

**Minutes of the Finance & Corporate Services Sub-Committee  
meeting held at 6pm on Wednesday 24 August 2022  
via MS Teams and in the office**

Present: (in office) Ken Robertson (Chair)  
(via Teams) Heather Thomson (Vice Chair)  
Kelly Ferns  
Jackie Smith

Attending: Paul McVey, Director  
(in the office) Ewan Barr, ICT Manager  
Shonaid Musgrove, Corporate Services Officer (Minute Taker)  
(via Teams) Liz Bowden, Head of Corporate Services  
Valerie Wilson, Financial Director - Atrium

<b>1.</b>	<b>Apologies &amp; Declarations of Interest</b>  Apologies had been received from B Corrigan and P Marshall.  There were no declarations of interest made.
<b>2.</b>	<b>Minutes of Meeting held on 2 June 2022</b>  <u>Resolution</u> The Minutes were proposed, seconded and approved as being a true record of the meeting.  <u>Redactions</u> There were no redactions to be made.
<b>2.1</b>	<b>Minutes of Private Session – 2 June 2022</b>  <u>Resolution</u> The Minutes were proposed, seconded and approved as being a true record of the meeting.  <u>Redactions</u> The Minute being of such a sensitive nature will be redacted in its entirety and will not be uploaded onto the website.
<b>3.</b>	<b>Matters Arising and Outstanding Actions</b>  The Sub-Committee noted the contents of the report.
<b>4.</b>	<b>ICT Update</b>  The ICT Manager spoke to their report as follows:

	<p>a) 1 small financial implication; not a big cost/concern. Remainder of costs within budget.</p> <p>b) Risk down slightly following the cyber security accreditation.</p> <p>c) New IT Support contract commenced in June.</p> <p>d) Mobile Device Management (MDM) manage all Cloch owned mobile phones and iPads. This has been subsidised by IBM for our first 3-years but the rules within the contract are now changing. As we wish to remain with the company we have needed to sign a new contract that has added a further £1/user per month. We have only agreed to a 1-year contract initially as there is the possibility that our new 365 software may be able to provide the same functionality. This needs to be investigated that it is a like-for-like service. Cost with MBM is now £115/month compared to £70/month.</p> <p>e) Cyber Essential Certification expires in September. Require getting all Cloch iPads updated. Contact with Board in progress for completion.</p> <p>f) IT Assessment service. A new brochure on what services could be offered was attached as an appendix. Cloch looking to offer out IT services to other agencies.</p> <p>g) The Board were in agreement that it would be beneficial to offer out the services/skillset that our IT section can offer as well as providing job enhancement for employees. The HofCS advised that members of the IT team are also working towards recognised accreditations to build up the capacity within the section. It was recognised that a steady approach to this would be taken to ascertain if there was a demand for this type of service. It was also an opportunity to see what other services we might be able to offer. The ICT Manager stressed that the object of the services was to advise firms of what they need to do to as part of a review, but they would not be responsible for writing strategic plans.</p> <p>A Board member enquired if the Association needed to consider its insurance cover with regards to indemnity insurance. The Director advised this would be checked.</p> <p>h) The standard statistics were noted at point 1.6</p> <p><u>Resolution</u> The Sub-Committee noted the report.</p> <p>The ICT Manager left the meeting at 6.25pm.</p>
<p><b>5.</b></p>	<p><b>Management Accounts, Quarter 1</b></p> <p>The Finance Director took the meeting through the report.</p>

