volatile time in terms of the changes in stocks and bonds due to the pandemic and the assets were valued at a very high amount where it was invested. However, this was a very temporary situation and it has reverted back to a deficit position which is where it normally is. The Board member enquired if all the staff are on a final salary scheme. The Director replied that they are not, and some are on CARE schemes, whereas others, newer members of staff are on Defined Contributions. The Board consider options when the pension is reviewed every 3 years in terms of the offer to employees.

There were no further questions on this.

Resolution:

The Accounts were proposed, approved and seconded and would be presented to the AGM in September.

 02.1 - Q4 Mgt Accs to Annual Accounts Reconciliation.pdf

 02.1.1 - Cloch Accounts.pdf

2.2. Management Letter from Auditors

The auditor advised that, whereas the audit report is for the members, the Management Letter is for the Board. This report looks at responsibilities, fraud, scope of the plan and ethical assurance. It also addresses if there were risks identified and how they will be resolved.

The auditor could confirm that there were no issues.

One observation noted referred to share capital and the £1 fee payment being made in advance prior to certificates being issued. Issues had arisen during the pandemic about how to make the £1 payment. This can be done now via an electronic banking method.

The Finance Manager could confirm that all payments were received and will ask for them to be made electronically going forward.




This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

Resolution:

The Management Letter was proposed, approved and seconded.


 02.2 - Management Letter.pdf

2.3. Response to Management Letter

The Finance Manager confirmed that the only comment made was in regard to the Share Capital issue whereby electronic payments would be encouraged.

Resolution:

The Board noted this.

 02.3 - Management Letter Response.pdf

Discussion

Finance Manager

2.4. Letter of Representation

A Board member commented that reference is made to the "Management Committee" whereas it should refer to the "Board". The Finance Manager advised this will be amended and re-issued.

ACTION:

To replace "Management Committee" with "Board".

RESOLUTION:

The Board noted the above.

 02.4 - Letter of Representation.pdf

Discussion

Finance Manager

2.5. Agreement to Appoint Auditor at AGM

The Finance Manager was asked if this was presented to the AGM and replied it was. The Director advised that auditor appointments were made via our usual procurement methods on a 3-year appointment with the option of extending this by a further 2 years. The appointment is still required to be put to the AGM on an annual basis for the members to vote on.

There were no further questions for the Phil and he left the meeting at 6.30pm.

Resolution:

The Board noted the above.

Discussion

Finance Manager

3. Minutes of Board Meeting held on 20 July 2021 *

Board member, Eleanor Robertson, advised that they were down as an attendee and also as having submitted apologies. They advised they had not attended the meeting.

Action:

To remove E Robertson from the list of attendees.

Resolution:

The Minutes were proposed, approved and seconded as being a true record of the meeting.

 03 - Draft Minutes 20 July 2021.pdf

Decision

Chair

4. Matters Arising/Outstanding Actions **

- Global Action Plan set up.
- Intranet almost complete; and will be tested shortly.
- Virtual AGM in place and paperwork issued.
- Kings Glen will be discussed later on in the agenda.
- Summary Business Plan with the printers.

A Board member enquired if the AGM paperwork had been issued electronically. The CSM replied it had not; it was in paper form. The AGM will be held on a virtual platform. The CSM advised that the papers could be uploaded onto Admin Control for Board members use.

Action:

The CSM to upload the AGM papers onto Admin Control.

Resolution:

The Board noted the report.

 04 - Outstanding Actions and Matters Arising.pdf

Discussion

Director



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

5. Verbal Update from Sub-Committees **

Information

5.1. Housing & Property Services Sub-Committee - 19/08/21

Information

The Property Services Manager gave a resume of the items dealt with at the meeting:-

Property Services Manager

- statutory notice lifted in respect of water ingress at Belville Street;
- empty homes policy going out for consultation;
- Tenant arrears written off;
- Tender awards made;
- Housing Manager and Property Manager reports discussed;
- H&S implications discussed with office opened to the public;
- Next meeting likely to be in November.

Resolution:

The Board noted the verbal report.

5.2. Finance & Corporate Services Sub-Committee - 24/08/21

Information

The Director reported on this meeting and advised as follows:-

Director/Corporate Services
Manager

- an update from the ICT Manager on the ICT strategy was presented;
- the quarterly management accounts were reported on;
- policies were up for approval (fraud, recruitment, remote working, salary sacrifice) - these will then be uploaded onto the website;
- factoring status was reported
- reports from the CSM and Finance Director were presented.

The CSM advised that a question had been raised in relation to equalities and modern slavery and this will be investigated.

The Finance Manager stated that the meeting had discussed the additional £1.5m loan and LIBOR being phased out.

