

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 May 2019
at 6.00pm in Board Room, Corn Exchange, Dalkeith

PRESENT: Caron Quinn
David Bond
Paul Cameron
Andrew Dougherty
Sean Gillespie
Clare Marshall
Barbara Shearer
Bill Takhar

IN ATTENDANCE: Andrew Noble, Chief Executive
Morag MacDonald, Chief Operating Officer
Nancy Booth, Property Services Manager (Items 7-9)
Erin Savage, Lothian Pension Fund (Item 3)
George Kirk, Lothian Pension Fund (Item 3)
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 we would be joined by two Representatives from Lothian Pension Fund for Item 3 and the Property Services Manager for Items 7-9.

**Action
Required**

DECLARATIONS OF ANY OTHER BUSINESS

1b. Noted that there was no other business to be taken at the end of the meeting.

Noted

1c. DECLARATIONS OF INTEREST

Noted that the Chief Executive and the Chief Operating

Noted

Officer declared that they sit on the Board of Directors for Ironmills Developments Ltd. The Secretary serves as a Tenant Representative. **Action Required**

APOLOGIES

1d. Apologies were received from Glen Alexander, Emily Kasiera, Donna Bogdanovic and Bob Jack **Note**

2. MINUTES OF PREVIOUS BOARD MEETING 20 MARCH 2019 AND MATTERS ARISING

2.1 **Noted** that the Board agreed that with the amendment of a date to read 2018 in Item 7.1, these were a true and accurate minute of the meeting held on 20 March 2019. The minutes were **approved** by Clare Marshall and **seconded** by Paul Cameron **Approve**

Matters Arising

2.2 **Noted** that there were no matters arising from these minutes. **Note**

2a. PRIVATE MINUTE FROM 20 MARCH 2019

2a.1 **Noted** that the Board agreed that these were a true and accurate minute of the Private Item of 20 March 2019. The minutes were **approved** by Andrew Dougherty and **seconded** by Paul Cameron. **Approve**

Matters Arising

2a.2 **Noted** that there were no matters arising from these minutes. **Note**

3. LOTHIAN PENSION FUND PRESENTATION

3.1 **Paras 3.1 to 3.4 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive** **Note**

		Action Required
4.	DEVELOPMENT UPDATE	
4.1	Paras 4.1 to 4.2 – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive	Note
5.	MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2019	
5.1	<u>Noted</u> that the Management Accounts to 31 March 2019 were presented and discussed by the Board in detail and the contents of the report were noted.	Note
6.	BAD DEBT AND CREDIT WRITE-OFFS	
6.1	<u>Noted</u> that the Board were asked to approve the write-off of bad debts totalling £16,037 for the period ended 31 March 2019	Note
6.2	The Board approved the write off of £16,037 as detailed above.	Approve
7.	PROPERTY MAINTENANCE REPORT YEAR TO 31 MARCH 2019	
7.1	<u>Noted</u> that the Property Services Manager gave an overview of this report. They explained that the majority of our reactive maintenance work is covered by the fixed price per property agreement we have in place with our main contractor, Novus, with works not covered being invoiced separately.	Note
7.2	<u>Noted</u> that the Property Services Manger highlighted the void costs are on average £3k. They noted that whilst age of the property can be factor, clearances of garden and empty properties are having a significant impact. Members were shown pictures of one property and advised that we do recharge for this type of work and the cost stays on the account.	Note

