

Minutes of the Finance & Corporate Services Sub-Committee
meeting held at 7pm on Thursday 16 February 2023
(following on from the Housing & Property Services Sub-Committee at 6pm)
via MS Teams and in the office

Present (in the office): Eileen Tamburrini
Jackie Smith
Eleanor Robertson (Board - observing)

Present (via Teams) Ken Robertson (Chair)
Kelly Ferns
Heather Thomson
David Brown (Board – observing)

Attending (in the office) Louise Carlin (Head of Housing Services)
Angela Spence (Consultant)
Valerie Wilson (Finance Director)
Ewan Barr (ICT Manager)

Attending (via Teams) Alana Durnin (Chief Executive Officer)
Shonaid Musgrove (Corporate Services Officer, Minutes)
Carolyne Swinney (Corporate Services Assistant)

	<p>The meeting commenced at 7.20pm due to the H&PS Sub-Committee meeting run over their time and a short interval for members to have a comfort break.</p>
11.	<p>Apologies & Declarations of Interest</p> <p>There were no apologies from the Sub-Committee, but apologies had been received from H Tarpanova who was going to observe.</p> <p>E Robertson intimated a Declaration of Interest regarding Financial Fitness mentioned in reports.</p>
12.	<p>Minutes of Meeting held on 22 November 2022</p> <p>RESOLUTION</p> <p>There were no amendments, and the minutes were proposed, seconded and approved.</p>
13.	<p>Matters Arising & Outstanding Actions</p> <p>A member commented that the “Due By” dates were incomplete. The CEO apologised and advised this would be remedied.</p> <p>ACTIONS</p> <p>Dates to be added to the “due by” column.</p> <p>RESOLUTION</p> <p>The Sub-Committee noted the report.</p>

<p>14.</p>	<p>ICT Report</p> <p>The Sub-Committee had previously been issued with the report. The ICT Manager drew their attention to some key areas:-</p> <ul style="list-style-type: none"> • Bringing forward purchase of laptops for remaining staff. An extra £10.3k not budgeted for this year. This would have been budgeted for 2023/2024 however the project was brought forward to be completed in 2022/2023, (see ICT Delivery Plan report). • Well on-track for completion of all projects. • Successful completion of IT disaster recovery test (see separate report later in the agenda). • Contractor portal/app development ongoing. • Library partnership ongoing and Cloch is offering classes from the office, as well as training being held at Elliot Court. Current project ends on 31 March 2023. <p>The Sub-Committee had a brief discussion about laptops for the Board instead of using the iPads. Laptops offer larger screens for reading reports. The ICT Manager advised this will be considered.</p> <p>RESOLUTION</p> <p>The Sub-Committee noted the report.</p>
<p>15.</p>	<p>ICT Delivery Plan 2023/24</p> <p>The Sub-Committee had previously been circulated with the report. The ICT Manager advised this is an annual report that incorporates IT requirements for the forthcoming year for inclusion in the 2023/24 budget.</p> <p>The following recommendations were proposed: -</p> <ul style="list-style-type: none"> • Replace the two in-house servers at Quarter 2, with estimated costs of £30k. Lifespan should be at least 7 years. • UPS upgrade to server room, with estimated costs of £4.5k. • Purchase of additional laptops and docking stations, with estimated costs of £10.3k (This spend would have been captured in the 2023/2024 budget planning, however the work was done prior to this and it was agreed would be covered by shortfall in the IT budget for 2022/2023). • Migrate the Mobile Device Management system from current supplier to Microsoft's own system which is included in current subscription fees; cost savings will be made. • Carry out an options appraisal for our housing management system. Costs for existing provider have greatly increased and there are risks associated with the current provider in terms of lack of product development investment, staff leaving the company and current users moving to alternative systems. The ICT Manager will contact other housing associations to find out what software they use and see what other products are on the market. The first part of this project is to focus on creating a system specification and assessing replacement costs. • Current external IT support in place until June 2026. Good service to-date has been provided by them.

