

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 18 May 2022
at 6.00 pm Hybrid Meeting - Office and Zoom Video Conference Call

PRESENT: Caron Quinn
Donna Bogdanovic
David Bond
Paul Cameron
Andrew Dougherty
Cathy Hanlan (co-optee)
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
Jane Burnett, Housing Manager
Mary Monteith, PA to Chief Executive (Minute)

C QUINN IN THE CHAIR

1a.	CHAIR'S OPENING REMARKS The Chair, welcome all to the meeting and advised that the Development Manager and the Housing Manager were in attendance for Items 4 and 5 respectively.	Action Required Note
1b.	DECLARATIONS OF ANY OTHER BUSINESS <u>Noted</u> that there was no other competent business.	Note
1c.	DECLARATIONS OF INTEREST	

1d.	<p><u>Noted</u> that declarations from Ironmills Directors and Tenants' Representative duly noted</p> <p>APOLOGIES</p> <p>Apologies were received from Hailie Johnston.</p>	<p>Action Required</p> <p>Note</p> <p>Note</p>
<p>2.</p> <p>2.1</p> <p>2.2</p> <p>2a.</p> <p>2a.1</p>	<p>MINUTES OF PREVIOUS BOARD MEETING 16 MARCH 2022</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 Cathy Hanlan and <u>seconded</u> by Clare Marshall</p> <p>PRIVATE MINUTES OF PREVIOUS BOARD MEETING 16 MARCH 2022</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 Barbara Shearer and <u>seconded</u> by Clare Marshall</p>	<p>Note</p> <p>Approve</p> <p>Approve</p>
<p>3.</p> <p>3.1</p> <p>3.2</p>	<p>MATTERS ARISING AND OUTSTANDING ISSUES</p> <p><u>Noted</u> that Chief Executive highlighted the following:</p> <ul style="list-style-type: none"> ▪ Legal Services training arranged for 6 June. ▪ Following on suggestion from a Member, now that the Head of Asset Management is in post, we will arrange Procurement Policy review in June – approved. ▪ Additional meeting for Corporate Plan review arranged for 12 October 2022. ▪ Team Building exercise for the Board – no uptake, so this will be removed. <p><u>Noted</u> that the Corporate Plan will be available to all members in the VBR document library.</p>	<p>Note</p> <p>Note</p> <p>Approve</p> <p>Note</p> <p>Note</p> <p>Note</p>

	<p>final version of lease would be presented to the Board for their approval. Members agreed to this.</p> <p><i>The Chair thanked the Development Manager for this update, and he left the meeting.</i></p>	<p>Action Required Approve</p>
5.	HOUSING REPORT TO 31 MARCH 2022	
5.1	<p>Noted that the Housing Manager began her report by acknowledging the work of the Housing Team in achieving the outstanding arrears figure of 1.79%. She advised that this was due in part to the various funds that we have had access to and the £408k accessed for our tenants by the Welfare Benefits team.</p>	Note
5.2	<p>Noted that it was also pointed out that given the increase in cost of living and the various funds we had access to now running out, the arrears target will remain at 2.75% for 2022-23.</p>	Note
5.3	<p>Noted that the help and support provided to tenants by staff, CHAI, Changeworks and funding has assisted in sustaining tenancies (97% or 3 tenancies ended in current year).</p>	Note
5.4	<p>Noted that Members were advised that the Housing Team reshuffle had freed up time for the Housing officers to spend more time with tenants and this has been needed due to the complex cases and needs of tenants. It was pointed out that although Anti-social behaviour/neighbourhood disputes had reduced slightly, the cases remain complex and challenging, and legal action is now being taken and some tenancies are being converted to Short Scottish Secure Tenancies.</p>	Note
5.5	<p>Noted that the Housing Manager explained that messy gardens are an issue for us on the Estates and there has been an increase in the number of complaints received. It was reported that we can get assistance from the Community Payback team to help us with tidying up etc. but one case will be progressed for legal action due to non-engagement.</p>	Note

