

John
123/09/24

Cloch Housing Association

Minutes of Finance & Corporate Services Sub-Committee Meeting held on Tuesday 27 February 2024 at 6pm via Hybrid (Cloch Office and MS Teams)

Present: Ken Robertson (Chair)
(On MS Teams) David McIndoe (Vice Chair)
Kelly Ferns

Attending: Kristina Thrush (Depute Chief Executive Officer)
(In Office & Carolyne Swinney (Corporate Services Assistant, Minute Taker)
on MS Teams) Ewan Barr (ICT Manager)

1.	Apologies & Declarations of Interest
	<p>The Corporate Services Assistant (CSA) confirmed apologies received from E Tamburrini and J Smith.</p> <p>A Durnin, CEO also put in apologies.</p> <p>There were no declarations of interest.</p>
2.	Minutes for Approval
	<p><u>05 December 2024</u></p> <p>Members were asked if they had any queries or amendments to the minutes. There were none.</p> <p>RESOLUTION</p> <p>The Minutes were proposed by K Ferns, seconded by D McIndoe, and approved as a true record.</p> <p>ACTION</p> <p>Minutes to be sent for signing to Sub Committee Chair, K Robertson.</p>
3.	Matters Arising & Outstanding Actions
	<p>The Chair took the meeting through the actions that remain outstanding. It was noted that a few actions ongoing and that the actions marked as complete would now be removed.</p>
	ITEMS FOR APPROVAL
	New Policies/Policy Reviews
4.	<u>Minute Taking Protocol</u>
	<p>The CSA discussed the Corporate Services Officer's (CSO) covering report, changes, and the Scottish Housing Regulator (SHR) guidance.</p>

There were some guidelines and recommended practices within the Policy and SHR document that have not been adopted by Cloch. These were:

- Draft Minutes sent to the Chair within 1 week. This was due to workloads/resources within the Corporate Services team and the closeness of meetings. This will be reinstated as soon as resources permit.
- Naming of individuals who have proposed and seconded items. A previous Chair asked for this to be removed to protect Board members as Minutes are uploaded onto our website. Given regulatory guidance it was being recommended the Board revisit this decision and consider reinstating the process whereby specific proposers and approvers are noted in the Board minutes.
- Listing/identifying co-optees on the Minutes. This had lapsed but will be reintroduced.
- The Board had asked for Finance & Corporate Services sub-committee minutes to be removed from the website with only Board and other sub-committee minutes uploaded. Given regulatory guidance it was recommended the Board revisit this and consider reinstating the publication of these minutes. Such minutes could be abbreviated or redacted to maintain confidentiality.

The CSA confirmed that the actual changes proposed to the Policy were minor amendments such as changing "Director" to "CEO" and also removing potentially real names such as "John Smith" to "John Doe."

There were comments from the Sub-Committee, these were:

- Redacting minutes is important, and the Sub-Committee could understand why previously naming individual members was removed as they could be called out by tenants.
- Important things are discussed like rent increase, and if redacting then would need to see if specific wording could be used.
- It was noted that the Sub-Committee are open and transparent in meetings.
- Other Housing Association do not use names in their minutes.

The Depute Chief Executive Officer (DCEO) discussed and explained the importance of having names on actual/formal minutes to evidence good governance, but these could be redacted before publishing externally, however, Board Members are already noted on the website.

RECOMMENDATIONS

The Sub-Committee were requested to review the policy and consider:

- reinstating the process of specifying proposers and approvers in minutes,
- revisit the decision to remove Finance & Corporate Services Sub-Committee minutes from the website (potentially abbreviated or redacted to maintain confidentiality), and
- approve the changes to the Minute Taking Protocol Policy.

