

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 13 March 2024  
at 6.00 pm Hybrid Meeting - Office and Zoom Video Conference Call

**PRESENT:**

Donna Bogdanovic	Brian Wilkie
David Bond	Tom Mallatratt
Clare Marshall	John Dalley
Barbara Shearer	Gayle Templeton
Bill Takhar	Caron Quinn
Rebecca McLean	

**IN ATTENDANCE:**

John McMorrow, Chief Executive  
Kirsten Dean, Depute Chief Executive  
Rich Murdoch, Head of Asset Management  
Jane Burnett, Head of Housing  
Dan Hughes, Communications & Corporate Services Manager (minute)

#### D BOGDANOVIC IN THE CHAIR

	Agenda Item Details	Action Required
1a.	<b>CHAIR'S OPENING REMARKS</b>  The Chair welcomed everyone to the meeting.	
1b.	<b>DECLARATIONS OF ANY OTHER BUSINESS</b>  <u>Noted</u> that there was one other item of competent business.	<b>Note</b>
1c.	<b>DECLARATIONS OF INTEREST</b>  <u>Noted</u> that declarations from Ironmills Directors were duly noted.	<b>Note</b>

	Agenda Item Details	Action Required
1d.	<p><b>Noted</b> one possible new declaration of interest. One member mentioned that they have recently joined another Board.</p> <p><b>APOLOGIES</b></p> <p><b>Noted</b> that apologies were received from Paul Cameron, Christine Moore and Cathy Hanlan.</p>	<p><b>Note</b></p> <p><b>Note</b></p>
2.	<p><b>MINUTES OF PREVIOUS BOARD MEETING 7 FEBRUARY 2024</b></p>	
2.1	<p><b>Noted</b> that the Chair invited the Chief Executive to lead on the minutes on behalf of the Secretary.</p>	<p><b>Note</b></p>
2.2	<p><b>Noted</b> that there was one question about the rent increase discussion, asking whether cost increases were mentioned.</p>	<p><b>Note</b></p>
2.3	<p><b>Noted</b> that members agreed that these were a true and accurate minute of the above meeting. The minutes were <b>approved</b> by Donna Bogdanovic and <b>seconded</b> by John Dalley.</p>	<p><b>Note</b></p> <p><b>Approve</b></p>
3.	<p><b>MATTERS ARISING AND OUTSTANDING ISSUES</b></p>	
3.1	<p><b>Noted</b> that the Chief Executive explained that in order to prevent the report getting too detailed he was requesting:</p> <ol style="list-style-type: none"> <li>1. The removal of the statement of benefits to staff as it is has been issued as part of the 2024/25 pay award details.</li> <li>2. Moving incentives for void turnover and style of Housing report to future worktable.</li> <li>3. Removal of completed items from register as noted in the matters arising report.</li> </ol>	<p><b>Note</b></p>
3.2	<p><b>Noted</b> that a question was asked about the depreciation of hardware, and it was reported that this is depreciated based on the useful life of the component.</p>	<p><b>Note</b></p>

	Agenda Item Details	Action Required
3.3	The Board <b><u>noted</u></b> the contents of this report and <b><u>approved</u></b> the requested changes.	<b>Note/ Approve</b>
4.	<b>DEVELOPMENT REPORT</b>	
4.1	<p><b><u>Noted</u></b> that the Head of Assets updated Board on the latest Development activity including:</p> <ul style="list-style-type: none"> <li>▪ Item redacted commercially sensitive.</li> <li>▪ Handover of the final units at Pentland Green with Taylor Wimpey due to leave the site this month.</li> <li>▪ Oak Place progressing well with an expected handover in August/September. A visit for Board members who wish to see the new homes will be arranged for later in the year.</li> <li>▪ Grant offer now received to buy the Newbattle site and recover costs.</li> <li>▪ Site investigation work now underway at the top of Old School Crescent.</li> </ul>	<b>Note</b>
4.2	<p><b><u>Noted</u></b> that a discussion then took place on sustainability, biodiversity and the measures developers are putting in place to meet Net Zero. The Head of Assets replied that developers only meet current not future requirements and that organisations like Melville have limited influence due to the small scale of social developments. He added that we have looked at models such as Passivhaus, but it comes down to cost and the grant funding available. Cost is currently prohibitive as recently demonstrated by a Midlothian Council Passivhaus development that was twice as expensive as conventional housing.</p>	<b>Note</b>
4.3	<p><b><u>Noted</u></b> that a question was asked about who carried out the valuations at Newbattle, now at the final stages of legals. It was agreed that the safety net of a potential Council buy back should the project not prove viable was positive.</p>	<b>Note</b>
4.4	<p><b><u>Noted</u></b> that it was pointed out that there are several current obstacles to development including planning delays across the country due to a shortage of planners and Scottish Government cuts to the housing budget. In Midlothian this</p>	<b>Note</b>

