

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 17 May 2023  
at 6.00 pm Hybrid Meeting - Office and Zoom Video Conference Call

**PRESENT:** Donna Bogdanovic  
Hailie Johnston  
Clare Marshall  
Caron Quinn  
Barbara Shearer  
Cathy Hanlan  
Andrew Dougherty  
Bill Takhar  
Paul Cameron  
Lucy Stang

**APOLOGIES:** David Bond  
Christine Moore

**IN ATTENDANCE:** John McMorrow, Chief Executive  
Rich Murdoch, Head of Asset Management  
David Dewhurst, Acting Head of Finance

**D BOGDANOVIC IN THE CHAIR**

	Agenda Item Details	Action Required
1a.	<b>CHAIR'S OPENING REMARKS</b>  The Chair welcomed all to the meeting.	
1b.	<b>DECLARATIONS OF ANY OTHER BUSINESS</b>  <u>Noted</u> that there was no other competent business.	<b>Note</b>

	Agenda Item Details	Action Required
1c.	<p><b>DECLARATIONS OF INTEREST</b></p> <p><b>Noted</b> that declarations from Ironmills Directors and the Tenant Representative were duly noted.</p>	<b>Note</b>
1d.	<p><b>APOLOGIES</b></p> <p>Apologies were received from David Bond and Christine Moore.</p>	<b>Note</b>
2.	<p><b>MINUTES OF PREVIOUS BOARD MEETING 15 MARCH 2023</b></p>	
2.1	<b>Noted</b> that the Chair invited the Chief Executive to lead on the minutes on behalf of the Secretary.	<b>Note</b>
2.2	Board Members agreed that these were a true and accurate minute of the above meeting. The minutes were <b>approved</b> by Clare Marshall and <b>seconded</b> by Caron Quinn.	<b>Approve</b>
3.	<p><b>MATTERS ARISING AND OUTSTANDING ISSUES</b></p>	
3.1	<p><b>Noted</b> that Chief Executive highlighted that the following items had been completed and sought approval for their removal from the report:</p> <p>Annual Safety Plan presented later in meeting</p> <p>Rents &amp; Service Charges policy consultation completed</p> <p>30 Year Plan additional stress testing undertaken</p>	<b>Note</b>
3.2	The Board <b>noted</b> the contents of this report and <b>approved</b> removal of the above items from the report.	<b>Approve</b>
3.3	Consideration was given to the information sought in relation to the draft Trans Gender equality policy.	<b>Note</b>
3.4	After discussion and <b>noting</b> the above Board requested that a Diversity Training Session be undertaken to	<b>Note</b>

	Agenda Item Details	Action Required
	determine whether a separate Transgender policy was required.	
3.5	The Board <b>noted</b> the possible future actions table which outlined possible actions and/or longer-term actions.	<b>Note</b>
<b>4.</b>	<b>GOVERNANCE</b>	
4.1	<b>Noted</b> that the Chief Executive reported on the following items as circulated in the Governance Report:	<b>Note</b>
4.2	<b>Notifiable events</b> – no new notifiable events.	<b>Note</b>
4.3	<b>FOI/SAR/GDPR</b> – one new GDPR breach.	<b>Note</b>
4.4	<b>Board Development &amp; Training</b> –The Board <b>noted</b> the training programme with the next training event on Governance and legislation booked for Monday 5 <sup>th</sup> June at 6.00pm.	<b>Note</b>
4.5	<b>Audit Committee Report</b> – Board <b>noted</b> the main items from the last audit Committee meeting held in April.	<b>Note</b>
4.6	<b>Key Performance Indicators</b> – it was <b>noted</b> that the KPI(s) were reported within the KPI report circulated with the agenda.	<b>Note</b>
4.7	A question was raised on the proposed strategy to increase Customer Satisfaction levels and it was noted that the staff away day session will focus on Customer Excellence as its theme.	
4.8	It was also <b>noted</b> that the satisfaction figures are influenced in part by Contractor performance and a brief summary of actions taken to improve service delivery was reported at the meeting.	<b>Note</b>
4.9	This work included no access report and follow up alongside various contractor performance measures.	