	<p>The Sub-Committee members confirmed that they had no issues with their names being included within the minutes of this Committee, which would start from tonight, but asked that this matter be taken to Board to confirm if names should be noted and published for Board and other Committees.</p> <p>ACTION Raise this at the next Board meeting about using member names being noted and published in all Board and Committee minutes.</p> <p>RESOLUTION The Minute Taking Protocol Policy was proposed by K Ferns, seconded by D McIndoe, and approved.</p>
5.	<p><u>ICT Disaster Recovery (DR)</u></p> <p>The ICT Manager discussed their covering report and updated Disaster Recovery Plan. The plan had been updated to include new servers, updates to the network diagram, updates to the Leadership Team members. An appendix also had been added which provided the results of the annual ICT (Information and Communication Technology) Disaster Recovery Test.</p> <p>The ICT Manager confirmed DR can all now be performed remotely and staff don't need to go to [REDACTED]. The process has been tested by the Modern Apprentice (MA) who carried out the recovery, followed the plan, got the servers back up and running successfully.</p> <p>In the DR test, it only took 1 hours and 26 minutes to have everything up and running. This was carried out in a controlled environment and could be longer in an actual incident, but it proved the plan, the documentation, and the systems all work well.</p> <p>The key changes were:</p> <ul style="list-style-type: none"> • Update to section 5 & 9 with the new key personnel and remove personnel who had left. • Update to section 7 with the addition of new servers added to the backup strategy, due to the replacement program in summer 2023. • Add Appendix D with results of the annual ICT Disaster Recovery Test. <p>The Sub-Committee had some comments and questions. These were:</p> <ul style="list-style-type: none"> • Sections 5 & 9 to be updated with current DCEO, and previous one to be removed. • In relation to the IT Support – what happens if they go bust. <p>The ICT Manager confirmed that they would amend Sections 5 & 9.</p> <p>In relation to the IT Support, the ICT Manager confirmed that if this was to happen, they could still do everything in-house whilst procuring for another company to provide external IT support.</p>

	<p>The Sub-Committee wanted to pass on a 'well done' to the MA. The ICT Manager said they would.</p> <p>RECOMMENDATIONS</p> <ul style="list-style-type: none"> The Sub-Committee were asked to approve the updated ICT Disaster Recovery Plan. <p>ACTION</p> <p>ICT Manager to update Sections 5 & 9 with current DCEO and previous one to be removed.</p> <p>RESOLUTION</p> <p>The ICT Disaster Recovery Policy was proposed by K Ferns, seconded by D McIndoe, and approved.</p>
6.	<p><u>Social Media</u></p> <p>The ICT Manager discussed the covering report and changes to the Social Media Policy. The Policy aimed to assist the Association's Board and staff with managing and maintaining a positive social media presence. Social media plays a greater role within the online or digital world and provides a platform for businesses to connect with their customers.</p> <p>The ICT Manager explained that the IT Assistant worked on the Policy as part of their development. The ICT Manager said that they are thinking about re-working the Policy and take into account all digital media now widely used.</p> <p>The key changes were:</p> <ul style="list-style-type: none"> Rewording of various points within the Policy <p>The ICT Manager asked if there were any questions or comments: These were:</p> <ul style="list-style-type: none"> It is a good idea to re-work the Policy which would include text messages etc. The digital world is evolving all the time and can be used for the wrong reasons. On the Policy, cannot see 'WhatsApp' being mentioned. <p>The ICT Manager, clarified the following:</p> <ul style="list-style-type: none"> A Communications Policy would be better and could include digital. Artificial Intelligence (AI) has been mentioned and the question was asked if it was being used. The Association does not currently use AI; however, we would be looking to include AI in the Acceptable Use Policy. In relation to 'WhatsApp' this is covered within the Association's Acceptable Use Policy. <p>RECOMMENDATIONS</p> <ul style="list-style-type: none"> The Committee are asked to approve the Social Media Policy.