	<ul style="list-style-type: none"> <li>• Positive picture of £538k surplus which is a 95% increase on budget.</li> <li>• This is a 3% increase in overall net worth of the Association.</li> <li>• All covenants have been met.</li> <li>• Excess surplus likely to be timing differences.</li> <li>• High void loss been impacted by contractor performance; taking longer to refit properties for re-let.</li> <li>• Bad debt has increased (this an accounting entry and nothing written off).</li> <li>• Savings in expenditure – reactive and void maintenance; again likely to be timing differences.</li> <li>• Staff costs underspent by £31k; due to unfilled vacancies but recruitment ongoing.</li> <li>• Pension deficit due to end after September 2022.</li> <li>• Cash up since March but this due to impacted delays in expenditure.</li> <li>• £1.2m still available to draw down.</li> <li>• Increase in interest rates.</li> <li>• Full budget review commencing now; will take cognisance of changes in tenders, the economy, etc before looking at the rent setting for next year.</li> </ul> <p>A discussion took place about rising costs and interest rates. A Board member commented that the Bank of England anticipated that they would possibly rise to double digits by the end of the year, but we have reached this point already and they are still rising. The Board member was concerned how this would affect the Association. The FD replied that our loan interest rates were fixed but when this ended we would look to see who was offering the best prices and would only fix for a shorter term (eg 3 years). It was acknowledged that inflation and interest rate rises would impact on arrears and bad debts. The Director stated that Cloch’s rent arrears figures were not too bad but that the Board were right to highlight this situation. The Director advised that it will have an effect on decisions on what to spend money on but the Board will be kept advised of this.</p> <p><b>Resolution</b> The Board proposed, seconded and approved the Quarter 1 Management Accounts.</p>
6.	<p><b>Factoring Debt</b></p> <p>The FD advised that factoring debt has increased but invoices went out in June, so this contributes to the rise. This figure is up from 2021 but down on 2020. The team is working hard to get it down. Of the overall debt 66% (28.5k) is for those with over £500 to pay back; a total of 14 clients. 11 clients have an NoPL against them. Of the Stage 5 Decrees (7 in total) 4 owners have a payment plan in place. 1 owner has been passed to the Sheriff Officers, 1 has had the property repossessed and 1 has attachment of assets.</p> <p>A Board member asked if the Association had heard how other organisations were coping with recouping factoring debt. The Director</p>

	<p>stated that this was not an area that was benchmarked so it was difficult to gauge this. They advised that costs are soaring (eg replacing a close door that had been damaged) but it will be interesting to see how this compares when we look back.</p> <p>The FD advised that the trend for new owner occupiers is that they are more aware of debt associated with house purchase (eg factoring fees) and therefore less numbers getting into debt.</p> <p>The Committee noted the report.</p>
<b>7.</b>	<p><b>Rechargeable Repairs Debt</b></p> <p>The FD took the Board through the report and drew their attention to the following main points:-</p> <ul style="list-style-type: none"> <li>• Overall debt was standing at £23.5k; £11.4k related to former tenants.</li> <li>• Current tenants' debt was £13.2k which related to 78 tenants.</li> <li>• If a tenant has rent arrears and rechargeable repairs to pay, then the rent arrears collection is taking priority.</li> <li>• The Association tries to get money up front for rechargeable repairs, but this cannot always be collected; especially if a repair is required for Health &amp; Safety purposes.</li> </ul> <p>The Committee noted the report.</p> <p>The FD left the meeting at 6.45pm.</p>
<b>8.1</b>	<p><b>Lone Working</b></p> <p>The HofCS took the Committee through the review and advised that the main change was the introduction of the mobile SOS app.</p> <p><b>Resolution</b> The policy review was proposed, seconded and approved.</p>
<b>8.2</b>	<p><b>Personal Relationships at Work</b></p> <p>The HofCS advised that this policy was applicable to both staff and the Board. The addition of the "regulatory standard" was the only amendment.</p> <p><b>Resolution</b> The policy review was proposed, seconded and approved.</p>
<b>8.3</b>	<p><b>CCTV</b></p> <p>The HofCS informed the Committee that this was a new policy and that the Association now had 4 monitors within its office premises. We do not have any CCTV within our estates/properties. The policy had also been checked</p>

	<p>over by our Data Protection Officer. The changes that the Association entered were in red font and the DPO was satisfied with them.</p> <p>A Board member commented that it was good to have the policy in place in case the situation arose when it was required to be referred to. The HofCS advised that the main reason for installing the monitors was for the safety of staff. A Board member stated that it could not be used for ad-hoc surveillance of staff. The HofCS replied that the Association was aware of this but, with staff consent, could be used as a training tool or to uphold a complaint. The Director stated that it had already been used in this way to show how someone’s manner/body language could be construed.</p> <p><b>Resolution</b> The policy was proposed, seconded and approved.</p> <p><b><u>ACTIONS</u></b></p> <ul style="list-style-type: none"> <li>• Item 4.1 – a word is missing from the sentence.</li> <li>• The HofCS/CSO will create a register and do a Data Impact Assessment.</li> </ul>
<p><b>9.</b></p>	<p><b>Head of Corporate Services Report</b></p> <p>The HofCS took the meeting through the report and highlighted the following key points:-</p> <ul style="list-style-type: none"> <li>• Independent group carried out a survey for equality, diversity and inclusion data. Initially the Association only had 13% response, but the study period was extended, and this went up to 20%. An Action Plan will follow with areas for the Association to work on.</li> <li>• Staff recruitment update will be dealt with in the Director’s confidential report next.</li> <li>• A Modern Apprentice in IT will be starting on 7 September 2022 that came from our involvement with “The Recruit” programme. This will only help strengthen our IT team.</li> <li>• The HofHS will attend the next Young Person Guarantee networking session as the HofCS will be on leave.</li> <li>• Recruitment of our new Team Leader, Customer Connections, was successful and new post holder in place now. They are bringing great skill set to the post and new ideas for improving our customer service.</li> <li>• Our next Customer Service Excellence assessment is due to take place very soon and will be reported to the next meeting.</li> <li>•</li> </ul> <p><b>Resolution</b></p> <p>The Committee noted the report.</p>

