

Please note – these Minutes have been edited to remove any commercially sensitive or confidential discussions

## ITEM 2

### MELVILLE HOUSING ASSOCIATION LIMITED

Minute of the Board Meeting held on  
Wednesday 22 November 2017  
at 5.30pm in Board Room, Corn Exchange, Dalkeith

**PRESENT:** David Bond, Vice-Chair  
Barbara Shearer, Secretary  
Allan Murphy  
Glen Alexander  
Donna Bogdanovic  
Clare Marshall  
Scott Pryde  
Bill Takhar  
Andrew Dougherty  
Sean Gillespie  
Emily Kasiera

**IN ATTENDANCE:** Andrew Noble, Chief Executive  
Morag MacDonald, Chief Operating Officer  
Mary Monteith, PA to Chief Executive (Minute)

#### D BOND IN THE CHAIR

**1a. CHAIRMAN'S OPENING REMARKS**

The Vice Chair welcomed all to the meeting and advised that that as Vice Chair he would be deputising for the Chair who was on holiday.

**Action  
Required  
Note**

**1b. DECLARATIONS OF ANY OTHER BUSINESS**

Noted that there was one declaration of other business:

- A tabled Confidential report – Staff Matters

**Note**

**1c. DECLARATIONS OF INTEREST**

Noted that the Secretary declared that she is a member

**Note**

of the Tenant's Representative Panel.

<b>1d.</b>	<b>APOLOGIES</b>	<b>Action Required</b>
	Apologies were received from Caron Quinn, Bob Jack and Paul Cameron	<b>Note</b>
<b>2.</b>	<b>MINUTES OF PREVIOUS BOARD MEETING 4 OCTOBER 2017 AND MATTERS ARISING</b>	
	<u>Decision</u>	
2.1	<b><u>Noted</u></b> that the minutes were <b><u>approved</u></b> by Clare Marshall and <b><u>seconded</u></b> by Bill Takhar	<b>Approve</b>
	<b>Matters Arising</b>	
2.2	<b><u>Noted</u></b> that there were no Matters Arising from the Minutes	
<b>3.</b>	<b>GOVERNANCE REPORT</b>	
3.1	<b><u>Noted</u></b> that the Vice Chair asked the Chief Executive to lead on this Report. The Chief Executive explained that the report was fairly self explanatory but that there were three items he wanted to highlight:	<b>Note</b>
	<b>Governance Policies</b>	
3.2	<b><u>Noted</u></b> that Members were advised that the following Governance Policies had been reviewed and minor changes made to the policies relating to Job titles following restructuring of Senior Management:	<b>Note</b>
	<ul style="list-style-type: none"><li>▪ Standing Orders</li><li>▪ Financial Regulations</li><li>▪ Authorisation of Expenditure and Documents</li></ul>	
	<b>Board Training</b>	
3.3	<b><u>Noted</u></b> that information on the Board Induction training arranged for Saturday 25 November will be circulated by	<b>MM to action</b>

email to those attending.

**Action  
Required**

### **Ironmills Developments Ltd (IDL)**

- |           |  |                         |
|-----------|--|-------------------------|
| 3.4       | <p><b>Noted</b> that the meeting was told that although the Ironmills' activities are currently fairly limited (management of 11 Mid-market rent properties) there are currently only two Board Members. Those members have asked that the Chief Executive and the Chief Operating Officer be appointed as Directors of Ironmills.</p>                           | <b>Note</b>             |
| 3.5       | <p><b>Noted</b> that the Chief Executive explained that in line with the Independence and Responsibilities Agreement between Melville and Ironmills, consent from the Melville Board is required before this can happen. Members were asked to consider and approve the appointment of the Chief Executive and the Chief Operating Officer to the IDL Board.</p> | <b>Note</b>             |
| 3.6       | <p>The Board <b>noted</b> the contents of this report, <b>approved</b> the revised Governance Policies and <b>approved</b> the appointment of the Chief Executive and the Chief Operating Officer to the Board of Ironmills Developments Ltd.</p>  | <b>Note<br/>Approve</b> |
| <b>4.</b> | <p><b>MANAGEMENT ACCOUNTS – 30 SEPTEMBER 2017</b></p>  |                         |
| 4.1       | <p><b>Noted</b> that the Management Accounts to 30 September 2017 were presented and discussed by the Board in detail and the contents of the report were noted.</p>   | <b>Note</b>             |
| <b>5.</b> | <p><b>FORECAST FOR PERIOD TO 31 MARCH 2018</b></p>   |                         |
| 5.1       | <p><b>Noted</b> that the Forecast for the period to 31 March 2018 was presented and discussed by the Board in detail and the contents of the report were noted and it was <b>agreed</b> that the Forecast presented should be used for future reporting.</p>   | <b>Note<br/>Approve</b> |
| <b>6.</b> | <p><b>HOUSING SERVICES QUARTERLY REPORT</b></p>  |                         |
| 6.1       | <p><b>Noted</b> that the Chief Operating Officer advised that this</p>   | <b>Note</b>             |

was a standard quarterly report.