	<p>RESOLUTION</p> <p>The Social Media Policy was proposed by K Robertson, seconded by K Ferns, and approved.</p>
7.	<p>Management Accounts – Quarter 3</p> <p>The DCEO took the meeting through the Management Accounts, giving a presentation, and highlighted the key areas:</p> <ul style="list-style-type: none"> • Overall year to date surplus is £799.3k – a deficit of £66k below budget. • All lender covenants are satisfied with significant headroom. • Cash balances totalled £2.96m, down from the £3.33m as of 31 March 2023. This was mainly due to the repayment of funds drawn on the revolving credit facility post year end. • Other activities are reporting a surplus of £76.7k. This surplus is a contribution to staff costs through the Investing in Communities Fund and from the IT services provided to other Housing Associations. • Expenditure is below budget • Rental income is under budget due to flooding. • Service charges are higher, but not significant. • Income looking good. • Letting expense – Major repairs over previous years, levelling out with 4 to 5 suppliers, keeping costs reasonable. • Cyclical and Void Maintenance under budget. • Staff costs under spent. • Overheads – Computer maintenance is less than budget. There will likely be an underspend in this area at the year end. • Major repairs, investment in properties and acquisitions. • Other activities – IT service income with Oak Tree is on track and the Association had received a good level of grant funding, contributing to overheads. • All covenants have been achieved. The Association does not have a lot of debt (low gearing) so there is significant headroom, opportuning to secure additional funding. <p>In conclusion, the results to 31 December 2023 show a surplus of £799.3k against the budget of £868.9k, a small deficit against the overall budgeted position of £69.6k (8% below budget). However, all covenants have been met with considerable headroom.</p> <p>The DCEO asked the Sub-Committee if there were any questions pertaining to the report. These were:</p> <ul style="list-style-type: none"> • The Sub-Committee confirmed they liked the level of detail. • In section 5.2, in relation to the £64k disputed costs with [REDACTED] – it was confirmed that these funds had not been charged relating to liquidation.

- On the report, it might be good to have a scorecard, giving the big numbers. It was a big report to read so maybe a dashboard with key elements. Although a lot of reading, the report was very good, well done.
- Could highlight salient points.
- Members queried a potential typo in Section 7.2, regarding income overall which as appears to be out by £200k and queried the arithmetic in Section 8.3.

The DCEO:

- Confirmed that in relation to Section 5.2, the Association only pays for completed works, when paperwork is submitted. If [REDACTED] ever came back, the Association would dispute the value, but we have presently accrued for it in the accounts just in case. The monies have not been asked for.
- In relation to Section 7.2, the figures on the presentation were the correct ones.
- For Section 8.3, the DCEO clarified this was the 31% of £760k, the assets are only 31% and has gone down quite a lot.
- The Association has 2 types of sundry vatable income which are getting close to the level of turnover where they would need to register for VAT. Registration will increase the costs to customers ([REDACTED] and factored owners). This is being looked into with the possibility of setting-up a new subsidiary to split the income considered. Additionally, the CEO has been speaking with our External Auditors, [REDACTED] about this and other potential solutions.

The VAT led on to a discussion about the pros & cons, and insuring we carry out due diligence. The question was asked if [REDACTED] is VAT registered; in which it was sure they were.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] It makes sense to work with other Housing Associations. Our IT service has added value to our organisation and could offer a portfolios of the IT services to support management committees of other organisations.

RECOMMENDATIONS

The Sub-Committee were requested to:

- Note the outcomes of the performance against budget.
- Approve the Management Accounts.

RESOLUTION

The Quarter 3 Management Accounts were proposed by D McIndoe, seconded K Ferns, and approved.

8. ICT Strategy 2024-25

The ICT Manager discussed the ICT Delivery Plan which covered the period April 2024 to March 2025, outlining the ICT needs of the Association, defining the vision and overall direction for the deployment and development of ICT capabilities.

The ICT Manager explained that this contained a lot of information, but this document was the key driver of the vision for IT for the Association.

Key Areas were:

- 3.1 (Secure Environment) – This will always be included within the strategy. IT security is of fundamental importance to any IT system, Security Awareness Platform has been procured which provides training and guidance to staff, multi factor authentication is used and security awareness is raised with staff. The more staff can be educated, then risk can be mitigated.
- 3.3 (Multifunction Device Contract Procurement). Individual procurement, looking at Corporate Services to see if both printers needed. Current company is great.
- 3.8 (CX Feedback) - This software has noted a marked improvement in tenant feedback, it is a lot better, reaching more tenants and information we get back is allowing the Association to target an area with a chance to make good on that. Feel there is a lot more to come from that. New housing management system has been put back. This will not affect CX software as it can integrate with other systems. It is future proof software.
- 5 (Policies & Procedures) IT are responsible for the delivery their own departmental policies and procedures, and also contribute to those within the wider business.
- Appendix 4 would like to have this as part of the document as it is reviewed yearly. Gives assurance that things are being done and mitigate any risk to the Association.