	<p>A brief discussion took place about replacing the servers or migrating to a cloud-based system. It was agreed that a cloud-base system is not particularly advantageous for the Association at this present time.</p> <p>RESOLUTION The Sub-Committee proposed, seconded and approved the proposals and their costings as stated above.</p>
16.	<p>ICT Disaster Recovery Plan 2022/23</p> <p>The ICT Manager took the Sub-Committee through the report.</p> <p>ACTION Change “SMT” (Senior Management Team) to “LT” (Leadership Team) on Page 9, item No 9 of the report.</p> <p>RESOLUTION The Sub-Committee proposed, seconded and approved the updated plan and the small amendment to be made.</p>
17.	<p>Quarter 3 Management Accounts</p> <p>The Finance Director made a presentation to the meeting based on the report that had previously been circulated.</p> <ul style="list-style-type: none"> • No surprises to report, with activities being carried out within budget as reported previously. • Mid-year budget has been updated. • Good performance against budget remains in place and the Association’s finances remain in a stable, healthy position. • Largest variances in expenditure are in Estate costs which are £132k below budget. • Arrears performance and staff costs are better than our peers, based on the latest SHR ratios. • All covenants fully compliant. • Re-valuation of our BoS secured stock has taken place. Properties can be released from security as the value is far higher than the funding outstanding. <p>The Finance Director advised that the 2023-24 budget will be presented to the Board at the meeting on 21 February 2023.</p> <p>RESOLUTION The Sub-Committee proposed, seconded and approved the Q3 Management Accounts.</p>
18.	<p>Audit Planning Letter & Fees</p> <p>The Sub-Committee had previously been circulated with the report. They were asked to approve the audit planning letter and fee of £8.5k + VAT for the services of the auditing company. The Finance Director intimated that this is the final year of the 2-year extension to the contract.</p>

	<p>RESOLUTION The Sub-Committee proposed, seconded and approved the fees.</p>
19.	<p>Policy Reviews</p>
19.1	<p><u>Privacy Notice – Staff</u></p> <p>The CSO advised the only change had been the inclusion of a personal email address. It is sometimes necessary to contact employees at home (e.g. off on long term absence) to be kept updated on matters. A member suggested that both a home and mobile number should be included.</p> <p>ACTION Add in “home and mobile” number to the policy.</p> <p>RESOLUTION The Sub-Committee proposed, seconded and approved the review.</p>
20.	<p>Finance Director’s Report</p> <p>The report had been circulated previously and the FD made a presentation highlighting key areas.</p> <ul style="list-style-type: none"> • Following a tender exercise due to take place in early 2024, the external auditors will be appointed following the 2024 AGM. Existing auditor has agreed to the 1-year extension for 2023/24 that the Sub-Committee previously approved. • Next external audit (2022/23 Financial Statements) is due to commence on 5 June 2023. • Benchmarking exercise on levels of authorisation requested by the Sub-Committee was provided. • Treasury Management update provided. BoS loan at a lower rate. RBS loan amendment agreement approved; revolving Credit Facility only requires 2 days’ notice to draw down. • Savings of £878k are forecast over 5 years from the Treasury Management re-structure and update. • Factoring Arrears – performance down this year; mainly due to reduced resources in the finance team re: gap in recruitment. This is now resolved, full complement of staff in post. Ongoing training will be provided to focus on the factoring arrears. • Insurance remains value for money but likely to rise next year. • Pensions advice will be rolled out to staff in DC schemes. • Potential for the FD to be nominated onto the SHAPS Employers’ Committee. • Graduate Apprentice in Finance has completed first year and passed all exams. <p>The Sub-Committee advised it would have no hesitation in nominating the FD when the next elections for the SHAPS Employers’ Committee are due. The Chief Executive was authorised to sign the required form.</p> <p>RESOLUTION The Sub-Committee noted the report and presentation.</p>

	<p>Although the meeting had not overrun its 1-hour allocation the combined meetings and break was now approaching the 2-hr period. It was agreed to suspend the Standing Orders.</p>
21.	<p>Health & Safety</p> <p>The CSO advised that clarification will be sought on the new PPE guidance and brought to the next meeting.</p> <p>RESOLUTION The Sub-Committee noted the report.</p>
22.	<p>P&C Report</p> <p>This item was covered at the 31 January 2023 Board meeting. Any further information will be brought to the Board meeting on 21 February 2023.</p>
23.	<p>AOCB</p> <p>23.1 <u>Reflections</u></p> <p>Members expressed great satisfaction on the financial aspect of the Association's business considering the difficulties it is facing. They noted that there are obvious matters to consider for our maintenance programme that is affected badly in the current economic climate. Things are still volatile and require close monitoring.</p> <p>One member intimated the reports were very good. Some still had too much detail but they were very informative. The CEO advised that reports will continue to be adapted to suit the Sub-Committee's needs and if putting extended/supplementary information into appendices helped then this will be done.</p> <p>The CEO advised that the HofPS and the ICT Manager will make presentations to the Sub-Committees and Board going forward too.</p> <p>A brief discussion took place regarding the combining of the 2 Sub-Committee meetings into the one evening. Conversations would be had with the LT and look at the pros/cons of this.</p>
	<p>The Meeting closed at 8.15pm.</p>