6.2 **Noted** that the Chief Operating Officer highlighted the exercise she had carried out tracking our Arrears performance compared to East Lothian Council before and after the introduction of Universal Credit. The full live UC service has been in place since March 2016 in East Lothian and we can use this to track what we might expect since the full UC service went live in Midlothian, one year later. **Note**

6.3 **Noted** that the Board were advised that arrears performance is holding steady but that we are seeing arrears levels rise and we will continue to monitor this closely. **Note**

6.4 **Noted** that the Chief Operating Officer also told the meeting about the project work of one of our Housing Officers. This involves completing detailed case studies on tenants receiving Universal Credit, and completing a data analysis of all of our UC claimants. This will inform our own service provision but will also be passed on as appropriate to the Scottish Government and SFHA. A report will be presented to the Board in the New Year. **Note**

6.5 **Noted** that a Member asked how many Universal Credit claimants we have and how many would be interviewed. The Chief Operating Officer confirmed that we have approximately 190 claimants and with regards to the case studies there will be 9/10 face to face meetings with tenants as well as telephone interviews. **Note**

6.6 The Board **noted** the contents of this Report. **Note**

## 7. **BAD DEBTS**

7.1 **Noted** that the Chief Operating Officer gave a brief overview of this report and advised that with the majority of these cases there is limited action we can take, as the majority of debts related to evictions or abandonments. **Note**

		<b>Action Required</b>
7.2	<b><u>Noted</u></b> that the Chief Operating Officer also pointed out that these debts are fully provided for as they arise and are already reflected in the management accounts.	<b>Note</b>
7.3	<b><u>Noted</u></b> that a Member asked about the time frame for writing off debts. The Chief Operating Officer explained that the debts in this report are those which had been written off in the last three months, however the debts being written off will vary in age.	<b>Note</b>
7.4	<b><u>Noted</u></b> that the Chief Operating Officer was asked if there were any recoveries made – and she commented that there were very few but also noted that the debts are written back if paid off.	<b>Note</b>
7.5	<b><u>Noted</u></b> that a Member acknowledged that this is an issue that affects all Housing Associations and that Melville’s performance in this area is generally good.	<b>Note</b>
7.6	The Board <b>noted</b> the contents of this Report and <b>approved</b> the write off of £19,922.	<b>Note Approve</b>
<b>8.</b>	<b>PROPERTY MAINTENANCE REPORT – 30 SEPTEMBER 2017</b>	
8.1	<b><u>Noted</u></b> that the Chief Executive explained that Novus are now in the fourth year of a five year contract and highlighted the performance table and noted: <ul style="list-style-type: none"> <li>▪ 1.5 hr response time for making safe emergency repairs</li> <li>▪ Appointments made and met 96% - with appointments usually being arranged to suit tenants.</li> <li>▪ Overall satisfaction with service remains high – 97% against target of 95%.</li> </ul>	<b>Note</b>
8.2	<b><u>Noted</u></b> that the cost of carrying out repairs to voids was pointed out and Members advised that we recharge where possible.	<b>Note</b>

		<b>Action Required Note</b>
8.3	<p><b><u>Noted</u></b> that the Chief Executive advised how tenants currently receive a decoration allowance per room that needs decorating when they move into a property – receiving half the money when signing for their new home and the remainder after the work has been checked by a Housing Officer. The Chief Executive noted that following consultation with our Tenant Rep Group, we will be introducing decorating packs instead of the current allowances:</p> <ul style="list-style-type: none"> <li>▪ Tenants will have a choice of 20 pastel shades delivered to their door</li> <li>▪ Receive a tin of White Satin for woodwork</li> <li>▪ Receive a decorator’s pack of paint tray brushes etc.</li> <li>▪ Access to a recycling package for any empty clean cans.</li> </ul>	
8.4	<p><b><u>Noted</u></b> that this will be reviewed with new tenants at settling on visits and feedback given to Tenant Reps and the Board.</p>	<b>Note</b>
8.5	<p><b><u>Noted</u></b> that due to an unplanned increase in fitting new bathrooms, there was a request from the Property Services for additional budget of £26,000 to allow the replacement of 10 bathrooms. The Chief Executive noted that costs had been included in the revised forecast.</p>	<b>Note</b>
8.6	<p><b>Paras 8.6 to 8.8 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive</b></p>	
8.9	<p><b><u>Noted</u></b> that members agreed that it would be useful if figures for recharges could be made available. The Chief Operating Officer offered to make it a separate line in accounts but it was suggested that a paragraph in this report would suffice.</p>	<b>Note</b>