The Sub-Committee had a couple of questions and comments. These were:

- The report read well, was very thorough and an excellent job on keeping the Association and Board on track.
- They liked the terminology of a Companion Document.
- A new Housing Management system will be a huge project, would need to be planned and resourced correctly. Managing and delivering this could take longer than anticipated.

The ICT Manager explained that they had already spoken with another Housing Association about a new Housing Management system. They know what is out there and what the Association needs to do. We are speaking to a consultant which will hopefully mitigate some of these risks. Also, we anticipate having a secondment of staff to work on the project. A key factor to success will be the involvement of staff who will have the opportunity to significantly shape can drive the implementation. Their involvement is essential to ensure the new system works well, is fit for purpose and that it is tested effectively to ensure it works as effectively. what is good and what is not by spending time on testing, The ICT Manager is already preparing the steps to take this project forward.

RECOMMENDATIONS

The Sub-Committee were requested to:

- Approve the ICT Strategy 2024-25.

RESOLUTION

	The ICT Strategy 2024-25 was proposed by K Ferns, seconded by D McIndoe, and approved.
	ITEMS FOR NOTING
9.	Treasury Management Report
	<p>The DCEO discussed the Treasury Management Report. The purpose of the paper was to provide the Sub-Committee with an update on the Association's position as of 31 December 2023. Key points were:</p> <ul style="list-style-type: none"> • £2.96m of cash held in the bank accounts. • The return on cash held was 0.97% versus 0.49% last year. • £11m of long-term loans are outstanding, with an average mortgage rate of 4.33% applicable, versus 3.98% last year. • Covenants are in place with the various banks, all of which have been achieved. • Cash is held in bank accounts with sound credit ratings. • Our Treasury Management policy stipulates that no one institute should hold more than 75% of funds, with [REDACTED] holding the highest percentage at 64%. • 99% of cash held is on instant access and this is sufficient to cover the working capital requirements, (operational activities). • Loan funding from the revolving loan facility can be drawn down with 2 days' notice to [REDACTED] to boost cash balances. • The risks of further interest rate rises and access to funds are mitigated by the high proportion of loans on a fixed rate basis, funds held at instant access and the revolving credit facility with £6.3M available at 2-days'notice. <p>The Sub-Committee had a couple of questions and comments. These were:</p> <ul style="list-style-type: none"> • It is a volatile market and hard to gauge. • It was noted that the Sub-Committee really liked the appendices. <p>The DCEO explained that the Association's accounts are currently only generating a small amount of interest on surplus cash held. They are currently investigating how this can be improved. Interest payable on loans is at a reasonable rate and debt per unit is low with significant headroom.</p> <p>RECOMMENDATIONS: The Sub-Committee were asked to note the Treasury Management position as at 31/12/2023 and details contained within the Report.</p> <p>RESOLUTION The Treasury Management Report and position were noted.</p>
10.	Audit Planning
	<p>The DCEO gave a verbal update on the external audit plan which had only been received that day. The Association had gone through a period where they had extended using the current auditors.</p> <p>The current auditors were looking to increase their fee to £12k going forward. Reason for this is because the Association's current fee of £8k is below added value. The DCEO</p>

	<p>explained that looking at other similar sized organisations, £12k was reasonable and the Association should proceed for another year.</p> <p>The DCEO also confirmed that the Interim Audit has finished, and the field work will start again in June this year.</p> <p>The risk the DCEO noted was the Staff Structure Refresh. In relation to the £300k flood costs, need to make sure this lines with fixed assets. It is early days and the Association will soon be hitting audit and year end periods.</p> <p>The DCEO asked if the Sub-Committee had any questions or comments. These were:</p> <ul style="list-style-type: none"> • Happy with current Auditor and it was them that previously set the fee. • Cannot go out to Tender this year but happy to do this next year. • Do not disagree with the route, just want to check that the Association tick all the boxes regarding Tender. <p>When the DCEO discussed the above, it was confirmed that the Sub-Committee had previously agreed to extend for a further year.</p> <p>RECOMMENDATIONS</p> <p>The Sub-Committee were asked to note the Audit Planning verbal update.</p> <p>RESOLUTION</p> <p>The Audit Planning verbal update was noted.</p>
11.	<p>ICT Update Report</p> <p>The ICT Manager gave a presentation to the Board based on his report that had previously been circulated. The key points were:</p> <ul style="list-style-type: none"> • Hardware Replacement Programme completed. • HMS Review and Client Hardware Configuration project completed. • Server Infrastructure Replacement completed. • MDM Software Migration and Remote Access Review completed. • Cyber Security Accreditation and Internet Development completed. • Active Directory Security Groups Configuration completed. • Phone System Review project has started. • Finance System Review project not yet started. <p>The presentation covered the completed projects and ongoing projects. The ICT Manager explained that the Association will be looking at new Housing Management Systems which most come with a finance function. However, if it is not suitable then can look at another option.</p> <p>Update was also given on the Website Redesign, VPN Remote Access System, and the Modern Apprentice.</p>