		Action Required Note
7.3	<u>Noted</u> the Property Services Manager highlighted that expenditure was over slightly on our roofing and bathroom contracts but that we had saved on kitchen replacements. They also pointed out that there had been 20 refusals for new kitchens, due mostly to tenants having replaced the kitchens themselves.	
7.4	<u>Noted</u> that it was reported that 142 heating systems were replaced during the year and that this work takes two days for each system. The Property Services Manager also confirmed that if we have refusals, these systems are replaced at tenancy changes.	Note
7.5	<u>Noted</u> that the 24 Air Source Heat Pump systems fitted in Forth have proved to be very successful.	Note
7.6	<u>Noted</u> that it is expected that we will have all of our properties meeting the new standards for smoke and carbon monoxide detectors by the target date of February 2021. The Property Services Manager confirmed that we fit combination, radio controlled units and that a minor works certificate is issued for each property. This will be a 10 year rolling programme and will be a big expense for the Association. A Member acknowledged just how ahead we were in relation to this replacement programme.	Note
7.7	<u>Noted</u> that the meeting was told that 88 medical adaptations costing £101,801 were carried out during the year.	Note
7.8	<u>Noted</u> that we currently have 220 properties failing ESSH. The Property Services Manager explained that a full report would be presented to the August Board Meeting regarding ESSH.	Note
7.9	<u>Noted</u> that the Property Services Manager advised Members that the carry forward of £60K from property maintenance approved during Item 5 - Management Accounts report would be spent on replacing an additional 16 heating systems.	Noted

7.10	The Board noted the contents of this report and approved the expenditure of the £60k carry over on an additional 16 heating systems.	Action Required Note Approve
8.	ANNUAL REVIEW OF ALLOCATIONS AND EMPTY HOUSES 2018-2019	
8.1	<p data-bbox="316 517 810 557"><u>Noted</u> that it was reported that:</p> <ul style="list-style-type: none"> <li data-bbox="379 607 1225 831">▪ There were 154 properties let during the year, 95 of which were relet and 59 new lets. The Property Services Manager gave the meeting a breakdown of these lets. They highlighted that three of the Management Transfers were for racial harassment. <li data-bbox="379 880 1225 1055">▪ Refusals were down this year (38 compared to 48 last year). As in previous years, there does not seem to be any single reason for refusing a property. <li data-bbox="379 1104 1225 1368">▪ 25 properties are leased to Midlothian Council to assist with homeless accommodation, and 5 properties are leased to Midlothian Women’s Aid, which had provided refuge to 31 adults and 26 children during the year. There were very few management issues with these leases. <li data-bbox="379 1417 1225 1727">▪ Novus have achieved the target for completing repairs to empty houses (6.3 days on average). Four properties cost over £7k in repairs prior to relet and members were given an indication of the reasons for this and advised that we recharge where possible for work deemed to be the tenants’ responsibility. <li data-bbox="379 1776 1225 2054">▪ 81% of properties were relet within our target time of 15 days with our average time being 12 days. The Property Services Manager gave an indication of Midlothian Council relet times for comparison. 8 properties took more than 20 days to relet and the reasons for this were given to the Board. 	Note

		Action Required
8.2	<u>Noted</u> that the Chair thanked the Property Services Manager and the team for their efforts.	Note
8.3	The Board noted the contents of this report.	Note
9.	REVIEW OF CONTRACTOR PERFORMANCE YEAR TO 31 MARCH 2019	
9.1	Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive	Note
10.	ANNUAL HOUSING REPORT TO 31 MARCH 2019	
10.1	<u>Noted</u> that the Chief Operating Officer commented that this report is self explanatory but highlighted the following: <ul style="list-style-type: none"> ▪ We now have 425 Universal Claimants and this is impacting on our arrears which are above target at 3.45%. We are reviewing our arrears management practices and with the new housing manager starting on 28 May, this work will now be prioritised. ▪ Team have performed very well with good feedback from tenants across the service. ▪ Total Financial gain for tenants working with Welfare Benefits Advisers of £883k for the year ▪ Tenant Participation and Community Engagement will be covered in Annual Communication Report being presented in June. 	Note
10.2	The Board noted the content of the Report.	Note
11.	NEWBYRES AVENUE – CARBON DIOXIDE – THE NEXT STEPS	
11.1	<u>Noted</u> the Chief Executive reported on the testing that BRE had been carrying out in the empty properties at Newbyres, noting how successful it had been. They pointed out that in their final report, BRE recommended	Note

that this system is best practice and should be used in lack of any other systems.