The Director advised that once the minutes have been prepared they will be submitted to the relevant Chair to review and will then be distributed to the members thereafter.

Resolution:

The Board noted the verbal report.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

6. Kings Glen Update **

Oak Tree Housing Association's (OTHA) Senior Development Officer (SDO) spoke to the report.

Discussion
OTHA Senior Development
Officer

- All plots had been handed over by 27 July 2021
- Issue with the Collateral Warranties remains outstanding. The solicitors involved have failed to reach agreement on the wording. It would have been preferable if a standard template had been agreed prior to start. As a result some monies have been held back but it is hoped this matter can be resolved in the next few weeks.
- Pedestrian gates and shut off fences have been installed and ironmongery completed.
- Contractor advised that a maintenance visit regarding the landscaping to all plots was taking place in mid-August using a sub-contractor. The sub-contractor was to supply a programme of works but this has not yet been received.
- Timber fencing at Block 2 now installed.
- Turfing inspection will commence in October.
- Footpath at Kilmacolm Road matter still to be resolved. It was not in a good condition when the contractor started but has deteriorated with the ongoing works. Dialogue continuing to see who is responsible for this.
- The SDO will be visiting the area soon to ascertain what items are still outstanding.


A query was asked if the contractor had completed their obligations regarding community benefits. The CSO confirmed that they had. The contractor had provided a cheque for £4k. The SDO will update their Benefits Register.

A discussion took place regarding the status of the footpath at Kilmacolm Road and the Collateral Warranties. OTHA will continue to discuss with Inverclyde Council and the contractor for a solution to the footpath. With the Collateral Warranties it could be that Cloch decide to concede on some trivial matters in order to seek a solution. The Director and SDO will look at this.


There were no further questions and Board Member, David Brown, and the OTHA SDO left the meeting at this point; 7pm.

Resolution:

The Board noted the contents of the report.

 06 - Kings Glen Board Meeting Report_August 2021_230821.pdf

 06.1 - Kings Glen, App 1.pdf

 06.2 - Jul 21_Cashflow Update 090821.pdf

7. AGM

The Chair intimated that the Vice Chair was stepping down from the Board at the Annual General Meeting (AGM) and the Association would be marking the departure with a suitable gift.

Information
Corporate Services Manager

The CSM stated that this will be another online AGM but that next year's should be hosted face-to-face. They also stated that if Patrick Marshall's membership application be approved a nomination form shall be required to be completed. The Director/CSM will speak to Patrick thereafter.

7.1. AGM Arrangements, Retirals & Letter of Compliance *

The CSM advised that retirals from the Board are based on the last time they were elected. They stated that if there are more nominations than places on the Board then a vote will be required. This would need to be in the form of a postal vote and this can be managed successfully if needed. The CSM informed the Board that 2 Board members are tied for re-election. It was noted that Kelly Ferns would be the Board member requiring to retire this time.

Decision
Corporate Services Manager

The CSM stated that the Secretary's Letter of Compliance had also been completed.

A Board meeting will take place immediately after the AGM as standard. This will be to elect the Office Bearers. The CSM asked the Board to consider if they wished to stand for any positions to let them or the Director know.


The Landlord's report will go out with the Annual Report.

A Board member queried whether they have to stand down now as they thought they have been on the Board for 9 years. The CSM replied that this had been checked and they and 1 other Board member may have to stand down next year. The Director stated that Board members can stay on longer if they fit certain criteria such as (a) they are keen to remain on the Board, (b) the Board wish them to remain and (c) they have skills that are desirable.

Resolution:

The Board approved the arrangements in place for the AGM.

 07.1 - AGM Arrangements and Retirals.pdf

 07.1.1 - AGM, App 1 - Compliance by Secretary.doc.pdf



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

7.2. Approval of Membership Application *

The Board were presented with the membership application from P Marshall.

Resolution:

The membership application was proposed, approved and seconded.

 07.2 - Application for Membership.pdf

Decision

Corporate Services Manager

7.3. Report on Revised Governance Policies **

The CSM advised that there will be quite a few policies coming to the Board in the next few months, following reviews by the Scottish Federation of Housing Associations (SFHA). These will be reviewed and personalised before consideration.

The Board were advised that the policies will come out prior to the meetings so that they have plenty of time to read them and make comment on.

Resolution:

The Board noted the report.