	<b>Agenda Item Details</b>	<b>Action Required</b>
4.10	<b>Calendar of returns</b> – it was <b><u>noted</u></b> that the 30-year plan has been issued to the Bank.	<b>Note</b>
4.11	<b>Staffing</b> – Board <b><u>noted</u></b> the staffing update as reported in the Governance report.	<b>Note</b>
4.12	Board <b><u>noted</u></b> and <b><u>approved</u></b> the annual review of donations with £7,400 with 13 organisations receiving support.	<b>Note/ Approve</b>
4.13	<b>Association Membership Drive</b> – it was <b><u>noted</u></b> that there were no changes to membership as the deletion noted in the report of one member had been approved at the last Board meeting.	<b>Note</b>
4.14	<b>Equalities</b> – no new Equality and Human Rights issues were presented, and it was noted that the equalities and human rights action plan will be considered at a later meeting due to the volume of agenda items on the agenda.	<b>Note</b>
4.15	<b>Annual Assurance Statement</b> – update to action plan included in the report.	<b>Note</b>
4.16	Policy Reviews – Board <b><u>noted</u></b> the following policy review. <ul style="list-style-type: none"> <li>• FIN 007 Former Tenancy Debt</li> </ul>	<b>Note</b>
4.17	This policy was <b><u>approved</u></b> by Board subject to an amendment on the flow chart to read write back rather than write offs.	<b>Approve</b>
<b>5.</b>	<b>YEAR END FINANCE REPORT</b>	
5.1	The Acting Head of Finance presented the Year End Finance Report that included the Management Accounts and the draft Audited Accounts for the period ending 31 March 2023.	
5.2	<b><u>Noted</u></b> that the results to 31 March 2023 are reported against the Forecast approved by the Board in November 2022.	<b>Note</b>

	Agenda Item Details	Action Required
5.3	<p><b>Noted</b> that members were advised:</p> <ul style="list-style-type: none"> <li>• Hymans Robertson actuarial report received at end of April with main factor in movement is the discount rate of 4.75% as opposed to 2.7%.</li> <li>• Closing surplus before FRS102 adjustments of £1.565m which includes Pension service cost of £252,000.</li> <li>• If pension costs were set aside the true operating would be £1.818m.</li> <li>• Movement in fair value of assets of £3.874m</li> <li>• Actuarial gain for pensions of £4.797m.</li> <li>• Total Comprehensive income of £10.236m.</li> <li>• Positive income variances of £149,000 due to bad debts being less than budgeted along with increased grant income and interest.</li> <li>• Programmed maintenance underspend of £26,000 in profit and loss account.</li> <li>• Programmed capitalised in fixed assets £857,000 less than budget being £143,000 net overspend on certain items offset by £1m retrofit monies set aside not being spent.</li> <li>• Loan interest rates have not risen as much as budget (favourable variance of £90,000).</li> <li>• Balance sheet fixed assets of £91.44m (includes £3.8m stock in development) net current liabilities - £2.2m, loans -£26.8m, SWAPS -£2.7m, pension asset £4.3m with net assets of £64.1m.</li> <li>• Cash positive £2.87m at 31/3/2023.</li> </ul>	Note

	Agenda Item Details	Action Required
	<ul style="list-style-type: none"> <li>All covenants are met.</li> </ul>	
5.4	Board therefore <b>noted</b> the management accounts for the period ending 31 March 2023.	<b>Note</b>
5.5	Board <b>noted</b> the first draft audited accounts that will be supplied for audit, and it was reported that the audited accounts will be presented to the July Audit Committee for a full review prior to approval by the Board.	<b>Note</b>
5.6	Board <b>noted</b> that all working papers are complete and ready for audit.	<b>Note</b>
5.7	It was <b>noted</b> that a report will be presented at the next meeting to seek approval for the draw down of funds from the Name Redacted Facility Agreement which is due to expire during 2023.	<b>Note</b>
5.8	This item is redacted as commercially sensitive.	<b>Consider</b>
5.9	It was also <b>noted</b> that for the full amount to be drawn down a change or relaxation be considered to our Treasury Management Policy to reduce the fixed rate of loans from 70% of all loans to circa 65% of loans being fixed.	<b>Note</b>
5.10	Board <b>approved</b> the presentation of a report at the next meeting to consider the facility agreement.	<b>Approve</b>
<b>6.</b>	<b>FIVE YEAR FINANCIAL PROJECTIONS 2023-2028</b>	
6.1	<b>Noted</b> that the Board were advised that the Scottish Housing Regulator 5-year financial projections were due at the end of May, and this must be approved by the Board prior to submission.	<b>Note</b>
6.2	<b>Noted</b> it was reported that the information required for this submission was sourced from our 30-year projections which were last approved by the Board in March 2023.	<b>Note</b>