		<b>Action Required Note</b>
8.10	<b><u>Noted</u></b> that the Chief Executive acknowledged that as a result of having to renew a large boundary wall on safety grounds, the Fencing and External Works budget will be over by approximately £27,000. He pointed that this will be reflected in the forecast to end of financial year.	
8.11	<b><u>Noted</u></b> that the Chief Executive was asked if air source heating would be the correct system for our tenants? He acknowledged that this would be a significant change and may require some support and training, however he explained that we have a reference point in that the Council's properties in Forth have been fitted with this system and they have reported high levels of satisfaction and few maintenance issues.	<b>Note</b>
8.12	<b><u>Noted</u></b> that our new gas servicing and maintenance contractor, Saltire, is performing well, with no complaints received for length of time for repairs to be carried out (although they have only been in place for a number of weeks). It was noted that all service visits in the first six months of the year were completed within time by our previous contractor.	<b>Note</b>
8.13	Board members <b>noted</b> the contents of this report and <b>approved</b> additional budget for: <ul style="list-style-type: none"> <li>▪ An additional 10 bathrooms (£26,000)</li> <li>▪ A retaining wall at Beechgrove Road, Mayfield (£30,000)</li> <li>▪ Bringing forward the replacement heating in Forth (£225,000 subject to funding of £112,500).</li> </ul>	<b>Note Approve</b>
<b>9.</b>	<b>VALUE FOR MONEY REPORT</b>	
9.1	<b><u>Noted</u></b> that the Chief Operating Officer gave some background to the Value for Money (VFM) Strategy: <ul style="list-style-type: none"> <li>▪ Implemented in 2012 using Scottish Social Housing Charter Outcomes 13, 14 and 15 as a</li> </ul>	<b>Note</b>

framework.

- Annual Report to Board on our performance against these outcomes

**Action  
Required**

### **VFM Performance 2016/17**

9.2 **Noted** that the Chief Operating Officer explained that the majority of VFM information is reported in our Tenants' Report and includes data on voids, arrears and tenant satisfaction. **Note**

9.3 **Noted** that the Chief Operating Officer highlighted various areas: **Note**

**Net Present Value** – Session carried out with Board at their Away Day in April with the overall conclusion being that our stock is financially healthy, no particular issues with service performance.

9.4 **Noted** that the Board were advised that this session will be repeated in 1-2 years to allow a review of trends and to ensure that the outcome hasn't significantly changed. **Note**

### **Rent Affordability**

9.5 **Noted** that the meeting was given background on our decision to set rent increases to a maximum of inflation only (instead of inflation plus growth factor). **Note**

9.6 **Noted** that there is a full consultation exercise carried out with tenants each year. More information will be presented to the Board in January. **Note**

### **SFHA Guide to Rent Setting and Affordability**

9.7 **Noted** that Melville Case study on rent harmonisation was included in the above publication. The Chief Operating Officer highlighted the summary of key points from the report and the actions to be taken by Melville. **Note**



		<b>Action Required Note</b>
9.8	<p><b><u>Noted</u></b> that other areas of work taken to achieve value for money for tenants were highlighted:</p> <ul style="list-style-type: none"> <li>▪ External Wall Insulation at nil cost to tenants (to assist tenants with lower fuel bills) making full use of funding available.</li> <li>▪ Free Welfare Benefit advice services. Every £1 spent by us generates £7.78 for tenants</li> <li>▪ Value through Partnerships – we make full use of services provided by our partner organisations</li> <li>▪ Direct involvement in our communities</li> <li>▪ Free IT, heating and eating workshops for tenants</li> <li>▪ Free welcome packs and decorating packs for new tenants</li> </ul>	
9.9	The Board <b>noted</b> the contents of this Report.	<b>Note</b>
<b>10.</b>	<b>PRIVATE REPORT – STAFFING UPDATE</b>	
10.1	<b><u>Noted</u></b> that this is a Private Report and has been minuted separately.	<b>Note</b>
<b>11.</b>	<b>PRIVATE REPORT – PAY AND GRADING &amp; BENCHMARKING REPORT</b>	
11.1	<b><u>Noted</u></b> that this is a Private Report and has been minuted separately.	<b>Note</b>
<b>12.</b>	<b>REGISTERS</b>	
12.1	<b><u>Noted</u></b> that the Secretary gave the following update on the Registers.	<b>Note</b>

	<b>Entitlements, Payments and Benefits Register</b>	<b>Action Required</b>
12.2	There have been three entries since last meeting. In line with our Entitlements, Payments and Benefits policy, these have been recorded in this Register.	<b>Note</b>

### **Other Registers**

12.3	There have been no entries in any of the other Registers since they were last presented to the Board.	<b>Note</b>
12.4	All Registers are available for review and will be signed at the end of the meeting.	<b>Note</b>

### **13. ANY OTHER COMPETENT BUSINESS**

13.1	<b><u>Noted</u></b> that there was one reported tabled under AOCB. This was a confidential report and has been minuted separately.	<b>Note</b>
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### **14. DATE OF NEXT MEETING**

14.1	<b><u>Noted</u></b> that the next scheduled meeting of the Board is Wednesday 13 December at 5.30pm.	<b>Note</b>
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