

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 16 March 2022  
at 6.00 pm Hybrid Meeting - Office and Zoom Video Conference Call

**PRESENT:** Caron Quinn  
Andrew Dougherty  
Cathy Hanlan (co-optee)  
Hailie Johnston  
Clare Marshall  
Christine Moore  
Barbara Shearer  
Lucy Stang  
Bill Takhar

**IN ATTENDANCE:** John McMorrow, Chief Executive  
Kirsten Dean, Head of Finance & Corporate Services  
Neil Edgar, Development Manager  
Colin Turner, IT Manager  
Mary Monteith, PA to Chief Executive (Minute)

#### C QUINN IN THE CHAIR

1a.	<b>CHAIR'S OPENING REMARKS</b>  The Chair, welcome all to the meeting and introduced Colin Turner, our new IT Manager to the Board. Colin gave members a brief update on his background and an indication of his ideas for IT going forward.  <i>The IT Manager left the meeting at this point.</i>	<b>Action Required Note</b>
1b.	<b>DECLARATIONS OF ANY OTHER BUSINESS</b>  <u>Noted</u> that there was no other competent business.	<b>Note</b>

<p><b>1c.</b></p> <p><b>1d.</b></p>	<p><b>DECLARATIONS OF INTEREST</b></p> <p><u>Noted</u> that declarations from Ironmills Directors and Tenants’ Representative duly noted</p> <p><b>APOLOGIES</b></p> <p>Apologies were received from David Bond, Donna Bogdanovic and Paul Cameron</p>	<p><b>Action Required</b></p> <p><b>Note</b></p> <p><b>Note</b></p>
<p><b>2.</b></p> <p>2.1</p> <p>2.2</p>	<p><b>MINUTES OF PREVIOUS BOARD MEETING 26 JANUARY 2022</b></p> <p><u>Noted</u> that the Chair invited the Chief Executive to lead on the minutes on behalf of the Secretary.</p> <p><u>Noted</u> that Members agreed that these were a true and accurate minute of the above meeting. The minutes were <u>approved</u> by Clare Marshall and <u>seconded</u> by Christine Moore.</p>	<p><b>Note</b></p> <p><b>Approve</b></p>
<p><b>3.</b></p> <p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p>	<p><b>MATTERS ARISING AND OUTSTANDING ISSUES</b></p> <p><u>Noted</u> that Chief Executive explained that he was asking the Board to <b>note</b> the contents of this report and the removal of completed items.</p> <p><u>Noted</u> that members discussed the Equal Opportunities and Human Rights Policy. One query raised related to recruitment and how we will monitor human rights etc, it was noted that we will follow best practice guidance.</p> <p><u>Noted</u> that the Board were asked to confirm how they wanted data to be collected and it was agreed that this should be done anonymously. The Chair pointed out that the majority of the sector collect the information in this way.</p> <p><u>Noted</u> that the Board <b>approved</b> the Equal Opportunities and Human Rights Policy (with incorporated strategy) and this will go out for consultation using the Commitment statement.</p>	<p><b>Note</b></p> <p><b>Note</b></p> <p><b>Note</b></p> <p><b>Approve</b></p>

<p>3.5</p> <p>3.6</p> <p>3.7</p>	<p><b>Noted</b> that the Procurement Policy was presented for approval. The Audit Committee had discussed this at their meeting in February and agreed that the number of people on tender panels was not practical and Appendix B of this policy had been amended to reflect their recommendations.</p> <p><b>Noted</b> that Board agreed that following further comments received, this Policy should be presented to the May meeting for approval</p> <p><b>Noted</b> that with regards to the Corporate Plan, the Board <b>approved</b> a separate meeting be held early October to review the Plan. It was noted that this will also allow time to consider the Annual Assurance Statement if required.</p>	<p><b>Action Required Note</b></p> <p><b>Agree – CE to Action</b></p> <p><b>Approve Date to be circulated</b></p>
<p>4.</p> <p>4.1</p>	<p><b>DEVELOPMENT UPDATE REPORT – JANUARY 2022</b></p> <p><b>Noted</b> that the Development Manager gave the following update:</p> <p><b>Limekilns – Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .</b></p> <p><b>Pentland Green Phase 1</b> – End of 12-month defects inspections for first tranche of properties handed over are being carried out with minimal defects. Further inspections to be arranged in March and July for the remaining properties. Customer satisfaction survey has been issued to all tenants and a report on the outcomes of this survey will be presented to the Board at a future meeting.</p> <p><b>Pentland Green Phase 2</b> – first 6 houses to be handed over on 24 March. Golden Brick stage for plots 32-43, 251, 216 and 217-222 expected by w/c 21 March 2022.</p>	<p><b>Note</b></p> <p><b>Note</b></p> <p><b>Note</b></p>