5.6	<p>Noted that Housing Officers are also dealing with increased number of domestic violence cases and poor house conditions since the pandemic. It was noted that we do have support in place to assist tenants.</p>	Action Required
5.7	<p>Noted that the case studies attached to this report were highlighted and it was acknowledged that it was inspiring to see the difference the support we have in place makes to tenants' lives.</p>	Note
5.8	<p>Noted that the Housing Manager was asked if we expect more tenancies to fail due to the rise in cost of living. Members were advised that this was a possibility, and the Housing Manager outlined the pre-tenancy interviews we carry out to prepare applicants of the costs in taking on a tenancy.</p>	Note
5.9	<p>Noted that there was a query re the CCTV cameras we have recently fitted, and it was confirmed that these are on full display and all residents in the block have been advised that they are in use. It was noted that we may have to grid the cameras over if they are vandalised, but it was explained that this is very much a trial to gauge the effectiveness of this deterrent and that the cameras can be moved to other locations if required.</p> <p><i>The Chair thanked the Housing Manager for this Report, and she left the meeting at this point.</i></p>	Note
6.	<p>MANAGEMENT ACCOUNTS TO 31 MARCH 2022</p>	
6.1	<p>Noted that the Head of Finance and Corporate Services pointed out that the results to 31 March 2022 are reported against the Forecast approved by the Board in November 2021.</p>	Note
6.2	<p>Noted that members were advised that approval will be sought to carry forward £375k of underspent maintenance budgets into this financial year.</p>	Note

<p>6.3</p>	<p><u>Noted</u> that the Board were also asked to approve the following:</p> <ul style="list-style-type: none"> ▪ Carrying value of housing stock and Corn Exchange as they currently stand. ▪ Updated Letters of Engagement for Chiene + Tait. 	<p>Action Required Note</p>
<p>6.4</p>	<p><u>Noted</u> that members were advised:</p> <ul style="list-style-type: none"> ▪ Total income is £147k ahead of forecast and this was entirely due to our bad debts (both rental and non-rental) being £133k better than forecast. ▪ Rent arrears had improved by 16% (£40k) since last year end (1.8% v 2.1%). ▪ Non-rent bad debts had decreased 28% since last year end and we are still assuming a 100% provision for such debts. ▪ Other income is less than forecast due to less rechargeable repairs in the year. ▪ Other Grant Income included £28k in relation to the WFF and Cycle Scotland Fund (offset in TP). ▪ The year-end Property Maintenance report will be presented to the June meeting this year, but we were £1m underspent. ▪ Around half of this related to the £250k retrofitting budget we did not spend (cash set aside) and almost £200k less reactive repairs this year. ▪ We are looking to carry forward £385k of the remainder of this underspend as follows: <ul style="list-style-type: none"> ▪ £130k bathrooms, £55k roofs, £125k heating, £45k for Painting & £30k for landscaping. All work ordered but not yet completed or invoiced. It was reported that money will be allocated and spent in the first quarter of the current financial year. ▪ Noted that the £18k in Fire & Weather Damage related to the storms in November last year, and we will be claiming on our insurance. 	<p>Note</p>

		Action Required
	<ul style="list-style-type: none"> ▪ Within overheads, we were underspent by £128k with the majority of this being in Tenant Participation. It was noted that we had carried forward sums from the previous year with a view to spending them on sustainable activities in 21/22 but that has not materialised. ▪ The only significant overspend was on Accommodation. This was due to works being carried out on the office heating system which we hope to recoup. ▪ We remain in a strong position in terms of cash and our covenants. ▪ Our key covenant is our interest cover and as at year end, we had over £3.8m in terms of headroom. ▪ Under FRS102 we are required to recognise the value (or liability) of the MTM movement on our SWAPs. Each quarter we restate this liability based on market valuations provided by RBS and recognise any change in value in our statement of comprehensive income. During the year, the SWAP liability value decreased by £2,967k resulting in a positive adjustment. The Board were asked to note that this is an accounting adjustment only and has no cash impact. 	
6.5	Noted that as in previous years, we had carried out a review of our stock carrying value, and this was reported to the Board as an Appendix to this report.	Note
6.6	Noted that the Board were advised that we were comfortable with the carrying value of both the Corn Exchange and housing stock as of March 2022, particularly given our formal valuation last year.	Note
6.7	Noted that the only area we needed to consider was the valuation of the Limekilns development, Minute removed or edited due to information relating to personal/confidential items or being commercially sensitive .	Note
6.8	Noted that the Board approved the carrying value for the housing stock and the Corn Exchange.	Approve