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| 11.2 | <p>Noted that in the light of this, the Chief Executive highlighted that we need to be looking at rolling out this to all the properties in the development. They noted that the IMT need to see this report, but cautioned that they won't necessarily like or agree with the recommendation. The report would also be shared with the Scottish Housing Regulator and Environmental Health Team.</p> | Note |
| 11.3 | <p>Noted that the Chief Executive stressed that this is proven technology for removing radon gas and we need to get these houses back and minimise the risks in our other properties. Price per property for this work would be approx. £2,000. They also pointed out if feasible, we would fit landlord electricity supplies to each block of houses so that tenants do not incur any additional costs and look to at ways to monitor for pump failure etc using smart meter technology.</p> | Note |
| 11.4 | <p>Noted that the Board discussed the proposal presented and the Chair asked for their approval to take this forward.</p> | Note |
| 11.5 | <p>The Board noted the contents of this report and approved the proposal presented and agreed that this should be taken forward.</p> | Note
Approve |
| 12. | ANNUAL RETURN ON THE CHARTER AND EESSH RETURN 2019 | |
| 12.1 | <p>Noted that the meeting was advised that members of the Audit Committee met on 21 May and gave their feedback on the ARC submission. It was reported that with very minor amendments made, they were happy to approve the Return for submission to the Scottish Housing Regulator.</p> | Note |
| 12.2 | <p>Noted that the Chair commented that they felt that the Audit Committee meeting to review this document was perhaps not adding much to the process given that we already have the SHN desktop review and that this gave</p> | Note |

	<p>the Board the appropriate assurances. One Member noted that they actually thought that it was good to see the supporting evidence provided at this meeting. The Chief Executive also pointed out that in terms of the forthcoming Assurance Statement, this meeting could be documented as more evidence. The Board agreed to re-think this nearer the next submission.</p>	Action Required
12.3	<p>The Board noted the contents of this report and approved the submission of the ARC and EESSHH Returns to 31 March 2019.</p>	Note/ Approve
13	GOVERNANCE REPORT	
13.1	<p>Noted that the Chair gave a brief update on this report and highlighted the following:</p> <p>Notifiable Events – Update on Newbyres will be given to the Regulator</p> <p>Donations and Sponsorship – pleased to see that local organisations were being helped.</p> <p>Board Recruitment – 13 recognised as good number of members, we have 12, which was fine. This may change depending if anyone was to stand down at AGM. The Board Development Meetings may shed more light on this.</p> <p>Board Development Meetings – The PA will email Members with availability of Office Bearers and members are asked to advise if they would prefer a face to face meeting or Conference Call and give an indication if their availability.</p> <p>Board Away Days – This year’s event will be held on Friday 8 and Saturday 9 November at Double Tree by Hilton, Edinburgh Airport. Members asked to note the dates.</p> <p>KPI – noted the 5 indicators that finished the year above target.</p>	Note
		PA to action
13.2	<p>The Board noted the contents of this Report</p>	Note

14.	RECRUITMENT REPORT MAY 20219	Action Required
14.1	<u>Noted</u> that this item was held in private and has been minuted separately.	Note
15.	REGISTERS	
15.1	<u>Noted</u> that there were 5 entries in the Entitlements, Payments and Benefits Register.	Note
15.2	<u>Noted</u> that there was one entry in the Declaration of Personal Interests Register	Note
15.3	<u>Noted</u> that there no entries in any of the other Registers.	Note
15.4	<u>Noted</u> that all Registers were available for review and were signed by the Secretary at the end of the meeting.	Note
16.	ANY OTHER COMPETENT BUSINESS	
16.1	<u>Noted</u> that there was no other competent business.	Note
17.	DATE OF NEXT MEETING	
17.1	<u>Noted</u> that the next scheduled meeting of the Board is Wednesday 19 June at 6.00 pm.	Note