4.2	<p><b>Potential Future Sites</b></p> <p><b>Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .</b></p> <p><i>The Chair thanked the Development Manager for this update, and he left the meeting at 18.30.</i></p>	<p><b>Action Required</b></p> <p><b>Note</b></p> <p><b>Note</b></p>
5.	<p><b>GOVERNANCE</b></p> <p>5.1 <b>Noted</b> that the Chief Executive reported:</p> <p>5.2 Notifiable events – all closed and no new notifications</p> <p>5.3 SPSO – Members encouraged to read the SPSO decision reports – the Chief Executive noted that this provides an opportunity to ensure we do not make similar mistakes.</p> <p>5.4 Board Training – Equalities training arranged for 6 April.</p> <p>5.5 Board Development Meetings – report presented which gave a flavour of the meetings rather than noting individual comments.</p> <p>5.6 Board Team Building Exercise – <b>Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .</b></p> <p>5.7 Stock Tour arranged for Tuesday 3 May 2022.</p> <p>5.8 Audit Committee Update – the following was highlighted from last meeting:</p> <ul style="list-style-type: none"> <li>▪ External Audit Plan – Reviewed and Approved</li> <li>▪ Internal Audit: <ul style="list-style-type: none"> <li>▪ All (15 of 15) follow up work completed – Strong Assurance achieved</li> <li>▪ Reviewed Risk Register</li> <li>▪ Audit Plan for 2022/23 was presented and Board are asked to approve the following audits:</li> </ul> </li> </ul>	<p><b>Note</b></p> <p><b>Note</b></p> <p><b>Note</b></p> <p><b>Note</b></p> <p><b>Note</b></p> <p><b>Members to Respond</b></p> <p><b>Note</b></p> <p><b>Note</b></p>

			<b>Action Required</b>	
	Complaints Handling	3 days	6 June	
	Void Management & Arrears Management	3 days	26 September	
	Equalities & Follow Up Review	3 days	5 December	
		1 day		
5.9	Key Performance Indicators – noted that there was a slight change to relet times 15 days – will be 13 days by end March.			<b>Note</b>
5.10	Calendar of returns – all returns to date have been returned with allotted timescales.			<b>Note</b>
5.11	SFHA Affiliation - Cost this year is £15,759 (which is budgeted for). Members and staff felt that Forums/Conferences were very useful, and it was noted that they are very helpful on an operational basis. The Board <b>approved</b> reaffiliation.			<b>Note</b> <b>Approve</b>
5.12	Association Membership - there were no new membership applications/cancellations to report. The Chief Executive noted that we will be holding a Membership Drive as we are down to 64 members – leaving a risk that we have reduced numbers to achieve the necessary skill set for future Board Membership.			<b>Note</b>
5.13	Health and Safety – No health and safety issues were reported.			<b>Note</b>
5.14	Annual Assurance Action Plan - members considered addition of section in all reports regarding strategic objectives being covered. It was <b>agreed</b> that this would be added only to key reports. Member also <b>approved</b> the introduction of an annual report on scheme of delegate authority.			<b>Approve</b>
5.15	The Board <b>noted</b> the contents of this report and:			<b>Note</b>
5.16	<b>Approved</b> arrangements for review and monitoring of the Corporate Plan.			<b>Approved</b>
5.17	<b>Noted</b> notifiable event update.			<b>Note</b>