<p>6.9</p> <p>6.10</p> <p>6.11</p> <p>6.12</p> <p>6.13</p> <p>6.14</p>	<p>Noted that it was reported that IDL had a full year operating surplus of £5.2k (against a £1.9k surplus) due mainly positive performance against bad debts and voids. That the Board of IDL has agreed that the £5.2k will be covenanted to Melville.</p> <p>Draft Financial Statements & Letters of Engagement</p> <p>Noted that updated Letters of Engagement from our auditors, Chiene + Tait, detailing the relationship between for both MHA and IDL were presented for approval. It was noted that the auditors were just doing a general refresh of all older Letters of Engagement that they had on file.</p> <p>The Board approved that the Chair sign these letters at the end of the meeting.</p> <p>Noted that the Chair and Vice-Chair agreed to review the draft financial statements and feedback any comments by 30 May.</p> <p>Noted that the Vice-Chair queried the inclusion of a previous Board Member in the accounts. The Head of Finance and Corporate Services will check this.</p> <p>Noted that members were advised that the lease between IDL and MHA was due for renewal and was now with Harper Macleod for comment. It was noted that we will look to extend this lease to cover 5 years.</p> <p>The Board noted the contents of this report</p>	<p>Action Required</p> <p>Note</p> <p>Note</p> <p>Approve</p> <p>CQ/DB to action</p> <p>Note</p> <p>KD to action</p> <p>Note</p>
<p>7.</p> <p>7.1</p>	<p>FIVE YEAR FINANCIAL PROJECTIONS 2022-2027</p> <p>Noted that the Board were advised that the Scottish Housing Regulator had brought forward the deadline for the submission we are required to make annually, setting out our 5 year financial projections from June to May and this must be approved by the Board prior to submission.</p>	<p>Note</p>

<p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p>Noted it was reported that the information required for this submission was sourced directly from our 30 year projections which were last approved by the Board in January 2022 and there have been no changes.</p> <p>Noted that RSLs have been advised that due to the change of submission date, Year zero can be based on our forecasted results.</p> <p>Noted that the rate of inflation noted at 2% was highlighted and the Head of Finance and Corporate Services explained that the assumption had been made at 5% but we could add more. It was agreed that this should be increased.</p> <p>The Board were happy to approve the submission of the Five Year Financial Plan to the Regulator subject to the amendment to the rate of inflation.</p>	<p>Action Required Note</p> <p>Note</p> <p>KD to action</p> <p>Approve</p>
<p>8.</p> <p>8.1</p>	<p>BAD DEBT AND CREDIT WRTE-OFFS</p> <p>Noted that Head of Finance and Corporate Services advised the Board that approval was being sought for the write-offs to 31 March 2021 (£redacted) and highlighted:</p> <ul style="list-style-type: none"> ▪ 61% related to Rechargeable repairs, ▪ 23% related to rent arrears ▪ 16% related to court costs. ▪ Half of the balance relates to FT and the other to Owner debts. <ul style="list-style-type: none"> ▪ 69% of the FT debt relates to tenants who have unfortunately passed away. ▪ We had one abandonment for which no forwarding address has been found totalling £redacted (23% of the FT balance). ▪ The rest were under the threshold for chasing via Scott & Co. 	<p>Note</p>

		Action Required
8.2	<ul style="list-style-type: none"> ▪ Of the Owner debts: <ul style="list-style-type: none"> ▪ 17 accounts totalling £redacted (average £redacted per debt) had been closed by Scott & Co as either being unable to pursue, trace or uneconomical to continue chasing. ▪ The remaining two balances totalling £redacted (£redacted and £redacted) are now officially too old to chase (2017) however, we will continue to pursue internally. <p>Noted 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.</p>	Note
8.3	<p>Noted that the Head of Finance & Corporate Services was asked how long we had been using Scott and Co, and could we look at other options. It was agreed that we could look into this.</p>	KD to Action
8.4	<p>Noted that the question was asked that if there were outstanding rechargeable repairs, and any further repairs were reported that were not right to repairs, could we withhold/charge tenants? It was advised that rechargeable repairs are being looked at and we are hoping to set up a working group to review the rechargeable repairs process.</p>	Note
8.5	<p>Noted that it was suggested that it would be good to have an article in the Voice newsletter, highlighting recharges and the costs to the Association.</p>	Note
8.6	<p>The Board noted the contents of this report and approved write-offs detailed.</p>	Note/ Approve
9.	GOVERNANCE	
9.1	<p>Noted that the Chief Executive reported:</p>	Note
9.2	<p>Notifiable events – all closed and no new notifications</p>	Note