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4.5	<p>is exacerbated by the dominance of the Council who take the lion’s share of funding and projects.</p> <p><b>Noted</b> that the Board passed on their thanks for a good report and for the work done and the recent positive press coverage surrounding Pentland Green.</p>	<b>Note</b>
5.  5.1	<p><b>GOVERNANCE REPORT</b></p> <p><b>Noted</b> that the Chief Executive gave an update on governance saying that:</p> <ul style="list-style-type: none"> <li>▪ Work would begin shortly on the new corporate strategy</li> <li>▪ One FOISA request had been received since the last meeting</li> <li>▪ Board training priorities from the recent survey are: <ol style="list-style-type: none"> <li>1. General refresher</li> <li>2. Net zero/sustainability</li> <li>3. Digital training (with a link to VBR)</li> <li>4. Understanding frontline staff activities</li> </ol> </li> <li>▪ Around 18 additional electrical reports have been received since the Board papers were published. This will continue to improve.</li> <li>▪ After discussions with the SFHA they are reluctant to reduce their annual subscription. There was a brief discussion about the benefits of SFHA membership including access to HACT funding (Melville is a lead bidder receiving £60k across the two funds) which is administered by the SFHA. All members of SMT felt there were definite benefits but agreed to canvas staff ahead of the next renewal to find out how many used things like training. It was agreed that everyone, including Board members, should be getting value from the membership and that SFHA should be invited to make their case to the Board later in the year.</li> <li>▪ All policies revised by staff are on VBR with significant changes clearly identified.</li> <li>▪ Future use of the Corn Exchange was being considered. There had been a recent meeting with</li> </ul>	<b>Note</b>

	Agenda Item Details	Action Required
5.2	<p>Midlothian Council to discuss use of the office as part of plans for a community hub. Clarification was provided on the office opening hours (closed entirely on Fridays and closed on Mondays but with staff working remotely). Monitoring had shown no evidence there is unmet demand for services outside Tuesday - Thursday. There were never more than two visitors on Mondays when monitoring took place.</p> <p>The Board <b>noted</b> the contents of this report.</p>	<b>Note</b>
6.	<p><b>QUARTERLY FINANCE UPDATE</b></p>	
6.1	<p><b>Noted</b> that the Depute Chief Executive gave an update on the headline figures for the quarter.</p> <ul style="list-style-type: none"> <li>▪ £1.1m surplus is ahead of forecast</li> <li>▪ £57k total income also ahead of forecast</li> <li>▪ Some expenditure items are more than budgeted, others less</li> <li>▪ One outstanding insurance claim</li> <li>▪ Underspend on tenant participation budget due to soundproofing</li> <li>▪ Underspend on employment costs due to two posts not being filled</li> <li>▪ Saving on consultancy spend (Limekilns)</li> </ul>	<b>Note</b>
6.2	<p><b>Noted</b> that a brief discussion took place surrounding the figures. It was agreed that for the year-end figures the actual budget would be presented against forecasts. A question was asked about the impact of interest cover against a lower surplus. Figure will be provided however overall financial position remains healthy.</p>	<b>Note</b>
6.3	<p><b>Noted</b> that a brief discussion took place about the (redacted) project with background provided for new members. Things have been quiet recently and the next report is due in June however no additional fees are expected.</p>	<b>Note</b>
6.4	<p>Board <b>noted</b> the contents of the report.</p>	<b>Note</b>

	<b>Agenda Item Details</b>	<b>Action Required</b>
<b>7.</b>	<b>BAD DEBT AND CREDIT WRITE OFFS</b>	
7.1	<b><u>Noted</u></b> that the Depute Chief Executive requested permission to write off bad debts to the value of £1,664 and credits worth £1,351.	<b>Note</b>
7.2	<b><u>Noted</u></b> that a brief discussion took place during which it was explained that the debts would be reinstated should a former tenant reappear, and that credit could be paid to next of kin should they come forward. The process of chasing debts was briefly outlined, explaining that it is a team effort involving both finance and housing but that no debt under £60 was pursued as these smaller debts are uneconomical.	<b>Note</b>
7.3	<b><u>Noted</u></b> that there was an observation that the bad debts write offs are much lower than in the past. The explanation was given that they have been made a higher priority and that there are now more staff in the team to pursue the debt.	<b>Note</b>
7.4	The Board <b><u>noted</u></b> the contents of this report and <b><u>approved</u></b> the write offs. They also passed on their gratitude for the team's hard work improving the figures.	<b>Note/ Approve</b>
<b>8.</b>	<b>IDL 10-YEAR FORECAST</b>	
8.1	<b><u>Noted</u></b> that the Depute Chief Executive gave a brief update on the 10-year forecast for Ironmills (IDL) a Melville subsidiary company explaining that the 10-year plan had been approved at a meeting of the IDL Board on 21 February 2024.	<b>Note</b>
8.2	<b><u>Noted</u></b> that a discussion took place around the IDL rent (and service charge) increase of 3%. It was explained that Scottish Government regulations around mid-market increases were stricter with 3 months' notice required. Normally they would rise in line with Melville's increase. However, because the properties are newer, maintenance costs tend to be low although this will be monitored as the properties age.	<b>Note</b>

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8.3	<b>Noted</b> that the Depute Chief Executive will provide a more detailed profit and loss breakdown.	<b>Note</b>
8.4	The Board <b>noted</b> the contents of this report and <b>approved</b> the forecast.	<b>Note/ Approve</b>
<b>9.</b>	<b>REGISTERS</b>	
9.1	<b>Noted</b> that there are no updates to the registers.	<b>Note</b>
<b>10.</b>	<b>AOCB - ANNUAL PAY REVIEW (CONFIDENTIAL ITEM)</b>  All Staff left the meeting at this point.	
<b>11.</b>	<b>DATE OF NEXT MEETING</b>	
11.1	<b>Noted</b> that the next scheduled hybrid meeting of the Board is Wednesday 15 May 2024 at 6pm.  Meeting closed at 20:40	<b>Note</b>

**Minutes Approved By:**

**Signature:**

**15 May 2024**