 07.3 Report on new Governance Policies.pdf

Information

Corporate Services Manager

8. Amendment to Nationwide Loan *

The Finance Manager advised that the original loan agreement was signed in 2003. In the Nationwide Loan Facility Agreement, (*dated June / July 2003*), when we sell our tranche of a Shared Ownership Property to a part owner we are due to repay any surplus from the sale to the loan balance outstanding – this is referenced in Clause 7 Pre-payment and also referenced in Clause 13 Undertakings of the loan agreement, (*referenced in: appendix 1*). However, several years ago we agreed with Nationwide that we would not repay any surplus received to reduce the loan value because the loan agreement does not release security, therefore the value of security held by Nationwide is high compared to the loan value, e.g. £1.8M loan value outstanding as at 30/6/2021 versus £10.9M value of security associated with 355 properties held by Nationwide. The agreement was made via emails and the documents being presented have been issued by Nationwide to formalise the agreement into the Loan Facility Agreement, at their request.

The Finance Manager advised that the key points to note were:


- the amendment letter;
- that the Director and OTHA Finance Director be given delegated authority to deal with this;
- detailed the specific wording to be entered.


The Director intimated that the amendment was about tidying up the loopholes to prevent the bank/lawyers from trying to renegotiate the loan.


In agreement with our Lawyers (BTO) and Lenders (Nationwide), please see the Appendix to the minutes, being a signed extract confirming the amendment to the Loan Facility Agreement.


Resolution:

The report was proposed, approved and seconded.

 08 - Cover Report Amendment to NW Loan Agreement.pdf

 08.1 - App 1) £3.7m Loan Agreement dated 2 July 2003.pdf

 08.2 - App 2) Amendment Letter - 1-7-21 reviewed by BTO.pdf

 08.3 - App 3) Minute of Meeting of the Board - Cloch Housing Association Limited (CLOCH 3 18).pdf

Decision

Finance Manager



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

9. Director's Report **

Discussion
Director

The Director's presentation was shared with the meeting. The following key points were noted:-

- Post-pandemic steps involved staff consultation - 60/40 hybrid working offered where it can work. Office opened to the public once more; Cloch first RSL in Inverclyde to do so.
- Acquisitions - budgets in place. Scottish Government will provide funding for 50% of the valuation (£360k). This will allow us to consolidate our ownership in areas where it has been difficult to carry out maintenance works. 15 owners have been contacted to determine interest in selling.
- Maintenance issues - This is a sector wide issue and not just a Cloch one. Work on reactive repairs is mainly good but performance in voids is poor. Contractor has also been taken over by McGills, and meetings are scheduled to discuss the implications.
- Board - Appraisals ongoing. AGM is on 23/09/21. GAP working group trying to meet in September. Hope to get annual statement to Board in October.
- Board Meetings - Hope to be back in the office for October meeting using the hybrid option.
- Employee matters - The new Property Services Officer and Housing Assistant are both now in post. The interviews for Housing Officer take place on Friday. Looking to do a joint venture with OTHA to offer a graduate apprenticeship within Finance (a 5-yr post).
- Afghan refugees - Inverclyde will be welcoming refugees and local housing providers will be meeting with Inverclyde Council to discuss housing availability. Cloch has intimated it could offer 4-5 properties.
- GWSF - Meetings taken place about recruiting and retaining Board members. Not an issue for Cloch presently.
- SHR - Regulator wanted to know if Cloch had suffered any issues since separation from OTHA. The Director will send them a copy of our recent Governance Review.
- SFHA Equalities -The Director and CSM will be meeting shortly to discuss this.
- Cloch+ Furniture Proposal -Report will be put to the October meeting with a view to start the project in April 2022.

The Director advised that a discussion with some Board members on a suitable gift for the Vice Chair who is resigning will take place. The aim is to have it sent to her before the AGM so everyone can say goodbye at this point.

Resolution:

The Board noted the contents of the Director's report.

 09 - Directors Report.pdf

10. Governance Review 2021: Report & Recommendations *

Decision
Director

The Director's presentation was again shared with the Board. The Director and CSM had worked their way through the table of recommendations from the Governance Review. They had inserted whether they had agreed with the recommendation or not.


The Director asked the Board if they wished to discuss the comments made in the review. The general consensus from the Board was that the comments looked fine.

The Director mentioned that a discussion had taken place at the Finance & Corporate Services Sub-Committee (F&CS) about the composition of the sub-committees going forward. A proposal had been to join Corporate Services with Housing and Property to create an "Operational" sub-committee. However, a Board member had commented that it could prove difficult to recruit members to a Finance & Audit sub-committee. The Director advised that the Leadership Team have no preference either way and would leave this to the Board. Some Board members wondered if this "operational" sub-committee would then be too long and felt that the existing F&CS was a good fit.

Resolution:

The Board proposed, approved and seconded the Table of Recommendations in the Governance Review.

 10 - Governance Review Final Report and Recommendations.pdf

 10.1 - Governance Review Table of Recommendations Appendix 1.pdf



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

11. Performance Report: Quarter 1 **

The presentation on this was shared with the Board.

