

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 23 May 2018
at 5.30pm in Board Room, Corn Exchange, Dalkeith

PRESENT: Caron Quinn, Chair
Donna Bogdanovic
Emily Kasiera
Clare Marshall
Scott Pryde
Sean Gillespie
Andrew Dougherty
Barbara Shearer
Paul Cameron

IN ATTENDANCE: Andrew Noble, Chief Executive
Morag MacDonald, Chief Operating Officer
Nancy Booth, Property Services Manager
Sean Dickson, Housing Services Manager
Mary Monteith, PA to Chief Executive (Minute)

C QUINN IN THE CHAIR

1a. CHAIR'S OPENING REMARKS

The Chair welcomed all to the meeting and advised that the Property Services Manager and the Housing Services Manager were in attendance for Items 5-9. The Chair also noted that the Chief Operating Officer would be leaving the meeting after Item 4 and one member would leave at 7.00 pm.

**Action
Required
Note**

DECLARATIONS OF ANY OTHER BUSINESS

1b. Noted that there were no declarations of other business.

Note

1c.	DECLARATIONS OF INTEREST	Action Required Note
	<u>Noted</u> that the Chief Executive and the Chief Operating Officer declared that they sit on the Board of Directors for Ironmills Developments Ltd. One member sits on the Tenants' Representative Panel.	
1d.	APOLOGIES	
	Apologies were received from Glen Alexander, David Bond, Allan Murphy, Bob Jack and Bill Takhar	Note
2.	MINUTES OF PREVIOUS BOARD MEETING 21 MARCH 2018 AND MATTERS ARISING	
2.1	<u>Noted</u> that the minutes were <u>approved</u> by Andrew Dougherty and <u>seconded</u> by Clare Marshall	Approve
	Matters Arising	
2.2	Paras 2.2 to 2.4 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive	
3.	MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2018	
3.1	<u>Noted</u> 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.	Note
4.	BAD DEBT REPORTS – 31 MARCH 2018	
4.1	<u>Noted</u> that the Chief Operating Officer explained that the report was self explanatory and asked Members if they had any questions.	Note
4.2	<u>Noted</u> that the Chair advised the meeting that having reviewed the Report, she was satisfied that all actions were carried out in line with our procedures.	Note

4.3

The Board **approved** the write off of bad debts of £22,133

The Chief Operating Officer left the meeting at this point

**Action
Required
Approve**

5. ANNUAL PROPERTY MAINTENANCE REPORT TO 31 MARCH 2018

5.1 **Noted** that the Property Services Manager reported that we had successfully delivered reactive and planned maintenance programmes for the year and highlighted the following:

Note

Reactive Maintenance

- Main contractor, Novus, work on fixed price per property per year
- Exclusions to fixed price include items such as plastering or rebuilding walls etc.
- Tenant satisfaction remains good at 97%

Empty Homes

- 99 empty properties during year – down on previous year
- Average spend of £2,534 per void property
- Relet time – an average of 10 days

5.2 **Noted** that a member asked whether we try to recharge former tenants for properties left in poor condition. It was explained that we do try to recharge. The Housing Services Manager advised that we use a tracing service provided by Sheriff Officers and that we had been quite successful in finding former tenants using this service and then chasing the debts ourselves.

Note

Planned Maintenance

Kitchens

- 277 replacement kitchens completed
- 29 refusals of kitchen replacement
- Additional 19 replaced whilst properties were

empty

**Action
Required
Note**

- 5.3 **Noted** that a member who couldn't attend this meeting emailed in a question about the number of refusals. The Property Services Manager explained of the 29 refusals, 10 tenants had put in their own kitchens and the remaining people did not want the upheaval.

Bathrooms

- 85 replacement bathrooms completed
- 7 refusals
- 14 replaced whilst properties were empty

Heating

- 104 systems replaced during year (HEEPS Loan and surplus cash from previous year's budget)
- 8 system breakdowns replaced
- 3 fuel switches to gas

Smoke/Carbon Monoxide/Heat Detectors

- Detectors replaced in line with expiry dates
- New contractor (RB Grant) fitted 480 smoke detectors and 269 carbon monoxide detectors at lower than budgeted price.
- New legislation means that we will be required to fit an additional 1,750 new smoke detectors and 1,500 heat detectors over the next five years at a cost of approximately £215,000 to meet the new proposed regulations.
- We are planning to start this programme before legislation comes into force

- 5.4 **Noted** that a member enquired how these detectors are maintained. The Property Services Manger advised that they are checked at the annual gas service. It was also noted that Property Officers check them when in properties.