	Agenda Item Details	Action Required
6.3	<b>Noted</b> that the only change from the 30-year plan is to adjust the long-term payables figure to £2.67m to match the closing figure at 31/03/2023.	<b>Note</b>
6.4	Board <b>noted</b> that the opening figure at 31/03/23 was £6.548m adjusted by £3.874m in Year 0 to £2.647m at 31/3/23 and that the ordinary surplus before adjustment was £1,716,400 for year 0, as per the 30-year projections last approved by the Board in March 2023.	<b>Note</b>
6.5	Board <b>noted</b> that this change increases the comprehensive income for year 0 by £1.2m.	<b>Note</b>
6.6	The Board were happy to <b>approve</b> the submission of the Five-Year Financial Plan to the Regulator subject to this change.	<b>Approve</b>
<b>7.</b>	<b>BAD DEBTS &amp; CREDIT WRITE OFFS</b>	
7.1	Board <b>noted</b> the report outlining that there were £25,445.37 Bad Debt or Credit Write Offs being presented for the period ending 31 <sup>st</sup> March 2023.	<b>Note</b>
7.2	Board <b>approved</b> the bad debt write offs presented with the agenda papers.	<b>Approve</b>
<b>8.</b>	<b>ANNUAL RETURN ON THE CHARTER (ARC)</b>	
8.1	<b>Noted</b> that the comparison table was sent to members along with the Annual Return on the Charter (ARC) for consideration.	<b>Note</b>
8.2	Board <b>noted</b> that the Energy Efficiency Standard Social Housing (EESH) figures outlined in the ARC comparison report were not required for the ARC return however were presented for information.	<b>Note</b>
8.3	Board <b>noted</b> the abeyances recorded which either had an expired or no Electrical Installation Certificate.	<b>Note</b>

	<b>Agenda Item Details</b>	<b>Action Required</b>
8.4	It was reported that all of these properties have been visited at least once during the year by our electrical safety contractors and we are investigating whether we can force access to undertake the electrical safety inspection.	
8.5	<b>Noted</b> that the Board were given an overview of the comparison table and following this <b>approved</b> the submission of the ARC to the Scottish Housing Regulator.	<b>Note/ Approve</b>
<b>9.0</b>	<b>HEALTH &amp; SAFETY REPORT</b>	
9.1	Board <b>noted</b> the report circulated with the agenda outlining Health & Safety monitoring and work undertaken in the last year.	<b>Note</b>
9.2	Board <b>noted</b> that the Regulator had excluded the landlord guide to tenant and resident safety from their asset management guidance.	<b>Note</b>
9.3	A query was raised seeking clarification on the timescales to complete all the asbestos surveys and it was reported that it was anticipated this would be completed in 2 to 3 years.	
9.4	Clarity was sought on whether Melville are experiencing damp and mould as a consequence of external wall insulation.	
9.5	It was <b>noted</b> that this does not appear to be the case although we are aware of one claim in which an external agency is suggesting this as a contributory factor.	<b>Note</b>
<b>10.</b>	<b>REGISTERS</b>	
10.1	<b>Noted</b> that since the Registers were last presented to the Board the following entries have been made:  <b>Declarations of Interest - None</b>  <b>Entitlements, Payments, and Benefits – One</b>	<b>Note</b>



	<b>Agenda Item Details</b>	<b>Action Required</b>
	<b>Seal Register - None</b>	
10.2	<p><b><u>Noted</u></b> that there were no new entries in the following registers:</p> <ul style="list-style-type: none"> <li>▪ Bribery &amp; Corruption</li> <li>▪ Fraud</li> </ul>	<b>Note</b>
10.3	<p><b><u>Noted</u></b> that the Secretary will arrange to sign the Registers and Members were reminded that these registers are available for review at any time.</p>	<b>Note</b>
<b>11.0</b>	<b>ANY OTHER COMPETENT BUSINESS</b>	
11.1	<p><b><u>Noted</u></b> that there was no other competent business to be raised.</p>	<b>Note</b>
<b>12.0</b>	<b>DATE OF NEXT MEETING</b>	
12.1	<p><b><u>Noted</u></b> that the next scheduled meeting of the Board is Wednesday 14 June 2023 at 6pm and that this will be a hybrid meeting.</p>	<b>Note</b>
12.2	Meeting was closed at 19:20	