	<p>It ICT Manager gave the Sub-Committee a quick view on the new website and explained the designing of it was with 18 other Housing Associations, making it a lot more visual.</p> <p>VPN – bringing this into the Association as makes remote working easier and allows staff to use computer as if in the office. Staff still have access to the phone system and feedback from testing it that it is great. The ICT Manager explained that there is one problem, which is SDM as it is not cloud hosted. A solution has been found that will allow it to work and the Team are trying to develop on that.</p> <p>This led on to Cloch's Modern Apprentice who has been with the Association for 14 months and started through The Recruit process. The ICT Manager explained the MA fits in well with the team, has taken to everything, learning things, and has come on so far.</p> <p>The MA has given a talk at the [REDACTED] Conference on Investors in young people, attended student job fairs which teachers remember them, and has shown enough experience and confidence that they can work with [REDACTED] on their own. This has meant that site visits have been increased to 3 days a week. The MA also completed their exam and will then move onto Graduate Apprenticeship in September 2024. The ICT Manager is looking to source this.</p> <p>The ICT Manager asked if there were any questions.</p> <p>The Sub-Committee noted the following:</p> <ul style="list-style-type: none">• The website accessibility is so clear and having language translating is great for new Scots.• The MA is inspirational and going out to schools is great example on the community.• It is very good for the member of staff and being a Modern Apprentice at the end. <p>The ICT Manager confirmed that the website accessibility was thanks to the Association's IT Assistant. In relation to the MA, it will now be a Graduate Apprentice path that they go down.</p> <p>RECOMMENDATIONS</p> <p>The Sub-Committee were asked to note the ICT Update Report.</p> <p>RESOLUTION</p> <p>The ICT Update Report was noted.</p> <p>The ICT Manager left the meeting at 19.18pm</p>
12.	Corporate Services Report
	<p>The DCEO discussed the Corporate Services Report. This report gave an overview of what the Corporate Services (CS) team had been working on since the last Sub-Committee meeting and what is coming up in the near future. Key areas were:</p>

- Recruitment, Selection & Induction – Since October 2023, the Association employed 3 permanent, 1 temporary and 1 agency staff members. There have been staff who have left and various staff taking on 'acting up' roles. There are 2 members of staff on maternity leave.
- Pension Consultation/Staff Structure Refresh – CS Team have been heavily involved in this project, creating surveys etc, and in terms of consultation process and issuing letters to all staff.
- Wider Action Activities – CSA has taken an active role in Customer Involvement Team and was responsible for organising venues, purchasing and distribution of goods.
- Board/Sub-Committees – decided that only CSO and CSA will take Minutes at meetings going forward.
- Training & Wellbeing/Resilience – training plan for the Board created, training organised for both Board and staff, Wellbeing Consultant delivering programme of events, Mental Health First aid training organised, Change Management training and two members of staff have started Open University Certificate in Higher Education in Business Management.
- Kelio Timeclock – new facial recognition terminal being purchased.
- Data Protection – a new member of the RGDP Team has been assigned to the Association.
- Structure Refresh & Pension Changes – updates on projects were provided to Board at the January & February 2024 meetings. Implementation dates for the projects are 01 April 2024.
- Sickness Absence – this had previously been reported at February 2024 Board meeting.

The CSA provided further information in relation to membership and that the Association is looking to have this as a topic, along with a tenant panel as upcoming Customer Involvement Team events that are being organised.