Note

Gas Servicing

- Saltire Facilities Management took over contract

in September 2017. Small overspend of £3.2k reported.

- Complaints have decreased substantially
- 100% of gas services were completed within target date. This compares to 3 services late last year.

**Action
Required**

Medical Adaptations

- £105,000 awarded during the year for medical adaptations which included wet rooms, stairlifts, external rails and safety rails.

5.5 **Noted** that Members were advised that a further 60 properties received external wall insulation, leaving only 8 properties to be done. A member asked about funding for this work and was advised that we had previously received grants more recently have used interest free HEEPS loans. **Note**

5.6 **Noted** that a member offered to send through a link regarding possible funding. The Property Services Manager said that may prove useful for the heating system work in Forth. **DB to follow up**

5.7 **Noted** that a member queried what research had been done into the air source heat pumps to be fitted in Forth. The Property Services Manager explained that the options in Forth are limited as there is no gas supply but they had visited properties in Berwickshire that had this system fitted and noted that it had proved to be very popular with tenants. They also pointed out that South Lanarkshire Council had fitted the system to 250 of their properties – again with very positive outcomes. It was also reported that the first system was installed on Tuesday 22 May. **Noted**

5.8 **Noted** that at the year end we were reporting an underspend of £80,000 on our kitchen, bathroom and roof programmes. Board approval was sought to carry forward this underspend to 2018/19 to replace an additional 15 bathrooms and 10 heating upgrades. **Note**

5.9	The Board noted the contents of this report and approved the carry forward of the £80,000 to the additional work detailed above.	Action Required Note Approve
6.	ANNUAL ALLOCATIONS REPORT	
6.1	Noted that the Property Services Manager updated members on Allocations for the year as follows:	Note
	<ul style="list-style-type: none"> ▪ We participate in Common Housing Registers in Midlothian and South Lanarkshire – where most of our nominations are taken from. We also allocate from our own transfer list and to others such as Women’s Aid ▪ 99 Properties were allocated during the year ▪ The Property Services Manager presented a graph showing the breakdown of these allocations. They highlighted that of the Section 5 homeless referrals (63), 94% of these maintained their tenancies. 20 tenants were transferred (6 of which were management transfers) ▪ Refusals were up from 39 last year to 48 this year. No specific trend for refusals. The Property Services Manager pointed out that although applicants choose areas or house type in their applications, sometimes they still refuse for these reasons when offered housing. 	Note
6.2	Noted that the Property Services Manager was asked about the number of times applicants can refuse a property and she explained that applicants have up to 3 refusals on the CHR and that on the transfer list properties will be offered until accepted by the tenant.	Note
6.3	Noted that the Property Services Manager told the meeting that we have the following leased properties:	
	<ul style="list-style-type: none"> ▪ 27 to Midlothian Council for homeless accommodation. ▪ 6 properties to Women’s Aid 	

- 1 property to St. Joseph's Services **Note**

- 6.4 **Noted** that with regards to relets:
 - 99 allocation in year (118 previous year) **Action Required**
 - Average of 10 days to relet
 - 8 properties took longer than 20 days – reasons for this were highlighted.
 - Board were shown before and after pictures of a garden clearance whilst property was void. **Note**

- 6.5 The Board **noted** the contents of this report.

- 7. **REVIEW OF CONTRACTOR PERFORMANCE – FINANCIAL YEAR 2017-2018** **Note**

- 7.1 **Noted** that the Property Services Manager explained that this report outlined the performance of our contractors in the year to 31 March 2018. The Property Services Manager highlighted the following:

Novus

 - Contract awarded on a price per property per annum - £299
 - Main contractor – completing 4,935 jobs in the year
 - Average emergency response time is 1 our 19 minutes
 - Non emergency repairs are being completed in an average of 8 days.
 - 91% of jobs are completed on first visit (First Time Fix)
 - Tenant satisfaction remains high at 97%. **Note**

- 7.2 **Paras 7.2 and 7.3 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive**

Dunedin Canmore – Kitchen and Bathroom Replacement

- 277 Kitchens and 85 Bathrooms replaced on time and on budget
- Tenant Satisfaction levels very high

**Action
Required**

Other Contractors

7.4 **Noted** that the Property Services Manager finished her presentation with information on the contractors we use.