9.3	SPSO – Members were advised that since writing the report, we have been notified that the SPSO are looking at one complaint they have received to see if this should be investigated further.	Action Required Note
9.4	FOISA – Reported that since writing one request (more environmental) has been received looking for details on external cladding used on our properties.	Note
9.5	Board Training – Legal Services training arranged for 6 June. Members were asked to consider if they had any specific training needs and if so, to discuss at the next meeting	Note
9.6	Board Development Meetings – in line with comments about reducing info in packs, 3 reports have been rescheduled until next month and saving of Appendices into VBR document library will be looked at. Members commented that they had found the forwarding of the Development reports very helpful. It was noted that the Schedule of Reports could be reviewed to see if this can be continued.	Members to consider Note
9.7	Delegated Authority – members were informed that the Chair and Vice-Chair had approved an eviction report between meetings. The Policy had been reviewed and there were no significant changes required.	Note
9.8	Calendar of returns – all returns to date have been returned on time.	Note
9.9	Staff – Amanda Crane, Allocations Co-ordinator, and Richard (Rich) Murdoch, Head of Asset Management are now in post. It was noted that the Allocation Co-ordinator will be undertaking the Scottish Credit and Qualification Framework Level 6 to maintain our Property Letting Registration, with the Housing Manager undertaking this qualification also as soon as practical.	Note

9.10	Equality Monitoring – table presented to members outlining the responses received for the two recent posts advertised.	Action Required Note
9.11	Donations & Sponsorship - Review of donations (£4,650) made over the year presented. Noted that this year, a £1K donation had been made to Mayfield and Easthouses Gala to sponsor goodie bags for the children. It was commented that we should be doing more to let people know how we are helping our communities. It was agreed that our Communications Manager will do a piece for the Voice newsletter.	Note
9.12	Association Membership – advised that we had been notified that one member was deceased and their membership of the Association should be cancelled.	Approve
9.13	Health and Safety – No health and safety issues were reported.	Note
9.14	Equalities – no new Equality and Human Rights issues had been identified.	Note
9.15	Annual Assurance Statement – update given to members, and it was pointed out that we have now received confirmation following last year’s submission that we are compliant.	Note
9.16	The Board noted the contents of this report and:	Note
9.17	Noted arrangements for review and monitoring of the Corporate Plan.	Note
9.18	Noted notifiable event update.	Note
9.19	Noted SPSO Update.	Note
9.20	Noted update on training sessions.	Note
9.21	Noted Delegated Authority action and review	Note

		Action Required
9.22	Noted Staff update and equalities monitoring	Note
9.23	Noted calendar of returns for 21/22 returns.	Note
9.24	Noted Deletion of Association Membership	Note
9.25	Noted Annual review of donations and sponsorship	Note
9.26	Noted Annual Assurance Statement Action Plan update.	Note
10.	ANNUAL RETURN ON THE CHARTER	
10.1	Noted that update on the comparison table was sent to members prior to the meeting and the draft full submission was available for review in the VBR Document Library.	Note
10.2	Noted that the Board were given an overview of the comparison table and following this approved the submission of the ARC to the Scottish Housing Regulator.	Approve
11.	REGISTERS	
	Entitlement, Payments, and Benefits	
11.1	<p>Noted that there were six entries in this Registers since it was last presented to the Board:</p> <ul style="list-style-type: none"> ▪ Flowers for Nancy Booth on her retirement from Contractor ▪ In Line with Retirement Policy £100 voucher and Flower from the Association for Nancy Booth ▪ Invitation from Novus for John McMorrow – Senior Team Dinner at CIH Conference - Declined ▪ Invitation from Mobysoft to Pre-Conference Dinner – Declined ▪ Steven Loughrie, Property Officer – Wedding Gift, Bottle of Champagne ▪ Flowers sent to wife of contractor who passed away. 	Note

	Other Registers	Action Required
11.2	<p>Noted that there no entries in any of the following Registers:</p> <ul style="list-style-type: none"> ▪ Declaration of Interests ▪ Bribery & Corruption ▪ Fraud ▪ Seal 	Note
11.3	<p>Noted that the Secretary signed the Registers at the end of the meeting and Members were reminded that these registers are available for review at any time.</p>	Note
12.0	ANY OTHER COMPETENT BUSINESS	
12.1	<p>Noted that there was no other competent business to be raised.</p>	Note
13.0	DATE OF NEXT MEETING	
13.1	<p>Noted that the next scheduled meeting of the Board is Wednesday 15 June at 6pm and that this will be a hybrid meeting.</p>	Note
13.2	<p>Meeting was closed at 19.03</p>	Note