The CSA also confirmed that the date for new Kelio facial recognition terminal being installed on 12 March 2024.

The Sub-Committee noted a slight typo error on the Report and also asked why 3 Mental Health First Aiders. It was confirmed by the DCEO and CSA that the Association have 3 First Aiders and that we were guided by the Consultant who was carrying out the training. It was discussed that this would be due to the size of the organisation.

The Sub-Committee confirmed that the wellbeing of staff is important. The CSA confirmed that if a Mental Health First Aider needed to speak with a member of staff, then there are rooms in the office. The Sub-Committee said that it would also be good to take staff out of the office when speaking with them.

RECOMMENDATIONS:

The Sub-Committee were asked to note the Corporate Services Report.

RESOLUTION

The Corporate Services Report was noted.

13.	Health & Safety Update
	<p>The CSA discussed the Health & Safety Report. The Health & Safety Control Manual (HSCM) is managed for Registered Social Landlords (RSLs) by Employers in Voluntary Housing (EVH) in conjunction with ACS Environmental Services Ltd. The updates to the manual were now being received annually and were received in January 2024.</p> <p>The Sub- Committee members confirmed that they had read all the changes. The CSA discussed some key changes, which were:</p> <ul style="list-style-type: none"> • Section 3.11 (Vehicles) – New reference added for guidance on Electric Vehicle safety, section update on “Driver Safety”, advising lanyards, ID badges, keys attached to lanyards are not to be work while driving and also new “Electric & Hybrid Vehicles” section added to include some health & safety information and guidance on the use of these cars. • Section 3.16 (Stress, Mental Health & Wellbeing) – Reference regarding “EVH Model Attendance * Absence Management Policy 2023” updated and date of Policy removed, “Reference Guidance on Social Responsibility” updated, “Absence Management: Annual Survey Report” updated to “Health & Wellbeing at Work Survey Report”, “Sickness Absence for National Statistics” updated to 2023 version, “Securing Health Together” removed and all statistics updated to 2022/23 figures. • Section 7 (Appendices) – App1: Pre Audit Questionnaire amended and updated, App4: First Aid Provision updated to include consideration of providing first aid kits to keep in vehicles for those travelling regularly for work, App15b: Example of Before Use Vehicle Check Forms, slight amendment regarding electric vehicles, App 21: Temporary Homeworking Sample Procedure updated to reflect new App 21A & 21B in relation to Homeworking Assessment and Guidance and lastly App 24: Clinical Waste Definitions in which hyperlinks updated throughout. <p>The CSA clarified to the Sub-Committee that all staff were emailed the amended section in relation to the new Electric & Hybrid Vehicles and Driver Safety. They were also sent a list of the full HSCM updates on 15 February 2024.</p> <p>Also, in relation to first aid pouches for Section 7, the Association already provides these to staff.</p> <p>The CSA then discussed the incident that took place on 12 February 2023 from 6.29pm to just after 7pm at the Association’s premises. Details of this had previously been provided to the Sub-Committee.</p> <p>The CSA asked if there were any questions or comments. There were two:</p> <ul style="list-style-type: none"> • Would Cloch be installing an electric charging port at the premises and; • Good protocol was followed in relation to the incident.

	<p>The CSA thanked the Sub-Committee and said in relation to the charging port, they will ask the Director of Property & Assets (DoPS) if this is something the Association will be looking to do.</p> <p>RECOMMENDATIONS</p> <p>The Sub-Committee were asked to note the report of the HSCM updates and the incident.</p> <p>ACTION</p> <p>CSA to ask Director of Property & Assets if the Association will be looking to put an electrical charging point in at the office building.</p> <p>RESOLUTION</p> <p>The Health & Safety Report was noted.</p>
14.	AOCB & Reflections
	<p>There were none as Sub-Committee members confirmed these had already been answered during the meeting.</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
15.	Deferred items to June 2024 meeting
	<p>The following items were being deferred to the June 2024 meeting:</p> <ul style="list-style-type: none"> • Being Complained About Policy • Staff Training & Development Policy • Staff Appraisals Policy • Factoring Report
	Date of Next Meeting – 04 June 2024
	There being no further business the meeting closed at 19.39