Note

- 35 Contractors used for 352 orders for various areas of work such as smoke and carbon monoxide detector replacement, pest control, door entry systems, TV Aerials, Blacksmiths, Gardening
- Costs and Customer services issues reviewed annually
- Chosen in line with Procurement Policy

7.5 The Board **noted** the contents of this Report

Note

8. HOUSING SERVICES YEAR END REPORT TO 31 MARCH 2018

8.1 **Noted** that the Housing Services Manager, explained that this had been another busy year for Housing Services and gave a PowerPoint presentation highlighting the following:

Note

- Net arrears remained below target for most of the year but increased above target in December 2017 and finished the year at 3.36% (target 3.2%). The Housing Services Manager noted that this was 1% higher than last year, and with tenants continuing to find the transition to Universal Credit (UC) difficult (in particular the waiting time of 6 weeks) this trend is likely to continue.
- We now have 257 UC claimants, 155 of these claimants had arrears of £100 or more and a group total of £129k arrears (average £502 per case). For comparison the Housing Services

**Action
Required**

Manager pointed out that Midlothian Council had 929 UC cases with average arrears of £675. 75 Alternative Payment Arrangements are in place (where payments are made direct to Melville) but members were advised that these can be difficult to manage and claimants can stop these at any time.

- 8 evictions carried out during the year (10 previous year). One was a UC claimant when evicted but the process had begun before claim for UC made.
- Welfare Benefits – range of services available to all tenants. 116 cases closed in the year with a total financial gain of £762k for tenants (£1 Melville spend = £7 benefits for tenants).
- Workshops carried out during the year included:

Digital and Financial Inclusion continued with a number of well attended events for tenants and their families to develop their skills. We are now a Scottish Council of Voluntary Organisation Digital Charter Signatory.

Changeworks – Heating and Eating (tenants receive tips on reducing food waste/heating costs).

Switch to Save (assistance with finding best deals on utilities)

8.2 **Noted** that the Housing Services Manager then pointed out that:

- 94.5% of our tenancies had been sustained for more than 12 months (against Scottish average of 88.9%).
- 99 tenants were referred to CHAI for support and money advice.
- 89 tenants reduced their arrears and/or stuck to

	<ul style="list-style-type: none"> the payment arrangements made. ▪ 73 tenants referred to the Canny Tenants project. 	Action Required
8.3	Paras 8.3 & 8.4 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive	
8.5	Noted that the Housing Services Manager reported on neighbour dispute cases (72) during the year. They explained that the majority were low level category C (mainly noise complaints), however, there had been three Category A and five Category B cases. Members were given details of these complaints in the case studies included with this report.	Note
8.6	Noted that it was reported that 95% of these cases were resolved within agreed targets. The remaining 5% were open at the year end but had been resolved early in the new year within agreed targets.	Note
8.7	Noted that Members were advised that tenants were invited to join Housing Officer during Estate Walkabouts 3 times per year to review: <ul style="list-style-type: none"> ▪ Stair cleaning ▪ Adherence to tenancy conditions ▪ Provision of ground maintenance services ▪ Condition of common areas 	Note
8.8	Noted that there was a 90% target for completion of these inspections but 98% of the inspections have been completed and regular reports/feedback posted on Facebook and included in VOICE.	Note
	The Board noted the contents of this report.	Note
9.	NEWBYRES UPDATE	
9.1	Noted that the Chief Executive reported things were finally moving forward in a positive way with the previously reported BRE proposal.	Note

		Action Required Note
9.2	<u>Noted</u> that the Chief Executive explained what kind of system would be fitted and the timescales for this work. They advised that BRE will monitor the effects in each of the 4 properties being tested using different scenarios over a three month period. One control property which has had no measures fitted will be monitored during the test period.	Note
9.3	<u>Noted</u> that the IMT and the Advisory Group have been kept updated and we will share data results with them.	Note
9.4	<u>Noted</u> that the Board will be updated on monitoring results when these are available.	Note
9.5	<u>Noted</u> that the Chair asked that the staff working on this project be thanked for the effort with this difficult situation.	Note
9.6	The Board noted the contents of this report	Note
10.	GOVERNANCE REPORT	
10.1	<u>Noted</u> that the Chair highlighted the following from this report: <ul style="list-style-type: none"> ▪ SHR – Annual Risk Assessment – Low level of engagement with us from Regulator. ▪ SHR - We have no Notifiable Events ▪ No complaints under investigation with SPSO ▪ Board Training – Two members will attend the SFHA Annual Conference in June. The SFHA Governance Conference and Finance Conference were highlighted and Members were asked to let Mary know if they wished to attend any of these events. ▪ Annual Board Development Meetings – Dates will 	Note

be circulated to Members shortly.

**Action
Required**

- Board Away Days 26/27 October at Barony Castle, Eddleston. Will include a session using UN's sustainability goals.
- Stock Tour – Successful event which included a visit to a property that became void that morning (8 May) and required a significant amount of work before it could be re-let. Work complete and re-let 18 May. Before and after photographs to be provided to a future meeting.
- KPI – Board attendance for year was 87% (Target is 75%). 4 indicators were above target for the year and the reasons were noted.