**10. Private & Confidential Paper**

A confidential paper had been sent out to the meeting under separate cover. The Director spoke to the report as follows:-

1. The new CEO for Cloch had now been appointed and it was our former Finance Director, A Durnin. They will meet regularly until the Director leaves post on 9 September.
2. Head of Finance post has been advertised twice with no successful appointment. Discussions had taken place with our current finance consultant to ascertain if they would be interested in the post. It will be re-named Finance Director and will also be responsible for the IT section. They have confirmed that the offer is acceptable.
3. Finance Assistant has handed in their resignation and recruitment for this will commence. The post will be downgraded to EVH Grade 5 (from Grade 6) as the Grade 6 aspect will be outsourced to an agency and our Graduate Apprentice in Finance; mainly to do with pension and payroll duties.
4. Our existing Finance Officer is to be re-graded from EVH Grade 7 to Grade 8 and post re-named Senior Finance Officer (SFO). Much of the work being carried out by the postholder is that of a Grade 8 officer.
5. The Director was seeking approval for points 2-4.

The Director advised that the Association has struck up a good working relationship with the current Finance consultant and this can only be improved upon. They are an MBA qualified Accountant, on the SHAPS Pensions Board and are interested in growth for the organisation and personally. The re-grading of the SFO post is almost negligible with the savings made from the downgrading of the Finance Assistant post plus the Rent Debit workload will be passed over to the Housing team.

A consultant will be brought in for a month or two, who has worked with the Association in the past, just to help with the smooth transition of personnel changes.

The Director commented that it would be good to have a Finance Director in post soon as the team need the stability of this. The incoming FD needs to give a 3-month notice period so will not be in post until November. They will continue to provide us with the consultancy assistance until this time.

A Board member asked if the FD is aware of the ethos and direction of the Association and the new CEO. The Director advised that the FD is aware of the culture and direction. Whilst they do not know the new CEO they have some really good discussions recently and will learn from one another. The Director also stated that the incoming FD has formed a good rapport with the staff but especially the Finance team. This will develop as time goes on.

A Board member commented that they could see the logic in the proposals being mooted. Another Board member wanted confirmation that the appointment of the FD in this manner was not a "panic appointment" due to

	<p>the poor recruitment response. The Director replied that it was not as they had been providing services for 6 months and had a good feel of what the Association was about. The Board member asked why they had not applied for the post before. The Director replied that they did not want to apply as the post for the new CEO had not been filled at that point and they were uncertain of what this would entail for them. However, now that the post had been filled and they had been given the opportunity of speaking to the new CEO they were keen to join the Association on a more permanent basis.</p> <p><b>Resolution</b> The Committee proposed, seconded and approved the proposals contained in the report.</p>
<b>11.</b>	<p><b>Health &amp; Safety Update</b></p> <p>There were no updates available at this time.</p>
<b>12.</b>	<p><b>Applications for Membership</b></p> <p>After a brief discussion on the three applications made and that assurances had been given that they understood what they were signing up to the Committee approved them.</p> <p><b>Resolution</b> The 3 applications for membership were approved.</p>
<b>13.</b>	<p><b>Reflections</b></p> <p>The meeting had proceeded well and timeously despite the amount of information that had been presented. It was noted that the Association had undertaken many recruitment exercises recently. This involves much work from advertising, recruitment packs, offers and inductions.</p>
<b>14.</b>	<p><b>AOCB</b></p> <p>A calendar of new meetings will be proposed after the AGM so next date will be issued then.</p> <p><b>The meeting closed at 7.20pm</b></p>