5.18	<b>Noted</b> SPSO decision reports published.	<b>Action Required</b> <b>Note</b>
5.19	<b>Noted</b> update on training sessions.	<b>Note</b>
5.20	<b>Noted</b> Board Development Report.	<b>Note</b>
5.21	<b>Considered</b> Team Building Event for Board.	<b>Consider</b>
5.22	<b>Reviewed</b> and <b>Approved</b> Internal Audit Plan for 2022/23.	<b>Approve</b>
5.23	<b>Noted</b> key performance indicators information.	<b>Note</b>
5.24	<b>Noted</b> calendar of returns for 21/22 returns.	<b>Note</b>
5.25	<b>Approved</b> affiliation of SFHA for the period 2022/23.	<b>Approve</b>
5.26	<b>Noted</b> Annual Assurance Statement Action Plan update.	<b>Note</b>
<b>6.</b>	<b>BAD DEBT AND CREDIT WRTE-OFFS</b>	
6.1	<p><b>Noted</b> that Head of Finance and Corporate Services advised the Board that approval was being sought for the write-offs to 31 December 2021 (£25,794) and highlighted:</p> <ul style="list-style-type: none"> <li>▪ 64% related to Rechargeable repairs,</li> <li>▪ 32% related to rent arrears</li> <li>▪ 4% related to court costs.</li> </ul> <p>▪ Almost half of the balance, £11k related to two accounts:</p> <ul style="list-style-type: none"> <li>▪ Tenant terminated with us but never returned the keys. Locks were changed but no forwarding address left. Both Stirling Park and Scott &amp; Co have been unable to trace for us.</li> <li>▪ The second was a tenant who was evicted back in April 2018. Although we did get a forwarding address eventually, all letters were ignored. The case was sent to Scott and Co with a view to getting</li> </ul>	<b>Note</b>

	<p>a repayment plan in place, but nothing was forthcoming and as it has been so long, Scott and Co closed this case off.</p> <ul style="list-style-type: none"> <li>▪ £5k, related to historic debt with owners (over 5 years) invoiced for their share of common repairs, but have never been paid despite chasing and are subsequently untraceable or have been deemed unenforceable by our debt collection agencies</li> </ul>	<b>Action Required</b>
6.2	<b>Noted</b> that Members were reminded that although we are asking to write these off our ledgers, if any debts were to be repaid, or a former tenant looks to come back to us then we would reinstate the debt and pay off accordingly.	<b>Note</b>
6.3	<b>Noted</b> that the Rechargeable Repairs Policy will be reviewed when the new Head of Asset Manager is in post.	<b>Note</b>
6.4	<b>Noted</b> Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .	<b>Note</b>
6.5	<b>Noted</b> that it was clarified that all the rechargeable repairs noted were Former Tenant arrears.	<b>Note</b>
6.6	The Board <b>noted</b> the contents of this report and <b>approved</b> write-offs detailed.	<b>Approve</b>
<b>7.</b>	<b>MANAGEMENT ACCOUNTS TO 31 DECEMBER 2021</b>	
7.1	<b>Noted</b> that the Head of Finance and Corporate Services pointed out that these results are reported against the Forecast approved by the Board in November 2021.	<b>Note</b>
7.2	<b>Noted</b> that it was acknowledged that we are in a strong position versus forecast with a surplus of £1.9m versus a forecasted one of £1.6m. It was noted that this was mainly due to underspends on programmed expenditure less bad debts and reduced overheads	<b>Note</b>
7.3	<b>Noted</b> that the Board reviewed the Statement of Comprehensive Income, and the following was highlighted:	<b>Note</b>