- The Risk Map was not part of this presentation as it was being reviewed
- Voids figure not good but issue with contractor has been explained earlier.
- Non-technical arrears still very low which is good.
- Anti Social case completions not as good as last year but can be attributed to (1) lack of home visits and (2) response times been tightened so makes it harder to achieve.
- Emergency response times good but non-emergency ones not (mainly due to Covid backlog).
- Absence figures not as low as would have liked due to a couple of long term absences and a couple of Covid cases that have occurred.
- Some Finance targets have been amended.
- Board attendance continues to be really good. The Director thanked them for their attendance.


The Director spoke to the Board about Risk Management. He advised that the Association had been provided with a matrix to use; this differed from our existing one. It became apparent that this was not a quick exercise and to do it justice the Director has taken the decision to start afresh on this task. The 3 risks identified as the most significant ones are:-

- contractor performance
- availability
- cost

Other risks identified are procurement, EESSH2 and Kings Glen.

Resolution:

The Board noted the contents of the report.

 11 - Performance Report Q1.pdf

 11.1 - KPI Report 2021 2022 Quarter 1.pdf

12. AOCB & Reflections on Meeting **

The Property Services Manager wished to thank Board member, K Robertson, who had helped him with a piece of work the previous week.

The Director asked if the Board had any comments to make under "reflections". They noted that this agenda had been a particularly heavy one.

A Board member enquired if it was possible for a break during presentations for members to ask any questions. They stated that sometimes by the end of the presentation they have forgotten what they wanted to ask; especially if it is a long presentation. The Director agreed that this could be done.

Actions:

Have a break/pause during presentations for question time.

Resolutions:

The Board noted the above.

13. Date of Next Meeting

13.1. Meeting after AGM - 23 September 2021

13.2. Board Meeting - 12 October 2021

Kelly Ferns put in apologies for this meeting

There being no other business the meeting closed at 8.05pm.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2

14. Appendix 1 - from agenda item number 8

EXTRACT of the MINUTES of a MEETING of the BOARD

of CLOCH HOUSING ASSOCIATION LIMITED

held on 31 August 2021

Appendix to the minutes of a meeting of the board of Cloch Housing Association limited held on 31 August 2021 for item 8.

£3,732,000 Loan Facility Agreement (the "Facility Agreement") between Cloch Housing Association Limited (the "Association") and Nationwide Building Society ("the Lender")

1 It was reported that the meeting of the Association's Board had been duly convened and that a quorum was present.

2 The following document, in connection with the Association's borrowing arrangements with the Lender was produced to the meeting, substantially in final form:

Amendment Letter between the Lender and the Association in terms of which the Lender agrees to make certain amendments to the Facility Agreement in connection with the prepayment provisions contained in it ("**Amendment Letter**").

3 It was reported to the meeting that entering into the Amendment Letter would not breach the rules or any existing contractual or statutory obligations of the Association and that the Association was fully empowered to enter into the Amendment Letter and to perform its obligations thereunder.

4 The Board, having reviewed the advice of the Finance Director on the financing arrangements for the Association, considered that:

4.1 the terms of the proposed Amendment Letter were in the interests of the Association; and

4.2 the terms of the Amendment Letter were reasonable having regard to the status of the Association as a charity and a registered social landlord.

5 The Board RESOLVED:

5.1 that entering into the Amendment Letter is consistent with the Association's borrowing strategy and that the Board considers that entering into the Amendment Letter is in the best interests of the Association;

5.2 that the Association be authorised to enter into the Amendment Letter and that the terms of the Amendment Letter be approved;

5.3 that the Amendment Letter be approved in substantially the form of the relevant draft presented to the meeting with such amendments as the Finance Director shall in her discretion approve;

5.4 that the Finance Director be and is hereby authorised to agree the final terms of the Amendment Letter and any other document which she considers necessary or desirable in connection with the entry by the Association into the Amendment Letter, with such amendments as she shall approve;

5.5 that the Director and/or the Finance Director be and is hereby authorised on behalf of the Association to execute the Amendment Letter and any other document which is required to be executed pursuant to the Amendment Letter, which documents shall be either sealed or witnessed as appropriate, and registered in the Association's books;

5.6 that the Director and/or the Finance Director be and hereby is authorised on behalf of the Association to execute, despatch and deliver any other documents, notices, letters or other communications and to perform all matters, acts and things which such person in his absolute discretion deems to be necessary or desirable in connection with the Amendment Letter.

CERTIFIED A TRUE EXTRACT of the Resolutions of the Board of Cloch Housing Association Limited, none of which have been rescinded, revoked, varied or amended in any way.

Signature:

Date: 15/9/21

Name (in block capitals): BRIAN CORRIGAN

Designation: Chair



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:

B505536774034A80904EC697990C8BA2