Policy Reviews – Code of Conduct for Board Members, Code of Conduct for Staff Members and Entitlements, Payments and Benefits

- | | | |
|------------|--|-------------------------|
| 10.2 | <p>Noted that the Chief Executive told the meeting that all three policies had relatively minor changes – the main one being the table in each Code of Conduct – improving the flow of the document. Other changes were updating of job titles and grammatical changes. The models are based on the updated SFHA models.</p> | Note |
| 10.3 | <p>The Board noted the contents of this report and approved the revised policies detailed above.</p> | Note
Approve |
| 11. | <p>ANNUAL RETURN ON THE CHARTER AND EESSH RETURN 2018</p> | |
| 11.1 | <p>Noted that the Chief Executive explained that Board approval was required for our ARC and EESH returns for the year ending 31 March 2018. They pointed out that they must be submitted to the Scottish Housing Regulator by 31 May 2018. Members were also advised that electronic copies of 2017 and 2018 ARC and EESH returns were available on the Board Area of our website.</p> | Note |

		Action Required Note
11.2	<p><u>Noted</u> that the Chief Executive reported that the Regulator uses the information in these returns as part of their annual review of individual Landlords' Performance. They highlighted the following:</p> <ul style="list-style-type: none"> ▪ Scottish Housing Network carried out a desktop evaluation and four validation queries picked up. These have been addressed through correction or additional information provided in comments box. ▪ members of the Audit Committee met with staff immediately prior to Board meeting to review the submission and there one or two amendments to be made as a result of this meeting. ▪ A detailed file containing the back-up data has been prepared for reference. 	
11.3	<p><u>Noted</u> that we submitted an Energy Efficiency Standard for Social Housing (ESSH) Return, providing information on our current position regarding the 2020 target. The Chief Executive explained that we are well placed and have done a lot of work such as the external wall insulation and Forth heating system replacement programme.</p>	Note
11.4	<p>The Board noted the contents of this report and approved the submission of both the ARC and ESSH Returns to 31 March 2018.</p>	Note Approve
12.	GDPR IMPLEMENTATION	
12.1	<p><u>Noted</u> that the Chief Executive commented that this report is self explanatory and advised that using templates from SFHA, advice from Solicitors and the Chair we had developed a range of documentation for GDPR implementation. It was noted that some of the documentation required Board approval.</p>	Note

		Action Required
12.2	<u>Noted</u> that our Privacy Policy had been revised and brought into line with the requirements imposed by GDPR. The Chief Executive explained that if approved, this document will be published on our website on 25 May.	Note
12.3	<u>Noted</u> that all of our customers need to receive a Fair Processing Notice (updated since production of papers after receiving advice from our legal representative) outlining: <ul style="list-style-type: none"> ▪ What data we hold about them and how we acquire it; ▪ How we use their data; ▪ The lawful reasons for us holding the data; ▪ Their rights. 	Note
12.4	<u>Noted</u> that Employees will also receive a Fair Processing Notice and as temporary measure, an addendum to their contract of employment replacing any reference to data protection in their current contract.	Note
12.5	<u>Noted</u> that as previously advised, we are working with our Employment Law Advisors, Mentor to produce a new employee handbook and once this is adopted, we will issue updated contracts to staff.	Note
12.6	<u>Noted</u> that we are working through our suppliers to ensure that arrangements for data sharing agreements are in place.	Note
12.7	<u>Noted</u> that the Chair also pointed out that people now have the Right to be Forgotten – where they can request companies delete their information.	Note
12.8	The Board noted the content of this report and approved the policies and Fair Processing Notices detailed above.	Note Approve

13.	REGISTERS	Action Required
13.1	<p><u>Noted</u> that the Board were advised:</p> <p>Payments, Entitlements and Benefits & Declarations of Interests</p> <p>There have been three entries in the Payments, Entitlements and Benefits Register and one entry in the Declaration of Interests</p> <p>Other Registers</p> <p>There had been no entries in any of the Registers since they were last presented to the Board.</p>	Note
13.2	All Registers were available for review and were signed by the Secretary at the end of the meeting.	
14.	ANY OTHER COMPETENT BUSINESS	Note
14.1	<u>Noted</u> that there was no AOCB.	
15.	DATE OF NEXT MEETING	
15.1	<u>Noted</u> that the next scheduled meeting of the Board is Wednesday 20 June 2018 at 5.30pm.	Note
15.2	<u>Noted</u> that one Member gave their apologies for this meeting.	Note