	<ul style="list-style-type: none"> <li>▪ Positive arrears performance.</li> <li>▪ Drop in rechargeable repairs income.</li> <li>▪ Stage III Funding – timing issues and will be on target by year end.</li> <li>▪ In Appendix 1 it looks like the Planned Maintenance &amp; Newbyres costs are also showing for Service Charge &amp; Stage 3, correct figures are shown on Appendix 3 breakdown but the total programmed expenditure costs are correct.</li> <li>▪ £614k under forecast as at the end of December with it being mainly in our planned spends and reactive.</li> <li>▪ The main planned underspends were in Roofs (£99k), Heating (£89k), Bathrooms (£45k), Asbestos (39k) and Reactive (£81k).</li> <li>▪ Retrofitting underspend will be moved into the new account for net zero works at end of financial year.</li> <li>▪ Where tenants are not engaging re heating replacement, the programme will be adjusted to bring forward any from next year that we can so that our final year spend is in line with our forecast.</li> <li>▪ Tenant Participation underspend is due to not spending what was allocated for Sustainability works (soundproofing) but we may have some spend upcoming.</li> <li>▪ Slight overspend on accommodation due to heating &amp; air con work in the office, hoping to get some of this back from the original contractor.</li> </ul>	<b>Action Required</b>
7.4	<b>Noted</b> that our cash position remains high with no issues regarding our covenants.	<b>Note</b>
7.5	<b>Noted</b> that one member asked about the warranties for the office heating. It was noted that we have had the work done and it seems to have resolved the issue. Although we've paid for this work, we are trying to recoup the money the original contractor.	<b>Note</b>
7.6	The Board <b>noted</b> the contents of this Report.	<b>Note</b>



		<b>Action Required</b>
<b>8.</b>	<b>IRONMILLS DEVELOPMENTS LTD (IDL) TEN YEAR FORECAST</b>	
8.1	<b>Noted</b> the ten year forecast (2022-2032) for Melville’s subsidiary, IDL, was presented to Board for approval at their meeting on 23 February 2022	<b>Note</b>
8.2	<b>Noted</b> that the following key assumptions had been made: <ul style="list-style-type: none"> <li>▪ 2% increase in rental income and charges from MHA to IDL for 22/23 then 2% inflationary increase thereafter</li> <li>▪ Bad debts assumed of 3% of rental income</li> <li>▪ Voids of 2% of rental income</li> </ul>	<b>Note</b>
8.3	<b>Noted</b> that sensitivity analyses carried out indicated relatively minor impacts across the 10 years.	<b>Note</b>
8.4	<b>Noted</b> that the IDL Board agreed that any surpluses be covenanted to Melville.	<b>Note</b>
8.5	The Board <b>noted</b> the contents of this report and <b>agreed</b> the IDL Ten year Forecast.	<b>Note/ Approve</b>
<b>9.</b>	<b>REGISTERS</b>	
	<b>Entitlement, Payments and Benefits</b>	
9.1	<b>Noted</b> that there were three entries in this Registers since it was last presented to the Board: <p style="text-align: center;"><b>Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .</b></p> <b>Other Registers</b>	<b>Note</b>
9.2	<b>Noted</b> that there no entries in any of the following Registers: <ul style="list-style-type: none"> <li>▪ Declaration of Interests</li> </ul>	

	<ul style="list-style-type: none"> <li>▪ Bribery &amp; Corruption</li> <li>▪ Fraud</li> <li>▪ Seal</li> </ul>	<b>Action Required</b>
9.3	<b>Noted</b> that the Secretary will sign the Registers at the first available opportunity, but Members were reminded that the Registers were available for review at any time.	<b>Note</b>
<b>10.</b>	<b>CONFIDENTIAL REPORT</b>	<b>Note</b>
10.1	<b>Noted</b> that this item has been minuted separately.	
<b>10</b>	<b>ANY OTHER COMPETENT BUSINESS</b>	
10.1	<b>Noted</b> that there was no other competent business to be raised.	<b>Note</b>
<b>11.0</b>	<b>DATE OF NEXT MEETING</b>	
11.1	<b>Noted</b> that the next scheduled meeting of the Board is Wednesday 18 May at 6pm.	<b>Note</b>
11.2	Meeting was closed at 19.32	<b>Note</b>